

# PORTFOLIO COMMITTEE NO. 4 - INDUSTRY

Tuesday 10 March 2020

Examination of proposed expenditure for the portfolio areas

## WATER, PROPERTY AND HOUSING

The Committee met at 09:30.

**UNCORRECTED**

### MEMBERS

The Hon. Mark Bansiak (Chair)  
The Hon. Lou Amato  
The Hon. Catherine Cusack  
Ms Cate Faehrmann  
Mr Justin Field  
The Hon. Emma Hurst (Deputy Chair)  
The Hon. Trevor Khan  
The Hon. Daniel Mookhey  
The Hon. Peter Primrose  
The Hon. Mick Veitch

### PRESENT

**The Hon. Melinda Pavey**, *Minister for Water, Property and Housing*

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

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

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



**The CHAIR:** Welcome to the public hearing for the inquiry into budget estimates 2019-2020 further hearings. 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. I welcome Minister Pavey and accompanying officials to this hearing. Today the Committee will be examining the proposed expenditure of the portfolio of Water, Property and Housing. 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. There may be some questions that a witness could answer only if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web as soon as possible. Finally, I remind everyone to turn their mobile phones to silent for the duration of the hearing. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister Pavey, I remind you that you do not need to be sworn as you have already sworn an oath of your office as a member of Parliament.

**VANESSA O'KEEFE**, Executive Director, Policy, Planning and Sciences, Water, Department of Planning, Industry and Environment, affirmed and examined

**DARREN CLEARY**, Acting Chief Executive Officer, Hunter Water, affirmed and examined

**MICHAEL CASSEL**, Chief Executive Officer, Land and Housing Corporation, Housing and Property, Department of Planning, Industry and Environment, sworn and examined

**NEIL BYRON**, Acting Commissioner, Natural Resources Commission, affirmed and examined

**ROCH CHEROUX**, Managing Director, Sydney Water, affirmed and examined

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

**JIM BETTS**, Secretary, Department of Planning, Industry and Environment, on former oath

**JIM BENTLEY**, Chief Executive Officer, Water, Department of Planning, Industry and Environment, on former oath

**DAVID HARRIS**, Chief Executive Officer, WaterNSW, on former oath

**GRANT BARNES**, Chief Regulatory Officer, National Resource Access Regulator, on former oath

**JAMES McTAVISH**, NSW Regional Town Water Supply Coordinator, Department of Planning, Industry and Environment, on former oath

**ALISON FRAME**, Deputy Secretary, Housing and Property, Department of Planning, Industry and Environment, on former oath

**ANNE SKEWES**, Deputy Secretary, Crown Lands, Housing and Property, Department of Planning, Industry and Environment, on former oath

**SHAUN SMITH**, Deputy Secretary, Corporate Services, Department of Planning, Industry and Environment, on former oath

**The CHAIR:** Today's hearing will be conducted from 9.30 a.m. to 12.30 p.m. There will be a discussion at 12.30 p.m., Minister, whether we require you for any longer than that and then from 2.00 p.m. to 5.30 p.m. with departmental witnesses. I declare the proposed expenditure for the portfolio of Water, Property and Housing open for examination. As there is no provision for any opening statements, we will start with questions from the Opposition.

**The Hon. MICK VEITCH:** Minister, good morning. Welcome to the hearing. I thank you and the coach load of departmental officials for coming today. I believe that in recent times you have announced that there will be an independent review or independent assessment of the floodplain harvesting embargo decision and I want to ask some questions to get a bit of a picture of what that looks like. Are you able to tell us who is on that panel?

**Mrs MELINDA PAVEY:** We are going through the process of identifying the names for that panel, but I am clear that I want there to be environmental representatives—I want industry, I want independent—because the fact is that the first ever floodplain harvesting embargo in recent times was a good thing and the fact that we are going to get 250 gigs of water into Menindee Lakes is a good thing. Vanessa O'Keefe has been sworn in here today to talk to that detail.

**The Hon. MICK VEITCH:** I just want to talk about the panel first and then we will come to that. The final decision on who will be on the panel will be made by yourself or will it have to go to Cabinet?

**Mrs MELINDA PAVEY:** We are still working through those processes.

**The Hon. MICK VEITCH:** And the terms of reference?

**Mrs MELINDA PAVEY:** Again, still working through those processes.

**The Hon. MICK VEITCH:** Is it going to scrutinise your role as the Minister as well as the departmental advice and decisions?

**Mrs MELINDA PAVEY:** Absolutely.

**The Hon. MICK VEITCH:** It is going to look at the impact of the decision as well as the process that was followed to put it in place?

**Mrs MELINDA PAVEY:** Yes.

**The Hon. MICK VEITCH:** What is the timetable you are looking at?

**Mrs MELINDA PAVEY:** We are still working through those processes.

**The Hon. MICK VEITCH:** So there is still a fair way to go around this independent assessment?

**Mrs MELINDA PAVEY:** No, not really. We are working through those processes. We have announced that that is what we want to do and need to do to ensure that, like others, there is faith and security and appropriateness of the process that we have followed.

**The Hon. MICK VEITCH:** As the Minister, when would you like to have that report back? This does not mean that that is when it will be back, but when would you like to have it back?

**Mrs MELINDA PAVEY:** By end of financial year.

**The Hon. MICK VEITCH:** You are going through the process of determining who is going to be on the panel and you are going through the process of working out the terms of reference. This panel will be able to scrutinise your role as a Minister and that of the department, it will be able to look at the decision as well as the process, and you are still working out whether you will determine who is on the panel or whether it goes to Cabinet. Is that a fair summary?

**Mrs MELINDA PAVEY:** Yes.

**The Hon. MICK VEITCH:** I want to spend a bit of time, if I can, going through the timeline that got us to the embargo decision so that I am also clear about that process. If I am incorrect, please correct me, I am just going through what is in the public domain.

**Mrs MELINDA PAVEY:** I just might add that it is also appropriate that we have the natural resource regulator here, Grant Barnes, and if people do have concerns, they do not have to wait for our panel. Mr Barnes will be able to answer any questions or any information that has become apparent during the lifting of that embargo.

**The Hon. MICK VEITCH:** I would like to explore this with the public servants this afternoon.

**Mrs MELINDA PAVEY:** Yes, okay.

**The Hon. MICK VEITCH:** So Mr Barnes will be answering questions as well. On 17 January this year temporary pump restrictions for the Northern Valleys was put in place. Is that correct?

**Mrs MELINDA PAVEY:** Ms O'Keefe, is that the date that it went on?

**Ms O'KEEFE:** That is correct.

**Mrs MELINDA PAVEY:** And that was for river extraction as well as floodplain harvesting. Just to be clear, though, we still had some regulatory provisions to make because what we had to do was license, for the first time, floodplain harvesting so that we could in fact actually put a ban on it. Ms O'Keefe, you might want to add some information to that.

**Ms O'KEEFE:** The first embargo, as it has been called, or the first restriction under section 324, was put on 17 January. That was for river pumping. It was not until 7 February that the restriction went on floodplain harvesting.

**The Hon. MICK VEITCH:** So 17 January is the first restriction and that is around river pumping. Then on 31 January that restriction was extended until 17 February.

**Ms O'KEEFE:** Correct.

**The Hon. MICK VEITCH:** Then on 7 February, as we all know from the *Government Gazette*, there was an embargo put in place for the Northern Basin floodplain harvesting.

**Mrs MELINDA PAVEY:** No, we actually licensed the process of floodplain harvesting so that the embargo could take effect.

**The Hon. MICK VEITCH:** Did that happen on 7 February?

**Ms O'KEEFE:** Two things happened on 7 February. One was that the regulation came into effect, which allowed for floodplain harvesting works to be exempt from requiring a licence at this stage while we bring them into the regulatory framework over the next year. The second thing that happened was the floodplain harvesting embargo was put on as well. So two things happened: the regulation and the embargo.

**The Hon. MICK VEITCH:** Then on 10 February the embargo was lifted for floodplain harvesting for specifically listed waterways. As it says here, "The only priority is for river connectivity along the Northern Basin" and water takes are described as having no material impact downstream. Is that correct?

**Ms O'KEEFE:** On 9 February was the first lifting of a section for floodplain harvesting.

**The Hon. MICK VEITCH:** So not 10 February?

**Ms O'KEEFE:** There were two liftings: one on the ninth and one on the tenth.

**The Hon. MICK VEITCH:** So what was the difference between the two?

**Ms O'KEEFE:** We were just filling in different parts of the flood plain.

**The Hon. MICK VEITCH:** As the pulse went down the river?

**Ms O'KEEFE:** No. In the first order we missed two parts of the flood plain so we just put those in the next day.

**The Hon. MICK VEITCH:** So it was a tidy up?

**Ms O'KEEFE:** It was a tidy up, exactly.

**The Hon. MICK VEITCH:** Then on 11 February there were clarification documents released by the Department of Planning, Industry and Environment [DPIE] regarding the lifted embargo for certain areas.

**Ms O'KEEFE:** Correct.

**The Hon. MICK VEITCH:** Why did we have to put those out? What was the purpose behind the clarification document?

**Ms O'KEEFE:** The embargo related to certain types of floodplain harvesting. Let's just step back a little bit. What happened in the event there were storm cells all over the flood plains, the water was running off in different places and water naturally runs into creeks, depressions on properties and obviously into dams. The embargo said that you could not actively pump floodplain water into dams, but you could passively take—in that if it was in a depression on your land you could passively take. So it was explaining those nuances of the embargo so that people could understand. The other thing that we did at that time was we set up a dedicated email so that landholders could email in to us and we could answer specific questions.

**The Hon. MICK VEITCH:** Minister, with regard to the floodplain harvesting regulation, when did you instruct the department to commence drafting that regulation?

**Mrs MELINDA PAVEY:** I will have to take that one on notice.

**The Hon. MICK VEITCH:** In this process, particularly after lifting the embargo, what was your role? Did you act on the advice of the department?

**Mrs MELINDA PAVEY:** I had no role.

**The Hon. MICK VEITCH:** So you have no role at all? That is because of the order that was put in place?

**Mrs MELINDA PAVEY:** That is right.

**The Hon. MICK VEITCH:** That then provided the director with the capacity to make those decisions, is that correct?

**Mrs MELINDA PAVEY:** And the director was in a team involving the fisheries department, the Office of Environment and Heritage [OEH], WaterNSW and the Department of Primary Industries Water. They were acting. As the rain was falling that weekend, they were making decisions. I had no role.

**The Hon. MICK VEITCH:** So you have no role. At what point, though, does the director advise you that they are going to lift the embargo in accordance with the order that was put in place?

**Mrs MELINDA PAVEY:** I do not recall getting the advice.

**The Hon. MICK VEITCH:** Did they do it before or after?

**Mrs MELINDA PAVEY:** After.

**The Hon. MICK VEITCH:** So the embargo is lifted and then they ring the Minister or advise the Minister?

**Mrs MELINDA PAVEY:** Or it is put on the website.

**The Hon. MICK VEITCH:** So you find out from the website?

**Mrs MELINDA PAVEY:** I actually do not recall where I heard it had been lifted, but it was through a process of public information.

**The Hon. MICK VEITCH:** So you are the water Minister and you find out from your officials from a website?

**Mrs MELINDA PAVEY:** I may have found out directly. I will have to take on notice how I was actually advised of it, but I do not recall getting a call from the panel.

**The Hon. MICK VEITCH:** Fiona Simson, the President of the National Farmers' Federation, is publicly quoted as saying that there needs to be clarity around the communication around this particular water regulation. Clearly that is the case. If the water Minister is not sure of when they were advised of lifting the embargo, there has to be a communication issue, has there not?

**Mrs MELINDA PAVEY:** I agree that there needs to be improvement in communication all round. That is what the panel will also look at: how we can be better in communicating.

**The Hon. MICK VEITCH:** So where did the communication fall down, Minister, in your view?

**Mrs MELINDA PAVEY:** I think it is a variety of things. I think technology, I think whether farmers are actually getting the text messages relevant to their valleys at the time. I think there is a whole range of things. That is what the panel needs to look at.

**The Hon. MICK VEITCH:** But we had to have a tidy up. There were some valleys that were left out.

**Mrs MELINDA PAVEY:** Sorry, I will just finish. There is very much a separation, as there needs to be, to restore integrity in the process, that Ministers are not involving themselves in the day-to-day management and decision-making of events like this.

**The Hon. MICK VEITCH:** But being involved in the day-to-day management and also being advised are essentially two separate things.

**Mrs MELINDA PAVEY:** But I should not be advised before local communities are advised. Simultaneously is appropriate, because I am not involved in making that decision.

**The Hon. MICK VEITCH:** But is it appropriate that you find out from a website?

**Mrs MELINDA PAVEY:** I think it is appropriate that the information gets out there as quickly and as efficiently as possible.

**The Hon. MICK VEITCH:** Minister, the communication issue is being raised, as you would be aware, not just in the Northern Basin now but even down south. People are saying there is an issue around communication coming out of the department around how this all works.

**Mrs MELINDA PAVEY:** Change is difficult, Mick Veitch.

**The Hon. MICK VEITCH:** As we heard earlier—

**Mrs MELINDA PAVEY:** I will just finish what I was saying. I think it is important.

**The Hon. MICK VEITCH:** As we heard earlier—

**The Hon. TREVOR KHAN:** Point of order—

**The Hon. MICK VEITCH:** I had not finished my question.

**The Hon. TREVOR KHAN:** No, you have been running over the top of the Minister. If nobody else is entitled to some courtesy, it would be Hansard. It is impossible to record this if you are squabbling with the Minister. I ask that you call the member to order.



**The CHAIR:** I will rule by saying that, for the benefit of Hansard, both the Minister and the Hon. Mick Veitch were going over the top of each other. I believe the Hon. Mick Veitch was trying to ask a question and the Minister—

**Mrs MELINDA PAVEY:** Over the top of my answer.

**The CHAIR:** Let us move on. Ask the question and then the Minister can answer.

**The Hon. MICK VEITCH:** We had an issue where some valleys inadvertently missed out on the original process and then the next day that had to be tidied up. You can see how there is a communication issue here, Minister. Whether people receive texts or whatever, there is a communication issue about why some valleys were in, some were not and then others were included. There is clearly a communication issue within the department about getting this information out to the respective stakeholders, would you not agree?

**Mrs MELINDA PAVEY:** I just agreed with you about five minutes ago. I sincerely believe that there were communications issues through this. I picked that information up. But it was also a very spasmodic event. We had some valleys and some districts receive a downpour of 250 millimetres in the space of a few hours.

**The Hon. MICK VEITCH:** It was good rain.

**Mrs MELINDA PAVEY:** It was not good rain everywhere. There were spots of good rain. I think this is what created some of the confusion. But I am going to refer to Ms O'Keefe here because it was a very live process, it was very active and it was the first time that we had had an embargo on floodplain harvesting. Just to your question earlier about the timing of that regulation, it was 17 October 2019 when I first approved the exemption regulation to be drafted for the floodplain harvesting. But, just in relation to that question about communications, I am going to ask Ms O'Keefe to make some comments and I am also going to ask Mr Harris to comment on the traffic that we were getting to our websites at that time.

**Ms O'KEEFE:** I guess it is worth reiterating that this was a dynamic event that also was not forecast. It was forecast for light rain in the area and all of a sudden we got torrential rain in patches of the floodplain. So we had not expected this event. That said, on the Saturday morning when the rain did arrive we pulled together our reference panel with WaterNSW and fisheries, discussed the flows, discussed what was happening out there in the environment, kept the embargo on until the Sunday when we started to get a lot of representations about infrastructure damage from individuals and representatives of landholder and water user groups. We were in contact with the Minister's policy officer at that time. He was checking in as to what was happening. We were just informing him where we were in that process.

**The Hon. MICK VEITCH:** You were communicating with the senior adviser in the Minister's office.

**Ms O'KEEFE:** Yes. He was passing on representations and asking us what we were doing in that process. By the afternoon of the Sunday we took a risk management decision to lift the floodplain harvesting embargo in the lower tributaries because we could not verify the property damage or the infrastructure damage and we were not certain that there was not a lot happening. So we took a risk management decision to lift it at that time. When we lift it, as soon as we lift it, we publish the reasons for the decision on the website and we, through WaterNSW, notify licence holders through a text system and through emails to the water user groups. If it is during a weekday we try to go on local radio as well and we put out a media release. For every decision we have made throughout this process, chasing this water down the system, we have been through that same process. We have documented the reasons for the decision against the principles that we have set up before the events and publish the reasons for those changes.

**The Hon. MICK VEITCH:** Thank you. Minister, there is a document I have here, issued on 10 February, called "Approval to take under Temporary Water Restrictions – 10 February 2020". It talks about the number of water sources. But down in the reasons for approval it says "the public interest test being met". What is the public interest test in this case?

**Mrs MELINDA PAVEY:** I will refer to Ms O'Keefe, who was part of the decision-making on that.

**Ms O'KEEFE:** Section 324 of the Act allows the Minister to put an order on restricting take of water and obviously to lift that restriction as well. That power is delegated to the director level in the department. Section 324 says it must be in the public interest to do so. The section actually gives examples of public interest, which are severe water shortage, water quality issues or to protect the environment. Those examples do not limit the public interest but it is a legal public interest test. You are talking about 10 February when we lifted.

**The Hon. MICK VEITCH:** Yes.

**Ms O'KEEFE:** In the case of 10 February there were two issues. One was the potential damage to infrastructure that we had not yet verified and the other where we lifted in some unregulated rivers, I think, was where we were satisfied that the severe water shortage and environmental interests in those valleys had been met and in the unregulated rivers the water was backing up and flowing over the bank so we allowed some pumping from that water.

**The Hon. MICK VEITCH:** That was the assessment against the public interest test.

**Ms O'KEEFE:** Yes. So we test whether the local needs can be met in the catchment, they being for critical water needs—town water supply, stock and domestic needs—but also the local environs.

**The Hon. MICK VEITCH:** You are looking catchment by catchment then to make that assessment for the public interest test to be met.

**Ms O'KEEFE:** There are two steps, yes.

**The Hon. MICK VEITCH:** Because it would change.

**Ms O'KEEFE:** There are two steps. First we look at the local catchment. If we are satisfied that they can all be met in that catchment then we look downstream and we say, "Is it likely to meet the next target that guides us downstream?" Early on we thought, "Oh, this probably isn't going to make the next target so we will allow some pumping in the upstream catchments."

**The Hon. MICK VEITCH:** Is there science behind that at that point when you say, "Oh, maybe not"?

**Ms O'KEEFE:** It is the flow forecast from WaterNSW saying there would be limited water that would get downstream. As we got more and more rain then obviously it was going to get downstream so the embargos were reapplied and we let the water go downstream.

**The Hon. MICK VEITCH:** Downstream in the lower Darling they want the block banks removed. Is that going to happen at all?

**Mrs MELINDA PAVEY:** That is a question for Mr Harris. Yes, there is certainly a large number of the community that want the block banks removed.

**The Hon. MICK VEITCH:** Yes, they do.

**Mrs MELINDA PAVEY:** I believe that that is the view of the general community down there but there are other interests down there that do not want them removed. I am going to ask Mr Harris to answer that question about what the forecast is and how much is now sitting in Menindee and how we can get a first flush and get a flow of water down there for the next 18 months.

**Mr HARRIS:** In relation to the block banks the issue is: How much water do we receive into the Menindee Lakes? Because if we receive about 12 months' supply then the view of the lower Darling water users is that those block banks should remain but we should put a flush through the lower Darling—we should regenerate the water behind those block banks then leave those block banks in there so that properties along the lower Darling and customers can access that water over the next 12 months or so.

If on the other hand the volume we get into Menindee Lakes is enough for about 18 months, roughly, then their view would be to remove the block banks, put a larger first flush down and then keep that river running for that 18-month period. That is a decision that we will make when we have greater certainty as to the volume arriving in Menindee Lakes. It is not there yet. The water has passed Wilcannia. To date 26 gigalitres has flowed down the river past Wilcannia. Our current estimate for the lakes is somewhere between 230 gigalitres and 265 gigalitres. So we are right on that border between the 12 months versus the 18 months and we will make that decision a bit closer to the time.

**The Hon. EMMA HURST:** Good morning, Minister. I would like to talk to you about the wombat mange in Bendeela Recreation Area, which is managed by WaterNSW. The last time we were at budget estimates we talked about potentially allowing wildlife carers into the area to treat the ongoing problem of wombat mange. As you know, I have met with you and I have spoken a bit with your staff as well about the issue. I would like to go all the way back to the very beginning of the problem of wombat mange in that area. When did you personally first become aware of the problem of wombat mange in Bendeela?

**Mrs MELINDA PAVEY:** I think it was at budget estimates with you last year, Ms Hurst. I think there was a brief but it certainly was very much on my radar from the budget estimates where you raised it.

**The Hon. EMMA HURST:** Do you know when your department and WaterNSW first became aware of the problem?

**Mrs MELINDA PAVEY:** I will refer to Mr Harris.

**Mr HARRIS:** Years ago. It is not a new problem and it is a problem statewide.

**The Hon. EMMA HURST:** I saw a petition from some wildlife carers online about trying to get access to Bendeela back in 2015. Would you say it has been about five or six years, roughly?

**Mr HARRIS:** I would have to take that on notice but, yes, you could well be right.

**The Hon. EMMA HURST:** Do you know in the last five or six years what has been done by WaterNSW to help those wombats?

**Mr HARRIS:** Yes. As you know, because we briefed your office only a week or so ago, we have taken a step forward on this in terms of seeking an Australian Research Council [ARC] linkage grant for an academic at the University of Tasmania to run a study on sarcoptic mange affecting the wombats in the Bendeela area, noting that our Bendeela site is only about 15 hectares of an estimated 280 hectare site. Up until that time we had been using National Parks and Wildlife Service [NPWS] to treat those wombats.

**The Hon. EMMA HURST:** What were they doing to treat them?

**Mr HARRIS:** Coming on site to effectively manage them and if necessary to euthanise particularly sick animals.

**The Hon. EMMA HURST:** Were they treating them for the mange?

**Mr HARRIS:** I do not think they were, no, although I will take that on notice as well.

**The Hon. EMMA HURST:** And for at least the last five years there was no access for carers to be able to treat those wombats for mange either?

**Mr HARRIS:** For some period we did have local groups accessing that site. I will just look at my notes to tell you who they were: Wildlife Rescue South Coast and to a lesser extent Kangaroo Valley WIRES.

**The Hon. EMMA HURST:** Do you know when they were given access and what they did?

**Mr HARRIS:** In terms of detail I would have to come back to you and take that one on notice as well.

**The Hon. EMMA HURST:** If you would not mind taking it on notice, what period of time they had access, what treatment they undertook on the wombats, and what the outcome of that treatment was?

**Mr HARRIS:** Sure.

**The Hon. EMMA HURST:** That would be fantastic, thank you. You mentioned as well that during the last five or six years the wombats have been euthanised. Who was responsible for making the assessment about the condition of the wombats and performing the euthanasia for the past five to six years?

**Mr HARRIS:** WaterNSW on the advice of those groups that have been coming onto our site. Those animals were euthanised when necessary by a contracted professional shooter under a National Parks and Wildlife Service licence. There was also some euthanasia carried out by those two groups that I have referred to.

**The Hon. EMMA HURST:** Do you have the number of wombats that have actually been killed since about 2014 or 2015?

**Mr HARRIS:** Again, I would have to take that on notice.

**The Hon. EMMA HURST:** And also how were the wombats killed? You mentioned they were being shot, is that the only method that was being used?

**Mr HARRIS:** Correct. That is the method that is being used by all three groups. The NPWS licensed shooter together with those two groups that I have mentioned use shooting rather than injection.

**The Hon. EMMA HURST:** And what about if the wombat has a young in the pouch? Do you know what happens in those situations?

**Mr HARRIS:** Again I would have to take that on notice.

**The Hon. EMMA HURST:** And also if there are efforts made around a young at foot. What happens to those young wombats? Why are the wombats shot rather than being killed in a more humane way like through

the lethal injection that is commonly used for cats and dogs? Do you know if any humane alternatives were considered?

**Mr HARRIS:** Again I would have to take that on notice, but I am advised that is the method preferred by those three groups.

**The Hon. EMMA HURST:** To talk a little bit about the research that is being conducted, when did WaterNSW commission the study?

**Mr HARRIS:** We commissioned a study halfway through last year—July of last year. We were successful in obtaining an ARC funding grant with WaterNSW as a key industry partner with the University of Tasmania.

**The Hon. EMMA HURST:** How much funding is going towards the study?

**Mr HARRIS:** We are funding \$60,000 in cash and there is an additional \$50,000 in kind support over three years for the study.

**The Hon. EMMA HURST:** And is that the full cost of the study or is that just a partial contribution?

**Mr HARRIS:** That is our contribution as part of the ARC funding grant.

**The Hon. EMMA HURST:** Given the length of time that this problem has been going on, why has it taken so long for the Government and WaterNSW to commission a study?

**Mr HARRIS:** As I said at the start, it is not like this is a problem only in our property in Bendeela nor is it a problem only in the Bendeela area; it is a problem right across the State. We were observing over time the animals on our site to have this condition or this infection. Halfway through last year we then took the step to find out what additional steps we could take. There is no treatment at the moment for sarcoptic mange at all, which is why we reached out to the University of Tasmania, who were keen to do a study to try to find a solution for this problem.

**The Hon. EMMA HURST:** When you say there is no treatment for sarcoptic mange—

**Mr HARRIS:** No effective treatment.

**The Hon. EMMA HURST:** So the flaps that the wildlife caring groups are using with the cream on them, you are not convinced that that is effective?

**Mr HARRIS:** We are not convinced from our experience. Not to say we are the only ones with that experience, but from our experience that had proven not to be effective, which is why we took that next step.

**The Hon. EMMA HURST:** And when is the study expected to start?

**Mr HARRIS:** The study is starting this year. Site scoping is planned for the end of April with preliminary surveys and benchmarking in May and June so that the treatment itself can be commenced in August 2020.

**The Hon. EMMA HURST:** With the treatment starting in August, do we have that projection or an understanding of the number of wombats that will need to be shot while we wait for that research to start?

**Mr HARRIS:** No we do not.

**The Hon. EMMA HURST:** Is there any way of fast tracking the commencement of the study in order to hopefully reduce the number of animals that would be suffering in the next five months?

**Mr HARRIS:** The reason why we will be starting in August is because, as you may be aware, that entire Bendeela area was ravaged by bushfires over the Christmas and new year period, so for a substantial period of time we did not have safe access into that site. We have had to not just in Bendeela but broadly set about providing safe access and so on. We had lost assets and so on in Bendeela so we had been diverted for a couple of months on that. We are now back on to this project, which is why we are currently going through those activities I mentioned to make a start as quickly as we can.

**The Hon. EMMA HURST:** The research is involving live animals. Are you aware if any approval from the relevant animal ethics committees has been attained yet?

**Mr HARRIS:** We do have approval from the ethics committee of the University of Tasmania, yes.

**The Hon. EMMA HURST:** And do you know how long the study is expected to run for in total?

**Mr HARRIS:** The study is expected to run for three years in total.

**The CHAIR:** Minister, why 19 years after the Water Management Act 2000 does New South Wales still have 1912 Water Act licenses for floodplain harvesting?

**Mrs MELINDA PAVEY:** The good news is we will have a licensing arrangement of floodplain harvesting by 2021. As we have detailed, exemptions that were put in place with the regulations that went through in February enabled us to put that embargo on. I have worked hard since becoming the Minister to ensure that this happens. It has not been an easy process. It is very technical. Our agencies have been working very hard but the most important thing is we have had that exemption on, we have had that ban on during these recent falls and as has been pointed out we have got somewhere between 235 and 260 gigalitres sitting in Menindee Lakes now.

**The CHAIR:** Do you think it is a failing of the former water Minister, Niall Blair, when he had the opportunity in 2008 to address this with the Water Management Act amendments?

**Mrs MELINDA PAVEY:** Not at all.

**The CHAIR:** Sorry, 2018.

**Mrs MELINDA PAVEY:** Not at all. As I was about to point out, he was not there in 2008, the Labor Party was. It has not been an easy process and Mr Blair did a lot of the groundwork to get us to this point. We have the exemption on, we have got 250 gigalitres at Menindee Lakes, and that is a good thing.

**The CHAIR:** You would agree that 19 years in total, and I agree that Labor had a hand to play in this—but at least of your Government, would you consider that a timely fashion to resolve this matter?

**Mrs MELINDA PAVEY:** We are moving forward.

**The CHAIR:** Is that a yes? Is that a timely fashion?

**Mrs MELINDA PAVEY:** We are moving forward.

**The CHAIR:** What advice did you receive about the legality of the mechanism that applies a section 3 (24) embargo to Water Act 1912 activities that are not actually contained in the Water Management Act?

**Mrs MELINDA PAVEY:** We will take the question on notice about the advice we received. I am sure there are filing cabinets full of advice. This has been a process that has required a lot of consultation and a lot of legal work. We are at that point. We will have a licensing regime completed by 2021. That is our plan. We are able to create a mechanism through regulation to ensure that there was no take during this recent rain event.

**The CHAIR:** For the record, I am particularly interested in the legal advice and whether this does what it sets out to do.

**Mrs MELINDA PAVEY:** Do you want to narrow that down at all, Mr Banasiak?

**The CHAIR:** How would you like it narrowed?

**Mrs MELINDA PAVEY:** I am asking you.

**The CHAIR:** No. I just want the general legal advice that you sought regarding how this mechanism allows for these Water Act 1912 licences to be merged into the Water Management Act when they have not been for 19 years. I want to know whether it does what it says it does and whether it is actually legal.

**Mrs MELINDA PAVEY:** Okay.

**The CHAIR:** In the last budget estimates we spoke about the Barwon-Darling sharing plan and a lack of cap accreditation. I asked whether you thought it was illegal, given that it was running contrary to the Commonwealth Water Act. You said you would take the question on notice. Your answer came back and it said, "I do not subscribe to the view that the Barwon-Darling Water Sharing Plan is illegal." What advice did you seek from anyone in this room or anyone else to make that determination?

**Mrs MELINDA PAVEY:** I will take that on notice and provide the information.

**The CHAIR:** Thank you. Sticking with water sharing plans and accreditation, has the Commonwealth provided any feedback or instruction about the Murray-Darling Basin Authority agreement around national partnership funding being delayed or removed if the water sharing plans are not gazetted?

**Mrs MELINDA PAVEY:** I understand that Minister Pitt was at Senate estimates this week and that he understood from our conversations that we will have water resource plans, which incorporate our water sharing

plans, and that we will have those to them by the end of this financial year. After we finish, there will be a final round of consultation with our stakeholder advisory panel [SAP]. We published the dates of those SAP meetings. Mr Pitt understood New South Wales' position that we wanted to do another round of consultations. We will have them and he is happy with that. I think there was some reference to payments being made to New South Wales during that budget estimates hearing. I have not read the transcript, but I believe it is there.

**The CHAIR:** Do you have a date for when the current agreement lapses?

**Mrs MELINDA PAVEY:** I will take that on notice.

**Ms O'KEEFE:** My understanding is that at the moment we are in a process of good faith negotiations. As an outcome of that we will form another agreement that covers up until 1 July.

**The CHAIR:** Have you seen a draft of that agreement yet, Mrs Pavey?

**Mrs MELINDA PAVEY:** No, I have not yet.

**The CHAIR:** When do you think you will see a copy of that?

**Mrs MELINDA PAVEY:** Once we get through the stakeholder engagement in the next couple of weeks.

**The CHAIR:** Thank you. I will move on to some stuff around dams and the critical water supply legislation that we passed last year. With the new Dungowan Dam facility, how far has that project progressed in the planning process? It was one of the items listed in the critical water supply legislation.

**The Hon. TREVOR KHAN:** Indeed.

**Mrs MELINDA PAVEY:** The critical water infrastructure list goes to emergency town water supply processes. Dungowan and Wyangala will fall under our expedited planning processes. I will have Mr Harris explain some of the great work that is going to start physically at that site by the end of the year. We are on track, with a very strong and focused environmental tender process, which we hope will be completed by October next year. But that does not mean we cannot start those early works and those early works will start at the end of this year.

**Mr HARRIS:** Thank you, Minister. We have a very aggressive timetable for all three of the dam projects: Dungowan, Mole and Wyangala. In essence, at least for Wyangala and Dungowan, we will have pre-construction works and shovels in the ground in October of this year, with construction to start in October 2021. In terms of the Dungowan work and what work has been completed or is being undertaken at the moment, we initiated the project late last year. We have almost completed the first stage of stakeholder engagement, which is a process that goes right through the timing of the project. We are also in the middle of preliminary environmental assessments for environmental and heritage investigations. We are also scoping and procuring technical investigations and concept design.

At the moment, we are scoping out environmental and planning approvals. We are also working through or determining the delivery model and procurement strategy for that project in terms of developing the business case. There is a fair bit of work already complete and underway. In terms of the shovels in the ground and the pre-construction works, there will be substantial activity in the case of Dungowan because the first works we will be commencing in October will be to replace the existing Dungowan to Tamworth pipeline. We will commence that between Tamworth and the village of Dungowan. That is a \$40 million bit of work on top of the other studies, and we need to undertake that to enable the construction to commence in October 2021.

**The CHAIR:** You are fairly well progressed.

**Mr HARRIS:** Correct.

**The CHAIR:** Would you have the sustainable diversion limit numbers for the increase in wall space calculated?

**Mr HARRIS:** We do not at the moment.

**The CHAIR:** Why? You are talking about putting shovels in the ground but you have not worked out how much water this is going to divert?

**Mr HARRIS:** We are talking about pre-construction work. Can I just set out for you that the normal timetable for an asset such as this would be about 4.5 years. We have condensed that down to the very aggressive time frames that I have mentioned. At the moment, we have some concept level work around the nominal capacity

of the dam, which would be about 22.5 gigs. We need to do some further design work before we are able to more accurately determine what the increase in yield from that asset will be.

**The CHAIR:** My time is up, but we will come back to this issue.

**The Hon. PETER PRIMROSE:** Good morning, Minister. Can you tell us in dollar value what the social housing backlog was as of 30 June last year?

**Mrs MELINDA PAVEY:** Mr Primrose, if you are going to ask a series of question on social housing I might bring my deputy secretary in. Can you repeat your question?

**The Hon. PETER PRIMROSE:** What was the social housing maintenance backlog in dollar value as of 30 June 2019?

**Mrs MELINDA PAVEY:** In terms of the dollar figure from 30 June, we have a big focus on getting that maintenance backlog dealt with. It is always a challenge for us. Mr Cassel?

**Mr CASSEL:** Thank you, Minister. With regard to maintenance, we do not run a backlog register as you have asked about. We spend—

**The Hon. PETER PRIMROSE:** Sorry, this is the backlog that the Minister just said you are committed and putting a lot of effort into—

**Mrs MELINDA PAVEY:** No, I talked about maintenance. I said that we are committed to maintaining our properties.

**The Hon. PETER PRIMROSE:** I will ask the very simple question again: How much was the maintenance backlog? What is your liability?

**Mr CASSEL:** As I was explaining, we do not run a maintenance backlog per se. We have over 125,000 properties that continually require maintenance on a day-to-day basis. We spend over \$1 million a day, roughly, on maintenance and we address 740,000 calls a year. To suggest that we run a maintenance backlog, I think, would mislead. We have a constant maintenance program that we undertake.

**The Hon. PETER PRIMROSE:** Is it up to date?

**Mr CASSEL:** We continually update our maintenance program—

**The Hon. PETER PRIMROSE:** Is your maintenance work up to date?

**Mr CASSEL:** We carry out inspections on a yearly basis through the contractors that we work with. There are three types of maintenance. There is responsive maintenance, there is planned maintenance and programmed maintenance. Some of that is capital expenditure. Some of that is recurrent expenditure.

**The Hon. PETER PRIMROSE:** Yes, and I know they are funded by different mechanisms, but is it up to date now? I have picked a date. Is there no outstanding—

**Mrs MELINDA PAVEY:** To be fair, I think when you have 123,000 properties—the biggest housing stock in the Southern Hemisphere—just like your own home or my own home—I am sure my maintenance is not 100 per cent—I think it is important to acknowledge the focus that we have on it but every day a property ages and it is an enormous responsibility for us to keep that maintenance going. We do that and that is what Mr Cassel was referring to.

**The Hon. PETER PRIMROSE:** Minister, to use your analogy then—the metaphor—with my own house, if I have a number of maintenance items, I know that liability. I have to program it in. I am simply asking you, as of 30 June, what was the backlog? You can call it whatever you like but what was outstanding as of that date in dollar terms?

**Mr CASSEL:** I think it is not appropriate to put a dollar on it. We are committed to continually spending money on maintenance—as you have talked about, responsive maintenance. The moment I try to stop the clock and say, "This is the exact amount of money," 30 seconds later I get—

**The Hon. PETER PRIMROSE:** How much did you spend last financial year?

**Mr CASSEL:** In 2018-19 we spent \$452 million on maintenance.

**The Hon. PETER PRIMROSE:** How much do you project you will spend this year?

**Mr CASSEL:** Let me get that exact figure for you.

**The Hon. CATHERINE CUSACK:** That is an awesome budget estimates question.

**Mr CASSEL:** We expect to spend around \$430 million this financial year.

**The Hon. PETER PRIMROSE:** You can take this question on notice if you wish. Can you break that up into recurrent maintenance and capital maintenance for the last financial year and this financial year?

**Mr CASSEL:** I am happy to take that on notice.

**The Hon. PETER PRIMROSE:** Minister, can I ask you some questions in your capacity as property Minister, please? I will begin with questions about cladding. We know that around 550 buildings have high-risk flammable cladding in the State. For instance, we know one of those is the Ultimo TAFE building in the city. Can you tell us how many other government-owned properties are clad with this potentially lethal material?

**Mrs MELINDA PAVEY:** Thank you, Mr Primrose. In relation to the detail of the cladding across government agencies, whether they be properties under our direct control through Property NSW, I will refer to our group deputy secretary, Alison Frame.

**Ms FRAME:** That information is compiled in the department of planning. So within Minister Stokes' portfolio they conducted an audit last year and required all government agencies to submit information on which buildings they had and which had a risk of cladding. As you know, many buildings that have cladding actually might not be a risk in terms of the way it has been applied, whether there is an air gap or not.

**The Hon. PETER PRIMROSE:** I understand but I am simply saying: How many properties for which the Minister is responsible are clad?

**Ms FRAME:** That is not information that is held by Property NSW. I am happy to take that on notice and we can get it from our Planning colleagues who are the repository of that.

**The Hon. PETER PRIMROSE:** So the property Minister does not know how many properties are clad with this potentially lethal substance?

**Ms FRAME:** That information is held within the department of DPIE but it is not a responsibility of Property NSW.

**The Hon. PETER PRIMROSE:** Is it a responsibility for the property Minister to know that?

**Ms FRAME:** At the moment, it is held within the department of planning.

**The Hon. PETER PRIMROSE:** I understand but I am putting it to Minister Pavey. The properties for which you are responsible—do you know how many there are?

**Mrs MELINDA PAVEY:** As the deputy secretary has commented, other agencies keep that information with the department of planning. I might refer to Mr Betts for further—

**Ms FRAME:** Can I also clarify that each cluster is responsible for their own buildings. So the department of planning holds that information but they also—and neither is Property NSW responsible for managing the risk related to buildings that each cluster might own that may or may not have cladding.

**The Hon. PETER PRIMROSE:** But it is not an unreasonable question that the property Minister would know what properties, or at least how many, are subject to possibly lethal cladding material, given that the assessment has been done. That is my question.

**Ms FRAME:** Certainly, we can take that on notice and provide that information.

**Mr BETTS:** We can take that on notice. We can also answer that question in relation to the Land and Housing Corporation [LAHC].

**The Hon. PETER PRIMROSE:** Sorry, I did not hear that, Mr Betts.

**Mrs MELINDA PAVEY:** In relation to the Land and Housing Corporation, Mr Cassel has some further information.

**Mr CASSEL:** Thank you, Minister. Following the Grenfell Tower fire in London in 2017, LAHC carried out an urgent assessment of all its high-rise properties to ensure that the aluminium composite cladding that you are referring to—

**The Hon. PETER PRIMROSE:** Yes, I am familiar with that.



**Mr CASSEL:** —was not present. Approximately 57,000 units that LAHC owned and head-leased were assessed. Inspections were undertaken of the 42 high-rise buildings and other multiple-unit complexes. The process also included privately owned properties where public housing tenants resided. I am advised that the assessment confirmed that no aluminium composite cladding over any external facades was present. In relation to new buildings, LAHC's specifications do not allow the use of combustible cladding on external facades.

**The Hon. PETER PRIMROSE:** Minister, can you make available to the Committee which Property NSW assets and government buildings are, in fact, affected?

**Mrs MELINDA PAVEY:** I will take that on notice.

**The Hon. PETER PRIMROSE:** Are you taking on notice to provide the list or are you taking on notice to consider whether you will provide it?

**Mrs MELINDA PAVEY:** Where the information is and how, in terms of cluster arrangements, that information is provided.

**The Hon. PETER PRIMROSE:** Do you believe it is reasonable that it is in the public interest that this should be disclosed?

**Mrs MELINDA PAVEY:** I think it is information that should be available, certainly.

**The Hon. PETER PRIMROSE:** Thank you. We know that one building, for example, is the SafeWork NSW office in Liverpool. Have you made a plan to remove and replace the high-risk flammable cladding in this building?

**Mrs MELINDA PAVEY:** I am not aware of the details of that. I have not made any commitments personally but it is important that we understand where it is and we have strategies going forward. But it is not a property that is under my direct control. The deputy secretary has some information to add to that.

**Ms FRAME:** We will take that on notice and get back to you with more information.

**The Hon. PETER PRIMROSE:** Thank you, because we raised it in budget estimates last year. Have you received rectification orders from any council in respect of a Property NSW asset with flammable cladding?

**Ms FRAME:** Not that I am aware of but we will take that on notice and confirm that.

**The Hon. PETER PRIMROSE:** How long do you anticipate it will take to remove flammable cladding from government buildings like Ultimo TAFE or SafeWork NSW?

**Ms FRAME:** I would have to take that on notice. We would, obviously, be working with the relevant building owner, whichever cluster that is, to assist them where we can but I would need to take that on notice. It will be different for each circumstance and each building.

**Mrs MELINDA PAVEY:** There are privacy issues in relation to this. I would have to take advice from other agencies around it. There are, potentially, provisions. In an ideal world you would want information to be made public but if there is other advice and other information that prevents that from happening in the greater general interest then that also should be considered.

**The Hon. PETER PRIMROSE:** Minister, I stress that I am not asking about matters involving private ownership but buildings and assets that are in public ownership. Do you have a plan to, say, remedy flammable cladding in government-owned buildings by any particular time, say, by the end of 2022?

**Ms FRAME:** As I have said, each cluster is responsible for the buildings that they own and it would be something to be asked of each cluster—what plans they might have in place to address any combustible cladding on their buildings.

**The Hon. PETER PRIMROSE:** Let me talk specifically about Property NSW. Can you please take on notice what you anticipate it will cost to address all flammable cladding in relation to Property NSW assets?

**Ms FRAME:** Certainly. As much as we are able to answer that question, we will take it on notice.

**The Hon. PETER PRIMROSE:** I understand. Thank you. Minister, in terms of housing stock can you tell the Committee what is the total value of government assets managed by Property NSW this financial year?

**Mrs MELINDA PAVEY:** Land and housing properties?

**The Hon. PETER PRIMROSE:** Yes.

**Mrs MELINDA PAVEY:** In the vicinity of \$50 billion in social housing that Land and Housing Corporation—it is around 123,000 properties and some of those properties lie with the Aboriginal housing authority. Around 32 per cent of land and housing assets are now being managed by the community housing sector and then we manage our properties as well. It is a multitude of arrangements and it is a big portfolio and we are working very well with Minister Ward to ensure that his objectives around the priority housing waiting list—and we are renewing as best as we can.

We are continuing on with the great work of the Millers Point Program and the funding that we received from the Sirius building, reinvesting and rejuvenating public housing. We had a very exciting announcement on Sunday for International Women's Day that we are going to construct 70 new properties across the Sydney metropolitan network to deal with women at risk of homelessness. That is a big challenge for us—older women, in particular, having a safe and secure place to be. That is not just for the city but also our regional communities.

**The Hon. PETER PRIMROSE:** Thank you, Minister. Can I ask without interrupting—you mentioned the Sirius building. I gather that the Government exchanged on that building in June 2019 for \$150 million. Is that correct? How much of this \$150 million will go towards new public housing stock?

**Mrs MELINDA PAVEY:** It has gone into reinvesting in the public housing stock across New South Wales.

**The Hon. PETER PRIMROSE:** The total of the \$150 million?

**Mrs MELINDA PAVEY:** I will take that on notice. I am sure there were probably some fees on the way through but it was designed specifically to reinvest in more fit-for-purpose stock so that we have more stock and availability for older women. We have a strong focus, and I know Minister Ward has a strong focus, on our priority housing group.

**The Hon. PETER PRIMROSE:** Can I understand in terms of the Sirius building—please, I am interested in knowing—that total \$150 million has gone towards new public housing stock? Is that correct?

**Ms FRAME:** The commitment from the Government is that all the proceeds from the sale will go to new public housing.

**The Hon. PETER PRIMROSE:** In recent years the Government has spoken of a pipeline of Property NSW asset sales exceeding \$1 billion to run through to the end of financial year 2020. Has that target been met?

**Mrs MELINDA PAVEY:** We are working our way towards those targets through the Communities Plus program. One of the areas that we are probably not as advanced as we would like to be in terms of the construction of is the Waterloo area. We are in dialogue with City of Sydney council about how that moves forward. Mr Cassel will be able to talk further to that. We recently made an announcement at Telopea, where the new rail line is going in. There is some really exciting energy about the rejuvenation of that site. It is an exciting plan not just to 2020. There is a 10-year program where we will be working with local communities and that is the challenge within this sector. It is dealing with people and their homes. Whilst we know that we all aspire to rejuvenate and regenerate a lot of older stock, you are dealing with people's lives.

**The Hon. PETER PRIMROSE:** I appreciate that, Minister. That is why I am asking whether you have met or are likely to meet the target that you have set.

**Mrs MELINDA PAVEY:** It is a target that the Government set. We are working towards that and I will have Mr Cassel talk to some of the initiatives that we are working through at the moment to move that on.

**Mr CASSEL:** Thank you, Minister. As you would know, we do have a significant number of projects underway.

**The Hon. PETER PRIMROSE:** Yes, I know. That is why I am asking for a figure. So far I have heard that you are doing lots of good things and you are doing something. I am just asking for an actual figure of whether you are likely to meet the target that the Government set or not. So far I have heard that you are doing good things and you are doing something. That is the summary of what I have been told in response so far.

**Mr CASSEL:** Can you be more specific about that target?

**The Hon. PETER PRIMROSE:** Okay. In terms of the pipeline of Property NSW asset sales exceeding \$1 billion to run through to the end of financial year 2020, have you met that target?

**Mr CASSEL:** I will hand over to the group deputy secretary to talk about property asset cycles.

**The Hon. PETER PRIMROSE:** Yes or no? I am just asking. Yes or no? If you cannot tell me, that is fine.

**Mr CASSEL:** Can I just clarify your question? I represent the Land and Housing Corporation. The group deputy secretary will talk to about asset recycling for government property—two totally different entities.

**The Hon. PETER PRIMROSE:** The Minister gave it to you—I did not. Is it yes or no?

**Ms FRAME:** The question is: Are we on track for a target of \$1 billion—

**The Hon. PETER PRIMROSE:** I am happy to read it out for the fourth time. Is it yes or no, or will you take it on notice?

**Ms FRAME:** I am sorry for the confusion, Mr Primrose. It is just that there are a number of targets. DPI as a cluster has its own target, which we discussed at the last estimates hearing, which was \$180 million over the four years for forward estimates. The whole of government had a target of \$3 billion that was also discussed at the last estimates hearing, for which the lion's share is attached to other clusters and it would be appropriate to direct questions to them. And then Property NSW continue a program of asset recycling that is not tied to targets as much as just what meets the Government's criteria for recycling. I can give you a figure up until January this year as to how much Property NSW have recycled through real estate property sales, which is \$292 million of real property assets that have been recycled in the year 2019-20 up until 13 January this year.

**The Hon. PETER PRIMROSE:** To make it clear—and I ask very specifically—how many properties that have been divested this financial year were part of the public housing asset base?

**Ms FRAME:** That would be for Mr Cassel.

**Mr CASSEL:** Back to the Land and Housing Corporation.

**The Hon. PETER PRIMROSE:** Let us go back there.

**Mr CASSEL:** In the financial year 2018-19 we sold approximately 352 properties.

**Mrs MELINDA PAVEY:** That does not go to the property target. That stays with the Land and Housing Corporation, Mr Primrose. That does not go to that overall government property recycling target. Whatever we sell—properties—stays within our portfolio to reinvest in new public housing.

**The Hon. PETER PRIMROSE:** In terms of cladding, how many properties are there that are affected by flammable cladding within your portfolio?

**Mrs MELINDA PAVEY:** We will take that on notice.

**Ms CATE FAEHRMANN:** I just want to talk about water recycling, if I can. What is the Government's target for water recycling for Sydney Water?

**Mrs MELINDA PAVEY:** I thank you very much for the question. As you know, this is something that you may know has been a genuine focus of agencies—the Department of Primary Industries Water as well as Sydney Water. The drought and the rapid decline in Sydney's dam level over a two-year period has put a focus and an energy into further exploring recycling opportunities, particularly given the population growth we have had and the development of new parts of Sydney in the south-west and western parts of the city. We are doing a major amount of work and we are continuing those discussions internally and we will be in a position to talk more broadly with the community about that in the coming months.

**Ms CATE FAEHRMANN:** The Government does not have a target at this stage. Is that correct?

**Mrs MELINDA PAVEY:** We have enormous amounts of water that we are recycling that are part of industry, like from the Sydney catchment the recycled water ensures that we can operate the Illawarra steelworks that uses all recycled water from our region. We acknowledge, and I think the community certainly acknowledges and wants us to be more embracing of the recycling opportunities that are there. Yes, we do it in our new estates and our new properties, whether it be Rouse Hill, and there have been parts of Sydney that have not been on water restrictions and their gardens have had full access to recycled water. It is an important part of the future and the more we have conversations with people like Stuart Khan, from the University of New South Wales—

**The Hon. TREVOR KHAN:** Lovely bloke.

**Mrs MELINDA PAVEY:** —the more we talk about the opportunities and—

**Ms CATE FAEHRMANN:** Minister, remind me of the percentage of water—I think you said it was a great deal, although I do not want to put words into your mouth—that is recycled at the moment for Sydney Water.

**Mrs MELINDA PAVEY:** For Sydney, wastewater recycling is about 8.1 per cent and for the Hunter it is 11.5 per cent. For regional communities it is about 25 per cent.

**Ms CATE FAEHRMANN:** Do you intend to then set a target for Sydney Water for the amount of water that is to be recycled by a given year?

**Mrs MELINDA PAVEY:** Whether we talk about targets, there are to be further discussions within government, but there are conversations and there are important infrastructure projects that are being considered and we will talk about them with the community in due course.

**Ms CATE FAEHRMANN:** You are aware that Western Sydney Leadership Dialogue has called for a recycled water target of 20 per cent by 2030. Are those types of targets getting consideration by the Government?

**Mrs MELINDA PAVEY:** We will talk more generally with the public at an appropriate time. We have done the research and homework that we need to do.

**Ms CATE FAEHRMANN:** Is the Government considering looking at recycled water for potable use as well as for sporting fields and for industry?

**Mrs MELINDA PAVEY:** We will continue to look at the options that are available to us, that technology gives us and that operate, say, in regional New South Wales. It does also operate in Sydney. We do recycle into our river systems in Sydney as well as in regional New South Wales. There are enormous opportunities, but the most important part of that is a general conversation. With the greatest respect, I am going to refer to Mr Bentley and Mr Cheroux, from Sydney Water, to talk to that issue in a little bit more detail.

**Dr BENTLEY:** We are doing a lot of work at the moment in preparing for a Greater Sydney water strategy that will consider these questions as to how much water is going to be needed in the Sydney system over the next period of years and what the potential sources of that water may be.

**Ms CATE FAEHRMANN:** What is that period of years?

**Dr BENTLEY:** During the drought, before we had the rain, we were obviously looking at the expansion of the desal plant. That planning work is continuing. There are other desal plants and other recycled water schemes that are also being considered in detail, as well as further water conservation schemes. That work is all being laid alongside each other and, by December this year, we will be making judgements about which are the best options for which parts of the supply system and over what time frames. We are looking at a few years away, not a few decades away, but significant amounts of water will be required. We will set out in the Greater Sydney strategy what those time frames are and what those potential sources of water are.

**Ms CATE FAEHRMANN:** But your time frames still extend to, I am assuming, 2030 and beyond?

**Dr BENTLEY:** Indeed, so that Greater Sydney strategy will be a 20-year look ahead. It will set out what needs to be done, let us say, in the next five years and what would need to be done in the years beyond that. It would be a strategy for 20 years but it would also take a 40-year horizon.

**Ms CATE FAEHRMANN:** What predicted temperature increases are you modelling in relation to climate change as part of that strategy?

**Dr BENTLEY:** I would have to take the specifics of that on notice, but the climate change modelling is being included in the Greater Sydney strategy.

**Ms CATE FAEHRMANN:** In terms of risks of, for example, what is being predicted under the business as usual scenario under the Paris climate agreement, which is three degrees, you would think something like that would be modelled for New South Wales?

**Dr BENTLEY:** I do not want to mislead you, so I will take the specifics on notice. But the climate change modelling is being built into the work, both for our regional water strategies and for the Greater Sydney strategy, which is effectively like another regional water strategy.

**The Hon. EMMA HURST:** I have only got a few more questions with regard to the mange in wombats. How many wombats will be actually included in the study? Is that part of the ethics approval?

**Mr HARRIS:** Can I just come back to you on a few other matters that you raised earlier, because I have a bit more information now?

**The Hon. EMMA HURST:** Sure, thank you.

**Mr HARRIS:** Mange has been around in the Kangaroo Valley for 50 to 60 years, and that is an estimate. It is widespread amongst the wombat populations in New South Wales and Australia. We have always been treating wombats at Bendeela for mange. WaterNSW has not undertaken treatment; we have been doing that through third parties. We euthanise them when required. We were waiting on National Parks and Wildlife Service to complete trials on suitable treatments and now we are funding the University of Tasmania program I referred to earlier. Other local groups were given access, so some treatment was given by other wildlife groups approximately 10 years ago and more recently than that. That access was not authorised by the then Sydney Catchment Authority as it did not meet chemical use requirements in public spaces. WaterNSW owns that land because it is drinking water catchment and we have rules and requirements around chemical use. The chemical use did not meet our public health guidelines at the time.

But groups were still given access to monitor the welfare of wombats in the area. Sometimes they removed those wombats for treatment. Different groups did this in different ways, as per licensing requirements, and sometimes wombats were euthanised. In terms of euthanasia, this is done by different wildlife carer groups or contracted shooters all within New South Wales. There are guidelines to do official assessment from National Parks and Wildlife Service and universities, which we will provide you with if you wish. I do need to come back to you on the number of wombats killed since 2014. If the wombat has a baby or a baby in the pouch, the pouch is always checked and if there is a baby, that baby is given to a wildlife carer group. It is very rare to euthanise a baby wombat. Why do we shoot them instead of lethal injection? For two reasons: one, to not subject the animal to the stress of being captured; and, two, so that there is less chance of the euthaniser contracting mange. That is a follow-up on a number of earlier questions.

**The Hon. EMMA HURST:** Thank you, that was really useful. You said that the wildlife groups were allowed in 10 years ago and some more recently. Do you have any more information about those who were allowed access more recently?

**Mr HARRIS:** I do not, but I will take it on notice.

**The Hon. EMMA HURST:** I think you said that sometimes the wombats were directly euthanised by staff at WaterNSW?

**Mr HARRIS:** It would have been previously.

**The Hon. EMMA HURST:** Previously, and now it is by a contractor?

**Mr HARRIS:** Correct, so we removed the use of firearms by WaterNSW staff some five years ago or several years ago.

**The Hon. EMMA HURST:** Back to my question, do you know how many wombats will be included in this particular study going forward?

**Mr HARRIS:** I will have to come back to you on that one.

**The Hon. EMMA HURST:** I believe that the actual coverage area of the project is still to be confirmed after the preliminary surveys have been completed. If there are areas within the Bendeela recreational area that are not being treated, do we have any plans going forward for any wombats that will not be in the treatment area?

**Mr HARRIS:** Obviously, we can only run that trial on lands that we own.

**The Hon. EMMA HURST:** I mean within the area, so within the Bendeela area my understanding, from the information provided, was that the full coverage area of the project was still to be confirmed. Will the research cover your entire area or is that to be confirmed?

**Mr HARRIS:** Correct. There are broadly two areas that we own. We own about 15 hectares of the Bendeela recreational area, the camp ground essentially, and we also own some land surrounding that area which is not camp ground land. All of that land will be the subject of the study, noting that that is a small area within the Kangaroo Valley.

**The Hon. EMMA HURST:** So you suspect that within this study any wombat with mange will be treated as part of this project?

**Mr HARRIS:** Subject to the methodology of the study, correct. As I indicated to your staff a week or so ago, we are more than happy to involve the local carer groups in oversighting that. We want to be fully

transparent about it so that they can see, hopefully, the wombat health improving or otherwise during the course of the trial.

**The Hon. EMMA HURST:** So they will have access during the trial to monitor the welfare and to keep up to date?

**Mr HARRIS:** Yes, and I have asked our manager of that site to reach out to them and to put in place those arrangements.

**The Hon. EMMA HURST:** Do you know what will happen in terms of the treatment of the wombats for the mange in this project, generally speaking?

**Mr HARRIS:** Dr Carver from the University of Tasmania is proposing to use a different medicinal treatment from what has been tried before and he or his team will be providing dosages of that different medicine.

**The Hon. EMMA HURST:** Finally, how will WaterNSW monitor and manage the welfare of the wombats during the trial? Are you involved as well?

**Mr HARRIS:** Obviously, as landholder, as a stakeholder in the ARC research project and with people on the ground there pretty much every day, yes, we will be involved in that and ensuring that, if the trial is not successful or taking time and so on, wombats are euthanised if necessary.

**The CHAIR:** Just going back to the Dungowan Dam project, picking up where we left off, we have made substantial progress, but you cannot tell me what the sustainable diversion limit [SDL] is?

**Mrs MELINDA PAVEY:** It is not actually about putting more allocation in, it is about giving more water security to the communities of Dungowan and the Peel Valley as well as the Lachlan Valley. It is about ensuring that, in this time of climate change where we have such variability of rainfall and opportunity, we have bigger storages to capture those events that we have experienced over the past month or so. I might refer to Ms O'Keefe to talk further about the SDL that you are referring to.

**The CHAIR:** Yes, because that does not answer my question. Ms O'Keefe, is there a substantial diversion limit? I imagine it would be one of the first things that you would have calculated when you are talking about a 16-gigalitre increase in the wall space. You would have some preliminary figures about what that might mean in terms of a diversion.

**Ms O'KEEFE:** That is not my area of expertise. I understand they do a safe yield analysis for town water supply provision. That is quite different to a sustainable diversion limit, which is the terminology used under the basin plan.

**The CHAIR:** It is a requirement of the basin plan that you detail that.

**Ms O'KEEFE:** Correct, so the Peel Valley has a sustainable diversion limit, or the Namoi as a whole I think. That will not increase with this new dam. As the Minister says, instead of having a boom and bust system in the Peel, because if you have a small dam it runs out more easily and then we end up in the situation where we are now, you will have a bigger dam and the supply for the town is much smoother, so overall the SDL does not change for the valley.

**Mrs MELINDA PAVEY:** It gives more security because you have collected more water. Mr Harris was wanting to add something.

**Mr HARRIS:** Yes, sorry, we got cut off before, so just confirming the sustainable diversion limit will not change. The diversions will be accounted for within the current State and basin plan accounting frameworks. This means that any growth in use of water due to improved availability from an enlarged Dungowan Dam, and indeed the other dams, will be accounted for annually. Any growth in use will be managed so that overall take in the Peel Valley remains within the extraction limit. Just to give you an example, Tamworth Regional Council currently has an entitlement for about 16.4 gigalitres, but they currently use between nine gigalitres and 10 gigalitres a year of that entitlement. So, by way of example, delivery to those customers is not currently constrained by their entitlement limit but rather the reliability of water being captured and available. We cannot calculate the yield yet from the new dam because that is a function of its final design, its height in particular, its final site, and therefore the catchment size, and those dimensions are subject to design work which is in early stages at the moment.

**The CHAIR:** Under the basin plan you must recover costs. So what is the cost recovery model for this project?

**Mr HARRIS:** The Government has undertaken to fund the Dungowan Dam, so that is the final business case, and also the construction costs, and that is a combination of Federal and State governments grant funding.

**The CHAIR:** The estimated cost of that is \$500 million. Is that correct?

**Mr HARRIS:** Yes. It is \$480 million, of which \$100 million in round terms is for the pipeline, replacement of the pre-existing pipeline, and \$380 million of that is for the dam itself.

**The CHAIR:** If we just work on the dam itself at \$380 million, would you agree that that is probably the most expensive per gigalitre stored water in Australia's history, when the average sort of cost is \$1 million or \$2 million per gigalitre and you are now looking at \$30.8 million per gigalitre.

**Mr HARRIS:** You have to be a bit careful about what type of water you are talking about—whether it is general security or high security. This is high security water.

**The CHAIR:** In my view, it does not change the cost per gigalitre.

**Mr HARRIS:** But the value of that water is substantially higher than general security water.

**The CHAIR:** So in fact it could be higher than the figure I just threw out there as an estimate?

**Mr HARRIS:** No, when you talk about a million dollars per gigalitre as a rough rule of thumb, you have to remember—and, by the way, that is the estimate for Wyangala Dam, but the benefit from the raising of Wyangala Dam will be largely for general security users and the value of that water is substantially less than high security water, including town water supply. Dungowan Dam, on the other hand, is largely, if not exclusively, a town water supply dam for the highest security water in that valley and therefore that water is a lot more valuable than general security water, so they are not an apples for apples comparison.

**The Hon. MICK VEITCH:** Minister, why was Jock Laurie removed?

**Mrs MELINDA PAVEY:** Jock Laurie had fulfilled a role as the Land and Water Commissioner but as we went further into drought we were certainly challenged particularly with our town water supplies. We had a role that was more evolving towards town water supply security with James McTavish, and our cluster decided that we needed a stronger focus on drought management. I will just have Mr Betts explain a little further the decision-making process.

**Mr BETTS:** Mr Laurie was an employee of the department, employed by me as secretary, so senior executive band one, initially appointed as Land and Water Commissioner in December 2012. He performed very well in that role for some six years before, at the end of 2018, being asked to step into the role of drought coordinator. The department was created in April last year and fully came into being in July. One of the commitments that the Government had made during the election campaign was to reduce senior executive headcount by 10 per cent. On becoming secretary I looked around the department and attempted to identify areas in which we could achieve those savings in senior executive headcount. The creation of the department had in many ways changed the rationale which lay behind the original establishment of the Land and Water Commissioner, which was about liaison between agencies, and between those agencies and the community. That became the central mission of Department of Planning, Industry and Environment and no longer required the existence of a dedicated role.

In terms of the role of the drought coordinator, at that point the drought had evolved to a point where it had gone beyond the farm gate and a much more concerted whole-of-department and indeed whole-of-government response to the drought was required. I took the decision, which was not an easy decision, that the time had come for those roles to be eliminated and to be replaced. Mr Laurie's contract was terminated in accordance with its terms in section 41 of the Government Sector Employment Act. It was not a performance issue or anything like that, he was a fine public servant, but the point is that the role had come to a point where it was surplus to requirements.

**The Hon. MICK VEITCH:** So the functions the Mr Laurie was undertaking have now been essentially transferred to Mr McTavish's role?

**Mr BETTS:** Mr McTavish has played a key role in terms of town drinking water and so on, but we have set up an Office of Drought Response now, which is from a holistic approach to every aspect of drought response and in the cluster. That reports to a committee which is chaired by Gary Barnes, who is the coordinator general for Resources, Industry, Agriculture and Regions, and also co-chaired with Mr Bentley as required for water issues.

**The Hon. MICK VEITCH:** The main thing I wanted resolved here is that the functions being undertaken by Mr Laurie have now been—

**Mr BETTS:** Subsumed within the broader cluster.

**The Hon. MICK VEITCH:** —subsumed or restructured into other areas, they have not fallen off the table.

**Mr BETTS:** Absolutely not, no.

**The Hon. MICK VEITCH:** Minister, what conversations did you have with Minister Marshall around the embargoes being placed and then being lifted in his role as agriculture Minister?

**Mrs MELINDA PAVEY:** I did not have any conversations with Minister Marshall. He quite rightly had been sending information through to my office raising concerns of his constituents. He is a brilliant local member.

**The Hon. MICK VEITCH:** As a local member, not as a Minister?

**Mrs MELINDA PAVEY:** That is right.

**The Hon. MICK VEITCH:** And those concerns that he was representing, were they more to do with lifting the embargoes or keeping the embargoes in place?

**Mrs MELINDA PAVEY:** It is fair to say that he had some fairly motivated farmers and community leaders wanting to lift.

**The Hon. MICK VEITCH:** To lift the embargo. At what point, in his capacity as the member for Northern Tablelands, was Mr Marshall advised that the embargoes would be lifted? Was that in the same method that you were communicated with?

**Mrs MELINDA PAVEY:** Yes. I am not sure how he heard. Are you talking about lifted in the last week or so or on that three-day period?

**The Hon. MICK VEITCH:** That particular three-day period.

**Mrs MELINDA PAVEY:** He would have just found out as we did, as I did, in a public way.

**The Hon. MICK VEITCH:** Can I ask about the audits—

**Mrs MELINDA PAVEY:** Sorry, I might add just for clarity that his representations were not at that time, early on. They were some weeks later.

**The Hon. MICK VEITCH:** My questions were specifically about that February period.

**Mrs MELINDA PAVEY:** His representations came to me as the rain had continued to come and fall. It was not in that three-day period.

**The Hon. MICK VEITCH:** Minister, with regard to the outstanding audits, we explored this at the last estimates, as of today how many of the audits for the plans are currently outstanding?

**Mrs MELINDA PAVEY:** We rectified the situation and we have done the audits to make sure that we were following the rules that were set down. Again I might refer to either Mr Bentley or Ms O'Keefe to explore the issue further.

**Dr BENTLEY:** They have all been completed. All the 25 that were due for completion in December have been completed.

**The Hon. MICK VEITCH:** And which was the last of those to have been completed?

**Dr BENTLEY:** Off the top of my head I do not know but Ms O'Keefe may.

**Ms O'KEEFE:** They were completed as a batch, that full 25.

**The Hon. MICK VEITCH:** And so they have now been lodged with the Commonwealth as per the requirements?

**Dr BENTLEY:** Those are the audits. This is not the same as the submission of the water resource plans because they are separate exercises.

**The Hon. MICK VEITCH:** Because you have got to do the audits?



**Dr BENTLEY:** We have published the results of those findings.

**The Hon. MICK VEITCH:** You have published?

**Dr BENTLEY:** Yes.

**The Hon. MICK VEITCH:** With regard to the resource plans that have got to be lodged, there is a bit of media this morning luckily for the Committee. We have been informed prior to when we got here that some of our questions have been answered via public domain, which happens at budget estimates I notice. With regard to those, the process that has now been publicly stated is we are essentially just going to roll them over I suppose is the phrase after they have been—

**Mrs MELINDA PAVEY:** No, they are not being rolled over.

**The Hon. MICK VEITCH:** Minister, what is the process then?

**Mrs MELINDA PAVEY:** We will finish our final consultation with the stakeholder advisory panels in the next two months and then they will be lodged, the outstanding ones, by the end of the financial year as we are required. And equally, the Natural Resources Commission [] has a statutory obligation to ensure that they meet requirements. They are welcome to stakeholder engagement or any part of the process. I might have Mr Bentley further explore that issue.

**The Hon. MICK VEITCH:** Specifically, if you could, Mr Bentley, I just want to know then if there is going to be further consultation how is that going to be undertaken?

**Dr BENTLEY:** We are probably talking about several different things here.

**The Hon. MICK VEITCH:** There is a whole cluster of things here, yes.

**Dr BENTLEY:** I will be as quick as I can. The water resource plans that the Minister referred to earlier that we are doing a final round of consultation on during March will be submitted with the Murray-Darling Basin Authority before the end of the financial year, so that is that. What the article this morning was referring to was that we had to make a decision do we amend water sharing plans with many, many amendments to bring them into compliance with the requirements we have with the Commonwealth, or do we effectively remake those plans? What the article is suggesting is that in the remaking of those plans what we are doing is effectively pushing out the date for review, so it would have been many, many years from when they first started to those reviews.

As was the case with the Barwon-Darling plan, that review was actually brought forward. There is nothing to say that because you have remade the plan you have to wait nine or 10 years before you do a further review. It would be within the Minister's discretion to say that the review should be done early. The choice had to be made, do you make many amendments to the plan or do you remake the plan? In remaking the plan there is no reason why you have to wait all those years before another review. I think that is what the article was getting at.

**The Hon. MICK VEITCH:** And so Minister Blair put in place reviews—

**Mrs MELINDA PAVEY:** Early.

**The Hon. MICK VEITCH:** On the basis of a whole heap of angst, I would suggest, from a range of people, a range of stakeholders, and hence community pressure would have been the catalyst for those audits?

**Dr BENTLEY:** I was not around at the time so I cannot answer that.

**The Hon. MICK VEITCH:** You were not there but that is the sort of thing that would lead to maybe the early reviews?

**Dr BENTLEY:** Or it might be perfectly sensible for the Minister to decide. The reason for this remaking rather than putting up many amendments is just about being administratively simple and clear. It is nothing to do with trying to take a longer period of time before review. As I have said, the review of the Barwon-Darling was brought forward. All of the recommendations from the NRC review have been included and the draft water sharing plan that has been consulted with the community on and which will ultimately go up for consideration by the Murray-Darling Basin Authority. We have taken the review early, we have applied the lessons of the review as we said we that we would and there is nothing to say that we would not call for an early review or that the Minister would not call for an early review of these remaining plans. This is not about trying to push back the date of review, nor is it about not trying to learn. I think actually we have demonstrated the opposite. We have sought to learn, and we have learnt, and we have applied those learnings.

**The Hon. MICK VEITCH:** As a part of this process then, have we undertaken any assessment as to whether or not this process will expose the State to some sort of—

**Dr BENTLEY:** The choice to remake, rather than amend.

**The Hon. MICK VEITCH:** Yes.

**Dr BENTLEY:** To my knowledge—and I will take it on notice to confirm—it does not make any difference at all. It was an administrative choice between having a complicated amended process or remaking the plan.

**Ms O'KEEFE:** Section 45 of the Act actually provides for this. You can amend or replace a water sharing plan to make it compliant with the Commonwealth legislation. There is a provision that allows us to do that in the Act. The compensation provisions of the Act apply any time you change a plan.

**The Hon. MICK VEITCH:** Okay, thank you. Minister, with regard to the consultation I think you said that by the end of the financial year you would have the consultation—

**Mrs MELINDA PAVEY:** No, in the next couple of months—two months—we will finish our stakeholder engagement. That is a matter of public record. I just do not recall the dates.

**The Hon. MICK VEITCH:** It has been raised with me the distances that some people are going to have to travel to meet the consultation out in the Far West. They are essentially asking for additional venues so they can be involved in the consultation. Have you received any of those approaches?

**Mrs MELINDA PAVEY:** Yes, I have heard about those approaches. But the stakeholder advisory panels are made up of a set group of people and they are supported through those final consultations. I have heard those concerns. I have an open mind to it. But I think what we are focused on is that final round of consultation with those who are on the stakeholder advisory panels. We will support them in those final consultations. Ms O'Keefe?

**Ms O'KEEFE:** That is correct. It is not public consultation; it is just closing the loop on the extensive public consultation we did last year and going back to the stakeholder advisory panels.

**Mrs MELINDA PAVEY:** Which are representative of the communities.

**Ms O'KEEFE:** We have looked at those logistical issues and we will transport the couple of people out in the Far West that need to get there.

**The Hon. MICK VEITCH:** But their travel requirements are something that should be considered. If you want a representative response you should make sure they are included.

**Ms O'KEEFE:** We will fly and we will fly with those people who have an overlap with those two committees.

**Mrs MELINDA PAVEY:** I understand that there was some concern around Wentworth. We will support those people to get to the meeting.

**Ms O'KEEFE:** Yes. There are really only a couple of people involved in that.

**The Hon. MICK VEITCH:** So I can rest assured that that has been taken care of?

**Mrs MELINDA PAVEY:** Stand easy.

**The Hon. MICK VEITCH:** Can I move on to the desalination plant? People in Sydney now think there is a lot of water around, but in some parts of New South Wales there is not as much water. But in Sydney the water catchments—to be fair—are now at a reasonable level. Prior to the rain event that filled those catchments there were discussions about expanding the existing desalination plant in Sydney. Are those discussions still taking place and is it still a plan of the Government to look at expanding the desalination plant in Sydney?

**Mrs MELINDA PAVEY:** There are more than discussions going on; there is the development of a final business case. At this point we are continuing with the work of that final business case. The points are well made. Yes, it has rained beautifully on the eastern seaboard, but we are still very challenged with our inland dams—really challenged. How do we go forward and respond to that? We are continuing with that work because we do need extra sources of supply. The data and the information surrounding this two- to three-year period is that we were swimming in water in 2016 and then saw a rapid decline. We were at full production at the current desalination plant by July. That was adding 250 megalitres a day. But we do need to look at more solutions and

that is what we are doing. At this point we are continuing with our work on the final business case, which is an extensive body of work that will be—

**The Hon. MICK VEITCH:** The main thing is, it is not off the table and is still being considered?

**Mrs MELINDA PAVEY:** Yes.

**The Hon. MICK VEITCH:** Thank you. Minister, with regard to a desalination plant in the Illawarra, has a site been determined?

**Mrs MELINDA PAVEY:** I will defer to Mr Harris to further explore that. He has started some community consultation. I thank the people of the Illawarra for the positive way—including your Labor members—they have supported it. But it is one of many solutions that are available to us to increase the capacity of our water supply in the region, which were identified in a metropolitan water plan. I will get Mr Harris to talk further to the process of the site and community consultation in the Illawarra.

**Mr HARRIS:** Yes, we have identified a site. It is a now disused industrial site. As the Minister indicated, we have had a number of community consultations and stakeholder consultations down in the Illawarra, in particular with the local council and local chamber of commerce. They have been very helpful in identifying potential sites for us down there and also indicated their support for that plan, given that one of the things we learnt over the last couple of years was that various nodes in the system have different failure points. The Illawarra, of course, is now fine, but prior to the rains coming it had the least amount of water in that node. I think people are realising the importance of a climate independent source for the Illawarra.

**The Hon. MICK VEITCH:** A site has been located. Is an environmental impact statement [EIS] currently underway?

**Mr HARRIS:** We are not that far through the process. Our first step is to submit a strategic business case to the Government. If the Government endorses that then we would proceed into those other types of investigations and works.

**The Hon. MICK VEITCH:** Okay. So there is still no time line or funding envelop being developed on that? That is too far down the track?

**Mr HARRIS:** That all has to be considered as part of a strategic business case, which we are currently developing to put to the Government. But it has not been submitted yet.

**Dr BENTLEY:** It will be considered in the Greater Sydney Water Strategy that I referred to earlier. We will look at all these things. It is not just one option in isolation. Indeed, the planning for the expansion of the existing plant will be looked at alongside these other options.

**Mrs MELINDA PAVEY:** Someone has just highlighted to me that if it did not rain again for three years we would be at 30 per cent of the Sydney catchment. We need to create some greater sources. There is no one silver bullet. There is a variety of solutions.

**The Hon. MICK VEITCH:** I just wanted to make sure that that was where we were at. Minister, the desalination plant is still operating even though the dam and water catchments are now in the good zone?

**Mrs MELINDA PAVEY:** It is at the moment.

**The Hon. MICK VEITCH:** With regard to the dividend that is taken out of Sydney Water, which goes into consolidated revenue, it sort of increases every year. It has been going up if you look at what has been going on there with the water dividend. How much is this year's water dividend that is being taken from Sydney Water, Minister?

**Mrs MELINDA PAVEY:** That is really a question for the Treasurer.

**The Hon. MICK VEITCH:** The shareholding Minister?

**Mrs MELINDA PAVEY:** Yes.

**The Hon. MICK VEITCH:** I thought I would ask. One of your former Ministers answered the question for me and got it wrong. I thought I would roll the dice again. With regard to the Hunter desalination plant, I understand that the EIS has gone out for that?

**Mr CLEARY:** Yes, the EIS for the desalination plant at Belmont was on public exhibition. That closed just before Christmas. It is currently with the Department of Planning, Industry and Environment for the final determinations.

**The Hon. MICK VEITCH:** Has the business case been concluded?

**Mr CLEARY:** Correct.

**The Hon. MICK VEITCH:** Do we now have a funding envelop for that project or will that be finalised after the Department of Planning, Industry and Environment has done its work?

**Mr CLEARY:** It will be finalised after the EIS because some of the conditions of consent may affect the cost.

**The Hon. MICK VEITCH:** What is the short time frame? Planning has it at the moment. What is the time frame on that?

**Mr CLEARY:** We hope to get a response back by the middle of the year on the planning consent. It is important to point out that this plant is a drought response plant so the delivery will be dependent upon water storage levels. If water storage levels recover—at the moment we are at 64 per cent total storage—and we go back to average rainfall we will get back up above 70 per cent, in which case the planning consent will be put on hold and we will only activate it if storage levels fall again.

**Mr JUSTIN FIELD:** Good Morning, Minister. Dr Bentley made the useful suggestion earlier that it was within your power to bring forward any of the statutory reviews that the NRC might conduct into water sharing plans. Will you do that? Will you ensure that each of the water sharing plans will have their statutory reviews no later than the time frame would have required before you go through extending the sea states as part of the water resource plan process?

**Mrs MELINDA PAVEY:** I will have an open mind to community concerns and public information if there are troubles, certainly. I have an open mind to early exploration, as Minister Blair did in the Barwon-Darling.

**Mr JUSTIN FIELD:** Would you not agree that there are community concerns and that there are frustrations similar to—the reason that the review of the Barwon-Darling water sharing plan was brought forward, concerns around protection of low flows, exists in other catchments. Whether or not the water sharing plan adequately considers the impact of climate change, those things do exist. Would it not make sense to have the NRC do a deep dive into each of these water sharing plans?

**Mrs MELINDA PAVEY:** Certainly. That is their statutory obligation and I will have an open mind to doing what community expectations would expect. Let us see how the water sharing plans are finalised. Many of those issues and concerns around low flows have been resolved and we will continue to look at the evidence and ensure that we are making the best decisions.

**Mr JUSTIN FIELD:** Minister, have you brought forward any reviews since you became Minister?

**Mrs MELINDA PAVEY:** No, I have not.

**Mr JUSTIN FIELD:** Do you trust the NRC to do these reviews?

**Mrs MELINDA PAVEY:** Yes.

**Mr JUSTIN FIELD:** You were very, very critical of the NRC when they conducted the Barwon—

**Mrs MELINDA PAVEY:** Mr Field—

**Mr JUSTIN FIELD:** Minister, I am sorry, I have not finished my question. You were publicly incredibly critical of the NRC for their work on the Barwon-Darling water sharing plan review, were you not?

**Mrs MELINDA PAVEY:** No, Mr Field. I was critical of a misspoken fact in the report, which was then taken out. I respect the work the NRC does.

**Mr JUSTIN FIELD:** Minister, did your office drop the letter that you sent to the NRC outlining your concerns about that review to Kylar Loussikian from *The Sydney Morning Herald* before you actually sent it to the NRC?

**Mrs MELINDA PAVEY:** I have no knowledge of that.

**Mr JUSTIN FIELD:** Minister, I have been following up that process and that time line since—I think we discussed it at the last budget estimates. Since then I have made a Standing Order 52 request and tried to get a bit of a handle on how all of that happened. There are some very curious time lines. I have seen some emails and documents between the NRC and the journalist and certainly within WaterNSW. It is pretty clear that questions

were being asked by the journalist of the NRC before the NRC received your letter. Was the letter prepared by your office or was it prepared by the department?

**Mrs MELINDA PAVEY:** I will take that on notice.

**Mr JUSTIN FIELD:** Minister, why was your letter not provided to me in response to the Standing Order 52 request?

**Mrs MELINDA PAVEY:** I will take that on notice.

**Mr JUSTIN FIELD:** We are not going to get anywhere with that, are we? Minister, at the end of the story this morning in *The Sydney Morning Herald* that goes to this question of the statutory reviews of the water sharing plans, there is a comment attributed to a spokesperson—I am not sure if it was a spokesperson from your office or the department—that the department was preparing strategies examining the risk to water security resulting from climate and may recommend changes to water sharing plans. What do you mean by that?

**Mrs MELINDA PAVEY:** That was a quote from the department that was sent to me and I will have Dr Jim Bentley talk further to that.

**Dr BENTLEY:** As I referred to earlier, the regional water strategies are incorporating climate change modelling. And so, as those regional water strategies are rolled out, if there are things that we need to look at in the water resource plans and in water sharing plans we have that opportunity to do so. That is where that climate change work is being done.

**Mr JUSTIN FIELD:** When will those be completed?

**Dr BENTLEY:** The one for the Greater Hunter is already complete. Three further plans are in advanced draft form and we are in the process of consultation on those now. All the remaining eight will be in advanced draft form by the end of this calendar year.

**Mr JUSTIN FIELD:** The suggestion is that as a result of those processes it might recommend making changes to the water sharing plan. The water sharing plans are currently being changed to try to fit with the water resource plans for submission to the Murray-Darling Basin Authority. What a dog's breakfast. Is that not a reason to have an independent body like the NRC actually have a good look at how water management is happening through the water sharing plans and how that is actually going to be coherently delivered through the water resource plans? That just does not make sense, Minister. We have known these climate risks are coming for a long time—

**The Hon. TREVOR KHAN:** Point of order—

**Mr JUSTIN FIELD:** How is that a response to the questions that were raised through the media this morning?

**The Hon. TREVOR KHAN:** Point of order: I think we got up to four different questions within that one question.

**Mr JUSTIN FIELD:** No, it was a comment at the start. Now we are at the question—

**The Hon. TREVOR KHAN:** And it involved extensive comment. It is a question-and-answer exercise, not speech-making, so I think it is unfair on the Minister to bombard her with a degustation of questions.

**Mr JUSTIN FIELD:** How does the development of regional water strategies—

**Mrs MELINDA PAVEY:** Sorry, there is a ruling.

**The CHAIR:** Can you just deliver the question?

**Mr JUSTIN FIELD:** How does the completion of regional water strategies answer the questions that were raised in this morning's media about the statutory review processes for the water sharing plans?

**Mrs MELINDA PAVEY:** Our regional water strategies can feed into our water sharing plans. These are not set in stone. They can move. They can respond. They can take into account the latest data and information.

**The Hon. EMMA HURST:** Minister, most of the State is in drought and we have got water restrictions in place for Sydney residents and businesses currently. Am I right in saying that these restrictions do not apply to animal agriculture facilities?

**Mrs MELINDA PAVEY:** No, they do. If there is an animal—

**The Hon. EMMA HURST:** In animal farming businesses?

**Mrs MELINDA PAVEY:** If they are on town water supplies they would need to meet the requirements of that.

**The Hon. EMMA HURST:** Are you talking about their own personal household?

**Mrs MELINDA PAVEY:** If one of the facilities you are talking about—in Sydney we have dropped back to level one water restrictions, which basically means you cannot use a trigger hose after 10 o'clock or before four o'clock in the afternoon. Have you got a specific case, Ms Hurst?

**The Hon. EMMA HURST:** My understanding is that the water restrictions are not in place for animal agriculture facilities within the actual business, that it is only within households.

**Mrs MELINDA PAVEY:** I would need to look at whether they were taking and they had their own water licence or groundwater, or whether they had access to high security or general security. There are 92 different water authorities across New South Wales. We have two of them here today, Hunter and Sydney and Illawarra. I would need to see the details of that question.

**The Hon. EMMA HURST:** I will just move onto something slightly different to maybe give you a little bit of background. In recent years there have been a lot of international studies that have identified animal agriculture as a bit of a blind spot in regard to most government water policies. One international study observed that in countries where current meat consumption per capita is relatively high, like in Australia, the water footprint reduction through diet change is what would be most substantial. Are you familiar with any of these studies?

**Mrs MELINDA PAVEY:** No, I am not.

**The Hon. EMMA HURST:** Have you given any thought to developing a water policy that focuses on sustainable consumption—that is, by scrutinising or confining the growth of high water sectors of animal agribusiness?

**Mrs MELINDA PAVEY:** I think it is fair to say that our farmers on the whole are very respectful of their water consumption—

**The Hon. EMMA HURST:** I am not talking about the current farmers.

**Mrs MELINDA PAVEY:** I think of Tamworth in particular. Tamworth City Council have got some very good recycling opportunities and there is an abattoir at Tamworth—

**The Hon. EMMA HURST:** Sorry, Minister. If I can take you back to my question—

**Mrs MELINDA PAVEY:** —that has doubled its capacity and yet it has reduced its water—

**The Hon. EMMA HURST:** Can I please take you back? The question was about the growth in this sector. Considering we are a drought-prone country, should we be prioritising production that is less water intensive rather than encouraging growth of industries that are reliant on very high water production?

**Mrs MELINDA PAVEY:** There is a range. Almonds, for example, are one of the most intensive water-using products within New South Wales.

**The Hon. EMMA HURST:** The beef industry is 20 times more than almonds. In fact, one of the largest users of water is the dairy industry.

**Mrs MELINDA PAVEY:** I will refer to Mr McTavish, who has been working with dozens of those local water authorities about some of the strategies that are in place to deal with prioritising town water.

**Mr McTAVISH:** There is a substantial amount of work going on now between a number of parts of government and intensive agricultural industries. That is not only related to the production of meat, milk and poultry products, it is also for water culture as well, and particularly related to intensive water culture, so shedded water culture. Some of the international studies that you are quoting actually refer to different production systems, so shedded agriculture in European environments rather than agriculture in the Australian environment. In the Peel Valley there is actually a substantial amount of work going on now to increase efficiency in a number of the poultry producers there. That has been funded by them. They recognise that they need to have a more efficient approach to water use. There is also the opportunity for us to look at wastewater re-use in a number of areas as well. We have done that in the Manning Valley, we have done that in the Peel Valley and we are looking at it more generally.

**The Hon. EMMA HURST:** A lot of this research is looking at Australia as well. The one I did indicate was a specific international one but in Australia my understanding from the University of Adelaide paper is that 43 per cent of our current agriculture water is used to produce pasture and hay production for grazing animals. They are in the meat and dairy industry. Obviously there is that carry-on with water. That is why a lot of this data is saying that most of agriculture water is still going to dairy and meat production.

**Mr McTAVISH:** A lot of that water use relates to extensive production systems, so it is rainfall figures rather than irrigation figures.

**The Hon. EMMA HURST:** To an extent but not in this particular suite. Given the high levels of water use in animal agriculture, what is being done to reduce the water footprint of this sector in New South Wales specifically?

**Mr McTAVISH:** There is a substantial amount going on. That is probably best addressed by the Department of Primary Industries through Minister Marshall, but I have been working closely with DPI on a number of particular issues where there has been critical water shortage. As part of the drought response plan and as part of the industry development plans for the intensity production systems, so dairy, poultry and for shedded livestock, we are looking at making it simpler for them to access different water sources or use different water sources. There are already guidelines in place which will enable that wastewater re-use in a number of areas. But that does need to be expanded and it also needs to be more holistic. For instance, ensuring there is access for other types of production systems, including these.

**The Hon. EMMA HURST:** Minister, going back to my other question, we have been talking about what the industry is doing, but is the Government doing anything to look at which industries are using the most water and whether or not we should be encouraging expansion of industries that rely on significant amounts of water considering the issues that we are going to have going forward expanding those industries?

**Mrs MELINDA PAVEY:** We are not a control and demand economy. We have a water market. We have local authorities. We are supporting those authorities. We have had a terrible, terrible drought, which is not over, through the centre part of New South Wales. We have got water getting down to Menindee. We have got the east coast storages filled, but we still have a challenge going forward. Always our priority is town water. That is why we are investing in extra storages. That is why we are going to build a bigger Dungowan Dam and a bigger Wyangala Dam and exploring going through our final business case of Mole River so we can give greater certainty and opportunities to our regional communities.

**The Hon. EMMA HURST:** Rather than altering the farming methods to ensure that we are farming less drought-prone crops?

**Mrs MELINDA PAVEY:** I will take that as a comment.

**The CHAIR:** If we accept your evidence that the SDL might change in the valley and it is just about increasing storage, whose access or reliability of access will this impact?

**Mrs MELINDA PAVEY:** It will give greater security by having more water in the system for those general security holders, which mostly are in the Lachlan Valley. As Mr Harris has pointed out, it will also give greater security to the township of Tamworth and high security water holders within the Peel Valley. It is not about giving each of those licence holders more water, it is about ensuring that there is more water to be available over a longer period of time in the event of drought.

**Mr HARRIS:** That is correct. Just to add to that, one of the opportunities in the case of the Dungowan study is to see how we could potentially optimise supply between Chaffey and Dungowan. In that way providing benefit not just to Tamworth Regional Council as the largest high security entitlement holder in that valley, but also the other Peel water users whose entitlements are held in Chaffey.

**The CHAIR:** Under the Namoi and Peel sharing plans it stipulates that if there is an increase in Tamworth storage that it is the Namoi irrigators that will lose access. It is mentioned in both plans. Can you rule out now that with this dam the Namoi irrigators will not be disadvantaged?

**Mrs MELINDA PAVEY:** I am not aware of that detail in the water sharing plan. Ms O'Keefe or Mr Harris, do you have a comment?

**Mr HARRIS:** I cannot see how that can be the case, in the sense that the existing Dungowan Dam is actually a Tamworth Regional Council asset that supplies the township through their pipeline.

**The CHAIR:** Going back on the cost recovery model, you are saying the State is footing the full bill and there will be no increased charges on Tamworth residents or the users of this dam?

**Mrs MELINDA PAVEY:** Dungowan upgrade and pipelines are being funded by the Federal and New South Wales governments. It will provide greater water security certainly to the communities of Tamworth. Essentially the funding is coming from the State Government with a loan facility also being offered by the Commonwealth. The details of that funding and the costs will not be determined until we are at awarding of tender position. But it will provide the people of the Peel Valley and Tamworth, a major dynamic regional city, with water security that they need, as this drought has shown.

**The CHAIR:** I am not doubting that. That was not the premise of my question. Will they be hit with any charges to recover some of this cost or assist in the funding of this project? Yes or no?

**Mrs MELINDA PAVEY:** In respect of the construction, we have commitments from both the State and Federal governments. For instance, Tamworth Regional Council is looking at hydro capacity. That might come with a cost. I am not going to rule anything in or out. It would be irresponsible for me to do that. There will be public and fair processes going forward to ensure that the community is engaged. The big cost of this is being stumped up by the State and the Federal governments.

**The CHAIR:** What is the time line for that? You mentioned the tendering process and that is when you will have a greater idea on costs and what have you.

**Mrs MELINDA PAVEY:** As Mr Harris pointed out earlier, we have a very aggressive time line in respect of our critical State water infrastructure. We are looking at the EIS being completed and tender awarded in October next year.

**The CHAIR:** I probably missed that in the notes. Moving onto another issue about water storage and diversion structures on the Warrego, is it correct that they are managed under the intercepting streams water sharing plan?

**Mrs MELINDA PAVEY:** I will take advice on that, but I presume so. Did you want to talk about Toorale Station?

**The CHAIR:** More about the diversions that are happening and done by the OEH.

**Mrs MELINDA PAVEY:** In relation to Toorale?

**The CHAIR:** Yes.

**Mrs MELINDA PAVEY:** I would be happy for us to take those questions but because the OEH is in control of those—

**The CHAIR:** I will ask the questions. If you can answer them, you can answer them. It is a key objective of the Water Management Act 2000 that all diversions be given a volume and they are measured accurately and accountably. But the OEH, who are the managers of this infrastructure, have a publicly stated view that they have no actual plans or actual capacity to measure the diversions with their \$9.7 million concrete structure at the Boera Dam. Why are they not obligated to comply with the law?

**Mrs MELINDA PAVEY:** That really would need to be a question to the OEH. I am not suggesting that they are not complying with the law.

**The CHAIR:** I think we have the Natural Resources Access Regulator [NRAR] here. I think it probably fits in there.

**Mrs MELINDA PAVEY:** Okay. Mr Barnes?

**The CHAIR:** Do they have exemptions?

**Mr BARNES:** I can advise the Committee that there are five dams on the Toorale Station and those five are licensed. There are water access licences covering the property. Some are held by the Commonwealth Environment Water Holder; others are held by the National Parks and Wildlife Service. Staff from the Natural Resources Access Regulator have assessed compliance for those licences and have determined that the holders of those licences are in compliance with their obligations.

**The CHAIR:** Even though they are not measuring.

**Mr BARNES:** Water not measured in the State is not unusual. It is subject to the Water Reform Action Plan and metering regulations that rollout progressively over the next three years.



**The CHAIR:** I might come back to it.

**Mrs MELINDA PAVEY:** But we have had had movement at Toorale Station. In 2008 it was bought and in the last 12 months we have actually had some water released. I think that is of great relief but your questions are up there.

**The Hon. DANIEL MOOKHEY:** Greetings to you, Minister, as well as to your officials. I was just listening to some of the dialogue between yourself and my colleague the Hon. Mick Veitch about the dismissal of the Land and Water Commissioner. Can I just ask this: Minister, did Secretary Betts inform you of his decision to terminate Mr Laurie as the Lands and Water Commissioner prior to the termination being effected?

**Mrs MELINDA PAVEY:** I do not recall the time line. Mr Betts?

**Mr BETTS:** No, I do not think I did.

**The Hon. DANIEL MOOKHEY:** Did he inform you after it had been effected but prior to it being announced?

**Mrs MELINDA PAVEY:** I do not recall having a conversation with Mr Betts.

**Mr BETTS:** My conversations were principally with Mr Bentley.

**The Hon. DANIEL MOOKHEY:** Minister Pavey, when did you first learn and how did you first learn that Mr Laurie was being dismissed?

**Mrs MELINDA PAVEY:** I am sorry, what was that question again?

**The Hon. DANIEL MOOKHEY:** When did you first learn and how did you learn that Mr Laurie was being dismissed?

**Mrs MELINDA PAVEY:** I will have to take that on notice.

**The Hon. DANIEL MOOKHEY:** Were you told by your chief-of-staff or were you told by your office that this had taken place?

**Mrs MELINDA PAVEY:** I will have to take that on notice. I do not know where I was. But I think Dr Bentley was the one that advised me.

**The Hon. DANIEL MOOKHEY:** Dr Bentley, did you advise the Minister?

**Dr BENTLEY:** I did.

**The Hon. DANIEL MOOKHEY:** How did you do that? Did you call her up? Did you have a meeting?

**Dr BENTLEY:** From memory, we were together. We are often together. I brief the Minister on lots of things.

**The Hon. DANIEL MOOKHEY:** Was that prior to the decision being announced?

**Dr BENTLEY:** I would have to take that on notice.

**The Hon. DANIEL MOOKHEY:** Okay. Minister, did you have any discussions with the primary industries Minister before or after the decision to terminate?

**Mrs MELINDA PAVEY:** I do not recall having a one-on-one conversation with him. No, I did not have a conversation with him. I did not speak to him.

**The Hon. DANIEL MOOKHEY:** Did you participate in a group discussion or any discussion with him in any context about this decision, before or after?

**Mrs MELINDA PAVEY:** I do not recall.

**The Hon. DANIEL MOOKHEY:** Have you had any discussions with him since?

**Mrs MELINDA PAVEY:** I have had lots of discussions with Mr Marshall.

**The Hon. DANIEL MOOKHEY:** About this matter.

**Mrs MELINDA PAVEY:** No. I do not recall having conversations with him around this.

**The Hon. DANIEL MOOKHEY:** Why not?

**Mrs MELINDA PAVEY:** I do not know.

**The Hon. DANIEL MOOKHEY:** Did you have any discussions with the Deputy Premier prior or afterwards?

**Mrs MELINDA PAVEY:** Did I have discussions with the Deputy Premier? I do not recall having discussions with the Deputy Premier around this.

**The Hon. DANIEL MOOKHEY:** Did anybody from your office have any conversations with the primary industries Minister about the decision to terminate Mr Laurie before or after?

**Mrs MELINDA PAVEY:** I cannot speak on behalf of conversations that people in my office may or may not have had.

**The Hon. DANIEL MOOKHEY:** Are you aware of any discussions that they may have had?

**Mrs MELINDA PAVEY:** I am not aware but I cannot speak on behalf of my policy advisers or senior people in my office.

**The Hon. DANIEL MOOKHEY:** Can you check and take that on notice?

**Mrs MELINDA PAVEY:** I will take that on notice.

**The Hon. DANIEL MOOKHEY:** Thank you. Did anyone from your office have any conversations with anyone from the Deputy Premier's office about this matter?

**Mrs MELINDA PAVEY:** I do not know.

**The Hon. DANIEL MOOKHEY:** Can you check?

**Mrs MELINDA PAVEY:** I will check.

**The Hon. DANIEL MOOKHEY:** Mr Betts, did you have any discussions with the Deputy Premier about this?

**Mr BETTS:** No.

**The Hon. DANIEL MOOKHEY:** Did Mr Bentley?

**Dr BENTLEY:** No.

**The Hon. DANIEL MOOKHEY:** To the best of your knowledge, did anyone in your staff or leadership?

**Mr BETTS:** I am pretty confident that they would not have, but I cannot say under oath absolutely not.

**The Hon. DANIEL MOOKHEY:** Can you check, Mr Betts and Dr Bentley? Can you both check whether or not any discussions were had by the department and the Deputy Premier's office?

**Mr BETTS:** Prior to the decision?

**The Hon. DANIEL MOOKHEY:** Prior to, after, in any context whatsoever.

**Mr BETTS:** Okay. My understanding is that if any discussions did take place they would have taken place through Mr Barnes who is the Coordinator-General for Regions, Industry, Agriculture and Resources and I think he told budget estimates last week that he did not have any prior conversations with the Deputy Premier because he did not know about it.

**The Hon. DANIEL MOOKHEY:** Minister, when media inquiries were made of this matter a statement went out from your office. That is correct?

**Mrs MELINDA PAVEY:** I will take that on notice. I do not remember the statement. There could have been a comment made. I am not sure whether it was a media release. When you say "statement" what do you—

**The Hon. DANIEL MOOKHEY:** Did your office email radio programs, among others, a statement attributed to you explaining the decision to dismiss Mr Laurie?

**Mrs MELINDA PAVEY:** They could well have.

**The Hon. DANIEL MOOKHEY:** Did your office draft that statement?

**Mrs MELINDA PAVEY:** I will have to take that on notice.

**The Hon. DANIEL MOOKHEY:** Was that statement drafted by the Deputy Premier's office?

**Mrs MELINDA PAVEY:** Not to my knowledge but I will take that on notice. Can you table that for us?

**The Hon. DANIEL MOOKHEY:** I table this. It is my only copy but if you could give it to the Minister straightaway, that would be good. Just as a matter of preliminary comment, Jessica Cole is your media secretary. Is that correct?

**Mrs MELINDA PAVEY:** Yes.

**The Hon. DANIEL MOOKHEY:** Have a look at the document. That is a return under freedom of information. It says that the senior media adviser to the Deputy Premier drafted that statement and provided it to your office. The Deputy Premier's office made the choice to attribute it to you and it therefore went out under your name. Why did that take place?

**Mrs MELINDA PAVEY:** I will need to take that on notice.

**The Hon. DANIEL MOOKHEY:** Is it routine practice for you to have other Minister's offices draft your statements and publish them?

**Mrs MELINDA PAVEY:** It is a routine that the leader's office be involved in statements. If there is a joint announcement someone will take a lead in that announcement and sometimes you might be the approvee of that. But statements are not made without some input or knowledge and I presume, so—

**The Hon. DANIEL MOOKHEY:** Did you see that statement before it was issued under your name?

**Mrs MELINDA PAVEY:** Let me just read the statement.

**The Hon. DANIEL MOOKHEY:** Please.

**Mrs MELINDA PAVEY:** Yes. That was forwarded to me at some point in the process.

**The Hon. DANIEL MOOKHEY:** Do you know when in the process it was forwarded to you?

**Mrs MELINDA PAVEY:** No, I do not but I will take that on notice.

**The Hon. DANIEL MOOKHEY:** Was it forwarded to you after it was sent to media organisations or prior?

**Mrs MELINDA PAVEY:** I will take that on notice.

**The Hon. DANIEL MOOKHEY:** Did you inquire when it was forwarded to you as to why the Deputy Premier's office had created that statement on your behalf?

**Mrs MELINDA PAVEY:** We were dealing with this issue. The decision had been made and I do not remember play by play. We are talking about—

**The Hon. DANIEL MOOKHEY:** November last year.

**Mrs MELINDA PAVEY:** —some time ago.

**The Hon. DANIEL MOOKHEY:** Minister and/or Mr Betts, if the Deputy Premier's office had no involvement in this matter, if you did not report this matter to the Deputy Premier, if the Deputy Premier did not have any contact with you, then why is it the case that the Deputy Premier's office was coordinating the media response to this?

**Mr BETTS:** Because I imagine that media inquiries are directed towards the Deputy Premier or other Ministers and a response was put together at a political level. I cannot speak to that. I do not get involved in political communications.

**The Hon. DANIEL MOOKHEY:** So that means this might be your—

**Mrs MELINDA PAVEY:** I think it is important to advise, Mr Mookhey—

**The Hon. DANIEL MOOKHEY:** Mookhey.

**Mrs MELINDA PAVEY:** —sorry. I actually genuinely—

**The Hon. DANIEL MOOKHEY:** I believe it is genuine with you, Minister.

**The Hon. TREVOR KHAN:** As opposed to other Ministers.

**The Hon. DANIEL MOOKHEY:** We will see him tomorrow.

**Mrs MELINDA PAVEY:** The Office of Drought Response was a part of a whole-of-government strategy to deal with the drought and decisions have been made and that was what we were acting on.

**The Hon. DANIEL MOOKHEY:** But I am asking what was your involvement in that decision because the indication that you gave to Mr Veitch was that you had none, but now we know that the statement came from you, even though it was drafted by the Deputy Premier.

**Mrs MELINDA PAVEY:** No, the question is about who has made the decisions and then I referred to Mr Betts.

**The Hon. MICK VEITCH:** Minister, can I go back to questions relating to the Newcastle desalination plant. What is the proposal for how to pay for the Newcastle desalination plant?

**Mrs MELINDA PAVEY:** IPART will need to be involved in that process because it is Hunter Water Corporation. But again I might refer to Dr Bentley to talk further about those processes.

**Dr BENTLEY:** If, as a result of drought returning, Hunter Water needs to build that plant it would be an asset in the regulated asset base in the normal course of events.

**The Hon. MICK VEITCH:** Will individual account holders be levied in some way to make a contribution towards it?

**Dr BENTLEY:** As they would with any investment in the regulated asset base.

**The Hon. MICK VEITCH:** Will that be quarantined within the budget of Hunter Water to pay for the desalination plant as opposed to being included in any potential dividend that goes to the State Government?

**Dr BENTLEY:** It will be dealt with like any other asset. Hunter Water will raise the funding it needs to make its investments and, according to the determination of IPART with its building block model, there will be a recovery of return on that investment through the regulated asset base, in the normal if it were any other asset.

**The Hon. MICK VEITCH:** Can we guarantee that if the individual water account holders are levied in some way that money is not actually then going to finish up as a part of a dividend to the State Government?

**Dr BENTLEY:** They will not be "levied in some way" as something unusual. It will be built into the water price in the standard formula and the return that goes to the Government in terms of a dividend is part of that standard formula.

**The Hon. MICK VEITCH:** So it could finish up as a part of a dividend?

**Dr BENTLEY:** No, no. It will finish up as part of the regulated asset base, as with any other asset. So the same formula would be applied.

**The Hon. MICK VEITCH:** My concern is that I think people in the Hunter would be prepared to pay a bit extra for an asset that will ensure they have water but they would not be happy if that bit extra finished up in some way going towards a dividend paid by Hunter Water to State revenue.

**Dr BENTLEY:** If we were to apply that with our postage stamp pricing model that applies in Sydney and the lower Hunter we would have to consider all of the assets we create in a complete different way. We have a standard way of creating assets, unless there is a particular subsidy provided by government.

**The Hon. MICK VEITCH:** Such as the Broken Hill pipeline?

**Dr BENTLEY:** I was talking about Greater Sydney and the lower Hunter so Broken Hill is completely different. There are situations where government makes a contribution towards assets—for example, the backlog sewer program. In Wyee there is a backlog sewer program going on. Government makes a contribution on behalf of residents, on behalf of property owners, and therefore that portion is not recovered through the wider customer base. But nearly all of the assets for Greater Sydney and for the lower Hunter are recovered through that standard postage stamp pricing method.

**The Hon. MICK VEITCH:** Minister, I want to go on to water restrictions. I know you are not responsible for actually applying the water restrictions in regional New South Wales, that is the responsibility of local government and water utilities, but are you satisfied with the way in which those local council areas or local utilities go about applying water restrictions?

**Mrs MELINDA PAVEY:** One of the challenges we have had, and I have learnt since being in the role in a very severe drought, is that there is not a standardised water restriction process across the State. I think that led to frustrations because when we came onto level 2 in Sydney there were a lot of country people thinking they could still use their hoses but they actually could not. I do believe and I have made a public commitment—and I say that in front of all our officials here again today—that one of the jobs that we have to do going forward is have conversations across the State in relation to a standardised process on water restrictions. That is a complicated thing with 92 water authorities.

But before I do hand over to Mr McTavish, I will point out that one of the positives that has come out of this drought is the relationship building that has gone on between our agencies, led by Mr McTavish, with WaterNSW and the Department of Primary Industries Water. We have got great relationships across the State now and I think those relationships will lead to a more holistic approach as we come out of this drought and we get some proper rain through the guts of New South Wales and we fill those dams, but I think that it will lay strong foundations for the future of better water management.

**The Hon. MICK VEITCH:** I think Mr McTavish may be able to answer the second part of my question. Minister, you said there was no standardised system. What are you doing to ensure there is a standardised system?

**Mrs MELINDA PAVEY:** That will be part of some policy work that we will do as an agency through the Department of Primary Industries Water. But we have a pretty full slate at the minute but we will get to that work after we do regional water strategies, submit water sharing plans, get our emergency water provisions out there. I think once all our dams are full again it will be a good time to get that planning in place. You can ask me what we have done in next year's budget estimates.

**Mr McTAVISH:** As you noted in your question, there is a substantial variance in the restriction regime between local water utilities. There is also a substantial level of difference in how they actually make decisions to change or move to different levels of restriction.

**The Hon. MICK VEITCH:** That is even along the same watercourse.

**Mr McTAVISH:** Yes, it is. If you look at the Macquarie, for example, it is very different between Bathurst, Orange, Dubbo and further downstream. Some of that is driven by the water source. For example, Dubbo has quite a resilient water supply system because they have got the ability to tap into extra groundwater whereas Orange, which has a pipeline into the Macquarie, has very low levels of groundwater availability and Bathurst has effectively none. They are very different systems but—and there is a big "but" in this—we need to work much more actively while we are moving through the drought now to make sure that councils and local water utilities revise their drought management plan.

We have a piece of work going on now with a number of local water utilities to do that, including in Dubbo. For example, Dubbo's water restrictions regime in their drought management plan was previously linked to the water allocation that they would get. Because we have tried to maximise the availability of surface water for Dubbo as long as possible and because their allocation is fairly low, they were not triggered to go to a high level of restrictions. So we are pushing that through local water utilities through various industry associations and through the department.

**The Hon. MICK VEITCH:** We might explore that a bit more this afternoon. Minister, with regard to the proposed desalination plants at Wollongong and the Hunter and the potential expansion of the Sydney Desalination Plant what sort of electricity supply will be provided to power those plants?

**Mrs MELINDA PAVEY:** That will be a matter of consultation and extra work.

**The Hon. MICK VEITCH:** Is it going to be green power?

**Mrs MELINDA PAVEY:** As you know, the current one is. It is an important question because with that comes a higher price. They are issues we will work through when we come to those decision points. I think as part of that we need to have important conversations with the community at that time. They are a high user of energy. We will have that conversation with the people who will be impacted by that at the time.

**The Hon. MICK VEITCH:** As this point in time no decision has been made about the source of power for those three projects? Is that fair?

**Mrs MELINDA PAVEY:** That is fair certainly, as I understand, in relation to the Illawarra and the Hunter. Depending on what happens with Sydney—I understand there is a clause in one of the arrangements that it would have a preference. The planning approval assumes it would be a green source or a renewable energy.

**The Hon. MICK VEITCH:** If there were to be an expansion at Sydney the preference is for green power?

**Dr BENTLEY:** The planning approval makes that assumption. If that were not to be the case we would have to amend that planning approval in some way or apply for an amendment to that. As the Minister said, none of those decisions have been made. We are in the process of developing those plans as we speak.

**The Hon. MICK VEITCH:** Is nuclear one of the options? I jest.

**Mrs MELINDA PAVEY:** You would be happy for a bit of mining out at Broken Hill, wouldn't you?

**The Hon. MICK VEITCH:** Minister, in the time that I have left, at estimates last time I asked whether the State was going to remove itself from the Murray-Darling Basin Plan and if any legal work had been undertaken around what that would look like. Since estimates, has that work been done?

**Mrs MELINDA PAVEY:** There has been legal advice sought in relation to that, certainly. The Deputy Premier was very firm in the past couple of weeks in supporting, with my support, a royal commission that would need to be held at a Federal level. You and your communities know the stress that our towns and our farmers are under. I think 400 gegalitres going over the barrages in South Australia is something that has created a lot of frustration, especially when you have the Commonwealth Environmental Water Holder dropping 22 gegalitres from Wyangala. Now we are at, I think, 13.9 per cent at Wyangala even after all this rain. We have got some serious town water supply issues for Cowra, Forbes—

**The Hon. MICK VEITCH:** So you are getting legal advice or you have—

**Mrs MELINDA PAVEY:** We have had that.

**The Hon. MICK VEITCH:** You have advanced that since the last estimates. Does that legal advice include, if there would be any compensation or liability attained by the State in such an action?

**Mrs MELINDA PAVEY:** I would have to take that on notice.

**The Hon. MICK VEITCH:** Moving away from legal advice with more departmental assessments, has there been any work conducted in the department under your instructions around which communities would be impacted by such a decision?

**Mrs MELINDA PAVEY:** A lot of that information is privileged but in terms of direct impacts on towns, I do not recall.

**The CHAIR:** Thank you, Minister. That concludes the question time for this morning. The Committee will have a short deliberative now and discuss whether we need to bring you back for an hour or so. The Committee secretariat will be in touch as soon as that is decided.

#### (Luncheon adjournment)

**The CHAIR:** Welcome back to the budget estimates inquiry into Water, Property and Housing. Thank you, Minister, for indulging us for another hour. It will just be an even split of 30 minutes each between the Opposition and the crossbench.

**The Hon. EMMA HURST:** I have a couple of questions about water contamination. Following the bushfire debris washing into our water systems, we have also had algal blooms occurring across New South Wales. Those blooms produce toxic chemicals, which could be deadly and cause untreatable illnesses in animals who drink contaminated water, as well as suffocating fishes who live in the waterways, as you have probably heard. As the water Minister, what is your role in ensuring that animals who rely on contaminated waterways to survive are protected from potential water poisoning?

**Mrs MELINDA PAVEY:** In essence, there are probably two parts to that. One is in the responsibility of the fisheries Minister, Adam Marshall. I must commend him and his teams for the work they did with on-the-ground stakeholders. We have fishing clubs from one end of New South Wales to the other, ensuring that we were doing what we could, given the drought, which then can result in those types of blooms that you were talking about. There were community members from one end of the State to the other. There was an absolutely beautiful story on ABC Television with a young farmer boy from Tenterfield, who was on his motorbike, shifting breeding fish from one pool to a healthier pool. That is the type of activity that went on. But essentially—

**The Hon. EMMA HURST:** Does the welfare of the animals in regard to the poisoning of the waterways fall into your portfolio at all?

**Mrs MELINDA PAVEY:** In terms of our fish stocks and our rivers, that does fall into the responsibility of Minister Marshall. In terms of the challenges we have because of the low river levels and our low dam levels, there have been situations where we have been challenged in stock and domestic. Ultimately, that is landowners' responsibility. But we communicate and we advise as best as we can in that. I know that we have some issues. We had some issues and we have created some special licences to ensure that some of our user groups, particularly off the Murray, were able to access water for stock and domestic.

**The Hon. EMMA HURST:** In regards to the fish kills that have occurred, is WaterNSW involved in doing anything in regards to those deaths and fixing some of those problems?

**Mrs MELINDA PAVEY:** They have a very important role in advising fisheries what level rivers are at and what the situation is. I am going to pass to Mr Harris to further explain their role in that.

**Mr HARRIS:** We do two things in collaboration with New South Wales fisheries. First of all, we developed a fisher risk tool, which is, in essence, a spatial tool that indicates to fisheries, based on volume of water available, the temperature of that water and forecast rain, whether the circumstances would be such as to be high risk for fish that may be in a certain section of the river. That is a tool that we developed so that then we can have a conversation with fisheries around "these are the key risk areas". The other thing that we have worked on with fisheries over the past year or so is, like them, we have some aerators and other type devices. We have coordinated with them. They take the lead and where we have equipment that can help them in their programs, we install those aerators and so on in places that they tell us are most likely to protect native fish.

**The Hon. EMMA HURST:** Thank you. The only other questions I have I can leave to the afternoon.

**Mr JUSTIN FIELD:** Minister, could you let the Committee know who was at the meeting with irrigators on 4 February at the Japanese restaurant near Wynyard?

**Mrs MELINDA PAVEY:** I did not have a meeting with irrigators on 4 February.

**Mr JUSTIN FIELD:** So is the media reporting about the meeting with Ian Cole and a group of irrigators at the Japanese restaurant near Wynyard incorrect?

**Mrs MELINDA PAVEY:** The date is.

**Mr JUSTIN FIELD:** The meeting that was reported in the media with irrigators—whether it was on 4 February or before or after—who was at that meeting?

**Mrs MELINDA PAVEY:** There was—I will put it into context how that meeting arose.

**Mr JUSTIN FIELD:** I am happy to put the context question on notice, Minister. I was just wondering who was at the meeting. I do not have much time at all. That is all.

**Mrs MELINDA PAVEY:** No, I will answer the question the way I want to answer it.

**Mr JUSTIN FIELD:** You cannot answer a different question, Minister. I just asked—

**Mrs MELINDA PAVEY:** I am going to answer the question. It was a sitting day and I was about to head down to an interview at Martin Place. As I was coming through the lobby, I ran into some of the irrigators. I think there been down for an irrigation council meeting. They said, "We are in town for dinner. Would you like to catch up?" I said, "I can't. I am busy. I've got things on." They said, "Why don't you drop by?" I remember there was, as you said—there was also Mary from the Lachlan Valley irrigators. There was Zara. There was also someone there from cotton and fibre. They were having dinner. My policy adviser was also present.

**Mr JUSTIN FIELD:** Tom Chesson.

**Mrs MELINDA PAVEY:** I dropped through at, I think, around 9.30 p.m. There were having dinner. I take my stakeholder engagement importantly. I had important things to talk about in relation to Wyangala Dam because Mary was there from Lachlan Valley irrigators. There were also people from the north. There were people from the Far West. I take an opportunity, where there is one, to be able to talk to country people because for a lot of them, it is very hard to get to Sydney and it is hard for me to go and see them all at one place. That is the context of how I dropped in.

**Mr JUSTIN FIELD:** I accept that. Try and understand—were there any officials at that meeting?

**Mrs MELINDA PAVEY:** No. It was my policy adviser, as I said.

**Mr JUSTIN FIELD:** I understand. Minister, why do water sharing plans in New South Wales not use the drought of record as the basis for water planning in determining how much water should be retained in dams?

**Mrs MELINDA PAVEY:** Our current water sharing plans look at the evidence from the 2004 millennium drought. We are considering the records that are part of the current situation in developing those plans.

**Mr JUSTIN FIELD:** Actually, some of those are on draft and they have the old—

**The Hon. TREVOR KHAN:** Why do not you let her finish answering the question?

**The CHAIR:** Is that a point of order?

**The Hon. TREVOR KHAN:** Yes, it is.

**Mr JUSTIN FIELD:** The Minister has provided an answer, which I do not believe is correct. Before we go further—they are being re-exhibited now with the old dates, Minister, which do not incorporate the millennium drought in most instances nor the worst drought since then. I am just trying to understand why they do not.

**Mrs MELINDA PAVEY:** I will ask Ms O'Keefe to put your question into context.

**Ms O'KEEFE:** You are quite right. The current plans and the plans that are on draft that were exhibited last year set the reference point at 2004. That is the drought of record at that point in time. In the South—Murray and Murrumbidgee—that did not incorporate the millennium drought.

**Ms O'KEEFE:** In the north, up until now, the drought of record prior to then was still the drought of record. We have now exceeded the drought of record in the north; we have a new drought of record. The reason that we have not changed them at this point is because we are going through the regional water strategy process and, as part of that process, we are doing a comprehensive look at climate data—in particular, the paleoclimate data, which shows us something quite different to our historical data that we have used to date. So as part of that process across the State we will be re-looking at our reference points and our climate dataset for our modelling and we will make that change throughout the State once we land on what is the most reasonable way forward and we will consult on that prior to doing that through the regional water strategy process and then amend the water sharing plans accordingly.

**Mr JUSTIN FIELD:** But, again, that regional work will come after you will have redrafted the water sharing plans and have provided them to the Murray-Darling Basin Authority and maybe have cemented them again for another period of time. There is no guarantee that that gets changed through this process. A lot of irrigators, towns, environmental water holders have based a lot of their program on the water sharing plans that will have just been remade. And we know that the NRC raised this as an issue in their Barwon-Darling review.

**The Hon. TREVOR KHAN:** Is this a statement or a question?

**The Hon. CATHERINE CUSACK:** You need to join the National Party and become the Minister, then you can give the answers.

**Mr JUSTIN FIELD:** I think there would be a few people who might like that. My point is that we know this issue has been raised now for a number of years, how could anyone have confidence that drought of record issue that has been raised now will be dealt with through that process?

**Mrs MELINDA PAVEY:** Part of the issue is—

**Mr JUSTIN FIELD:** The plans will have just been remade.

**Mrs MELINDA PAVEY:** Do you want us to answer or do you just want to keep talking?

**Mr JUSTIN FIELD:** I would love an answer that actually addresses the question, Minister.

**Mrs MELINDA PAVEY:** The answer that you want. We are still in a drought of record in north-west and the central part of New South Wales. We have to have our water resource plans submitted to the Commonwealth by the end of the financial year, and that is a process that we are working towards. But we will also be able to consider—through our regional water strategy's work we will have an ability to be able to assess when this drought is over and what it looks like. But, as Ms O'Keefe has also pointed out, there is significant paleo work being done, particularly in the Hunter, which has some severe evidence that we have had much more significant drought times. I note the article written today by Peter Hannam in *The Sydney Morning Herald*, a fascinating look at work that is being done through the Australian National University with the southern Indian dipole. That is evidence, and we are getting more evidence, we are getting more information, but we have a deadline to meet and, sadly, the drought is not over for the middle of New South Wales, and we still have to continue with the work. But we will look at evidence as it comes forward to better inform decisions that we make.



**Mr JUSTIN FIELD:** I want to move back to the floodplain harvesting. Ms O'Keefe, you mentioned the embargo and temporary lifting. You mentioned earlier that you received representations from the Minister's senior adviser around the time of the embargo. Were you talking about Mr Tom Chesterton?

**Ms O'KEEFE:** Yes.

**Mr JUSTIN FIELD:** Can you give us an idea of what those representations were that he made to you?

**Ms O'KEEFE:** He was passing on representations that he had received from irrigation groups, individual irrigators, north and south, for and against, asking to lift, asking to keep on. Most of those representations—

**Mr JUSTIN FIELD:** Given that this was not a Minister's decision, as the Minister so clearly pointed out today, why were they contacting Tom and not coming to the department?

**Ms O'KEEFE:** That is not for me to answer.

**Mr JUSTIN FIELD:** Minister, I would assume that your staffer, recognising that you do not have decision-making power here, would have referred those people to the place within the department. I am sure they engage with the department regularly.

**Mrs MELINDA PAVEY:** And I am sure that was happening as well. It was a live period and there were also questions about how decisions were being made and wanting to be able to talk, and I think he would have facilitated in helping to answer some of those questions because it is important to recognise it was the first time that we had ever had an embargo on floodplain harvesting and we managed through that process. As I have said, we will have a review of that process, as is quite right, to ensure that our communications were at the best level, that information was getting out to everybody that needed it. We did have some challenges with internet access at one point, did we not, Mr Harris, with our website?

**Mr JUSTIN FIELD:** I am happy for the independent investigation process to outline all those concerns or we can go to it this afternoon, Mr Harris. But, Ms O'Keefe, was the main concern or one of the key concerns raised through those representations around infrastructure damage?

**Ms O'KEEFE:** On the weekend starting the Saturday afternoon those representations started to come in. So the Saturday and the Sunday that was definitely the case, yes.

**Mr JUSTIN FIELD:** Minister, I have listened to a lot of the media that you did around that time. You pointed to the fact that the NRAR had been asked to investigate concerns around infrastructure damage. Did you initiate that process?

**Mrs MELINDA PAVEY:** It is up to NRAR to initiate its own negotiations. The point I was making—

**Mr JUSTIN FIELD:** That is not an answer to that question at all, Minister.

**The Hon. CATHERINE CUSACK:** Point of order: Please let her finish. I really wanted to hear the end of that answer and I just ask if the member can hold tight for another minute or so, so that I can hear the remainder of what the Minister was about to say.

**Mr JUSTIN FIELD:** To the point of order: The Minister was clearly trying to answer an entirely different question. I asked about that process, not another investigation process.

**The Hon. CATHERINE CUSACK:** The Minister was explaining the role of the agency and I just wanted to hear—

**Mr JUSTIN FIELD:** The Committee does not need that lesson.

**The Hon. CATHERINE CUSACK:** I just ask if I can please hear the rest of the answer.

**The CHAIR:** Given that you have two minutes and 30 seconds left, let us indulge the Minister for another 30 seconds before you redirect her if she is not answering.

**Mrs MELINDA PAVEY:** I think you were referring to the ABC *Country Hour* interview.

**Mr JUSTIN FIELD:** Yes.

**Mrs MELINDA PAVEY:** And I was making the point that it was incumbent on anybody that has concern for NRAR to be able to investigate. If there was a view that there was infrastructure damage by some, then people had the ability and they were required really to raise those concerns. It was the first time we had had

at points 250 millilitres of rain in some sections. I think they were starting to get the sandbags ready for Narrabri. There were genuine concerns around that.

**Mr JUSTIN FIELD:** I would have to go back to the transcript to be sure, but I had thought that you had indicated in that interview that you had asked NRAR to investigate whether those concerns around infrastructure damage were accurate. Did you initiate that process?

**Mrs MELINDA PAVEY:** I have not got the transcript either in front of me, but my point is the same. I cannot order NRAR to do anything, and would not—it is an independent organisation. But if people have concerns, they have a responsibility and a right to raise those concerns with NRAR.

**Mr JUSTIN FIELD:** At the time, and I think in that interview as well, you said that the lifting of the embargo for certain valleys—only a couple of properties I think was the term you used—were affected and 99 per cent were not affected by the lifting of the embargo. Is that accurate?

**Mrs MELINDA PAVEY:** On reflection, that was not the accurate information. I have now since learnt that the area that the embargo was lifted was around a third of that north-west area where floodplain harvesting occurred and that was not an accurate reflection of the number of properties. But I think what is more important is that there are now around 250 gegalitres of water about one or two weeks away from Menindee Lakes. The intent has worked and if there are concerns, if people believe that lobbying or information that was provided to the decision-makers on that floodplain harvesting event were given incorrect information, then it is the right of anybody to take that up with NRAR.

**Mr JUSTIN FIELD:** Minister, would you be able to let the Committee know how many properties were covered, how many floodplain harvesting works would have been covered and how much the quantity of water—whether they did capture it or not—the lifting of that embargo would have covered?

**Mrs MELINDA PAVEY:** We will take that on notice.

**The CHAIR:** Sticking with the floodplain harvesting issue, was any work done about predicting the potential severity of damage to the infrastructure if these steps were not taken?

**Mrs MELINDA PAVEY:** I will refer to Ms O'Keefe.

**Ms O'KEEFE:** We had not anticipated any infrastructure damage. In fact, we had not anticipated the scale of the floods. When those reports started coming in, our first action was to take that risk management decision and lift the embargo in those areas. The second thing we did was try and seek a few lines of evidence on the claims of infrastructure damage. We already had videos and photos sent to us and people ringing, but we sent an email to executive officers of the irrigation groups up there and said, "Can you provide any evidence?" This is on the Sunday.

Then, on the Monday, we approached the National Resource Access Regulator and asked if the NRAR staff could do a flyover for us. They did a flyover from Tamworth, up Macquarie—the four valleys, basically—did a flyover and just tried to spot the damage. Difficult to see from 2,500 feet, obviously, and where there is water all over the ground. But their initial report was that they did not see a whole lot of damage. Clearly, irrigation channels and some storages had blown out, but not massive property damage, I guess. Then they produced a small report for us, as well, on the strength of that. It actually was not an NRAR action; we, in effect, commandeered the NRAR plane and people who have this experience and tried to go out and collect some of that evidence.

**The CHAIR:** Is there going to be any future work to identify what those costs or damages might equate to for those farmers? Or is that more of a personal, individual—

**Ms O'KEEFE:** Any floods will cause damage, anyway, whether you are allowing access or not. There will always be some sort of damage. But, no, we have not planned to do that.

**The CHAIR:** Minister, turning to some concerns around correspondence some of my lower House colleagues have sent to you and the time frame it has taken to receive correspondence back, I respect that some of these have been explained with wrong email addresses and you seeking further responses. Is your office being swamped with these sorts of inquiries from lower House members? Do you need more staff to respond to stuff?

**Mrs MELINDA PAVEY:** It is fair to say the water agencies have all been, sadly. We have not been swamped but because of drought it has put a big focus on all our people out on the ground, whether it is ensuring town water supplies—we have been fortunate to be in an economic position in New South Wales that we have been able to assist councils with investments of upwards of \$250 million to ensure that our towns stay in water. As we have pointed out, we have also had regional water strategies to conduct and we are going through the

process of getting our water resource plans. So it has been a busy time for our agency. We do try very hard to ensure that correspondence is responded to in a timely way.

**The CHAIR:** Do you think the portfolio of Water, Property and Housing is too big for one Minister? Would you support an individual Minister for just water, given the scale of what you are dealing with?

**Mrs MELINDA PAVEY:** I think that we are doing a good job in very difficult circumstances in Water and in Property and in Housing. I think, as you can see, surrounding me today is a great, great team in the Crown lands space and in all of our spaces. I love this job and I am thriving on it, but I will not be happy until it rains in the middle of New South Wales.

**The CHAIR:** Fair enough. I wanted to address a particular correspondence with you about the Emmdale Roadhouse and their request for a change of licence on a roadside bore. For your benefit, it is between Wilcannia and Cobar and has not had access to permanent water since 2013. The access to a neighbouring bore has no tenure and will cease if that property or the roadhouse is sold. They are seeking an alternative water supply, given the remote service they provide to the general public and also the Royal Flying Doctor Service in medical emergencies; they are a fuel and shower stop. Have you had conversations at all with the Minister for Regional Transport and Roads about the possibility of changing this licence to the nearby roadside bore that is available?

**Mrs MELINDA PAVEY:** I have not had a personal conversation with the Minister for Regional Transport and Roads. I am sure our people are looking at it. But just to give you an idea of the number of bore applications that have come in since the drought, at one point we had 355, I think the figure is. Someone is just getting me the number. But it was a manifest increase and we actually put a bigger team of people on to deal with bore applications and we were able to get through a lot of them. To the details of that one, I have not had a conversation but I am not saying that we have not been working on it behind the scenes.

**The CHAIR:** Are you prepared to take it on notice and come back to see whether there has been some movement in that area?

**Mrs MELINDA PAVEY:** Yes.

**The CHAIR:** What is your view on overseas companies owning water rights? There was a report a few months back about a Canadian pension fund purchasing water rights for \$490 million. Even though it may be legal and kosher within the Act, what is your view on overseas companies purchasing water rights, which clearly is an investment strategy and not necessarily a utilisation strategy?

**Mrs MELINDA PAVEY:** I am sure they would not have spent that sort of money on an investment that they were not going to utilise. I think it was 2008 when the Water Management Act changed. It was a decision led by farmers through stakeholder negotiations that they wanted the ability to move water allocations from individual properties to a person in inter-valley arrangements. That has worked well for some. It has worked extremely well for some, and it has meant that we have had a productive sector. But I would also contend that, given that 70 per cent of what we grow we export, we need to be able to operate on an international market.

Yes, that is a big figure, but I am sure that the investment that the Canadian pension fund has made is not sitting there, stagnant. I am sure it is involved in operating and getting a return for their shareholders and their superannuation members, but I am sure it is also employing people within the regions and helping to export 70 per cent of what we grow. I know that at this time of drought, where people are really doing it tough, it can be frustrating that they do not have water but a Canadian pension fund has water. But there are a lot of people still with high-security water. I know of one farmer on the Murray that has 1,380 megalitres in high security—an absolute fortune. They are going to get water this year; other people will not get water. But I do not want to see community setting community—I want New South Wales to be strong and firm.

We have given an enormous amount in terms of the Murray-Darling Basin and we need to be a strong, united State to ensure that we hold what we have got and continue to have efficient farming practices. But I do also acknowledge that the Federal Government has instituted an Australian Competition and Consumer Commission [ACCC] inquiry into entitlements and who holds them, and the ability to be able to see who holds that water. I think there are some valid questions there and we will see what transpires with that ACCC report, which I understand we are due to receive in November.

**The CHAIR:** Last sitting week yourself and the Deputy Premier put out a press release saying that you supported the petition—

**Mrs MELINDA PAVEY:** It was the sitting week before.

**The CHAIR:** Sorry, the sitting week before—that you support the petition that was calling for a transparent usable water register. Not to put words in your mouth—I obviously want clarity around your press release—are you saying that you support the petition and the right for those people to lodge the petition, or were you saying that you support the transparent usable water register?

**Mrs MELINDA PAVEY:** As I have just explained, I do believe that there are some transparency issues. But I also think that there are some privacy issues too. If someone on the Murray wants to be a private person and has something like five gigalitres of water, maybe they do not want everybody knowing what they have got. There are some transparency issues which I am happy to look at. I am happy to support a petition from those farmers and those community members that had it lodged in Parliament two weeks ago. It was a fast and furious response to that petition which in no small part is due to the stresses and strains that the communities are feeling. When we see what water we have available for general security at this point, again for farmers across New South Wales, whether it be north or south, it is a very, very challenging period.

**The CHAIR:** To pick up on the privacy issue, if we can negate and negotiate the privacy issue with the lands registers, why could we not do the same with a water register?

**Mrs MELINDA PAVEY:** I am happy to look at that once we get the ACCC report and we deal with it in a methodical way.

**The Hon. MICK VEITCH:** Minister, can you explain the role of WaterNSW and the overall management of the Great Artesian Basin?

**Mrs MELINDA PAVEY:** In relation to the Great Artesian Basin?

**The Hon. MICK VEITCH:** Yes.

**Mrs MELINDA PAVEY:** I will ask Mr Harris to do that.

**The Hon. MICK VEITCH:** A lot of people do not understand the role. What is the role of WaterNSW and the overall management of the Great Artesian Basin?

**Mr HARRIS:** Very little. What we do is for private sector applicants. We process licence applications and so on, but we have no management function in relation to groundwater. If that is what you are asking, I am not quite sure.

**The Hon. MICK VEITCH:** I have received some emails from people saying that WaterNSW are mismanaging the Great Artesian Basin. I think there is a confusion about the role that you have. Clearly, it is about assessing for private citizens to put down a bore essentially.

**Mr HARRIS:** The bore applications.

**The Hon. MICK VEITCH:** You also had some responsibility around the cap and bore program when it was in place.

**Mr HARRIS:** No, my understanding is that is a departmental program.

**Mrs MELINDA PAVEY:** Dr Bentley will respond further to that. But yes, we are hoping for some more support from the Federal Government on the cap and bore program, which has been successful. Anecdotally we are seeing some springs being sprung around even Tamworth, I am led to believe.

**The Hon. MICK VEITCH:** I think everyone supports the cap and bore program.

**Mrs MELINDA PAVEY:** The pressure has increased, but I will let Dr Bentley talk further to this.

**Dr BENTLEY:** I am not sure I have got anything much further, other than the department has been managing that. There has been \$204 million invested thus far in rehabilitating infrastructure across the Great Artesian Basin.

**The Hon. MICK VEITCH:** Minister, you have approached the Federal Government for more money for this program, is that what you are saying?

**Mrs MELINDA PAVEY:** Yes, but I am not sure where that is up to.

**The Hon. MICK VEITCH:** Are you able to advise the Committee of the size of your request?

**Mrs MELINDA PAVEY:** I think it was in the vicinity of another \$2 million to support what we are doing.

**Dr BENTLEY:** The Commonwealth has offered \$27 million over four years.

**Ms O'KEEFE:** But that is across the three States, I think.

**Dr BENTLEY:** Yes, across all States.

**The Hon. MICK VEITCH:** Minister, I go back to the independent panel that we were talking about first thing this morning. Why was an independent panel put in place as opposed to, say, using the NRC to look at that decision?

**Mrs MELINDA PAVEY:** Because we wanted all stakeholders to feel involved in the process.

**The Hon. MICK VEITCH:** Wouldn't the NRC do that?

**Mrs MELINDA PAVEY:** They may, but we felt that this was a better way forward to ensure that stakeholders that wanted to be engaged in the process could be.

**The Hon. MICK VEITCH:** Whilst you are answering, my next series of questions is to do with Crown lands.

**Mr BETTS:** The key thing is to get an independent assessment of the process that was followed. We could have used the Natural Resources Commissioner, we could have used the chief scientist, but the issues here are primarily procedural and operational rather than being natural resource science per se, so that is the choice that we made.

**The Hon. MICK VEITCH:** That is the premise behind it.

**Mr BETTS:** Yes.

**The Hon. MICK VEITCH:** I have some questions now around the impact of the bushfires on Crown lands. There would have been substantial damage to Crown land infrastructure I dare say.

**Mrs MELINDA PAVEY:** Yes.

**The Hon. MICK VEITCH:** Minister, do we know at this point in time what the total cost of repairs for Crown land infrastructure will be as a result of the fires?

**Mrs MELINDA PAVEY:** We do not have a total figure. We had around 145,000 hectares of Crown land burnt, 14,000 kilometres of fencing. Our showgrounds, as you would know, performed brilliantly. They became the natural evacuation site. I have said it on the record before that the Office of Emergency Management had school halls in my electorate as the evacuation point but immediately people were going to showgrounds, which were the sensible places and they were safe for horses, et cetera. The poultry sheds became the cat and the dog sheds. I am also proud of the work that we had done in the lead-up. In the 2019-20 financial year our bushfire program saw \$6.2 million spent on bushfire mitigation works across the Crown lands estate. Many of these 650 projects have had a positive impact. We have also incorporated latest technology using drones to be able to assess fire trails, that type of work. I think the agency was prepared as best as we could be. We know that drought had the biggest impact on all of our regional areas. I also add that we had about 280 buildings that were damaged or destroyed on Crown lands.

**The Hon. MICK VEITCH:** Minister, in regard to fencing, adjacent landholders would be keen to know what is happening from Crown lands in relation to the replacement of those fences. Is Crown lands providing half the cost of the fencing or are they providing the fencing materials themselves? Will you advise the Committee what Crown lands are doing to assist adjacent landholders with fence replacement?

**Mrs MELINDA PAVEY:** More generally the Government is assisting landowners, whether it is in Crown lands, national parks or State forest, through BlazeAid. In my own community at Willawarrin we have a BlazeAid camp working, as we have in Maxwell, which actually has the highest number of volunteers from a local town anywhere they have seen in BlazeAid. We are supporting BlazeAid, but this is going to be a big job to be able to help our communities. I suspect it is going to be going on for quite some time. We will continue to support, prioritise and help those affected landowners where we can. One landowner in my own electorate on the back of Willawarrin, lost a lot of fencing, but from their perspective the time had run out on that fencing, it needed to be replaced. They were able to do it at a much cheaper price themselves immediately because they were not having to deal with the vegetation on the nearby property. Some farmers and some businesses are in a better position to be able to cope with it. Because farmers have needed to get that fencing up and done straightaway, a lot of them have done that.

**The Hon. MICK VEITCH:** The boundary fences, yes.

**Mrs MELINDA PAVEY:** We will continue to support BlazeAid. It has been an extraordinary thing. There are some real opportunities, particularly for younger people in some of our communities that find it hard to find work, I am hoping that we can do some land management courses through TAFE for instance where we can get them out on the road and out in the bush working.

**The Hon. MICK VEITCH:** Minister, when you talk about opportunities, has the department given any consideration to exclusion fencing as part of the replacement of fencing with adjacent landholders?

**Mrs MELINDA PAVEY:** In relation to exclusion fencing, I am not sure whether the deputy secretary has had any conversations with anybody around that.

**Ms SKEWES:** No. I cannot add anything more to that response, Minister. But I am happy to get some advice if the Committee would like that.

**The Hon. MICK VEITCH:** Could you please do that? Because there are farmers saying this is the perfect opportunity to replace those damaged fences with exclusion fencing particularly along government-owned land where there are adjacent landholders. It does make sense in a lot of places. It is a lot more expensive, I accept that. But in the longer term there might actually be a productivity gain for us all. If you can take that on notice, that would be good. Minister, with regard to the Crown land infrastructure fund, has the department or yourself looked at bringing forward the rollout of those funds just for those fire-affected communities?

**Mrs MELINDA PAVEY:** That is not a proposal that has been put to me or we have considered.

**The Hon. MICK VEITCH:** Would you give consideration to rolling that out as a way of stimulating some of those communities?

**Mrs MELINDA PAVEY:** I think that is worthy of consideration.

**The Hon. MICK VEITCH:** Thank you. What sorts of grants has the department of lands been providing to councils to restore some of the 280 damaged buildings that may well have been on Crown land that is managed by council?

**Mrs MELINDA PAVEY:** As you would be aware, there has been significant investment at a fire-affected council area from both the State and Federal governments. That type of funding was designed to support councils through that. We expend, I think, nearly \$8 million helping councils manage Crown land assets. Ms Skewes may have some more information on particular properties that councils have sought information around.

**Ms SKEWES:** Thank you, Minister. We have been very proactively engaged with local government around the bushfire and the bushfire impacts. We cited a number based on the assessments we have done to date of the 280 sites, as the Minister has described, that have been impacted. Only last week, for example, I was in Bega and able to talk with the council there about its program and its works program. They were describing to me funds that they have been able to secure already to upgrade and redevelop some of their community buildings and their local halls that have been damaged.

We will keep that dialogue going with those councils around the impact to those structures. We are very busy, particularly, still doing assessments. As you would know, some of these are quite remote areas so tracks, trails and other infrastructure—it might be bridges, it might be picnic areas and other places like that, for example—within the Crown estate that have been impacted. We are very active on all of those fronts and we will continue to engage closely with the councils around the areas that have been impacted and how we can assist.

**The Hon. MICK VEITCH:** Thank you for that.

**Mrs MELINDA PAVEY:** We actually gave some Crown land property in one of the villages that was severely burnt down in the Bega area to the local fire brigade as an area to go as a safe haven. I think it was one of the fire sheds was burned.

**The Hon. MICK VEITCH:** My final question is around the bushfire. Minister, you mentioned that a number of people used showgrounds or Crown reserves as a place for evacuation. Some of those became informal evacuation centres. Has the department conducted any work at all on what actually happened on the ground during the fires to work out in future what we might need to do? As I understand it, there were a couple of places where people were headed but the road infrastructure—because it was Crown land—the laneway in actually was not able to sustain the amount of traffic coming through.

**Mrs MELINDA PAVEY:** No. I am happy to look at that, Mr Veitch. In terms of our emergency management, showgrounds are not always going to be perfect. If it is a flood event often our showgrounds are on

low-lying areas. But certainly in a bushfire event it was the sensible place to go. It shows the value of those public assets. But if there are areas where there have been concerns, we are happy to look at that as a priority under the Crown Reserves Improvement Fund program.

**The Hon. MICK VEITCH:** Just talk to the councils I think. They will tell you what happened.

**Ms SKEWES:** On that, we coincidentally have put just over \$9.2 million into critical infrastructure works for a number of showground areas. That was done to support around 64 showgrounds in the first instance—

**Mrs MELINDA PAVEY:** Separate to the bushfires.

**Ms SKEWES:** Separate to the bushfires, but noting the fact that these showgrounds are critical pieces of community infrastructure in the times we have just had. That sort of funding is going to electrical upgrades, reroofing and we are going to continue that program, which the Minister is supporting with another round of assessments. We are doing what we call critical infrastructure assessments across another phase of showgrounds, recognising the important role they play as community refuges and meeting points.

**Mrs MELINDA PAVEY:** To further back that up, we have written to Minister Littleproud, the Federal recovery Minister, seeking a share of the \$20 million showground fund they have allocated federally so that could be an impetus in bushfire recovery.

**The Hon. MICK VEITCH:** Thank you for that. Travelling stock reserves [TSRs]. I believe the traveller review has finished and there is now a management plan or a plan in place for the TSRs right across the State. Is that correct?

**Mrs MELINDA PAVEY:** There has been work done on the travelling stock reserves but to the detail—

**The Hon. MICK VEITCH:** The routes and the reserves—the TSRs.

**Mrs MELINDA PAVEY:** The routes have been a godsend during the doubt, as you know. Ms Skewes, have you some further information?

**Ms SKEWES:** Yes. Specifically, your question is around the status of the review, is that right?

**The Hon. MICK VEITCH:** Yes.

**Ms SKEWES:** That review was in 2018. Towards the end of 2018 we published the findings of the travelling stock reserves review, which looked at how the network is managed and how we can improve and get further efficiency and benefit out of those stock reserves.

**The Hon. MICK VEITCH:** So with all due respect, the words you just used, Ms Skewes, will unsettle a whole heap of people in regional New South Wales who are worried that we are looking at selling them. So when you talk about maximising benefit—

**Ms SKEWES:** With all due respect, they were not my words. They were about how we can support travelling stock reserves. So there was no sense that we were going to be—

**The Hon. MICK VEITCH:** To sell them.

**Mrs MELINDA PAVEY:** We are not selling them.

**The Hon. MICK VEITCH:** So I just want to give you the opportunity to say that is not the case because those words previously would unsettle a whole heap of people. So we are not going to sell them. So with regard to the review now, the TSRs are going to be managed on a centralised statewide basis, is that correct? And the Local Land Services will have on-the-ground administration? That is the new process?

**Ms SKEWES:** As I understand it, yes. I do not think there has been any change to our position on travelling stock reserves. But I am happy to take that on notice and ensure that we provide that clarification.

**The Hon. MICK VEITCH:** How much money are we going to invest in maintaining the TSRs now?

**Ms SKEWES:** I will take that on notice.

**The Hon. MICK VEITCH:** For this financial year—but also if you could project that would be very good, thank you—questions around cemeteries. New land for a public cemetery in Sydney has been a long-term issue. Minister, where is that up to? Have you found us a parcel of land?

**Mrs MELINDA PAVEY:** There are many parcels of land but what we are wanting to do, and what I have instituted as Minister, is a holistic approach and a review to what is available and how we move forward

with that. It is important that we give comfort to all communities and religions across Sydney and we have heard and know of stories. But we are doing good work in this space and we have a process underway. I will now refer to Ms Frame to detail the timing of what we are expecting of that review.

**Ms FRAME:** There are a few actions happening in this regard. One area where we are actively reviewing the Government's mechanism and planning for land for cemeteries is through the review of the Cemeteries and Crematoria Act that is currently underway.

**The Hon. MICK VEITCH:** The statutory review?

**Ms FRAME:** The statutory review. So one aspect that review team is considering is the supply of land. You would also be aware that the Premier commissioned the Greater Sydney Commission to look into strategic planning process and how it adequately caters and considers the need for cemetery space and the GSC are conducting that review. I understand it is due to be completed in the first half of 2020. That is the information that I have.

Also you would be aware there was a very big approval by the Independent Planning Commission late last year for the Varroville cemetery, which provides significant cemetery space into the future. The Wallacia cemetery was not approved and may be reassessed or might be submitted in a new form. There is a range of actions there that the Government is undertaking to seriously plan for cemetery space into the future, particularly in metropolitan Sydney.

**The Hon. MICK VEITCH:** Through the Minister to you, Ms Frame, how long do we have left at Rookwood?

**Ms FRAME:** The approval of Varroville provides quite a lot more time frame.

**The Hon. MICK VEITCH:** But how much is at Rookwood right now?

**Ms FRAME:** I will just confirm this on notice to make sure we get the figures right. My understanding was that Varroville would provide adequate land up until the early 2030s.

**The Hon. MICK VEITCH:** Yes, but the issue is how much is left in Rookwood right now?

**Ms FRAME:** I will have to take that on notice.

**The Hon. MICK VEITCH:** The concern is we are going to run out of land before we get this other stuff in place.

**Mrs MELINDA PAVEY:** There is a number of years, but we will take it on notice.

**Ms FRAME:** Yes, I will get you the exact figure for that.

**The Hon. PETER PRIMROSE:** Minister, is it correct that Property NSW now has ownership of the Glebe Island Bridge?

**Mrs MELINDA PAVEY:** It is not Property NSW. This is an issue for Minister Stokes.

**Ms FRAME:** My understanding is that is not correct.

**The Hon. PETER PRIMROSE:** Any idea who may own it? It is not your portfolio?

**Mrs MELINDA PAVEY:** It is not our portfolio.

**The Hon. PETER PRIMROSE:** A number of people are asking and I just had no idea of the correct response.

**Ms FRAME:** I think it may be Transport but I cannot confirm it.

**The Hon. PETER PRIMROSE:** Could you possibly just take it on notice so we clarify who actually has ownership of the Glebe Island Bridge.

**Ms FRAME:** Certainly.

**The Hon. PETER PRIMROSE:** Can I ask you some questions about the former Sydney Harbour Foreshore Authority [SHFA]? Property NSW now has responsibility, as I understand it, for the portfolio of properties that were managed by the Sydney Harbour Foreshore Authority, including all of The Rocks and Darling Harbour amongst others. Is that the case?

**Ms FRAME:** That is correct.



**The Hon. PETER PRIMROSE:** Has your agency sold any of the properties which were under management or being leased by SHFA since it was dissolved in 2015?

**Ms FRAME:** I just wanted to clarify one thing, which is that Place Management NSW, which is the successor to SHFA, is actually administered by Minister Stokes. But I am happy to answer any questions that I can because it is part of the Housing and Property group and I am happy to assist.

**The Hon. PETER PRIMROSE:** Are you aware of any properties that have been sold?

**Ms FRAME:** Since 2015?

**The Hon. PETER PRIMROSE:** Yes.

**Ms FRAME:** I will have to take that on notice.

**The Hon. PETER PRIMROSE:** If you could also please take on notice whether a business case had been prepared for the sale or is being prepared for future sales of any properties?

**Ms FRAME:** We will take that on notice.

**The Hon. PETER PRIMROSE:** As you can tell, I am just trying to get an understanding of what actually comes under the Property portfolio. Is it the case that Property NSW inherited ownership of the White Bay Power Station from SHFA?

**Ms FRAME:** They did at the time, actually, that is correct, but since then it moved to Infrastructure NSW [INSW] where it currently still is.

**The Hon. PETER PRIMROSE:** Property NSW does not have responsibility for any aspect of White Bay at the moment?

**Ms FRAME:** Not at the moment. That is correct.

**The Hon. PETER PRIMROSE:** Are you expecting to in the future?

**Ms FRAME:** That might be under consideration by the Government. I cannot comment on anything that is not in place at the moment.

**The Hon. PETER PRIMROSE:** Can I talk to you about the Accommodation to Western Sydney project? Can you tell me what progress has been made on the Accommodation to Western Sydney project?

**Ms FRAME:** Is that the decentralisation project for Parramatta Square?

**The Hon. PETER PRIMROSE:** Yes, moving public servants from the Sydney CBD to Parramatta and Macquarie Park.

**Ms FRAME:** Certainly. I have some information available on that. That is the Decade of Decentralisation initiative, where the Government committed to reducing CBD office space by at least 100,000 square metres by 2021. The reduction represents approximately 121 per cent of the 100,000 square metre target set by the Government in 2011. So far the Government has overachieved on that target.

**The Hon. PETER PRIMROSE:** How many was that again, sorry?

**Ms FRAME:** That was 121 per cent of the 100,000 square metre target—so 121,000 square metres is the amount so far secured in moves to Western Sydney. That is the reduction achieved from moving out of the CBD.

**The Hon. PETER PRIMROSE:** Can you tell me how many staff that actually involves?

**Ms FRAME:** I do not think I have that in a staff number.

**The Hon. PETER PRIMROSE:** The target originally was given in the staff number, I understand, of about 3,000.

**Mr BETTS:** I can tell you that several thousand staff within my department have moved to Parramatta just in the last four months.

**The Hon. PETER PRIMROSE:** And you would suggest that that is part of the Accommodation to Western Sydney program?

**Mr BETTS:** Absolutely. Parramatta Square, right in the heart of Parramatta, is going to be a home to the Department of Planning, Industry and Environment and the Department of Customer Service. We are both

co-locating the lion's share of our staff within the Greater Sydney area in that destination right in the heart of Parramatta. Our move is progressing. Ms Frame is already there and I am already there. We are moving in tranches between now and next month.

**Ms FRAME:** Mr Primrose, I actually do have a number of jobs here. I have 7,821 jobs that have been relocated from the Sydney CBD to metropolitan areas. That includes Western Sydney and also regional New South Wales.

**The Hon. PETER PRIMROSE:** Can you tell us what your projections are over the next three years? What proposals are there?

**Ms FRAME:** There are further proposals around St Leonards and further space on Parramatta. That will have significant impacts.

**Mr BETTS:** Including 6 Parramatta Square.

**The Hon. PETER PRIMROSE:** How many do you expect will be moved during that period of time?

**Ms FRAME:** I do not have an exact number on the additional that will be achieved through that. Some of those are still being ascertained.

**Mr BETTS:** Importantly, this is a whole-of-government policy. Property NSW plays a transactional, facilitating role for government agencies but it is not necessarily responsible for the policy of decentralisation per se.

**Ms FRAME:** They have given me an estimate here of additional—it will always be subject to ongoing commercial negotiations. But at this stage it is approximately just under 35,000 additional square metres of potential proposed space by 2021, which is predominately associated with North Sydney office space moving to Parramatta and also St Leonards.

**The Hon. PETER PRIMROSE:** What about Macquarie Park? There was a project there involving John Holland; is that correct?

**Ms FRAME:** I do not have specific figures on the reduction achieved at Macquarie Park in terms of relocation. I can get you those exact numbers.

**The Hon. PETER PRIMROSE:** Is the Macquarie Park project involving John Holland actually completed?

**Ms FRAME:** It is my understanding it is. I will confirm that.

**The Hon. PETER PRIMROSE:** Please take it on notice if you would.

**Ms FRAME:** Certainly.

**The Hon. PETER PRIMROSE:** What is going to happen now to 47 Bridge Street in Sydney?

**Ms FRAME:** I will have to take that on notice.

**Mrs MELINDA PAVEY:** Is that the Department of Education building?

**Ms FRAME:** That is the Department of Education. That was subject to an expression of interest along with the Department of Lands building maybe three years ago, where those buildings are being restored and will be—I was not involved in that at the time but from my memory it was a 99-year lease to restore those buildings.

**The Hon. PETER PRIMROSE:** Rather than ask you to speculate, could you please just take it on notice? What I am interested in is whether it is going to be sold, has it been valued, is it going to be turned into a boutique hotel? If you could just come back and tell us what is going to happen.

**Ms FRAME:** I certainly can. The decisions have been made and were made a few years ago. They have not been sold. They are subject to a long-term lease. I will get you the exact details of the length of tenure of that. They are being restored. My understanding is that the proposal was for a five-star hotel, but I will come back with the specific details.

**The Hon. PETER PRIMROSE:** Yes, the expected use is important. In relation to Peat Island, at the last estimates we were given answers to supplementary questions that indicated that work was underway to rezone and redevelop the land. Has that rezoning taken place?

**Ms FRAME:** I will just get the exact information for you. The Peat Island proposal has gone through a gateway process. My understanding is that the planning proposal is going to be exhibited before the middle of the year.

**The Hon. PETER PRIMROSE:** Has the rezoning taken place?

**Ms FRAME:** Once it has gone through a gateway then it has to go through public exhibition for further community input and engagement before the rezoning can be effected.

**The Hon. PETER PRIMROSE:** So the answer is no?

**Ms FRAME:** The answer is no, that is correct.

**The Hon. PETER PRIMROSE:** Has Property NSW undertaken any market soundings or engaged with interested developers in relation to that site?

**Ms FRAME:** I will take that on notice.

**The Hon. PETER PRIMROSE:** In answers to supplementary questions in October 2019 it was promised that the public exhibition of the planning proposal would happen by the end of 2019. Can you tell us why that did not occur?

**Ms FRAME:** The department was still finalising supporting expert reports that are going to be included as part of the public execution process. It is anticipated, as I said, to occur in the first half of 2020. The Government has also committed to an extended process for that in order to enable extensive community input for the proposal when it is exhibited.

**The Hon. PETER PRIMROSE:** In those same answers to supplementary questions it was indicated that residential development at the Peat Island site would only occur in the Mooney Mooney section—that is, on the mainland. What is the planned future of the island itself?

**Ms FRAME:** I will take that on notice.

**The Hon. PETER PRIMROSE:** If you do not have the information to hand, will it be opened up for public access and will the built heritage items be retained?

**Ms FRAME:** I will take that on notice. I know there is a very strong commitment to retaining the heritage items that are part of the precinct in the area.

**The Hon. PETER PRIMROSE:** Do you concur with that Minister?

**Mrs MELINDA PAVEY:** Yes.

**The Hon. PETER PRIMROSE:** In relation to the Weston fire station, the community in Weston near Cessnock is campaigning to convert a Fire and Rescue station, which was recently shut down, into a new RFS brigade station. I understand that this property is owned by your department. Will you provide concessional arrangement for the station to be transferred via the council or the RFS for this purpose?

**Mrs MELINDA PAVEY:** We have a strong policy in relation to public property within our regional communities designed to assist regional communities. I would need to look at the value of that land and the community support for such a proposal. But if it comes under the \$1 million threshold then we have some more flexibility to be able to deal with community groups and/or councils within council areas.

**The Hon. PETER PRIMROSE:** Minister, my final question is: Can you give the community a guarantee that you will not sell it?

**Mrs MELINDA PAVEY:** I can give the community a guarantee that we will continue to look at it within the Government policy constraints. If the value of that land comes in under that \$1 million mark then we will be in a position to negotiate with council and community groups.

**The Hon. PETER PRIMROSE:** So the answer is no.

**The CHAIR:** Minister, thank you for coming back for an additional hour, it is much appreciated.

**(The Minister for Water, Property and Housing withdrew.)**

**The CHAIR:** Welcome back. We will start with questions from the crossbench.

**Ms CATE FAEHRMANN:** I want to turn to the recent shutdown of Warragamba Dam. I was wondering whether someone could advise the committee why the dam was shut down?

**Mr BETTS:** I am happy to shed some light on that. Mr Harris from WaterNSW can speak to that.

**Mr HARRIS:** First up, the dam was not shutdown, the pipelines were not shut down. It is probably best to preface my response by saying that we supply the Prospect Water Filtration Plant in three ways: from Warragamba Dam through the Warragamba pipelines, from Prospect Reservoir and from the upper canal feeding from our metropolitan dams. At no time did we shutdown the Warragamba pipelines. What did occur was that on Sunday 9 February we were getting inflows from the rain event mixed with soil and other materials caused by the bushfires and we had an intrusion from Werriberri Creek, which is close to the dam wall. As a precautionary matter, we did not shutdown those pipelines. Those pipelines continued to supply the Warragamba township and also the Orchard Hills water treatment plant, but we began to supply the Prospect water treatment plant from Prospect Reservoir. That situation continued until 15 February and full supply was restored from Warragamba and the pipelines on 27 February.

**Ms CATE FAEHRMANN:** What was the name of the creek where you said there was an intrusion?

**Mr HARRIS:** Werriberri Creek.

**Ms CATE FAEHRMANN:** What was the intrusion? What does that mean?

**Mr HARRIS:** Inflows from that creek. So Werriberri—if you stand on the dam wall and you look up stream, it is the closest tributary to the dam wall. Obviously coming in from that part of the catchment was rainwater mixed with soil and so on that had been exposed by the bushfires. Our systems are able to monitor that water coming into the dam wall. At that point in time we had the intrusions coming from further up the storage, which we were monitoring, but we also got this intrusion from Werriberri, which is very close the dam wall. So as a precautionary measure we had already set up Prospect Reservoir.

Prospect had a month's supply in it before that rain event occurred because we set it up to have that water in there. So when that Werriberri flow came in, as a precautionary measure we decided to take water out of the Prospect Reservoir into the treatment plant, rather than taking any risk from Warragamba Dam. Noting that at the time we were taking from very low in the water column—off the top of my head, 33 metres down—and that Werriberri water was sitting at the top of the storage. But nonetheless, our operators—we had water sitting there in Prospect, no risk, so why take a risk with that water there in Warragamba and they changed the—

**Ms CATE FAEHRMANN:** Technically that is shutdown. You had to transition from Warragamba to Prospect so technically that is a shutdown. It was reported as being shutdown.

**Mr HARRIS:** Sorry, it is not. We frequently change supply points. As I indicated, there are three supply points into the Prospect Water Filtration Plant. We frequently change that from Warragamba to Prospect to upper canal depending on circumstances and water quality and so on, but those pipelines were used continuously for the Warragamba township and for the Orchard Hills water treatment plant—the offtake which comes directly off those pipelines.

**Ms CATE FAEHRMANN:** You were talking just then about what was more at the surface from Werriberri Creek. What was in that water that was on the surface that you were concerned about?

**Mr HARRIS:** Basically it was turbid water so there was soil and whatever else comes with that soil—debris as well—coming into the storage. From a water quality point of view that is a risk because pathogens can either mix in with that turbidity or attach to that debris. We do not take turbid water through our pipelines, in part because of that risk and in part also because under our water supply agreement with Sydney Water we are obliged to take the best quality water that we can at any given time, hence why we were releasing from a long way down in the water column, below the thermocline.

**Ms CATE FAEHRMANN:** Are there still concerns in relation to run-off in future rain events by WaterNSW in terms of Warragamba Dam? Has the threat passed?

**Mr HARRIS:** No, it has not. Broadly speaking there are three risks in Warragamba—and frankly in others—arising from the bushfires. First of all there are elevated blue-green algae levels within the storage. That is what happens when you get bushfire damage and you get nitrogen and other materials washing into those storages. That is something that we will have to monitor for some time.

**Ms CATE FAEHRMANN:** How elevated? When you say "elevated", what does that look like?

**Mr HARRIS:** I do not have the particular—

**Ms CATE FAEHRMANN:** Is that publicly available?

**Mr HARRIS:** I will certainly take that on notice. That is no problem.

**Ms CATE FAEHRMANN:** Thank you.

**Mr HARRIS:** That would be our key concern over time. Also there are increases in dissolved organic compounds in the water. That is not a health issue. That is more a quality issue for Sydney Water because their water treatment plants find it difficult to take natural organic matter and the colour out of the water. So it is not a health problem but an aesthetic problem for Sydney Water and a potential problem for Sydney Water customers. Of course the third risk we face is if there is another large rainfall event. So 320,000 hectares of those special areas right around Warragamba Dam were burnt out and we have no vegetation cover there at the moment. It will take some time to come back.

Can I just say because I saw him downstairs in the break—I do want to put on record that Commissioner Fitzsimmons has been praised generally for the fantastic effort of RFS. But I do want to put on record that from our perspective their knowledge of the water quality aspects of fighting bushfires around Warragamba were superb and they put an incredible effort into protecting that special area because they understood what the risks are that I have just been through. Unfortunately, given the topography there, they did the best they could but we did suffer—

**Ms CATE FAEHRMANN:** We did still lose a lot.

**Mr HARRIS:** A large area was burnt out. But I do want to put on record that their understanding and knowledge of water quality was superb.

**Ms CATE FAEHRMANN:** Sure. What is the level of risk then as a result of the significant area of the catchment that has been burnt, as you said, in terms of the level of vegetation that is lost? What is the level of risk of significant algal blooms in the dam risking the water supply over the next six months? Of course you would have modelled that.

**Mr HARRIS:** Can I give you perhaps a layman's answer to that?

**Ms CATE FAEHRMANN:** Sure.

**Mr HARRIS:** I would describe that as low. Let me explain why. For us to have a real problem there are three events that have got to occur and the probability of each event is less than one. If you multiply three probabilities of less than one, you get a low probability. Just let me step you through that. The first thing that has got to occur is we have got to have an algal bloom on the surface of Warragamba at Lake Burragorang. That is not common. The second thing that has to occur is that that algae has to be toxic. There are different types of algae; some are toxic and some are non-toxic. We have got to have an algal bloom and we have got to have toxic algae there.

The third factor is that the thermocline breaks down. In other words at the moment the lake, as you would expect, is stratified; so the bottom part of the lake is cold and the top part is hot. Some years, but not all years, that thermocline breaks down and the lake turns over. You have got to have all three of those things for us then to have a toxic algae problem throughout the water column. That has never happened before in the history of Warragamba. So it is a low risk, but it would be very irresponsible of me to say there is no risk at all.

**Ms CATE FAEHRMANN:** Thank you. I will come back to that.

**Mr JUSTIN FIELD:** Mr Betts, when were you made aware of the plan to conduct an independent assessment of the northern basin first flush event?

**Mr BETTS:** I had discussions with the team who had been responsible for the operational decision-making during that time during the course of last week. Given the fact that this was the first time that we had been placed in this situation operationally, and the relatively high stakes that we were playing for in terms of stakeholder engagement, we agreed collectively that some kind of external review to test the integrity of the processes to see what we can do better in future would be warranted. My suggestion was that that should be done with unimpeachable external people to give us advice and to do so through public process. That eventuated in this morning's announcement from the Minister.

**Mr JUSTIN FIELD:** The Minister, at the start of the day, mentioned that the independent panel and who would be on it had not been determined, but she seemed to suggest that there would be stakeholders on there, including stakeholders from irrigation and environment groups. That does not seem to me to be an independent panel. What you just suggested seems quite different from what the Minister has suggested. Is there a pretty solid idea on what this panel will do and that it will be an external and independent process?

**Mr BETTS:** It will be an external independent process led by independent experts but they may engage with other groups. Do others who are closer to it want to comment?

**Ms O'KEEFE:** I think the model that is currently out there is that the reviewers are independent, completely independent, but they have access to some reference panel of affected parties—environmental interests, town water interests and all the interests that have been in the mix during this.

**Mr BETTS:** Not dissimilar, in a sense, to the bushfire inquiry underway at the moment where you have two independents, Mary O'Kane and Dave Owens, and then their first course of action is to go and engage with peak bodies and engage with other external stakeholders.

**Mr JUSTIN FIELD:** The third suggestion there, Mr Betts, you thought maybe there was a reference panel advising two independent reviewers, potentially. That second suggestion seemed to be that they just be consulted with, like a public process, which is not much different to any submission-making process?

**Mr BETTS:** Correct. It is an independent review. That is the first thing that it is called, so you have two independent reviewers to lead that process.

**Mr JUSTIN FIELD:** So there will be two is the understanding at the moment?

**Mr BETTS:** At least two, yes.

**Mr JUSTIN FIELD:** They have not been decided. Who will determine who they are?

**Mr BETTS:** I guess the Minister will determine who they are on advice from the department.

**Mr JUSTIN FIELD:** What powers will they have to be able to call for documents from within the department around this process or to look at how some of the decision-making things went about?

**Mr BETTS:** The terms of reference have yet to be finalised. The proposal is that the independent reviewers, once assembled, their first order of business would be to review those terms of reference and provide advice on whether they need to be strengthened, whether they are sufficiently comprehensive and so on. The department is the instigator of this review because we want the decisions that we made to be transparently tested, so we will make all information available to them that they request.

**Mr JUSTIN FIELD:** Is the review being established under any particular sections of the Act? Are there any powers that are outlined in the Act or will the powers be given by way of the terms of reference that are agreed by the Minister?

**Mr BETTS:** I think it is the latter, unless Ms O'Keefe wants to correct me?

**Ms O'KEEFE:** No.

**Mr JUSTIN FIELD:** That is the way it will happen?

**Mr BETTS:** Yes.

**Mr JUSTIN FIELD:** Okay. This is a slightly cheeky question but it is for Dr Byron, the acting commissioner. Sir, without putting you on the spot, would you have any objections to being involved in this review? Is that something that you think would sit well with the Natural Resources Commission given this was the first time we had seen a first flush scenario in a significant period of time and the first time it is an embargo used? The suggestion before was that it did not deal with the resource but, in actual fact, there probably are a lot of lessons to be learned about how the resource is managed here.

**Dr BYRON:** Thanks for the question. It is not something that I have thought of until right now. I cannot think of any reason why I would refuse if asked, but I am not actively looking for something else to do, thanks.

**Mr JUSTIN FIELD:** I gave you an opportunity.

**Mr BETTS:** He is very busy already reviewing water resource plans. One of the things that we would want to make sure in the course of the review is the extent to which our management of that event satisfied previous standing advice such as the Matthews inquiry for review and advice from the NRC.

**Mr JUSTIN FIELD:** Dr Byron or Mr Wilde, my suggestion was that the NRC should have been involved in reviewing some of these water sharing plans before their cease date was pushed back. We understand the different points of view around this issue. The suggestion was there was nothing stopping the NRC engaging in the public consultation process that is currently underway with regard to the water resource plans, of which the

water sharing plans are a part. Is there any reason why you would not engage in that process? Do you think it is appropriate? Is it outside your terms or your remit? I am interested in your response to the Minister's response?

**Dr BYRON:** I am not aware of anything that would preclude us participating. My understanding of Dr Chenery's offer in December 2017 was that he thought it might be constructive to have a joint review, both of the review of the previous 10 years and looking forward to the next 10. But it is not our call to make.

**Mr JUSTIN FIELD:** Ms O'Keefe, this might be for you. Sorry for dancing around a bit; I am trying to tie up some loose ends from before. There has been some discussion about potential infrastructure damage as a result of the putting in place of the embargo. How did lifting the embargo mitigate any damage to infrastructure?

**Ms O'KEEFE:** The embargo precluded people from using pumps to move water around their property and into dams. By lifting the embargo they could move water away from their infrastructure. The upshot of that also was that they would pump it somewhere and they pumped it into their dams. It meant that they took the water under the definition of the Act. They could move the water around their property a lot more and get it out of the way, away from their infrastructure.

**Mr JUSTIN FIELD:** That would be a pretty unique set of circumstances, because this is water moving over a flood plain. The ability to pump a lot of water moving across a flood plain quickly seems to me that is a highly unlikely scenario. It might be that there is a channel in place and it is going to overspill and ends up in a shed and you can move it out of that channel quickly. You would have had that information, would you not? You would have known where these properties were?

**Ms O'KEEFE:** No.

**Mr JUSTIN FIELD:** Audits have been done of the infrastructure that is out there and how much water capacity these works have.

**Ms O'KEEFE:** I guess that would require an on-the-spot immediate, while you are in the moment, assessment of property by property. Hydraulic models have been done on every property to try and articulate the quantum of floodplain harvesting to create licences. But there is no way you can do that in 24 hours when you have got masses of floodwater running across the environment.

**Dr BENTLEY:** I think it is worth noting that this was happening particularly over a weekend. This panel was meeting on a regular basis. These were live operational decisions. I caught up with Ms O'Keefe and Ms Solomon, who also runs that role with Ms O'Keefe, after the event for them to explain to me what they were doing. These are very here-and-there live decisions and someone has to make a risk judgement. I fully backed their judgement that they were just being precautionary. That is why they were only lifted for a small period of time.

**Mr JUSTIN FIELD:** Do we know yet the quantity of water that was moved as a result of lifting the embargo?

**The Hon. MICK VEITCH:** Are you talking about the take?

**Mr JUSTIN FIELD:** Yes, the take.

**Mr BETTS:** That is intrinsically quite difficult to estimate.

**Ms O'KEEFE:** That is difficult to estimate. A couple of things. That is what the whole program of getting the floodplain harvesting licensed and measured is all about. Our end point for that is July next year.

**Mr JUSTIN FIELD:** Not far away.

**Ms O'KEEFE:** Yes, it is not far away. We have now got very good information and we are putting all the pieces together; the consultation has been done. The means of measuring at this point in time are there. All we could do was to assess how much, if everybody pumped using their authorised pumps and there was floodwater on every flood plain, everybody could put their pumps in and they all pumped for the full amount of time for the number of days. So the maximum of the maximum take, we can calculate that and we have calculated that, refined the numbers. I think it is around the 200 gigalitre mark over the period.

**Mr BETTS:** That is an absolute upper band.

**Ms O'KEEFE:** Absolute upper band. That would never happen. It just could not happen.

**Dr BENTLEY:** If I could add one other thing. One of the points I was going to make this morning but we did not have time, as a result of these here-and-now live decisions that the team have been making, we decided

within Water that we need to review our 24/7 emergency operational arrangements, including communication and so on. One of the important things from this review is to feed into that because we will be asking questions. Should we be separating the policymaking side of this from more of a sort of, as the SOCs would have, a 24/7 operational arrangement? Clearly we do not want to blow budget on having people just sitting there doing nothing waiting for an emergency. But we have recognised that the operational and 24/7 basis is very different to the policymaking, and that is something that Ms O'Keefe and others in the team will review with me when we get the feedback on what worked and what did not work through this review.

**Ms O'KEEFE:** I will add one more thing. The 200 is the upper, which we know did not happen. What we did do almost immediately after the event when the clouds cleared, was download satellite imagery so we could see how much water was in the landscape. We are analysing that at the moment. Again, it is hard to get depth as it is a picture. It is looking like the take from the whole event was something in the order of 40 gigalitres, not 200, and that would include water that they would have pumped out of the unrelated rivers into those storages. The actual floodplain harvesting is something probably less than that again. We will never get an exact figure from this event but it is probably in the order of 30 to 40 gigalitres from actual floodplain harvesting.

**The Hon. MICK VEITCH:** I want to continue on with that line of questioning. This morning and in press releases the figure of 250 millimetres of rain has been quoted or cited. That clearly was not in the whole of that catchment. Will you advise us, Ms O'Keefe, where that number is sourced and where did it relate to?

**Ms O'KEEFE:** Again, very patchy. So there could be a single catchment, Lower Gwydir for instance, where on one side of the hill you had eight millimetres and on the other you had 250. Maybe Mr Harris would have a better feel for that, but it was very patchy and it changed as the weekend went on. You would have a big storm event here and it would just move over to here. It is very difficult to characterise.

**The Hon. MICK VEITCH:** But the number of 250 millimetres has been used. I want to know where we are drawing that from?

**Ms O'KEEFE:** That would have been a maximum daily rainfall event over the time in a particular area.

**The Hon. MICK VEITCH:** From the bureau?

**Ms O'KEEFE:** It would have been the bureau, yes.

**The Hon. MICK VEITCH:** I move back to some Crown lands questions, Mr Betts. In December the Audit Office released a report into the Department of Planning, Industry and Environment in which it stated that the number of unprocessed Aboriginal land claims from 2018 increased by 7.2 per cent to 35,855 as at June 2019. How many staff are currently employed within the department to process Aboriginal land claims?

**Mr BETTS:** This is a key issue from our point of view, so I will ask Ms Skewes to respond in the first instance.

**Ms SKEWES:** Thank you for your question. I can certainly report that those Aboriginal land claims numbers, in terms of claims that are lodged for processing, have certainly gone up since those numbers as well. We can take it on notice and give you a number—

**The Hon. MICK VEITCH:** As of today?

**Ms SKEWES:** Yes. Well, we can give you a February number, for example.

**The Hon. MICK VEITCH:** That would be appreciated. Okay.

**Ms SKEWES:** It is around 37,000 but I will give you the precise number later. The Auditor-General did make a comment around that and the need to keep working on Aboriginal land claims and I think we previously recorded a figure in 2018-19 of the claims that were actually determined, and it was a figure, for that financial year, of just over 1,000. I think it was 1,037. That was a figure recorded previously for the 2018-19 year, so that is the claims determined number.

**The Hon. MICK VEITCH:** Thank you.

**Ms SKEWES:** But we can just give you those facts, if you like, later. You have asked a question about the resourcing and must say that this is, since coming into this role, a key priority for me—to put additional resourcing into the processing of Aboriginal land claims. We have the support of the secretary and of DPIE to progress this work. It is being taken very seriously. I am currently looking at increasing resourcing into this part of the organisation. As you can imagine, the processing itself is a very diligent task. It requires precision and very



robust processes. We absolutely are looking at ways that we can provide more staff into this relatively small team—and I can give you those numbers, but it is not a large team doing this work.

**The Hon. MICK VEITCH:** If you can take that on notice and just tell us how many. For me, I would like to know what you have got at the moment and, when you are asking for more resources, what that is going to look like to try and work through the stack of.

**Ms SKEWES:** I think the other thing is that we have a legal obligation to deal with those claims in a systematic way, as I said, and the other part of this work is that we are looking at the ways that we can work more actively with Aboriginal land councils around this work. As you may be aware, a number of these claims are successive or subsequent claims over the same piece of land so the program just keeps rolling forward. So we have already started some terrific work under the direction of the secretary—"direction" I use as a loose term, not a formal direction—but an engagement with the secretary, particularly around Darkinjung. We have been working very actively in a very short period of time to progress those claims with the support of the council. We are also looking at that so it is not just resourcing; it is how do we engage more proactively to take this issue forward in a more collaborative and systematic way to deal with this? I am certainly hopeful of coming back to this Committee in several months time to be able to report on the work that we are doing.

**The Hon. MICK VEITCH:** That would be really good.

**Ms SKEWES:** It is a major reform in the Crown lands portfolio.

**The Hon. MICK VEITCH:** That is all very good. I appreciate your response there because this is actually quite a serious issue. There are a number of us who have sat through I do not know how many of these things where the backlog is raised and it just keeps getting bigger. Can you advise the Committee on what is the issue? Is it a skills sets issue? Are we unable to obtain employees with the required skills sets to process the claims? If that is the case, what are the skills sets that we are lacking? What is the issue? Why do we have such a big backlog?

**Ms SKEWES:** Claims keep being lodged. As you know, it is not a static number.

**The Hon. MICK VEITCH:** That is right.

**Ms SKEWES:** More claims come in. As I said there are those claims that are being lodged. Because they are point in time claims, they have to be processed when they are received or at that point in time they are analysed in accord with the time frame within which they are received. So that keeps rolling forward. The team that we do have I know are well regarded for how they manage within the resource limitations we currently have. They do a very good job and are well regarded with the systems and processes they use. The understanding we have is that we believe we do not have enough resources, but as I said we also have to engage in a very different and proactive way with both the New South Wales Aboriginal Land Council [NSWALC] as well as individual Aboriginal land councils. The examples of work that we have been doing recently I think with Darkinjung is a case in point. So it is not that there is one problem to fix. There is a different model of engagement around this as well as building on the resource base that we have. In short, that is the answer to your question.

**The Hon. MICK VEITCH:** Thank you. Mr Betts?

**Mr BETTS:** Yes. The figure of 35,000 or 36,000 in terms of the accumulated backlog of claims is a very relevant metric in the sense that it clearly demonstrates that there is a big problem, but those claims can be duplicative so it has some complexities associated with relying on it as the sole performance indicator. The endeavour that was embarked on in, I think, 2016 around the land negotiation program was designed to take a final holistic approach to work with land councils to identify those lands which are claimable and which would be of greatest value, the underlying point being to contribute to reconciliation by granting lands to Aboriginal people, which is their entitlement anyway, but also to achieve economic empowerment.

That is quite an intensive exercise, which requires high levels of culture competence on the part of the department. The land negotiation program is something that I am keen to see significantly turbocharged, which is why the Minister instigated the review by Senior Counsel Chris Ronalds, who will be reporting shortly. We look forward to the results of that because I think that would point the way towards a pretty major reset within the department about the way we engage with land councils generally, which is about not losing sight, in the administrative complexity of managing 36,000 claims, of the real end point, which is justice and empowerment for Aboriginal people.

**The Hon. MICK VEITCH:** Mr Betts, you spoke about key performance indicators. That large number of course—do we age these?

**Ms SKEWES:** Yes.

**The Hon. MICK VEITCH:** Do we actually put them in clusters based on how long they have been on the books for?

**Ms SKEWES:** Yes. We have got all those datasets—so, you know, a record.

**The Hon. MICK VEITCH:** Are you able to provide those on notice?

**Ms SKEWES:** Yes. I will work out the best way to do that in terms of the quantum of data. We are happy to give you a sort of profile and we can certainly take that on notice.

**The Hon. MICK VEITCH:** I would suggest there is goodwill in the room about trying to process these claims. I do not think anyone is saying, "Don't process them", but this has been an issue—

**The Hon. TREVOR KHAN:** Quite the reverse, I think is the answer.

**The Hon. MICK VEITCH:** Yes. I think that is exactly right, Mr Khan. I guess my line of questioning is because I actually think this is quite a serious issue. We do need to work out how we can process this. With all due respect, Mr Betts, I sat in this room many years ago and heard someone else say that this was actually a priority and we are going to move these things through and get on top of it, and at that point in time I think there were 29,000-and-something claims at that point in time.

**Mr BETTS:** And imagine how our Aboriginal people and their land councils feel.

**The Hon. MICK VEITCH:** That is exactly right.

**Mr BETTS:** They feel exactly the same way. I get it.

**The Hon. MICK VEITCH:** There is a fair trust issue as well around this.

**Mr BETTS:** Totally, absolutely, and a cultural competence issue on our part as well, which we need to rectify.

**Ms SKEWES:** Just the other things—sort of rounding off—you can hear from the secretary his commitment to this and coming in with fresh eyes and having a fundamental commitment to the delivery of outcomes for Aboriginal people. It is sitting as a number one priority for us to move forward. Can I just comment that the other way that this is going to be supported through Crown lands and in fact right across the cluster—both an Aboriginal strategy more widely within DPIE, so building competency and capability within the organisation. But also within Crown lands we have a State strategic plan, which is under development, and that is soon to go. We have had a lot of stakeholder engagement in that, of course—our Aboriginal partners through NSWALC and local Aboriginal land councils themselves.

We will go through a consultation process around that State strategic plan and I am confident that one of the pillars will be enshrining outcomes for Aboriginal communities in that. We are trying to do the job that we have around fundamentally processing of claims but we also have an overarching need to build competency but also have the strategic framework that says that this is fundamentally important.

**Mr BETTS:** And just to round that out, that process is being heavily led by senior Aboriginal leaders within our workforce, including Jody Broun, who is the chief executive of the Aboriginal Housing Office, but others besides. So it is not something that we are doing in isolation. We are being educated, informed and led by our own senior Aboriginal leaders within our own group.

**The Hon. MICK VEITCH:** Thank you. It has been previously put to me that one of the issues around the skills sets shortage that is impacting upon processing the claims is the lack of surveyors, particularly in regional areas, and the capacity to have the claims surveyed. Is that correct, or is that just an anecdotal myth?

**Ms SKEWES:** No. You are correct. Quite apart from the actual referencing process and the due diligence that needs to be undertaken in relation to claims over land looking at infrastructure issues, referencing with council or other affected parties, is once the decision to grant a claim, for example, is made then there is a process of very clearly surveying the affected land for titling and transfer purposes. There has been a historic backlog to that program, which we have become aware of. I am delighted to say that that backlog is being cleared. I am expecting over the course of this year we will not have any outstanding surveying work. In fact, already in my short time we have brought forward some of those surveys so they are able to be completed. We are happy to keep monitoring that and we will be able to give reports and good results towards the end of this year.

**The Hon. MICK VEITCH:** At the next estimates?

**Mr BETTS:** Yes, hold us to account.

**The Hon. MICK VEITCH:** The audit report also identified deficiencies in Crown land records. This is not new as well. The Auditor-General has actually conducted a couple of reports around this area. Is the Crown tracker system on course to be completed by June 2021?

**Ms SKEWES:** Yes, again, it is not noteworthy that you have two items in the Auditor-General report in December 2019 but you are right in referring to the fact that we also highlighted—and the Auditor-General noted—that we were progressing the Crown tracker work. There has been a lot of effort gone into in making that effective and efficient. That work is still underway. We have an allocation of money into that. We are doing some current updates with the geographic information system [GIS] and current tenure information. Broadly, that is on track but we have another, I think, allocation of money to come into the next financial year around that work.

**The Hon. MICK VEITCH:** A supplementation to assist in finishing—

**Ms SKEWES:** Yes, we are very much on the job with that. If you like, I can give you precise details of that timing.

**The Hon. MICK VEITCH:** If you take it on notice, could you also provide details of funds that have been spent to date on the Crown tracker?

**Ms SKEWES:** Yes. It is a very live piece of work and it is fundamental to be able to access the system that has got current GIS information and current land tenure information.

**The Hon. MICK VEITCH:** Relating to Crown land rentals or rental receipts, in light of the bushfire season that has just taken place, do we know if any of the Crown land facilities that have been destroyed were actually rented by individuals earning income and that rent would have been due?

**Ms SKEWES:** As I said before, we have a high-level assessment of the number of structures that have been impacted. Many of those will be with Crown land managers, as you rightly point out. The details about how we are dealing with individual arrangements with our Crown land managers on a case-by-case basis, as those assessments are being done—I can tell you that in the same way we have been responding on the fencing issues, we became very aware of those tenure holders who are directly fire-affected. We have been working with our colleagues from a whole-of-government perspective and where there is available information on impacted tenures and licence holders, we have been supplying that in to get an aggregated view from whole of government.

**The Hon. MICK VEITCH:** Have you looked at rent relief, wherever it is required, or forgoing the rentals for some of those business holders?

**Ms SKEWES:** We have been foreshadowing those impacts back into a whole-of-government consideration around bushfire impacts. That work is ongoing and live and we have been providing updates as information comes to hand around concessional arrangements that might be needed into some of those directly impacted communities. One of the things that we did do earlier this year—our natural billing cycle is early in January when we send out our notices and we have withheld that pending that review that is going on. It was not appropriate for those—

**The Hon. MICK VEITCH:** At that time?

**Ms SKEWES:** Yes.

**The Hon. MICK VEITCH:** I am told that councils have been asked to complete plans of management of all Crown land under their management. There are Crown land managers. Are you receiving any feedback about the resourcing issues that some of those councils are having, particularly in regional and rural councils, around that request?

**Ms SKEWES:** We are very aware. There has been, in my short time here, a series of representations around the impact on councils with that whole process of preparing plans of management. The time frame for the preparation of those plans of management is June 2021. Already, particularly with the impact of drought, fire and recovery—

**The Hon. MICK VEITCH:** And flood in some places.

**Ms SKEWES:** —and floods, exactly. We are very mindful of all of those impacts. One of the things that we are currently doing is talking with councils about the impacts of all of those things on this program. Also, the program is challenged around the volume of work that is required. A number of councils are going through the classification process. The first stage of that involves classification of parcels of land and then review and

feedback so you can actually determine how many plans of management are required. One of the things that I am doing is trying to get around to a whole range of councils themselves as well as some of the peak bodies and engaging with them. I think that over the next couple of months, through the stocktake that we are currently doing, we will have a view about how we can work with councils to better support this program. I think certainly the feedback we have got is that councils are very challenged to achieve the time frame. Indeed, many will say they cannot possibly, under the current conditions.

**The Hon. MICK VEITCH:** Was there financial assistance provided to councils? That is the first question.

**Ms SKEWES:** Yes.

**The Hon. MICK VEITCH:** If so, how much was the grant? The second thing is, have they asked for additional funds? Did all councils get it?

**Ms SKEWES:** There was a program of resourcing into councils of around \$7 million or \$8 million into councils around supporting their work. That grants program was run through their Office of Local Government. It was \$7 million to support councils. In addition to that, the department of Crown lands has developed guidelines. We have fact sheets. We have had webcasts, presentations and face-to-face training on a range of topics. We are currently looking at very imminently putting out a template for the plans of management, which I think will be very helpful for councils. That will give a sense of expectation about the volume and the framework of the work that is required. The other thing is that we have some online modules that we are about to launch over the next month or so. Those sorts of things, I am sure, will be helpful. But certainly councils have received direct grants funding administered through the Office of Local Government to support that.

**The Hon. MICK VEITCH:** If any of the councils flag that they are going to be unable to make that deadline, will there be grace provided?

**Ms SKEWES:** That goes to the concept that I talked about around a bit of a stocktake. I think given the representations that I have seen and the discussions that I am now having with individual councils, we really want to get a sense of what the collective view is around this and then look at some scenarios around how we might move forward. One of the things I would like to do is to be able to test this plan of management template to see whether that offers some real value, helps councils and gives them a better sense of being able to quantify the work that is required to have this completed.

**The Hon. MICK VEITCH:** Thank you.

**The Hon. EMMA HURST:** I have a couple of very short questions in regards to WaterNSW. The WaterNSW website states that people living in the Greater Sydney water catchment area "have a legal responsibility to control noxious pests on their property, including rabbits, feral pigs, wild dogs ..." Are you aware of what methods landholders in that particular catchment area are allowed to use to control these non-native animals?

**Mr HARRIS:** No, I would have to take that on notice.

**The Hon. EMMA HURST:** Could you also take on notice whether the use of poisons of any kind are being used or encouraged to be used, being so close to the waterways? Do you have better information about that?

**Mr HARRIS:** I doubt that very much but, again, I will confirm that on notice.

**The Hon. EMMA HURST:** Again, this might be something to take on notice because it follows on from that. Is there any requirement for landholders to attempt to use humane or nonlethal control methods before using any other lethal methods?

**Mr HARRIS:** I will take that on notice.

**The Hon. EMMA HURST:** And whether more humane or non-lethal methods is something that WaterNSW promotes in any of its resources?

**Mr HARRIS:** Yes, I will take it on notice.

**The CHAIR:** I refer to the issue of the Warrego River that I spoke to Mr Barnes about. Earlier we spoke about the non-compliance of the Office of Environment and Heritage with the Water Management Act that states that all diversions have to be measured accurately. You said that they complied. Will you clarify that statement?

**Mr BARNES:** It is my advice to the Committee that there are a number of licences pertaining to that site, licences that were issued under the Water Act in some parts in the 1960s. Infrastructure in some cases

goes back to over 100 years old. Those licences were variously converted under the Water Management Act in about 2012 and in doing so confer licence obligations on each of those licences. It is my testimony that the holder of those licences is in compliance with their obligations. We, of course, take seriously any allegations that do arise to the contrary. If the member has information that suggests otherwise, and can table that—

**The CHAIR:** They have publicly stated that they have no plans or actual capacity to measure diversions. If they publicly say that, do you have evidence to the contrary that they are measuring diversion?

**Mr BARNES:** I can advise the Committee that there are two licences related to diversions channels, one which provides for the diversion of high flows under certain conditions. It is quite possible that that is an action at the moment, given the flows that are going down the Warrego. The advice I have is that the holder of that licence is in compliance with their obligations.

**The CHAIR:** Is that licence being measured?

**Mr BARNES:** What I can speak to is the conditions of that licence. I can advise the Committee that the licence holder is meeting their obligations. However, any allegations to the contrary we treat seriously and I would take on notice and commit to following up any information that comes to my awareness that says otherwise.

**The CHAIR:** Given that they publicly stated that they do not have plans or actual capacity to measure diversions, will you follow up whether they are? If they are not, would you seek to correct that and treat them like any irrigator and issue them with a court notice?

**Mr BARNES:** We take reports of alleged breaches of water law very seriously. If there is intelligence that comes to my notice that suggests or indicates that the holder of that licence is in breach of their obligations we will follow it up, as we do with any individual or company that holds water licences. In the event, theoretically, that we would determine that there is a breach then we would progress and take the most appropriate compliance action that ranges from the issuance of an advisory notice right the way up to prosecutions, of which to date we have done on 17 separate instances.

**The CHAIR:** Can you take my statement of the fact that they publicly stated this view as evidence to investigate whether they are measuring?

**Mr BARNES:** I am taking it on notice that there is a matter for me to follow up.

**The CHAIR:** I am not too sure whether this will still be with you, Mr Barnes, but the intersecting streams water sharing plan was made under the assumption that all the diversion structures were going to be removed. That has since been proven to be not the case. It seems to be that they are not only not going to remove those diversions but also they will make them more permanent by concreting them. Will you reconsider reopening the water sharing plan 2011, given that it was based on the assumption that these diversions would be removed?

**Mr BARNES:** I can provide advice in part, and then I will hand to my colleague. Any proposal that would modify those structures is likely to require additional licences being obtained by the Natural Resources Access Regulator. We are in discussions with the holders of those licences and are providing them advice on what might be required in order to re-license. With respect to your question regarding the sharing plan, I will hand over to my colleague Ms O'Keefe.

**Ms O'KEEFE:** That particular plan is 2011?

**The CHAIR:** Yes, 2011.

**Ms O'KEEFE:** A 2011-12 plan. It is up for remake and the Natural Resources Commission will be undertaking its review prior to that remake in 18 months. Obviously we will look at this issue. In relation to measurement of unregulated river take, most unregulated river take in the State—a lot of it—is not measured at this point in time. We have a metering policy which has been adopted and the regulation made which requires the measurement of such take by a certain time. The first tranche for high-volume users is the end of 2021 across the State—not the coast, sorry, inland—and then it chunks down over three years. At the moment, if they are not measured that is probably not in breach of their licence. The assessment of impeding flows et cetera will come under the review as we remake the plan.

**Mr JUSTIN FIELD:** Ms O'Keefe, this might be for you. Earlier I mentioned a letter that became the subject of media reporting written by Minister Pavey to the NRC with concerns about the Barwon-Darling Water Sharing Plan review. Did you have input, or anyone within the department have input, into the drafting of that letter or was it drafted by the Minister?

**Ms O'KEEFE:** I cannot recall. Is this last year?

**Mr JUSTIN FIELD:** That is right. It was written probably on 25 August.

**Mr BETTS:** Does this relate to the reference which the Minister discussed at length in the last budget estimates at the end of last year around some of the terminology in the front end of that report, which was subsequently amended—

**Mr JUSTIN FIELD:** That is right. Concerns were raised about the modelling and Professor Fran Sheldon's involvement in the media—

**Mr BETTS:** I remember that. I do not recall exactly what the basis was for the advice that went to the Minister that led to the production of that letter. I will have to take it on notice.

**Mr JUSTIN FIELD:** If you could. I would be interested to know if that letter was drafted in the department. Mr Wilde, you may have the most background on this matter. As you would be aware, the production of documents requested was passed through the Legislative Council late last year. The NRC provided documents which there were some emails between you and the journalists who wrote about that letter. It seems from those emails that you did not receive that letter before you got a phone call from the journalists about that letter. Is that correct?

**Mr WILDE:** Yes, that is correct. My recall was the journalist rang about that letter on Father's Day, on Sunday morning, and caught me unawares.

**Mr JUSTIN FIELD:** Did you have a chance to subsequently check if the letter had been received in any official way by the Natural Resources Commission before you received the phone call from the gentleman?

**Mr WILDE:** No, I did not double check. As I said, my recall is that I heard it first through the media.

**Mr JUSTIN FIELD:** Did you subsequently receive that letter? Did you actually receive a copy of the final letter?

**Mr WILDE:** We did receive a copy of the final letter. I cannot recall if we received it directly or if it came via the commissioner or to myself. We can take it on notice and go back and check email records and correspondence records.

**Mr JUSTIN FIELD:** And it might be appropriate from you or appropriate from the department to make available a copy of that letter to the Committee because that letter was not provided in the Standing Order 52 call for papers from last year. But it seems there is no reason for that not to have been provided.

**Mr BETTS:** If it was requested in the Standing Order 52 and not provided, I want to check my reasons before giving the Committee an undertaking that we will provide it. I am happy to take it on notice.

**Mr JUSTIN FIELD:** That would be great. Thank you. This is a question for Mr Barnes. It relates to where I was going with the Minister in the round before about the role that the NRAR played in any investigation of potential infrastructure damage that was the rationale for lifting the embargo in certain valleys. It is not entirely clear to me, although I got the sense that the Minister was suggesting that she in no way ordered or asked for an investigation, but certainly the suggestion was out there in the media that an investigation of some sort from NRAR was happening. I think Ms O'Keefe, you suggested that you had called on the resources of NRAR. I just wanted to get an understanding of what have you done in that space, in what capacity and at whose request?

**Mr BARNES:** So we are an independent agency. A body corporate that is headed by the Hon. Craig Knowles as our chair. I have been under no such direction from the Minister as to how we might be conducting any activities in relation to enforcing the embargo. The embargo in itself is an instrument whose significance comes primarily from the agency of NRAR to ensure that water users comply with that obligation. We do that through two means. First, is taking seriously and responding appropriately to any reports of breaches of the embargo that may have been submitted by the public. I do not think it will be a surprise to the Committee when I say that the taking of water is something of heightened interest in rural communities and it is quite common for NRAR to be the recipient of reports of alleged breaches just in the lawful taking of water.

In fact, as of this morning we have received over 10,000 such inquiries and from that we have discerned 3,000 alleged breaches and have commenced 2,000 investigations. So to answer your question specifically as to what have we done with respect to reports coming in, I can advise that we have received five reports on average for a month. Since the 23 months we have been in operation, we have received 150 reports per month. More recently that has increased in the order of 300 to 400 per month. So five reports over the course of the embargo is very light, I must say.

We do not rely solely though on reports from the public. We are an intelligence-led agency and we conduct our own operations as appropriate. So to that, regarding the other thing we have done is commissioned our own work. That is twofold. One is—and you heard from my colleague Ms O'Keefe—that we did get up in a plane. That had two purposes. One is that this is quite a novel event: an event that is largely determined by modellers working under assumed circumstances. A great way of proving assumptions is to up and physically observe how the water is moving through these water sheds. That was the primary purpose of the plane flight. I also had staff charged with keeping an eye out for infrastructure damage. They were also tasked with making observations of properties that might be in breach of the embargo.

So to the second point, I am advised that there was limited infrastructure damage that was observed during the course of the flight and it was to channels and roads being observed. I can also advise the Committee that we did make observations of properties that may be in breach of the embargo and we have commenced in the order of 10 investigations as a result. So in totality, we have 10 instances that we are looking into. I do caution though, just the taking of water does not substantiate a breach of the embargo. There are many instances where it is lawful to take—basic landholder rights is one example and other such conditions that the department put on. Those investigations will be conducted out of the public gaze and at the point that we come to a termination we will make those findings public.

**Mr JUSTIN FIELD:** So during those flights, there were people from your team who were tasked with having a look at infrastructure but ultimately you made a decision independently to task them to do that. You were not doing that or were you doing that on behalf of the department at their request or is it just that there is quite a lot of cooperation, as you point out?

**Mr BARNES:** Certainly it was a cooperative venture but the decision to put a plane up and to have investigators in a plane was mine. It was a decision I took on my own for reconnaissance.

**Mr JUSTIN FIELD:** I am pretty confident—though I have not gone back to fully look at that transcript in detail—that the suggestion was from the Minister in a pretty major interview trying to address the concerns that came about on the *Country Hour*, so widely listened to, that she had initiated or had some role in initiating an investigation by NRAR. In fact, I would describe it as one of the critical planks of her argument in defence of some of the decisions that were made. I do not think that is unfair. I have not heard her contest it. Were you aware of that? Have you raised any concerns with the Minister's office about how NRAR's name was used in some of the public discussions around the decisions that were made and actions that were taken?

**Mr BARNES:** No, I was not aware of it. No, I am not concerned. I have not been the recipient of any instruction from the Minister or her staff in the 23 months that we have been in operation. I can attest to this Committee that we are an independent agency and we conduct our compliance and enforcement investigations divorced from the bureaucracy and from the Minister and her staff.

**Mr JUSTIN FIELD:** Ms O'Keefe suggested before that potentially 30 gigalitres to 40 gigalitres of water may have been taken as a result of the lifting of the embargo, though exact volume is difficult. Is that something that you would be involved with actually assessing, some of those accurate amounts? How will that be done to make decisions about whether some of that take was lawful or not?

**Mr BARNES:** The lawful piece is some work that my staff are conducting using some pretty cool technology drawn from satellite imagery. That is for the purpose of determining whether a site of interest might have breached the embargo or not. That technology can also be used in part to determine what volumes of water might be used in those water sheds. That is something that Ms O'Keefe spoke to before and the two agencies are cooperating in that regard. But I do make the point that the compliance side of things is being undertaken separate from the department and in confidence from the department.

**Ms O'KEEFE:** It is the same information set used for two different purposes. In the compliance side it is a bit of a did or did not. If you are trying to articulate volumes that is much more difficult. We will not get accurate numbers out of this technology. That just needs to be clear.

**Mr JUSTIN FIELD:** I have got a question now about a recent media story about re-regulating storage on the Macquarie River and a new weir potentially on that river. I just want to understand exactly where planning is around that project?

**Ms O'KEEFE:** That is one for Mr Harris.

**Mr HARRIS:** We are doing the planning work now for a new gated weir and fishway structure on the Macquarie between Narromine and Warren. The final business case for that is due for completion in mid-August. I am just trying to get to the guts of what you are wanting. In late 2020 we will make a submission to the

Government—an EIS submission. Public exhibition will follow that. We anticipate also making a referral under the Act in March 2020.

**Mr JUSTIN FIELD:** If I may, Chair, my question was a bit of a lead-in to this one ultimately.

**The CHAIR:** Okay.

**Mr JUSTIN FIELD:** The powers that were given to the Minister under the Act passed last year relating to new dams and new storage works. Will any of those powers be required to enable this particular structure to be built?

**Mr HARRIS:** Can I come back to you? I am not off the top of my head sure. I do not think it was scheduled, but I will confirm that.

**Mr JUSTIN FIELD:** I do not think it was scheduled, but there were other powers around making changes to water sharing plans and making changes to the Act that were in that.

**Ms O'KEEFE:** It would have to pass a very stringent threshold, critical needs—

**Mr JUSTIN FIELD:** Perhaps a more detailed one on notice I would really appreciate, Ms O'Keefe or Mr Harris.

**Mr WILDE:** Excuse me, Chair, could I correct my previous statement please?

**The CHAIR:** Sure, by all means.

**Mr WILDE:** I just checked my emails. At that time there was a fair amount of media speculation. I referred earlier to my report on Father's Day, which was 1 September. That was a separate media inquiry from that journalist. The first time that journalist contacted me was on the 25th, the previous Sunday, and on the Sunday afternoon we received the NRC generic email correspondence from the Minister's office.

**Mr JUSTIN FIELD:** You had contact with the journalist before you received that letter in the inbox?

**Mr WILDE:** That is my recall.

**The Hon. MICK VEITCH:** I have a very quick question—it might be for NRAR. Essentially, the numbers that were being provided in response to Mr Field's questions were large numbers. I understand and appreciate and support the concept that NRAR is independent—I actually said that in the House when the bill went through—but does NRAR have the resources to process that amount of work? That is a substantial body of work already.

**Mr BARNES:** Yes, we do. We have been well funded by the department in our first two years of operation and we are working with the secretary and the deputy secretary to see a continuance of that funding through the IPART determination.

**The Hon. PETER PRIMROSE:** We have raised at a number of estimates hearings the issue of the sale of public housing assets. I would just like to look at the process for that—how that actually occurs—so we can be crystal clear who is responsible for this.

**Ms FRAME:** I will get Mr Cassel, the CEO of the Land and Housing Corporation, to answer that. Mr Primrose, I also have some answers to other questions that you have asked. At some point later this afternoon I am happy to provide those.

**The Hon. PETER PRIMROSE:** Thank you. My first question is: Can you tell me about the process for identifying? Who identifies and what criteria do you use when you are looking at identifying public housing assets that are going to be sold?

**Mr CASSEL:** There are a number of processes that we go through. We are working at this point in time on a new strategy to help us plan better and more accurately on where we need further social housing. Some of our sales are opportunistic, as in they will be vacated properties or they will be properties that tenants have asked to purchase, and we will proceed with those ones. Some of them are taken when the properties become vacant and we will proceed with those ones. But we work through a committee that examines the property's location, the demand, whether it has development potentially for increased social housing and other criteria. If it does not slope towards the street, for example, you struggle to achieve development potentially.

**The Hon. PETER PRIMROSE:** Is there a standing committee that looks at these?

**Mr CASSEL:** Yes.



**The Hon. PETER PRIMROSE:** Who do they make a recommendation to?

**Mr CASSEL:** They make a recommendation to me as the CEO.

**The Hon. PETER PRIMROSE:** And do you make a recommendation or do you make the decision?

**Mr CASSEL:** Within the delegations, I make the decision.

**The Hon. PETER PRIMROSE:** What criteria do you use to make that decision?

**Mr CASSEL:** As I just talked through, the committee looks at the divestment of properties that are available and not occupied. I read through the report that they provide me, I look at the maps that they provide me, which articulate where the actual property is, and the criteria and I make a decision from that.

**The Hon. PETER PRIMROSE:** Is there a criteria document that you would use?

**Mr CASSEL:** The property committee—the PIC, as we refer to it—does have a criteria that we work through.

**The Hon. PETER PRIMROSE:** Could you make that available to the Committee?

**Mr CASSEL:** I will take that on notice.

**The Hon. PETER PRIMROSE:** It is not a secret document, is it—the criteria?

**Mr CASSEL:** Sometimes there are things that are contained in that that would be commercial in confidence, but I will look at the document.

**The Hon. PETER PRIMROSE:** I am not looking at asking about individual incidents; it is trying to get an understanding about the criteria that the committee uses but also you use to make that assessment.

**Mr CASSEL:** I will take that on notice.

**The Hon. PETER PRIMROSE:** I am also interested in terms of what percentage of recommendations made to you by the committee would you accept?

**Mr CASSEL:** Since I took this role on, since September last year, I have asked them to re-look at two of the recommendations.

**The Hon. PETER PRIMROSE:** Two per cent or two?

**Mr CASSEL:** Two, and I would say roughly that would equate to 5 per cent.

**The Hon. PETER PRIMROSE:** Are you given a target by anyone to meet in terms of asset sales?

**Mr CASSEL:** We forecast each year the number of properties that we will sell and we use that money to reinvest in building new properties.

**The Hon. PETER PRIMROSE:** I will come to that in a moment.

**Mr CASSEL:** The answer to your question is, no, I am not given a target.

**The Hon. PETER PRIMROSE:** So there is no target that says you will sell X amount for X amount?

**Mr CASSEL:** No.

**The Hon. PETER PRIMROSE:** Can you tell us how many public housing units have been sold, say, in the last financial year?

**Mr CASSEL:** Yes, I can. I can go all the way back to 2008 if you wish.

**The Hon. PETER PRIMROSE:** I have got them all since 2011 from previous estimates. I am just interested in the last financial year.

**Mr CASSEL:** The last financial year we sold 352 properties.

**The Hon. PETER PRIMROSE:** All of the gross proceeds of those, what happened to those?

**Mr CASSEL:** The net sale proceeds, after we take out selling costs et cetera, go to either producing new homes or the capital maintenance of existing homes.

**The Hon. PETER PRIMROSE:** Essentially, I could say that all of the proceeds are ring fenced, no money goes into it?

**Mr CASSEL:** We are a publicly trading enterprise. We do not remit anything back to government. All funds that we receive are spent in the organisation.

**The Hon. PETER PRIMROSE:** You mentioned, I think, that some of the funds may go towards maintenance of another asset.

**Mr CASSEL:** No, I said—

**The Hon. PETER PRIMROSE:** I would just like you to correct that.

**Mr CASSEL:** —capital upgrades. For example, we have a significant number of properties that are old and you may undertake installing new windows in an entire building. That is classed as a capital upgrade.

**The Hon. PETER PRIMROSE:** Would they ever go towards what you could classify as maintenance—any of that funding?

**Mr CASSEL:** We turn over \$1.2 billion a year. The exact allocation, I would be able to confidently say that we spend that money in either new properties or upgraded existing properties.

**The Hon. PETER PRIMROSE:** Is there a policy that says that funding, the proceeds from the sale of public housing—

**Mr CASSEL:** I would need to take that on notice, if we have an exact policy on that.

**The Hon. PETER PRIMROSE:** Please. I am trying to clarify what the money is actually used for and, particularly, if it is ever used for maintenance of existing properties as opposed to the capital upgrade. Please take it on notice.

**Mr CASSEL:** I will. Just on that number of 352 properties, the gross sales was \$330 million for properties in the financial year 2018-19. As I said, we collect a significant amount of money each year—around \$800 million—in rent, and we spend that \$400 million to \$440 million we talked about before on maintenance. So I can say that the money we receive from capital sales goes into new properties or into capital maintenance.

**The Hon. PETER PRIMROSE:** Capital maintenance? Could you please take on notice clarifying what that is?

**Mr CASSEL:** Okay.

**The Hon. PETER PRIMROSE:** I think that might make it easier for all of us in future estimates if we are clear on that. In a July 2019 media release the Minister stated that a \$41 million investment in new social and affordable housing property would be made. Do you recall that?

**Mr CASSEL:** I was not in the role at that point in time. Is there a bit more information there on a particular project or just in general?

**The Hon. PETER PRIMROSE:** I do not have a copy of the media release on me. Does anyone else recall the Minister saying that?

**Ms FRAME:** Mr Cassel was not in the job at that point in time. To the best of my recollection, that money related to money from the Millers Point sale that was allocated to social housing development in regional areas.

**Mr CASSEL:** If I could just add to that, at this point in time we have some 95 projects on foot. Between 2020 and 2024 we are forecasting the delivery of 2,600 new dwellings, which is a cost in excess of \$600 million.

**The Hon. PETER PRIMROSE:** The Minister, in that same release, also promised 40 new properties would be built at Tweed Heads. Have they been constructed?

**Mr CASSEL:** As you would be aware, from an announcement that we are going to build properties to them actually completing takes some time. We are underway with the planning approval process on those properties.

**The Hon. PETER PRIMROSE:** When will they be finished?

**Mr CASSEL:** An exact date I do not have on me at the moment, but I am happy to come back to you on that.

**The Hon. PETER PRIMROSE:** In the same release, the Minister said that the Government has funded 1,300 new dwellings over the past few years. Is that an accurate statement?

**Mr CASSEL:** I do not know the exact release you are talking about. I can tell you supply in 2017-18 was 784 dwellings; 2018-19, 390 dwellings; this financial year, 153; next financial year, 481; and the following financial year, 614. So I would suggest that those numbers could be substantiated.

**The Hon. PETER PRIMROSE:** I understand that you are selling a combined landholding at Nulla Nulla and Noola stations near Lake Victoria, which total some 125,000 acres. Is that correct?

**Mr CASSEL:** I am not aware of that sale. I would need to take that on notice. As I said, we sell around 300 properties a year. I do not carry each one of them in my head. That is obviously a large one, but it is not something that I have seen recently.

**The Hon. PETER PRIMROSE:** I notice that there are enough computers here to cook a chicken, in terms of electromagnetic radiation. Is it possible, while we are discussing, for someone to look that up?

**The Hon. CATHERINE CUSACK:** All you needed to do was bring the press release and you have not got it.

**The Hon. PETER PRIMROSE:** I am not referring to a press release. I am asking a separate question.

**The Hon. CATHERINE CUSACK:** No, you are having a crack at people for having computers and you have not even got the press release you are quoting.

**The Hon. PETER PRIMROSE:** You are not asking questions.

**The Hon. CATHERINE CUSACK:** You are being rude.

**The CHAIR:** I call the Hon. Catherine Cusack to order. Interjections are disorderly. The member will stop running down the time and allow the Hon. Peter Primrose to ask questions.

**The Hon. CATHERINE CUSACK:** Be civil is all I ask.

**Mr CASSEL:** I am seeking to find out. It is a rather large holding, though.

**The Hon. PETER PRIMROSE:** I will have to come back if you do not know. I have got a string of questions relating to that. The Government exchanged, if I understand, the Sirius building in June 2019 for \$150 million. Is that correct?

**Mr CASSEL:** Just give me a moment; I want to confirm that number. But the transaction is not completed yet.

**The Hon. PETER PRIMROSE:** Okay.

**Mr CASSEL:** Just answering your question there, on 28 June 2019 the Government announced the sale of the Sirius building for \$150 million. Obviously, that will be reinvested into new social housing, as we have previously highlighted. As of late 2019, a total of 1,387 new social housing properties had been constructed from the overall Millers Point revenue.

**The Hon. PETER PRIMROSE:** How many units are in the Sirius building itself? I cannot recall.

**Mr CASSEL:** No, I cannot recall either. Let me have a look.

**Ms FRAME:** Are you asking how many will be used for social housing after the sale?

**The Hon. PETER PRIMROSE:** Now, how many were there prior to the sale?

**Ms FRAME:** Was it 89? It was eighty-something. We will get you the exact number.

**Mr CASSEL:** We believe around 78, but we will get that exact number.

**The Hon. PETER PRIMROSE:** Thank you.

**The Hon. MICK VEITCH:** My questions may be to Dr Bentley or one of his colleagues. They are to do with the Yanco Creek diversion. How much have we spent so far on advancing the Yanco Creek diversion proposal?

**Dr BENTLEY:** I think I am going to have to take that on notice, Mr Veitch.

**The Hon. MICK VEITCH:** I am happy for you to do that. One of the key proposals in the Yanco Creek project is to raise the weir wall and force water to stay in the Murrumbidgee River so that it flows west to places like Darlington Point. As I understand, that will then be classified as supplementary water. Is that correct?

**Dr BENTLEY:** I am going to have to take that on notice as well.

**The Hon. MICK VEITCH:** Okay. With regards to the supplementary water, the supplementary licences along this part of the Murrumbidgee rarely get activated. I am being told on the ground out there that the Yanco Creek supplementary water is years between flows. Would that be correct?

**Mr HARRIS:** Supplementary events in the past several years have been rare. Yes, that is correct.

**The Hon. MICK VEITCH:** But even before that, the nature of the Yanco Creek flow is that it is an ephemeral creek; it dries up. With regard to this project, I think people along that particular creek are concerned that currently they can buy water there for about \$400 to \$600 a megalitre, supplementary, while high-security licences are selling their water or buying at about \$8,000 a megalitre at the moment. By moving this water, this project will actually move the water into the Murrumbidgee and it has that potential price difference. Would that be correct?

**Dr BENTLEY:** Mr Veitch, nothing on this project has been decided yet. We are engaging with the community.

**The Hon. MICK VEITCH:** Okay, let's go back to that point.

**Dr BENTLEY:** It is far too early, really. This is all hypothetical until we have completed further engagement.

**The Hon. MICK VEITCH:** Can you tell us where we are up to? Down along there, they are telling us it is much more advanced than that.

**Dr BENTLEY:** Nothing is decided. We are in engagement and other work—pre-feasibility work. I will try and answer your questions on notice in terms of the detail you are asking.

**The Hon. MICK VEITCH:** I appreciate that. What does that pre-feasibility work entail? Are you talking to the community? I am trying to work out why there are people down there along the Yanco Creek saying these things.

**Dr BENTLEY:** We are speaking to the community. The department will be rightly criticised if it does not engage with the community. If you engage with community, inevitably there are going to be concerns raised in some camps and whatever the opposite of concerns is in some other camps. That is the process of engagement to feed the work that we are doing. But it is currently pre-feasibility concept proposals that we are developing. It has to be tested and worked through. It is early days.

**The Hon. MICK VEITCH:** I did flag earlier when the Minister was here that I wanted to talk a bit more with Mr McTavish about the regime—I think we agreed it was a non-standardised regime—in place for water restrictions and what work is being done. That body of work is pretty substantial. Is there a time frame that you are working to on that?

**Mr McTAVISH:** There are six drought management plans being reviewed at the moment as part of the pilot study. That work is nearing completion now. After that has been completed we are planning to do some reviews of our drought response in every local government area. That will be determined by the extent of the drought and conditions, but that work is well underway.

**Dr BENTLEY:** Mr Veitch, could I add that we have just started the work on a State water strategy. We have been talking about the regional water strategies, the Greater Sydney water strategy—the State water strategy has also recently been kicked off. I wrote to all the general managers and chairs of the local water utilities before Christmas and asked them to share with me issues that they consider that we need to take into account in such a review. That is partly to address the fact that there is such a wide variation not just in restrictions but in per capita consumption, in leakage levels, in environmental performance and so on across regional New South Wales. Mr McTavish is working area by area with local utilities and we are trying to work at a State level as well, saying are there things that we need standardise and is there a better way in which we can work together with those local water utilities to achieve better overall outcomes in New South Wales. That will be in the State water strategy as well.

**The Hon. MICK VEITCH:** As part of that, are you looking at when the trigger is for a change in water restriction level or is it more about what it actually means—a level 2 means you cannot hold a hand-held hose or whatever?

**Dr BENTLEY:** I think it will cover both of those things, but the work Mr McTavish is doing locally with the local water utilities themselves is really important, and then we are also looking across the whole State to ensure that, where appropriate, there is a level of coordination.

**Mr HARRIS:** Could I please put on the record an answer to Mr Field's earlier question: The re-regulating structure in Macquarie does not come under the Water Supply (Critical Needs) Act 2019.

**The CHAIR:** Ms Skewes, you might need to take this on notice. Mr Veitch was talking about fencing and the sharing of costs. We know under the Dividing Fences Act 1991 that Crown lands has an exemption. It does not preclude it from offering to share those costs but they have the option to not do so. Would you have any data in the last three years on how many times Crown lands has utilised that power of exemption?

**Ms SKEWES:** I would need to take that on notice.

**The CHAIR:** Dr Bentley, just going back to the Yanco Creek project, you are talking about pre-feasibility work. Does any of that pre-feasibility work look into the effect it may have on low-level flooding around the agricultural high school in the area?

**Dr BENTLEY:** I will have to take on notice any detailed question about that.

**The CHAIR:** While you are taking that on notice, will it look into the impact on the quality of water if the Murrumbidgee does run high? May this in some circumstances force an over-commitment of the river?

**Dr BENTLEY:** Yes, I will take that on notice.

**The CHAIR:** Moving to the alluvium water source licences that were reviewed in 2008—and I accept that some of us probably would not have been here when that decision was made—can you advise the Committee as to why the reduction methods for each valley were different and of an unequal nature across the State, not a standardised percentage reduction on all licences?

**Ms O'KEEFE:** I was involved in this way back when and I left a long time ago. My understanding was that there was a general approach to give preference to history of use. For those who had a history of use of the water source, they got more in the end than those who had not been using their licences. I recall that in each valley they went to the catchment management authority and through that process at the time the final approach was agreed. It could have been slightly different in each catchment.

**The CHAIR:** Looking forward now at the Murray Alluvium Water Resource Plan, why are we ignoring the CSIRO science on sustainable extraction limits and recharge assessment models and favouring State-based science that has not been peer reviewed yet?

**Ms O'KEEFE:** We are not. The extraction limit in the plan was determined way back when, when we did the entitlement reduction method. It was then further reviewed through the development of the Murray-Darling Basin Plan. Now we are in a period of developing a new model—we are right towards the end of that process. There is nothing in the new model that would suggest that our current extraction limits are an understatement of the available resource. The CSIRO information to which I think you are referring refers to not just the lower alluvium in the Murray Valley but the upper and lower together. It is talking about a combined water source rather than just the single water source. We are talking apples and oranges when we are having that conversation about the Murray. This matter has actually been through the Land and Environment Court, the Court of Appeal and the applicants sought to appeal to the High Court and were refused. It has been reviewed and reviewed and reviewed for many years. Both the merit of the decision and the process have been reviewed.

**The CHAIR:** Ms Frame, can you tell us what is happening to address the housing crisis in Griffith? It was reported that we have got up to 2,000 homeless people residing in the area.

**Ms FRAME:** I cannot actually provide information on that. It might be that the Department of Communities and Justice has more information on programs that it is running around homelessness specifically. The aspect that we would be involved in is reviewing government-owned land in the area and looking at what is owned by any agency within the Housing and Property group and certainly working with council around making that land available for any housing projects.

**The CHAIR:** Are you doing that?

**Ms FRAME:** We are doing a review of government-owned land, yes. We have in fact done that.

**The CHAIR:** In general?

**Ms FRAME:** For Griffith.

**Ms CATE FAEHRMANN:** Dr Bentley, I just want to go back to the statewide water strategy you were referring to earlier. Does this replace an existing strategy?

**Dr BENTLEY:** No.

**Ms CATE FAEHRMANN:** It is the first time that a statewide water strategy has been put in place, is that correct? It is a new approach?

**Dr BENTLEY:** It is certainly new. I cannot confirm whether there has ever been one before, but it is not replacing an existing document.

**Ms CATE FAEHRMANN:** When was it initiated?

**Mr BETTS:** It goes back to a report that INSW did in 2018, which looked at the need to rectify a number of deficiencies that were identified by INSW—I was CEO at the time—including the proliferation of plans that needed to be more coherently brought together and the absence of medium- and long-term strategic planning for regional water security. The recommendation was that we implement or develop the 12 strategies that we referred to earlier in the discussion but that we also have an overarching document that would be characterised as a State plan for water.

**Ms CATE FAEHRMANN:** Infrastructure NSW identified that when in 2018?

**Mr BETTS:** Early 2018.

**Ms CATE FAEHRMANN:** March 2018. It is now March 2020. A statewide strategy, what is the time line for that? When can we expect that?

**Dr BENTLEY:** We are working on that concurrently with the Greater Sydney strategy.

**Ms CATE FAEHRMANN:** The first draft?

**Dr BENTLEY:** We are looking for—I just want to make sure I get my dates right—early information on the State strategy in quarter three of this calendar year. Then there will be another six months or so to turn it into a final document.

**Ms CATE FAEHRMANN:** What is the public consultation process around it?

**Dr BENTLEY:** That will be post that initial document that I said would be about quarter three. We would then engage more widely publicly. But we have started with engagement with local water utilities, and indeed my colleagues in the State-owned corporations, to ensure that we are getting that into the information at the start. Then when we have our drafting together we will be engaging widely on that.

**Ms CATE FAEHRMANN:** That was identified by Infrastructure NSW in March 2018, or at least it was made public by Infrastructure NSW at that point that that was what was needed. When did the New South Wales Government begin developing the strategy? When was the work begun on it?

**Dr BENTLEY:** My understanding is that that started when I joined the department in July of last year. That was one of the tasks that the secretary gave me to deliver.

**Ms CATE FAEHRMANN:** So New South Wales can expect to get a statewide strategy for water sometime around mid-2021 at this stage, is that correct?

**Dr BENTLEY:** Yes, sometime around. I just want to clarify what I said before on when we start working on the statewide strategy. The work that we are doing on the regional water strategy is of course contributory work to a statewide strategy so we do not do these things entirely in series. There is some overlapping but, in terms of turning our attention to it more broadly across the State, that would have been around the middle of last year.

**Ms CATE FAEHRMANN:** Back to the climate modelling, which is a question I asked earlier. Who is undertaking the climate modelling that is underpinning that statewide strategy and what is the involvement of the chief scientist in this?

**Dr BENTLEY:** The Deputy Chief Scientist and Engineer chairs the panel which includes researchers, academics and experts that is overseeing the development of that work then that is reported to a cross-government steering committee, which is chaired by the secretary.

**Ms CATE FAEHRMANN:** That committee is feeding the climate modelling into the strategy? That is what you are saying?

**Dr BENTLEY:** Indeed, for regional strategies and the same will happen for the State water strategy.

**Ms CATE FAEHRMANN:** I will turn to a completely different issue now. I want to ask about recreational swimming in freshwater rivers because I understand that we do not have guidelines for water quality for that in New South Wales, is that correct? Is there somebody who can answer questions about water quality in freshwater rivers?

**Dr BENTLEY:** We think that is correct. We will confirm that for you.

**Ms CATE FAEHRMANN:** For example, people in western Sydney swim in the Nepean River and the Parramatta River, the freshwater rivers, and some days after heavy rain those rivers can be contaminated with E. coli. I am just wondering what the alerts are for the community who may be swimming in those freshwater rivers? I have been contacted by constituents who are concerned about the fact that there do not seem to be alerts issued.

**Dr BENTLEY:** I might refer to my colleague Mr Cheroux because Sydney Water is working with the councils on the Parramatta River.

**Ms CATE FAEHRMANN:** And the Nepean River.

**Mr HARRIS:** Certainly part of the answer to your question is blue-green algae status is notified by WaterNSW whether it is for our storages, or indeed local government are encouraged to provide that information to us as well. On our website is an alert notification around blue-green algae but that is only part of the answer to your question.

**Mr CHEROUX:** I probably will not be able to talk about the entire State but I can talk about the experience that we have with the Parramatta River Catchment Group. We have a number of councils that are managing some swim spots along the river and they would be responsible for the information to the constituents about the quality of the water.

**Ms CATE FAEHRMANN:** In other words, you rely on the councils to do that. You do not have an overall water quality alert system via Sydney Water for freshwater rivers—that is not on your radar. Have there been any requests made by the Minister to investigate ways to do that?

**Mr CHEROUX:** Sydney Water is not responsible for the water quality of the rivers. We are responsible for the drinking water quality, obviously the wastewater quality and the recycling water quality. But we are not responsible for the water quality of the rivers.

**Mr JUSTIN FIELD:** Ms O'Keefe, we were talking before about floodplain harvesting, about how much water might have been captured as a result of the lifting of the embargo—,specifically the pumping that might have occurred? I understand that floodplain harvesting water can be taken in different ways that may not involve pumping, potentially the works that just direct floodwaters into storages on dams and the like. That would have required some active interventions on those works to allow floodwaters to continue down into the river. How were those sorts of works impacted by the embargo or the temporary lifting of the embargo?

**Ms O'KEEFE:** The embargo as it was stated did not include passive take.

**Mr JUSTIN FIELD:** So anything that just naturally captured water, even if it was a large dam—and these can take a lot of water—was still able to capture floodwaters?

**Ms O'KEEFE:** That is correct. If you intervene and put a pump in it and pump that up into a storage then that was active take.

**Mr JUSTIN FIELD:** How much potential passive take is there across the flood plains in New South Wales?

**Ms O'KEEFE:** I cannot answer that question.

**Mr JUSTIN FIELD:** You cannot?

**Ms O'KEEFE:** No.

**Mr JUSTIN FIELD:** We do not know?

**Ms O'KEEFE:** I do not know. I would have to take on notice. But again, as I said before, we have done hydraulic assessments of every—

**Mr JUSTIN FIELD:** The 30 to 40 gigalitres does not include that passive take, I assume.

**Ms O'KEEFE:** That is correct.

**Mr JUSTIN FIELD:** So that is in addition?

**The Hon. TREVOR KHAN:** Not on the basis of the photographic evidence.

**Mr JUSTIN FIELD:** I am not sure that you are before the committee, Mr Khan.

**Ms O'KEEFE:** We need to be careful about the 30 to 40; it is just satellite imagery of water in the landscape.

**Mr JUSTIN FIELD:** That is separate to the passive take?

**Ms O'KEEFE:** Again, I think it is water in the landscape so you are picking up a whole lot of that.

**Mr JUSTIN FIELD:** It is commonly seen in certain media outlets that floodplain harvesting is thought to result in less than 40 per cent of rainfall reaching the rivers. I get the sense that has come from some sort of document. Is that your understanding of the potential of the take?

**Ms O'KEEFE:** I cannot confirm that.

**Mr JUSTIN FIELD:** The suggestion has been made to me that it might be in New South Wales Office of Water 2013 *Technical Report on the Impacts of Restricting Diversions on the Barwon-Darling River*. Are you aware of that document?

**Ms O'KEEFE:** I have not read that document, no.

**Mr JUSTIN FIELD:** Is that document available to the Committee?

**Ms O'KEEFE:** I will take that on notice but I would imagine so.

**The Hon. PETER PRIMROSE:** Chair, I managed to find amongst my papers the media release I was referring to previously, "NSW Government To Boost Social And Affordable Housing In Regional NSW", 5 July 2019. Maybe I should table that just so the public servants would be aware of what their Minister has said when they are answering questions.

**The Hon. MICK VEITCH:** I want to go back to Yanco Creek. Prefeasibility is not a done deal?

**Dr BENTLEY:** That is what I said.

**The Hon. MICK VEITCH:** That is right. But if it was to progress the Minister has the final sign-off at some point down the track?

**Dr BENTLEY:** We are so early in that process and I do not have the information to hand on me on what might happen in various paths that might follow. This is a sustainable diversion limit adjustment mechanism project that would be funded, therefore, by the Commonwealth. So it is not just the Minister of the New South Wales Government; it is a process that we would need to go through with the Commonwealth.

**The Hon. MICK VEITCH:** I know this is going to surprise all the bureaucrats but I am going to ask some questions about weeds because that is what I do. The first thing I want to ask though and this is probably often forgotten—WaterNSW would have had territory burnt in the bushfires. Was there infrastructure damage on WaterNSW property?

**Mr HARRIS:** Yes, there was—not significant. Like others, we lost some fencing. In particular we lost a number of stream gauging stations in the south of the State and in the Warragamba area, and some other minor property damage.

**The Hon. MICK VEITCH:** And so there is a process then to replace those?

**Mr HARRIS:** Yes. We have a recovery team in place to identify what properties we lost, insurance claims and reinstatement. Fire trails are a big one for us, obviously, in the special areas as well.

**The Hon. MICK VEITCH:** What I would like to know—the question was around fences and exclusion fencing previously to the Minister. With regards to weeds and pests, now that the fires have gone through the first thing that grows back generally is the weeds and it also happens to be the best time to take some sort of eradication control measures. For both Crown lands and WaterNSW can I just ask what activity we are taking now as there has been rain and the weeds are starting to grow back?

**Ms SKEWES:** From a Crown lands perspective I have gathered some information—more around the number of projects we have and how much money. We maintain a regular program around this. As you said there



is special interest in this now as a result of the fires and now the floods and the rain, which is obviously going to lead to some further impacts for weeds and natural vegetation and regrowth of forested areas. In 2019-20 we have got 17 pest projects and 166 weeds projects. Wrapping that together we have probably got about \$2.1 million that we are spending—sorry, \$2.3 million putting those two things together. They are coming out of our funding program. Those are in the course of being completed now. So it is around about \$2.3 million for those—both the pests and weeds programs—and as I said probably just over 200 projects within that. We do take this seriously with the amount of tracks and trails and areas that we need to maintain as well. That is a current commitment.

**The Hon. MICK VEITCH:** And for WaterNSW?

**Mr HARRIS:** I would make a couple of comments, Mr Veitch. First of all—as in fact you asked me last year—we have an ongoing weeds program, like any other landholder in the State, to meet our obligations in respect of weeds and so on. In relation to the bushfire and the circumstances that that has set up for us, broadly we own some land in the Warragamba catchment but the bulk of that land is owned by national parks. We have a joint working group going with national parks, which the two agencies established actually before the fires ended to have a look at how we are going to manage not only weeds but erosion and so on.

Obviously it makes perfect sense for the two agencies to be collaborating and approaching those issues in the same way because of their adjacent land. We are working through that with national parks at the moment. I would just make the comment that I have made before: Obviously we are very paranoid, in fact, about chemicals that are used on catchment land. I mentioned that in an earlier response. That is a limitation that applies within our drinking water catchment lands. Those limitations do not necessarily apply to other parts of the State.

**The Hon. MICK VEITCH:** Yes. But to be fair, Mr Harris, chemical eradication is one way; there are other methods as well.

**Mr HARRIS:** Yes, correct, and we are working through that with national parks as we speak.

**The Hon. MICK VEITCH:** My next questions are to do with the fire trails, which I think someone did mention before—it might have been Mr Harris. Both agencies would have substantial fire trails on the landholdings. Again, now that the fires thankfully are out, it is an opportunity to go back and have a look at those fire trails and the state of those fire trails. Is that work taking place? And if it is, what is the timetable for bringing the fire trails up to standard whilst we have got the opportunity to do so?

**Mr HARRIS:** In our case, we have a regular maintenance program for fire trails and, as you know, back-burning and so on. We are already underway in our assessment. We have got people on the ground as part of that recovery team looking at what damage has been incurred and what measures we need to take to reinstate fire trails and so on. That work is underway at the moment.

**The Hon. MICK VEITCH:** If there are any improvements required or replacement required, is that covered external to your budget via an insurance process or will you need supplementation from the State?

**Mr HARRIS:** Certainly we will seek payment under our insurance policy for whatever we can legitimately claim. The rest of that would be from our other operating expenses but I do not have numbers on that at this stage.

**The Hon. MICK VEITCH:** And Crown lands?

**Ms SKEWES:** Crown lands has done a terrific job in a very short period of time. We have had obviously major impacts on some quite significant trails. One notable one is the Six Foot Track, which is 46 kilometres of track in the mountains. I am delighted to say that we have completed 46 kilometres of repair to the entirety of that track, which has just been hard work, as you can imagine, getting out and clearing debris. That has been terrific work that has been done with the support of colleagues within the department. The other very significant impact for us was the Hume and Hovell Track, which is around over 400 kilometres running from Yass to Albury. We had about 120 kilometres of track burnt and we are in the process of doing the assessment. Some parts of that track have still been unsafe to traverse so we have got that work being planned—an important part of our program.

As you can understand, going into some of these areas requires us to do significant infrastructure assessments on, as I said before, some of the facilities—the toilets, the shelters, the buildings, the bridges, everything. One of the other areas for us that was significantly impacted in the mountains was the Zig Zag Railway. The update I have had today is that it is still quite unsafe to get in and clearing up is still underway there. We will continue to work closely with the local group there to ensure that assessments and various insurance claims and other arrangements are put in place. Our teams on the ground have been very involved in this work very actively over the last few months. We placed a priority on getting into some of these areas and getting where

we can—like, for example, the Six Foot Track, which was to be subject to a major race coming up—to actually ensure that the Crown lands part of that is dealt with presently.

**The Hon. MICK VEITCH:** Every year I promise I will do that race and then, for whatever reason, I am just not able to turn up and do it. It is a very difficult track.

**Ms SKEWES:** Well, for various other reasons, the Six Foot Track Marathon is not proceeding this year for other reasons apart from that. There will be plenty of opportunity if you would like to do that next year.

**The Hon. MICK VEITCH:** I just want to go back to the Hume and Hovell Track because a lot of people may not be aware that we are getting very close to the 200-year anniversary of Hume and Hovell. I know down in that part of the State they have been talking about—

**The Hon. TREVOR KHAN:** Those of us who did social studies in the 1960s would remember it.

**The Hon. MICK VEITCH:** Yes. Down in my part of the State they are actually starting to talk about some sort of celebration to commemorate that. Have they been in discussion with your department around that sort of commemoration? It is a pretty substantial milestone.

**Ms SKEWES:** Absolutely, absolutely. It is a very, very famous and important track to us all. I am not aware of that but we are happy to get any approaches—

**The Hon. MICK VEITCH:** Can I suggest you talk to Snowy Valleys Council? As a part of the post-fire recovery they raised with me the anniversary of the Hume and Hovell expedition.

**Ms SKEWES:** Very delighted to talk with them about that.

**The Hon. MICK VEITCH:** Yes. One of the members of the expedition is actually buried at Tumut, so they are keen to explore that. That would be very good if you could do that.

**The Hon. PETER PRIMROSE:** I have a voluminous amount of information and questions but I am very happy to do two things. Firstly, I will put these on notice. Secondly, there may be some additional information being provided so we can use time.

**Mr CASSEL:** Just on the sale of that land at Nulla Nulla, no that is not LAHC land. I understand that government property is managing a process there but it is not LAHC land. **The Sirius question, 79 social homes were in the Sirius building. I found my briefing note on the Minister's regional announcement. The program aims to deliver 142 new dwellings over 10 projects in seven regional locations all subject to planning approval, obviously. The program will be privately funded by proceeds from the Millers Point sales program. The program will inject money into regional communities and provide training job opportunities for young people. Those areas are Queanbeyan, Dubbo, South Kempsey, Wagga Wagga, Nowra and Wauchope. And further to the question on Griffith, we are doing a property on behalf of the Department of Communities and Justice in Griffith.**

**The Hon. PETER PRIMROSE:** Thank you.

**Ms FRAME:** I have further answers, Mr Primrose, to questions you asked.

**The Hon. CATHERINE CUSACK:** You can table them, do you know that?

**Ms FRAME:** We will table the responses.

**Dr BENTLEY:** I have a couple of corrections if I could, Chair. We told you earlier that in the metering rollout that is going to happen for the rural water that the large metering would need to be in place in December 2021, it is actually December of this year. We are a year earlier than we said and it will be progressively rolled out year by year. I inadvertently gave an incorrect answer in terms of the NRC's recommendations for the Barwon-Darling water sharing plan. We have put most of those recommendations into the draft.

**Mr JUSTIN FIELD:** I thought you were being rhetorical, Mr Bentley.

**Dr BENTLEY:** It is always important to be accurate if you can. The key one that has not exactly been implemented as recommended, we believe we have given effect to by other means, which was changing the level of the A-class licences. I remember that we discussed that at length last time, but given that we have embargoed pumping anyway, for the time being we have given effect to that by another means. I did want to clarify that in the case of management of rivers, it is not Sydney Water's or indeed any State-owned corporation's responsibility for the management of water quality in the river. That is quite a complex set of responsibilities. Sydney Water does of course have responsibility for the quality of the discharge from the sewage works into rivers. The point I was trying to make about what Sydney Water is proactively doing with councils is going beyond its statutory

obligation to work with councils on the management of the Parramatta River, including trying to work with those councils to introduce areas where people can bathe in the river.

Finally, if I could just say on the rainfall volumes, I think we need to urge caution in all of the numbers around rainfall volumes, particularly with the floodplain harvesting. We have an implementation phase coming up now where we will be working through how to measure. We are not at that point yet so a lot of these are estimates. If we were waiting to have better measurement to actually do what we have done we would be in bigger error than doing what we have done and even if it is 40 gigalitres, if there is 240 gigalitres getting into Menindee, I would take that any day. That is probably not a very correct way of putting that.

**Ms O'KEEFE:** And it is not 40 gigalitres that would have necessarily gone back into the river.

**Dr BENTLEY:** That was everything, Chair.

**The CHAIR:** That concludes the hearing today. I thank all of those who have attended. The secretariat will be in touch in terms of any questions that you have taken on notice.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**