

# **PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE**

**Tuesday 10 March 2020**

**Examination of proposed expenditure for the portfolio areas**

**JOBS, INVESTMENT, TOURISM AND WESTERN SYDNEY**

**UNCORRECTED**

**The Committee met at 09:30.**

## **MEMBERS**

The Hon. Shaoquett Moselmane (Acting Chair)

The Hon. Mark Buttigieg

The Hon. Greg Donnelly

Ms Cate Faehrmann

Mr Justin Field

The Hon. Ben Franklin

The Hon. Taylor Martin

The Hon. Adam Searle

The Hon. Natalie Ward

## **PRESENT**

**The Hon. Stuart Ayres**, *Minister for Jobs, Investment, Tourism and Western Sydney*

**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 ACTING CHAIR:** Welcome to the further public hearings of the inquiry into budget estimates 2019-2020. Before I commence I would like to acknowledge the Gadigal people, who are the traditional custodians of this land. I would also like to pay respect to the Elders past and present of the Eora nation and extend that respect to other Aboriginal people present. I welcome Minister Ayres and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Jobs, Investment, Tourism and Western Sydney.

Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat. All witnesses in budget estimates have the right to procedural fairness in accordance with the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In those circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days.

Any message 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 to refer directly to your advisers seated at the table behind you. The transcript of this hearing will be available on the web as soon as possible. I remind everybody to turn their mobile phones off or to turn them to silent for the duration of the hearing. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister Ayres, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. The hearing today will be conducted from 9.30 a.m. to 12.30 p.m. with the Minister and then from 2.00 p.m. to 5.00 p.m. with departmental witnesses.

**STEPHEN MAHONEY**, Acting Chief Executive Officer, Destination NSW, affirmed and examined

**SAM SANGSTER**, Chief Executive Officer, Western City & Aerotropolis Authority, on former affirmation

**SIMON DRAPER**, Chief Executive Officer, Infrastructure NSW, on former oath

**KIM CURTAIN**, Deputy Secretary, Jobs, Investment and Tourism, NSW Treasury, on former oath

**The ACTING CHAIR:** I declare the proposed expenditure for the portfolio of Jobs, Investment, Tourism and Western Sydney open for examination. As there is no provision for any witness to make an opening statement before the Committee commences questioning we will begin with questions from the Opposition.

**The Hon. ADAM SEARLE:** Minister, in 2015 you and the former Premier Mike Baird announced a \$12 million grant to Penrith Panthers, which is located in your electorate. The money was to build indoor sporting facilities "like we have never seen before". Do you remember that?

**Mr STUART AYRES:** I do.

**The Hon. ADAM SEARLE:** And it was meant to have space for netball, futsal, wheelchair rugby and other indoor sports and a large gymnasium. Do you remember that?

**Mr STUART AYRES:** I do. I remember the announcement very clearly.

**The Hon. ADAM SEARLE:** So it was predicated on the delivery of additional sporting facilities to western Sydney. Do you remember that?

**Mr STUART AYRES:** I think they would only be a portion of the facility. If you go back and look at the published statements, particularly my press release at the time, you would see in that press release that that facility was actually announced as a multi-use facility—that it would have conferences, trade shows, events and it would have some sporting activity in it, but it was very much a multi-use facility.

**The Hon. ADAM SEARLE:** Just on that, your own agency's assessment of the business case found merit in the application because "it will provide significant improvement to sporting facilities located in the Penrith area", and the assessment was basically silent or dubious about the other claimed benefits of the proposal. It was really predicated on the sporting component. Do you remember that?

**Mr STUART AYRES:** I disagree with that. This was an election commitment.

**The Hon. ADAM SEARLE:** An election commitment to deliver a sporting facility.

**Mr STUART AYRES:** It was a commitment to deliver a multi-use facility in Penrith at the Penrith Panthers facility or location, co-funded between the Commonwealth Government, which had already made a commitment to a facility, and the State Government made an election commitment. It was not funded through a particular funding program. It was, as is often the case in the way of election commitments, a funding commitment made by the Government at the time to the people of western Sydney, particularly my electorate, where we announced we would invest \$12 million in that multi-use facility.

To be very clear here, there is no doubt that the original intention of that facility was to have sporting facilities in it and the capacity to host sporting activities. That is clear for everyone to see. But it is false, if not deliberately misleading, to claim that the sole purpose of that facility was to be sport only. It was clearly identified as a multi-use facility with a very, very clear economic focus around being able to attract conferences, trade shows and events and to provide community meeting facilities. That is what we announced, and to be able to characterise this as being something that was exclusively for sport—

**The Hon. MARK BUTTIGIEG:** But, Minister, is it your contention then that it is neither here nor there that that facility no longer has any sport and recreation component and therefore it is all okay? You have promised \$12 million of taxpayers' money and apparently it is okay that it no longer has sport and recreation facilities—it is neither here nor there. That is your contention, is it?

**Mr STUART AYRES:** No. My contention is that the Government made a commitment to a facility. We have stuck to that commitment and, as I have said in the past and I can happily repeat again, this facility was co-funded by three separate organisations, one being the Commonwealth Government, one being the State Government and one being the Penrith Panthers group. All three parties are investing in the facility. What I think is important to note is that the funding from the Commonwealth Government was through an existing Commonwealth program. In fact, the original commitment was made by a Labor Government. When the Penrith Panthers proposed a change of scope after they had assessed in more detail their proposal and their facility, they

proposed that change of scope to the Commonwealth Government because that program had a set of guidelines. Our funding allocation was not through a program; it was an election commitment.

**The Hon. MARK BUTTIGIEG:** Minister, with all due respect, if I am a constituent in the seat of Penrith and you are now the Minister for Western Sydney and I listen to you get up there saying that we are going to have this great facility with things that have never been seen before in terms of sport and recreation, and then that does not materialise subsequently, how do you think I would feel as a constituent in that electorate with you representing me?

**Mr STUART AYRES:** I fundamentally believe that this facility will be a significant benefit to my community, particularly the Penrith community. As I said in the press release at the time, it services a catchment in excess of 500,000 people. We were very up-front about the fact that this facility was about having a multi-use, flexible facility that the Penrith community did not have and will only have after this facility, which is currently under construction, is completed. I do not shy away from this election commitment one little bit. This is a great outcome for the Penrith community.

**The Hon. MARK BUTTIGIEG:** But your election commitment was specifically to have sport and recreation as well as those other functions, not exclusively the hotel and conference functions.

**Mr STUART AYRES:** The proposal made by Panthers—they came to both the Commonwealth Government and the State Government after they had assessed in more detail their proposal and the costs associated with that, and they proposed a change of scope. The Commonwealth Government assessed that change of scope, I am going to assume, within their own set of guidelines. They agreed to that change of scope and the State Government chose to continue to fund its \$12 million towards this project. It is a good investment of taxpayer dollars. It will generate jobs in the community and it will attract further investment into western Sydney, and that is exactly what it was designed to do.

**The Hon. ADAM SEARLE:** Minister, by May 2018 it was clear that it was not going to have the sport and recreation components. Persons inside your own agency, including Anne Gripper, authored an email on Thursday 24 May 2018, saying, "The Minister wants to achieve two things to ensure the \$12 million remains available for distribution to the Panthers club". Given the removal of the sport and recreation component—which was a very substantial part of the announcement and, in fact, was the basis upon which it had a favourable business case approval—why did you want to make sure the money was still going to Panthers when that part of the project had been removed?

**Mr STUART AYRES:** To be clear, the concept of a favourable business case approval was not the basis on which a decision was made. This was an election commitment made by the Government to the people of Penrith.

**The Hon. ADAM SEARLE:** So the bureaucracy was sort of patched up afterwards? The assessment was sort of bodged up afterwards? Is that what you are saying?

**Mr STUART AYRES:** We made this commitment as part of our election commitments to the people of Penrith. That is why we are delivering it.

**The Hon. ADAM SEARLE:** You may have, but the commitment included the sport and recreation component. The internal briefing note to you, as Minister, made it clear that the approval within the public service rested on the sporting facilities.

**Mr STUART AYRES:** To be clear, the allocation of this funding was the decision of the Government. It was not the decision of a department. We made a commitment to the people of Penrith. That is what we do in elections.

**The Hon. ADAM SEARLE:** So why did you want to transfer responsibility for making the payment away from your administration?

**Mr STUART AYRES:** Why did I want to transfer the responsibility?

**The Hon. ADAM SEARLE:** Yes.

**Mr STUART AYRES:** I think it seemed fairly logical that, at the point in time at which sport was no longer going to be part of this project, the Office of Sport, as the holding point of the budget, was not necessarily the logical place for that to continue. The Office of Sport made inquiries about the possibility of transferring the funds to another agency.

**The Hon. ADAM SEARLE:** But that has not been possible, has it? It still has not been transferred, has it? Who has responsibility for this project now?

**Mr STUART AYRES:** To the best of my knowledge, the budget still sits with the Office of Sport.

**The Hon. ADAM SEARLE:** Has the money actually been paid physically to Panthers already?

**Mr STUART AYRES:** I understand some of the milestone payments for the project have been paid. It is under construction. You can visit Mulgoa Road, Penrith, today and see it being built.

**The Hon. ADAM SEARLE:** The New South Wales Government's \$12 million commitment was predicated on the Commonwealth making its commitment. Is that right?

**Mr STUART AYRES:** That is correct.

**The Hon. ADAM SEARLE:** It was not confirmed until mid-January 2019 that the Commonwealth was going to make that commitment, given the changed scope?

**Mr STUART AYRES:** Yes. My understanding is that the Panthers Group had proposed a change of scope to the Commonwealth. The State Government had made it clear consistently to Panthers that if the Commonwealth did not agree to that change of scope, the funding was unlikely to continue from the State Government. The agreement and change of scope and subsequent funding agreement from the Commonwealth was agreed in early 2019 and the State Government entered into a funding agreement as well with Panthers in 2019.

**The Hon. ADAM SEARLE:** We will come to the State funding agreement, but the obstacle to the State providing the money was the Commonwealth making its commitment. Do you accept that?

**Mr STUART AYRES:** It was not an obstacle.

**The Hon. ADAM SEARLE:** It was a prerequisite.

**Mr STUART AYRES:** Yes, I think that is correct.

**The Hon. ADAM SEARLE:** I have got here a letter from the Deputy Prime Minister to Senator Marise Payne, who was then the foreign affairs Minister, saying, "I am writing to advise that I have approved funding of up to \$12 million under the grants program to the Penrith Rugby League Club for the Western Sydney Community and Conference Centre." Why did the Deputy Prime Minister write to one of his ministerial colleagues to confirm the payment? Why did he not write to you or to the State Government?

**Mr STUART AYRES:** I am going to make an assumption here, but my assumption is that he is the Minister responsible for the allocation of funding.

**The Hon. ADAM SEARLE:** Yes, he is.

**Mr STUART AYRES:** I am also going to assume that he has written to the representatives of that community in his Government, which was Senator Payne, who has been well known as the senator representing constituencies across western Sydney. I am not going to put myself in the head of the Deputy Prime Minister, beyond the fact that I think he is probably being courteous and writing to a senator who has represented that constituency for an incredibly long period of time.

**The Hon. ADAM SEARLE:** He does not write to her in that capacity. He writes to her as Minister for Foreign Affairs, as well as a senator for New South Wales. She is your life partner. Were you using her as a conduit between your Government and the Commonwealth Government?

**Mr STUART AYRES:** No, I am fairly confident Marise is more than capable of representing her constituency on her own.

**The Hon. ADAM SEARLE:** I am sure, but it is quite unusual for the Deputy Prime Minister to be confirming a funding agreement that is not a letter to the State Government. It is to a member of his own Government.

**Mr STUART AYRES:** No, it is not. It is not unusual at all. Let's be serious here: The Deputy Prime Minister has written to probably the longest representative of western Sydney the Federal Parliament has had in the past 50 or 60 years to confirm the Federal Government is funding a project in an area that she is incredibly passionate about. There is nothing unusual about that whatsoever.

**The Hon. ADAM SEARLE:** Given that the State commitment was dependent—

**Mr STUART AYRES:** You are not seriously accusing Marise Payne of receiving a letter in the post?

**The Hon. ADAM SEARLE:** No.

**Mr STUART AYRES:** That is what it sounds like.

**The Hon. ADAM SEARLE:** I am just wondering why the correspondence was not to you, as the Minister who had made the announcement, or to the State Government. Surely, given that the State funds were dependent on the Federal commitment, that would make a lot more sense.

**Mr STUART AYRES:** I think we can say reasonably that the Commonwealth—in fact, not even reasonably. The Commonwealth made a commitment to this project before the State did. I think the Commonwealth is just undertaking its own correspondence to indicate that they have committed to that project.

**The Hon. ADAM SEARLE:** Can you produce the correspondence from the Commonwealth to the State where the Commonwealth indicated that its funding would be forthcoming?

**Mr STUART AYRES:** If that correspondence exists, I am sure it can be tabled.

**The Hon. MARK BUTTIGIEG:** We have a situation, Minister, where the responsible Minister and Deputy Prime Minister writes to a Federal senator informing them that the funding is going through, and yet does not bother to write to the local member and Minister responsible informing them that the co-funding is there and can go ahead. You could see how this would look a bit funny to a layman looking at this from the outside?

**Mr STUART AYRES:** I think you should ask the Deputy Prime Minister whether he wrote to Panthers. We had our own funding agreement.

**The Hon. ADAM SEARLE:** No, the letter says he wrote to Panthers.

**Mr STUART AYRES:** There you go.

**The Hon. ADAM SEARLE:** The issue is: Did he write to the then member for Lindsay? Did he then write to you as the Minister? Did he write to the State Government?

**Mr STUART AYRES:** I think you should probably direct those questions to the Deputy Prime Minister if he has written to Panthers. Panthers has confirmed with the State Government that the Commonwealth—as per our request that our funding would only be made available if the Commonwealth committed to a change of scope. Panthers has informed us of that and we have informed them that our funding is going to continue.

**The Hon. ADAM SEARLE:** On 24 January 2019, despite the fact that the project will no longer incorporate sporting or active recreation facilities, you signed the funding agreement. There is your signature on the page.

**Mr STUART AYRES:** Yes.

**The Hon. ADAM SEARLE:** Then fast-forward not even a full month later and your own agency appears to be gripped by panic. There is an email February '19 from Anne Gripper to various people, "Matt has confirmed the Minister does not want to have his signature on anything to do with the Panthers project. He wants to delegate his authority to Matt for all aspects of the project. The agreement will need to be re-signed." You have already executed the funding agreement. You have done so in the full knowledge it no longer has a sport or recreation component. Then, a month later, you are backpedalling, wanting to get your name off the document. Why did you want to remove your name from the document, given it had been executed by you and by Panthers?

**Mr STUART AYRES:** There are a couple of key points that I think are critical here. The funding agreement was—I had asked Matt Miller, the CEO of the Office of Sport, to develop and negotiate that funding agreement. Obviously, there was a like funding agreement being drafted by the Commonwealth at the time for their particular funds. It made logical sense that the Office of Sport and the Commonwealth agency had like milestones with relation to payments. So that process was delegated appropriately to the CEO of the Office of Sport. We had discussed at length whether there was a probity risk for me in this role.

**The Hon. ADAM SEARLE:** Because you are the local member?

**Mr STUART AYRES:** Actually, no; I do not believe being the local member is a probity risk at all. I was more concerned about the fact that I am a member of the Panthers leagues club. I pay my \$5 membership every year. Matt Miller's advice to me was that this project was not through an application or a grant process; it was not being assessed competitively against other applications.

**The Hon. ADAM SEARLE:** Minister—



**Mr STUART AYRES:** I am answering your question.

**The Hon. ADAM SEARLE:** With respect, you are not. It is a fanciful proposition. You have executed the agreement.

**The Hon. BEN FRANKLIN:** Point of order: This is a robust discussion and an appropriate one but the Minister clearly is right in the middle of a directly relevant response. We do have a lot of time today. I do not think it is unreasonable for him to finish the comments that he was making.

**The ACTING CHAIR:** The Minister has a right to finish his response before the next question.

**Mr STUART AYRES:** Thank you. We had discussed this and the advice to me from the CEO of the Office of Sport was that because this grant was an election commitment it was not subject to a competitive application process. There were no other applicants; therefore, there could not be a conflict of interest because there was no choice between, in this case, the Penrith Panthers and some other entity. There was not a conflict of interest. I considered that advice. You will note on that piece of paper that you have, that the recommendation from the Office of Sport is for me to execute the funding agreement—

**The Hon. ADAM SEARLE:** Yes, and you did.

**Mr STUART AYRES:** Yes. After signing that document I went back to Matt Miller and said that I did not feel comfortable with his advice. I asked for him to be the person who executed this funding agreement on the basis that he was the person who I had delegated the process of negotiating and developing the funding agreement. He agreed with that. I think we both agreed—

**The Hon. MARK BUTTIGIEG:** What is his delegated authority, Minister?

**Mr STUART AYRES:** His delegated authority is from me.

**The Hon. MARK BUTTIGIEG:** Yes. But in terms of the dollar cap on what he is allowed to be delegated to?

**Mr STUART AYRES:** You mean what he can decide without my approval?

**The Hon. MARK BUTTIGIEG:** Correct.

**Mr STUART AYRES:** I am not sure. I would have to go—

**The Hon. MARK BUTTIGIEG:** Does \$3 million ring a bell?

**Mr STUART AYRES:** Genuinely I do not remember.

**The Hon. MARK BUTTIGIEG:** The project was for \$12 million and you have delegated it to your chief executive who has a delegation of \$3 million. That is my understanding. Is that correct?

**Mr STUART AYRES:** But to be clear here—

**The Hon. MARK BUTTIGIEG:** So what was the instrument that allowed you to delegate a \$12 million project to your CEO?

**Mr STUART AYRES:** The way executive delegations work is that they have a limit up to which they do not need to seek approval from the Minister. My point here is that my view, and concurred by Matt Miller even though his original advice was that I did not have a risk, we thought it was appropriate that there was an additional level of probity safeguard and that he be the executor of the funding agreement. He obviously agreed with that position. We sought a concurrence from the Penrith Panthers; a new funding agreement was issued in which he was the executor of that funding agreement.

**The Hon. ADAM SEARLE:** And in all material respects it is the same agreement just save for the signature—his, instead of yours?

**Mr STUART AYRES:** That is correct. There has been no change. This was purely my decision on the basis of me exercising what I believed was an appropriate probity safeguard, given that I was removed from the construction—

**The Hon. MARK BUTTIGIEG:** But I do not understand the transmission of responsibility here. If you are a Minister under the Westminster system my understanding—and I do not have the luxury of being a Minister—the buck stops with you. He is a delegate by definition; therefore, he merely carries out your instructions. Firstly, you have delegated to someone above their delegated authority of \$3 million. Secondly, do you not still have responsibility as the Minister for that agreement? In effect you have signed it.

**Mr STUART AYRES:** The clear point here is that the execution—the negotiation and drafting or development of a funding agreement and then the execution of that was done by Matt Miller. It was appropriate that it was done by him and not done by me. That was the decision that we made early and he undertook that work. He also did it in conjunction with the Commonwealth. At the end of that process, as you have rightly pointed out, he does not have an approval to make that decision on his own. The recommendation came to me from the Office of Sport, which I agreed to obviously—it had been an election commitment. Upon reviewing that, I went back to Matt Miller and said I did not feel comfortable from all of the probity safeguards that are available to us that the Minister should be the person who executes this funding agreement.

**The Hon. MARK BUTTIGIEG:** Is there correspondence to the effect that enables you to breach that \$3 million ceiling delegation? Was there any correspondence that gave effect to that?

**Mr STUART AYRES:** It is not, sorry—

**The Hon. NATALIE WARD:** It is not a breach.

**The Hon. MARK BUTTIGIEG:** So you can just delegate whatever you want?

**Mr STUART AYRES:** Yes. I can delegate to—

**The Hon. BEN FRANKLIN:** Maybe leave the questions to Mr Searle, Mr Buttigieg.

**Mr STUART AYRES:** I can delegate to members of the Executive. I can do so now, like most Ministers can. The delegation limit works the other way: it works as a protection mechanism for members of the public service if they have a limit at which they do not need to seek authority from the Minister. Obviously anything above that, the delegation comes from the Minister.

**Ms CATE FAEHRMANN:** Welcome.

**Mr STUART AYRES:** Thank you. Good to have you back.

**Ms CATE FAEHRMANN:** Minister, I just want to get your views on the financial impact of the recent bushfires on tourism in New South Wales. This is separate obviously to what is happening with dengue and coronavirus disease 2019, or COVID-19, but the calculated impact of the bushfires on tourism to begin with.

**Mr STUART AYRES:** It is incredibly difficult to be able to put a firm figure on it at this stage. There is no doubt that the bushfire impacts on tourism across the State have been devastating. The areas that have been directly impacted by bushfire, particularly flame-impacted businesses, have suffered catastrophic losses. It is also worth acknowledging that there are many areas around the State that were not directly flame impacted in the way where communities live, that have also seen substantial drop-offs. There are anecdotal reports in areas like the Blue Mountains. Whilst there was bushfire in both the north and the south of the Blue Mountains, the primary area of residence and commercial activity was largely unscathed from bushfire impacts—not to say that there was not some—but those areas reported substantial drop-offs in revenues over their summer periods.

The same thing can be said for the Southern Highlands, where there were small communities on the southern side of the Southern Highlands that had very direct flame-impacted communities but the larger populated areas like Bowral and Moss Vale, which are very important tourism locations, they have seen reports. Other communities like Berrima, we have seen reports of revenue drop-offs in excess of 60 per cent in those locations.

**Ms CATE FAEHRMANN:** So what is the method in terms of getting those reports? How does the Government get that information?

**Mr STUART AYRES:** At the moment what you are seeing is a number of tourism associations working quite closely with either their members or operators. Revenue reports are coming in from businesses, Chambers of Commerce, Business NSW, are providing that information to us. There is also a number of businesses that are applying for the Commonwealth grants that are being administered—and loans—by Service NSW. That provides another data collection point. I think it will be a bit of time before you get an accurate assessment of what the tourism impact has been. But I do not think it is unrealistic to say that it sits well in excess of billions of dollars.

**Ms CATE FAEHRMANN:** What has the support been from your Government in terms of drawing people back to New South Wales post the bushfires? I understand you have recently launched a campaign, a marketing campaign.

**Mr STUART AYRES:** Yes.

**Ms CATE FAEHRMANN:** What date was that launched?

**Mr STUART AYRES:** I cannot remember the exact date off the top of my head—I am sure someone can track that down whilst I am giving some more general remarks. It was 8 February, there you go. So we launched on 8 February and we announced a \$10 million allocation to run a marketing campaign. It came off the back of the Commonwealth's announcement of \$76 million into tourism activities. Our campaign is designed to work closely with the Commonwealth's Holiday Here This Year campaign. Our campaign has a phase that we are well and truly into at the moment, which is about user-generated content on social media.

**Ms CATE FAEHRMANN:** What is the campaign called?

**Mr STUART AYRES:** It is called Now's The Time To Love NSW with an appropriate #LoveNSW. One of the main driving forces around having a user-generated component of this campaign to lead it before the main advertising buy starts, is the sheer volume of misinformation about what exists in individual communities. We had a lot of anecdotal reports around people believing that all of the Blue Mountains was completely burnt, that beaches along parts of the South Coast were completely unusable. So our call to arms—an important part of building the long-term success of this campaign—was having individual users generate their own images because quite frankly at that stage images that were either produced before the fires or were being produced by tourism agencies and governments, were not necessarily going to be believable.

Definitely on the international stage at the time, we had seen a number of fake photographs distributed across social media. There was an infamous fake satellite photo of Australia that was broadcast substantially in the United States that showed very much the entire continent on fire. We wanted a campaign that drew heavily off individual users and had more authentic images. That has been the first phase of the campaign. There is a media buy campaign that has obviously allowed us to recruit creative that reflects the fact of what has just happened. We have designed that and that will go into market in April.

**Ms CATE FAEHRMANN:** You said there was \$10 million towards that advertising campaign.

**Mr STUART AYRES:** It was \$10 million towards the campaign and it included

**Ms CATE FAEHRMANN:** Towards the campaign?

**Mr STUART AYRES:** Yes. The main components of the campaign are around advertising and media buy, some of our advertising and push work that exists on social media. Another portion of the campaign was what we call a retail campaign, which was co-funded by a number of tourism partners where we matched dollar for dollar on driving direct activity back into the market immediately. They are holiday hotel accommodation booking offerings that appeared immediately. We have also allocated a portion of money to support regional events. That event program is split primarily between a continuation or a renewal of funding around our existing flagship events program. We also created a new category for micro events with a smaller operating cost that could be delivered more quickly into those communities. Those applications are currently open now.

**Ms CATE FAEHRMANN:** Was there additional money from the Government post bushfire into Destination NSW for that, for example, or did you have to reallocate funding within DNSW for that \$10 million campaign?

**Mr STUART AYRES:** Most of that money is reallocated funding. The reason for that is that the practicality of continuing existing marketing campaigns that were designed pre-bushfire would have almost no relevancy in the market. We needed to re-profile all of our marketing activities to focus on what was a new reality facing our tourism market. We also want to drive faster activity into local communities and we wanted to leverage on a number of social media campaigns that had already started. A good example of a high-profile one is Empty Esky. We very quickly launched our "recovery weekend", which was an early stage support of that, encouraging people to take a weekend into regional locations that were still open—bearing in mind that a number of locations, particularly in early February, were just not ready to take customers again or to take visitors again. The distribution of information is critical. The Destination NSW website was updated on a regular basis around providing clear information around what was open. The Commonwealth Government launched a map that was interactive that allowed people to get up-to-date locations by clicking on various parts of the country. New South Wales was obviously included in that.

**Ms CATE FAEHRMANN:** How much of the annual budget of Destination NSW is spent on marketing New South Wales in any given year? Last financial year, for example?

**Mr STUART AYRES:** Last financial year the total budget was \$141 million, or a tick over that. The events budget is slightly larger than the marketing budget, but I would make the argument that the entire Destination NSW budget is focused on promoting New South Wales. Even when we are funding events, those events have a strong promotional element around attracting people to New South Wales.

**Ms CATE FAEHRMANN:** The budget has been cut over recent years, is that correct? What are the budget cuts that the Destination NSW has received?

**Mr STUART AYRES:** Last year was a lower budget than previous years. There was a four-year funding allocation that started after the last election, I think, the 2015-16 financial year. That four-year funding block had concluded and the DNSW budget continued at its traditional level.

**Ms CATE FAEHRMANN:** I have in front of me that \$35 million was cut from the last budget.

**Mr STUART AYRES:** Yes.

**Ms CATE FAEHRMANN:** So this financial year reflects that \$35 million cut, is that correct?

**Mr STUART AYRES:** That is correct

**Ms CATE FAEHRMANN:** It has continued with \$35 million cut. So we have the bushfires and you received no additional funding from the Government?

**Mr STUART AYRES:** At this stage we have—

**Ms CATE FAEHRMANN:** From Treasury, sorry.

**Mr STUART AYRES:** At this stage we have re-profiled our marketing activities.

**Ms CATE FAEHRMANN:** You have reallocated what you were going to use in terms of advertising New South Wales. Given the scale of loss, the scale of impact to the tourism sector, have you requested additional funding from Treasury for Destination NSW as a result of the fires?

**Mr STUART AYRES:** There is a budget that the New South Wales Government will hand down for the next financial year. I think it is incredibly—

**Ms CATE FAEHRMANN:** Even in the face of catastrophes and the wiping out of potentially thousands of tourism jobs and businesses there is no contingency funding within NSW Treasury, within consolidated revenue for you to be able to draw upon? And you did not ask?

**Mr STUART AYRES:** It is more about how effectively that money could be invested in the near term. It is impossible to isolate this issue from coronavirus. A very logical place for us to try and supplement the loss of domestic activity because of bushfires would be to promote more heavily on the international market. Obviously that opportunity has been removed from us.

**Ms CATE FAEHRMANN:** Yes, but Minister, when you launched this campaign on 8 February we were in very different territory in relation to coronavirus.

**Mr STUART AYRES:** Sorry, I beg to differ—

**Ms CATE FAEHRMANN:** You had other information?

**Mr STUART AYRES:** I think the tourism industry was acutely aware of the challenge that would exist from coronavirus. The point about that is that we have all had to adjust rapidly. It would be a mistake to invest taxpayer funds into marketing activities that did not drive demand because the areas that you wanted to drive demand to were not ready to take them on. I actually think this has been a very collaborative response across both the Commonwealth and State governments, not just here in New South Wales. A layered approach has been undertaken, where the Commonwealth announced a macro brand campaign—the Holiday Here This Year campaign targeted at Australians to make a choice to holiday at home—and then the States have run their own campaigns to drive demand activities into their States. I have absolutely no doubt that we will continue and probably invest more money in bushfire recovery as we move into the new financial year when we have got a capacity to drive activity back into those communities.

**Ms CATE FAEHRMANN:** How much additional funding have you or will you request in the next budget for Destination NSW to drive that recovery in our tourism sector?

**Mr STUART AYRES:** I am a tourism Minister, so I will take every dollar the Government is prepared to allocate.

**Ms CATE FAEHRMANN:** But you put bids in, yes?

**Mr STUART AYRES:** We have put in our budget application like every other Minister.

**Ms CATE FAEHRMANN:** How much of an increase did you request?

**Mr STUART AYRES:** We have requested more than what we are currently getting. I think that is proportionate to what our role in the economy is.

**Ms CATE FAEHRMANN:** But if it was cut by \$35 million last financial year—and given the scale that you have acknowledged in terms of the impacts on the tourism sector—I am assuming you requested at least that \$35 million extra. Is that correct?

**Mr STUART AYRES:** I am not about to discuss what my budget submissions are. I think the Treasurer made it pretty clear he is not about—

**Ms CATE FAEHRMANN:** Did you request a 50 per cent—

**Mr STUART AYRES:** None of us is about to speculate on what the budget will be in June. Suffice to say that the ongoing statements from the Treasurer, myself and I think from the Government have been that tourism will play an important role in the recovery of communities from bushfires. I would throw into that drought and, increasingly, coronavirus.

**Ms CATE FAEHRMANN:** What preparations are Destination NSW undertaking to prepare for the risks of climate change on tourism in New South Wales? What are you doing within your department to factor in those risks? Firstly, have you identified them?

**Mr STUART AYRES:** I think we have recognised that climate change will have an impact on the way people make decisions. There is a strong focus around how we project what New South Wales has to offer for visitors. We have worked very closely with tourism operators in their own right.

**Ms CATE FAEHRMANN:** The question is: Has Destination NSW or anyone else within department modelled the risks posed by the impacts of a 2 degrees Celsius to 3 degrees Celsius warming on the environment in New South Wales? Given how much people come to New South Wales for beaches—of course, there will be sea level rise. Has the department modelled that? Have you modelled the impacts of climate change on the natural assets of New South Wales and the economic impact that will have?

**Mr STUART AYRES:** The New South Wales Government has a climate change policy framework. Destination NSW works within that. I am not sure whether, Mr Mahoney, you wanted to provide any more specific detail. But I do not think, if I could be clear, that Destination NSW is going to model the degree change impact in New South Wales. What it will do is prepare how we market the State in an environment in which the climate changes.

**Ms CATE FAEHRMANN:** Following the bushfires—the unprecedented bushfires that everybody acknowledged were unprecedented and the links to climate change were made pretty obvious by many people—as tourism Minister have you requested any additional information as to the ongoing risks and future risks now of increased frequency and intensity of weather events as a result of climate change? Have you requested that information—

**Mr STUART AYRES:** No.

**Ms CATE FAEHRMANN:** —the impacts that will have on the tourism sector—to prepare?

**Mr STUART AYRES:** My primary focus—

**Ms CATE FAEHRMANN:** So you have not?

**Mr STUART AYRES:** No, just that my primary focus at the moment is about making sure that Destination NSW, the State Government's tourism and events agency, is focused on supporting tourism operators in this recovery phase right now. We will work with other New South Wales government agencies, organisations like the National Parks and Wildlife Service and the Department of Planning, Industry and Environment, where we have a lot of overlapping assets. I have absolutely no doubt that as we work through the recovery phase, which will not be a five-minute or three-month job, I think this will be at least a 12- to 24-month period in which we will have to work with tourism operators to recover and return their revenues to what you might describe as a more normal level.

That is going to be incredibly difficult when you overlay the impacts of coronavirus on that. I do not want to understate or underplay our position in relation to what the long-term impacts of climate change will be. I want to be very, very clear we are acutely aware that more and more particularly international visitors but more and more tourists are making decisions based on visiting locations that they believe are strong supporters of the environment. Destination NSW and the New South Wales Government should adjust their marketing activities to reflect that.

**Ms CATE FAEHRMANN:** That last bit is good to hear. Is there anybody within Destination NSW who plans for future scenarios that will impact on the tourism sector in New South Wales?

**Mr STUART AYRES:** I am not sure—

**Mr MAHONEY:** There are no roles specifically engaged to—

**Ms CURTAIN:** From a Treasury perspective the Chief Economist has noted climate change in the economic blueprint and it is something that Treasury looks at from a whole-of-State perspective. Noted in the blueprint is work that we would like to continue to do around understanding what the impact of climate change will be and tourism will be one part of that impact. So not specifically in Destination NSW but more broadly in terms of Treasury and the impact to the State.

**Ms CATE FAEHRMANN:** Have requests come from the tourism sector for assistance in identifying those future risks as a result of climate change? I understand that you have had a roundtable in terms of bushfire recovery with businesses. Again I can understand why the tourism sector is focused on the current recovery—fair enough—but I also think it is the responsibility of government to clearly plan for the future as well. Is the tourism sector asking for that type of leadership?

**Mr STUART AYRES:** It is fair to say the roundtable that we conducted was at the back end of January. It was obviously an intense and even fairly emotional time. The discussion around that was very much around what an immediate, medium- and longer-term response from the Government looked like. Climate change was not a focus of the operators at the time. I think I can say that there was some allusion by some of the members of the roundtable to the fact that it was an issue that we would have to think about in our longer-term responses. But I have to say that the primary focus around climate change was really about having a more authentic image rather than creating a false or pristine image around what had just happened and being honest with people around the globe as to what has just happened in Australia. That message from industry representatives and operators came through loud and clear. They thought we needed to be authentic. It was not the time for a campaign that presented something without authenticity in it.

**The Hon. ADAM SEARLE:** Minister, you were uncomfortable having your signature on the funding agreement, so you took steps to have it removed because you said that you are a member of the Panthers leagues club. Had you declared that earlier?

**Mr STUART AYRES:** Yes. I had discussed this with the CEO of the Office of Sport right from the early days. It is one of the reasons why I asked him to do the negotiating and the drafting of the funding agreement.

**The Hon. ADAM SEARLE:** Had you disclosed it to the Premier?

**Mr STUART AYRES:** I am not sure that I had done that, no. I would have to check.

**The Hon. ADAM SEARLE:** To be fair to you, do you want to check and come back and tell us?

**Mr STUART AYRES:** Yes, I can do that. I do not know whether it is on my declaration.

**The Hon. ADAM SEARLE:** I will let you do that. Within your agency there were concerns about this agreement. In fact there is an email from the Manager of Legal Services. This is around about the mechanics of rescinding the existing funding agreement you had entered into. And one of the triggers for rescinding was, "We are of the opinion that it is necessary to terminate this agreement to protect our reputation or the reputation of the New South Wales Government." So there was obviously some level of concern within your agency, given that it no longer had a sporting component, whether or not this was proper to proceed with this agreement. Were you made aware of those concerns?

**Mr STUART AYRES:** I think that the discussions that I had with Matt Miller, we had flagged the issue that the Office of Sport was the holder of a budget for a project that no longer had any sport in it. However, this was an election commitment and it was the agency that was originally allocated this funding. The Government made a decision to deliver its election commitment and there was not a need to change that funding to another agency.

**The Hon. MARK BUTTIGIEG:** Why would you not just go back to Panthers and say, "Include a sport and rec component so it's ridgy-didge. That's what we promised"?

**Mr STUART AYRES:** To be fair to the Panthers Group, the leadership of Panthers was very up-front and very transparent about their capacity to deliver what was originally presented. They asked for the Commonwealth Government to assess a change of scope. The State Government agreed that if the Commonwealth

agreed to that change of scope that we would continue our funding. At the end of the day there is still a significant financial investment from a third party here. They have to be confident that—

**The Hon. ADAM SEARLE:** Well, it is their facility.

**Mr STUART AYRES:** That is correct. But they are making that investment. They have to be confident that that is going to be a worthwhile investment for that organisation.

**The Hon. ADAM SEARLE:** It might be a worthwhile investment for that organisation. The question is whether there is a proper community benefit that would warrant a co-investment by the New South Wales Government.

**Mr STUART AYRES:** I think there is definitely, without question. With a doubt in my mind, this facility will have a substantial community benefit to the community of Penrith and western Sydney.

**The Hon. MARK BUTTIGIEG:** Except that there would have been, presumably, people in western Sydney in your electorate, Minister, who would have voted you back in on the basis that there was going to be a sport and recreation component. Now they find out there is nothing and essentially what has happened is the Government has bankrolled a private enterprise in western Sydney.

**Mr STUART AYRES:** The Government has made an investment into an important economic facility in western Sydney that I have no doubt in my mind will deliver the jobs growth, the events attraction, the trade shows, the conferences and the investment attraction that it was designed to do. I do not shy away from the fact that Panthers made a request to government to change the scope. We made an election commitment and we are delivering on it.

**The Hon. ADAM SEARLE:** Your election commitment was substantially about the delivering of sport and recreation facilities—

**Mr STUART AYRES:** Yes.

**The Hon. ADAM SEARLE:** —which you have reneged on. Does that not concern you?

**Mr STUART AYRES:** This process has been transparent. We have not hidden the fact that Panthers came to the Government and made a change of scope request. They did so to two governments. The State Government who made this election commitment outside of a funding grant program appropriately said that if the Commonwealth Government does not agree to the change of scope that we would not continue to fund.

**The Hon. MARK BUTTIGIEG:** Minister, when you say it has been "transparent", transparent to whom, members within your department? I am sure the public are not aware of it.

**Mr STUART AYRES:** No, I think the public has been aware of it—

**The Hon. MARK BUTTIGIEG:** That there was no sport and rec to be included?

**Mr STUART AYRES:** Yes, I did turn the sod with the Deputy Prime Minister and I think even Senator Payne was there along with members of the Panthers organisation. I think we have been quite up-front and clear. They have also been subject to the standard development application processes that exist for council that make this facility publicly available for consultation and assessment by local government. The idea that this process has not been available to the public is just untrue.

**The Hon. ADAM SEARLE:** Just on that, the approval by the Expenditure Review Committee [ERC] was at a time when it did contain a sport and rec component. Has there been a subsequent approval to issue the funds with the changed scope?

**Mr STUART AYRES:** The project is under construction.

**The Hon. ADAM SEARLE:** I understand the project is under construction and I understand the money is forthcoming. I am just wondering whether the approval for the changed scope was given.

**Mr STUART AYRES:** Yes. Self-evidently, yes.

**The Hon. ADAM SEARLE:** It is not self-evident. Your agency was given the money and you have paid part of the money over. The issue is whether or not—

**Mr STUART AYRES:** And that approval lies with the agency that has allocated the budget.

**The Hon. ADAM SEARLE:** Yes, but it was allocated that the budget on a particular understanding, that there would be a sport and rec component. That changed. Did you get subsequent approval from the Treasurer

or from the ERC for the changed scope? You can laugh about this, Minister, but it is \$12 million of taxpayer money.

**The Hon. MARK BUTTIGIEG:** Why is it funny? Presumably the ERC knew that there was a sport and rec component, did they not, or was it just, nod, nod, wink, wink, "Just approve it"?

**Mr STUART AYRES:** This is an election commitment. I do not know what you guys do on your side of the fence, but we actually deliver our election commitments.

**The Hon. MARK BUTTIGIEG:** When we tell someone there is going to be a sport and rec component, we try and deliver on that.

**Mr STUART AYRES:** Yes, and when a party who is subject to this investment comes to you and says, "We don't believe that this facility can be delivered either within cost or within scope", and they ask you to assess an alternative investment—

**The Hon. MARK BUTTIGIEG:** There is no pushback to say, "Can you make it work, because we did promise a sport and rec component?" There are none of those discussions or processes.

**Mr STUART AYRES:** Let us be really clear—

**The Hon. MARK BUTTIGIEG:** Seriously, Minister?

**Mr STUART AYRES:** Let us be really clear here: They have been through a scope assessment at the Commonwealth. We made very clear that if the Commonwealth did not continue, that funding would not be available. Do you know what problem—

**The Hon. MARK BUTTIGIEG:** But the Commonwealth parameters were not contingent on your election promise, Minister. Your \$12 million was contingent, because that is what you promised.

**Mr STUART AYRES:** Yes, and we have delivered that \$12 million to a facility that will deliver significant economic and community benefits. That is something I am incredibly proud of. That is something—

**The Hon. MARK BUTTIGIEG:** Minister, can I take you to this—

**Mr STUART AYRES:** —that my community continues to support me on.

**The Hon. MARK BUTTIGIEG:** Minister, can I take you to my colleague's quote from Mr Greig, an email on 19 February, saying that, "We are of the opinion"—this is legal advice to the department—"that it is necessary to terminate this agreement to protect our reputation or the reputation of the New South Wales Government"? The very next day there is an email from Matt Miller, your CEO, to Anne Gripper saying, "Anne and Lauren, there is an absolute deadline, which has to be met today. Get a revised brief to Minister Ayres. Notes: 1. The resending of the previous brief, which the Minister signed, relating to funding agreement approval. 2. ERC has provided \$12 million. 3. Approves CE entering into a funding agreement." The very next day—

**Mr STUART AYRES:** Can I just say, thank you for confirming Mr Searle's earlier question about ERC.

**The Hon. MARK BUTTIGIEG:** You have essentially received legal advice to say that the agreement has to be terminated, and then the next day you are finding a way for it to go ahead.

**The Hon. NATALIE WARD:** What is the question?

**Mr STUART AYRES:** To be very clear here: The department may well have had a concern about reputational risk, because the project—but the final decision for election commitments lies with the Government. We made a commitment to the people of Penrith to deliver this project and we are delivering it.

**The Hon. ADAM SEARLE:** Minister, I understand that was the election commitment, but post-election those commitments are worked through the machinery of government and are subject to budget and ERC process. The original approval was given by ERC when there was a sporting component. I just want to be clear: It is your evidence, is it, that ERC subsequent to that approved the variation in the scope of the project?

**Mr STUART AYRES:** I am never going to comment on ERC or any Cabinet approval. I have no intention of doing that. I have not done it in the nearly 10 years that I have been a member of Parliament and I do not intend to do it now. What I think is self-evident, and if there is a document indicating that ERC has approved funding—

**The Hon. ADAM SEARLE:** Approved it originally.

**Mr STUART AYRES:** That is not based on the timing that Mr Buttigieg just—



**The Hon. ADAM SEARLE:** It says, "Notes approval". It does not say what approval, so that is why I am asking the question. What did they approve?

**Mr STUART AYRES:** You seem to have the documentation available to you.

**The Hon. ADAM SEARLE:** I do.

**Mr STUART AYRES:** The other point I would also make here is that that change of funding agreement could only have been entered into if Panthers agreed, and they obviously did.

**The Hon. ADAM SEARLE:** Of course, it was to their benefit, so why would they not? The issue is whether the State was getting the full benefit that it originally envisaged in the project.

**Mr STUART AYRES:** No, the issue is whether the State determined whether this project was still worth investing in.

**The Hon. ADAM SEARLE:** I understand that.

**Mr STUART AYRES:** And that is exactly what we did.

**The Hon. ADAM SEARLE:** Your agency officials were still writing, in August 2019, stating that neither the Department of Premier and Cabinet nor industry had agreed to take the project on. It seemed they were very clear to get rid of it, just as you were keen to get your signature on the paperwork. Why was your agency so keen to get rid of this project?

**Mr STUART AYRES:** As much as I would like to claim them as my agency, I was not the sports Minister in August 2019.

**The Hon. ADAM SEARLE:** You were the Minister for Western Sydney, but why was the agency so keen to get rid of the money?

**Mr STUART AYRES:** I think you had ample opportunity to ask the sports Minister and the agency.

**The Hon. ADAM SEARLE:** They did not seem to know much about it, so they took those questions on notice. I am asking you, because you are the Minister who seems to have been involved all along and you were always the Minister for Western Sydney.

**Mr STUART AYRES:** I think that point is fair. The Government made an election commitment, the scope change meant that the sport was not removed, but the Government decided that because that money was originally allocated to the Office of Sport—and excuse me for my colloquial phrasing here—just to get on with it and deliver the project.

**The Hon. ADAM SEARLE:** I understand that, but the scope did change significantly and the advice that you had received internal to government was that it was approved, at least from the public sector's point of view, largely on the basis that it benefits the sporting facilities brief.

**Mr STUART AYRES:** So the logic of—

**The Hon. ADAM SEARLE:** That changed, the scope changed quite considerably, so you are not delivering what you committed to originally.

**Mr STUART AYRES:** The logic of that proposition is that you would not ask any of these questions if the dollars were moved to another government agency?

**The Hon. ADAM SEARLE:** No, the question is whether or not delivering on the commitments—

**Mr STUART AYRES:** I think it is.

**The Hon. ADAM SEARLE:** No, it is not.

**Mr STUART AYRES:** Okay. I just wanted to check that.

**The Hon. MARK BUTTIGIEG:** Minister, if your department back then had an issue with reputational risk, and presumably your position is that the Government does not have an issue with it because it was an election promise you were following through on, why can that funding not find a home now? No-one wants to take it on.

**Mr STUART AYRES:** The Office of Sport still has that, if it is transferred to another—

**The Hon. MARK BUTTIGIEG:** This has been going on for literally years. You delegated it to one of your subordinates to sign, to absolve yourself of responsibility, and then it was flicked to another department, but

no-one wants to take it on. What is the story there? Why does another department not want to take on the \$12 million, if it stands up to probity?

**Mr STUART AYRES:** I do not think it is an issue of another department. I think the Government has just decided that that is where the money was allocated. It is delivering the project, it has executed a funding agreement, milestone payments have been made, the project is under construction. I come back to my earlier point, and I must say that your line of questioning seems to indicate that the issue you have here is that the Government is delivering on an election commitment. If your concern is that it is being funded by the Office of Sport—

**The Hon. MARK BUTTIGIEG:** No. That is our issue, Minister, you are not.

**The Hon. ADAM SEARLE:** The issue is that the Government is not delivering what it committed to delivering.

**The Hon. MARK BUTTIGIEG:** You go out and promise a sport and rec component in a major facility in western Sydney and then the sport and rec component goes, but, "Don't look this way, we're still going to fund it". That is our issue.

**The Hon. NATALIE WARD:** Is there a question?

**The Hon. MARK BUTTIGIEG:** Can you not see that the average person would look at this and think—

**The Hon. NATALIE WARD:** What is your question?

**The Hon. MARK BUTTIGIEG:** My question is: Do you think this stands up to the pub test?

**Mr STUART AYRES:** Yes, I do.

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

**Mr STUART AYRES:** I absolutely am convinced.

**The Hon. BEN FRANKLIN:** As he had literally said for the last hour and a half.

**Mr STUART AYRES:** I can say again: I think that this project will deliver significant economic and social benefits to not just my individual community of Penrith, which I am immensely privileged to represent in this Parliament, but also to the wider catchment—I think I described it as something in the order of 500,000 in my original press release. I have always found it somewhat unusual that the journalist who first wrote about this decided to exclude from their story my direct quotes that spoke about conferences, events and community facilities. That can only be described as deliberately excluding that information.

**The Hon. MARK BUTTIGIEG:** To be fair to you, Minister, essentially your position is, "Look, I know I promised in the 2015 election campaign that this would involve a significant sport and rec component. Now that it is not there, don't worry because there is still a significant economic contribution to western Sydney and we're going to do it anyway." Is that a sense of your position?

**Mr STUART AYRES:** And we have been up-front with the people of Penrith about that scope change. It has been assessed by the Commonwealth Government, it has been subject to development applications by Penrith council and the community has not opposed it at the Penrith council level. They have not opposed it at the Commonwealth level. The State Government and the Federal Government have executed it. Panthers have awarded a contract. It is under construction and I will be there when it opens. I will be there, hopefully at the first event, along with hundreds or thousands of my fellow citizens enjoying something they have not been able to enjoy—

**The Hon. MARK BUTTIGIEG:** What is your view on the James Packer co-funding bailout of this to the tune of \$10 million now that the naming rights associated with the training facility are out there? Do you have a view on that?

**Mr STUART AYRES:** I am not going to dignify the attempt at saying that this is a bailout. I will leave that for you to use those words.

**The Hon. MARK BUTTIGIEG:** The club was struggling, was it not? Surely you are aware of that?

**The Hon. NATALIE WARD:** Point of order: The House moved a procedural fairness resolution and I refer to two aspects of it. One is paragraph 19—treatment of witnesses. I know that the Hon. Mark Buttigieg is very passionate about this area but I ask that he allow the witness to finish his sentence before he asks the next question, primarily for the sake of Hansard. The second aspect relates to relevance—paragraph 9—and that is that the questions put to witnesses are relevant to the inquiry. This inquiry relates to the 2019-2020 budget expenditure.

I am not sure how the last question relates to that. So I ask that you draw the member back to the leave of the question.

**The Hon. ADAM SEARLE:** To the point of order: It is well established that these budget estimates hearings are not only about the budget. They are a wideranging examination of the portfolio—in this case, the continuing relevance of the portfolio of Western Sydney. At all relevant times this Minister has been the Western Sydney Minister.

**The Hon. NATALIE WARD:** Further to the point of order: This Committee has given wide scope on many occasions. I ask that the questions be confined to relevant matters.

**Mr STUART AYRES:** I am happy to answer.

**The ACTING CHAIR:** I will rule on the point of order. There is an element of flexibility in these discussions. They require some robustness. The Minister has been fair in his responses to the questions. I ask that the member asking the question extend courtesy to the Minister and allow him to respond. At the same time, I accept that this is a forum for discussion in which some robustness is allowed.

**Mr STUART AYRES:** To answer your question, first of all, I am not going to respond to the proposition that you have made. In fact, I would reject that the concept is a bailout. They are your words, not mine. What I would say is that I know the Crown organisation has engaged with Panthers, with other organisations across western Sydney as part of their Barangaroo development where they have considered—I think this is the subject of public record—the creation of a training facility in western Sydney with a particularly strong focus around opportunities for Aboriginal residents to be able to get access to training in a hospitality training certificate.

They have been looking at western Sydney options. I understand that Panthers was one of those. I do not believe—I am happy to be corrected—that they have made any decision about whether they would do that. My understanding is that they have had a longstanding training agreement with a vocational training provider in Victoria. I think they were looking to establish one here in New South Wales with a focus on western Sydney.

**The Hon. ADAM SEARLE:** Minister, just on that, it is a matter of record that not long before your election commitment Panthers were struggling and they did get a cash injection from Crown, I think, to the tune of \$10 million. Before you entered the funding agreement, what due diligence or legal advice did you obtain or receive to ensure that the State's investment was safe?

**Mr STUART AYRES:** The funding agreement was negotiated and executed by the Office of Sport.

**The Hon. ADAM SEARLE:** Did your Government get any advice or do any due diligence to ensure that the Panthers Group remained a safe vessel for this investment?

**Mr STUART AYRES:** I am comfortable with the work that was undertaken by the CEO—

**The Hon. ADAM SEARLE:** Is that a no? You did not obtain any specific advice?

**Mr STUART AYRES:** No, I am saying that I am comfortable with the work that was undertaken by the Office of Sport to get to the point of executing that funding agreement.

**The Hon. ADAM SEARLE:** I understand that. That is a very opaque answer. My very specific question is: What due diligence did the Government do to ensure that the investment was safe, that the organisation was not going to fall over?

**Mr STUART AYRES:** I am very comfortable with the work that the Office of Sport—

**The Hon. ADAM SEARLE:** You are not giving a responsive answer. You are giving an opaque answer. Is that the only answer you are going to give?

**Mr STUART AYRES:** No, I am saying that the Office of Sport has entered into a funding agreement and they have done so with enough confidence to do that.

**The Hon. MARK BUTTIGIEG:** Minister, was there any advice on the solvency of that organisation before you decided to make the investment? The answer is simple—black or white. What is the problem?

**Mr STUART AYRES:** No, no. There is not a problem here. I am happy to take it on notice to seek out whether something existed in that regard.

**The Hon. ADAM SEARLE:** Just on that, going back to your disclosures, 1 July 2018 to 30 June 2019, there does not appear to be any disclosure about your membership of Panthers. That is just a matter of record. You were going to come back to us on notice about whether you made any disclosure to the then Premier.

**Mr STUART AYRES:** I will take that on notice, yes.

**The Hon. ADAM SEARLE:** Okay, you can take that on notice. Just getting back to the issue of delegations. The chief executive of the Office of Sport had a limit on his delegations of \$3 million. I am not an expert in this field, so I am happy to be corrected, but my understanding is when a public servant—even a senior public servant—reaches the limit of their delegation, there has to be a formal instrument that modifies that, either for a particular purpose or more generally, or the matter usually then goes up through the chain of command to the cluster secretary.

The only document I have is the briefing note to you as Minister dated 21 February 2019, which is, essentially, to the effect that your signature will be taken off and substituted with that of the chief executive of the Office of Sport. Is that the only instrument of delegation that exists or was there some other form of instrument of delegation that enabled him legally to enter the agreement on behalf of the State of New South Wales?

**Mr STUART AYRES:** My understanding is that I have signed a brief delegating that authority for Matt Miller to execute that funding agreement.

**The Hon. ADAM SEARLE:** Again, I am not trying to be difficult, but this does not, to me, look like a formal instrument of delegation. I have seen a few. So I ask you to take on notice whether a formal instrument of delegation increasing Mr Miller's authority was ever executed and entered into. And can you get advice about whether or not he was lawfully permitted to enter into the agreement for the State of New South Wales?

**Mr STUART AYRES:** I will take that on notice on the basis that the brief does not constitute it.

**The ACTING CHAIR:** Thank you, Minister. The Committee did not decide whether to have a break. If there is no objection, perhaps we will have a break after Mr Justin Field finishes his questions and before we move to crossbench questions.

**Mr STUART AYRES:** I am happy to keep going if you do not want a break.

**The ACTING CHAIR:** We will break for 10 minutes.

**Mr JUSTIN FIELD:** Minister, I have some questions about the Warragamba Dam wall-raising proposal. I have been seeking some information under the Government Information (Public Access) Act [GIPAA], particularly about the biodiversity offset strategy that is being developed for that proposal. Many of the documents I have received have been heavily redacted. Quite a large number of my document requests have been refused. I am wondering: What is the secrecy around this project?

**Mr STUART AYRES:** We do not have any secrecy around this project. It is subject to a lot of engagement by this Parliament, a committee chaired by you. We have made very clear that there will be an environmental impact statement, which will be a process that we undertake as a forerunner to the completion of the final business case, which will then lead to an investment decision by the Government. I would really like for us to be able to get on with the job of being able to complete that environmental impact statement, make it transparent and publicly available for everyone to be able to see, make their submissions—

**Mr JUSTIN FIELD:** Is there something stopping you from getting on with the job, Minister, that I am not aware of?

**Mr STUART AYRES:** Actually, it is a relatively small team. If you want a fairly frank and honest answer, you are running a committee process, you are seeking GIPAA's on a process that you know is going to be transparent. If you just let them—

**Mr JUSTIN FIELD:** Minister, this is what the returned documents look like. It is not a hugely controversial issue. In fact, it would be meeting statutory compliance obligations around biodiversity offsets, but that is the response that we get from your departments and, I assume, with some direction from your office.

**Mr STUART AYRES:** The departments respond to GIPAA's based on their GIPAA requirements. I will be frank about that. So your accusation about influence—

**Mr JUSTIN FIELD:** Hang on, Minister. One of the reasons that is provided for why documents have not been provided at all is there is a claim that the documents were created for the primary purpose of Cabinet. So the suggestion is that they are Cabinet-in-confidence documents. You are the Minister with Cabinet responsibilities around this project. How do you declare a process Cabinet in confidence?

**Mr STUART AYRES:** It is a well-established practice. Documents that are used in the preparation of Cabinet submissions will have restrictions around how they are delivered through GIPAA. You know that. I think everyone on the Committee knows that.

**Mr JUSTIN FIELD:** Documents that have been provided for the purposes of the environmental impact statement [EIS]—

**The Hon. BEN FRANKLIN:** Point of order: I am loath to do this and interrupt my friend Justin, but the Minister was literally in the middle of an answer and I would ask that he be able to complete it.

**The ACTING CHAIR:** Yes.

**Mr STUART AYRES:** More importantly—and we have said this time and time again—there are three distinct steps in the raising of Warragamba Dam wall that have to happen before the Government takes a final decision. We have stated over and over again that our preferred position is to raise the dam wall by 14 metres. That is the work in which we are doing—the three things that will take place will be the completion of the environmental impact statement, and that will be put out for public exhibition. The feedback from that environment impact statement and the final EIS will have a material impact on the business case of raising of the dam wall and then after that business case is completed, it will be subject to an investment decision. I do not shy away from my position and my strongly held view that raising Warragamba Dam wall is in the best interests of the people of western Sydney, and the recent rains showed just how quickly the dam can fill.

We have a clear process around the creation of that environmental impact statement. That is the point at which the public will be able to assess in a very clear and transparent way the environmental impacts. We have not tried to hide those. We have been very clear about the fact that there will be biodiversity impacts that are temporary during the event of a flood. We have said that publicly, we have been up-front about that in public hearings, we have been up-front about that in budget estimates and we have been up-front about that across the Parliament. Let us complete the environmental impact statement, create a single source of truth for every single person to assess the environmental impact, weigh that environmental impact against the personal and economic and social impact of floods happening in western Sydney and then allow the Government to make a decision. I do not mind if people oppose this project; just let us allow every single person in the public to assess it evenly.

**Mr JUSTIN FIELD:** With the support of my friend Mr Franklin, can we agree that the Minister has done his stump speech now and we can go back to the questions? Minister, would you agree that the biodiversity offset strategy and assessment report is being created for the purposes of the environmental impact statement?

**Mr STUART AYRES:** I think that there are—

**Mr JUSTIN FIELD:** Correct?

**Mr STUART AYRES:** —so many documents created for the environmental impact—

**Mr JUSTIN FIELD:** But that is why it is being created, right? To meet the requirements of the EIS?

**Mr STUART AYRES:** I assume so, yes.

**Mr JUSTIN FIELD:** Yes, and you just said that the EIS will go on public exhibition.

**Mr STUART AYRES:** That is correct.

**Mr JUSTIN FIELD:** That is right. So it is not reasonable, therefore, to claim that the biodiversity offset strategy and assessment report is somehow captured by Cabinet-in-confidence.

**Mr STUART AYRES:** Except for the fact that before it goes out—

**Mr JUSTIN FIELD:** No, you want it to come out in your own time, right? That is what you are saying. You do not want it to come out now, you want it to come out later?

**Mr STUART AYRES:** No, we have been really clear about this. We have aimed for the middle of 2020. I said it at the last budget estimates, I think members of the public service have said it time and time again: We want to be able to have the environmental impact statement out by the middle of the year. I would like to be able to move from that point to a business case and then to have a final investment decision by the Government in 2021. For us to do that, having it on public exhibition in that period of time is crucial. We will aim to do that. It is a substantial document. Every time we have to deviate resources away from that to deal with something else puts more pressure on the team. I do not have anything to hide here. I know that there are going to be people who do not support raising the dam wall. I know that you are passionate about—

**Mr JUSTIN FIELD:** Minister, that is not the question. It is not a Cabinet-in-confidence process or a Cabinet-in-confidence document, is it?

**Mr STUART AYRES:** It is. Before the Government makes its decisions on what it takes to the public, it will often have a decision made by Cabinet.

**Mr JUSTIN FIELD:** Minister, can I ask you this question—

**Mr STUART AYRES:** Can I just answer—

**Mr JUSTIN FIELD:** No, you are not answering my questions. You are just restating what you have already stated.

**The Hon. NATALIE WARD:** Point of order: Members well know the process here—for the sake of Hansard more than anything and those thousands of people watching the live webcast—is that the member asks the question and the witness is allowed to give their answer. I ask that the member respect that.

**Mr JUSTIN FIELD:** To the point of order: The witness is not answering the question. He is answering other questions.

**The Hon. NATALIE WARD:** That is a different proposition.

**Mr JUSTIN FIELD:** Indeed.

**The ACTING CHAIR:** The Minister can answer the question in the way he finds fit but the interruptions are disorderly.

**Mr STUART AYRES:** Can I just say, the response provided by—I think, looking at that document, it is a WaterNSW document. My assessment is that they apply the GIPAA requirements as per the law and that they provide the documentation based on that.

**Mr JUSTIN FIELD:** It is not a Cabinet-in-confidence document though, is it, Minister?

**Mr STUART AYRES:** No.

**Mr JUSTIN FIELD:** And just to be clear—

**Mr STUART AYRES:** Well, clearly WaterNSW—

**Mr JUSTIN FIELD:** No, this is the question: Will the EIS go to Cabinet for consideration before it is made public? Is that what you are suggesting?

**Mr STUART AYRES:** I am going to answer this by saying that we, as I have said over and over again, will engage the public in a transparent way—

**Mr JUSTIN FIELD:** That is not what I am asking, Minister.

**Mr STUART AYRES:** You are asking about what goes to Cabinet. I have said it to Mr Searle already, I am going to say to you: I am not in the habit—

**Mr JUSTIN FIELD:** My question is not actually about Warragamba Dam, it is about the process that you are using to try to prevent information coming out at a time line that does not suit you. It is a Cabinet-in-confidence document or not? Is that what you are suggesting?

**Mr STUART AYRES:** I do not mean to be rude about this but self-evidently the department that assessed the GIPAA thinks it is. I believe it is. The EIS will go to Cabinet before it goes on public release, like most of these substantial projects that go through Cabinet assessment before they go on public exhibition. We want to be able to allow people to see the impacts that raising Warragamba Dam will have on the environment so that they can assess those impacts against the benefits it will have in the community. I clearly accept there are people on both sides of this, which is why it is so important that we conduct this process in a fair and transparent manner, and that the EIS becomes the point at which everyone makes their assessments around those environmental impacts. The evolution of this project will mean that those environmental impacts will be constantly evolving as they are assessed: If you were to put them out three years ago versus what we know now versus what you will probably know by the time the EIS is concluded. You just let the public see the EIS.

**Mr JUSTIN FIELD:** Minister, what was the last EIS that you know that went to Cabinet for sign off before it was made public?

**Mr STUART AYRES:** I am going to go back to my earlier response: I do not comment on what goes before Cabinet.

**Mr JUSTIN FIELD:** Minister, I contest the suggestion that EISs regularly go to Cabinet before they are put on public exhibition. This is a requirement of the planning process of New South Wales. Cabinet has already made its decision to pursue this project. That is just not a reasonable proposition, is it, that any of the documents related to the preparation of this report can be considered Cabinet-in-confidence? It just means that we have to trust you. You are saying that it is going to be the single source of truth. But what I want to see is all of the consultants' commentary around that EIS and all of the departmental commentary around the development of the EIS, to see whether it is, in fact, a single source of truth or whether it is your truth.

**The Hon. NATALIE WARD:** Is there a question?

**Mr JUSTIN FIELD:** I am pretty sure we just got to the question.

**The Hon. NATALIE WARD:** I see it as a statement

**Mr JUSTIN FIELD:** It is to the Minister's time line, not to the public's, right? It is your source of truth, not necessarily the source of truth.

**Mr STUART AYRES:** I think that is, to be honest with you, Mr Field, an incredibly unfair statement around the professionals who are in the public service—whether they be in Water or Environment or Infrastructure NSW—and who are undertaking and have undertaken some of the most detailed flood mapping that has existed in this State's history, who have worked with environmental organisations and with Aboriginal organisations around the impacts of raising the dam wall. We do not do this blindly. We know that in the event of a flood the water has to stay behind the dam wall and that will have an environmental impact. That is because the water is not in people's living rooms or in their businesses.

We have to trade off some environmental impacts for the positive benefit of reducing the impact of a flood in western Sydney. What I am saying to you is that we want to do that in a clear and transparent fashion. We have not walked away from any of the oversight that existed from the Parliament. If agencies make a determination that documents are subject to Cabinet consideration, they have made that determination in their own right, in accordance with the Government Information (Public Access) Act. There will be an EIS. That EIS will allow people to make that assessment. It will also allow the Government to develop a business case and that business case will then be assessed by the Government.

**Mr JUSTIN FIELD:** I think you have been over this, Minister.

**Mr STUART AYRES:** Indeed, we have.

**Mr JUSTIN FIELD:** It is a very specific, clear question: Have you issued any directions to your department or any of the organisations that are working on this process for information to be declared through GIPAA requests as Cabinet-in-confidence?

**Mr STUART AYRES:** No.

**Mr JUSTIN FIELD:** Has your office?

**Mr STUART AYRES:** No.

**Mr JUSTIN FIELD:** So they have made those decisions themselves, based on the GIPA Act, according to you?

**Mr STUART AYRES:** That is correct.

**Mr JUSTIN FIELD:** Have the fires, which I know have significantly impacted the upstream environment from the dam wall, changed the timeline at all in terms of the finalisation of the EIS and when you would expect it to go on public exhibition?

**Mr STUART AYRES:** At this stage, no, but I think it is worth qualifying to say that the capacity to get into the sites that have been burnt during the recent fires and our capacity to assess those may have an impact on the timing of the EIS. I know that everyone is trying to avoid that, but a lot of it will be determined around the accessibility of the sites and the ability to determine whether additional assessments need to be taking place post the fires.

**Mr JUSTIN FIELD:** Given the significant burning in areas of the world heritage area, how can any of the biodiversity assessments that would already have been conducted still be valid? Will they not all have to be

redone? They will need to consider habitat types or similar habitat that has been lost locally, or the impact on threatened species. Surely a lot of that needs to be redone.

**Mr STUART AYRES:** The departments will do that work. They will provide me with advice around whether time frame changes need to take place. The point I would make to you and the point I would make to the public is that I want to ensure that a strong EIS that has assessed the environmental impacts is made available to the public, and where the impacts of the recent bushfires affect that EIS I have no reason to suggest that they will not be considered appropriately as that EIS is drafted. As I said before, we would like to be able to stick to our timelines around the middle of the year, but I qualify that by saying that if it takes longer to do additional assessments then that will clearly have an impact on the timeline in which an EIS can be made available to the public. I do not think that is an unreasonable statement to make.

**Mr JUSTIN FIELD:** I understand. So by "middle of the year", you are talking about June, July, August, September. Have you got an actual date that is your target at the moment?

**Mr STUART AYRES:** No, we have stuck to the middle of the year, I am not going to put a month in there. It is a substantial piece of work. I am much more focused on making sure that we have a solid constructive environmental impact statement that clearly demonstrates to the public those environmental impacts so that they can weigh those up against the benefits.

**Mr JUSTIN FIELD:** As late as October 2019—and these are the most recent documents I have—the Warragamba Dam raising steering group monthly report showed that critical activities in the EIS program continue to be delayed by Snowy Mountains Engineering Corporation. That is the biodiversity offset strategy and assessment report. Has that been completed yet, or are there still delays, because what has happened between November and now has probably made some of that work challenging.

**Mr STUART AYRES:** To be honest with you, I would have to take that on notice.

**Mr JUSTIN FIELD:** In that same document it is highlighted that further significant project costs from the biodiversity offset liabilities are likely to arise following the impact assessment. That is again noted in the steering group's monthly report, or it was the month before. What is the current total cost that you are using? Originally you were talking about \$700 million, or \$690 million I think, publicly. Are you using a current public cost on this project?

**Mr STUART AYRES:** No, and the other thing I would point out is that that cost that you have just stated was obviously in the dollar figure appropriate for that particular year.

**Mr JUSTIN FIELD:** Yes, 2016, so what do we add about a billion dollars now?

**Mr STUART AYRES:** I will let the business case be completed after we have completed the environmental impact statement so that the Government can make an assessment based on that cost. Let us be really clear: The raw dollar cost is going to be higher than that figure because of the time present value of money.

**Mr JUSTIN FIELD:** Is it only associated with that or have there been other costs that have been identified so far?

**Mr STUART AYRES:** There will be other factors that are identified through the EIS and the business case, which is why I have said time and time again that you have to do the EIS before you can complete the business case. We want to do this job properly.

**Mr JUSTIN FIELD:** I understand, Minister, but you came up with a cost when you first announced this project and you had not completed the EIS at that point.

**Mr STUART AYRES:** Yes.

**Mr JUSTIN FIELD:** So you based it on something—

**Mr STUART AYRES:** Yes.

**Mr JUSTIN FIELD:** I guess I am asking have any of those assumptions changed, or what were you basing that figure on originally?

**Mr STUART AYRES:** Infrastructure NSW had completed a piece of work at the time that gave them that cost. Substantial more work is being conducted. I am not going to speculate on what the estimated price or cost of this project will be until all of that work is completed. It is a significantly complex project. It has a profound social and economic impact on western Sydney and it also will have an impact on the environment. All of those



things need to be assessed. Will it cost more than the figure that was announced in 2016? Yes, it will. Am I going to put a figure on it now until we have completed that work? No, I am not.

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

**The ACTING CHAIR:** Thank you, Minister and officers. We will break for 10 minutes and come back at 11.05 a.m.

**(Short adjournment)**

**The ACTING CHAIR:** We will recommence with questions from the Opposition.

**The Hon. GREG DONNELLY:** Minister, I have questions relating to the job portfolio responsibilities you have. In the 2018-19 annual report for Jobs for NSW it was clearly stated that the Jobs for NSW function would become part of NSW Treasury. You are aware of that I presume?

**Mr STUART AYRES:** Yes.

**The Hon. GREG DONNELLY:** Going back from that point to the creation of the annual report that was published prior to 1 July 2019. When were discussions commenced with you about the potential or possible transfer of Jobs for NSW from your domain responsibility across to Treasury?

**Mr STUART AYRES:** To be clear, I am in the Treasury cluster and the decision to put Jobs for NSW into that Treasury cluster was taken at the point of construction of the administrative orders when the new government was formed.

**The Hon. GREG DONNELLY:** That is after the last State election.

**Mr STUART AYRES:** Yes.

**The Hon. GREG DONNELLY:** What was the discussion with you about that? Will you help us understand the conversations that took place? I am not asking you to break confidences, but were you spoken to about the fact that this was going to be moved into Treasury?

**Mr STUART AYRES:** Not at the time, to be clear. The administrative orders are issued normally on the day that we are sworn in and so the administrative arrangements around what agencies and Acts are allocated to specific Ministers are normally distributed on that day. That has obviously been a decision of government to consolidate. As you would be aware, there was consolidation of agencies after the election.

**The Hon. GREG DONNELLY:** Yes.

**Mr STUART AYRES:** And Jobs for NSW was allocated to Treasury.

**The Hon. GREG DONNELLY:** In respect of the responsibility for this entity, Jobs for NSW, that now falls within the purview of the Treasurer. Is that correct?

**Mr STUART AYRES:** The responsibilities of Jobs for NSW are allocated to me as the Minister but the arrangements for Acts sit where we often have joint responsibility based on the administrative arrangements that are published in the Parliament.

**The Hon. GREG DONNELLY:** With respect to the Jobs for NSW responsibility, how many Acts fall within that area of responsibility? In other words, with respect to Acts you have responsibility for, how many of those apply to Jobs for NSW?

**Mr STUART AYRES:** There is a Jobs for NSW Act. It was established in the past term.

**The Hon. GREG DONNELLY:** Do you have responsibility for that Act?

**Mr STUART AYRES:** I think the admin arrangements have it as a joint responsibility between the Treasurer and myself.

**The Hon. GREG DONNELLY:** The Treasurer and yourself. That is the position?

**Mr STUART AYRES:** Sorry?

**The Hon. GREG DONNELLY:** That is the position: it is joint responsibility for that Act?

**Mr STUART AYRES:** The Act allocations are often to the cluster Ministers and where there are Ministers in that same cluster that have portfolio responsibilities, there is often joint administration of those Acts. In the case of Jobs for NSW, I am fairly confident it is a joint allocation.

**The Hon. MARK BUTTIGIEG:** What is the ultimate aim of that Act? Presumably to create jobs?

**Mr STUART AYRES:** Jobs for NSW was established in the previous term. We have progressively wound down Jobs for NSW since the most recent election and have announced a public policy position called Global NSW, of which most of the functions of the Jobs for NSW entity, the board no longer exists, have been allocated to that.

**The Hon. GREG DONNELLY:** Jobs for NSW. That board no longer exists, did you say?

**Mr STUART AYRES:** Sorry?

**The Hon. GREG DONNELLY:** Just to clarify, the board for Jobs for NSW no longer exists?

**Mr STUART AYRES:** There is a board. It is just made up of public officials now, there is no external board, as per the Act.

**The Hon. GREG DONNELLY:** Why would you keep the board going if in fact Global NSW is the new modus operandi promoting Jobs for NSW?

**Mr STUART AYRES:** The members are: Secretary of Treasury and Secretary of the Department and Premier and Cabinet. The external board that had non-members of the Government, non-members of public service on it, no longer exists. That is a reflection of the fact that that functionality has moved over to Global NSW.

**The Hon. GREG DONNELLY:** With respect to Global NSW, do you have any input or involvement in that?

**Mr STUART AYRES:** Global NSW will largely have two responsibilities. It will be focused on administering the international network that the New South Wales Government has offshore.

**The Hon. GREG DONNELLY:** That would involve you though?

**Mr STUART AYRES:** No, the trade Minister looks after that, but also a lot of the functionality of Global NSW sits inside the Department of the Treasury, particularly on the investment attraction side, which is also within my remit. Funding for things like the Sydney Startup Hub will move into the Global NSW entity and that falls under my responsibility. There is a consolidation of those activities under that Global NSW brand and that brand will do trade, investment attraction, it will support emerging economies.

**The Hon. GREG DONNELLY:** That is primarily in the Treasurer's bailiwick, is it not, the responsibility for Global NSW?

**Mr STUART AYRES:** The Treasurer and the Deputy Premier.

**The Hon. GREG DONNELLY:** With respect to the review that took place of Jobs for NSW, was that a review that you had any input into?

**Mr STUART AYRES:** It was done by Treasury, so I will ask Ms Curtain to make some comments on that.

**Ms CURTAIN:** Treasury did a review of all of the entities that were coming into the Treasury cluster after the last election and that was one of them. It was undertaken internally within Treasury and made recommendations on the way forward. The Jobs for NSW fund still exists—

**The Hon. GREG DONNELLY:** Just before you move on. With respect to the recommendations, they are found in a report somewhere or a document?

**Ms CURTAIN:** Sorry?

**The Hon. GREG DONNELLY:** The recommendations from Treasury in regard to their assessment or examination of Jobs for NSW, they are found in a report somewhere?

**Ms CURTAIN:** Yes, there was a report prepared.

**The Hon. GREG DONNELLY:** Where would that report be?

**Ms CURTAIN:** That report is within Treasury and is a Cabinet document.

**The Hon. GREG DONNELLY:** It is a Cabinet document. So did the recommendations specifically get outside of the Cabinet in-confidence blanket or not?

**Ms CURTAIN:** Some of those recommendations have already been implemented, such as the minimum viable product grants are continuing. They have been open on the website. As decisions have been made that has been made public.

**The Hon. GREG DONNELLY:** How many recommendations were made, can I ask? Do you recall?

**Ms CURTAIN:** I cannot recall the number of the top of my head. A number of those recommendations were taken into account in the work that was done in establishing Global NSW.

**The Hon. GREG DONNELLY:** Will you take that on notice?

**Mr STUART AYRES:** Sorry, just to be clear, not wanting to get into the whole Cabinet thing again but—

**The Hon. GREG DONNELLY:** No, no. I understand your previous comments about that so I am not trying to—

**Mr STUART AYRES:** No, but I do think it is worth being up-front about our assessment of Jobs for NSW and the assessment that we undertook formed the basis of the creation of Global NSW.

**The Hon. GREG DONNELLY:** So you basically took the samurai sword to it? Obviously it was not performing and it was not delivering so a decision was taken to re-imagine what jobs might be in New South Wales and create the new brand Global NSW. That is a fair assessment?

**Mr STUART AYRES:** Yes. I think also to the deputy secretary's point that there was a number of agencies and entities that came into Treasury—Treasury assessed those. A lot of the functionality of Jobs for NSW still exists. The deputy secretary just mentioned minimal viable product grants as something that we are continuing to do. I think it is about making sure that New South Wales has the best-placed entity to drive trade opportunities and attract investment and facilitate job creation where Government intervention can play a role.

**The Hon. MARK BUTTIGIEG:** Minister, there was \$190 million allocated for Jobs for NSW. Can you tell us where that is at?

**Mr STUART AYRES:** There is a fund that is allocated that is still making some payments but that \$190 million was allocated over the last four years. Outside of the Jobs for NSW fund, which is still making some legacy payments, most of that budget has been exhausted.

**The Hon. MARK BUTTIGIEG:** So the vast majority of the \$190 million has been spent on job creation schemes?

**Mr STUART AYRES:** No, it was spent by Jobs for NSW. That process—without wanting to sound evasive—took place over the last four years before the creation of my portfolio and the consolidation of these activities into Global NSW, which the Premier, the Treasurer and the Deputy Premier announced earlier this year.

**The Hon. MARK BUTTIGIEG:** The residual of the \$190 million—do we have a figure for that?

**Mr STUART AYRES:** I do not have a figure in my head for what is left—

**The Hon. GREG DONNELLY:** But you will be able to take that on notice.

**Mr STUART AYRES:** I can take the Jobs for NSW fund on notice, yes.

**The Hon. MARK BUTTIGIEG:** What is the process of expenditure of that remaining \$190 million, if in fact it will be spent?

**Mr STUART AYRES:** The allocations that are still being invested are already committed and there are legacy payments from the Jobs for NSW fund. As part of Jobs for NSW when that was created—

**The Hon. MARK BUTTIGIEG:** When you say "legacy payment", let us say hypothetically it is \$20 million, just for argument's sake. Has that \$20 million been committed?

**Mr STUART AYRES:** No, no. They will be payments directly to organisations that entered into agreements with Jobs for NSW.

**The Hon. MARK BUTTIGIEG:** Right. So the full \$190 million has been committed in one way or another?

**Mr STUART AYRES:** Yes.

**The Hon. MARK BUTTIGIEG:** Does Treasury get to say where that goes and how it is spent now?

**Mr STUART AYRES:** No. To be clear, that \$190 million was from 2015 through to 2019. If there are funds still left in the Jobs for NSW fund we have moved them over to the Global NSW activities.

**The Hon. MARK BUTTIGIEG:** When will those funds be spent?

**Mr STUART AYRES:** Global NSW has been announced. It will have a budget allocation in the upcoming budget.

**The Hon. GREG DONNELLY:** Minister, I am just trying to discern—as the jobs Minister, the Jobs for NSW responsibility exists still and it has now been morphed into Global NSW and is primarily the responsibility of the Treasurer. That has been taken from you in terms of job responsibilities. The Treasurer himself would certainly assert very strongly that he has responsibility for the New South Wales economy, and jobs are a key part of that. I accept that you have spoken at the budget estimates hearings last year about jobs associated with the aerotropolis development, so that is clearly a statement you made before. And we have obviously Minister Barilaro primarily being a spokesperson on jobs outside the major cities in New South Wales.

On a day-to-day basis, what do you actually do in regard to being the jobs Minister? What does that entail you doing? We are trying to understand precisely because people actually ask, if you get out there and talk, "What does the jobs Minister do?" We are wanting to get some clarity around what you are doing now in your capacity as the jobs Minister, with some precision.

**Mr STUART AYRES:** The first thing I would say is that the overall performance of the New South Wales Government with relation to job creation stands there for all to see. As a specific reference point, the current unemployment rate in New South Wales stands at 4.5 per cent against a national figure of 5.3 per cent in January. So we are well above the performance of the rest of the nation. We are outstripping job-creation performance compared to other individual States. The work around job creation is not done by one single Minister. Hence, as you have indicated, the Deputy Premier has a very strong role to play in the advocacy of activity in regional—

**The Hon. MARK BUTTIGIEG:** Minister, your title says "Minister for jobs".

**Mr STUART AYRES:** Sorry, just let me finish. Obviously the Treasurer has overall carriage of the economic performance of the State and I work quite closely with him as well. We have taken a precincts-based approach to our investment attraction and job-creation activities. Our focus here is about where you can invest directly from the Government's balance sheet to support the creation of jobs in areas that the Government wants to accelerate job activity.

**The Hon. MARK BUTTIGIEG:** Is part of your role—

**Mr STUART AYRES:** Sorry, I am answering. Three of those are the Sydney Innovation and Technology Precinct located near Central Station, the Westmead and North Parramatta Health and Education Precinct, and the third in metropolitan Sydney is the Western Sydney Aerotropolis.

**The Hon. GREG DONNELLY:** Minister, I have given you a fair enough time to give context and I understand that, but mine was a very precise question. In terms of you as a Minister of the Crown—the jobs Minister in New South Wales—specifically taking into account those factors I have described in terms of the movement away of Jobs for NSW to Treasury in a new, more globalised title, the matter is to do with the Treasurer's responsibility on jobs and the Deputy Premier's responsibility in terms of jobs outside of Sydney. Taking for granted your comments about the aerotropolis and western Sydney jobs, what do you actually do in terms of the matter as the jobs Minister? Let me put it this way—

**Mr STUART AYRES:** No, no. I am going to answer. I have carriage for the three economic development precincts in Sydney that the Government has stated as its primary focus around the generation of new and emerging jobs.

**The Hon. GREG DONNELLY:** Are they the ones you have just mentioned?

**Mr STUART AYRES:** Yes. Sydney Innovation and Technology Precinct—

**The Hon. GREG DONNELLY:** Can I ask you this, then? With respect to the jobs responsibilities you have as the jobs Minister, can you explain the staffing structure in your office about who works for you on this? Do you have a chief of staff or can you explain to the Committee who in your office works specifically on the jobs part of your responsibility?

**Mr STUART AYRES:** I have a small team. There is not a demarcation for individual—

**The Hon. GREG DONNELLY:** How many is in that small team?

**Mr STUART AYRES:** Off the top of my head I think it is six, but you can find that. It is publicly available.

**The Hon. GREG DONNELLY:** No, no. I just want to work through this carefully. You have got six staff. They are full-time equivalents?

**Mr STUART AYRES:** Yes, ministerial staff.

**The Hon. GREG DONNELLY:** Yes—working for you on jobs. Is that your evidence to the Committee today?

**Mr STUART AYRES:** To be clear, my ministerial staff work across all of my portfolios. I do not have a demarcation across my individual office. To avoid confusion, I am based in the Treasury cluster and the functionality around investment attraction, our precincts, the economic development functions—

**The Hon. GREG DONNELLY:** I am interested in jobs, Minister. You are the jobs Minister and I am wanting some precision, and people are wanting some precision, around what specifically does the jobs Minister in New South Wales do?

**Mr STUART AYRES:** I deliver the three most important economic development and job-creation precincts that the State Government invests in as part of its strategy.

**The Hon. GREG DONNELLY:** I am not being offhand about this, but if we are looking for a job description of what you do as the jobs Minister you would reduce that essentially to describing the promotion of those three projects? Is that essentially your position?

**Mr STUART AYRES:** Those three precincts are the pointy end of our jobs-attraction focus. It is important to note, I have to say, that where the Government chooses to invest its money is about identifying where future jobs will be located.

**The Hon. GREG DONNELLY:** I am talking about the jobs. You are the jobs Minister, okay?

**The Hon. TAYLOR MARTIN:** Point of order: I have listened to quite a while here. At each occasion where the Minister is trying to give a full answer he is interrupted by the members of the Opposition. With all due respect, the Minister is seriously trying to give a pretty full answer to this question.

**The ACTING CHAIR:** Order! A bit of robustness is allowed, but I ask the Minister and the member to catch their answers.

**Mr STUART AYRES:** On top of those precincts we have also recently released the NSW space industry development strategy. I have carriage of the Defence NSW strategy.

**The Hon. GREG DONNELLY:** And that fits into your jobs responsibilities?

**Mr STUART AYRES:** Yes.

**The Hon. GREG DONNELLY:** The aerospace one fits into your—

**Mr STUART AYRES:** Yes, that is correct. The purpose of us identifying these industries or sectors is because the Government identifies them as the areas where we will be able to grow jobs into the future.

**The Hon. MARK BUTTIGIEG:** I want to follow up on that point. Who identifies those areas for potential strategic growth? I assume that is Treasury?

**Mr STUART AYRES:** Yes, I think you would have heard testimony from the Chief Economist yesterday that the Government has released an economic blueprint for the future of the New South Wales economy. Underpinning that, is where jobs will be created into the future.

**The Hon. MARK BUTTIGIEG:** If they identify these growth opportunities—X, Y, Z—hubs, regions, parts of the economy, what is your role in bringing that to fruition?

**Mr STUART AYRES:** My job is to execute that strategy?

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

**Mr STUART AYRES:** To develop a Sydney Innovation and Technology Precinct, to develop the aerotropolis precinct. In that case we have set a target of creating 200,000 additional jobs in the Western Parkland City. The aerotropolis is fundamental to delivering that. The aerotropolis and Western City & Aerotropolis Authority that we have set up has entered into 18 memorandums of understanding [MOUs] around investment

from both international and Australian businesses who will set up in the aerotropolis. By the very nature of investment they will generate jobs in those locations.

**The Hon. GREG DONNELLY:** I am confused. I do not understand because as much as what you describe you are doing in terms of your role as jobs Minister is precisely what the Treasurer does.

**Mr STUART AYRES:** I am in the Treasury cluster.

**The Hon. GREG DONNELLY:** I do understand that.

**Mr STUART AYRES:** I work very closely with the Treasurer. I work very closely with the Minister for Finance and Small Business. We are the three Ministers in that cluster. I think the allocation of our responsibilities reflects the strategic objectives of this Government to grow the New South Wales economy. We do so by making our economy export more internationally, be more attractive for foreign direct investments.

**The Hon. GREG DONNELLY:** If you are working essentially hand in glove with the Treasurer—that is probably the best way to describe it—you assert that you have a target of creating 200,000 jobs with the new aerotropolis project?

**Mr STUART AYRES:** Yes, in the parkland city, yes.

**The Hon. GREG DONNELLY:** Will you direct us to where the economic modelling is that you have which enables you to say that prediction or to forecast that 200,000 will be created?

**Mr STUART AYRES:** Sorry, that is a target. We have set that as a target. That is our objective and so the decisions that we are making around land-use planning, infrastructure investment, our MOU partners are all designed to achieve that target.

**The Hon. GREG DONNELLY:** Where did the target of 200,000 jobs come from?

**Mr STUART AYRES:** That came from the work that was originally done by the aerotropolis authority and the Greater Sydney Commission. We established that as part of our formulation of the city deal, which is a tripartite agreement between the Commonwealth Government, the State Government, and eight councils that substantially make up the Western Parklands City.

**The Hon. GREG DONNELLY:** That is a figure that you have picked up from someone else and you are prepared to run with and you believe that is achievable in the period of time that you have set out. Is that correct?

**Mr STUART AYRES:** That is exactly what the whole purpose of the economic strategy, the parkland city and the aerotropolis is designed to achieve. That is about ensuring that as population grows in western Sydney where there has been a jobs deficit compared to the number of people who live in that location—that is, there are more people who live in the west than there are jobs.

**The Hon. GREG DONNELLY:** I am asking about where the figure of 200,000 came from?

**Mr STUART AYRES:** Yes. That was established as part of the city deal between the Commonwealth, the State and the eight councils.

**The Hon. GREG DONNELLY:** Are you happy to run with that figure?

**Mr STUART AYRES:** That is what we have gone and invested in, substantially rail, road, investment attraction, MOUs—

**The Hon. GREG DONNELLY:** That is fine. I will come to that later. I refer to what you do as the jobs Minister. You have identified three particular hubs for which you have primary responsibility that you are driving and are very proud of. Other than that, in other words, focusing on them and promoting them, what else do you do as the jobs Minister?

**Mr STUART AYRES:** We will also deliver an advanced manufacturing strategy which we have indicated that we will do. We will also work to cultivate investment in our medical technology sectors.

**The Hon. GREG DONNELLY:** But you are not doing that yourself?

**Mr STUART AYRES:** Sorry? What do you mean by that?

**The Hon. GREG DONNELLY:** That work is not being done by your six staff, surely?

**Mr STUART AYRES:** No, it is being done by me. It is being done by—

**The Hon. GREG DONNELLY:** It is done by Treasury?

**Mr STUART AYRES:** Yes, that is right. I am in the Treasury cluster.

**The Hon. GREG DONNELLY:** I do understand that but I am saying that what we really have, to be perfectly frank—and I do not want to be rude about this—is a faux jobs Minister.

**Mr STUART AYRES:** No, I categorically reject that.

**The Hon. TAYLOR MARTIN:** This is ridiculous.

**The Hon. BEN FRANKLIN:** The Minister has already said he is delivering three major precincts. There are two substantial bodies of work that he has now detailed that he is working on as well.

**The Hon. GREG DONNELLY:** Is that a point of order?

**The Hon. BEN FRANKLIN:** The whole line of questioning is absurd, that is my point of order.

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

**The Hon. BEN FRANKLIN:** Yes, it is ridiculous.

**The ACTING CHAIR:** Did you respond to that point of order?

**The Hon. GREG DONNELLY:** I think the Minister had finished.

**Mr STUART AYRES:** I was just going to say—

**The Hon. MARK BUTTIGIEG:** To the point of order: I do not think it is for the honourable member to make subjective judgements—

**The ACTING CHAIR:** There is no point of order.

**Mr STUART AYRES:** On top of that we also look after the Sydney Startup Hub.

**The Hon. GREG DONNELLY:** This is the point, is it not? At the end of the day you do not have any particular responsibility as the jobs Minister, do you? It is shared with essentially the Treasurer and maybe others. Is that correct?

**Mr STUART AYRES:** I completely and fundamentally reject that proposition.

**The Hon. GREG DONNELLY:** You do?

**Mr STUART AYRES:** Yes, I do.

**The Hon. GREG DONNELLY:** What is the likely impact of the compound effect of the drought, the bushfires and the coronavirus that is happening before us on jobs in New South Wales?

**Mr STUART AYRES:** All three of those will have a substantial impact on the ability for the New South Wales economy to continue to grow. Therefore, they will have an impact on the capacity for the economy to continue to create new jobs.

**The Hon. GREG DONNELLY:** What information have you been provided with respect to the compound impact of those three things on jobs specifically?

**Mr STUART AYRES:** I think you have seen already substantial advice from the Commonwealth, the Reserve Bank, the State Economist, the New South Wales Treasurer—

**The Hon. GREG DONNELLY:** I am asking you as the jobs Minister who is claiming—

**Mr STUART AYRES:** Sorry, Treasury does not function in a way that it only provides the information to one Minister.

**The Hon. GREG DONNELLY:** I am asking you as the jobs Minister, what is the impact?

**Mr STUART AYRES:** The full impact—it is very similar to an answer I gave Ms Cate Faehrmann earlier—of them will be seen over a longer period of time. The New South Wales Government has already made a substantial investment into bushfire recovery. We have made substantial investments into underpinning rural and regional economies through drought assistance.

**The Hon. GREG DONNELLY:** Minister, you know my question was very specific. What is the best information that has been provided to you as the jobs Minister from Treasury?

**Mr STUART AYRES:** I have been answering it.

**The Hon. GREG DONNELLY:** We have a Treasury spokesperson here to tell the Committee. A lot of people are interested in this matter. What is the likely impact of the compound effect of those three things on jobs in New South Wales?

**Mr STUART AYRES:** They will have a substantial impact.

**The Hon. MARK BUTTIGIEG:** So Treasury has done no interim specific modelling to project the effect of the downturn from those three catastrophic events and told you what it translates to jobs?

**Mr STUART AYRES:** No, that is not correct.

**The Hon. MARK BUTTIGIEG:** Well, just answer the question. How many?

**The Hon. NATALIE WARD:** He is trying to.

**The Hon. GREG DONNELLY:** The question I am trying to ask the Minister—

**The Hon. NATALIE WARD:** If you let him finish we can hear the answer.

**The Hon. GREG DONNELLY:** The Minister knows what the question is.

**Mr STUART AYRES:** Actually what I really think is that you do not treat medical technology, you do not treat the aerotropolis, you do not treat the Sydney Innovation and Technology Precinct—

**The Hon. GREG DONNELLY:** Minister, you are avoiding answering the question.

**Mr STUART AYRES:** —you do not treat the Central Coast as locations that are important for job creation in this State.

**The Hon. GREG DONNELLY:** Minister, you are avoiding answering the question.

**Mr STUART AYRES:** You want to try to create a perception that the NSW Treasury and the three Ministers that oversee that department do not work together. That proposition is false.

**The Hon. MARK BUTTIGIEG:** You do not have a handle on how many jobs, Minister, because you are not answering it.

**Mr STUART AYRES:** No, I just—

**The Hon. NATALIE WARD:** Point of order: I know that the Hon. Greg Donnelly is a longstanding member of the Legislative Council and is well experienced in committee hearings. It is, however, difficult when two members are asking questions at the same time. I ask that members, while returning their enthusiasm for this estimates process, allow one person to speak at a time.

**The ACTING CHAIR:** I uphold that point of order. I ask members to ask questions individually.

**The Hon. GREG DONNELLY:** Minister, am I able to direct my question to the representative from Treasury about the impact because it is a very significant matter in which people are interested. Do you accept responsibility for jobs as the Minister?

**Mr STUART AYRES:** No.

**The Hon. GREG DONNELLY:** I am asking a very specific question about the impact on jobs.

**Mr STUART AYRES:** Yes, and we have said, as a government, and I am saying clearly here again, that the impact of drought, the impact of bushfires and the long-term impacts of coronavirus, which are still evolving literally day by day are being assessed day by day. The Treasurer has announced, along with the Premier and the Deputy Premier and a swathe of Ministers across all of their respective portfolios, investments that help shore up the State's economy during a period of time of immense challenge. What I can tell you is that the New South Wales economy is incredibly well placed to be able to handle these challenges and that is because of the strong financial management of this Government and the resilience of the New South Wales economy. That, in a jobs context, is best—

**The Hon. GREG DONNELLY:** Minister, I have to move on because you are deliberately refusing to answer my question.

**The Hon. BEN FRANKLIN:** No, you just do not like the answer.

**The ACTING CHAIR:** Order!



**The Hon. GREG DONNELLY:** The question is the impact. To say it is going to be significant, Minister, is no answer. The Treasury representative here today would have some insights into some specificity around the impact. Will you enable the Treasury representative to answer the question?

**Mr STUART AYRES:** The evolution of this emerges at such a rapid pace—

**The Hon. GREG DONNELLY:** So you are not prepared to answer the question.

**The Hon. NATALIE WARD:** Point of order: There are 25 minutes left for this morning session. There do not appear to be any crossbench members so it appears that the 25 minutes are available for Opposition members. There is, therefore, no reason to rush whatsoever. I ask that the witness is allowed to finish his answer in a fulsome way so that all Committee members can hear—

**The ACTING CHAIR:** I hear the point of order.

**The Hon. MARK BUTTIGIEG:** To the point of order: The question was extremely specific. It was about whether or not the jobs Minister has any idea of how many jobs are likely to be affected as a result of a potential downturn.

**The Hon. NATALIE WARD:** That is not my point of order.

**The Hon. MARK BUTTIGIEG:** And the answer was it was significant.

**The Hon. NATALIE WARD:** You are out of order.

**The ACTING CHAIR:** Members, we are now becoming argumentative across the table. Let us have a bit of order. When a member asks a question the Minister has a right to respond and then there can be follow-up questions. Can I ask a question, Minister? I did hear you say that the Treasurer has modelling, when you were asked a question about—

**Mr STUART AYRES:** The Chief Economist has modelled for the economic blueprint. I do not believe any person could sit here today and be able to tell you—

**The Hon. MARK BUTTIGIEG:** Sorry, Minister, "for the economic blueprint". Do you mean that was already preordained prior to the potential downturn.

**Mr STUART AYRES:** That is correct, yes.

**The ACTING CHAIR:** I think the question was: When you were asked about the impacts of coronavirus and the bushfires, you suggested that there was modelling by the Treasury.

**Mr STUART AYRES:** We have said that it may have as much as 0.5 percentage point on the New South Wales economy. That has been publicly stated numerous times.

**The Hon. MARK BUTTIGIEG:** So what does 0.5 per cent of the New South Wales gross domestic product translate into jobs? Surely there has to be some sort of proxy.

**Mr STUART AYRES:** There is not a linear curve that projects that.

**The Hon. MARK BUTTIGIEG:** I understand that, Minister, but there will be some sort of progression analysis with which Treasury determines what the jobs are. Do you have that answer or not?

**Mr STUART AYRES:** The impact is still evolving. This is why the Government has made a very strong response to bushfires. It is why it has made a sustained and strong response to drought. Those two things alone fundamentally underpin why the unemployment rate in New South Wales is nearly a full percentage point lower than what it is across the national average and is in excess of a full percentage point against some other States. Those are the decisions that we have made that have kept jobs strong in this State.

**The Hon. MARK BUTTIGIEG:** Minister, if I could just take you to that, if you are saying that there is a sustained and proportionate response—I understand the Federal Government has announced a \$10 billion stimulus package—what is the New South Wales Government doing specifically to complement that package, other than pre-announced projects?

**Mr STUART AYRES:** The announcement around the Commonwealth has obviously taken place while this hearing has been happening.

**The Hon. GREG DONNELLY:** He is talking about the New South Wales response.

**Mr STUART AYRES:** But the Treasurer has also indicated that the New South Wales Government will be looking at its own investments to be able to stimulate the New South Wales economy.

**The Hon. GREG DONNELLY:** He has identified tourism as being a key part of that, has he not?

**Mr STUART AYRES:** Tourism has been substantially impacted by bushfires and will be impacted by coronavirus.

**The Hon. GREG DONNELLY:** No, I am saying that you are aware that he has identified and reported in the media as having said that tourism is going to be a major part.

**Mr STUART AYRES:** Yes.

**The Hon. GREG DONNELLY:** In regard to that, what discussions have you had with him in terms of putting forward tourism propositions, be they initiatives or programs, to incorporate within his response to the compound effect of these—

**Mr STUART AYRES:** The first thing that we have done is provide an immediate allocation to run a demand-driving marketing campaign focused on New South Wales residents to drive activity into the New South Wales tourism sector.

**The Hon. GREG DONNELLY:** No, that is looking backwards, Minister.

**Mr STUART AYRES:** Yes, but it is—

**The Hon. GREG DONNELLY:** But I am asking you what are the examples of programs or initiatives for consideration that you have put to the Treasurer in the package that he is going to announce shortly, as we understand.

**The Hon. NATALIE WARD:** Point of order: This is not relevant to the budget expenditure for 2019-20. There is a budget coming up.

**The ACTING CHAIR:** What is not relevant?

**The Hon. NATALIE WARD:** The Treasurer in estimates hearings yesterday said that he will not be pre-announcing anything. My point is relevance.

**The Hon. GREG DONNELLY:** To the point of order:

**The Hon. MARK BUTTIGIEG:** To the point of order—

**The Hon. GREG DONNELLY:** This is to do with immediate relief and expenditure, which has been flagged—

**The Hon. NATALIE WARD:** In future announcements.

**The Hon. GREG DONNELLY:** No, by the Treasurer of this State. He has identified tourism and underlined it as being a key sector to focus on. My questions go to very specifically: Minister, what have been your submissions to the Treasurer around priorities in this area?

**The Hon. NATALIE WARD:** It is not relevant.

**Mr STUART AYRES:** I have no intention of speculating on what future announcements of the Government will be, whether that be in the context of coronavirus responses or the upcoming State budget.

**The Hon. GREG DONNELLY:** The people out there in regional and rural New South Wales have been absolutely hit for a six and hit out of the park with respect to the impact, particularly with respect to the bushfires, but one can add in now the compound effect of coronavirus and the predating of the drought and you are going to sit there and say you have nothing to say about what the Government might do. That is appalling, Minister.

**Mr STUART AYRES:** No, that is the exact—

**The Hon. GREG DONNELLY:** They are suffering, Minister, and you are sitting there and saying you will not touch it.

**The Hon. BEN FRANKLIN:** That is not what he is saying.

**The ACTING CHAIR:** Order! A question has been asked.

**The Hon. GREG DONNELLY:** That is appalling, Minister.

**The Hon. NATALIE WARD:** That is your behaviour.

**The ACTING CHAIR:** Order!

**Mr STUART AYRES:** Once again, I fundamentally reject the proposition of the statement. I do not actually consider it a question. I think it is argumentative.

**The Hon. GREG DONNELLY:** Because you will not answer it.

**Mr STUART AYRES:** You have completely ignored, as I have said time and time again, that there is a strong drought response from this Government. We have invested across rural and regional New South Wales.

**The Hon. GREG DONNELLY:** We will have to move on, Minister, because I have asked you a very specific question about tourism, which you have responsibility for and you know that.

**Mr STUART AYRES:** Yes, and I have—

**The Hon. GREG DONNELLY:** You have an opportunity to give some succour and comfort to the people in regional and rural New South Wales that you are in there fighting very hard to try and boost tourism.

**The Hon. NATALIE WARD:** But he is.

**The Hon. GREG DONNELLY:** No. And that you are talking with the Treasurer and these are the sorts of things that you bowl up. I am not asking you to say they are going to be committed to but there are people out there wanting to hear about the leadership that you are giving in tourism.

**Mr STUART AYRES:** Yes. I would say that if the Treasurer has said publicly that he believes tourism is a fundamentally important part—

**The Hon. GREG DONNELLY:** You are aware of that, aren't you?

**Mr STUART AYRES:** Yes. I am fairly confident my advocacy—

**The Hon. GREG DONNELLY:** You did not know about it until I raised it about five minutes ago, obviously. You do not read the newspapers, obviously.

**The Hon. NATALIE WARD:** Point of order—

**The ACTING CHAIR:** I know what you are asking.

**Mr STUART AYRES:** It is actually rather humorous.

**The ACTING CHAIR:** I know the point. I ask the Hon. Greg Donnelly not to engage in arguments with the Minister.

**The Hon. NATALIE WARD:** It is more than that. It is treatment of witnesses, Mr Chair. Our House passed a procedural fairness resolution. The Hon. Greg Donnelly was a member of the House at that time. Paragraph 19 is the agreement of the House by motion that witnesses will be treated with courtesy at all times. The raising of a voice, yelling and badgering are not courteous. I ask that he phrase his enthusiasm in a courteous way.

**The Hon. MARK BUTTIGIEG:** Perhaps at this point I could ask a follow up question which will be much more courteous than my colleague's.

**The ACTING CHAIR:** Let me first say that this is not the forum for raising voices and being argumentative. This is an opportunity for this budget estimates committee to get some answers from the Minister and for the Minister to afford the Committee some responses—positive responses, hopefully. I ask that this does not descend into an argumentative forum. Who will ask the question?

**The Hon. MARK BUTTIGIEG:** Minister, my colleague was simply making the point and I will rephrase the question in a different context—well, in a similar context. You are the Minister for Jobs, Investment, Tourism and Western Sydney. We have had three calamities, one of which was eminently known well in advance of where we are now: the drought. The second one was a catastrophe that perhaps was not as predictable as it could have been because of the nature of it but we now know the extent of the damage and we have had months to analyse that. Then on top of that there is the coronavirus. We have got a jobs, investment and tourism Minister who is basically deferring to the Treasury to say, "Look, just wait. They will come up with the answer soon. I don't know." That is pretty much how you answered the question. We want to know what you have done as the jobs and investment Minister to say, "Here is where the opportunities are. We need to accelerate this investment in X, Y, Z to create these jobs." That analysis has not been done by you, has it?

**Mr STUART AYRES:** Sorry, I just reject the proposition completely. Whether it be special activation precincts in regional New South Wales, whether it be the response of the State Government on drought, whether it be the response of the State Government in relation to bushfires, whether it is the administration of Federal Government grants to small businesses or loans to small businesses in New South Wales, whether it be the creation of the Sydney tech and innovation precinct, whether it be the creation and establishment of the western Sydney health and med-tech precinct at Westmead, or the aerotropolis, they are all substantial policy positions that have been established that will drive economic growth and create jobs in regional New South Wales.

**The Hon. MARK BUTTIGIEG:** So as a result of those three things you have identified—

**Mr STUART AYRES:** Let me finish.

**The Hon. MARK BUTTIGIEG:** —drought, bushfire, coronavirus—

**The Hon. BEN FRANKLIN:** Let him finish the answer.

**The Hon. MARK BUTTIGIEG:** I am following up. I do not want to hear a speech.

**The ACTING CHAIR:** Let the Minister finish.

**Mr STUART AYRES:** In response to coronavirus, as we have said as a government time and time again, the response to coronavirus is one that is constantly evolving; it is one where it requires engagement between the Commonwealth and the States. As you have said in your statements earlier, the Prime Minister has made an announcement while this hearing is taking place. The State Treasurer has already alluded to the fact that there will be a State Government response. I have advocated, as is my responsibility—and, quite frankly, the expectation of every single one of my Cabinet colleagues—around investments into the areas that they have responsibilities for. Tourism is a fundamental pillar of the New South Wales State economy; it counts for one in 22 jobs, and I have little doubt that the response from the State Government, included in either imminent responses or the formulation of the upcoming budget, will be geared to responding to the challenges that are presented to the State.

**The Hon. GREG DONNELLY:** Can I just say that is pretty rich, Minister. For a Minister who has presided over huge cuts to Destination NSW last year and the year before, for you to come in here and tell us how important tourism is—

**The Hon. NATALIE WARD:** Is there a question?

**The Hon. GREG DONNELLY:** —it is pretty rich you making that claim it is so important.

**The ACTING CHAIR:** Minister, can you please enlighten us as to the status of the North South Rail Line connecting St Marys to the airport?

**Mr STUART AYRES:** The Commonwealth and State governments, as part of the City Deal announcement, committed to delivering the North South Rail that creates a connection between the T1 Western line and the airport and the Aerotropolis Core. Both governments have committed to delivering that project when the airport opens, and there is no change to that.

**The ACTING CHAIR:** So it will be delivered in 2026 when the airport will be opened?

**Mr STUART AYRES:** The Commonwealth has indicated that they believe the airport will open in 2026 and we will open the rail line when the airport opens.

**The ACTING CHAIR:** What about from your understanding of it, apart from the Commonwealth? Do you think it will be open in 2026 and the rail line would be ready by then?

**Mr STUART AYRES:** Yes, I think the rail line will be functional when the airport opens.

**The ACTING CHAIR:** Have the rail line plans been put out?

**Mr STUART AYRES:** No, we have not announced the contracting or structure of that work. We are in the process of developing it. It is, as you would appreciate, a substantial project, but I see no reason why we will not be in a position to deliver what we announced as part of the City Deal with that rail line connecting to the airport when it opens.

**The ACTING CHAIR:** Minister, members of the local government in Penrith are stressed about the fact that there is lack of transparency on this issue and they have made a number of public statements. What is your response to them that this is becoming really a joke—that it was announced in 2018, now it is 2020, it will

be in six years the delivery of the airport and that there is not even a rail line map that they can see where the stations will be?

**Mr STUART AYRES:** Sorry, there is a rail line corridor. It has been publicly released; councils are absolutely aware of it. I am conscious of the fact that there is an upcoming local government election and local councillors might well be looking to use this period of time to be able to inform their public that they have been able to get a great outcome from the State and the Commonwealth governments. But I can say with complete confidence that this Government is absolutely committed to delivering that North South Rail Line. Stage one of that line, which will ultimately link the north-west with the south-west over a much longer period of time, is a complete economic and social game changer for western Sydney, and is a core outcome and fundamental pillar of the City Deal.

**The ACTING CHAIR:** But, Minister, local government think that there is a real sense of uncertainty in the whole process. Do you keep them informed as the major players in this?

**Mr STUART AYRES:** I meet with the mayors of the City Deal regularly and the comments that I have presented to you are exactly the same comments I have presented to them.

**The ACTING CHAIR:** But, Minister, Mayor Ross Fowler said, "We are very concerned that without appropriate station location the communities of western Sydney will miss out on promised jobs, housing and economic outcome." This is the mayor of Penrith city.

**Mr STUART AYRES:** Indeed, and I can say to the mayor of Penrith council and all of the residents in the Penrith local government area, as well as that of Liverpool and Camden, that the North South Rail Line will be delivered when the airport opens.

**The ACTING CHAIR:** Have the stations been identified where the various stations will be?

**Mr STUART AYRES:** The rail line has not been released publicly with station locations.

**The ACTING CHAIR:** Why not? It has been two years.

**Mr STUART AYRES:** To avoid property speculation and to ensure that the New South Wales taxpayer gets fair value.

**The ACTING CHAIR:** When will it be released?

**Mr STUART AYRES:** It will be released when we have completed the work that allows us to show all of that work and be in a position where we can start that project.

**The ACTING CHAIR:** When will that be, Minister?

**Mr STUART AYRES:** When it is completed.

**The ACTING CHAIR:** But there are only six years between now and 2026 when the airport should be operational, up and running, and you do not have rail, the people of Penrith, the people of western Sydney, do not know where the railway line will be; they cannot create jobs, they cannot—

**Mr STUART AYRES:** I can accept that the State Government has not announced the location of stations. There are stations that are known; those stations are already fixed on existing lines or well-established locations—that is, St Marys where the juncture of the train line will work. There has been a public announcement that the airport will have train stations and there will be a station in the Aerotropolis Core. The other stations on that line have not been announced. The technical evaluations of that rail line before it goes to market need to be completed.

I have no intention of fostering any more property speculation along that corridor than what already exists in an area, where between the State and the Commonwealth governments we have committed to billions of dollars of road, rail and airport infrastructure, which has generated a lot of interest in those locations. It is fair that we announce that information when it is ready to go and that everyone gets an equal look at it.

**The ACTING CHAIR:** And that is the core question, Minister: When is it ready to go? The community has a right to know when this big major project that will boost the economy of western Sydney will kick off.

**Mr STUART AYRES:** I want to make sure that when the Government is in a position to deliver that project it understands the full costs of that project, it understands the technical delivery of that project, it is in a position to be able to start to go to market—that is when we should inform the public. What we have said consistently since the formulation of the City Deal—which both governments have agreed to and have been

consistent on in their public commentary, which should give confidence to all of those councils—is that the Commonwealth had indicated that they will deliver the airport in 2026 and we have said consistently that we will deliver a rail line to the airport when it opens.

**The ACTING CHAIR:** But you cannot tell the community when it will commence?

**Mr STUART AYRES:** We will start that project as soon as we possibly can. What I want to do though is ensure that that project is ready to go to market, that it is funded, that appropriations have been made. We have said that we are in a partnership with the Commonwealth Government; we want to make sure that they are in a position to do that. When all of those things are agreed to we will be in a position to make an announcement and go to market.

**The ACTING CHAIR:** When will it go to market? In six months? In a year? It is important that the community knows.

**Mr STUART AYRES:** I am not going to speculate on the exact date, but we are—as you would expect, given the time line delivery of this project—nearing those public announcements.

**The ACTING CHAIR:** What is the time line? I am not aware. Can you tell us?

**Mr STUART AYRES:** I mean the time line for delivery of the project being when the airport opens.

**The ACTING CHAIR:** Minister, what is the situation with the M12?

**Mr STUART AYRES:** The M12 is a reserved corridor—actually, the M12 is a road that will link the M7 to the Northern Road; it is part of the western Sydney road and infrastructure program; it is co-funded by the Commonwealth and State governments. The Commonwealth, at its most recent budget, increased its investment in that project to reflect its cost and the intention is to deliver a motorway grade connection from the M7 to the airport and then a short link to the Northern Road.

**The ACTING CHAIR:** Is it not due to kick off this year?

**Mr STUART AYRES:** It has been subject to substantial community consultation. You would have to ask the transport Minister around the exact date and time at which they are proceeding to go to their work but the corridor is well known, community consultation around property acquisition I think has been undertaken, the budget has been allocated, so that project is nearing its start date.

**The Hon. GREG DONNELLY:** Minister, just returning to the matter of tourism: As you are aware, Minister, in 2018-19 the budget for Destination NSW was cut by \$33 million.

**Mr STUART AYRES:** Yes.

**The Hon. GREG DONNELLY:** And in 2019-20 it was cut by a further \$35 million. That is a 16 per cent cut followed by a 20 per cent cut, so roughly about \$68 million cut from the capacity of Destination NSW to carry out its works. With respect to the tourism recovery package, which was announced in February this year, of \$10 million, that \$10 million that was allocated. Where was that sourced from? Was that existing Destination NSW funds, or was that additional money provided to you through Treasury?

**Mr STUART AYRES:** I stated this earlier: that was money that was from the existing Destination NSW budget.

**The Hon. GREG DONNELLY:** Thank you for that. With respect to the figure of \$10 million, bearing in mind the manifestation of the drought was very clear to people at that point compounding with the effect of the bushfires—we are talking about 12 February—and, of course, the coronavirus was starting to manifest, how was the figure of \$10 million arrived at?

**Mr STUART AYRES:** We identified what we would invest in marketing. We identified a figure that we would invest in, as I mentioned earlier, what we call retail or partnership campaigns, and we also appropriated a figure for a continuation or an extension of the flagship event fund and the creation of a micro event fund. Those things all cumulatively add up to \$10 million.

**The Hon. GREG DONNELLY:** It was your judgement that that was a sufficient amount, given the heinous impact on tourism in the State that you are well aware of—on the North Coast and the South Coast. It was your judgement that \$10 million was sufficient.

**Mr STUART AYRES:** That is \$10 million, the overwhelming—in fact, all of that \$10 million will be allocated before the end of this financial year. It will be focused on bushfire recovery efforts.

**The Hon. GREG DONNELLY:** So you believe that that is sufficient. Your judgement was that that was sufficient.

**Mr STUART AYRES:** For what could be delivered and what would have an impact in a community. To be very clear here: The response to bushfires, coronavirus and drought for that matter will extend well beyond this financial year and there will be continued investments by the State Government. That funding is funding that is going out the door now in the form of media and marketing campaigns, events—

**The Hon. MARK BUTTIGIEG:** Sure, Minister, but could I take you to your earlier statements to questions by my colleagues? I think we are all agreed and it is in the budget papers. For 2017-18 there was a \$35 million cut to Destination NSW and then another \$30 million cut in 2018-19. So we are coming off a low base, are we not—a preordained low economic stimulus base—and then we have the calamities you just outlined and there is \$10 million to compensate for that low base. Minister, you would be aware how important it is for a quick injection when you are using fiscal policy to try to get you out of these messes. So this is the response of the New South Wales Government to the tourism sector?

**Mr STUART AYRES:** There are a couple of points I would make here. The response of the New South Wales Government not just to the tourism sector but to the entire New South Wales economy focuses on a number of factors. Tourism is one of those. Supporting small businesses, many of which are tourism operators, is another one. That is why the State Government is administering grants that have been provided by the Commonwealth through Service NSW. We have also made substantial investments.

**The Hon. GREG DONNELLY:** That is not your money.

**Mr STUART AYRES:** No.

**The Hon. MARK BUTTIGIEG:** Those grants, the totality of that Federal money is, I understand, about \$75 million but that is for the whole country.

**Mr STUART AYRES:** The tourism allocation from the Commonwealth was \$76 million. There are billions—

**The Hon. MARK BUTTIGIEG:** For the whole of the country.

**Mr STUART AYRES:** Yes.

**The Hon. MARK BUTTIGIEG:** How much of that goes to New South Wales?

**Mr STUART AYRES:** They have supported, or the advertising campaign is running in New South Wales. It would be difficult for me to pro rata the exact figure so I think if you are trying to cut that \$76 million in a sort of State-by-State allocation, that is probably an impossibility, given that they are running a particularly very high profile.

**The Hon. MARK BUTTIGIEG:** Let us be generous and say it is a fifth and then add that to the \$10 million. It is still not enough to make up for the \$60 million cut, is it?

**Mr STUART AYRES:** If you want to talk about what the New South Wales budget looks like in relation to Destination NSW, by all means answer that—or I have answered that. What I can say to you is that in the period of time between 8 February and the end of this financial year we will deploy \$10 million into marketing retail and event activity in that period of time.

**The Hon. MARK BUTTIGIEG:** I understand that, Minister. What I am saying is: Is it your opinion—and you are the person who is responsible for investment, jobs and tourism—are those amounts we have just outlined enough to compensate for the pre-existing cut which occurred?

**Mr STUART AYRES:** No. I am sorry: it is not a compensation. It is focused on what is required to respond to those activities. The other thing I would also like to point out for the record is: it is a little bit convenient to be able to talk about—in various press releases you guys have fluctuated between 65 and 66. A substantial portion of that is because you are counting a one-off payment to the city of Newcastle for the Newcastle V8s for the creation of infrastructure for that one event. It was not in the budget the year before. It will obviously not be in the budget the year after.

**The Hon. MARK BUTTIGIEG:** Minister, there are line items in the budget. They are your budget—your budget figures.

**Mr STUART AYRES:** Yes. I am answering.

**The Hon. TAYLOR MARTIN:** He is explaining.

**The Hon. BEN FRANKLIN:** Let him finish it.

**The Hon. GREG DONNELLY:** I mean, understand how to read a budget paper.

**Mr STUART AYRES:** I am saying to you if you are trying to—well, there is a question mark about that. I am trying to say to you that if you are trying to make a comparison around what was available to invest in marketing and event activity, counting the one-off infrastructure investment into the city of Newcastle for the purposes of the Newcastle 500, which only ever existed in one year, just gives you a complete artificial increase. It had no impact on marketing in the year that it was invested in.

**The Hon. MARK BUTTIGIEG:** Well how about this, Minister: can you guarantee there will be no more cuts?

**Mr STUART AYRES:** I think that the New South Wales Government will continue to invest in the New South Wales tourism sector by its or through its Destination NSW marketing and events agency to deliver what is required.

**The Hon. MARK BUTTIGIEG:** So in the upcoming budget you are guaranteeing there will be no more cuts?

**The Hon. BEN FRANKLIN:** We are not talking about the upcoming budget. We are talking about the budget that has just been passed. That is literally the substance of this inquiry.

**The Hon. NATALIE WARD:** It is not relevant.

**The Hon. MARK BUTTIGIEG:** I am asking you—

**The ACTING CHAIR:** Order! Members will come to order.

**The Hon. MARK BUTTIGIEG:** We are looking down the barrel of a severe recession. I think that is accepted by pretty much everyone in authority and you cannot tell me there will be no more cuts to Destination NSW.

**Mr STUART AYRES:** The first thing I am going to do is respond to that comment. The New South Wales economy is incredibly well placed to respond to the challenges that are presented to it. The idea that the people in public office with responsibilities for the community should be out talking down the economy, calling it an extreme recession, is of no benefit to anyone. There is no benefit—

**The Hon. MARK BUTTIGIEG:** So everything is okay, Minister—nothing to worry about.

**Mr STUART AYRES:** No, no, no. That is the exact opposite.

**The Hon. MARK BUTTIGIEG:** Well guarantee there will be no more cuts.

**Mr STUART AYRES:** Sorry, you have to take responsibility for your comments. You cannot come to a public hearing and say that Australia is staring down the barrel of an extreme recession when that is not the case.

**The Hon. MARK BUTTIGIEG:** Minister, the reason the Prime Minister of this country has just injected \$10 billion into the economy is that he thinks there is something going on. I want to know what you think about it. You will not even put down on the table here that you cannot guarantee anymore cuts to Destination NSW. What are we doing in New South Wales?

**The Hon. NATALIE WARD:** Point of order: This is entirely irrelevant to the inquiry before this Committee.

**The Hon. TAYLOR MARTIN:** It is just facile.

**Mr STUART AYRES:** Sorry it is beyond—it is not—sorry.

**The Hon. MARK BUTTIGIEG:** If the answer is "nothing", fine.

**The ACTING CHAIR:** The member is entitled to ask that question. The Minister is answering.

**Mr STUART AYRES:** That is right. It is not just facile; it is dangerous. It really is. Members of the New South Wales Parliament and members of the Federal Parliament by all means can raise concerns about the state of the national and the State or the New South Wales economy. But you should do so proportionately.



**The Hon. MARK BUTTIGIEG:** Minister, what parallel universe are you living in? Do you understand the calamity that this country and this State is potentially facing if people like you, who have ministerial responsibility for getting us out of it, do not have a clue?

**The Hon. BEN FRANKLIN:** Point of order: It is exactly the same point of order that my colleague the Hon. Natalie Ward has raised about the procedural fairness resolution point 19:

Witnesses will be treated with courtesy at all times.

I have to say the Hon. Greg Donnelly is strong and robust but he very, very rarely goes over the edge in terms of being rude. But this other member has consistently gone over it and he has once again gone over the line. I ask you to call him to order.

**The ACTING CHAIR:** I hear the point of order and I ask members to ask questions without appearing to be rude to the Minister.

**Mr STUART AYRES:** There is no doubt, whether it is exhibited by the Commonwealth's decision to invest in a stimulus package or the commentary that has been presented by the Treasurer, where New South Wales will also make its own investments. The point I am making and I want to make very, very clear is that those investments are done in a targeted fashion and there is no benefit to members of Parliament or members of the community to unnecessarily talk down the New South Wales economy. That type of language is the type of language that incites panic amongst our community and should be refrained from by responsible members of Parliament.

**The Hon. MARK BUTTIGIEG:** Minister, I appreciate you reaching for that lever, which is often reached for. It is a very simple question. This should be a no-brainer. Are there no more cuts to Destination NSW? That is it. It is a really simple question. If the answer is, "I can't guarantee that," that is fine. Tell us now.

**The Hon. NATALIE WARD:** He is not here to talk about the future budget.

**The Hon. MARK BUTTIGIEG:** We are in March.

**Mr STUART AYRES:** The budget for Destination NSW is delivering exactly what it is supposed to deliver. It is sustaining one in 22 jobs in New South Wales. It is generating over \$34 billion in economic activity.

**The Hon. MARK BUTTIGIEG:** Right. No guarantees. Thank you.

**Mr STUART AYRES:** It is a pillar of an economy that has an unemployment rate at 4.5 per cent, which compared to the other States would be the envy of the nation. It is significantly tracking better than the nation as a whole.

**The Hon. GREG DONNELLY:** Minister, could I quickly raise this one with you? This should be an easy one. The Regional Tourism Awards in New South Wales have fallen over, as I understand it. You would be aware of that. They have collapsed. They are a significant award for this State for regional parts of New South Wales. It is significant for a range of reasons. It would be significant in any year where there were no issues. But we have talked up hill and down dale this morning about the compound effect of those three matters. As you know full well, those awards directly feed into the State and national tourism awards. Why would you, as the Minister who has talked up their proactivity of dealing with tourism matters and responses to what is going on around us, not have taken steps already to step in and assist and enable the Regional Tourism Awards in New South Wales to be run this year? Why would you not do that?

**Mr STUART AYRES:** The New South Wales Government invests in the NSW Tourism Awards. It is not a regular investor in the Regional Tourism Awards or the regional precincts. They have been run by local training organisations. They have their own board. They are their own incorporated entity. And so there is not a clear responsibility from Destination NSW to step in.

**The Hon. GREG DONNELLY:** We are in exceptional circumstances—surely you accept that?

**Mr STUART AYRES:** If you are proposing the concept of exceptional circumstances then one thing I would say is that there are locations around New South Wales—and what enters my mind in quite a profound way is the South Coast—that I do not think are very focused on awards at the moment. I think they are focused on ensuring that their businesses—

**The Hon. GREG DONNELLY:** Okay. So your answer is that, with respect to what is a jewel in the crown when it comes to tourism awards in New South Wales, that you as the Minister—a Minister who is in the

Treasury cluster, who probably talks to the Treasurer every day, perhaps multiple times a day—will not take steps to fortify this prestigious award and enable it to go on this year. That is what you are saying.

**Mr STUART AYRES:** The NSW Tourism Awards are available to any New South Wales business who wants to participate in those. We have been a long-term and consistent supporter of those awards, and they will continue.

**The Hon. GREG DONNELLY:** No, they are not. They have fallen over this year.

**Mr STUART AYRES:** I am talking about the New South Wales awards.

**The Hon. GREG DONNELLY:** The Regional Tourism Awards have fallen over, right? You know that. You have known that for a period of time—I do not know how long. These communities down south are crying out for support in whatever reasonable way it can come from their Government.

**Mr STUART AYRES:** I would much rather—

**The Hon. GREG DONNELLY:** Now let me finish. With respect to tourism awards, these are key drivers in these economies with a huge multiplier effect that you would understand about because you are in the Treasury cluster. And yet, as the Minister, you will not take steps to step in and make what would be a relatively modest contribution to enable these awards to be run this year. You are not prepared to do that.

**Mr STUART AYRES:** The focus that I have at the moment—

**The Hon. GREG DONNELLY:** So the answer is no.

**Mr STUART AYRES:** —is about ensuring that we support businesses by driving demand into their communities.

**The Hon. GREG DONNELLY:** The answer is no. In light of all the consequences and the impact of how positive these awards would be, you are not prepared to step in and make what would be in any assessment a very modest contribution to enable this jewel-in-the-crown award to continue this year?

**Mr STUART AYRES:** I have said it before, I will say it again: We support the NSW Tourism Awards—

**The Hon. GREG DONNELLY:** No, you don't.

**Mr STUART AYRES:** We do.

**The ACTING CHAIR:** Minister, is the incinerator off the table? Is it finished and gone, dead and buried?

**Mr STUART AYRES:** I am fairly confident the Independent Planning Commission [IPC] made a very strong statement saying that that proposal was rejected.

**The ACTING CHAIR:** And you are in agreement with them?

**Mr STUART AYRES:** I have said it at numerous estimates in the past and I will—

**The ACTING CHAIR:** Yes. Thank you.

**Mr STUART AYRES:** That proposal I did not support and I supported the IPC's positions to not endorse it.

**The ACTING CHAIR:** Thank you. That concludes the morning session.

**Mr STUART AYRES:** Before you close, on the record I express my personal thanks to the Committee for allowing me to appear today. I had been scheduled for Monday but the New South Wales Cabinet is meeting in the bushfire-affected community. I thank the members of the Committee and the Legislative Council—and I have some appreciation for the mysterious ways of upper Houses—for allowing me to appear today.

**The ACTING CHAIR:** We thank you, Minister, for attending this hearing.

**(The Minister for Jobs, Investment, Tourism and Western Sydney withdrew.)**

**(Luncheon adjournment)**

**The ACTING CHAIR:** I open this afternoon's session of this budget estimates committee. I have a number of questions. Mr Sangster, is the construction of the western Sydney airport on time?

**Mr SANGSTER:** The airport construction is being managed by the Western Sydney Airport Corporation, a Commonwealth government entity, not being run us. My understanding, from what I read in the media as much as anything, and they obviously let their major earthworks contract and things. There is an awful lot of dirt that has already been shifted. I understand about two million cubic metres of dirt has already been shifted on the site.

**The ACTING CHAIR:** There is no cooperation between you and—

**Mr SANGSTER:** Significant amount of cooperation, but we have to be very careful. That is their contracting regime and we are not accountable for delivery.

**The ACTING CHAIR:** Are you aware of the time line as to when the airport—

**Mr SANGSTER:** My understanding is from their public statements and that is that it is on time.

**The ACTING CHAIR:** That is 2026?

**Mr SANGSTER:** Absolutely.

**The ACTING CHAIR:** From your understanding, is the construction of the western Sydney airport on or under budget?

**Mr SANGSTER:** I have no knowledge of that. That is confidential within their organisation.

**The ACTING CHAIR:** In 2026 when the airport is expected to be finished, will that be in the earlier part of 2026?

**Mr SANGSTER:** The public commitment that they are making is that it will be open, I think, in the later part of 2026.

**The ACTING CHAIR:** In terms of the North South Rail Line, how many stations are expected to be built? I asked the same question to the Minister and he mentioned a few. Can you tell us how many stations?

**Mr SANGSTER:** The ones that are already publicly noted are, obviously, an interchange at St Marys, a station within the airport and one within the Aerotropolis Core. There are likely to be others, but that is the work that the Transport team within the Metro organisation is doing. At some point, when that planning is complete, I am sure they will come out and talk about the station locations.

**The ACTING CHAIR:** When you say there are likely to be others, how many others? Two, three, how many stations?

**Mr SANGSTER:** I am not going to speculate on that. That is not a matter for me, that is really for the Transport cluster.

**The ACTING CHAIR:** What do you know? Can you tell us how many stations there will be?

**Mr SANGSTER:** No, that planning work is underway by the Metro team right now.

**The ACTING CHAIR:** So you cannot tell us how many stations you know of?

**Mr SANGSTER:** No, because there is no decision that has been made public around that at this point.

**The ACTING CHAIR:** What consultation has occurred between your authority and local government with regards to the North South Rail Line?

**Mr SANGSTER:** Specifically within that, part of my team participates in the governance arrangements under the City Deal. In fact, my board met with all the mayors and GMs just last Thursday at Twin Creeks, as part of that ongoing engagement and collaboration working closely with councils.

**The ACTING CHAIR:** How often do you meet with the councils?

**Mr SANGSTER:** There is a meeting that is attended by, typically, one of my staff—sometimes I get there are as well—at least once a month. It is a formal governance piece and we deal with individual councils on a very regular basis.

**The ACTING CHAIR:** Which councils do you meet with, if I may ask?

**Mr SANGSTER:** The eight councils that are within the western Sydney district. Some we obviously deal with more often than others, based on specific issues that are arising, but the eight local government areas within the City Deal.

**The ACTING CHAIR:** I am curious as to why Penrith City Council argued that they are kept in the dark on this project.

**Mr SANGSTER:** I cannot—

**The ACTING CHAIR:** If you regularly meet, once a month, why would they make such a statement that they are kept in the dark and there is no transparency? It is a joke. It is in the papers.

**Mr SANGSTER:** I have read that media statement. I cannot comment on what the mayor has been reported as saying. That is a question you would need to ask him, rather than me.

**The ACTING CHAIR:** In terms of the Macarthur region, has the Western City & Aerotropolis Authority—that is, your authority—been given any indication by the State or Federal governments about when construction on a tram line connecting the Macarthur region to and from the airport will begin?

**Mr SANGSTER:** No, it is a commitment that sits in the Future Transport Strategy. There is obviously a commitment that is in that document. Obviously, we would like, for the benefit of the economic development of the whole of the Western Parkland City, to ultimately see all those rail connections delivered. But the matter of decision around timing is one purely for government, not for us.

**The ACTING CHAIR:** When you say the commitment is in the document, can you tell us a little more about that?

**Mr SANGSTER:** The Future Transport Strategy document was published by government some years ago and it actually talks about connectivity of different rail lines over different time horizons. Things are committed in the next 10 years, things on the 10- to 20-year horizon and beyond. There is a range of rail lines through that process that are identified as potential future projects, but they are not yet decisions of government.

**The ACTING CHAIR:** Has your authority been given any indication of when that tramline is expected to be operational?

**Mr SANGSTER:** No.

**The ACTING CHAIR:** Till then it will be buses? What is the process?

**Mr SANGSTER:** Within the City Deal there is a commitment to deliver smart bus services across the Western Parklands City. That work, I understand, is underway planning-wise within the Transport cluster.

**The Hon. GREG DONNELLY:** Before we leave that topic and move on, in regard to the proposition we have heard from the Minister and yourself today in restating that the airport is expected to become operational in 2026—perhaps the second half of 2026—what do you understand will be the railway lines servicing the aerotropolis that will be operational concurrent with that opening? Can you explain that to us?

**Mr SANGSTER:** I think the Minister made very clear this morning the Government's very clear position on that is that the North South Rail Line, all of the Sydney Metro Greater West, will be operational when the airport opens. That is the first rail line that goes from St Marys connecting with the T1 line and then travels south to the airport and on to the aerotropolis.

**The Hon. GREG DONNELLY:** Do you have any comment to make about the Leppington heavy rail extension and how that fits into the plan of the aerotropolis?

**Mr SANGSTER:** All of those rail lines are, again, in that Future Transport Strategy that actually shows connections that go in multiple different directions. Again, there is no government decision around timing around those. There is, obviously, future work that would need to be done around planning and investigating, putting forward business cases around that, but there is no work on that at this point.

**The Hon. GREG DONNELLY:** To the best of your knowledge that referred back to that document as to where we were to get the best current information on where that is up to?

**Mr SANGSTER:** That is right. It is shown in that document that there is no agreed timing or funding approval for that at this point.

**The Hon. GREG DONNELLY:** Returning to the issue of Jobs for NSW and the line of questioning we had this morning with the Minister about the \$190 million. Of that amount of money, to the extent to which there was any of it left, in that it was uncommitted, has gone across back somewhere. Ms Curtain, are you able to perhaps give us a little bit more clarity about that? Do we have, for example, any sense of that \$190 million

referred to by the Minister and roughly what amount, in percentage terms, of that may have been committed already so we can work out essentially what was the transferred amount back?

**Ms CURTAIN:** I will take on notice the exact figure. Almost all of it has been committed, but not all of it spent, because a number of the programs that we have sponsored have a number of milestone payments. We might have committed it already, but not all of the payments have actually gone out of the fund. Plus there are some other areas, like the GO NSW Equity Fund, which has not all been committed yet and there is a commitment for a certain amount to be spent on a Regional Investment Attraction Fund, which is not all completely used up. I can come back with the exact figure of what is left.

**The Hon. GREG DONNELLY:** After all that is accounted for, there should be an amount, which would be the residual amount.

**Ms CURTAIN:** That is right. There is not a lot that is left without a commitment against it.

**The Hon. GREG DONNELLY:** Sure. In general terms, where would that residual amount go back to?

**Ms CURTAIN:** The Jobs for NSW fund, in itself, still exists and will exist to utilise all of those funds within the legislation that was set up for the Jobs for NSW fund. What we are working on with government now is what funding will go with Global NSW for the future and, potentially, as part of that, there may be an additional fund. Whether we utilise the Jobs for NSW fund and top that up or have it separately is still a decision to be made, but we are not taking out of the fund as such.

**The Hon. GREG DONNELLY:** If I understand you correctly, with respect to the \$190 million, to the extent that it is surplus to commitments, it would stay in what we will call the Jobs for NSW fund and it could be drawn down out of that fund for related projects, for example?

**Ms CURTAIN:** Yes, still for the same purpose that the fund was created for in the first place, which aligns with the Global NSW strategy, which is around job creation and economic prosperity. So it would still be committed in line with what the legislation was set up for initially, and not taken out for a different purpose.

**The Hon. GREG DONNELLY:** With respect to Destination NSW and how that now fits into the whole scheme of things, if I could describe it that way, we have talked about how Jobs for NSW has gone across to Treasury with the "Global" branding. Following that move, does Treasury have a firmer hand on the operation of Destination NSW? If it has over the last six months, can you help us understand what has actually happened?

**Ms CURTAIN:** Yes, sure. I can explain the difference between the two.

**The Hon. GREG DONNELLY:** Thank you.

**Ms CURTAIN:** Jobs for NSW, the legislation set up the fund but did not actually set up an entity as such. It had a fund around it and the administration of the fund. The entity now that administers the fund is Treasury for Jobs for NSW and we have brought that team into the Treasury team and brought them together.

**The Hon. GREG DONNELLY:** Which is the three Ministers we were talking about earlier today.

**Ms CURTAIN:** That is right. For Destination NSW, their legislation actually sets them up as an entity with a CEO and with different kinds of authority than the Jobs for NSW fund had. Whilst Destination NSW is part of the Treasury cluster, it still retains its entity status but working closely with—we work closely together, mainly because our objectives are aligned around job creation and economic prosperity for the State, and for Destination NSW, focused on the tourism space.

**The Hon. GREG DONNELLY:** So it is just in a slightly different orbit. It is certainly there but it orbits slightly differently from the way in which Jobs for NSW does.

**Ms CURTAIN:** That is right.

**The Hon. GREG DONNELLY:** I will move to more specific questions about Destination NSW. When did the previous CEO, Ms Chipchase, finish her duties with the organisation?

**Ms CURTAIN:** I believe it was 21 December.

**Mr MAHONEY:** It was 20 December.

**Ms CURTAIN:** It was the last day before the Christmas break.

**The Hon. GREG DONNELLY:** Okay, so the end of last year. Sir, you have become the Acting CEO?

**Mr MAHONEY:** That is correct.

**The Hon. GREG DONNELLY:** That became operational or applicable from what date?

**Mr MAHONEY:** From 16 December, to allow a handover with Ms Chipchase.

**The Hon. GREG DONNELLY:** How did the handover go?

**Mr MAHONEY:** Extremely positively.

**The Hon. GREG DONNELLY:** Okay. Just to confirm the circumstances of Ms Chipchase finishing up in the role, did she resign from the position? Just to refresh our memory.

**Ms CURTAIN:** The Destination NSW CEO is a ministerial appointment. It was agreed between Ms Chipchase and the Minister that it was the right time for her to move on.

**The Hon. GREG DONNELLY:** To be de-appointed, I suppose.

**Ms CURTAIN:** Yes.

**The Hon. GREG DONNELLY:** Are you aware of any particular issues that brought that about, or was it just a mutual arrangement?

**Ms CURTAIN:** Not specifically. I was not party to the conversations between the Minister and Ms Chipchase.

**The Hon. GREG DONNELLY:** Mr Mahoney, you have indicated that the few days' transition arrangement into the new role went satisfactorily for yourself. Are you interested in applying for the permanent appointment to the role of the CEO of Destination NSW?

**Mr MAHONEY:** No, I did not apply for the role.

**The Hon. GREG DONNELLY:** So, you are the Acting CEO?

**Mr MAHONEY:** That is correct, yes.

**The Hon. GREG DONNELLY:** From the best information you have, is there a time frame in which we can expect the permanent appointment to be made?

**Mr MAHONEY:** The appointment of the new CEO, Mr Steve Cox, has been announced. His projected start date is 4 May.

**The Hon. GREG DONNELLY:** What is his background?

**Mr MAHONEY:** Mr Cox is currently Managing Director, Retail—I think that is his current title—at Dymocks.

**The Hon. GREG DONNELLY:** He works for a book retailer and he is becoming the CEO of Destination NSW. That is what you understand?

**Mr MAHONEY:** That is my understanding. I was not involved in the recruitment process but that is what was in his biography.

**The Hon. GREG DONNELLY:** Okay. You seem to know what is in his biography. Did you identify any experience in tourism in his biography?

**Ms CURTAIN:** I was part of the initial recruitment panel. Again, it is a ministerial appointment.

**The Hon. GREG DONNELLY:** I understand that.

**Ms CURTAIN:** I was part of the initial recruitment that we went through and it was a very thorough process with an independent recruiter who helped us to do a full and thorough search for individuals to be part of that process. He came out as the recommended candidate from that process.

**The Hon. GREG DONNELLY:** You were obviously involved to a point. Does he have any experience in tourism?

**Ms CURTAIN:** Not specifically in his curriculum vitae, but through the process he demonstrated his understanding and also his ability to lead an organisation and all of the other characteristics we were looking for as part of that process.

**The Hon. GREG DONNELLY:** Did the agency—that body, group, organisation or consulting firm, whatever it was—that was engaged to assist in the process of interviewing and considering individuals for the role recommend him as the appointee?

**Ms CURTAIN:** They did put him on the shortlist. There was a panel that was put together, including members of the Destination NSW board, myself and an independent panel member as well as then other steps to go through in terms of meeting with the secretary and also with the Minister and the Treasurer.

**The Hon. GREG DONNELLY:** How many were on the shortlist?

**Ms CURTAIN:** Off the top of my head, I think about seven.

**The Hon. GREG DONNELLY:** Would you be able to provide the names of those shortlisted people on notice?

**Ms CURTAIN:** I will have to check. I am not sure but I will take it on notice to look into that.

**The Hon. GREG DONNELLY:** I am particularly interested in whether any of those seven had experience in tourism. With respect to where Destination NSW currently sits, we canvassed this morning that obviously in 2018-19 there was a 16 per cent cut in its budget and then in the 2019-20 cycle a \$35 million, or almost 20 per cent, cut in its budget. In terms of dealing with the challenges that are associated with the compound effect of the drought, bushfires and the coronavirus, Mr Mahoney, can you explain to me how Destination NSW has been able to deal with all the requests for support from those involved in the tourism industry who would, quite naturally, turn to an organisation like Destination NSW for assistance?

**Mr MAHONEY:** The approach that Destination NSW has taken in this instance is to provide a whole-of-State approach rather than to respond to the individual requests from individual operators for support, which we felt was the most appropriate thing to do under the circumstances.

**The Hon. GREG DONNELLY:** If an individual tourist operator, arising from the bushfires, for example, has rung up Destination NSW and identified them as such—they own a caravan park or a theme park or whatever it might be—seeking support and assistance in regard to the difficulties that have befallen them, what is the response from Destination NSW to that request for assistance?

**Mr MAHONEY:** The advice we have given anybody who has contacted us in relation to different areas or different requests for support has been to direct them to either State or Federal funding packages or support packages that might be available to them and which are relevant to their particular situation. We have also encouraged our six Destination Networks to provide the same information to anyone whom they will be dealing with on the ground in their local area.

**The Hon. GREG DONNELLY:** I turn to the \$10 million that was set aside specifically for the program back in February, the tourism recovery package. As I understand from the Minister's answer this morning, that was \$10 million drawn down on current reserves of Destination NSW. That was not additional money from Treasury, was it, as far as you understand?

**Mr MAHONEY:** As per the Minister's testimony this morning, it was a reallocation of existing Destination NSW's budget.

**The Hon. GREG DONNELLY:** With respect to that \$10 million that has been redirected, where would that \$10 million actually have been directed had there not been a call on it for that need that has arisen from the emergency?

**Mr MAHONEY:** Again, to reiterate the Minister's testimony this morning, it was redirected from an existing budget that would have been allocated to advertising activities which at the time, given the circumstances of the bushfire and drought and the emerging situation with coronavirus, it was not appropriate for us to roll out.

**The Hon. GREG DONNELLY:** Just to be clear, that \$10 million had been effectively earmarked as an expenditure on advertising but had not proceeded because of the circumstances that you have described. Then a decision was taken to then redirect that money to this program. Is that your testimony?

**Mr MAHONEY:** That is correct, yes.

**The Hon. GREG DONNELLY:** With respect to that decision of deferring the \$10 million to what would have been ordinary expenditure on advertising, or whatever it may have been allocated to do, when was that decision made to not proceed with that expenditure of \$10 million?

**Mr MAHONEY:** We had commenced discussion around this prior to the end of the last calendar year when the bushfire situation had started to take effect in other parts of New South Wales. We had already commenced planning for some type of recovery action at that time. We were looking within the organisation to reallocate funding to recovery activities in anticipation of there needing to be some activity. We had also put on hold any of our marketing activity more generally because there was a state of emergency on two separate occasions and we were in close contact with the Rural Fire Service and other emergency services organisations about the appropriateness of pushing people out into the regions.

**The Hon. GREG DONNELLY:** I have one final question. The new name, is it Global NSW?

**Ms CURTAIN:** That is the strategy name.

**The Hon. GREG DONNELLY:** Yes, that is the name of the strategy. What hangs off that? Is there a fund that underpins that or are there specific ministerial responsibilities that underpin that? It is a significant evolution on the matter of the jobs strategy. I am just wondering beyond the name—Global NSW—could you just, if you do not mind, give us a picture of what it actually entails?

**Ms CURTAIN:** Sure. The strategy draws together a number of different parts of the new teams that joined Treasury after the last election. There is a lot of work that is already done around industry development, investment attraction and supporting exporters. We have an international team already and there was some work done with the Government to look at, "How can we bring all of this together and how can we make it as efficient as possible to deliver the greatest economic prosperity and jobs growth?" That is where we, together with the Government, looked at what the strategy should be. In terms of working to that Global NSW strategy, the work that my team is doing currently in Treasury is already working towards those priorities that are set out in the strategy. We are working with Government on what the future funding of that might be as well. We are already directing the work that we are doing towards driving the outcomes from the strategy.

**The Hon. GREG DONNELLY:** I will return to that after my hiatus.

**The ACTING CHAIR:** I direct my questions to Mr Sangster and Mr Draper. I asked earlier about the M12. When will construction on the M12 begin?

**Mr SANGSTER:** No, Chair, you may well need to ask Transport around that. The EIS was on exhibition last year, so that is a project that is progressing but I am not across the exact detail of the timing.

**The ACTING CHAIR:** It is just that the Australian Government, the Department of Infrastructure, Transport, Cities and Regional Development specifically said that construction would begin in 2020. Are you not aware of when in 2020 it will commence?

**Mr SANGSTER:** No, I am not.

**Mr DRAPER:** We can take that on notice and find out what the date is. We would have that, perhaps, registered in our assurance.

**The ACTING CHAIR:** Have properties along the M12 been acquired, compulsorily or otherwise?

**Mr DRAPER:** Again, you are probably best directing those questions to Transport because it is managing that process. I do not know the answer to your question.

**The ACTING CHAIR:** So Infrastructure NSW has no involvement in this?

**Mr DRAPER:** We do not have a role in delivering that project. We run an assurance program across a number of projects. Actually, there are probably about 800 projects. That is one of them. We get reports from Transport, which is the agency responsible for delivery.

**The ACTING CHAIR:** There is no use asking you further questions on this if that is the case. What about the Northern Road upgrade?

**Mr DRAPER:** It would be the same.

**The ACTING CHAIR:** The same situation?

**Mr SANGSTER:** It is very well progressed. There are sections that are already complete and very substantial sections are already under construction. It has been that way lately—

**The ACTING CHAIR:** But you are not involved whatsoever in that project?

**Mr SANGSTER:** No, again it is run by Transport.



**The ACTING CHAIR:** And the Bringelly Road upgrade?

**Mr SANGSTER:** Same thing.

**The ACTING CHAIR:** I think we are going to finish early today.

**Mr DRAPER:** Transport is on tomorrow so you may get it then.

**The ACTING CHAIR:** I will ask this question about the Wylde Mountain Bike Trail. Is that the appropriate pronunciation? Are you aware of it?

**Mr SANGSTER:** I am aware of the bike track in the Western Sydney Parkland at the northern end. Is that the one you mean?

**The ACTING CHAIR:** I do not know exactly where it. Is the new track being built?

**Mr SANGSTER:** That is part of the planning work that I understand is being looked at by the M12 team.

**The ACTING CHAIR:** Do you know when the new track will be built?

**Mr SANGSTER:** No, again, that is a Transport question.

**The ACTING CHAIR:** What about the potential fuel pipeline, is that under Infrastructure NSW?

**Mr SANGSTER:** It is Transport.

**The ACTING CHAIR:** I will not ask you questions on that either.

**The Hon. GREG DONNELLY:** I will continue. Returning to Destination NSW, you explained about the \$10 million and how that had been deployed and then we started to talk about Global NSW and how that fit into the scheme of things. It is described by you as a brand or it covers a description of what the new jobs initiative is for New South Wales. I am trying to grasp precisely, when one says "Global NSW", what is one immediately expected to understand?

**Ms CURTAIN:** It is a strategy with the two key outcomes it is looking for are job creation and economic growth.

**The Hon. GREG DONNELLY:** That is what it is as a concept. Is it run out of Treasury?

**Ms CURTAIN:** Yes.

**The Hon. GREG DONNELLY:** Is that a way in which one can easily describe it?

**Ms CURTAIN:** Yes.

**The Hon. GREG DONNELLY:** Is it meant to apply across all portfolio areas, or how does one see it to apply?

**Ms CURTAIN:** Within Treasury, do you mean?

**The Hon. GREG DONNELLY:** Is Global NSW to be seen as something that is quite specific to Treasury or does its remit go beyond that?

**Ms CURTAIN:** Yes, it does go beyond. I mean with some of the work that we do around, say, industry development, we work very closely with the Department of Planning, Industry and Environment as well as, at times, Transport and Water in a number of different areas. With precinct development there is a big involvement from the regional team within the Department of Planning, Industry and Environment who lead on the regional special activation precincts, as referred to within the strategy, as well as a number of different sort of clusters being involved in precinct development. Even the aerotropolis is one of the precincts referred to, and to develop the aerotropolis just about every cluster I think is involved to some degree. It has been set up with Treasury as the lead to implement the strategy itself, but it is a whole-of-government strategy which will involve many parts of government.

**The Hon. GREG DONNELLY:** In light of that answer, in terms of asking questions about Global NSW and all relevant matters, should that questioning be directed to the Treasurer, because it is the Treasurer who has ultimate responsibility?

**Ms CURTAIN:** It was launched by the Premier, the Treasurer and the Deputy Premier, and Minister Ayres also has responsibility for parts of it. When you look at the strategy there are many parts to it and it actually crosses over the portfolios of all Ministers within the Treasury cluster.

**The Hon. GREG DONNELLY:** To help a punter like me understand, is there a chart or is there a description somewhere that one can look at to see which Minister has responsibility for what part of Global NSW, because it sounds a bit amorphous to me.

**Ms CURTAIN:** There is nothing in the strategy itself, but it is around job creation. Part of the strategy talks about investment attraction, which is in Minister Ayre's title. It talks about trade, which is in the Deputy Premier's title, and also the administrative orders that are jointly held with the Treasurer, so making him responsible as well for parts of it, so it is a joint thing and there are a lot of briefs that we write which will go to all of those Ministers to keep them updated on progress.

**The Hon. GREG DONNELLY:** Let us say a corporation in New South Wales wants to work out who to go and speak to because they have a proposition that may link into this. How do they work out who to go and speak to?

**Ms CURTAIN:** If it is a corporation looking to export, that would fall under the Trade portfolio with the Deputy Premier. If it is a corporation looking to be part of a precinct development or looking to assist with bringing more investment into New South Wales, that sits with Minister Ayres.

**The Hon. GREG DONNELLY:** To help corporations understand who to go to, is there a portal which they go through to find out who to speak to, which department or which Minister?

**Ms CURTAIN:** There is a website for Global NSW. There is a website now that was put up when the strategy was launched and we are working on making that more detailed at the moment so that it is even clearer for people coming to the website to know which way to go and what the responsibilities are.

**The Hon. GREG DONNELLY:** That will help provide some direction to navigate where to go in terms of who might be the relevant Minister?

**Ms CURTAIN:** That is right, and there is also a Global NSW website and telephone number that they can either call or email and we will be able to help direct them.

**The Hon. GREG DONNELLY:** That is run by Treasury effectively?

**Ms CURTAIN:** Yes, by my team.

**The Hon. GREG DONNELLY:** Just out of interest, whereabouts is it run from, what premises?

**Ms CURTAIN:** My team is spread around actually, but the majority of the team in Sydney are split between Martin Place and the Sydney Startup Hub in York Street, and we also have some regional teams who are assisting exporters, and also an international team.

**The Hon. GREG DONNELLY:** Going back to the matter of the regional tourism awards, Mr Mahoney, how long have you worked for or been associated with Destination NSW?

**Mr MAHONEY:** Approximately two and a half years.

**The Hon. GREG DONNELLY:** With respect to regional tourism awards, you have heard about those awards?

**Mr MAHONEY:** Yes, I am familiar with the regional tourism awards.

**The Hon. GREG DONNELLY:** With respect to the regional tourism awards, has hitherto the New South Wales Government supported those awards?

**Mr MAHONEY:** The New South Wales Government has supported them on one occasion only in the last financial year through a payment to the New South Wales Business Chamber, which was the organisation responsible for running them.

**The Hon. GREG DONNELLY:** So in the 2018-19 financial year, through Destination NSW, a payment was made—a grant or whatever it was described as—to a business council, did you say?

**Mr MAHONEY:** It is now called Business NSW, but the NSW Business Chamber.

**The Hon. GREG DONNELLY:** Do you know how much money that was?

**Mr MAHONEY:** Yes, I do.

**The Hon. GREG DONNELLY:** Could you please tell me what it was?

**Mr MAHONEY:** It was \$10,000 per Destination Network.

**The Hon. GREG DONNELLY:** What was the aggregate amount, because I assume the networks combined their figures. Is that a fair statement?

**Mr MAHONEY:** There are six Destination Networks.

**The Hon. GREG DONNELLY:** So was it \$60,000?

**Mr MAHONEY:** It was \$60,000.

**The Hon. GREG DONNELLY:** So that contribution was \$60,000 from Destination NSW in the last financial year to support the regional tourism awards?

**Mr MAHONEY:** Yes, that is correct. If I may explain, I think in the Minister's testimony this morning he talked about the fact that they had not been run regularly over the course of the last few years, that in fact they had been run sporadically across the State, and in line with the establishment of the Destination Networks and the aspiration of the Destination Networks to work with their regional stakeholders to create events that would celebrate success on a local level. Destination NSW provided seed money, which was to help them be re-established and the intention was—and it was clearly communicated at the time—that this would not be ongoing and that local government and the Destination Networks should work together to encourage the funding for these awards to be generated from within New South Wales regions.

**The Hon. GREG DONNELLY:** Are you saying then, to be clear, that with respect to the \$60,000 that we have understood was an amount provided in the last financial year for these awards, that was offered on a one-off basis?

**Mr MAHONEY:** That is correct. It was to reset the Regional Tourism Awards program. I would also just like to be really clear for the panel in terms of the explanation. Anyone in regional New South Wales can apply for the State awards, which Destination NSW has supported for many years, regardless of whether there is a regional awards intermediary process.

**The Hon. GREG DONNELLY:** In light of what has beset the State in the regions, have you given consideration to the making of a payment or a grant to enable these awards to run this year? Is that something that has been considered?

**Mr MAHONEY:** We already have a longstanding commitment to support the State awards.

**The Hon. GREG DONNELLY:** Yes, but my question relates to the regional tourism awards.

**Mr MAHONEY:** We have made it clear from the outset, from last year, that this was a one-off payment and that it was not an ongoing contribution to the awards. We have spoken to the Destination Networks about encouraging them to work with their local stakeholders to generate support from local government and from any other tourism industry operators who may be interested in supporting these awards on a local basis.

**The Hon. GREG DONNELLY:** My question specifically was in light of the circumstances we find ourselves in. Obviously the world has changed quite dramatically in the last month or so.

**The ACTING CHAIR:** The other question I wanted to ask was about Dunheved Road. Is that under your—

**Mr DRAPER:** No, sorry.

**The ACTING CHAIR:** Mr Draper, can you explain what involvement Infrastructure NSW has had with the proposed \$400 million upgrade for the Sydney Showground?

**Mr DRAPER:** I am not aware that we have had any involvement in that. If it is registered as a project under our assurances regime we may have had to provide some assurance over that, but to the best of my knowledge we have no involvement.

**The ACTING CHAIR:** No involvement?

**Mr DRAPER:** In the Sydney Showground upgrade—is that what you are asking?

**The ACTING CHAIR:** The question was: Can you explain what involvement Infrastructure NSW has had with the proposed \$400 million upgrade for the Sydney Showground?

**Mr DRAPER:** To the best of my knowledge, we have no involvement unless it is registered under our assurance regime. If there is any updated information on that, I will provide that to the Committee.

**The ACTING CHAIR:** Has there been any commitment from the State Government towards that?

**Mr DRAPER:** As we have had no involvement, I could not answer that question.

**The ACTING CHAIR:** You are not aware whether there will be any further funding from the State Government to the Sydney Showground?

**Mr DRAPER:** No, I am sorry, I cannot help you with that.

**The ACTING CHAIR:** With the ANZ Stadium set to be out of operation for two years, what has been done to ensure Sydney Olympic Park does not become a ghost town?

**Mr DRAPER:** The stadium is scheduled to be decommissioned as a stadium in the middle of the year, around July. Sydney Olympic Park of course has many facilities within it and the construction at the stadium will have no impact on the operation of the rest of Sydney Olympic Park. All those other venues will continue to operate. It is a project contained within the boundaries of the existing structure of the stadium. I know Sydney Olympic Park has its own master plan and has a number of other activities that continue there. I understand that the rest of Sydney Olympic Park will continue to operate as it does now. As you probably know, the number of events that are held at Stadium Australia are not the only thing that sustains Sydney Olympic Park. There are many businesses and residents who are located on that site on an ongoing basis.

**The ACTING CHAIR:** Has Infrastructure NSW raised any concern about the short-term future of businesses and jobs in Sydney Olympic Park while the ANZ Stadium is out of action?

**Mr DRAPER:** Have we raised any concerns about that?

**The ACTING CHAIR:** Yes, as Infrastructure NSW?

**Mr DRAPER:** No, we have not raised any concerns about that.

**The ACTING CHAIR:** You have no concerns?

**Mr DRAPER:** No. There is a planning process that the stadium is going through. We would expect to get planning consent later this year, around the middle of the year. As part of that, there was a social impact statement done, as is part of most planning processes. Anything that was covered there will be contained in that. There has been a very low rate of responses and submissions on that planning application. In fact, I believe—I am going from memory here—there are only five objections to that and none of them are from people located within the Sydney Olympic Park precinct. They are from members of the public who have a contrary view about the worth of proceeding with the project for other reasons. As far as I am aware, there are no objections from any other businesses or residents located within the Sydney Olympic Park.

**The ACTING CHAIR:** Mr Draper, you mentioned something about social impact statement. When will that finish?

**Mr DRAPER:** That is part of the planning submission. That is usually done as part of the planning submission. It is already done.

**The ACTING CHAIR:** Mr Mahoney, has Destination NSW raised any concerns about the impact the stadium upgrades may have on local businesses, jobs, tourism and the precinct as a whole?

**Mr MAHONEY:** Destination NSW has not raised any concerns in relation to that matter.

**The ACTING CHAIR:** On all those areas—local business, jobs, tourism and the precinct as a whole—nothing?

**Mr MAHONEY:** Our focus is on working with government to provide content for those stadiums. In fact, our work is around creating an amenity in those facilities which would encourage people to visit the area.

**The Hon. GREG DONNELLY:** Returning to the jobs area. Perhaps if I direct my questions to Ms Curtain and if there needs to be others involved, just let me know. With respect to unemployment figures in New South Wales and unemployment broken down by regions across the State, so we can clearly understand this, we presume that the Australian Bureau of Statistics [ABS] regular reports on unemployment are used valuably to

inform you about those numbers. In addition to the ABS regular reporting on unemployment in New South Wales, does NSW Treasury collect its own information in regard to unemployment or source from other sources information to inform you about understanding the unemployment levels in the State?

**Ms CURTAIN:** That is led by the economics team, but I can tell you what I know. I am not an expert.

**The Hon. GREG DONNELLY:** Yes, as far as you can. That is fine.

**Ms CURTAIN:** My understanding is the ABS data is the key statistical measure that we use, but certainly there is a lot of work the team do meeting with industry, meeting with peak bodies to understand what is happening on the ground and to get anecdotal evidence. I know our chief economist is often holding round tables and meeting with relevant stakeholders to get a feel for what is happening on the ground as well, so we can understand what might be coming. But the ABS data is the key source.

**The Hon. GREG DONNELLY:** To the best of your knowledge—and, once again, if you need to take this on notice, feel free to do so—you are not aware that the NSW Treasury collects quite separately unemployment data in New South Wales? It primarily draws down on the ABS data?

**Ms CURTAIN:** ABS data, that is right.

**The Hon. GREG DONNELLY:** In respect of infrastructure projects, for instance, in New South Wales that are undertaken and discerning with respect to the likely boost to employment or job numbers associated with a project, how are those numbers established? Obviously we hear numbers about this project is going to produce X number of jobs. Does the Treasury itself provide information for the Government about numbers like projected jobs associated with a particular project?

**Ms CURTAIN:** For specific projects, it is led by the agency that is leading on the project development. Those numbers are normally created as part of the business case that is put forward to government. That would be led by, if it is a transport project, by Transport.

**The Hon. GREG DONNELLY:** If we take that as an example—because obviously it has relevance to what is happening in western Sydney—in terms of a number that is asserted, where do those numbers come from? Who creates those numbers? I am not being pejorative about that. Those numbers are asserted. Who calculates those numbers?

**Ms CURTAIN:** I do not have that specific information. I am not sure if Mr Sangster has that.

**The Hon. GREG DONNELLY:** Perhaps if we move over to western Sydney, specifically the 200,000 jobs which are being asserted are going to arise from the aerotropolis project. We heard the Minister this morning provide some explanation of the antecedents of where that 200,000 came from. But do you know the basis upon which that 200,000 was arrived at?

**Mr SANGSTER:** That was work that was undertaken by the Greater Sydney Commission [GSC] as part of their work in forming up the City Deal with the Commonwealth and those eight local governments and its target. We need to reiterate that it is a target than an initial forecast. It is something that we are working towards achieving. That is done based on a number of modelling and I can tell you also from my previous experiences in health, that there are often ways in which you begin to look at construction jobs. In a health project there is an agreed methodology that you look at, direct and indirect jobs. There are ways that economists' economics comes together to forecast.

**The Hon. GREG DONNELLY:** Econometricians will use various models to produce numbers.

**Mr SANGSTER:** That is right. Within western Sydney, when those numbers were done it preceded me. But talking to the Economic Commissioner, Mr Geoff Roberts, at the time, who came up with that within the GSC, it was done based on population forecasts and having economic models that understand job creation per person and ensuring particularly within the Western Parkland City that we achieve the vision of the 30-minute city. It was to ensure we create more jobs locally to stop people having to travel outside the district for work. That is the genesis of that target that does actually look at a combination of those factors to set a target to say we need to ensure we are creating even more jobs, and specifically good-quality jobs in the west.

**The Hon. GREG DONNELLY:** That is very important, but the figure of 200,000—and just going back to your explanation you provided about where the figure effectively came from—is that 200,000 jobs created by the aerotropolis project? Is that what the assertion is? I wish to be clear about what the 200,000 specifically means.

**Mr SANGSTER:** As part of the overarching City Deal—which has 38 commitments, which is capitalising on the investment in things like the airport that the Federal Government is investing in—the work the

State Government is doing, between the two governments there are commitments around \$20 billion worth of infrastructure. It is about ensuring that we are focused as part of that Global NSW and jobs accretion process, that we are actually very focused on job creation not just property development. This is about ensuring that, as we design the city, that it is being done through a lens fundamentally of job creation rather than just broader residential development, for instance.

**The ACTING CHAIR:** Is that \$20 billion to be spent in the next four years? What is the time span?

**Mr SANGSTER:** That is on all of those projects, so that includes things like the airport, the roads projects and rail. Those jobs are then being very carefully targeted. Picking up on your earlier question around the targeting, if you go back to the Economic Blueprint released by Treasury late last year you will also see the target industries. That was one of the things I would just add to Ms Curtain's previous evidence around that. We are then looking at what the new industries, the growth industries and both industries and jobs that diversify New South Wales' jobs base are to ensure that we keep growth in jobs in New South Wales in the medium to long term.

**The Hon. GREG DONNELLY:** That has been a helpful explanation because there is the view that the 200,000 arises specifically as a result of the aerotropolis project. But that is just part thereof of the explanation of that total figure, is it not?

**Mr SANGSTER:** It is for the whole Western Parkland City. We need to be really, really clear that we are just as interested in driving new jobs and employment into Penrith, St Marys, Liverpool and Campbelltown as we are just in the aerotropolis, which is that 11,000 hectare area around the airport. It is critical that we get more jobs in the Western Parkland City in toto and that is the commitment for the City Deal in total.

**The Hon. GREG DONNELLY:** As far as you are concerned, Mr Sangster, that figure of 200,000 is an acceptable figure to be working with as an aspirational figure?

**Mr SANGSTER:** It is a target that we have been set. We are working feverishly to work through how we are going to achieve that. The work we have done around the 18 MOUs already is the starting point to ensure that we start what is a land development project with economic attraction and job creation. That is essential to that, which we are doing in the way we are going about our business.

**The Hon. GREG DONNELLY:** Thank you for that. Ms Curtain, just turning back to the matter of jobs and specifically the calculation not of the net increase but matters of net decrease—can I give examples? For example, one that is well known and has been in the public domain and debate is that the New South Wales Government made a decision to have the new intercity fleet trains built in South Korea. That was a whole-of-government decision. That decision obviously resulted in that work, those jobs, not being done in New South Wales. My question is that as part of the jobs responsibility that you are working with, with the jobs Minister and with your colleagues in Treasury, is advice provided to Government to inform them about the net loss of opportunity of jobs arising from a project like announcing the building of the trains overseas? I am not being political about this. Is it a piece of information that is put into the basket for consideration when the whole project is being looked at and that information is drawn down by ultimately the decision-makers, which is the Government?

**Ms CURTAIN:** I have been in this role since mid last year so I have not been involved. To date I have not been getting involved in advice specifically on jobs in relation to infrastructure projects. That information may be being provided but it is not something that I am involved in at the moment.

**The Hon. GREG DONNELLY:** Would you be able to take that on notice to see what you can establish? Hitherto has there been a provision of information to Government around decisions of offshoring work—that is the term used by the Government—be it hard work as in metal, like trains, or softer work as in teleconferencing or telecommunications? In other words, jobs that go overseas. Is there actually analysis done of the jobs not available in New South Wales arising from the offshoring of work?

**Ms CURTAIN:** I can take that on notice.

**The Hon. GREG DONNELLY:** Take it on notice, yes. With respect to the new airport that is being built and the rail carriages and related infrastructure associated with that—I am specifically talking about the carriages and the rolling stock, I should say—is that a matter whereby you inside your part of Treasury would be providing advice to the Government about the jobs that would be available in the State if this work was done in New South Wales as opposed to going overseas?

**Ms CURTAIN:** I have not been asked to do it to date.

**The Hon. GREG DONNELLY:** Would you be able to take on notice and find out whether or not there is an intention to ask you to provide some briefing? It may not be you. It might be someone else domiciled working specifically with you or someone else in Treasury to provide that information about the jobs.

**Ms CURTAIN:** I can take it on notice.

**The Hon. GREG DONNELLY:** Thank you very much. Can I just go back to Mr Sangster about the matter of the rail infrastructure specifically supporting the aerotropolis project? You were good enough in some earlier questioning to explain what you understood were the rail structures that were going to be in place when the airport opens in 2026. That is what you understand. What about your understanding of other forward planning that is being made in regard to other rail infrastructure associated with supporting the airport? In your position, clearly you at the most senior level are briefed on critical matters associated with this very significant project. I am not asking you to specify rail stations per se. I am trying to get a picture of the forward planning that is taking place because 2026 is not that far away.

**Mr SANGSTER:** Mr Donnelly, thank you for your question. The stage one commitment is the one that we talked about earlier and is absolutely essential, as you have described. In the last election the Government did make a commitment to begin planning for other connections to the airport. There has not been commitment around timing but my understanding is that Transport has begun looking at planning work for those other connections, some of which you described earlier, whether that is south Macarthur or whether that is across to Leppington and the other connections. I am aware there is planning work that has been done but I am not across the detail of that planning work.

**The Hon. GREG DONNELLY:** This is for the benefit of people who are going to wake up tomorrow morning and say, "Gee, I want to read the *Hansard* for the budget estimates yesterday on western Sydney and related matters". I am sure there are many of them out there. You have just got to know where they live.

**Mr SANGSTER:** Our community in Western Parkland City loves the work you are doing. I am sure, Mr Donnelly, they are reading with great interest.

**The Hon. GREG DONNELLY:** They are probably watching it on the web, Mr Sangster, so you be careful with your answers. My question is, for the purposes of everyone to be clear with respect to that stage one that you have just described, could you just explain what that is with a bit more specificity?

**Mr SANGSTER:** The public commitment made is the airport line that connects from the T1 line at St Marys to the airport when the airport opens. That is the very public commitment. And then extending on into the aerotropolis core, which is the new CBD that will be built just to the south and east of the airport where the new advanced manufacturing precinct will go. That is what stage one encompasses.

**The ACTING CHAIR:** Can I ask a question in regards to the \$3 billion metro blowout? Did that have any effect or impact on any of the projects in Infrastructure NSW but particularly on western Sydney projects?

**Mr SANGSTER:** That is not a question that I can answer. That is a question for the Treasurer.

**The ACTING CHAIR:** Perhaps Mr Draper? So \$3 billion was obviously put into the metro project. That would have been allocated elsewhere. What impact would that have had on Infrastructure NSW projects in terms of delivery as well?

**Mr DRAPER:** In terms of the costs of the project and the budget for the project, that is something that Mr Constance can respond to tomorrow. I think he has spoken about it publicly. I am not aware that the reported change in the budget for the project that he has mentioned publicly has any impact on any other projects. There is nothing that has been reported to us that would suggest that—we have got a very large program happening in New South Wales. There is close to \$100 billion just over the first four years. Although that amount that you mentioned is a large figure—

**The ACTING CHAIR:** Three per cent?

**Mr DRAPER:** It is over the life of the decade of projects that we are delivering. It is a relatively small amount. I would be surprised if it has any significant impact on our delivery of projects in New South Wales.

**The ACTING CHAIR:** You do not foresee anything at the moment?

**Mr DRAPER:** No.

(Short adjournment)

**The Hon. GREG DONNELLY:** Mr Sangster I return to the aerotropolis project specifically and the aerotropolis precinct. Will you confirm the square hectares of that again?

**Mr SANGSTER:** Yes, in schedule 1 to our Act what is described as the initial area is 11,200 hectares.

**The Hon. GREG DONNELLY:** That is initial. Is that in anticipation of potential extension of that as some point in time in the future?

**Mr SANGSTER:** There are provisions in the Act that allow that area to be extended. If you conceive areas such as Barangaroo are 20 hectares, that has taken a fair while to build out. Building out 11,200 hectares will take 30 or 40 years or more—50 years perhaps—depending on how fast development actually goes on. I think what is more likely to happen is specific economic corridors that run in other directions, whether that is along road or rail corridors or other things that get built, that may change when some of those corridors actually do occur. For now, that is an awful lot of land. That is enough to keep us busy for a while before expanding it.

**The Hon. GREG DONNELLY:** You have enough on your plate. With respect to the 11,200 square hectares—

**Mr SANGSTER:** Just hectares. It would be 112 square kilometres, the measure.

**The Hon. GREG DONNELLY:** With respect to that area, in terms of the preponderance of airport and airport-related and commercial developments, vis-a-vis what we would call "residential" can you provide the approximate proportion, just so we have a picture—as best you can?

**Mr SANGSTER:** Absolutely. The Western Sydney Aerotropolis Plan was released on 6 December 2019. That is a public document that is currently out for consultation. That document is a very critical document because it ascribes eight precincts within that area but it also calls for comments from community, based on a proposed set of structures that would allow for approximately 20 per cent of the area to be residential or mixed use in nature, roughly. The importance of that is the location of those being in very specific geographic locations that ensure that the noise contours are never impeded.

The 24-hour nature of this airport is absolutely essential. The limits on residential are for two reasons: one, to ensure that we do not ever have the circumstance that we currently have in Mascot and our ensuring that we actually keep residential and sensitive uses away from the noise from the airport; two, and most importantly, we have been talking for much of the day about a very clear focus on job creation, and so ensuring that we have land appropriately zoned for advanced manufacturing on the eastern side of the airport and then on the western side of the airport for agribusinesses, which are intense agriculture, freight, logistics and other supporting infrastructures. It is really important that plan sets out in some detail those zones, those areas, those precincts within that total area that actually have those intended land uses, proposed land uses. The Government will make a decision later, we hope this year, around zoning those areas for those uses. I am not sure if that has given you a good description.

**The Hon. GREG DONNELLY:** That is good. I am dealing with rough figures here so I take it as 20 per cent, which leaves the difference of 80 per cent which would be the airport, airport-related and other—

**Mr SANGSTER:** The airport land belonging to the Commonwealth is about 1,800 hectares of that 11,200 hectare area. So it is twice the size of Mascot, just out of interest.

**The Hon. GREG DONNELLY:** Thank you, that is useful information. With respect to the 20 per cent or thereabouts for residential or mixed, are you able to provide an approximate figure—and if not, please take it on notice—of the number of people who will live in that 20 per cent? Obviously the other places are workplaces.

**Mr SANGSTER:** Correct.

**The Hon. GREG DONNELLY:** There are workforces in those workplaces. People will live in the residential and mixed. How many people may live in that 20 per cent?

**Mr SANGSTER:** We have not done the exact population data down at that level. The forecast released by the Department of Planning is more on a local government area level rather than down at that level of specificity. For example, the residential area that we would see developed through Rossmore and just into the piece of the Aerotropolis Core that would make up part of Liverpool's overall population projections. But obviously they have other areas in Liverpool that also may grow. The timing and sequencing also will have a very significant measure on what that population forecast actually looks like.



**The ACTING CHAIR:** If 200,000 jobs are created, are they for people living in the area and outside the area? Is that what you are saying? If you do not have a proper calculation of the 20 per cent residential area will they come from outside the area?

**Mr SANGSTER:** Let us be very clear on the 200,000 jobs. That is across the totality of the Western Parkland City; across those eight local government areas. We anticipate and expect that a number of those will be at the airport proper. The Commonwealth Government has made some commentary about those numbers. We will test those for veracity as we go forward. We will have jobs inside that 11,200 hectares in those very specific industries that we are very focused on bringing to New South Wales and growing in that area. But also, as I talked about before, those other areas—whether it is in the Hawkesbury, down in Wollondilly, Campbelltown, Camden, Liverpool and/or Penrith, St Marys economic corridor—are all critically important areas.

We know, for example, in places like Nepean Hospital, where a very significant upgrade is going on, it will grow the number of jobs ultimately in that health and education precinct. Specifically at Liverpool, an upgrade of the health and education precinct there and Campbelltown also has a significant upgrade going on there. There will be jobs in those health and education precincts that grow as part of that overall precinct that we are growing with all of that supporting infrastructure and job creation going on.

**The Hon. GREG DONNELLY:** That is helpful. With respect to looking at the precinct, the 11,200 hectares, in terms of identifying specific infrastructure needs like, for example, for a hospital, a decision needs to be made. Obviously there is a network of hospitals in western Sydney but we are creating this precinct with all the hope that goes with it and the work and the population who will live there hopefully. What is the decision-making process, if you can help me—and I accept your position that you do not work for NSW Health—

**Mr SANGSTER:** Not for the past 14 months or so, no.

**The Hon. GREG DONNELLY:** That is why he has got deep insights into NSW Health. What will be the process of making the judgement about the health infrastructure required in this new precinct?

**Mr SANGSTER:** Schools or police?

**The Hon. GREG DONNELLY:** Yes, indeed. It is a generic question and I am using health as an example.

**Mr SANGSTER:** It is a really very good question. That work is being done here for the first time in a relatively novel way. We have a group that has been formed call the Planning Partnership. That is actually bringing all of those State agencies together, together with the key three local government areas—Campbelltown, Liverpool and Penrith—whose lands intersect in that initial area. It is that team that has released the planning document you saw released on 6 December last year. They are operating under a delegation from the planning Minister. Critically, that group will continue to now work on precinct planning that will begin to make reservations for those infrastructures as they go.

We are intimately involved in more of the master planning that sits below the precinct planning. So in some of those early activation areas that we are focused on we will be looking about where do we then actually bring on specific pieces of infrastructure. In the Aerotropolis Core area, we may look at some early education pieces of infrastructure early and working closely with the education department to actually ensure that we have got that planning and longer-term thinking about how that actually works. There is a very specific piece of work that is going on by that group. It is actually led by a Liverpool council employee. That is part of the City Deal commitment: that we do planning differently with all the agencies sitting in the same organisation with local government to go about doing that task in the aerotropolis. It is a critical task.

**The Hon. GREG DONNELLY:** Can I ask this question? Sorry if it appears to be a bit naive. In that model, which appears to be a sensible model, there is an overlooking to see what the needs are that need to be met in these various State infrastructure areas. It is looking at the land that will be available to be able to, in fact, put a school, hospital or police station. There is not any prospect of that land being sold already for some other purpose, that they are looking effectively at what is the starting point, which is essentially a clean slate? We are not going to have problems of some authority taking this prime piece of land that would have been a great piece of land for X school.

**Mr SANGSTER:** Very little. The Commonwealth Government currently owns the airport site. There is 114 hectares of land that will form the Aerotropolis Core that is currently in Commonwealth Government hands and is part of the City Deal and will come to the State. Aside from that, the State Government owns very little of the land inside the precinct. The rest of it is privately held land, a combination of some large landowners and a significant number of smaller landowners.

**The Hon. GREG DONNELLY:** So that is effectively gone for the purposes of them being not able to purchase—unless, obviously, the Government decided it needed this particular location and then would have to enter into sort of a commercial negotiation, I presume.

**Mr SANGSTER:** Or, as part of the planning process, if a landowner and/or developer wants to bring on a precinct, then as part of that negotiation a very common thing in this sort of land transaction would be: Mr Developer, yes, we will allow that outcome but in exchange for that outcome we need then a school site to be provided as part of that, or a police station to be provided, or land for those sorts of services. What that planning exercise will do at a precinct level is ensure that we have that land planning done proactively.

**The Hon. GREG DONNELLY:** If I could—sorry for jumping around here—I will return to the matters of Treasury and just going back to this point that I know you did take on notice but I would like to return to it just to be clear. In terms of the establishments of—I will call it—the net negative effect on jobs with respect to projects that involve State sector employees going overseas, that ordinarily would involve State sector employees or employees in the non-State sector—in other words, projects that go overseas, for which otherwise employees would have been State sector employees, or non-State sector employees which is everybody else. Your evidence was that you have been in the role for only a relatively short period of time and that you were not aware of whether or not modelling was done within Treasury to provide that advice. That is something that you will have to speak to your colleagues about.

**Ms CURTAIN:** My understanding is that the modelling is done by the agency responsible for the project.

**The Hon. GREG DONNELLY:** So the agency does the modelling.

**Ms CURTAIN:** Any impact on jobs that has been highlighted to Government on a particular project should be highlighted in the business case.

**The Hon. GREG DONNELLY:** Is that a mandated requirement that needs to be undertaken when, in fact, this is being undertaken? In other words, is this an obligation enforced to the agency? Is it required to do that or you are not sure?

**Ms CURTAIN:** I would have to check. The business cases generally highlight the job creation elements from the projects but I will have to check.

**The Hon. GREG DONNELLY:** Perhaps you could take it on notice. Just following that, with respect to an agency, would it be typical, say, for a rail project—we are using rail as an example. We could take a ferry project or projects of infrastructure that are being built overseas that will come back and be used here in Australia or specifically in New South Wales. Where does the agency go to have that calculation done of that impact? Does they go to Treasury, for example, to see the expert advice from people within Treasury to help them come to that understanding of what that is, or would they go perhaps to a third-party consulting firm? Do you have an understanding of how they come up with these numbers?

**Ms CURTAIN:** There is another part of Treasury that is responsible for the business case guidelines and what needs to be included in those guidelines. They will give advice on what should be included. But my understanding is that Treasury does not do the actual modelling of a specific project because the people with the detail of the project itself are the agency and they may engage consultants where required.

**The Hon. GREG DONNELLY:** Once again, to the extent you need to clarify any of this on notice, that is fine. I am not trying to ambush you. I am just trying to clearly understand the ways in which there is—first of all, it is pleasing that it appears that there is actually a process of doing some analysis of the job impact on the offshoring of work, be it, as I said, the hard work like the building of a train or the softer work like working in a call centre. But there is some work done. But your understanding is that effectively the agency itself is the one that does the work or finds someone to do the work to establish what those numbers might be.

**Ms CURTAIN:** Yes, whoever it is who is bringing the proposal to Government would do any analysis required to answer those questions.

**The Hon. GREG DONNELLY:** With respect to those numbers that are brought forward by the agency, does Treasury look at those numbers and assess those numbers? Is that something that the NSW Treasury does if an agency comes up with the figures? Is that interrogated by Treasury in any way to see if it is a reasonable figure or number?

**Ms CURTAIN:** I would have to take that on notice.

**The Hon. MARK BUTTIGIEG:** It is an interesting question, I guess, because I think what my honourable colleague is referring to is the fact that you could have multi-persevered methodologies from the various agencies feeding into that and unless Treasury has a common lens through which to objectively judge those projects it is kind of like, well, it looks okay, tick.

**Ms CURTAIN:** There is a part of Treasury that looks after the business case guidelines. They review any business cases that are brought forward to Government as to whether those guidelines have been met in terms of the information provided.

**The Hon. MARK BUTTIGIEG:** Based on the same set of guidelines?

**Ms CURTAIN:** That is not an area I am responsible for but there is a part that is responsible for those guidelines. The Treasury, in part of our budget—a part of Treasury normally reviews key business cases if they are coming up to Government for funding approval but the agency itself is the one that has the detail to do the detailed modelling on impacts.

**The Hon. GREG DONNELLY:** I guess that question goes to the robustness of what an agency puts forward as an amount or a number, not that anyone suspecting for a moment it is a bodgie number. But the question is: Is it actually tested? Ultimately Cabinet will make the decision on these things. The Cabinet is signing off, so one would have thought that there is some attempt done at a very senior level to attest to this to establish whether it appears to stack up or not as a figure.

**Ms CURTAIN:** My role is focused on future job creation. I have taken on notice to review it.

**The Hon. GREG DONNELLY:** I am grateful for that. I am not looking to lead you down a path that you do not have knowledge of. I am grateful that you will take it on notice. Can I go to the issue once again of the unemployment figures and how we understand these figures and how these figures then are ultimately utilised by the relevant Ministers to formulate—working with, obviously, people in the department—strategies and approaches to deal with it? If we take the Shoalhaven and the Southern Highlands region of New South Wales, my understanding is that approximately now there is a 21 per cent unemployment rate for young people. I understand in the Illawarra region of New South Wales it is approximately 14 per cent. These are rather high numbers. If we go to the Shoalhaven and the Southern Highlands, I understand that that 21 per cent is 10 percentage points above where it was approximately 12 months ago. That is what I understand.

That is obviously a significant difference. Illawarra is high, Shoalhaven, the Southern Highlands, is high—a jump of, I believe, around 10 per cent, or thereabouts, in a 12-month period. With respect to NSW Treasury and the jobs part of the Treasury which informs the jobs Minister, as a matter of course does your area report this data to the jobs Minister, of changes like this and draw this to his attention so he can be informed about matters like changes of that dimension or perhaps even smaller? I ask the question because I presume the Minister himself—and I say this respectfully—does not jump on the net and go to the ABS website and try and work it out for himself; I presume that there are briefings provided to him of unemployment rates around the State. Could you help fill in the detail of the information provided to the jobs Minister on an ongoing basis around matters to do with unemployment?

**Ms CURTAIN:** The monitoring of the unemployment figures is the responsibility of our economics group and our chief economist and I understand that briefings are prepared specifically for the Treasurer and shared with the Ministers as well in relation to their portfolios, but it is not an area that I am responsible for.

**The Hon. GREG DONNELLY:** There are briefing documents produced and, to the best of your knowledge, those Ministers in the Treasury cluster are provided with those documents?

**Ms CURTAIN:** Yes.

**The Hon. GREG DONNELLY:** In terms though of briefings by yourself directly to the jobs Minister, how regularly do you meet with the Minister to have discussions about matters of jobs in New South Wales?

**Ms CURTAIN:** Everything in my portfolio is related to job creation, so I generally meet with the Minister at least weekly.

**The Hon. GREG DONNELLY:** With respect to those meetings, do you discuss with him matters of unemployment in New South Wales?

**Ms CURTAIN:** I would not be raising them generally, but I would be talking to him about what we are doing around future job creation.

**The Hon. GREG DONNELLY:** Sorry, I am just trying to make this distinction because you have got unemployment and jobs, so it is almost the opposite sides of the coin here potentially. With respect to matters of unemployment, that would be a matter that he, the Minister, would separately go and find out information about because you are essentially talking to him about matters of jobs. Is that a fair explanation?

**Ms CURTAIN:** He would be actively briefed by our economics group.

**The Hon. GREG DONNELLY:** So that is how he would be picking up his knowledge about unemployment, one would expect.

**Ms CURTAIN:** I expect so.

**The Hon. GREG DONNELLY:** That is fine. I am just trying to see how he gets the information. With respect to your briefings to him on at least a weekly basis, do you have a specific agenda you work through every time you meet with him?

**Ms CURTAIN:** It varies depending upon the issues of the day, I guess, and what the key issues are that are coming up or that we need a direction from him on, or giving him an update on things that we are working on. Each week will be different.

**The Hon. GREG DONNELLY:** Sure. Approximately how long do each of these meetings go for, just approximately?

**Ms CURTAIN:** Sometimes there is more than one meeting; so sometimes an hour. I guess it depends on the—

**The Hon. GREG DONNELLY:** On or around an hour is a fair sort of figure?

**Ms CURTAIN:** Generally, to start with, but then we would have other correspondence during the week as well.

**The Hon. GREG DONNELLY:** I am just trying to understand because these meetings appear to be quite important meetings because this is your primary opportunity to provide him with information and detail and knowledge about matters of jobs because that is the role you are carrying out in your role in Treasury.

**The Hon. MARK BUTTIGIEG:** Can I just clarify something on that?

**The Hon. GREG DONNELLY:** Yes.

**The Hon. MARK BUTTIGIEG:** It is just along the same sort of line. When the unemployment figures come through from a particular region you are not necessarily the line of transmission of that information; he will get it from the Treasury's economics team as a separate piece of advice?

**Ms CURTAIN:** Yes, the unemployment rates are something that our economics group monitors and reports on.

**The Hon. MARK BUTTIGIEG:** I am just trying to get a feel for the process. So is the process that Treasury briefs the Minister for jobs on the regional specific unemployment rates and then, presumably, that colours his decision-making on job creation, which is then flavoured by your input to him on where the opportunities are? So if the Shoalhaven has got a particular problem—there is obviously a high unemployment rate there—then he puts that piece of information together that he has got from the economics team, plus where your opportunities are for job creation? Is that too simplistic or is that how it works?

**Ms CURTAIN:** I cannot comment on the specifics of what the economics team brief him on, but we work very closely with that economics group in terms of where we are looking to target for opportunities. We also work closely with other parts of government as well in coming up with proposals on how we go forward, and that is how the Global NSW strategy was put together in terms of where we would focus attention for our team.

**The Hon. GREG DONNELLY:** We are not meaning to be critical. My colleague and I are making this point that one can imagine there is potentially a challenge for the Minister—and this is not reflecting on the Minister—but he is receiving information from a Treasury official, which is particularly focused on matters of jobs because that is the brief, so to speak, quite separately receiving information perhaps at other times of the week from the economics boffins in Treasury about the unemployment rates and that he needs to synthesise those together to get the complete picture of what is going on in New South Wales. That is the point we are making.

**Ms CURTAIN:** We work very closely together with the economics group so they understand what we are working on. Unemployment is not a simple thing; there are a lot of factors which impact on unemployment and there are a lot of factors which will impact on where we will target.

**The Hon. GREG DONNELLY:** There is friction on employment and there is all sorts of other things.

**Ms CURTAIN:** It moves over time.

**The Hon. GREG DONNELLY:** We do understand that. It is easily adjusted. We do understand these things, but for the Minister to have the best information in front of himself or herself, they need to have a very clear picture—this is with respect to the jobs Minister—about matters to do with unemployment in the State and where he will need to, or she will need to, as the case may be, target initiatives, policies and resources to address unemployment. Would you agree?

**Ms CURTAIN:** All these pieces of information are very important to have together and at times we will brief him together with the economists. It changes depending upon what is the topic we are discussing at the time.

**The Hon. MARK BUTTIGIEG:** If I could give a concrete example. Let us say the unemployment rate in Sydney CBD is 1 per cent, within the Shoalhaven it is 21, but there are job opportunities—your brief—in the Sydney CBD. Does it not then logically flow that irrespective of the job opportunities at present in the CBD we need to focus down in the Shoalhaven? How does that means get applied? Is that just purely for the Minister?

**Ms CURTAIN:** The key is that it is not only my activity that is impacting job creation.

**The Hon. GREG DONNELLY:** Sure, and we are not just putting it all on you.

**Ms CURTAIN:** A number of these areas also, to the extent they are identified as an activation precinct, then the regional team would be leading them some work; there are infrastructure projects or health projects, which will create jobs. Not all job creation comes from my team; my team is focused specifically on delivering the Global NSW strategy and that sort of future-focused industry development and precinct development. And there are other parts of government also that will be creating jobs through the work that they do. I am not briefing on every different piece of job creation work that is happening across the entire State.

**The Hon. GREG DONNELLY:** That is fine. I understand that. But we are dealing with a person who has the commission as the jobs Minister in New South Wales—that is the Minister who is not with us this afternoon—and we are trying to clearly understand where he gets his information from on matters to do with employment and unemployment so he is in the best possible position to be able to make the wisest decisions in terms of matters to do with policy and related matters. If we take the issue, for example, of the impacts of the collective effect of the drought, the fires and the coronavirus—returning to a theme that we were discussing this morning—we are now moving towards the middle of March or thereabouts, have you provided the Minister, either yourself or in conjunction with the other officers of the economics part of Treasury, information about the likely impact on unemployment of this collection of events in New South Wales?

**Ms CURTAIN:** That information is being led by our economics group.

**The Hon. GREG DONNELLY:** The economics group has information about the impact, or it is working on developing the information?

**Ms CURTAIN:** As I said, they work off the Australian Bureau of Statistics data. The ABS data for January did not include information on all of those affected areas.

**The Hon. GREG DONNELLY:** Of course.

**Ms CURTAIN:** Because they could not include that information. As more information becomes available they share it and, as I think I said earlier, the chief economist has met with a number of, you know, roundtables and industry bodies to gather anecdotal evidence and that is also shared to the extent that we have it, but we do not model our own separate from the ABS data. There is some ABS data out; obviously, it has drought included.

**The Hon. GREG DONNELLY:** Of course.

**Ms CURTAIN:** But for bushfires, there is a limited amount in there. We do not have data for the coronavirus yet.

**The Hon. GREG DONNELLY:** Sure. We understand that this is moving. But obviously we want our Ministers to have the best possible information in front of them at the earliest possible time to enable the best

judgements to be made about what is the wise policy to pursue. With respect to the impact of the drought, the fires and the COVID-19 virus, what advice is being put to the jobs Minister about that impact?

**Ms CURTAIN:** I would have to take on notice exactly what it is. There is a whole-of-government working group working on bushfires, which is being led by the Deputy Premier as the recovery Minister. There is also a whole-of-government working group looking at the COVID-19 impacts as well, which is taking information from across the whole cluster.

**The Hon. GREG DONNELLY:** But am I to take from your answer that with respect to what is being advised to the jobs Minister are about this, dare I say, negative impact that is going to be arising from this confluence of events that you are saying NSW Treasury really has to wait for the ABS data to come out, or it has some hard information to provide some actual specific advice to the Minister?

**Ms CURTAIN:** The only hard information we have is the ABS data but we do as much work as we can reasonably do to get anecdotal evidence that we can provide into the discussions.

**The Hon. GREG DONNELLY:** And you have given some examples of how that is going. Other than the example you have given of how it is collected through meetings and briefings and consultation, that covers the field about how Treasury might, dare I say, vacuum up information about matters to do with that employment and unemployment in New South Wales?

**Ms CURTAIN:** I do not lead that area so I will have to take that on notice.

**The Hon. GREG DONNELLY:** Okay. That is fine.

**The Hon. MARK BUTTIGIEG:** I am not sure whether my colleague covered this while I was away but I might just take you through some of them. We did sort of touch on this this morning but we might maybe sharpen the pencil on some of this stuff. The impact of coronavirus as a threat on inbound tourism, which I imagine would be at the pointy end of the negative effects on demand, has there been any analysis on the monthly figures over the next 12 months by region and economic spend in terms of direct and indirect visitor numbers for international and domestic visitors?

**Ms CURTAIN:** I do not believe that we have that by region, no.

**The Hon. MARK BUTTIGIEG:** What about just on a macro level then?

**Ms CURTAIN:** At the moment, still there is no specific ABS data out that includes that impact as yet, so it is just anecdotal.

**The Hon. MARK BUTTIGIEG:** Anecdotal from airline companies' projections, or just some sort of modelling?

**Ms CURTAIN:** I would have to speak to the chief economist who has done the work on that in terms of who he is actually spoken to.

**The Hon. MARK BUTTIGIEG:** We did touch on this this morning but the Minister was not very effusive in the answer. Can you give us an estimate of the impact on demand of the threat over the next 12 months?

**Ms CURTAIN:** Yes. I think I have that here. The chief economist gave me some notes. In terms of specifically of coronavirus—that was your question? Is that right?

**The Hon. MARK BUTTIGIEG:** Yes.

**Ms CURTAIN:** The information I have here is that there is an expectation that there may be a 0.25 per cent of gross State product [GSP] growth impact from bushfires and then potentially another 0.6 per cent of GSP from the coronavirus.

**The Hon. MARK BUTTIGIEG:** I am sorry, what were those figures again?

**Ms CURTAIN:** It may be a 0.25 per cent—

**The Hon. MARK BUTTIGIEG:** From bushfires.

**Ms CURTAIN:** And potentially around 0.6 per cent, which was the figure he gave yesterday in the Treasurer's briefing.

**The Hon. MARK BUTTIGIEG:** Okay, so a tick over 1 per cent.

**Ms CURTAIN:** I think he was suggesting that a combined impact—I do not seem to have the number here but I recall him mentioning sort of potentially around the three-quarter per cent in total when you combine the two.

**The Hon. MARK BUTTIGIEG:** Yes, okay. In terms of international tourism, has the department formed a view on how—I understand this is a very difficult answer because if people do not want to come, they do not want to come—to ameliorate that? Are there any plans afoot to try to ameliorate that down tick in tourism?

**Mr MAHONEY:** I may speak to that.

**The Hon. GREG DONNELLY:** Please.

**Mr MAHONEY:** Obviously the situation in China and South Korea with travel bans and other measures in place has meant that Destination NSW has postponed its planned marketing activity. We have preserved the budget allocated to that activity pending resolution of the situation, but at the same time, to ameliorate the situation, we have more than 120 different marketing activities taking place in other markets around the world where coronavirus is not causing trouble bans on residents of those countries to come to Australia.

**The ACTING CHAIR:** While there is—

**Mr MAHONEY:** Sorry, if I may finish?

**The ACTING CHAIR:** Yes.

**Mr MAHONEY:** Also at the time the work that we are doing in relation to bushfire and drought recovery is tapping into the natural desire that people have to travel, to encourage them to actually travel within Australia. Those who might have gone somewhere else are actually spending their travel dollars on travel within Australia—within New South Wales is our intention.

**Ms CURTAIN:** I just noticed we do have here some information from the Tourism and Transport Forum, who gave an indication that—this is across the whole country—potential international visitation for the first six months of 2020 could be down around 40 per cent.

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

**Ms CURTAIN:** International visitation, which is why we are focusing on domestic travel as an increase.

**The Hon. MARK BUTTIGIEG:** So there is an attempt to create a substitution effect whereby locals travel internally and interstate to compensate for the lack of overseas travellers. Is there any estimation on whether or not or what percentage that will make up for, that substitution effect?

**Mr MAHONEY:** We have not done any modelling on that I guess because that this is a dynamic situation and the coronavirus situation continues to unfold. So it is probably too soon for us to have any hard data on that but anecdotally we are hearing that there are more inquiries in relation to domestic travel.

**The Hon. MARK BUTTIGIEG:** Is that assistance largely dependent on increased marketing or are their material subsidies being considered as well—in other words, subsidised holidays and that sort of thing?

**Mr MAHONEY:** There are no subsidies being planned by Destination NSW in relation to that. I think there are two elements at play. One is the deep well of goodwill that we have seen demonstrated in the community in New South Wales and more generally in Australia with people wanting to give back, whether it is through the Empty Esky campaign, the Holiday Here This Year campaign, iLove NSW campaign—all the various campaigns that are running. It is tapping into that well of goodwill and people are wanting to provide some sort of support to communities that have been affected by drought or bushfire. Increasingly, as I said before, I think the desire that people have for, I guess, relief from the situation. There is a latent desire for travel and people are probably looking into their own backyard for the opportunity to have a getaway.

**The ACTING CHAIR:** But given that there is a growing sense of panic among some people even to associate or to go places, has that not also impacted internally in terms of internal travel?

**Mr MAHONEY:** We have seen no evidence of any panic in relation to domestic travel.

**The ACTING CHAIR:** Right. That is good. Thank you.

**Mr MAHONEY:** Can I also just add that it is important to note that Destination NSW has a balanced portfolio of investments in international markets. While China is a very important market we are active in 14 different markets around the world and we have a balanced portfolio of investments in those markets.

**The Hon. MARK BUTTIGIEG:** From the previous answers, in effect that is being skewed towards the non-coronavirus-affected markets to try to increase the uptake of travel.

**Mr MAHONEY:** Where that is possible, yes.

**The Hon. MARK BUTTIGIEG:** Via advertising campaigns.

**Mr MAHONEY:** Marketing campaigns generally.

**The Hon. GREG DONNELLY:** Mr Sangster, you may know the answer to this. What is the current plan for the aerotropolis? Why was Badgerys Creek to Parramatta metro corridor and marshalling yard included in that plan even though this was not part of the Commonwealth or New South Wales cities agreement governing the development of the Badgerys Creek airport? Do you know the answer to that?

**Mr SANGSTER:** No, that is a question you would need to ask the planning group. That document was prepared and released by them. I would say if you go back and look at the Future Transport Strategy document that is one of those links that is in that document.

**The Hon. GREG DONNELLY:** It must be a magnificent document. All routes seem to lead back to this document.

**Mr SANGSTER:** It is an important document.

**The Hon. GREG DONNELLY:** It obviously had a lot of ambit in it when it was created many years ago. It has obviously been a very useful and flexible document for the Government over that period. I will ask Mr Mahoney about events spending in the context of where we are in mid-March 2020 and looking ahead for the rest of this financial year—I appreciate there is not much left. Is there any money still to be allocated with respect to events spending by Destination NSW or has that effectively been exhausted and allocated?

**Mr MAHONEY:** No. In fact I think the Minister may have mentioned it this morning. There is \$1 million of the \$10 million recovery package which is earmarked for regional events in two categories, micro events and flagship.

**The Hon. GREG DONNELLY:** That was mentioned today. Okay.

**Mr MAHONEY:** That is for two categories of events—a continuation of our flagship event program and a new program called micro events.

**The Hon. GREG DONNELLY:** This was captured by that major release in February.

**Mr MAHONEY:** That is correct.

**The Hon. MARK BUTTIGIEG:** This is on a related point. On the 0.75 per cent projection of falling gross domestic product, what does that translate to roughly in dollar terms? Do we know?

**Ms CURTAIN:** The GSP at the end of 2018-19 was \$614.4 billion. I have not done the calculations in my head. In the half-year review the Government released in December the forecast for GSP growth was to rise another 1.75 per cent in 2019-20. So it is still forecasting an increase but just a lower one I guess.

**The Hon. MARK BUTTIGIEG:** Slower growth, yes, but potentially significant. When you look at those figures, if it is 1 per cent of \$600 billion, let's call it \$6 billion. We are talking about a significant hit to demand and yet we are talking about budgets of \$10 million, \$1 million. It does seem incongruent in terms of the response, would you not agree?

**Ms CURTAIN:** It is a decision for government. There is a lot of work that is being done around bushfire and coronavirus recovery and this is just one small part of that. There is a lot more that is happening but it is not being led by us.

**The Hon. MARK BUTTIGIEG:** Are there moves afoot to supplement the Federal Government initiative of \$10 billion at the State level in terms of solid injections from the State itself?

**Ms CURTAIN:** On tourism?

**The Hon. MARK BUTTIGIEG:** In tourism and investment in general, yes.

**Ms CURTAIN:** Other than what Mr Mahoney has talked about I am not aware of the specifics. We know we are working with government on the current budget process and what will be happening from this budget onwards.



**The Hon. MARK BUTTIGIEG:** As a Treasury official is it concerning, given the onset of these disasters and the potential effect on the economy, that it kind of feels like there is an element of dragging the chain, in an economic sense, in terms of a response?

**Ms CURTAIN:** I would not say that. There is a huge response from government and across the whole of government in terms of the bushfire response and as well now considering coronavirus. The Minister answered this morning about the tourism position and as Mr Mahoney has mentioned there was careful timing in terms of when it was appropriate to be suggesting visitors visit regional New South Wales again. We wanted to make sure that the worst of the crisis was over. But the \$10 million is what is allocated to this financial year and we are working with government on what the budget for the future years will look like.

**The Hon. MARK BUTTIGIEG:** Who would questions about Aboriginal tourism and bushfire recovery be best directed to?

**Mr MAHONEY:** I am happy to respond to those questions.

**The Hon. MARK BUTTIGIEG:** Is Destination NSW aware of the loss of Aboriginal sites of significance as a result of the bushfires?

**Mr MAHONEY:** We are generally aware, through the destruction of the natural landscape, of the potential impact of that on country for Aboriginal people.

**The Hon. MARK BUTTIGIEG:** In terms of access to those sites of significance and the loss, has there been any forensic audit done on that?

**Mr MAHONEY:** Destination NSW commenced an audit back in December last year—a progressive audit of the damage to both the natural and the built environment—through our Destination Networks, which are on the ground. It did not specifically identify Aboriginal heritage as a separate category but within the broader category of tourism infrastructure or tourism services the information was captured.

**The Hon. MARK BUTTIGIEG:** So we got an overall perspective on the macro effect but in terms of specifically Indigenous sector, for want of a better term, we do not have an idea of the effect that the bushfires might have had on that area?

**Mr MAHONEY:** Other than media reports on the subject, there is nothing that is definitive in relation to that matter.

**The Hon. MARK BUTTIGIEG:** Is the Government intending to zero in on that sector and perhaps do an audit to work out what assistance if any can be provided?

**Mr MAHONEY:** Destination NSW works very closely with the NSW Aboriginal Tourism Operators Council, which is a collective of Aboriginal owned and operated businesses and through which it typically works in terms of industry development—so creating opportunities for Aboriginal people to create a tourism-based business. We could certainly use that forum in order to identify the particular areas of concern.

**The Hon. MARK BUTTIGIEG:** It sounds like it has not been done to date but there is an intention to engage.

**Mr MAHONEY:** Correct.

**The Hon. MARK BUTTIGIEG:** Keeping on the bushfire effect and recovery workshops, which bushfire-affected Destination Networks held recovery workshops?

**Mr MAHONEY:** To date I believe that Destination Southern NSW, Destination Sydney Surrounds South and Destination Riverina Murray, three of the most heavily affected, have completed workshops.

**The Hon. MARK BUTTIGIEG:** Are the details of those meetings—minutes, times and all that sort of thing—publicly available?

**Mr MAHONEY:** The events themselves were promoted to their stakeholder network in advance of the events. I do not have that information to hand but it can be provided.

**The Hon. MARK BUTTIGIEG:** Do we have an idea of which agencies attended?

**Mr MAHONEY:** Again I do not have that information to hand but the participants who registered for those events would be readily available.

**The Hon. MARK BUTTIGIEG:** Are there more of those planned?

**Mr MAHONEY:** There may be. I think it is also important to acknowledge the fact that there are a number of bushfire disaster recovery meetings which Destination NSW participates in on a regular basis, which are convened by different—across government agency meetings. They happen on a fairly regular basis. Now that the bushfire situation has resolved, the frequency of those meetings has reduced but nonetheless they continue to meet and exchange data across agencies. So I think there is probably a mix of two things. There is the bushfire recovery summit type activities that were either initiated by or co-convened by the Destination Networks as well as those cross-agency forums.

**The Hon. MARK BUTTIGIEG:** I picked up on part of your answer, where the immediate crisis has obviously passed us now with the majority, if not all, of the fires out. Is it not a problem with these things that when all the focus of the media attention and politicians has moved on it is the on-the-ground recovery and the information getting back to government instrumentalities as to what the roadblocks are that matters in the medium to long term?

**Mr MAHONEY:** Yes. I do not want to suggest with my response that it is no longer a priority. I was indicating that the frequency with which those meetings are taking place has changed, because the situation has resolved. However, the content of those meetings has shifted from matters of safety and security to recovery and resilience discussions.

**The Hon. MARK BUTTIGIEG:** Which Destination NSW network chairs or CEOs attend regional recovery meetings in each area impacted by bushfires?

**Mr MAHONEY:** I personally attended and spoke at the Destination Southern/Sydney Surrounds South bushfire recovery meeting. Representatives from Destination NSW attended the Riverina/Murray event. I was personally, due to other work commitments, unable to go but it was my intention to do so. My colleague who is with us in the room, our general manager for communications, has been our representative on the bushfire recovery working groups.

**The Hon. GREG DONNELLY:** If I could pick up the theme of the Regional Visitor Economy Fund, which I understand was the successor to what was originally called the Regional Tourism Fund.

**Mr MAHONEY:** It is the reverse, if I may correct you.

**The Hon. GREG DONNELLY:** It is the other way around, I apologise. With respect to the money in that fund presently, do you have a dollar figure on how much may be in that fund?

**Mr MAHONEY:** The Regional Tourism Fund ended on 30 June 2019.

**The Hon. GREG DONNELLY:** So that fund was exhausted and there was nothing left in it at that time?

**Mr MAHONEY:** That is correct.

**The Hon. GREG DONNELLY:** With respect to that fund and its use that concluded at that time, there has been no subsequent announcement of a like fund to do similar distribution of grants and payments?

**Mr MAHONEY:** From the beginning of this financial year, Destination NSW undertook a review of the record funding that it had made in regional tourism. That review was continuing up until about October last year and then the bushfire situation commenced. That necessitated a reprioritisation of our focus and of funding programs.

**The Hon. MARK BUTTIGIEG:** Do we have an idea of how much money has been awarded to the Regional Tourism Fund since its inception in 2016?

**Mr MAHONEY:** It is 55 projects with a value of \$8 million.

**The Hon. MARK BUTTIGIEG:** There was a media release on 2 December 2019 where apparently \$13 million was available for the fund, but on the website there is a list of 50 projects which have been awarded grant funding from the program and they total \$7,289,000. There is obviously a gap of roughly \$6 million. Do you have an explanation for that?

**Mr MAHONEY:** Yes. The balance of the \$13 million and what was originally publicly announced for that fund was spent on regional projects, including an allocation of \$500,000 to each of the six Destination Networks for them to invest in priority projects identified through their destination management plans.

**The Hon. MARK BUTTIGIEG:** At the last estimates hearing the Minister and Destination NSW attended there was a request that the CEO table a list of funding for all these successful tourism grants, but apparently that has not been provided. Are you able to provide us with that table today or give it on notice?

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

**The Hon. MARK BUTTIGIEG:** At the last budget estimates hearing that the Minister and Destination NSW attended the CEO said that some of the inconsistencies between announcements and dates were due to projects not being completed. Is it usual for Destination NSW to only announce projects after they have been completed?

**Mr MAHONEY:** It is usual for Destination NSW to announce a project only once an agreement has been signed with the party. Typically, it is reported if it has been completed within that financial year. I am happy to take that question also on notice to confirm those details.

**The Hon. MARK BUTTIGIEG:** Is there an agreed time line of when these things should be announced so that there is no confusion over the funding envelope? The implication is that, if they are announced at different times, people get confused about what is left and how much to go.

**Mr MAHONEY:** The Regional Tourism Fund is not a round-based program. We do not open a round and it closes and then there is an evaluation of the assessments. It was open 365 days of the year, which means that a project application or an application for funding can be received on 1 July. It will go through an assessment process and contracting and it could be announced at the conclusion of that process. We might not get another application for funding until September. It is, by nature, a progressive process in terms of contracting and announcements.

**The ACTING CHAIR:** Any questions from the Government?

**The Hon. TAYLOR MARTIN:** No, no questions from the Government.

**The ACTING CHAIR:** That concludes our budget estimates hearing. I thank the Committee, Hansard and the witnesses for their attendance. I note that witnesses have taken some questions on notice. The Committee secretariat will be in touch with you soon in regard to those questions.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**