

PORTFOLIO COMMITTEE NO. 4 – INDUSTRY

Thursday 31 October 2019

Examination of proposed expenditure for the portfolio areas

REGIONAL NEW SOUTH WALES, INDUSTRY AND TRADE

UNCORRECTED

The Committee met at 10:30

MEMBERS

The Hon. Mark Banasiak (Chair)

The Hon. Lou Amato

The Hon. John Graham

The Hon. Emma Hurst (Deputy Chair)

The Hon. Trevor Khan

The Hon. Taylor Martin

The Hon. Mick Veitch

PRESENT

The Hon. John Barilaro, *Deputy Premier, Minister for Regional New South Wales, Industry and Trade*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

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The CHAIR: Welcome to the budget estimates supplementary hearing for the portfolio of Regional New South Wales, Industry and Trade. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respect to the Elders past and present of the Eora nation and extend that respect to other Aboriginals present. 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 they must take responsibility for what they 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. Any messages from advisers or members of staff seated in the public gallery should be delivered through the Committee secretariat. Deputy Premier, 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. Finally, everyone present should turn their mobile phones to silent. Deputy Premier, I remind you that you do not need to be sworn as you have already sworn an oath to your office. I also remind all witnesses that they do not need to be sworn as they would have been sworn at an earlier budget estimates hearing of this Committee.

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SCOTT HANSEN, Director General, Primary Industries, Department of Planning, Industry and Environment, on former oath

KYLIE BELL, Executive Director, Industry, Trade and Investment, NSW Treasury, on former oath

GARY BARNES, Coordinator General, Regions Industry Agriculture and Resources, Department of Planning, Industry and Environment, on former oath

The CHAIR: As there is no provision for any witnesses to make an opening statement, we will begin with questions from the Opposition.

The Hon. MICK VEITCH: Deputy Premier, welcome to estimates—and, if the stories are correct, probably your last estimates. Would that be right?

Mr JOHN BARILARO: No, not at all.

The Hon. MICK VEITCH: You are looking at moving to another city?

Mr JOHN BARILARO: No, I think you and I will be exchanging again next year, mate.

The Hon. MICK VEITCH: So you are not leaving?

Mr JOHN BARILARO: Never say never.

The Hon. MICK VEITCH: Stories have got you moving on and I was wondering if you were going to take any of the bureaucrats with you.

Mr JOHN BARILARO: I noticed Jodie is down in the Monaro today.

The Hon. MICK VEITCH: Yes, there you go. Minister, what I want to talk about first is the impact of drought on mines and mining activity. Has there been an assessment conducted of the impact of the drought on our mines in regional New South Wales?

Mr JOHN BARILARO: That is a good question, and probably a question for my Resources delegate if we had them here, but we do not. There is no question that the drought is impacting on mines, and we saw that in Nyngan where there is the reality of 250 job losses because of the lack of water. There is going to be a moment in time, if there is no rain, a continuation, and a deterioration of water supply, when even the allocations for mining companies are going to be under the spotlight, and that is something that we do have to look at. Have we had a broad assessment across the board? Mr Barnes, have we done anything in that space?

Mr BARNES: Thank you, Deputy Premier. Yes, the Deputy Secretary for Resources and Geoscience has been working with the Department of Primary Industries [DPI] Water to make an assessment around the impact of the anticipated constraints of water availability, and what they will be and how they can be mitigated. That work has been ongoing for quite a while, and of course some of the mines that are in locations that we know have challenges with water inflows have been working on mitigation strategies, in particular, working with James McTavish who has taken on an additional role in respect to water availability for towns.

The Hon. MICK VEITCH: Deputy Premier, we heard on Monday from Mr Collins during the Transport supplementary hearings that there have been two instances where water has been trained for mine use—up to about 800,000 litres. Do we envisage that this may be a more regular occurrence, or is that a one-off to assist those mines?

Mr JOHN BARILARO: I cannot answer if water was being carted to a community for mining, I do not have that in front of me, so I have to take your word for that. We will definitely be trucking or training water into communities in relation to water supply for communities, but—

The Hon. MICK VEITCH: This was specifically for mines.

Mr JOHN BARILARO: I cannot answer that because we are cutting allocations right across the board, including mining. There are companies that are going to have to make decisions around that; they are looking at other opportunities to recycle. At this stage I am not aware of it and it is not on my radar, but it may be something that I need to take on notice.

The Hon. MICK VEITCH: If you could take it on notice, that would be good.

Mr JOHN BARILARO: Yes.

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The Hon. MICK VEITCH: Some mines, as we know, have already started downsizing because of issues around the drought and lack of water. What is the process of taking these mines into a care and maintenance process if they have to do that because of lack of water?

Mr JOHN BARILARO: Can I refer to Mr Barnes?

Mr BARNES: I am going to have to take that on notice as well. I would point out that there has been some curtailment of operations in some mines around the State—one in particular is Endeavour out at Cobar.

The Hon. MICK VEITCH: Yes.

Mr BARNES: But that was not to do with water; it was to do with the global price of the product that they were mining. There will be particular requirements for putting any mining operation into care and maintenance. We will assist the mines to do that in such a way that they can restart. That was something that the Government did for the millennium drought as well.

The Hon. MICK VEITCH: I am happy for you to take that on notice.

Mr BARNES: Yes.

The Hon. MICK VEITCH: People talk about the impact of drought on farmers in the agricultural community, but there is a broader impact. The Government budgets for the royalty take each year—I think it is about \$1.6 billion or \$1.8 billion this year in the budget papers—but clearly there is going to have to be a recalculation of that royalty take because the mines are downgrading, essentially because of lack of water. Has that work been conducted?

Mr JOHN BARILARO: That would be for Treasury, I mean Treasury forecast. We have the mid-year review coming up and that will be something for Treasury to consider when it puts out its mid-year review. It re-evaluates GST, stamp duty—every revenue stream.

The Hon. MICK VEITCH: Yes, that is the purpose of the mid-year review.

Mr JOHN BARILARO: Right now there is no mine that has been paused or has shut down because of lack of water, but over the next 12 months, if we do not get the water supply, we are in a serious condition, and of course it will impact on revenues for the Government going forward. But that is something for Treasury to model, not for my agency.

The Hon. MICK VEITCH: Can I move on to the scoping of the Forestry Corporation sale, franchise, lease—whatever it is going to be called.

The Hon. JOHN GRAHAM: Today.

The Hon. MICK VEITCH: Yes, today. As you would know—a lot of members of Parliament would not, but those who live in and around those areas would—Forestry Corporation, particularly in softwood plantation, builds its own roads, and often they are very good roads that it constructs and maintains. Is the road network going to be part of this scoping, Deputy Premier?

Mr JOHN BARILARO: The answer is this, simply: It is a scoping study in relation to the pine plantation estate in New South Wales for Forestry Corporation; so it is not Forestry Corporation as a whole, it is the pine plantation. Is there an opportunity to grow the plantation, the estate, and what would be the net benefit back to the community? I can assure you that from the conversations I have had with the agencies and Forestry Corporation there are a number of other considerations that need to be put in place, such as, of course, job security, the road network, and rates—rating for councils.

The Hon. MICK VEITCH: Rateability, yes.

Mr JOHN BARILARO: There is a range of things that you would have to consider as, I would say, benefits to such a transaction. This cannot be, in my mind, a clear monetary transaction; it needs to be a transaction that delivers a positive outcome to issues we have all faced in the bush. We know that the impact of logging trucks on local roads for councils is significant. There is an argument that you should probably have a Resources for Regions program that supports councils that are impacted by logging trucks, because it is a resource like any other. Therefore, there are a number of items I would say are in the scoping study, but Mr Hansen might like to say something further.

Mr HANSEN: Just to reiterate what the Deputy Premier said in terms of the scoping study's actual intent, it is to look at all of those factors and work out what is the forward solution and what are the options with regard to all the assets associated with that softwood plantation activity.

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The Hon. MICK VEITCH: As a part of that, one of the more important aspects of the softwood plantation is its fire maintenance and fire management regime.

Mr JOHN BARILARO: Yes.

The Hon. MICK VEITCH: I guess there are a number of people in those communities concerned about what will happen if it is eventually sold off, franchised, leased or whatever. Is part of the scope, or consideration, the community benefit of having an organisation like that around?

Mr JOHN BARILARO: Absolutely. We have all seen it. You know down our way, when Willmotts went belly up in the Bombala region and that estate remained there for years and years while it was disputed through the courts, it became an issue because no-one was doing fire management, and dogs, pigs, all the pest animal issues were impacting on neighbouring farmland. All these considerations will have to be taken into account. This is a broad scoping work in relation to pine plantations and their future but also the benefits back to community if there was a transaction.

The Hon. MICK VEITCH: Is the Blowering Nursery, which is a spectacular asset, part of the scoping?

Mr JOHN BARILARO: Yes, it would be. Is it two nurseries or just the one?

Mr HANSEN: It is Blowering. All the assets and all of the roles and responsibilities are part of that scoping. It is intended to deliver advice and options to government in terms of being able to meet ongoing community expectations as well as how to maximise the benefits to community.

The Hon. JOHN GRAHAM: Deputy Premier, I want to turn first to the number one land-use conflict in your area—that is, the conflict between coal seam gas and farming, and the key report into it. Last time I asked about it you were not aware of it. Are you now aware of the chief scientist's report into coal seam gas regulation?

Mr JOHN BARILARO: Yes, I am aware of it and of the recommendations from that report. I think I touched on last time that 14 out of the 16 recommendations are either completed or coming.

The Hon. JOHN GRAHAM: Why have the others not been?

Mr JOHN BARILARO: Off the top of my head, recommendation 4 is being worked through as we speak and there is another recommendation the department of environment—

Mr BARNES: Environment Protection Authority [EPA].

Mr JOHN BARILARO: — EPA—is working through as we speak.

The Hon. JOHN GRAHAM: You met with Santos. You did not raise this report. That was what you told us last time.

Mr JOHN BARILARO: Absolutely.

The Hon. JOHN GRAHAM: I would have expected you would have but you did not. Did you have a public servant present in that meeting?

Mr JOHN BARILARO: I have met with Santos, as I meet with all stakeholders across all my responsibilities.

The Hon. JOHN GRAHAM: I am referring to the meeting in your diary.

Mr JOHN BARILARO: Santos met with me in pitching their view of the project at Narrabri.

The Hon. JOHN GRAHAM: Did you have a public servant in that meeting?

Mr JOHN BARILARO: I have to take that question on notice. I cannot remember every single thing.

The Hon. JOHN GRAHAM: The agency says you did not have a public servant present. You did not raise the key regulatory report. You did not have a public servant present. Was that report in your incoming briefs as Minister?

Mr JOHN BARILARO: It is very possible but, again, I will take that question on notice.

The Hon. JOHN GRAHAM: The agency says it was in your incoming briefs. Did you just not read it?

Mr JOHN BARILARO: Possibly.

The Hon. JOHN GRAHAM: It sounds pretty sloppy, Minister.

Mr JOHN BARILARO: Not at all because when you are—

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The Hon. JOHN GRAHAM: Farmers are worried about this issue.

Mr JOHN BARILARO: No.

The Hon. TREVOR KHAN: Point of order: The point of order is the one that I took on the previous occasion. The member is entitled to ask questions. The Minister is entitled to answer them. It is not time for dramatics. The member should not interrupt the Minister as he is replying.

The Hon. JOHN GRAHAM: I am happy to move on, Chair.

Mr JOHN BARILARO: No, I think I have a right to answer that.

The Hon. JOHN GRAHAM: Your colleague is trying to stop you.

The Hon. TREVOR KHAN: No, I am just asking for some civility on your part.

Mr JOHN BARILARO: The point that you have made—my job as the resource Minister is to advocate on behalf of the industry. In relation to planning this issue, it is up to the planning—

The Hon. JOHN GRAHAM: How do you think the farmers of New South Wales would feel about that?

Mr JOHN BARILARO: I am in the middle of answering my question. The planning Minister makes all planning decisions and we as a Government have put in place one of the toughest regimes when it comes to coal seam gas. I advocate on behalf of farmers, Mr Graham, every day that I spend outside of the Parliament.

The Hon. JOHN GRAHAM: You have just said you see your role as Minister to advocate for the resources sector. How do you think the farmers from New South Wales feel about that statement?

Mr JOHN BARILARO: I also just said, as the Minister for regional New South Wales, I spend pretty much every living daylight hour outside of Parliament advocating for farmers, especially in this drought. I have heard very little from the Labor Party in relation to drought, Mr Graham.

The Hon. JOHN GRAHAM: We have just been asking questions about it here.

Mr JOHN BARILARO: I wonder where your position is in supporting farmers.

The Hon. JOHN GRAHAM: I want to turn to Restart NSW. I was asking about the proportion of it that goes to the bush. At the last estimates you said:

So in real terms 29 per cent of that fund has already been either allocated or spent.

You referred repeatedly to that 29 per cent when I was asking how much in this budget has been allocated to the regions. We have now got back the responses from your agencies. That figure of 29 per cent is wrong, isn't it? It is much lower than that when it comes to what is—

Mr JOHN BARILARO: What is it? You must have the answer.

The Hon. JOHN GRAHAM: I do have the answer because your agency gave it to me. It is 27.4 per cent going to the bush. Why do you keep talking about 29 per cent?

Mr JOHN BARILARO: The answer to that will be the same reason that the former shadow Treasurer for Labor said that the Health budget was 28 per cent of the budget and he got that fundamentally wrong—to the tune of about \$10 billion.

The Hon. JOHN GRAHAM: This is your agency's answer, though. You are not suggesting it is wrong?

Mr JOHN BARILARO: At the end of the day, Mr Graham, you have never supported the Restart fund or the recycling of assets fund.

The Hon. JOHN GRAHAM: This is your policy commitment.

Mr JOHN BARILARO: It is. It is our policy that 30 per cent of that fund will hit rural and regional New South Wales, as I explained last time.

The Hon. JOHN GRAHAM: That is not going to happen in this budget or this forward estimates. You will agree with that?

Mr JOHN BARILARO: It will happen in this term. There is no doubt that—

The Hon. JOHN GRAHAM: It will not happen in this term on your budget estimates.

The Hon. TREVOR KHAN: Point of order—

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Mr JOHN BARILARO: Mr Graham, while we have some mega projects in Sydney happening, that skews the point in time when it comes to infrastructure and the allocation.

The Hon. JOHN GRAHAM: I agree with that.

Mr JOHN BARILARO: Secondly, as you would be aware and Mr Veitch would be aware as he travels the State, we also allocate funding to councils and significant infrastructure spend in the regions. Councils do not have the capacity in pushing through these projects. Secondly, we also have money reserved and money awaiting Federal funding. I have answered this question in the past.

The Hon. JOHN GRAHAM: I agree with those observations; I think you are spot on about that.

Mr JOHN BARILARO: Great. I appreciate that.

The Hon. JOHN GRAHAM: The only way that you can get this up to 29 per cent—and this is your agency's advice—is also including expenditure that may occur after the budget and forward estimates period. The agency gives the example of the Broken Hill water pipeline. It has been delivered. It is subsidised out of Restart for years to come. It is only if you count that that you can get up to 29 per cent. That is years in the future.

Mr JOHN BARILARO: No, Mr Graham, in the midst—

The Hon. JOHN GRAHAM: Do you accept in this budget, in this forward estimates, before the next election, you will never hit 30 per cent or 29 per cent? You might hit 27 per cent.

Mr JOHN BARILARO: Point-four. You just shaved off 0.4.

The Hon. JOHN GRAHAM: I will give you the 0.4.

Mr JOHN BARILARO: Thank you for the 0.4.

The Hon. JOHN GRAHAM: You might hit that.

Mr JOHN BARILARO: I disagree and I will tell you why I disagree. As you have already seen in this year's budget, we are fast-tracking infrastructure because of the impact of the drought. It gives us an opportunity to bring forward some other significant projects in regional and rural New South Wales, no different to the dams announcement that we have just made. Not only are we just doing the \$650 million for Wyangala, but we have also brought forward Dungowan and Mole River and the emergency infrastructure. Some of this will come out of Restart.

The Hon. JOHN GRAHAM: But have you not described the key problem—

The Hon. TREVOR KHAN: Point of order—

The Hon. JOHN GRAHAM: You let the Libs spend the money on the metro and WestConnex and you will never catch up in the bush.

Mr JOHN BARILARO: No. The beauty here is that we have legislated—

The Hon. JOHN GRAHAM: That is what the budget says; that is what the Treasurer has signed off on. He has just run this over the top of you.

Mr JOHN BARILARO: We have legislated for 30 per cent of this fund to always be in regional and rural New South Wales. The greatest threat to that 30 per cent—

The Hon. JOHN GRAHAM: In the never-never; it is never going to happen.

Mr JOHN BARILARO: —is if you guys win because we know you would rape and pillage out of the fund for the city.

The Hon. JOHN GRAHAM: I will turn to another issue, Deputy Premier. The Growing Local Economies [GLE] fund, the last time we talked about it, was paused. Is it still paused?

Mr JOHN BARILARO: We will be making some significant announcement off the back of GLE but I am happy for Mr Gary Barnes to talk to it.

The Hon. JOHN GRAHAM: I simply want to ask Mr Barnes if it is still paused as of today.

Mr BARNES: Yes, it is.

The Hon. JOHN GRAHAM: Thank you. Deputy Premier, when did you first become aware that the Small Business Commissioner had been sent on gardening leave?

Mr JOHN BARILARO: That is a question for the small business Minister.

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The Hon. JOHN GRAHAM: I am asking you. When did you first become aware of that as Minister?

Mr JOHN BARILARO: Now—10 seconds ago.

The Hon. JOHN GRAHAM: Thank you. Very good. I will ask you now about Jobs for NSW. There is currently no CEO and no board. This is under review. Where is that review up to?

Mr JOHN BARILARO: That is a question for the responsible Minister. Jobs for NSW does not sit with me. I have said this to you previously.

The Hon. JOHN GRAHAM: It does not sit with you because it was taken off you. We have talked about this before.

Mr JOHN BARILARO: No. I got a promotion and some significant portfolios.

The Hon. JOHN GRAHAM: And you left Jobs for NSW in a smoking ruin.

Mr JOHN BARILARO: Not at all. Jobs for NSW has invested significantly in supporting businesses and regional and rural New South Wales and metro, some significant technology companies and some agricultural companies—some great ones down the coast and in the north-west.

The Hon. JOHN GRAHAM: Tell us about the regional NSW investment attraction fund. This is under review, suspended?

Mr JOHN BARILARO: Mr Graham, this is a question you should be directing to the responsible Minister. It is not for me. We are in the budget estimates to talk about my responsibility.

The Hon. JOHN GRAHAM: The Jobs for NSW fund is suspended. Is that accurate?

Mr JOHN BARILARO: It is not with me. You need to refer your questions to the appropriate Minister.

The Hon. JOHN GRAHAM: The reason I am asking you—is the Go NSW Equity Fund suspended?

Mr JOHN BARILARO: No. You can ask the appropriate Minister. I am the Deputy Premier with my portfolios—

The Hon. JOHN GRAHAM: You were happy to answer questions about Go NSW last estimates.

Mr JOHN BARILARO: Mr Chair, I come back to you that when you started today's Committee hearing, you introduced me as the Deputy Premier or this Committee in relation to industry, trade, resources and regional New South Wales. This is outside the bailiwick of my responsibility.

The Hon. JOHN GRAHAM: You are the Deputy Premier. Will you accept, though, that it is your fault, that Jobs for NSW has been shut down and that these funds are now under review after what you did with the surf and turf scandal?

The Hon. TREVOR KHAN: Point of order—

Mr JOHN BARILARO: Mr Graham, you have an ability to ask an appropriate question of a Minister. You do not get to make statements such as that and hide behind parliamentary privilege.

The Hon. TREVOR KHAN: My point of order relates to precisely what the Deputy Premier has said. He has indicated that these are not his areas of responsibility. Mr Chair, your opening observations dealt with the issues of procedural fairness, which include the issue of relevance. These matters are not relevant to this inquiry and should be ruled out of order. The member should move on.

The Hon. JOHN GRAHAM: I am happy to move on. I am only raising these because it is your responsibility that all these programs were shut down.

Mr JOHN BARILARO: No, they are not.

The Hon. TREVOR KHAN: Point of order: That is just outrageous. The member knows how this operates and it does not operate on the basis of him grandstanding by simply making outrageous statements. If he wants to ask about budget estimates—matters relevant—he should do so, otherwise somebody else should take the floor.

Mr JOHN BARILARO: Maybe Mr Gary Barnes can enlighten you?

The CHAIR: Let me just finish the point of order, noting that the member was going to move on but also noting the Deputy Premier's comments about relevance.

The Hon. TREVOR KHAN: It is outrageous.

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The CHAIR: In some ways you were relevant—in other ways you were not. You are talking about jobs for New South Wales. Obviously, industry is directly related to jobs but the relevance was a little bit loose. If you can just be a little bit tighter on your relevance. Mr Barnes?

Mr BARNES: In relation to the Regional Investment Attraction Fund that you mentioned, that certainly is not suspended. In fact, I believe that the Government will be in a position to make some significant announcements about footloose industries that otherwise would have gone to other jurisdictions in regional New South Wales over the next two weeks. That certainly is ongoing.

The Hon. JOHN GRAHAM: I look forward to it.

The Hon. MICK VEITCH: Deputy Premier, if I could. In answers to supplementary questions from the previous hearing, if I go to question 315, it talks about the then resources Minister established an independent review of the mining and petroleum industry administrative levy. The last sentence is, "the Minister is considering the results of this review." This is the independent review of the mining and petroleum industry administrative levy. To further answer that—"the Minister is considering the results of this review"—what is the timeframe for the response and have you received the review?

Mr JOHN BARILARO: I will have to take that question on notice.

The Hon. MICK VEITCH: Okay. There was a loose minute of time.

Mr JOHN BARILARO: No worries. I will respond to that.

The Hon. EMMA HURST: Good morning, Deputy Premier. At the last budget estimates we talked about the term "domestic terrorists". This Committee did an inquiry into the Right to Farm Bill and we heard from the NSW police that the leading cause of farm trespass is actually illegal hunters. We have also heard that farmers—in the night—will often hear gunshots and be quite frightened of that. Would you say that illegal hunters are also equivalent to domestic terrorists?

Mr JOHN BARILARO: At the end of the day, all those trespassers terrorise our families in remote and isolated communities. But let us not hide from the reason that particular piece of legislation has hit the House. That is because of what has happened this year, predominantly. An organised syndicate of trespassers—they were not hunters—

The Hon. EMMA HURST: But the NSW police said that the two primary causes of trespass is illegal hunters and people coming to steal farm equipment, as the second highest. They were not able to give any statistics to suggest there has been an increase in people going onto farms to collect evidence of animal cruelty.

Mr JOHN BARILARO: Look, anyone that terrorises our families—if they are going on to pinch some equipment or the tractor, or illegal hunting on private property, or the many that have decided to chain themselves to infrastructure in the name of animal welfare—if you are terrorising our families, I consider you a domestic terrorist.

The Hon. EMMA HURST: So that would include the illegal hunters?

Mr JOHN BARILARO: Yes.

The Hon. EMMA HURST: Thank you. I wanted to ask you some questions in regards to your comments about labelling laws around what has been described by the National Party as "fake" foods and this ad in particular which you probably—

Mr JOHN BARILARO: I am probably not aware of what you are holding up there. My eyesight is not so crash hot, sorry.

The Hon. EMMA HURST: Would you like a copy?

Mr JOHN BARILARO: Unless I can borrow Kylie's glasses?

Ms BELL: They are not for that.

Mr JOHN BARILARO: Are there comments there by me?

The Hon. EMMA HURST: Yes.

Mr JOHN BARILARO: Can I have a look please?

The CHAIR: It could be fake news about fake news.

The Hon. TREVOR KHAN: Is this about almond milk or something?

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The Hon. EMMA HURST: Apparently almonds are fake.

The CHAIR: What time do you get up in the morning to milk an almond?

The Hon. TAYLOR MARTIN: It depends if it is daylight saving or not.

Mr JOHN BARILARO: So what is your question, sorry?

The Hon. EMMA HURST: So my question, in the last budget estimates hearing we spoke about lab grown meats and increasing plant-based meat alternatives and, I think, I have asked some questions in the House which you have given some good responses to. You have said that as we grow as a population, we are going to have to be able to feed people—

Mr JOHN BARILARO: Yes, I agree.

The Hon. EMMA HURST: —and we should be looking at every alternative in relation to being able to deliver proteins. Do you think that calling non-animal alternatives "fake" and then targeting them through labelling laws is a productive way to support these new and emerging products?

Mr JOHN BARILARO: I do not think it is about calling them "fake". But I think it is appropriate—

The Hon. EMMA HURST: But the ad specifically says "fake" right next to a pile of almonds.

Mr JOHN BARILARO: With fake food. I do not believe that soy should be classed as soy milk. Milk comes from a cow or a goat or a sheep or another animal.

The Hon. EMMA HURST: But soy milk has been around for many years. So I do not think people are going to be fooled into thinking it comes from the glands of a mammal.

Mr JOHN BARILARO: Yes. We should be labelling food appropriately. I think it is inappropriate to be—any food processed in a lab dish or created out of a lab dish should have appropriate labelling. You cannot call something meat if it was not—

The Hon. EMMA HURST: But would the word "fake" be appropriate?

Mr JOHN BARILARO: I think you have over read this fantastic bit of propaganda by the National Party—

The Hon. EMMA HURST: Which says "fake". Which specifically has the word "fake" next to—

Mr JOHN BARILARO: Absolutely. "Fake" food, "fake" news. It caught your attention. I think we achieved what we set out to do.

The Hon. TREVOR KHAN: It got more than your attention. It has got your outrage going.

Mr JOHN BARILARO: Can I say, in all seriousness, the future is beyond what we know today. As I said last time, there has been significant work done by universities in growing protein in a way that we have never seen before. Algae is a great example. We are going to change what food looks like going forward and as a growing globe, we need to deal with that. But I think it is appropriate that we start making sure we differentiate between what we traditionally see as meat or milk or dairy product—

The Hon. EMMA HURST: How would you differentiate that?

Mr JOHN BARILARO: Appropriate terms. By making sure it is clear to the consumer that they understand the origin of the food that they consume.

The Hon. EMMA HURST: Do you have any idea about what those terms would be?

Mr JOHN BARILARO: No, that would not be for me. That would be for smart people that go to university—or in the advertising world.

The Hon. EMMA HURST: I am assuming that would also go on to the soybean industry. We have heard recently that soy milk is actually more popular than energy drinks, which is a good thing considering it has got a lot of health benefits. Soybean farmers are doing it very tough because of the drought. Do you think that now is a good time to be accusing soybean farmers of producing "fake" foods, with ads that say "fake"?

Mr JOHN BARILARO: No, we are not because they produce soybeans. But do they produce soy milk? The answer is no.

The Hon. EMMA HURST: They produce the beans for the milk.

Mr JOHN BARILARO: I should make it clear that I do use soy milk in my coffee.

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The Hon. TAYLOR MARTIN: A shock revelation.

The CHAIR: Outrageous.

Mr JOHN BARILARO: I get a lot of criticism for that.

The CHAIR: So you should.

Mr JOHN BARILARO: We support our agricultural sector and soybeans are real food. It is about labelling and using the term "milk", when it comes to soy or almonds or anything else. That is all we are saying.

Mr HANSEN: If I might just add there, the agricultural Ministers met last week in Melbourne to discuss this topic. You will have seen it in the communiqué that came from there. There are two key facets that need to be dealt with here. Firstly, with an increasing number of people with significant allergens and allergic reactions, ensuring that foods are appropriately labelled so that people know what the ingredients are that they are going to be eating and making sure—from a health perspective—that we are providing the advice that people need to make decisions around the health impacts of the foods. Secondly, is truth in labelling. Whilst there might be arguments around the knowledge around something like almond milk, we are seeing branded products such as chicken spelt "chick'n" to trick or convince consumers—

The Hon. EMMA HURST: Do you think that they are trying to trick them or do you think that it is more to say, "This is like this product, this is what it would taste like."

Mr HANSEN: I guess this is what the consumer law Ministers, when they meet, will need to consider: How far do you need to go to protect labelling and have truth in labelling? The fast emergence and, what one can only assume would be the ongoing, sustainable consumer demand for these products, warrants that they have clear, unambiguous brands on which they can build their own success and not necessarily have to continue to be linked to—this product is like this product.

Those two key aspects are really where the conversations are going to need to be. One about making sure that all products clearly articulate what their ingredients are so that health decisions can be made. Secondly, the ones around ensuring that there is truth in labelling so that consumers, in the same way we would expect in any protection of brands, trademarks or truth in labelling elsewhere, are able to build loyalty to a brand based on what they know it is.

The Hon. EMMA HURST: Mr Hansen, would that extend to the report tabled yesterday from an inquiry into the use of battery caged eggs, which recognised that a huge percentage of the caged egg market was within products where they were not labelled as including caged eggs?

The Hon. TREVOR KHAN: Point of order: This is really getting beyond budget estimates for the Deputy Premier. It seems we have now lurched into—

The Hon. EMMA HURST: I could move it to the afternoon.

The Hon. TREVOR KHAN: —agriculture between 3.30 p.m. and 6.35 p.m. It is a long bow.

The Hon. EMMA HURST: I just thought it was in relation to what he was talking about regarding the advertising.

The Hon. TREVOR KHAN: It is a long bow. I do not want to be Mr Grump.

The Hon. EMMA HURST: I thought it was continuing the conversation now, rather than this afternoon.

Mr HANSEN: I guess the Government will have to look at and consider its response to that series of recommendations from the committee. I am sure that its response will be in line with the drivers around the labelling for either health or around truth in labelling and information for consumers. I am sure those will continue to be the two key drivers as the Government considers those recommendations from the report yesterday.

The Hon. EMMA HURST: Thank you.

The CHAIR: Deputy Premier, on 19 October you made a statement in the media that said, "Its three years, everyone knows it, and we are still in the depths of drought. God help us."

Mr JOHN BARILARO: Yes.

The CHAIR: Do you think that last point of your statement about God helping us was probably not very helpful to the people in regional and rural New South Wales? Do you think it might create the impression that the Government has sort of thrown its hands up in the air and said, "We cannot do any more."

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Mr JOHN BARILARO: No, not at all. Mr Banasiak, as I have said, I am happy to produce my diary. A big part of my work since the election has been travelling rural and regional New South Wales. There is a level of despair out there and hopelessness, and acknowledgement that governments at all levels and communities and businesses and even people—people in Sydney—giving to charities and that reaching so many people across the country. We should acknowledge the generosity of people but the reality is that the despair is there. It is real. We are now moving from the impact on farmers alone to the impact on communities running out of water and we are building emergency infrastructure there. There is a level of despair out there.

The question is, if we have not seen rain in 12 or 18 months to the level that we need, I do not know what else Government can do when we run out of water. I got a question earlier about the impact on mining. My priority right now is that the impact is on industry on one part but it is on people. The reality, if you think about it and break it down and start thinking about dialysis in hospitals in regional and rural New South Wales, which rely heavily on water, we are not going to be able to supply water. Are we going to move patients from rural and regional New South Wales, from the comfort of their homes, to metropolitan areas? The impact is real.

I am a spiritual man and I said, "God help us". The reality is that it is a sense of despair that I am feeling. I get respite because I get come back to Sydney, I get to go home in Queanbeyan and these people—regional communities—live with it. My narrative on the bush, and you have picked up one comment, but if you listen to all my commentary out there, we are throwing everything at this. We will do everything. I have even said publicly, if we have to put the budget into deficit, if we have to borrow money, especially with these record lows, if we have to dismiss programs or pause programs in Sydney—including infrastructure programs—so be it. My job is to make sure that Macquarie Street hears loud and clear. My commentary around "God help us" is the level of desperation that I am feeling, and yet I do not live it every day.

The CHAIR: You talk about running out of water but are we actually running out of water when we are sending 9,000 Olympic-sized swimming pools out to South Australia. We have just seen that Wyangala Dam has released ridiculous amounts of water over the past couple of days to flood a swamp. You were quoted in the media talking about the South Australian drain, have you had a conversation with your Federal counterparts about the idiocy that is going on with these environmental flows?

Mr JOHN BARILARO: Melinda Pavey is the water Minister and she is having those conversations. I expressed those comments and I reaffirm those comments. In the midst of the worst drought, we should pause all water sharing plans—that will upset a whole heap of people and I am sure the environmentalists will now jump up and down—we should pause the Murray-Darling Basin Plan. We need to put people before the environment. I am sorry, but we will have to revisit those environmental issues when the time comes, if the water comes. But right now, it is wrong. You are right. What we read today in the press, again, more environmental flows out to sea and that is where it will all end up—flooding swamps, flooding the red gum forest down off the choke, there. The reality here is that water is running out in real terms in some parts of our State.

In Tenterfield they are not part of any river system—let's be honest here. There are no upstream irrigators. But in Tenterfield, thank goodness we have struck some water with bore number 10. The truth is we are running out of water because the aquifers are drying up, the water is not in the ground and the water is not on the surface. If we do not get the rains, and the inflows to the river systems are about 1.5 per cent of average flows, we know we have a problem. We have an issue. I accept that the environmental flows are really upsetting. So many irrigators, farmers and communities—because it seems we put flora and fauna in front of people. The greatest threatened species that I worry about is actually regional and rural people. The priority now has to be people and communities.

The CHAIR: I agree with you. You mentioned something there about pausing the plan. Can you clarify that? Were you saying that you would look to pause the plan?

Mr JOHN BARILARO: I have actually gone one further. I have said that if the Federal Government—at the end of this review that Victoria and New South Wales were able to force upon the Feds, which should be handed back by the end of December or early January—if we cannot see a change in how the Murray-Darling Basin Plan is working for the people of New South Wales, forget pausing the plan, rip the bloodied thing up and we will walk away. I have said that in public but we should be pausing all water sharing plans at this time. Why? Because we need to put people first.

The CHAIR: Does the Premier actually have the power to rip up that plan? Or does the intergovernmental agreement actually tie her to adhering to this plan?

Mr JOHN BARILARO: I have asked the water Minister to look into what responsibilities and get some legal advice on it. I have asked that question.

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The CHAIR: You would accept, though, Deputy Premier, that your Government has held the Treasury coffers since 2011, and it is only now that we have started talking about building those dams. I know you have been pretty public and open about it, but would you accept that if we had had this forethought and long-term strategic view of things, back in 2011, we might be in a better position?

Mr JOHN BARILARO: Mate, it did not all start on 1 April 2011. For 30 years we have not built a dam in the State—a serious dam.

The CHAIR: I totally agree.

Mr JOHN BARILARO: We have allowed green ideology and the balance of power that they have had in the Houses of Parliament stop us building dams, and that is what has caused a big part of this. We have announced dams. Can I just go back one, though, because it is not just about dams. We have spent \$980 million on 175 water infrastructure projects to shore up water supply for regional and rural communities. Dams are only one part of the solution and the other part is water infrastructure to make sure that we have safe and secure water in regional and rural New South Wales. It is timely but I wish we could have done something before my time. We should have been building dams 20 years ago, but we did not.

I come from the Monaro and I have said this before—we got to celebrate the 70-year anniversary of the Snowy Scheme a couple of Saturdays ago. You know what? We would not build that scheme today: no ifs, no buts. We would use all the data that they had on how to do it and today they would use that data on how not to do it. That is the cultural change we need in bureaucracies, governments, leadership, politicians—the whole lot of us, the community. We have to change the mindset and we have to use the smarts that we have to build infrastructure to futureproof this State, this nation, for the issues that we will face. That, of course, is underpinned by climate change.

The CHAIR: With these dams only three are ever mentioned by your Government: Dungowan, raising Wyangala and, now, Mole River. Ms Pavey now mentions, "and others". Do we know what those others are? With the three that you have mentioned, where are we at in terms of building them? Are we still faffing about with feasibility studies or other shovels in the ground? Where are we at with those?

Mr JOHN BARILARO: These are the three that we have identified under the 20-year water strategy for New South Wales. We have identified projects across the State but these three we know we can get we can get out of the ground. That is why we need to focus on it. Wyangala Dam, we made that as an election commitment and all these projects. That is why we brought legislation into the House so we can deal with the emergency provisions that we will need to truncate processes. All of these particular processes will have to go through the planning process still, but we are saying that we can do that in anywhere between four to six months. If we can do that, go out to tender, there is no reason why this time next year at budget estimates we would have bulldozers in the ground building dams or raising dam walls.

There are plenty of other projects. A lot of councils are doing work—Armidale council is progressing with a bid to come back to us in February to raise Malpas Dam wall. There are a number of projects out there that have not appeared on our radar. This is the time to do it and we have the ability to fund it through the Snowy Hydro Legacy Fund. There are plenty of other projects. That is why the legislation that went through the House, yes, singled out these three particular dams but it also left a whole heap of emergency water infrastructure for us to deal with.

The CHAIR: So we are talking four to six months before we start seeing shovels in the ground. That is what you are hoping for?

Mr JOHN BARILARO: Mate, that is what I am hoping for. That would be better than the three years that we were quoted previously.

The CHAIR: You have been outspoken and said that Tillegra Dam is a no-go. The water Minister said the same thing on *Sky News* the other week but only gave one reason—that there was land that was sold off. Who was responsible for selling off that land?

Mr JOHN BARILARO: Tillegra Dam—

The CHAIR: People are saying that there is—

Mr JOHN BARILARO: They are passionate about it.

The CHAIR: They are passionate about it and they are coming to us and saying—

Mr JOHN BARILARO: That land was sold off by this Government in 2012 or 2013. Correct me if I am wrong but that is my guesstimate. As I recall, the project was cancelled under the previous Government. If you

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look at Tillegra Dam, you look at Welcome Reef Dam, they were dams broadly on the radar for the previous Government. But there are issues around those dams—they are shallow dams. If we have learnt anything from Menindee Lakes, we cannot afford to build shallow dams anymore because of the loss of water through evaporation. There is probably better science to say you can actually get a better outcome building a dam elsewhere in the system. There are those who will be passionate about Tillegra Dam—I get that—but we do not have the land. It is done, it is sold and we now get on with building dams that we know we can deliver.

The CHAIR: Is there any plan to build a dam in the Hunter area? I know you are considering building a desal plant. You are weighing up options of what is better. A shallow dam might be better than a desal plant, let us be honest. We are tinkering with the environment when we start looking at desal plants.

Mr JOHN BARILARO: I am not the water Minister. Under its strategy, I am sure there are a number of different catchments that have been identified for possible infrastructure and there was no reason why in the Hunter that would not be part of it. I could take that on notice and give you a more firm answer.

The CHAIR: I would appreciate that.

The Hon. MICK VEITCH: I go back to mines and the impact of drought on mining activity. One of the things that would be concerning for most of the people in regional New South Wales, but probably the State of the whole, are there any mines that have been deemed critical to the State's economy? For instance, mines that dig coal for generation of electricity. Have there been any mines deemed critical to the State's economy? If we go the next 12 months and there is still no rain—which is the long-range forecast—what are we going to do to make sure that we have those critical elements to keep our economy ticking over?

Mr JOHN BARILARO: My agency in resources works across our cluster with planning and environment. We identify mines that are critical full stop, especially to electricity generation. We are dealing with some of those issues internally at the moment but if we get to a point in time where we have got to make decisions around which mines to switch off and which not to switch off, at the heart of it will be those mines that, for instance, mine coal that are important to supplying our generators. The coal they will need to keep the lights on. Of course, they will have priority and we have identified the mines that we think are important to that. But I do not want to get ahead of myself. I do not want to send panic out there that we are going to be doing all this. We are looking to the horizon in relation to the importance of mining to other factors in our economy and our community.

The Hon. MICK VEITCH: It is not about panic; it is about doing essential work to make sure. You do not want to get to that point and then go, "Oh, we should have done that work."

Mr JOHN BARILARO: No, we are doing that work.

The Hon. MICK VEITCH: Can I go to Resources for Regions?

Mr JOHN BARILARO: Yes.

The Hon. MICK VEITCH: You know my views about this program. In estimates hearings in September when you are asked whether there was a risk of a potential underspend in the 2019 Resources for Regions program, you said, "No. Not at all." Then in answers to questions on notice, we got a list of 11 projects that total up to \$26 million that have been approved for this year. Fifty million dollars is allocated for the program. The remaining funds, is that an underspend or are those funds being held to be spent later in the year?

Mr JOHN BARILARO: Yes. We are still in the 2019-20 financial year. We said we were having a review and, as I understand it, that review has been completed. Now we are engaging with stakeholders in relation to Resources for Regions to finalise the new guidelines. What was evident after that round—and you pointed to \$26 million—as I said at the time, you look at a council like Singleton and say, "They are not impacted yet. They did not get any funding." That is what prompted the review. I made a commitment to the mayor there that we would have the review. That money now sits reserved and will be part of the next round that I expect will open up in early 2020.

The Hon. MICK VEITCH: After each round of the Resources for Regions there has been a review of the criteria. As I understand it, there is a change in that criteria—

Mr JOHN BARILARO: There has been a couple of moments.

The Hon. MICK VEITCH: The fundamental is, if your local government area is impacted upon by the activity of mining that you would be eligible for the program. Then there are some nuances below that. Is that correct?

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Mr JOHN BARILARO: Correct, but we expanded it. A number of years ago, before my time, we expanded it about what impact was.

The Hon. MICK VEITCH: So Newcastle and Wollongong, for instance, got included.

Mr JOHN BARILARO: But as I said, you know there is a failure in the system if Singleton does not get a lick in two rounds and it has not, so there is an issue then. Do not forget, those decisions are made at arms-length and independent of the Government from the working group. They then report back to the Government those projects that have met the criteria. Clearly there is an issue with criteria when Singleton misses out. That is why the review. We are now engaging with the stakeholders. I will be happy very early in 2020 that we will hit the ground running with the new guidelines and spend the rest of that money.

The Hon. MICK VEITCH: The projects that you just mentioned that did not quite meet the criteria, as per the assessment process, with the new criteria will their applications just be automatically pulled forward for the new round to consideration or will they have to resubmit their applications to then meet the new criteria?

Mr JOHN BARILARO: I will just ask Mr Gary Barnes. I do not think we normally do. They all resubmit, do they not?

Mr BARNES: We always look at good applications that might have missed out in a previous round for consideration in subsequent rounds, particularly as criteria change. One of the changes to the criteria, for example, in the early rounds of Resources for Regions was that it must have been mining-impacted infrastructure—it was all about roads and bridges that were having heavy vehicles going across them. That criteria in subsequent rounds was relaxed—

The Hon. MICK VEITCH: Physical infrastructure as opposed to the soft infrastructure?

Mr BARNES: Yes. It was relaxed in subsequent rounds; it is now mining-impacted regions or mining-impacted. It does not have to be the infrastructure, so we can pick up soft infrastructure. Some of the ones that had missed out in an earlier round, for example, we reintroduced them in a later round and they have been successful in gaining funding.

Mr JOHN BARILARO: An example of that is Singleton. I point to Singleton missing out under the Resources for Regions round. It was such a good project but it did not meet the criteria. We have funded those roads projects under the Drought Stimulus Package. Once they have entered the system, we do reassess. I do not want to get ahead of myself and say that everything that is in the system could be funded. We will have to check the new criteria.

The Hon. MICK VEITCH: Have any of the 11 projects listed in the response to the taken on notice questions actually started yet?

Mr JOHN BARILARO: I cannot answer that question because often these are council projects and we rely on councils to—

The Hon. MICK VEITCH: You can take it on notice.

Mr JOHN BARILARO: Okay. I will find out.

The Hon. MICK VEITCH: The other question going back from that, which you may have to take on notice, is how many have signed their funding agreements?

Mr JOHN BARILARO: I will take that on notice.

The Hon. MICK VEITCH: So we know where they are at. The review will be completed—

Mr JOHN BARILARO: The review itself has been completed, is that right Mr Barnes?

Mr BARNES: The review has been completed and it is being consulted on at the moment, again with stakeholder groups. All of the relevant mayors met a couple of weeks ago. The Minerals Council as a stakeholder met earlier this week. We believe we will be in a position to furnish the Deputy Premier with the completed outcomes of that review and recommendations for his consideration within the next two weeks.

The Hon. MICK VEITCH: Okay. And then going forward there will be another round based on that review?

Mr JOHN BARILARO: Yes.

The Hon. MICK VEITCH: Mr Barnes, I just want to clarify. You spoke about infrastructure and I interrupted. You were talking about physical infrastructure like roads, hard infrastructure as opposed to soft infrastructure such as social services or—

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Mr BARNES: So community infrastructure, for example, is now included whereas it always had to be physical infrastructure that was directly impacted.

The Hon. MICK VEITCH: That was a move from where we had been before. When you speak about regions does that mean that councils can put in joint submissions? Rather than individual local government areas they can now put in joint submissions. An example is Muswellbrook and Singleton, side by side, probably the heaviest impacted part of the State. These councils could put in a joint submission for funding, is that what we are looking for?

Mr JOHN BARILARO: It is very possible.

The Hon. MICK VEITCH: That is eminently sensible.

Mr JOHN BARILARO: You have seen those areas where you think if they combined their efforts you would get a better outcome, especially if it is a road infrastructure piece that crosses an invisible line called a local government area boundary.

The Hon. MICK VEITCH: Yes. You do not want gravel and then a four-lane highway.

Mr JOHN BARILARO: You want to align these projects. I have a view in my head of what I would like to see and how I would like to see the program look like referenced against other programs that I have for regional and rural New South Wales that I think gives greater ownership for decision-making back to those councils. I have an even broader view of what I would like to see come out of the review because I cannot pre-empt that. I look forward to the next two weeks.

The Hon. JOHN GRAHAM: Deputy Premier, I just want to ask about the COAG working group on critical minerals. Are you the lead Minister engaging with this issue with the COAG working group?

Mr JOHN BARILARO: The COAG working group for?

The Hon. JOHN GRAHAM: For critical minerals.

Mr JOHN BARILARO: I will have to take that question on notice.

The Hon. JOHN GRAHAM: This is an important issue, critical minerals and rare earths. It has been the subject of high-level discussions between the United States and Australia recently both within a mining and a security framework.

The Hon. TREVOR KHAN: Is this a question?

The Hon. JOHN GRAHAM: What is New South Wales doing in that area?

Mr JOHN BARILARO: Again, we put out our strategic plan in February this year in relation to minerals in this State and we are working through that and we are engaging with the industry. If you want a more detailed response either go to Mr Barnes or we will take it on notice.

The Hon. JOHN GRAHAM: I am interested in how much this is on your agenda. We have three of the most solid deposits at Mount Lindesay, Dubbo and the Sunrise project as well in New South Wales. There is a lot of opportunity here. Is this on your radar as the resources Minister?

Mr JOHN BARILARO: Everything is on my radar.

The Hon. JOHN GRAHAM: That is what worries me.

Mr JOHN BARILARO: No, everything is on my radar in relation to the resource sector. I made it absolutely clear that I want to see New South Wales become the number one investment destination for mining and resources, not just coal, but minerals and exploration. I have made that absolutely clear.

The Hon. JOHN GRAHAM: But I have not heard you talking about this issue. If it is on your radar why are we not raising it?

Mr JOHN BARILARO: Everything is on my radar.

Mr BARNES: Just on that, officials across the country are working with Austrade and the Australian Government around the minerals policy, particularly in relation to rare earths, vanadium and titanium—all those minerals that will be critical to the technologies of the future.

The Hon. JOHN GRAHAM: Thank you, Mr Barnes, I am glad you are raising it. I am interested in what the Deputy Premier is intending to do down the track?

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Mr JOHN BARILARO: As I said, we launched the Minerals Strategy back in February this year. It is definitely on our radar and we have been engaging with stakeholders. We see significant opportunities for this State in the resource sector around minerals. Even just recently we have had a great big magnet fly over 19,000 square kilometres of land to identify opportunities 400 metres below the surface.

The Hon. JOHN GRAHAM: Turning back to Resources for Regions.

The Hon. TAYLOR MARTIN: No, I want to hear more about the magnet.

The Hon. JOHN GRAHAM: You can ask your own questions.

Mr JOHN BARILARO: It is a metal detector from the sky.

The Hon. JOHN GRAHAM: Returning to Resources for Regions, what discussions have you had with local councils about your idea to expand this to include logging truck impacts?

Mr JOHN BARILARO: That is not the case. My answer earlier was I would love to see a Resources for Regions type program for councils that have been impacted.

The Hon. JOHN GRAHAM: A new program model. What discussions have you had with local councils?

Mr JOHN BARILARO: I have mentioned this to four or five different mayors and councils. I acknowledge the Mayor of Bega, Kristy McBain, who has been advocating for a long time.

The Hon. JOHN GRAHAM: Presumably down the south of the State is where you have had most of these discussions?

Mr JOHN BARILARO: A lot of the pine plantations are down our neck of the woods. The Mayor of Oberon has raised it with me. Over the past 12 months a number of mayors have raised this issue with me. There you go.

The Hon. JOHN GRAHAM: Has the Minister for Energy and Environment raised with you the intended interim target for the Government's objective of net zero emissions by 2050?

Mr JOHN BARILARO: The Government made an announcement a few years ago, I think it was under Premier Baird.

The Hon. JOHN GRAHAM: Correct.

Mr JOHN BARILARO: That we have an aspirational target to net zero emissions by 2050.

The Hon. JOHN GRAHAM: The Minister told the Parliament he was intending to raise this with you. Has he raised it with you?

Mr JOHN BARILARO: I have heard him mention it at a number of meetings, yes.

The Hon. JOHN GRAHAM: Not to you directly, though, mentioned in passing?

Mr JOHN BARILARO: I do not think he would want to raise it with me.

The Hon. JOHN GRAHAM: Why would he not want to raise it with you?

Mr JOHN BARILARO: I have a differing view. Let us get to the heart of the question: I have a differing view that we should have a fixed target of net zero emissions by 2050, but it is an aspirational target. There is nothing wrong with aspiration.

The Hon. JOHN GRAHAM: Nothing in between is your position?

Mr JOHN BARILARO: What do you mean "nothing in between"?

The Hon. JOHN GRAHAM: I am asking about an interim target by 2030. Do you support that? Has the Minister raised it?

Mr JOHN BARILARO: I would love to see zero emissions and if you embraced nuclear power we could achieve it together. I ask you to open yourself up to the technology that will actually work, nuclear energy, zero emissions.

The Hon. JOHN GRAHAM: I accept that is your position.

Mr JOHN BARILARO: We can do it in 10 years.

The Hon. JOHN GRAHAM: Do you agree that an interim target is necessary in 2030?

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Mr JOHN BARILARO: I think we have signed up to the Paris Agreement and that is the focus of this nation and we should take responsibility as a global player.

The Hon. JOHN GRAHAM: Is that a yes or a no?

Mr JOHN BARILARO: We have signed up to the Paris Agreement. I agree with the Paris Agreement.

The Hon. JOHN GRAHAM: Do you agree an interim target is necessary by 2030? You do not hold back normally. Why are you dodging this one?

Mr JOHN BARILARO: We have a target through the Paris Agreement. There you go.

The Hon. JOHN GRAHAM: Are you for an interim target in 2030 or not?

Mr JOHN BARILARO: The Government position is an aspirational target of net zero emissions by 2050.

The Hon. JOHN GRAHAM: I am taking that as a no; you just have not told the Environment Minister.

Mr JOHN BARILARO: I never said that. You cannot put words in my mouth, Mr Graham.

The Hon. MICK VEITCH: I think you should run for Federal politics.

The Hon. JOHN GRAHAM: Premier, how many times have you threatened to resign, to pull out of the Coalition, without doing it?

Mr JOHN BARILARO: You must have had some listening devices in ERC this morning. Let me answer that a little better: What time is it?

The Hon. JOHN GRAHAM: How many times have you threatened to resign?

Mr JOHN BARILARO: You know what, my threat is this: that regional and rural New South Wales needs a strong voice and my voice will continue to fight for our communities. Our communities deserve everything and a fair share and I will always use my ability to be vocal and to attract attention to make sure we get outcomes, that is what it is.

The Hon. JOHN GRAHAM: I want to be clear. I do not mind you threatening to resign; it is only that you do not do it.

Mr JOHN BARILARO: Really. You know, I sense with the Leader of the Opposition, Jodie McKay, being in the electorate of Monaro today making some grand announcements, fingers crossed, first visit. It has taken six months for a leader of the Labor Party to visit the Monaro. I can understand why. Is the president of Country Labor Bryce Wilson by any chance?

The Hon. JOHN GRAHAM: I am not sure.

The Hon. TREVOR KHAN: That is the problem.

Mr JOHN BARILARO: There is a real question about Country Labor, I have read recently.

The Hon. JOHN GRAHAM: I am asking the questions here. Tell me this: Why is your party voting for an inquiry into circuses and rodeos?

Mr JOHN BARILARO: Oh, wow.

The CHAIR: That is my question.

Mr JOHN BARILARO: It is a really good question.

The Hon. JOHN GRAHAM: I think there are some issues to look at here but why is your party voting for this? Why is your Minister requesting it?

The Hon. TREVOR KHAN: Why is your party voting against the Right to Farm Bill?

Mr JOHN BARILARO: If the Labor Party had supported Minister Gareth Ward's position in relation to the disabilities commissioner we would not have had to do a deal to have such—

The Hon. JOHN GRAHAM: So this was just a deal?

Mr JOHN BARILARO: Yes. I might upset the Hon. Emma Hurst here.

The Hon. JOHN GRAHAM: Go right ahead.

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Mr JOHN BARILARO: Whatever recommendations come out of that particular inquiry, I have made it absolutely clear publicly we will not be accepting any recommendations that shut down circuses or impact on live animals or anything like that.

The Hon. JOHN GRAHAM: But it is your Minister requesting this. He is the one that wrote it?

Mr JOHN BARILARO: You guys actually let us down. All you had to do is vote with us on the disability commissioner.

The Hon. JOHN GRAHAM: It was your members who were voting for it.

Mr JOHN BARILARO: You decided to play politics on a very simple and important issue.

The CHAIR: You just have to cough up \$20 million.

The Hon. TAYLOR MARTIN: That is not how this works.

The Hon. MICK VEITCH: Deputy Premier, during the election campaign you made a promise to the Foundation Broken Hill.

Mr JOHN BARILARO: No promise, no.

The Hon. MICK VEITCH: The funding of a project officer for that organisation.

Mr JOHN BARILARO: No, not at all. I ask you to produce a press release if that was the case. Number two, we made no such promise. I have met with that organisation on a number of occasions where they pitched to me the importance of why they believed it was so important to have such an organisation. Do you know what it was—the reason and the catalyst behind it? It is the lack of confidence in the council there. Unfortunately, it is led by a Labor mayor who played politics during the election campaign. The reason that this organisation wants a voice was because they have lost confidence in the council.

The Hon. MICK VEITCH: Politics in an election campaign, that is an interesting concept. There is no money?

Mr JOHN BARILARO: No, and I ask you to produce a press release otherwise.

The Hon. MICK VEITCH: They are saying to me that was the process.

Mr JOHN BARILARO: They pitched to us, they spoke to us and we will be advocating a finding for the people of Broken Hill, because if it was not for the Liberal-Nationals they would have no water because you guys opposed the pipeline.

The Hon. MICK VEITCH: There is no money for the project officer, is that what you are saying?

Mr JOHN BARILARO: As I said, there was no election commitment.

The Hon. MICK VEITCH: When you spoke earlier about if the drought gets bad enough you are going to recommend that we cease some of these Sydney projects so that money can roll out to the bush—just so you know, I am not opposed to ceasing some of these projects so that the money can go to the bush—which Sydney projects do you have in mind?

Mr JOHN BARILARO: Mate, you know what, if you read that whole article, as elected members of Parliament, we do not need a drought war cabinet. We do not need more politicians around the table, as Mr Albanese was talking about because we were elected. You know who the greatest stakeholder in this is? It is the voters out there. My view would be I would be challenging the voting public to put forward their ideas and I do not want to influence those ideas.

The Hon. MICK VEITCH: You do not know which projects you want to cancel.

Mr JOHN BARILARO: I know, but I do not want to influence the public's view on which projects they are prepared to go without.

The Hon. MICK VEITCH: Yes, because we need more money rolled out into regional New South Wales as a part of this issue around the deepening drought—

Mr JOHN BARILARO: Yes.

The Hon. MICK VEITCH: —and job retention, community preservation in regional New South Wales. That is a serious aspect of this.

Mr JOHN BARILARO: I agree with you.

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The Hon. MICK VEITCH: We can have the frivolous side, but it is actually quite serious.

Mr JOHN BARILARO: I agree with you and I know that you are a strong advocate for the regions, Mr Veitch. You travel and I acknowledge everything you do for the bush. You have been a strong advocate. You rarely play politics on this issue, if ever. That is why we have to fast-track infrastructure spend. The impact of the drought is beyond the farm gate—we touched on that earlier—when small businesses are doing it tough, when big businesses are doing it tough, and communities are doing it tough, I even touched on the impacts on hospitals and health delivery.

As a government, and I have taken some responsibility, along with Minister Marshall and Minister Pavey, to look at a number of key areas where the Government, if this drought does not break within this foreseeable future, what else we can do to support communities, not only for farmers, but also communities now. We have to be able to say, "You know what? If it means putting a project in Sydney on hold while we fast-track infrastructure in the bush, if we bring investment in hospitals and schools and road and rail and smaller projects to the bush forward, we should welcome that."

I will acknowledge the \$1.7 billion dollars in our regional growth over the past few years—there are 1,400 projects being completed. When you look at the job numbers, even through the impacts of the drought, we have seen net job increase in regional and rural New South Wales. We know we are stimulating part of it. I am not saying that we are the only answer, but we are stimulating it.

The Hon. MICK VEITCH: There is also a job loss and migration, though—moving away from communities.

Mr JOHN BARILARO: Absolutely, I agree.

The Hon. MICK VEITCH: In the time we have left, Deputy Premier, I go to one of the questions on notice that we received from the previous estimates process, related to activities, projects, process, events or other activities proposed for the \$2.4 million allocated to private native forests, which is money going to land services, as a part of their 12 forestry staff—essentially working for Local Land Services [LLS] to implement the private native forest processes. Is there an intention for that \$2.4 million to be cost recovery from LLS at some stage in the future?

Mr JOHN BARILARO: I will have to refer to Mr Hansen.

Mr HANSEN: As it is an LLS issue and not a Department of Industries issue, I would have to take that on notice and get an answer for you.

The Hon. MICK VEITCH: Okay, thank you.

The Hon. EMMA HURST: Deputy Premier, I briefly go back to plant-based meats. I recognise you have made quite a few comments in support of the industry, which is good. In regard to innovation and development and supporting this industry—and I recognise there have been some grants, for example, to soy-based meats and things like that—in a recent report that has come out we have heard that if we continue with a small amount of support in this industry, it could end up being about \$1.4 billion in domestic sales and 2,100 full-time jobs, which is fantastic.

However, if we were to accelerate the market and give a lot more money and a lot more investment—because a lot of plant-based meats and alternatives are being imported into Australia—if we focus on that domestic market the suggested projection would be \$4.6 billion and 15,400 full-time jobs. The Dutch Government has seen this and they have launched a \$2 million new food challenge and the Canadian Government has invested US\$153 million to develop plant-based alternatives. Is the Government open to doing similar projects here?

Mr JOHN BARILARO: Firstly, I agree that there is an opportunity of arising a new industry here. As I said earlier, I think there is a place and there will be a place in the market for it. That is something we have previously got behind and that Jobs for NSW or through DPI—and I will go to Mr Hansen, shortly. We have supported some investment to accelerate. Your question is whether we would increase that investment so we could accelerate the opportunity and that would be a greater return for job creation and the economy. I do not know if Mr Hansen can touch on any particular investments?

Mr HANSEN: I think we actually had this conversation at Minister Marshall's estimates.

The Hon. EMMA HURST: Yes, I think we talked about a couple of small grants but my question was more about if we continue with those small grants, we will see that smaller number of jobs and money domestically. Is the Government open to actually expanding it the way other people have overseas so we can really build a strong domestic market?

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Mr HANSEN: So there are a couple of pieces there. In the work that gets done internationally, our scientists have had a large degree of international collaboration and, therefore, the work that is happening in Europe and the Netherlands and the US is largely being driven by big multinational food companies, which see the opportunity for plant-based protein to develop. A lot of that work will end up benefiting not only the retail and food services opportunity here, but would also benefit the producers of chickpeas, soybeans—the growers within New South Wales.

The Hon. EMMA HURST: So we are relying on most of that to happen overseas rather than doing it domestically?

Mr HANSEN: We are definitely not going to be duplicating or using funds to try to catch up with what is happening overseas, but instead looking for where our niche opportunity is, in terms of our role over here. At the moment the predominant investment in this space is part of our \$170 million investment in grains research and development so that we continue to produce the high-quality, plant-based ingredients required for these protein sources. That is where the predominant investment we have is at this stage at the moment.

The Hon. EMMA HURST: Deputy Premier, are you open to some of the groups that are working in this area and trying to build this area?

Mr JOHN BARILARO: I do not know the individual groups. As I said, I had an opportunity to do something with one of the local universities—I think it was 12 or 18 months ago—around algae and the opportunities just off the back of that. I have said that I am very supportive of the opportunities here and growing the industry but often what you will find is that when the market puts pressure on governments or on an industry, you will see a reaction.

I think we are seeing some of the franchise agencies at the moment, some of the food agencies now out there, moving away from meat—I think there is a Hungry Jack's that has a plant-based burger. That is the start of the market responding and businesses responding. When that happens, what happens organically is that industry rises out of it. I think government has a role to play—there is no question about it—but also the industry has a role to play. I am very supportive with anybody.

The Hon. EMMA HURST: So you will be quite open to meeting with the people who have come up with this data to hear what the potential opportunities are in Australia?

Mr JOHN BARILARO: Yes, of course. Absolutely. I am always interested to see what else is happening in the space.

The Hon. EMMA HURST: Fantastic, thank you.

Ms BELL: I just might add that the Federal Government runs the Cooperative Research Centre on Future Food Systems, which is based here in New South Wales and we contribute to that as well. A number of our universities and scientists and companies participate in that.

The Hon. EMMA HURST: Do you know much about that program? Does it feed into the plant-based meat alternatives?

Ms BELL: Yes, plant-based meat alternatives is one of the areas under research and development.

The Hon. EMMA HURST: Fantastic.

Ms BELL: So there is work that we can build on in partnership with the Federal Government and other States as well.

The Hon. EMMA HURST: Thank you. Deputy Premier, a recent investigative report by the ABC showed ex-racehorses being sent to knackeries and two of those were in New South Wales. You were reported in an interview with the ABC, saying that the Government will look into those allegations. Can I just get an update on what is happening there, based on your quote?

Mr JOHN BARILARO: Firstly, no-one wants to see horses treated in that particular way. As someone who has been a strong advocate for brumbies and Kosciuszko—

The Hon. EMMA HURST: And you have racehorses yourself, don't you?

Mr JOHN BARILARO: I do have racehorses, absolutely. Saving the brumby—I love horses. The industry in New South Wales—and I give credit to Racing NSW—has a clear position on this that this is not part of the industry in New South Wales. But if there have been breaches, and the reality here is that the ABC has highlighted some breaches, of course we must investigate. As a State, we will have to respond. That is work in progress. It is something that appeared two weeks ago and I am not sure—no-one wants to see it. But I will say

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this: I always question the ABC's timing, that it just happened to happen at the start of the spring season of the racing carnival. I would be disappointed to understand how long the ABC has had that information and if it has just held on to it to sensationalise through the media. This is a serious issue and it should be dealt with through the proper processes, but I will ask Mr Hansen to touch on that a little bit further.

Mr HANSEN: You are right in that two of the knackereries represented in the program were New South Wales based. You would also probably be aware that in recent weeks there has been media reporting about how one of those knackereries had been under investigation already by the RSPCA and how they pleaded guilty to a number of aggravated cruelty charges under the Prevention of Cruelty to Animals Act [POCTA] as part of the compliance piece. So we have two elements. From an animal welfare perspective, putting aside decisions by racing organisations and racing Ministers, who I believe will be meeting soon on this topic, obviously POCTA covers the life of the animals in terms of ensuring no cruelty, and licensing for abattoirs also requires humane slaughter of animals at knackereries.

We have enforcement agencies for POCTA, and I think you would have seen in the media reporting on the case involving the knackery that has pleaded guilty to charges that there was a combination of both New South Wales police and RSPCA that carried out the investigations and inspections, and took the prosecutions forward. Obviously, the Food Authority has responsibility for the licensing of the actual knackery for all purposes and they carry out inspections to ensure that they comply with animal welfare requirements around humane slaughter. They are the within-scope components. You would have heard last week agriculture Ministers talk about the fact that traceability needs to be looked at in terms of what is the best approach for whole-of-life traceability to ensure that we are able to keep track of where horses are going. That is a piece of work that is being looked at—

The Hon. EMMA HURST: Is that part of a bigger, formal investigation?

Mr HANSEN: I actually think that there is a Senate committee looking into the feasibility of horse traceability at the moment, and that is due to report before the end of this year, as I recall. Queensland is carrying out an investigation. The additional part is ensuring that the codes of practice for land transport of animals, which at the moment are largely designed around cattle and sheep transportation, are reviewed with a view to strengthening and providing for codes of practice for land transport of horses.

The Hon. EMMA HURST: Deputy Premier, in regard to your announcement on 22 October to introduce a package of measures to prevent the regulation of overseas or scope 3 greenhouse gas emissions on local mining approvals, do you agree that we have a responsibility to future generations to consider the long-term environmental consequences of mining approvals?

Mr JOHN BARILARO: Absolutely. We take responsibility when the emissions are created when we pull it out of the ground. We take responsibility for the emissions that occur when we use that resource here in Australia. We have signed up to the Paris Agreement and that sets the standards. What we do not need to take responsibility for is the emissions that are created by using the resource in another nation. That is double counting, and that is what dealing with scope 3 is all about. We have to bring certainty into the industry. We take responsibility for the emissions that we create in this country, as a global player, being part of the world, but we do not have to double count and impact on jobs, impact on the economy and impact on the prosperity of Australia because somehow we believe we are now responsible for emissions that are created by using the resources in another country.

It is very easy to say scope 3 emissions, and we take responsibility, but imagine a country that cannot sign up to the Paris Agreement—and I do not want to name countries—because of conflict with other countries, yet we are going to take responsibility for their emissions? That makes no sense. It does not pass the pub test, and I think if you ask the general punter out there they will say that we have to do more about emissions in this country—and we are doing that—but we do not have to take responsibility for what happens overseas.

The CHAIR: You mentioned your university visit to look at eating moss and algae.

Mr JOHN BARILARO: Yes.

The CHAIR: Are you angling for a professor's job like Niall Blair when you retire?

Mr JOHN BARILARO: I am a uni dropout, mate. I am a uni dropout, I am a tradie and I use my hands. If you heard my narrative when I was skills Minister, I have been talking down the university sector for a long time, so I do not think any of them would embrace me.

The CHAIR: I think they would still have you; I think the standard is pretty high.

Mr JOHN BARILARO: No, they will not embrace me because my message to young people today is, "Mate, go and do a trade, don't worry about a university degree; it's a waste of time and a big HECS debt."

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The CHAIR: Getting a bit more serious now, can you tell us how much has been spent on drought relief and give us a breakdown in terms of how much has been immediate assistance to towns and farms that need it, and how much has been spent on things like studies and reports, and wages for staff to actually produce those reports and studies when we probably already know the answer?

Mr JOHN BARILARO: Firstly, as a government, a total package from the Farm Innovation Fund, helping farmers for the future. The second part is immediate relief, and when you look back at the immediate relief we have put in place—fixed water charges, Local Land Services fees, freight subsidies of course are significant, and the removal of or subsidies around registration of trucks and vehicles. If you want the breakup, I can go through it bit by bit.

What has been delivered to date? Over \$900 million has been delivered to date: \$449 million in loans through the Drought Assistance Fund and the Farm Innovation Fund; \$95 million spent to meet the cost of transporting fodder, water and stock; \$18.7 million to deal with freighting donated fodder to farmers; emergency water projects, namely \$95 million for critical drought initiatives such as new bores, new water storages, water infrastructure, maintenance, emergency water infrastructure and water carting; the community support all up of \$263 million, which is rural mental health programs, fees around preschools, vehicle registration waivers, Local Land Services rate waivers and road repairs; a drought stimulus package of \$96 million for 22 projects—it goes on and on. This is real stuff that is happening, real money either supporting farmers or supporting communities, especially around the drought stimulus package.

Mr BARNES: Could I add, because I think it is important, that earlier this week we launched Buy Regional, which encourages city-based people to buy regional product from folk in the bush. That is going gangbusters, and it is not just the big dollar values that are appreciated by the people in the bush, it is the people that go onto the farm every day and help people to make decisions, help them fill in forms; it is things like getting behind Buy from the Bush and Buy Regional. Those people who are doing it tough appreciate and see the big things, but the little things are just as important.

The CHAIR: Do you want to add something?

Mr HANSEN: I will try to make it just two sentences. The one thing that we often overlook when we count these numbers—and we are guilty of it ourselves—is that there is probably 20 years worth of combined research and development by our scientists, our researchers, that has been leading to new varieties, new production facilities and new techniques that have probably delivered some of the biggest benefits to our rural communities during this drought, but they are always hard to quantify because they are long-term developments that get washed across the whole of the economy. But we would not want to miss that out when we are calling out all the assistance we have provided.

The CHAIR: Touching on Buy from the Bush, it is an important initiative and it is a great idea that has come from those business owners. Is the Government going to commit to changing its own procurement practices to give advice to rural and regional businesses in winning government contracts rather than going interstate?

Mr JOHN BARILARO: That is the million-dollar question because sometimes the procurement policy is not just State government, it is local government or Federal government, so there are different procurement policies across the board. Wherever possible, we always want to see value for money and local content in that investment. That is why, under regional growth funds, because they are smaller projects more often than not that \$1.7 billion that is being spent across the regions has seen local content. But there are examples—and I know there is an example about road funding out at Forbes, with the Forbes council missing out and it going to, I think, a Queensland company.

I get that, but there is still going to be some level of local content. They still have to buy local concrete or asphalt or materials, and some skills and labour. We changed some of the procurement policy of this Government under a program that we called the skills legacy fund, as I recall, off the back of major infrastructure. I think NorthConnex and Lismore Base Hospital were the two pilots where we attached a number of apprentices, tradies, skilled-up workers and Aboriginal and Torres Strait Island businesses and women in non-traditional sectors. We tried that and we added that pilot. It actually became government policy. We do have a lot of the local content but I am sure you could pick projects where there is not an interstate company that has won that project but there is always some level of local content. But we can do more.

Again, the best thing we can do right now is fast-track more infrastructure. The other issue we do have is capacity. You know, you travel the State. Some of our councils are struggling to spend money that they were probably allocated 12 months ago, 18 months ago or two years ago because the capacity in the market is not there. Sometimes it means going outside of their region to find a company to deliver the project. It is a mix. Of course

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we want to see more spend. Is there a wholesale need to change procurement? I think we have enough flexibility in there.

The CHAIR: You touched on the Newell Highway. You say that you are going local with some of the jobs but you have water carters being shipped in from Melbourne and workers being shipped in from Queensland. The company that won the tender went to the local hardware store the local suppliers and basically slapped them with a 90-day term of payment. You have run your own business. What small business in a town that is already struggling with drought can cop a 90 day cash-flow issue?

Mr JOHN BARILARO: I agree with you.

The CHAIR: There has been that loss of income locally as well. Would you accept that how that has been handled has been a serious missed opportunity for those areas?

Mr JOHN BARILARO: I scratch my head in relation to that particular outcome. The Minister for Regional Transport and Roads probably can answer the question better than I can. I am proud that when I was small business Minister in this State, we went to a 30-day guarantee for small businesses. Then that became 21 days. Most small businesses that are dealing with procurement with government, get paid instantly off lifting the threshold and the purchase card for government. I know the importance of cash flow. Cash flow is the lifeblood for any small business. Corporate Australia needs to pull its socks up in relation to payment of small business. I know the Federal Government, under the small business ombudsman, Kate Carnell, is doing a big piece. I know our Small Business Commissioner has been championing it. But I think as government we have to lead first.

Now we are paying businesses within 21 days—I think we are even aiming to get down to 14 days. Most small businesses, when they are working with government, get paid instantly but we want to see the private sector and the corporate sector doing the same, especially on these projects. You are not going to get a stronger advocate than me but this cannot be done at a State level. This is why we are relying on the Feds to do a piece in this space. That example is a poor example. Any company that wins a project in a community and has been in the town for a little while, to be a good corporate citizen it has to understand the needs of that community and it should engage better. That is a poor outcome for the company that won the contract.

The CHAIR: You might want to talk to your education Minister about that department's payment processes. I will go back to the circus inquiry. You have given your assurances on Ray Hadley.

Mr JOHN BARILARO: He has got it in writing from me.

The CHAIR: What is going to happen when you leave and go Federal?

Mr JOHN BARILARO: That is a good question.

The CHAIR: Are those assurances going to stand or are they going to wash—

Mr JOHN BARILARO: I hope the inquiry is completed by 2023, mate, because I have been elected. There is no vacancy. There is no election. There is no by-election. I am the leader of The Nationals. I am the Deputy Premier. I have so much to deliver for the people of Monaro.

The CHAIR: Things happen fast in politics. You know that, John.

Mr JOHN BARILARO: I have got so much to deliver to the regions of New South Wales. A lot of people will not speak like this. The thing is, I spoke with Mike Kelly—this is the important part—a lot of people speak about Mike Kelly. Mike has some health issues that he is dealing with. The more we talk about Mike leaving, the more disrespectful and insensitive it is to him dealing with his health issues. Importantly, Mike and I—I know it upsets a lot of people, including some of our Liberal colleagues—work very well together, both Labor and The Nationals, coming together. Maybe it is a mini-Coalition in the Eden-Monaro area, delivering for the people because at the end of the day our communities do not care what colour of party you are. They want you delivering and working together. Mike and I are doing that. I can tell you right now: There is no vacancy that everyone keeps talking about—this bid for Federal politics.

Mr HANSEN: My colleagues from Local Land Services have been watching, Mr Veitch.

The Hon. TREVOR KHAN: At least somebody is.

Mr HANSEN: At this stage, no plans for cost recovery.

The Hon. MICK VEITCH: Thank you very much for that. Deputy Premier, in response to one of the questions from the Hon. Emma Hurst, Ms Bell spoke about the emerging food cooperative research centre. Does New South Wales Government contribute to that CRC? What is the process for our contribution?

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Ms BELL: We do provide financial support but in terms of the quantity of that financial support, I would have to come back on notice. We contribute financially to a number of the CRCs when they have State significance to us and we support through connections with our industry and our research institutions in terms of projects, in client support as well.

The Hon. MICK VEITCH: Deputy Premier, you may need to take this on notice as well but I will just go through with it. At the last estimates hearing, when we had the bureaucrats with us, I asked a series of questions about mining jobs—the Division of Resources and Geoscience jobs—in Maitland and whether or not they were being transferred or even being considered to be transferred elsewhere. When I asked Mr Wright were we moving staff elsewhere, he categorically said, "No, we are not."

Mr JOHN BARILARO: Correct.

The Hon. MICK VEITCH: Via a Government Information (Public Access) Act request, we have been able to obtain an email from Mr Wright that says, "Thank you for your answer. I just wanted to confirm the Minister indicated hold off until the second quarter of 2019." Is there any plan to move those jobs out of Maitland to anywhere?

Mr JOHN BARILARO: I can categorically say this clearly that the jobs will remain in Maitland. We are not moving the office to any other part of the State. The truth of it is that I would be silly to do so. We know we have some efficiencies across government in relation to the public sector jobs but regional and rural New South Wales is excluded from that—Maitland is regional and rural New South Wales. The answer is: absolutely no—not now, not tomorrow, not while I am Minister.

The Hon. MICK VEITCH: Mr Wright said, "No, we are not," but there is an email clearly with his name on it saying, "second quarter of 2019."

Mr JOHN BARILARO: I think I have relayed this to Mr Gary Barnes—my position in relation to the office of Maitland—

The Hon. MICK VEITCH: You have made your position very clear.

Mr JOHN BARILARO: —but also to the public service.

Mr BARNES: Mr Wright is very clear that we are renegotiating the lease for the building at Maitland.

The Hon. MICK VEITCH: Minerals House?

Mr BARNES: Yes, in the main drag there. We are renegotiating a long lease. That is where the Division of Resources and Geoscience is going to continue to be housed.

The Hon. MICK VEITCH: When you say "a long lease", is there any indication—three by three by three or—

Mr BARNES: I would need to go to the facilities people.

Mr JOHN BARILARO: Three months by three months by three months—is that the answer you are looking for? Seriously, whatever the appropriate lease arrangements, we can come back to you and confirm it.

The Hon. MICK VEITCH: Excellent. Can I move on to international trade posts—

Mr JOHN BARILARO: Yes.

The Hon. MICK VEITCH: —and international trade.

Mr JOHN BARILARO: Is there room about me being posted anywhere as well—Eden-Monaro?

The Hon. MICK VEITCH: You have mentioned you may resign.

Mr JOHN BARILARO: The Vatican?

The Hon. MICK VEITCH: The Holy See.

Mr JOHN BARILARO: I mentioned God earlier.

The CHAIR: You did mention God earlier.

Mr JOHN BARILARO: Maybe I am playing for The Vatican.

The Hon. MICK VEITCH: They are recording. That could be on tonight's news.

Mr JOHN BARILARO: Actually, maybe not. I voted on something earlier and I do not think the Church likes me anymore.

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The Hon. MICK VEITCH: The talk about drought clearly has the potential to impact upon some of our international markets. What are we doing to ensure that there is no impact on our international markets? The second part of that question is that if there is going to be impact because of the drought, what are we doing to ensure that we do not lose those markets?

Mr JOHN BARILARO: This is really important question because as we keep talking about drought, we have to be careful that we do not talk ourselves out of the market. Even though there is an impact of the drought, we have some great farmers and some produce—food and fibre—that has been produced right across the State. We want to make sure we do not lose those export markets. On Saturday I flagged that I am off to China and Vietnam for a week with some businesses in Shanghai and showcasing the opportunities from Australia and, more importantly, New South Wales. We are very conscious of that.

We are also reviewing our network across our footprint in our trade space across the globe and making sure that our presence is greater than what probably has been in the past. It is a piece that we are working on. We are going through the process and, hopefully, we can get that resolved shortly. But in relation to agriculture, which is probably more of the focus, Mr Scott Hansen has an answer.

Mr HANSEN: Just before I get to that answer, the New South Wales Department of Primary Industries is a partner in that CRC for Future Food Systems. I am happy to give you a list of the projects we are involved in with that fund.

The Hon. MICK VEITCH: If you could take it on notice that would be good.

Mr HANSEN: It is interesting. The commentary that is played back in our overseas markets from our customers is largely around the fact that one of the real strengths of Australia as a supplier is the fact that whilst there is one part of the country in drought, there is another part of the country that normally has good rain, good seasons and is producing. And the strength of Australia—in terms of all the States and Territories working together, in terms of selling that message—is the fact there might be parts of a State, there might be a whole State, that has a production constraint at any point in one time for a commodity. But you can continue to source from Australia to keep that customer—that market—open for Australian suppliers, which then is available for our producers in New South Wales when their production systems ramp back up.

We continue to be in a lucky scenario at the moment in that there are parts of the country that have got conditions allowing them to produce high volumes of high-quality product to keep those customers loyal to Australia. It is about how we continue to provide the opportunities for our suppliers to pick those customers back up when the timing and the environmental factors are right, and to continue to hold the pie and then grow it again. So the last couple of years—as you are well aware—it has been a story about a rapidly growing demand pie for primary products across the whole of the country. That growth has slowed as we have seen a contracting of the supply. But the approach of trade Ministers across all of the jurisdictions—selling Australia Inc and the benefits of—the risk mitigation of going across State borders is one of the key selling points that we have to be able to pitch to overseas customers.

The Hon. MICK VEITCH: Have additional funds been set aside to ensure we maintain those markets—that we secure those markets—through the drought, Deputy Premier? I just think it is critical that we do not lose any of these markets.

Mr JOHN BARILARO: We are not walking away from markets but the question is a hard one because you are talking about private enterprises selling produce. As the trade Minister, my job is to make sure I sell the message that we are open for business and that is why I am off to Vietnam on Saturday, and China, as part of that selling message.

Ms BELL: We have got 70 companies travelling with the Deputy Premier. Every speech—because I read them all last night to approve them for him—

The Hon. MICK VEITCH: Yes, but he does not follow the speeches that you give him. That is the problem.

Ms BELL: I know.

The Hon. MICK VEITCH: He will resign when he is over there.

The CHAIR: At least three times.

Ms BELL: But the program is 100 per cent designed next week to actually—most of the companies coming with us are in the food, beverage and produce area—confirm to Chinese buyers that, as far as we are concerned, it is business as usual. We cannot announce which companies, but five or six of them are signing new agreements. Some of those companies are beef companies, others are dairy companies. Almost every couple of

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weeks, we have different programs in those markets to make sure the message is well understood that we are open for business.

Mr BARNES: And it is the same in the resources sector. There has been an uptick in volume and an uptick in exploration this year.

The Hon. EMMA HURST: Just a little bit more about the scope 3 emissions legislation. What bodies lobbied the Government to make the changes to the scope 3 emission regulations beside the Minerals Council?

Mr JOHN BARILARO: If you read any paper or turned on the radio, and there were television ads from the Minerals Council—they lobbied. It is not just about the Minerals Council. It is actually about the stakeholders and the issue around confidence in investment in the mining sector in New South Wales because of the decision around Rocky Hill to use scope 3 emissions as a reason to reject a mining applicant. Rocky Hill should not have been approved full stop, and the right decision was made. They contested that and therefore set a precedent which impacted on sovereign risk and investment in the State. Other States were not going through the same as we did.

So we have responded to the market and to the players in the mining sector, who have raised with me on a number of occasions. I have spoken at events—mining events—along with the shadow mining Minister, who is also concerned about scope 3 emissions. In reality, we responded on an issue that I believe has impacted sovereign risk and investment in mining.

The Hon. EMMA HURST: How many times have you met with the Minerals Council since August this year?

Mr JOHN BARILARO: I would have to get that question on notice and not mislead the Committee.

The Hon. EMMA HURST: That is fine if that gets on notice. In those meetings, did you discuss the scope 3 emissions regulations?

Mr JOHN BARILARO: Scope 3 has been discussed with me at every mining event I have attended since the Rocky Hill decision and then the subsequent decisions where scope 3 has crept into the decision-making. In some of these cases they have not been rejected because of scope 3 but scope 3 has been referred to. It has been the number one issue. I was in Melbourne on Tuesday. I got through that Extinction Rebellion mob and delivered a great speech at another mining conference in Melbourne.

The Hon. MICK VEITCH: And you followed the script?

Mr JOHN BARILARO: No. I did not follow the script again, mate. We were in another State and scope 3 was the number one issue. Mr Barnes also attended a conference and he was inundated. So scope 3 is an issue because it leads to no clarity around investment and that is why we have dealt with it.

The Hon. EMMA HURST: Have you spoken about scope 3 emissions with the CEO, Stephen Galilee?

Mr JOHN BARILARO: Stephen Galilee, absolutely. I was at an event in the Hunter, an awards night. The contribution, of course, of mining to our regional and rural communities—some great jobs. Thank goodness for mining at the moment because of the jobs that have been lost in agriculture and primary industry because of the drought that has impacted on our regional communities. Stephen Galilee—absolutely, I spoke to him about scope 3. I got up at that event and said, "I am going to do something about scope 3."

The Hon. EMMA HURST: Have any coalmines been refused consent that would otherwise have not been refused but for the consideration of downstream emissions?

Mr JOHN BARILARO: That is the million-dollar question. Scope 3 has crept in. The Rocky Hill decision—I believe—is irrelevant of scope 3. The recent decision for the Kepco mine, my belief is that decision was made in relation to groundwater and being an open-cut mine and, again, I am comfortable with the decision. But when you reference scope 3, there was an issue around a mine that was approved—would you believe—but scope 3 has actually crept into that decision, slapping in the conditions a restriction on export, which we can overcome in one way through the secretary and the export plan. But again, this is about making sure we have got clear, defined rules about investment in New South Wales and scope 3 has muddied the waters, so we have dealt with it.

The Hon. MICK VEITCH: Deputy Premier, you spoke about going to China and Vietnam on Saturday. How many trade missions are planned for this financial year?

Mr JOHN BARILARO: In front of me that I am aware of, there is possibly one other. But it is a moving feast. My focus has been on regional and rural New South Wales with the drought. I had something on the radar to go to Japan in December but I had to withdraw. I cannot do everything but I will continue to travel.

UNCORRECTED

The Hon. MICK VEITCH: In 2011 the performance measure used by the department at the time to assess the success of each trade post—a basic key performance indicator [KPI]—was a 20 to one return on investment or export outcome on expenditure. Is that still the KPI used for our international trade posts? Or have we moved away from that KPI?

Ms BELL: We have moved away from that KPI. It is now dollars of exports supported in markets where we have a trade focus, like China. In markets like the United States or the United Kingdom, where we have an investment attraction focus, it is around new projects attracted to the State from those countries—in both the dollar value and the jobs created.

The Hon. MICK VEITCH: As a matter of interest, how do we manage any potential conflicts of interests from the staff or the contractors we are using in the trade posts that may arise from the discussions?

Ms BELL: When you say "conflict of interest", do you mean around confidentiality of what they are doing or do you mean—

The Hon. MICK VEITCH: Both actually. The confidentiality aspect but also because of the nature of their work and what they are trying to do to generate. How do we manage that potential conflict?

Ms BELL: They do not receive, for example, bonuses. Our staff have set salaries. Therefore, they are encouraged to perform but not at the expense of ethics or conflict, if that is what you are referring to. We manage it through their performance management process but they have a code of conduct. The way we work is pretty good.

The Hon. JOHN GRAHAM: Deputy Premier, I neglected to ask you earlier, what was the issue that you threatened to resign over this morning?

Mr JOHN BARILARO: They gave me scrambled eggs instead of hard-boiled eggs.

The Hon. TAYLOR MARTIN: Free range or caged?

The Hon. JOHN GRAHAM: Normally you are not this sharp.

Mr JOHN BARILARO: You are obsessed with me resigning. I know you guys want me to resign because you want another go at Monaro. You have tried three times and you cannot get me.

The Hon. JOHN GRAHAM: It is just that you offered. The *Lithgow Mercury* is reporting that there are geological challenges impacting on the coal supplies for Mount Piper. What discussions have you had about resolving this issue?

Mr JOHN BARILARO: The Minister for Energy and Environment and myself have had a couple of meetings and our cluster has had some meetings in relation to issues around coal supply. That is all confidential, and I will leave it at that.

The Hon. JOHN GRAHAM: It is not confidential if it is being reported in the *Lithgow Mercury*. This is described as an "acute coal shortage", which is a step back in power provision. What is the Government doing about it?

Mr JOHN BARILARO: That is the confidential bit. There is a Cabinet submission that is going forward to deal with that issue.

The Hon. JOHN GRAHAM: Are you examining legislative options to deal with this? Is that on the table, or not?

Mr JOHN BARILARO: I am not sure if there are legislative options required. I cannot recall. As I said, we are dealing with it.

The Hon. JOHN GRAHAM: Yes. How rapidly will you deal with it, given this acute coal shortage?

Mr JOHN BARILARO: As I said, we have already had cluster meetings around it. There is a Cabinet process that we have to follow.

The Hon. JOHN GRAHAM: Yes, so it is going through Cabinet, but can you give us some assurance of how quickly this issue—

Mr JOHN BARILARO: I cannot put a timeline around it.

The Hon. JOHN GRAHAM: Will it be dealt with before Christmas?

Mr JOHN BARILARO: I cannot put a timeline around it.

UNCORRECTED

The Hon. MICK VEITCH: Deputy Premier, the last lot of questions I have, with the very small amount of time I have, relate to—are you involved in the memorandum of understanding [MOU] process for the aerotropolis as the trade Minister?

Mr JOHN BARILARO: No, it is the Minister for western Sydney, Mr Stuart Ayres—

The Hon. JOHN GRAHAM: Why not?

Mr JOHN BARILARO: Because my focus is regional and rural New South Wales. I am more interested in the special activation precincts of Wagga Wagga and Parkes.

The Hon. MICK VEITCH: I ask this question is because you are the industry and trade Minister and there will be some industry accommodated around the aerotropolis—

Mr JOHN BARILARO: Correct.

The Hon. MICK VEITCH: —that will actually benefit regional and rural.

Mr JOHN BARILARO: Absolutely.

The Hon. MICK VEITCH: When it comes to those, are you involved in discussions for those MOUs?

Mr JOHN BARILARO: I am aware of it, it is the same cluster—Stuart Ayres and I sit within the same cluster. We share the investment piece around it but we have also given some separation. Minister Ayres is responsible for the aerotropolis. Do not worry, I am not missing the opportunity to make sure that there are investments that benefit rural and regional New South Wales.

The Hon. MICK VEITCH: There are currently international MOUs being entered into. Are we entering into any MOUs with New South Wales regionally based organisations around their activity or potential activities and interest in the aerotropolis space?

Mr JOHN BARILARO: I do not have the answer to that. I would not rule it out.

Ms BELL: I can talk a little bit. There are 17 MOUs. Some of them are international organisations, such as Hitachi. A number are domestic universities—the University of Wollongong and the University of Newcastle, for example, have formed a consortia and they are one of the MOU partners. So they are open to Australian and international companies—it is not internationally exclusive.

The Hon. MICK VEITCH: As a part of that process for the MOUs—this may be for the Deputy Premier—are we making sure that there is no negative impact on our regionally based domestic companies and suppliers?

Ms BELL: Because it is future focused—obviously the aerotropolis and airport will not open until 2026—the MOUs we are entering into are typically around future growth, in addition to their existing businesses. It is not around closing here, so that is looked at as each MOU is done. Groups such as the universities are anticipating future growth and future student numbers and building new businesses, rather than saying that we are going to move a business away from another area into the aerotropolis.

Mr BARNES: One of the areas we are obviously focusing on is the opportunities for defence and aerospace in and around Williamstown, as well. We already made a GLE investment out there and there is an opportunity to make a big play there. That will be more big "D" defence because the joint strike fighters are going to be there for the next 40 years. People want to be involved in both the value chain and the supply chain for that and be close at hand. I think in the analysis—and we have lots of conversations with the guys who are looking at western Sydney—there is room for the regions to grow and for western Sydney to grow new businesses.

The Hon. MICK VEITCH: Could you expand "GLE" for Hansard?

Mr BARNES: Growing Local Economies—the fund that has been paused, but only because we are oversubscribed to the tune of \$500 million.

The CHAIR: That concludes our hearing. If you would like to have further questions and answers, do it over the banana bread trolley. Thank you, Deputy Premier, and thank you other Government witnesses. Mr Hansen, you will be back in the afternoon but the rest of you are free to go.

(The witnesses withdrew.)

The Committee proceeded to deliberate.