

PORTFOLIO COMMITTEE NO. 7 - PLANNING AND ENVIRONMENT

Tuesday 26 October 2021

Examination of proposed expenditure for the portfolio area

ENERGY AND ENVIRONMENT

UNCORRECTED

The Committee met at 9:30.

MEMBERS

Ms Cate Faehrmann (Chair)

Ms Abigail Boyd

The Hon. Catherine Cusack

Mr Justin Field

The Hon. Ben Franklin

The Hon. Rose Jackson

The Hon. Mark Latham

The Hon. Shayne Mallard

The Hon. Mark Pearson (Deputy Chair)

The Hon. Penny Sharpe

Mr David Shoebridge

PRESENT

The Hon. Matt Kean, *Minister for Energy and Environment*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

Budget Estimates secretariat

Room 812

Parliament House

Macquarie Street

SYDNEY NSW 2000

The CHAIR: Welcome to the public hearing for the inquiry into budget estimates 2021-22. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respect to the Elders past, present and emerging of the Eora nation and extend that respect to other Aboriginal people present. I welcome Minister Matt Kean and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Energy and Environment.

Before we commence, I will make some brief comments about the procedures for today's hearing. Today's proceedings are being broadcast live from Parliament's website and a transcript will be placed on the Committee's website once it becomes available. In accordance with the broadcasting guidelines, media representatives are reminded that they must take responsibility for what they publish about the Committee's proceedings. All witnesses in budget estimates have a right to procedural fairness, according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. If witnesses wish to hand up documents, they should do so through the Committee staff. I remind the Minister and the officers accompanying him that they are free to pass notes and refer directly to their advisers seated at the table behind them.

In terms of audibility of the hearing today, we have witnesses in person and via videoconference. I ask Committee members to clearly identify who questions are directed to. I also ask everyone appearing remotely to please state their name when they begin speaking and to mute their microphones when they are not speaking. Finally, I ask everyone to turn their mobile phones to silent for the duration of the hearing.

TRACEY MACKEY, Chief Executive Officer, NSW Environment Protection Authority, affirmed and examined

PAUL GRIMES, Coordinator-General, Environment, Energy and Science, Department of Planning, Industry and Environment, affirmed and examined

ATTICUS FLEMING, Deputy Secretary, National Parks and Wildlife Service, Department of Planning, Industry and Environment, before the Committee via videoconference, affirmed and examined

JAMES HAY, Deputy Secretary, Energy, Climate Change and Sustainability and Chief Executive Officer of Energy Corporation of NSW, Department of Planning, Industry and Environment, before the Committee via videoconference, sworn and examined

NANCY CHANG, Executive Director, Regulatory Policy Initiatives and Advice, NSW Environment Protection Authority, before the Committee via videoconference, affirmed and examined

DEAN KNUDSON, Deputy Secretary, Biodiversity, Conservation and Science, Department of Planning, Industry and Environment, before the Committee via videoconference, affirmed and examined

SHARON MOLLOY, Executive Director, Biodiversity and Conservation Division, Department of Planning, Industry and Environment, before the Committee via videoconference, affirmed and examined

KATE WILSON, Executive Director, Climate Change and Sustainability, Department of Planning, Industry and Environment, before the Committee via videoconference, affirmed and examined

MICHELLE DUMAZEL, Executive Director, Biodiversity and Conservation Division, Department of Planning, Industry and Environment, before the Committee via videoconference, affirmed and examined

ANDREW LEWIS, Executive Director, Energy, Department of Planning, Industry and Environment, before the Committee via videoconference, affirmed and examined

PAUL ELTON, Chief Executive Officer, Biodiversity Conservation Trust, Department of Planning, Industry and Environment, before the Committee via videoconference, affirmed and examined

NAOMI STEPHENS, Executive Director, Park Operations (Coastal), National Parks and Wildlife Service, Department of Planning, Industry and Environment, before the Committee via videoconference, affirmed and examined

ANDREW NICHOLLS, Executive Director, Business Delivery, National Parks and Wildlife Service, Department of Planning, Industry and Environment, before the Committee via videoconference, sworn and examined

GEORGINA KELLY, Executive Director, Science, Economics and Insights, Department of Planning, Industry and Environment, before the Committee via videoconference, sworn and examined

CARMEN DWYER, Executive Director, Regulatory Operations Regional, NSW Environment Protection Authority, before the Committee via videoconference, sworn and examined

STEPHEN BEAMAN, Executive Director, Regulatory Operations Metro, NSW Environment Protection Authority, before the Committee via videoconference, sworn and examined

DAVID FOWLER, Executive Director, Regulatory Practice and Environmental Solutions, NSW Environment Protection Authority, before the Committee via videoconference, affirmed and examined

The CHAIR: As there is no provision for any witness to make an opening statement, we will proceed straight to questions from the Opposition. The Hon. Penny Sharpe.

The Hon. PENNY SHARPE: Good morning, Minister.

Mr MATT KEAN: Hi, Ms Sharpe.

The Hon. PENNY SHARPE: Minister, you announced in this year's budget \$193 million over five years for the next Koala Strategy. The current strategy expires at the end of the year. When are we going to see the new Koala Strategy?

Mr MATT KEAN: Very soon. The \$193 million is the biggest investment that we have seen in New South Wales to protect koalas.

The Hon. PENNY SHARPE: In the next week? By the end of the year?

Mr MATT KEAN: I am not going to announce here today.

The Hon. PENNY SHARPE: I am not asking you to announce it. I am asking you to tell us when it is

going to be—

Mr MATT KEAN: We are going to announce it on the Government's timetable, not your timetable.

The Hon. PENNY SHARPE: Sure. So before the end of the year?

Mr MATT KEAN: As soon as possible. I want it to be a surprise for you, Ms Sharpe.

The Hon. PENNY SHARPE: Sounds like the plastics plan, Minister.

The Hon. BEN FRANKLIN: What an excellent plan it is.

Mr MATT KEAN: I am very happy to talk about the plastics plan, Ms Sharpe.

The Hon. PENNY SHARPE: No, I am not going to ask you about that. There is very little detail about the \$193 million. Can you give us a breakdown of the expenditure of this funding?

Mr MATT KEAN: We will give you the breakdown as part of the Koala Strategy, but it will focus on things like protecting koala habitat; it will focus on things like research and counting koalas; it will focus on things like translocations—all the stuff that I have flagged in the public domain. We will be releasing that strategy as soon as possible.

The Hon. PENNY SHARPE: I have been looking at the Saving our Species program, and the amount of funding that has been spent for koalas over the past three to four years has reduced. How much money of the \$193 million is Saving our Species money rebadged?

Mr MATT KEAN: It is new money, so it is in addition to—

The Hon. PENNY SHARPE: All new?

Mr MATT KEAN: Yes, I believe so. I will get Dr Grimes to confirm that.

Dr GRIMES: My understanding is that it is all new money.

The Hon. PENNY SHARPE: Saving our Species was cut by 25 per cent. Funding has not just moved over to be counted in this announcement?

Mr MATT KEAN: No, definitely not. This is new money, separate to the Saving our Species program—in addition to the Saving our Species program, Ms Sharpe.

The Hon. PENNY SHARPE: Given that you are not going to tell us anything about the Koala Strategy, I want to talk about the *NSW Koala Strategy 2018-21*. Are you concerned that only four of the 26 key actions of that Koala Strategy have actually been completed?

Mr MATT KEAN: I am concerned that our koalas are increasingly under threat. I am concerned that that is due to a number of things, including loss and fragmentation of habitat, overdevelopment of koala habitat and also the impact of climate change. So I am concerned.

The Hon. PENNY SHARPE: Sure, but I want to go back to the previous Koala Strategy, which was supposed to save koalas. There are only four things that have been completed. There is an online portal for koalas, where people can tell us what they are doing in the community—and all power to them. There is the Australian Museum that has been designated as a biobank, which is great but it is basically looking after dead koalas. Then we have the data collection identification of koala habitat through Sharing and Enabling Environment Data, which is basically being ignored through the loosening of a range of different policies. We have also developed an app to collect information about koalas called "I Spy Koala". Of the entire Koala Strategy, they are the four things that have been completed in three years. Do you think that is acceptable, Minister?

Mr MATT KEAN: No, I do not. I think it is a matter of public record that this Government needs to do a lot more if we are going to protect our koalas and see them survive into the future.

The Hon. PENNY SHARPE: But, Minister, this was your plan. This is your plan.

Mr MATT KEAN: And I agree with you.

The Hon. PENNY SHARPE: You have been the Minister for all this period of time and all we are really doing is we are looking at koalas, we are looking where their trees are and we are saving their dead generic material.

Mr MATT KEAN: I think it is a matter of public record that I do not think that the Government is doing enough to protect koalas. As the Minister for Energy and Environment, I have just delivered the biggest funding injection to move advance—

The Hon. PENNY SHARPE: So you will not tell us what it is about. You could not even spend the money that you had for the past three years, Minister.

The Hon. BEN FRANKLIN: Point of order—

The CHAIR: A point of order has been taken. I think I know what it is going to be about.

The Hon. BEN FRANKLIN: Obviously this is robust and that is excellent, but we have to at least allow the Minister to finish the sentence.

The CHAIR: I remind Committee members to allow the witness to at least be able to answer the question to some extent.

Mr MATT KEAN: Ms Sharpe, I absolutely agree with you: We need to do a lot better when it comes to koalas. We have just put \$193 million—

The Hon. PENNY SHARPE: You have been in charge for the past three years and it is worse.

The CHAIR: Order!

Mr MATT KEAN: Could I just finish my answer?

The Hon. PENNY SHARPE: Sure.

Mr MATT KEAN: We have put \$193 million on the table. We have worked with some of the best—

The Hon. PENNY SHARPE: Well, you have not spent any of that yet.

The Hon. BEN FRANKLIN: Point of order again—

The Hon. PENNY SHARPE: I apologise, Minister. You go on.

Mr MATT KEAN: I have enormous respect for you, Ms Sharpe, and I am just trying to say I agree with the proposition that you have put. We have not done good enough when it comes to protecting koalas. They are massively under threat. The Government could do a lot more, and we will be announcing a very comprehensive plan that has been developed with some of the best scientists in the country—leading experts when it comes to protecting koalas, like Professor Kathy Belov, for example—and that plan will be fully funded. That is what the \$193 million is for. But it is not just the Koala Strategy; there is a whole comprehensive range of things that we need to do to protect koalas, which includes protecting their habitat—

The Hon. PENNY SHARPE: We will get to those, Minister. That is fine. I want to ask you specifically about the Koala Strategy, if that is okay.

Mr MATT KEAN: Yes, absolutely.

The Hon. PENNY SHARPE: Can we get on to some of the other aspects, please.

Mr MATT KEAN: Absolutely. Could I just finish my response there? Protecting habitat is very important, which is why another part of the strategy involves purchasing land that will safeguard koalas in perpetuity and adding it to our national parks.

The Hon. PENNY SHARPE: Terrific. In the last koala plan there was \$20 million to conserve habitat. In the most up-to-date public information—I accept this may have changed—there were seven properties that were acquired, which is around 3,613 hectares. Can you tell me how much of the \$20 million in the current Koala Strategy has actually been spent to conserve habitat?

Mr MATT KEAN: Yes. I think, probably, Dr Michelle Dumazel is best placed to answer that question.

The Hon. PENNY SHARPE: Yes. Terrific.

Ms DUMAZEL: In terms of habitat that is being protected, we have had 3,686 hectares. That has been purchased and announced.

The Hon. PENNY SHARPE: Yes. I have got that. Thank you, Ms Dumazel. I am aware of that. That was the seven properties. That was actually up to date to 2020. There was \$20 million set aside in the current Koala Strategy to conserve habitat. Are you telling me that those seven properties cost \$20 million? If not, can you please tell me how much of the \$20 million has been spent to conserve habitat?

Ms DUMAZEL: I do not have that exact figure in front of me, so I will have to take that one on notice.

The Hon. PENNY SHARPE: Terrific. If you can do that and come back to me this afternoon, that would be excellent. I would appreciate that.

Answer:

Please refer to the answer given later in the Energy and Environment Budget Estimates hearing on 26 October

2021, recorded on page 48 of the uncorrected transcript.

Ms DUMAZEL: Yes. That is fine.

The Hon. PENNY SHARPE: Thank you. I might just move back to the Minister, then, on that. Thank you. So you cannot tell us how much of the \$20 million in the current was there?

Mr MATT KEAN: We will come back to you this afternoon.

The Hon. PENNY SHARPE: Yes. Terrific. I appreciate that. Are you aware of the campaigns? There is a number of community campaigns, operating across the State, to purchase very important core koala habitat. There is a campaign to purchase land at Voyager Point, near Liverpool. Are you aware of that? Can you tell me whether that has been considered?

Mr MATT KEAN: I am not aware of the specific parcel of land in Liverpool, but I know that there is a lot of community activists looking to protect koala habitat in western Sydney, particularly in that Campbelltown area. If you might give me that after this, I am very happy to look at it. There is a couple in Port Macquarie. I know that the Hon. Catherine Cusack is here today. She has been advocating strongly for a parcel of land up there.

The Hon. PENNY SHARPE: Yes, Ruins Way. That is what I was going to ask you about. There is 200 hectares of critical habitat in Port Macquarie. I am just wondering if there is any status update that you or any of your officials could give us around consideration of that parcel of land.

Mr MATT KEAN: Yes. The one in Port Macquarie—the member for Port Macquarie asked me specifically to look at purchasing that. I asked the head of National Parks to look at that parcel of land to see if it would be a suitable addition to the national parks estate. So if I could just throw to Atticus Fleming, if that is okay.

Mr FLEMING: I was advised in the last few days that that property has been taken off market. I have not confirmed that. It may be it is not listed publicly any further. But it is a property we have been looking at. I do not think that is confidential. But, of course, being able to acquire a property—part of it is the assessment; part of it is negotiating a satisfactory price. We have not landed all of those things in relation to that property yet. As I said, it may have now been taken off market.

The Hon. PENNY SHARPE: Are you aware there is also significant land in Port Stephens that is also possibly coming to market in relation to this?

Mr MATT KEAN: Sorry, Mr Fleming. I will just jump in. Yes. I have spoken to Kate Washington about that land. I have sent that request through to Atticus Fleming. Mr Fleming is handling those negotiations. I do not want to prejudice any commercial negotiations.

The Hon. PENNY SHARPE: No. I am actually not trying to do that. A second action under the current Koala Strategy was protecting habitat. There was supposed to be 20,000 hectares of koala habitat protected. I know that 4,000 hectares has been transferred to the National Parks and Wildlife Service. But, Minister, where are the 16,000 hectares of koala reserves outlined in the current Koala Strategy? Where are they?

Mr MATT KEAN: I think it is best placed to direct that to Mr Fleming or to Ms Dumazel, if that is okay.

Ms DUMAZEL: The intention is still to set aside that 24,000. That has been actually set aside. The finalisation of that is still occurring. While there has been 4,000, as you have mentioned, that has already been gazetted as national park. There has been more than 4,900 hectares that have been protected as flora reserves. It is just the final kind of stages of that moving across the other reserves that have actually been set aside [disorder].

The Hon. PENNY SHARPE: So you are telling me they have actually been set aside, they are just yet to be gazetted? If you could take on notice, if you could list those for us—I do not need you to do that now—that would be useful.

Mr MATT KEAN: We will get that all for you.

Ms DUMAZEL: Yes. I am happy to take that one on notice.

Answer:

Please refer to the answer given later in the Energy and Environment Budget Estimates hearing on 26 October 2021, recorded on page 48 of the uncorrected transcript.

The Hon. PENNY SHARPE: Thank you. One of the other key items—this is the last one I will go to—of the current Koala Strategy was work done by the Biodiversity Conservation Trust [BCT], which was, obviously

very importantly, managing koala habitat on private land. The last update I saw suggested that there had been about 254 hectares in Port Macquarie and Lismore-Ballina, and that the BCT was looking at property in the Southern Highlands. I think that Paul Elton is here, actually. I would like just to know, since that update on the current Koala Strategy, how much land BCT is actually now managing in relation to koala habitat.

Mr MATT KEAN: I might just throw that to Mr Elton, if that is all right, Ms Sharpe.

Mr ELTON: So far we have now completed three koala habitat-specific conservation [inaudible]: in the Port Macquarie area, in the Lismore-Ballina area and in the Southern Highlands. That has resulted in 17 agreements across 2,874 hectares of priority koala habitat. I will also add that there are many voluntary or partner conservation agreements up and down the coastal and hinterland areas in particular that are also protecting koala habitat. We currently have more than 200 applications for further [inaudible] conservation agreements. We estimate that about 40 per cent of those will include koala habitat. There is very high demand there. We are prioritising the assessment and processing of those applications as well. That will add a lot more hectares for koala conservation.

The Hon. PENNY SHARPE: You would anticipate—perhaps for you, Minister—when we see the new Koala Strategy, that there might be actually some targets in relation to how many hectares are going to be protected through these management agreements.

Mr MATT KEAN: That is correct. In fact, I have asked the BCT to specifically look at expanding their terms of reference to target private land which contains koala habitat.

The Hon. PENNY SHARPE: Thanks, Minister. Clearly from my questions, my concern is that we do a lot of looking at koalas. I do not know that we do very much about actually saving their trees. You have got concurrence in relation to the Private Native Forestry [PNF] Code of Practice. Where is that code up to? When is it going to be released?

Mr MATT KEAN: I might just get Ms Mackey to give an update as to where the code is up to.

Ms MACKEY: That code is, as you would be aware, being reviewed by Local Land Services [LLS]. They have the lead on reviewing that. We are encouraging them to work to finalise that review so that we can go through the process of concurrence with the Minister for the environment.

The Hon. PENNY SHARPE: It has been quite a long time. You would agree?

Ms MACKEY: Yes, it has been a long time.

The Hon. PENNY SHARPE: When seen in concert with the koala State environmental planning policy [SEPP] and the land management code reviews, are you concerned, Minister, that the lag time in adjusting all of these issues is actually allowing more koala habitat to be removed?

Mr MATT KEAN: Yes, I am.

The Hon. PENNY SHARPE: When the PNF code is being remade—obviously, I have not seen it, but I am very interested in the changes that will be made in relation to core koala habitat—will you remove the prohibition on carrying out PNF in core koala habitat?

Mr MATT KEAN: Will I "remove the prohibition"?

The Hon. PENNY SHARPE: Will you agree to removal of the protection currently in place, about private native forestry in core koala habitat? It is a pretty seminal question in relation to the code.

Mr MATT KEAN: That is a line in the sand for me.

The Hon. PENNY SHARPE: So you are saying to the Committee today that the PNF code will not allow logging to take place in core koala habitat.

Mr MATT KEAN: What I am saying is that there are some major sticking points in the negotiations over the remake of the private native forestry codes and that is one of them.

The Hon. PENNY SHARPE: Can we talk about the Land Management (Native Vegetation) Code as well?

Mr MATT KEAN: Sure.

The Hon. PENNY SHARPE: Obviously there are significant concerns from the Audit Office through to the Natural Resources Commission about the massive rise in land clearing that has occurred since the reforms in 2018. Where are we up to in terms of changing, reviewing or updating the Land Management (Native Vegetation) Code?

Mr MATT KEAN: I have signed the terms of reference for the review, but I might just throw to

Dean Knudson to see where it is up to, if that is all right.

Mr KNUDSON: Thanks, Minister. That code also is under review by LLS. We are participating in that review. The one thing I would say, in terms of land clearing we have seen about a 10 per cent reduction in land clearing this last year to about 54,000 hectares. It is worthwhile to take a look also at the expansion of the conservation estate that has happened with respect to Parks and the BCT. Over the last couple of years about 380,000 hectares have been added to the conservation estate, which well and truly does outstrip the extent of clearing. That being said, these reviews will be very important to figure out the future settings.

The Hon. PENNY SHARPE: I am very happy about the new national parks. I am sure you are dying to talk about them, Minister, but there are no koalas out there. This is the point. We will move on.

Mr MATT KEAN: Could I get Mr Knudson to finish that answer?

The Hon. SHAYNE MALLARD: What about lizards and snakes? Why don't you like lizards and snakes and goannas?

The Hon. PENNY SHARPE: I do like lizards and snakes.

Mr MATT KEAN: Mr Knudson, can you say—I have signed off the terms of reference. Where are they sitting at the moment? Where are we up to? Who is the decision-maker now?

Mr KNUDSON: Thank you, Minister. The terms of reference are currently with Minister Marshall for approval. So, yes, indeed, you have signed off [inaudible].

The Hon. PENNY SHARPE: Just to be clear, you have got concurrence on these, haven't you, Minister?

Mr MATT KEAN: We do, yes. We have signed off the terms of reference, so it might be best to ask Minister Marshall where they are up to.

The Hon. PENNY SHARPE: Minister, koalas in Campbelltown is a massive issue, as you know. It is one of the few healthy koala colonies that we have left. It is under significant pressure in relation to development out there. You have previously said, "Campbelltown is koala town and that's why we need to pull out all stops to protect them." You would be aware that there has been a court case recently where Lendlease is not proposing to have the 450-metre corridor connecting the Georges River and the Nepean River, as recommended by your own chief scientist. Minister, how are you going to save the koalas in Campbelltown?

Mr MATT KEAN: We are going to enforce the chief scientist's recommendations.

The Hon. PENNY SHARPE: Are you saying you are going to enforce 450-metre corridors?

Mr MATT KEAN: I have told Lendlease and I have told all the major developers down there that the chief scientist will guide the decisions of this Government when it comes to koala corridors.

The Hon. PENNY SHARPE: Just to be clear, the development is going ahead without that corridor. How are you fixing that?

Mr MATT KEAN: Sorry, Ms Sharpe. Stage one had already been approved. What I said when I became environment Minister is the chief scientist would guide where the development could go, and the terms of reference for the chief scientist were to protect those core koala corridors and to protect the key koala habitat. He has given advice to me and I have made it very clear to the proponents of development down there—stage two of the Lendlease site—that they need to make it work within the guidelines the chief scientist has set. That is my position.

The Hon. PENNY SHARPE: That is great, and I am pleased that you say you have got a position in relation to this, but will there be a 400-metre corridor for koalas in that area?

Mr MATT KEAN: I think some of the corridors—I am just talking from memory, but from the chief scientist's report I think it is an average that they talk about: the 400-metre average corridor. Some parts of that corridor that will contribute to the average are actually very steep ravines, so they should not really count. We need to be protecting those core areas where the developers want to encroach. I have asked the chief scientist to clarify exactly what those boundaries are that would preserve those corridors. I do not have that advice yet but I am happy to provide it at the appropriate time. I will continue to make it clear to Lendlease and all the proponents of development down there that they need to act within the chief scientist's advice to save those koalas.

The Hon. PENNY SHARPE: I have one more quick question, which is actually slightly different. Given the koala inquiry that this Committee undertook and, obviously, the huge pressure on koala populations as a result of the bushfires, what action have you taken to ensure that the unburnt trees that koalas rely upon across the State across all land tenures are not being further harmed?

Mr MATT KEAN: Obviously the bushfires were a once-in-a-generation event. They have had a huge

impact on a range of habitats, including koala habitat. Certainly across all tenures we have put special provisions in place for the Environment Protection Authority [EPA] in how we manage koala habitat on Forestry land. We have additional protections around how we manage private native forestry. Do we, Ms Mackey?

The Hon. PENNY SHARPE: No, there are not.

Ms MACKEY: No, not for private native forestry under the integrated forestry operations approvals [IFOA].

Mr MATT KEAN: Not for private native forestry under the IFOA. Apologies; I stand corrected. But obviously the EPA have changed the way that they manage native forestry through this process, Ms Sharpe.

The Hon. PENNY SHARPE: Thank you, Minister.

The CHAIR: Minister, what is the status of the investigations that your department launched into the allegations raised in *The Guardian* that environmental consultants advising your government made windfall gains as a result of selling biodiversity offsets to your department?

Mr MATT KEAN: I will get Dr Grimes to give a full update on where we are at with that, but I want to state a few things for the public record. Firstly, the journalism of Lisa Cox has been absolutely outstanding in shining a light on some of these important practices. Secondly, a number of the issues that have been identified through this excellent journalism are now subject to investigations by integrity bodies. Thirdly, I have implemented a full and thorough review internally, which is being undertaken by Dr Grimes. I will hand to him to give you an update as to where that is at.

Dr GRIMES: We take these matters extremely seriously in the department. I can confirm we have initiated investigations and reviews, and they have been progressing, as the Minister has indicated. Some of those matters relate to matters that have been referred to the ICAC. For obvious reasons, because the work is still ongoing, I am probably not in a place to share too much information about the work but I would like to emphasise how seriously the department takes these matters and our commitment to making sure that the matters are properly reviewed and properly acted on, if there are any findings that require actions.

The CHAIR: Does that include potentially changing the system itself to prevent what clearly has enabled people to undertake what you could almost call insider trading in terms of knowing where to purchase land and how to benefit from that?

Dr GRIMES: I would not want to pre-empt any findings at this stage; I would not want to go to that point. Clearly there is a need for ongoing attention to ensure that high levels of integrity are being maintained and the scheme is operating effectively to achieve the outcomes that the community is seeking, both to enable development to occur but also to ensure that high environmental standards are met.

The CHAIR: Minister, we will go back to koalas but I also want to stick with biodiversity offsets and koalas. I think one of the recommendations from the koala inquiry was that koala habitat cannot be offset, if you like, or at the very least have like for like. But that is not the case within the Biodiversity Offsets Scheme at the moment. What are you doing to improve that scheme to ensure that koala habitat cannot be cleared and offset by something that is not koala habitat?

Mr MATT KEAN: Right now what we are doing is undertaking a comprehensive review of the offset scheme in general: how it is being applied, the governance structures around it and whether it has integrity. I think the public has every right to know that any land habitat that is taken for development or roads or infrastructure is actually going to be offset with like-for-like credits. As to the policy decisions about what land can and cannot be offset, we are still working through that process. But I am very happy for Dr Grimes to give a further explanation.

The CHAIR: In terms of the principles behind it, I suppose, we started an offsets inquiry—which I am sure you are aware of—and we are increasingly hearing, for example, that what were supposed to be designed as red flags within the system are almost not the case anymore. Red flags can be dealt with by the developer paying money into the Biodiversity Conservation Trust, the Biodiversity Conservation Trust cannot find enough land to offset, and Cumberland Plain Woodland continues to be offset but it is critically endangered and there is not enough land for there to be offset. The scheme is not stopping clearing at all, it seems, of critically endangered habitat and it is under your watch that this is happening. Are you going to reform the scheme so that critically endangered habitat cannot be cleared, for example?

Mr MATT KEAN: I think it is clear that there needs to be root-and-branch reform of the scheme both from a policy level and an integrity level, and, yes, we will be doing both.

The CHAIR: What is the time line for that review?

Mr MATT KEAN: I will seek advice from Dr Grimes.

The CHAIR: Dr Grimes?

Dr GRIMES: We have already got a very comprehensive program of work underway to look at improvements to the scheme and also to look at any opportunities to strengthen assurance around the scheme. We have developed an integrated improvement and assurance program within the department, which we are pursuing, and that work will be overseen by an external monitor. The external monitor is Mr Mike Mrdak, who is a very widely respected and experienced former public servant who will be assisting us with ongoing work. I would stress that this is a program of ongoing work, actually learning lessons as we go along and ensuring that the lessons that are learnt are then incorporated into changes into either the administrative settings for the scheme or the policy settings for the scheme. We would advise the Government in relation to any policy matters as they need to be considered.

The CHAIR: I move now to a different area, specifically in relation to a couple of areas that the Government has identified to potentially open up for coalmining, which are just next to Wollemi National Park and very close to the Blue Mountains World Heritage area. Firstly, Minister are you aware of the UNESCO World Heritage Committee's concerns about coalmining in the vicinity of the Blue Mountains World Heritage area?

Mr MATT KEAN: Yes, I am.

The CHAIR: Do you support the Government's proposed potential release of areas very close to Wollemi National Park, the Hawkins and Rumker areas, for coalmining?

Mr MATT KEAN: What I support is going through a thorough assessment process of any projects that could impact on our environment, including our World Heritage areas. That is what this Government does. We have got an environmental impact statement [EIS] process and any project should go through that proper process. Once the details are thoroughly interrogated then I will form a view as to whether I support it.

The CHAIR: The Hon. Mark Pearson.

The Hon. MARK PEARSON: Welcome, Minister Kean. Are you aware that there has recently been an inquiry into the wellbeing and health of kangaroos and other macropods by this Committee?

Mr MATT KEAN: I certainly am, Mr Pearson, and can I thank you for your leadership on that Committee. You have highlighted some really important issues and I know that you are not new to these important issues around animal justice. I want to acknowledge your longstanding commitment to these issues.

The Hon. MARK PEARSON: Are you aware that one of the main recommendations is that you consider the report very seriously before you consider signing off on the next Kangaroo Management Program?

Mr MATT KEAN: Yes.

The Hon. MARK PEARSON: Strangely, our inquiry happened around the same time that this document will be before you to sign off on, together with the Federal Minister. Will you take the advice from the recommendation to not sign off on the next Kangaroo Management Program until you have seriously taken into consideration the report and its findings and recommendations?

Mr MATT KEAN: I am not sure when I will be required to consider the next Kangaroo Management Program—

The Hon. MARK PEARSON: It is very soon.

The CHAIR: Now.

The Hon. PENNY SHARPE: Now.

The Hon. MARK PEARSON: By the end of this year.

Mr MATT KEAN: —but it seems a pretty sensible suggestion that I consider the parliamentary inquiry's recommendations before I do so. I am very happy to say, yes, I will do that.

The Hon. MARK PEARSON: Thank you. The inquiry included the budget estimates last year and also the hearing this year in the actual inquiry into this subject and then we had to call back your department again for further questioning. One of the main mysteries is the understanding of the fertility of kangaroos. There are very different points of view about this, and we still really have not had a clear answer from your department. I am going to seek a clear answer through you. I think the best way to ask the question is to not get into scientific technicalities. Will the Minister advise of the maximum number of joeys that a female red kangaroo and a female eastern grey kangaroo can rear to maturity in one year? I understand that you probably do not know the answer to that—

The Hon. ROSE JACKSON: Give it a go!

The Hon. BEN FRANKLIN: Go on, take a swing.

The CHAIR: I want to hear what he says.

The Hon. MARK PEARSON: —but that answer is critical. The reason that question is important is because a lot of animals—

Mr MATT KEAN: We have prepped on a lot of topics for today, Mr Pearson—

The Hon. MARK PEARSON: Sorry, what was that?

Mr MATT KEAN: —but kangaroo reproductive rates is not one of them.

The Hon. PENNY SHARPE: You should have; you need to read the report, Minister.

The Hon. MARK PEARSON: That will not help you either; that is why I am asking the question.

Mr MATT KEAN: I might hand over to Sharon Molloy, who is our kangaroo reproductive expert on the line, and she will give you a full composition of kangaroos and how they reproduce.

The CHAIR: We have asked Ms Molloy.

The Hon. PENNY SHARPE: We have asked Ms Molloy before.

Ms MOLLOY: Thank you, Minister. It is Sharon Molloy here. I might be a zoologist but it is a long time since I have practised zoology and it was back in Ireland, so I am certainly not a kangaroo population ecologist expert. But I do have access to those people both within the department and also some of our external scientists who did provide evidence—Dr Stuart Cairns, Dr Steve McLeod and Dr Tony Pople, who between them have about 80 years' experience in the area of kangaroo population dynamics and biology. We can certainly get you that information, Mr Pearson, but I do not have it on me today.

The Hon. MARK PEARSON: Thank you, Ms Molloy. You will take the question on notice.

Ms MOLLOY: Yes.

Answer:

I am advised:

The maximum number of joeys that a female red kangaroo and a female eastern grey kangaroo can rear to maturity in one year is likely to be two or three. There is also significant anecdotal evidence from the field that there are numerous kangaroos carrying twins this year, and with exceptional seasonal conditions there is a good chance they may be reared to maturity.

The rate of increase of a population is a more useful parameter to measure population growth. The Department of Planning, Industry and Environment responded to a supplementary question about the maximum rate of increase of kangaroo populations following the Inquiry into the Health and wellbeing of kangaroos and other macropods in New South Wales hearing on the 15 June 2021. The response given to the supplementary question is available in the Answers to Supplementary Questions, NSW Government, Portfolio Committee No. 7 – Planning and Environment, Inquiry into the health and wellbeing of kangaroos and other macropods in New South Wales, Page 2–4.

The Hon. MARK PEARSON: The next question relates to that and it relates to what the answer will be. Whatever the answer to that question is, can you answer then this question: How does this fertility rate align with the harvesting quota system which allows for up to 17 per cent of all kangaroos to be killed in each of the zones where commercial shooting takes place? You will need the first answer to be able to answer the second question. Will you take that question on notice?

Ms MOLLOY: I can, but I can also add a little bit of information to the second question. There is quite a bit of debate about what the survival rate is; there are sums that suggest it is 10 per cent. We presented evidence at the inquiry that the population rate can be as high as 50 per cent, 60 per cent or 70 per cent depending on how good the conditions are for different kangaroo populations. There is a lot of debate but there is also a lot of peer-reviewed published information on it. I can certainly take the detail of that second question on notice, and they are tied together so I appreciate that.

Answer:

I am advised:

The maximum rates of population increase have been demonstrated in peer reviewed science multiple times to be as high as 50 per cent, 60 per cent or 70 per cent depending on how good the conditions are for different kangaroo populations.

These rates of increase suggest that harvest rates of 15 per cent for grey kangaroos and wallaroos and 17 per cent for red kangaroos are conservative. In addition, quotas have been set at 15 per cent and 17 per cent for many years and the long-term population trend is stable (Lunney et al. (2018) and Pople et al. (2018)).

References:

Lunney D, Purcell B, McLeod S, Grigg G, Pople T & Wolter S 2018, Four decades of research and monitoring the populations of kangaroos in New South Wales: one of the best long-term datasets in Australia, *Australian Zoologist*, 39: 784–800.

Pople A, Gentle M, & Brennan M 2018, Achieving pest control through sustainable wildlife use, in Baxter G, Finch N & Murray P (eds), *Advances in conservation through sustainable use of wildlife*, The University of Queensland, Gatton: Brisbane, Queensland, 151–161.

The Hon. MARK PEARSON: A question that will relate to this is that the evidence that was found during the inquiry was that no records are actually kept, Minister, of joeys that are killed either for the commercial or non-commercial killing of kangaroos. If there is no record of the joeys that are either bludgeoned to death or flee and die from exposure and predation and, given that the deaths of joeys will impact on the population numbers available for future slaughter, does this give you any concerns about the ability of your department to determine sustainability of the Kangaroo Management Program?

Mr MATT KEAN: Yes. We should be looking to use the best data that we have available, and I would hope that it would consider those very serious issues that you have raised, Mr Pearson. I will ask my department to see if they can ascertain that data and obviously that will be influential in the decisions that I take.

Answer:

I am advised:

The collection of data relating to euthanasia of dependent young has never been part of the commercial kangaroo management program.

Dependent young are not counted during surveys as they are usually in the pouch and therefore cannot be counted individually by expert wildlife counters. As such, they are also not included in the population estimates or quotas.

Data is not collected on the number of dependent young euthanised or potentially orphaned during harvest. The keeping of such records is not required of harvesters, and would be challenging to regulate in a way that delivered accurate and reliable data.

The harvesters are required to adhere to the National Code of Practice for the Humane Shooting of Kangaroos and Wallabies for Commercial Purposes. This ensures the humane harvesting of kangaroos and euthanasia of dependent young.

The Hon. MARK PEARSON: Unfortunately, though, I think what you will find is that there is no data because in our inquiry neither the Kangaroo Industry Association of Australia nor the NSW National Parks and Wildlife Service that oversees the killing could give us that number. Will the Minister confirm that the Kangaroo Management Program does not undertake any field inspections of the commercial shooting of kangaroos and the destruction of joeys?

Mr MATT KEAN: I am not best placed to confirm that but I will take advice from Sharon Molloy.

Ms MOLLOY: Yes. We have a compliance program that does certain things for the Kangaroo Management Program. We inspect harvesters, we check tags and we check chiller premises. We do not go out with commercial harvesters to check how they are humanely shooting kangaroos. There is a code of practice for the commercial kangaroo management industry and program that was reviewed in 2020, and we expect our

licensed harvesters and shooters to adhere to that code of practice. I note that one of the recommendations in the primary report is around that issue of joeys and collecting information both for commercial and non-commercial. So we will be looking at all of those recommendations, Mr Pearson, and providing some advice back to the Minister and Government about how we would respond to those recommendations.

The CHAIR: Thank you. We will go to questions from Mr Justin Field.

Mr JUSTIN FIELD: Thank you, Chair. Thank you, Minister, for your time here today. Minister, I just wanted to follow up on one of your answers—I think it was to Ms Sharpe—about the PNF code review. One of the sticking points was whether or not PNF logging would be allowed in critical koala habitat. Of course, there is currently a prohibition there. You said it was a line in the sand for you. If it is a sticking point, does that mean that the National Party is seeking access to core koala habitat for private native forestry?

Mr MATT KEAN: No, it does not mean that at all. What I am saying is that the proposition that Ms Sharpe put to me is one that I take very seriously and I would not want to see any further measures to risk koala habitat. It would be a line in the sand for me.

Mr JUSTIN FIELD: But you also said it was a sticking point in the negotiations. Where is the stick?

Mr MATT KEAN: The sticking point is that I want to get these codes out so everyone has got certainty—certainty for landowners and certainty for environmentalists—about what can and cannot be done on private native forestry.

Mr JUSTIN FIELD: But if you do not want access to PNF in koala habitat and it is a sticking point, that would suggest that someone does. Who does?

Mr MATT KEAN: I am not going to play hypotheticals here today. What I am going to say is that protecting koala habitat is very important to me. Clearly, it is an issue this Government has [disorder]—

Mr JUSTIN FIELD: We are probably not worried about how important it is to you, Minister. We are worried about how important it is to others in your Government, I think.

Mr MATT KEAN: You can rest assured, whilst I am the environment Minister, that I am going to stand up and argue for koalas very strongly.

Mr JUSTIN FIELD: Thank you, Minister. There are multiple proposals and companies pushing to access native forest biomass, including from private native forestry, for hydrogen and electricity production in New South Wales. This is hugely concerning for biodiversity protection, as you understand, and increases logging pressures. Will your Government's green hydrogen policy that you recently announced allow for the gasification of native forest biomaterial to produce hydrogen?

Mr MATT KEAN: No.

Mr JUSTIN FIELD: How will you ensure that it does not? You have no regulatory barriers to protect against that at the moment.

Mr MATT KEAN: We will write that into the regs and only provide the subsidies for those people that produce green hydrogen through the electrolysis process or using waste, creating biomethane from landfill and things like that. We will definitely allow that. But we will rule out the production of hydrogen using private native forests.

Mr JUSTIN FIELD: You currently rule out the production of electricity using private native forestry. It is in the regulation. But then the next clause is a whole heap of exemptions. You do know that native forest biomaterial is allowed currently for electricity production. There is a proposal in the Hunter—Redbank Power Station, Verdant Earth Technologies—to burn up to one million tonnes a year of native forest biomaterial for electricity. If that electricity is used in electrolysis for hydrogen, you are effectively doing the same thing. When are you going to stop native forest biomaterial being used for energy production in New South Wales?

Mr MATT KEAN: I have made it very clear. The Hydrogen Strategy will support those people that produce hydrogen using electrolysis through our renewable energy or using biomethane produced from landfill. We will make that clear in the [disorder]—

Mr JUSTIN FIELD: Do you consider the Verdant proposal to be renewable energy? Electricity produced in that plant could be used for electrolysis so you have the same impact on the native forests.

Mr MATT KEAN: I take your point. I am making it very clear at the top level. Perhaps if I could hand to Tracy Mackey to say how we will enforce that via regulation.

Mr JUSTIN FIELD: That would be great.

Ms MACKAY: Mr Field, as you are aware, Singleton Council has been the responsible planning

authority for that particular proposal. They sought advice from us back in May this year, and we—

The Hon. MARK PEARSON: Excuse me, Ms Mackey. Could you just move the microphone to you?

Ms MACKEY: Sorry. Is that better? They sought advice from us in May this year. We came back to them and indicated we need much more information about the processes that were being proposed to be used for that particular proposal. We will continue to provide advice to either council or any other planning authority, depending on what the Land and Environment Court rule, with regard to that particular matter.

Mr JUSTIN FIELD: Are you joining that action in the courts? Are you engaging in that process?

Ms MACKEY: We are not a party to that action. We are not involved in that process.

Mr JUSTIN FIELD: If the court approves the modification there is a million tonnes now of native forest biomaterial that they are trying to get access to. We know the Department of Primary Industries [DPI] has been facilitating meetings between Verdant and their officials to make sure that they can get access to the biomaterial. Will you not miss the boat here?

Ms MACKEY: That particular legal matter is the subject of whether or not Singleton Council should be the responsible planning authority. That is what that action will determine. It will not determine whether or not that particular proposal is approved. If it does go back to council—as I have said, they have already approached us previously—we will seek further information to support council with their consideration of the proposal, as we would do with any other council, any other proposal. With regard to DPI's involvement in that legal matter, that is absolutely a matter for Regional NSW. We are certainly not party to that legal process.

Mr JUSTIN FIELD: Any trees cleared under the new 25-metre boundary clearing rule—the bushfire rule—under the exemptions currently in the Protection of the Environment Operations Act that allow for native forest biomaterial to be burnt for electricity, can timber from that 25-metre boundary clearing be used? That is a substantial amount of timber that might be out there.

Mr MATT KEAN: I hope not.

Ms MACKEY: I might ask Ms Chang to provide some detail. We have got regulatory arrangements in place with those that are currently using biomass to fuel their processes. In fact, we did a major audit of the key producer in that space to look at where they were receiving materials from and to make sure that we were being as transparent as possible—

Mr JUSTIN FIELD: And they would be complying with their licence as well.

Ms MACKEY: And that they were complying with their licence. There were a small number of noncompliances—Carmen Dwyer can talk to those—that were found on that licence. We have followed up to ensure that they are now compliant. Unfortunately, a recent ruling in the NSW Civil and Administrative Tribunal [NCAT] has forbidden us from releasing information at the level of detail that the community desired around that. Our intention was to release it and be transparent. But, for commercial-in-confidence reasons, NCAT ruled that we could not do that.

Mr JUSTIN FIELD: To save the time of other members, I will come back to Ms Chang—

The CHAIR: Order! Justin, time is up.

Mr JUSTIN FIELD: She was going to throw to one. I am saying, "Don't throw to the official." That is all.

The CHAIR: Sorry.

The Hon. BEN FRANKLIN: He was actually trying to do the right thing.

The Hon. ROSE JACKSON: Thanks, Minister. Just to confirm the Government's climate change policy, it is a 50 per cent reduction in emissions by 2030 and net zero by 2050. Is that right?

Mr MATT KEAN: That is correct, Ms Jackson.

The Hon. ROSE JACKSON: The "announcement" that you made recently with the Premier was that the Government is on track on current policy settings to meet the 2030 50 per cent reduction target. Is that correct?

Mr MATT KEAN: Ms Jackson, based on the current policies that we have implemented—the road map, the electric vehicle policy, the industry policy et cetera—our modelling shows that we are on track to hit between 47 and 52 per cent reduction by 2030.

The Hon. ROSE JACKSON: When the new Premier said, "Well, the great thing about this Government is, when it comes to meeting our net zero target, we are completely on track without any policy change at all", that is not correct.

Mr MATT KEAN: Our net zero for 2050 target?

The Hon. ROSE JACKSON: Yes. The new Premier said, "Well, the great thing about this Government is, when it comes to meeting our net zero target, we are completely on track without any policy change at all." That is wrong, isn't it?

Mr MATT KEAN: There will have to be additional policies to get to net zero by 2050—

The Hon. ROSE JACKSON: On current policy settings we are not going to meet net zero by 2050, are we?

Mr MATT KEAN: I do not want to play word games here today. But the reality is that 50 per cent emissions reductions targets by 2030, by all standards—including those most ambitious countries in the world—is clearly on track to hit net zero by 2050.

The Hon. ROSE JACKSON: How do you then explain this chart, which was produced by your Government. It shows the 47 to 52 by 2005 levels, which you articulated is on track to be a 50 per cent reduction by 2030, but we got this gap here.

Mr MATT KEAN: I just cannot see.

The Hon. CATHERINE CUSACK: Point of order, Madam Chair—

The Hon. ROSE JACKSON: It is in your road map. I can table it, but it is from the road map.

The CHAIR: Order! A point of order has been taken by the Hon. Catherine Cusack.

The Hon. CATHERINE CUSACK: We really do need that document to be copied. A copy provided to the Minister, I think, would assist.

Mr MATT KEAN: I just cannot see it. That is all.

The Hon. CATHERINE CUSACK: Perhaps we can come back to it when that has been able to be tabled.

The CHAIR: A copy will be provided to the Minister.

Mr MATT KEAN: I think, Ms Jackson, the point that the Premier was trying to make—he is probably best placed to answer it—is that, based on the policies we have got in place, we will get to 50 per cent by 2030 and that puts us well on track to get to net zero by 2050.

The Hon. ROSE JACKSON: If that was the point he was trying to make, he did not make it because he referred to net zero. It is true—is it not, Minister—that without additional policy changes we are not going to get to net zero by 2050. We are not on track on current policy setting to meet that target.

Mr MATT KEAN: Yes, we will need to introduce new policies to get to net zero by 2050.

The Hon. ROSE JACKSON: Great. What are those new policies going to be?

Mr MATT KEAN: I am not going to speculate on what technologies may become available or what new opportunities we may have to reduce our carbon footprint in a way that grows our economy. Right now we have put in place a number of policies that will roll out more renewables, electric vehicles and help our heavy industry to decarbonise in a way that is going to create jobs, drive investment and grow this State's prosperity. That is how we are going to tackle climate change on this side of the Parliament. We are still waiting to hear what your policies are and whether or not you are going to put in place policies that will beat our targets for 2030. I am waiting to hear what Labor's position is, Ms Jackson. As a leader of the Labor Party and one of the most ambitious trailblazers in the party—

The Hon. ROSE JACKSON: Nice try, Minister. Come on.

Mr MATT KEAN: —I would hope that you will be putting out very ambitious plans.

The Hon. SHAYNE MALLARD: You will be on TikTok, Minister. Watch out.

The Hon. ROSE JACKSON: Other than that fluff, you are not going to give us any concrete policy proposals that the Government is considering to meet its net zero target, other than that very general—

Mr MATT KEAN: No government is doing more in this country at the moment to tackle the issue of climate change.

The Hon. BEN FRANKLIN: Hear, hear.

The Hon. SHAYNE MALLARD: Hear, hear. You are embarrassed.

Mr MATT KEAN: I am so proud of that. We have just introduced the biggest and most ambitious renewable energy package in the nation.

The Hon. SHAYNE MALLARD: Hear, hear.

Mr MATT KEAN: That is going to see us completely decarbonise our electricity grid. We have introduced the biggest electric vehicle plan.

The Hon. PENNY SHARPE: We know that.

Mr MATT KEAN: Behyad Jafari from the Electric Vehicle Council says it is the best EV strategy in the country.

The Hon. PENNY SHARPE: You have got 15 minutes at the end. You can tell us all about it then.

The Hon. BEN FRANKLIN: No, this is directly relevant to the question.

Mr MATT KEAN: I am trying to give context.

The Hon. ROSE JACKSON: No, because I am asking about new policies and you are telling us what you have already done.

The Hon. SHAYNE MALLARD: Two weeks old.

The Hon. CATHERINE CUSACK: These are the new policies.

The Hon. SHAYNE MALLARD: It is a two weeks old policy.

The CHAIR: Order!

The Hon. ROSE JACKSON: You have acknowledged that we need to do more to meet net zero. I am asking what the "more" is.

Mr MATT KEAN: Ms Jackson, we have some of the most comprehensive policies to tackle our carbon emissions in a way that will grow our economy. We will continue to look at ways to reduce our carbon footprint and grow our economy. Obviously there is a way to go to get to net zero by 2050 but the question has to be asked—the new leader of the Labor Party has been the leader now for over 140 days.

The Hon. SHAYNE MALLARD: Policy vacuum.

Mr MATT KEAN: We have seen more environmental policy from that known greenie Dom Perrottet than we have from the Labor Party in the 20 days that he has been the Premier. He has done more for the environment than the Labor Party has done—

The Hon. ROSE JACKSON: He does not even understand the difference between the 2030 and the 2050 targets. So, you know.

Mr MATT KEAN: Ms Jackson, we have not seen a single policy, let alone commitment, to reduce our carbon emissions in New South Wales from the Labor Party. I am not going to sit here and be lectured by Labor—

The Hon. ROSE JACKSON: This is not a lecture, these are questions.

Mr MATT KEAN: —when the Coalition has just stolen the mantle of leading the way when it comes to tackling climate change. I am very proud of that.

The Hon. BEN FRANKLIN: Hear, hear.

The Hon. ROSE JACKSON: Is one of the things you are considering to bridge the gap between the 2030 50 per cent reduction target and net zero by 2050 nuclear power in New South Wales?

Mr MATT KEAN: Can you repeat that question?

The Hon. ROSE JACKSON: Is one of the things that you are considering to bridge the gap between the 50 per cent reduction by 2030 and 2050 nuclear power in New South Wales? Is that on your Government's agenda?

The Hon. SHAYNE MALLARD: Didn't you watch the Sunday program?

Mr MATT KEAN: Did you miss me on *Insiders* the other day? I said people pursuing nuclear are chasing unicorns. It is a total fantasy.

The Hon. ROSE JACKSON: I did but I—

The Hon. BEN FRANKLIN: He was excellent, I thought.

The Hon. SHAYNE MALLARD: Outstanding.

The Hon. BEN FRANKLIN: Very impressive.

The Hon. ROSE JACKSON: It was interesting, I did see what you had to say. I wondered whether the Premier or Minister Tudehope saw it because they say very different things to you on this question. They say it is absolutely on the table. They are looking at it with fresh eyes. They do not want to be lumbered with the ideological baggage of the past. Their message is very clear, that the Government is considering lifting the ban on uranium mining and nuclear power in New South Wales.

Mr MATT KEAN: No, let us not push misinformation here. There is a very big difference between uranium mining and nuclear energy. Let us get that on the table. You have asked me a question about whether the Government is considering nuclear energy to hit our net zero goals—

The Hon. ROSE JACKSON: So nuclear energy is off the table. Is uranium mining on the table?

Mr MATT KEAN: —and I have said no.

The Hon. ROSE JACKSON: So uranium mining is on the table?

Mr MATT KEAN: There is a bill before the upper House by your very good friend the Hon. Mark Latham to undertake uranium mining.

The Hon. PENNY SHARPE: Which you guys have not articulated a position on.

The Hon. BEN FRANKLIN: Point of order—

The Hon. PENNY SHARPE: Let's be clear. Your people have not articulated a position on uranium.

Mr MATT KEAN: You are trying to muddy the waters. Uranium mining is not nuclear energy. They are obviously very different things.

The CHAIR: Order! Ms Sharpe, a point of order has been taken.

The Hon. BEN FRANKLIN: Again, the point of order is to the fact that the Minister is not able to complete his sentences. I understand it is robust, we have let it go, but we have really got to pull it back.

The CHAIR: We have had a lot of interjections from the cheap seats on both sides when the Minister has been talking.

The Hon. BEN FRANKLIN: That is fair too.

The Hon. PENNY SHARPE: The cheering over here is getting a bit loud.

The Hon. BEN FRANKLIN: But there is so much to cheer about.

The CHAIR: Ms Jackson, ask your question.

The Hon. ROSE JACKSON: So nuclear power is not on the table. Is uranium mining in New South Wales on the table under your Government?

Mr MATT KEAN: Nuclear power is not on the table. Uranium mining is only being put on the table by the Labor Party's very good friend and former leader, the Hon. Mark Latham. I will say to him what I said to everyone on *Insiders* the other day—

The Hon. PENNY SHARPE: Have you told Minister Tudehope?

Mr MATT KEAN: —people chasing nuclear energy—

The Hon. ROSE JACKSON: Minister Tudehope told the Legislative Council, "I will ensure that the Perrottet Government has a look this with fresh eyes".

Mr MATT KEAN: I was just trying to finish my answer.

The Hon. BEN FRANKLIN: Point of order: I am sorry, but literally the Chair's ruling was that the Minister be allowed to finish his sentence, which he was not. I am sure this is an excellent question but perhaps—

The Hon. ROSE JACKSON: Would you like to finish your sentence, Minister?

Mr MATT KEAN: I would love to make a very clear statement on uranium mining. Let us get the facts on the table. The uranium price is at record lows. No-one is going to build a new uranium mine while the prices are that low. Secondly, they are closing uranium mines in Australia. In fact, in South Australia they are actually closing uranium mines. Thirdly, all the value in uranium is in the enrichment, which is not going to be done here in New South Wales or in Australia. So people pursuing this are pushing this mad ideological barrow—fact.

The Hon. ROSE JACKSON: Thank you. That was an excellent summary of the speech I gave in opposition to the Hon. Mark Latham's bill.

Mr MATT KEAN: Imitation is the sincerest form of flattery, Ms Jackson.

The Hon. ROSE JACKSON: Do not interrupt me, Minister. The contributions of members such as the Hon. Taylor Martin and the Hon. Wes Fang and comments from Minister Tudehope and the Premier have not articulated a clear position on uranium mining in New South Wales from your Government. Can I be clear: Under your Government is uranium mining in New South Wales on the table?

Mr MATT KEAN: Uranium mining is not on the table. The Hon. Mark Latham has put it on the table. I have been very clear—

The Hon. ROSE JACKSON: So you will not support his bill?

Mr MATT KEAN: I am excited that we are in furious agreement about uranium mining, Ms Jackson. Again, another thing that we agree on—it is very exciting.

The Hon. ROSE JACKSON: You might be excited but I am confused, because you say one thing here and yet I can give you quote after quote after quote from your colleagues, fellow members of your Government, in support of the proposition.

The Hon. CATHERINE CUSACK: Point of order—

The CHAIR: A point of order has been taken. Members are speaking over each other.

The Hon. CATHERINE CUSACK: I remind the member that it is budget estimates and she is debating rather than asking questions of the Minister.

The CHAIR: Thank you. I think we know that during budget estimates we have a reasonably robust form of debate. I think Ms Jackson was getting to a question.

The Hon. ROSE JACKSON: The question was: How do I and members of the New South Wales community reconcile the extremely contradictory comments coming from different members of your Government about whether or not uranium mining in New South Wales is something that you would consider?

Mr MATT KEAN: You should know as well as anyone, Ms Jackson, that political parties are made up of a diverse range of voices and a diverse range of views. It is exactly the same way, I guess, that people would reconcile your views with Joel Fitzgibbon's views on building more coalmines around New South Wales and burning more coal to produce our electricity. I am the Minister responsible for the environment. I am the Minister responsible for energy. We have set out a very clear pathway to get to a lower carbon future. We have just released stage one of that pathway and we will come back and release stage two and stage three, which will help give you confidence that we are going to get to net zero by 2050. I am looking forward to Labor telling us what its targets are going to be—whether you are going to go further than a 50 per cent emissions reduction target by 2030. I think we are all waiting with bated breath as to what you are going to do and how you are going to do it.

The Hon. ROSE JACKSON: Can I clarify the status of the "research" being commissioned by the former Deputy Premier the Hon. John Barilaro, which was supposed to be coming back to Cabinet, about your Government's plan to pursue uranium mining in New South Wales? Where is that up to?

Mr MATT KEAN: I am not sure where that is up to but just—

The Hon. PENNY SHARPE: Is it gone because he is gone?

The Hon. ROSE JACKSON: Is it gone completely? Is someone else doing it now?

Mr MATT KEAN: I do not know. I am not familiar with this research that you are talking about. I am not aware of it. Lots of Ministers could bring different propositions to Cabinet and they will be considered on their merits, just as any propositions around mining or energy or anything else could be considered. I am not going to rule in or rule out things today; I am not going to play hypotheticals.

The Hon. ROSE JACKSON: There was public reporting that after the Cabinet considered the question of uranium mining recently, the Deputy Premier was tasked by former Premier Gladys Berejiklian, out of a Cabinet discussion, to develop a plan for the New South Wales Government to consider uranium mining in New South Wales. That was publicly reported as being a direction given to him by the Cabinet which you are in. Is that not accurate?

Mr MATT KEAN: I am not going to go into Cabinet deliberations.

The Hon. PENNY SHARPE: No, of course not.

The Hon. SHAYNE MALLARD: I mean, obviously.

The Hon. PENNY SHARPE: Are you not aware? Were you not paying attention that day?

Mr MATT KEAN: We obviously believe in institutions and the proper processes.

The CHAIR: Order! Allow the Minister to answer.

Mr MATT KEAN: I will give you this newsflash—something else that has been publicly reported—that there is a new Premier and a new Deputy Premier of New South Wales. They are very good people and I am excited about their very good vision for New South Wales.

Mr DAVID SHOEBRIDGE: What is your position on that?

Mr MATT KEAN: Ben is a very enthusiastic proponent of the new leadership team.

The Hon. ROSE JACKSON: So there has not been any report back on the work that the former Deputy Premier was doing in relation to uranium mining?

Mr MATT KEAN: Not to my knowledge, Ms Jackson.

The Hon. ROSE JACKSON: I want to ask about the recent report of the Audit Office on 7 September. You are probably familiar with it. It talked about the fact that the statewide climate change adaptation plan was not complete or had not been completed. Why has it taken so long, considering it was due in 2017?

Mr MATT KEAN: We have obviously invested significant resources and money into climate change adaptation. We have just employed—I think Atticus Fleming will talk about the 125 additional firefighters in national parks to manage the greater risk of bushfires. I think we are spending a lot of money to manage—

The Hon. PENNY SHARPE: It has been in place for about five years; it is not new.

The Hon. ROSE JACKSON: The point of a plan is to take all of the things that you are going to tell me now and put them all together into one comprehensive document, which was due in 2017 and does not exist yet. Why is that?

Mr MATT KEAN: If I could just finish my answer?

The Hon. PENNY SHARPE: Go ahead, Minister.

Mr MATT KEAN: We have the *State of the Environment* report, where we report about the adaptation measures that were put in place. That is all our measures in a comprehensive document for the public to read.

The Hon. PENNY SHARPE: It is a different thing.

Mr MATT KEAN: We are spending money on coastline management to manage sea level rise. There are coastal communities that are massively under threat because of climate change.

The Hon. PENNY SHARPE: You spent about 10 per cent—

The CHAIR: Order! He has not finished his sentence.

Mr MATT KEAN: What I will say is that we are accepting all the recommendations from the Auditor-General. We need to do, obviously, a lot of work on adaptation, but we also need to do things on mitigation. That is why this Government has some of the most ambitious climate change mitigation policies and plans in the nation. In fact, it is a Coalition Government leading the way when it comes to tackling climate change and I am very proud of that fact. It is not a Labor-Greens government, it is a Liberals-National Government that is pathing—like trailblazing—a better future for this State and a more prosperous future for everyone whilst protecting our environment and handing our planet to our kids better than we found it. I am very proud of that, Ms Jackson. Maybe you should join the Liberal Party, Ms Jackson; I mean, this is the place for progressives.

The Hon. ROSE JACKSON: You committed—

Mr MATT KEAN: This is the place for progressives.

The Hon. ROSE JACKSON: It is not a commitment that I made or the Labor Opposition made. Your Government committed in 2016.

The Hon. PENNY SHARPE: That is right.

The Hon. ROSE JACKSON: You made a commitment to have a statewide climate change adaptation plan in 2016. It is now 2021 and there is no plan. The Audit Office has slammed you for it and your response is "We spend money on environment things."

Mr MATT KEAN: Ms Jackson, prevention is better than cure. That is why we have the most ambitious climate mitigation policies in the nation.

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

Mr MATT KEAN: Policies that we are yet to see from the Labor Opposition, ambitious targets that we are yet to see from the Labor Opposition. David Shoebridge is so excited about what we are doing in the Coalition that he is thinking of tearing up his membership—

Mr DAVID SHOEBRIDGE: For the record, that is not true.

The CHAIR: Order!

The Hon. ROSE JACKSON: Despite your claim that New South Wales is leading the nation, in fact we are the only State or Territory that does not have a climate change adaptation plan. Is it your intention to develop one or not? Just tell us that. Do you intend to have a statewide adaptation plan like every other State and Territory in Australia or are you not going to do it?

Mr MATT KEAN: No, that is not what I am saying.

The Hon. ROSE JACKSON: I am asking you a question: Will you do it or not?

Mr MATT KEAN: Of course we will have strategies to adapt to our changing climate—

The Hon. PENNY SHARPE: Plan or no plan?

Mr MATT KEAN: —just as we have the most ambitious strategies in the land up there with the world's leading strategies to tackle climate change when it comes to mitigation. So it is both, Ms Jackson, and if Labor is going to go to the next election saying, "We are not going to have a plan to deal with mitigation; we are only going to do adaptation", then you are giving up and that is very disappointing. The once great Labor Party that fought and lost elections on the issue of climate change is now giving up; it is so defeated by it. That is not acceptable.

The Hon. ROSE JACKSON: That is just ludicrous, Minister.

Mr MATT KEAN: We are going to do adaptation and mitigation. We are going to do both, and we are going to do it in an economically responsible way.

The Hon. ROSE JACKSON: I am asking you whether or not you will develop the statewide adaptation plan that you committed to doing in 2016. Every other State and Territory has done it. You will not give me a clear answer as to whether that plan will exist or not.

Mr MATT KEAN: I have given a very clear answer.

The Hon. ROSE JACKSON: So yes is the answer?

Mr MATT KEAN: I have given a very clear answer.

The Hon. ROSE JACKSON: Was the answer yes?

Mr MATT KEAN: Of course.

The Hon. MARK PEARSON: I think it is yes or no.

Mr MATT KEAN: This Government is going to lead the world when it comes to tackling climate change

The Hon. ROSE JACKSON: I am going to take from all of that that the answer was yes and ask when the statewide adaptation plan will be available.

Mr MATT KEAN: As soon as we are ready to make it available, Ms Jackson. That is how government works. We go through a proper process, we develop these things and we put it out there.

Mr DAVID SHOEBRIDGE: ICAC would suggest otherwise.

The CHAIR: Order!

Mr MATT KEAN: This Minister is certainly focused on the process.

The Hon. ROSE JACKSON: You have had from 2016, so how much longer do you need? This is not a flippant issue. For example, the Audit Office identified major issues just in one area that I am familiar with, that is the \$50 billion public housing portfolio. There is no climate change adaptation plan for public housing—nothing, none—despite what you have said. The statewide plan actually does matter, so when are we going to see it?

Mr MATT KEAN: It does matter, it absolutely matters. But if you are suggesting here today that I should have been not focused on the most ambitious policies and plans to tackle climate change in our nation, like our renewable energy roadmap, like our electric vehicle strategy, like our industry and innovation funds, like

working with our friends in the National Party—

The Hon. ROSE JACKSON: I am suggesting you can walk and chew gum. I am giving you a compliment and suggesting that you could have done two things at once, but you have not done this one.

Mr MATT KEAN: We are very focused on making sure that New South Wales leads the country and is up there with the most ambitious countries in the world when it comes to tackling climate change and, yes, we will do both.

The Hon. ROSE JACKSON: So as soon as possible on the statewide adaptation plan and we have as soon as possible on the koalas. What about the green investment plan? Where is that up to?

Mr MATT KEAN: I am very happy to get Dr Grimes to give you an update on the green investment plan.

Dr GRIMES: We are continuing—

The Hon. ROSE JACKSON: As soon as possible, Dr Grimes?

The Hon. CATHERINE CUSACK: Point of order: This is really inappropriate.

The CHAIR: Order! Please treat witnesses with respect and allow them to at least answer the question. Dr Grimes, continue.

Dr GRIMES: We are continuing extensive engagement with both the Treasury and Invest NSW on green investment policies and clearly the Government's Net Zero Industry and Innovation program is fundamentally oriented towards attracting and supporting and facilitating green investment in New South Wales.

Mr MATT KEAN: What I will say is, as part of the green investment fund, we have already committed to doing Task Force on Climate-related Financial Disclosures and rolling that out. I am interested to see a single policy from Labor when it comes to green investment in New South Wales. The new leader of the Opposition has been there for over 140 days. You supported him over the—

The Hon. PENNY SHARPE: You have been counting how long he has been there?

Mr MATT KEAN: —over the members' choice—the caucus choice—of preferred leader of the Labor Party, and we have not seen a single policy.

The CHAIR: Thank you, Minister. Question time has expired for the Opposition. We will go to questions from the crossbench.

Mr DAVID SHOEBRIDGE: Minister, it is nice to see you and the large number of additional witnesses we have. Thank you all for your time today. Minister, have you been provided with a copy of the net zero modelling that Federal Minister Angus Taylor has been refusing to release at a Federal level?

Mr MATT KEAN: You will be shocked to hear that I have not.

Mr DAVID SHOEBRIDGE: Given your close political connections with Mr Taylor, have you sought a copy of it, given how crucial it will be for State targets?

Mr MATT KEAN: Some investments of my time are better than others but, no, I have not sought to get a copy of Minister Taylor's modelling.

Mr DAVID SHOEBRIDGE: Do you think it would be prudent to seek a copy of the modelling to see how it mirrors with the New South Wales modelling?

Mr MATT KEAN: We have done our own modelling in New South Wales based on our plans and policies, but yes, if Mr Taylor wanted to make his modelling available to me, I would be very interested to see it.

Mr DAVID SHOEBRIDGE: You were asked some questions earlier by the Opposition about the position on uranium mining and uranium processing?

Mr MATT KEAN: Yes.

Mr DAVID SHOEBRIDGE: Are you aware that the Minister for Finance and Small Business last week said this on *Hansard*:

As a senior Minister in this place, I will ensure that the Perrottet-Toole Government has another look at this bill with fresh eyes—

being Pauline Hanson's Uranium Mining and Nuclear Facilities (Prohibitions) Repeal Bill—

and, in doing so, ensures appropriate safeguards while also examining the issues surrounding the debate

more broadly. That is a commitment I give to the honourable member in this place.

That was a commitment given to Mark Latham.

The Hon. PENNY SHARPE: Is there an echo in here?

The CHAIR: Order!

Mr DAVID SHOEBRIDGE: Are you aware of that statement by the Minister?

Mr MATT KEAN: I am aware because the outstanding Ms Jackson has just raised it with me. The Hon. Damien Tudehope is an excellent Minister. He is doing a great job as Leader of the Government in the upper House. Obviously he has to manage a diverse range of views on the crossbench and the Government considers all of those views very seriously through the usual manner.

Mr DAVID SHOEBRIDGE: What is the process that the Government will be taking to examine the issues surrounding the debate more broadly? I am assuming that the finance Minister was accurate in his statement. How is the Government examining the issues surrounding the debate more broadly?

Mr MATT KEAN: The debate around uranium mining?

Mr DAVID SHOEBRIDGE: Yes, but he was specifically referring to the Uranium Mining and Nuclear Facilities (Prohibitions) Repeal Bill 2019. The finance Minister says there is a process in your Government to review and examine this bill. What is that process?

Mr MATT KEAN: The process will be Cabinet. Let me tell you how the Cabinet works. When crossbench MPs—

Mr DAVID SHOEBRIDGE: We have been watching how the Cabinet works over the past week and a half, Minister.

Mr MATT KEAN: Let me tell you how it should work, and that is when crossbench MPs bring a bill, then it comes up to Cabinet for consideration and it is debated, usually in a robust but respectful way.

Mr DAVID SHOEBRIDGE: Minister, this is a 2019 bill that the Cabinet had previously indicated it was not supporting and had made a decision to not support. This is a 2019 bill. Why is the Government considering a backflip on it?

Mr MATT KEAN: I think that you are drawing a long bow there. The Government is not necessarily supporting a backflip. They are supporting considering it through the Cabinet process like we would any crossbench bill or any Opposition bill that is put forward.

Mr DAVID SHOEBRIDGE: My understanding of Cabinet is you consider a bill and you make a decision on it. It is highly unusual to bring it back again two years later to do a backflip. That is the issue here. Why is the Government considering a backflip on this bill?

Mr MATT KEAN: They are questions for the Leader of the Government in the upper House. If the Government does consider the bill in light of—

Mr DAVID SHOEBRIDGE: Again.

Mr MATT KEAN: Again. It will then go through the normal processes, which all bills go through.

Mr DAVID SHOEBRIDGE: The Minister said that there is a process. Is that process going to involve the finance Minister? Is it going to involve you as the Minister for Energy and Environment? Which Minister is responsible for examining the bill?

Mr MATT KEAN: I would imagine it is a resources bill, so the resources Minister would provide the minute to Cabinet that would make recommendations and then the whole of Cabinet, all Ministers, would consider the bill like it would any other bill, private member's or government.

Mr DAVID SHOEBRIDGE: Given Pauline Hanson's One Nation party is pushing this bill in order to open up nuclear power in New South Wales, is your department, which is responsible for energy, going to have a say on the minute that goes to Cabinet?

Mr MATT KEAN: Yes, of course.

Mr DAVID SHOEBRIDGE: What is your position on the opening of nuclear power facilities in New South Wales, Minister?

The Hon. SHAYNE MALLARD: Didn't you watch *Insiders*?

Mr MATT KEAN: I feel this is like *Groundhog Day* because Rose Jackson just asked exactly the same

questions.

Mr DAVID SHOEBRIDGE: I heard it.

Mr MATT KEAN: What I would say is, firstly with regard to uranium mining, it does not—the Government should be focused on creating new industries that will actually create real jobs and drive our prosperity, and that is not uranium mining. That is hydrogen, clean tech and a whole range of things. With regard to nuclear energy, my position remains clear: It does not stack up on practical grounds, and it does not stack up on economic grounds. It is two to three times—

Mr DAVID SHOEBRIDGE: Or environmental grounds.

Mr MATT KEAN: Or environmental grounds.

Mr DAVID SHOEBRIDGE: Good.

Mr MATT KEAN: Mr Shoebridge, what I will say, though, is that technology in a range of areas is evolving very quickly. Small modular nuclear reactors could possibly have a role to play at some distant point in the future. But, at best, NuScale and Rolls-Royce, who are developing that technology, say that their prototypes—not even something that is going to be commercially available—are not going to be ready until 2030. By that stage, in the mid-2030s, we will have lost four of our five coal-fired power stations.

Mr DAVID SHOEBRIDGE: The horse will have bolted. So why on earth is your Government wasting time and energy and resources on this? How is it that the resources Minister is going back and reviewing it?

The Hon. SHAYNE MALLARD: It shows respect that we are listening to the crossbench.

Mr DAVID SHOEBRIDGE: Why are you wasting the time on revisiting an issue that you rejected in 2019?

Mr MATT KEAN: Because, as the Hon. Shayne Mallard said, we respect the crossbench. No matter how diverse their views are, including Mr Latham's—

The Hon. SHAYNE MALLARD: Animal Justice.

Mr MATT KEAN: I am surprised Mr Latham is not here today. He has a lot to say about me in the Chamber.

The Hon. ROSE JACKSON: Be careful what you wish for.

Mr DAVID SHOEBRIDGE: Minister, according to ministerial diaries, since June 2019 and the first quarter of this year you have had 23 separate meetings with proponents of the Hunter Gas Pipeline and the Kurri Kurri gas power station. Why have you allowed yourself to have 23 separate meetings?

Mr MATT KEAN: Well, I meet with all stakeholders.

Mr DAVID SHOEBRIDGE: Twenty-three times.

Mr MATT KEAN: Maybe you could say who those proponents are?

Mr DAVID SHOEBRIDGE: Snowy Hydro, Jemena, plus other energy firms—

Mr MATT KEAN: Let's not pretend Snowy Hydro are just talking about the Kurri Kurri gas plant. They are also delivering one of the biggest renewable energy projects in the country, called Snowy 2.0.

Mr DAVID SHOEBRIDGE:—Hunter Gas Pipeline, Hunter business chamber. All of these meetings were said to be for this purpose.

Mr MATT KEAN: Are you seriously characterising the Hunter business chamber as a proponent of gas in New South Wales?

Mr DAVID SHOEBRIDGE: I am reading your diary and what your diary says was the purpose of the meeting.

Mr MATT KEAN: But that is not a fair characterisation.

Mr DAVID SHOEBRIDGE: That was the purpose of the meetings. I am going off your diary; I am assuming it is accurate.

Mr MATT KEAN: The Hunter business community are entitled to meet with me about issues that they are concerned about. As a Minister, I obviously listen to a broad range of stakeholders and their views. I think you will see that I have met with hundreds of environmental groups and hundreds of proponents of renewable energy as well, Mr Shoebridge. So can you please put it in context?

Mr DAVID SHOEBRIDGE: Minister, you have had two meetings with Hunter Gas Pipeline. Did they disclose to you at the time that the financial backers behind Hunter Gas Pipeline are major financial contributors of the Liberal Party?

Mr MATT KEAN: They went through the meeting request process, like every stakeholder does. They fill out the appropriate paperwork and make the appropriate disclosures, which we make public.

Mr DAVID SHOEBRIDGE: There is no evidence on the record of a disclosure about their major financial donations to the Liberal Party. Garbis Simonian, who has two companies that are major shareholders in the Hunter Gas Pipeline, has donated \$25,000 to the Liberal Party.

The Hon. SHAYNE MALLARD: That is clearly Federal money.

Mr DAVID SHOEBRIDGE: Mr Grugeon and his company, Hunter Land, have made combined donations to State and Federal Liberal parties of \$210,000.

The Hon. BEN FRANKLIN: There are donation limits in New South Wales. You cannot give more than \$6,000. This is entirely misrepresentative.

The CHAIR: Order!

Mr DAVID SHOEBRIDGE: Were the donations disclosed? Did they disclose their donations to you, Minister?

The Hon. BEN FRANKLIN: This is a joke. It is not New South Wales.

The Hon. PENNY SHARPE: Take a point of order, then.

The Hon. BEN FRANKLIN: No, I am just running interference.

The CHAIR: Order!

Mr MATT KEAN: Donations are a matter for the Liberal Party, obviously. We always act with the highest level of integrity in our decision-making processes. We meet with a broad range of stakeholders, and we will continue to do that. We will make them transparently available so you can ask questions like this, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: There is no evidence of any disclosure during the meeting or before the meeting about large donations. Was Mr Grugeon in the Hunter Gas Pipeline meetings on 14 September 2020 or 7 December 2020?

Mr MATT KEAN: Is that Hilton Grugeon?

Mr DAVID SHOEBRIDGE: Hilton Grugeon.

Mr MATT KEAN: I cannot recall ever having met Hilton Grugeon in my life. Therefore, I do not think he was in the meetings.

Mr DAVID SHOEBRIDGE: Was Mr Garbis Simonian in either of those meetings?

Mr MATT KEAN: I can check that and confirm, but I am not familiar with that gentleman either. I am happy to check to see whether he attended a meeting and come back to you.

The CHAIR: Order!

Mr DAVID SHOEBRIDGE: On notice, will you provide any disclosures they gave about donations?

The CHAIR: Your time has expired, Mr Shoebridge.

The Hon. BEN FRANKLIN: Your time has expired, David.

Mr MATT KEAN: Sure, yes, absolutely.

Answer:

Please refer to the answer given later in the Energy and Environment Budget Estimates hearing on 26 October 2021, recorded on page 47 of the uncorrected transcript.

The CHAIR: We will move to questions from Mr Mark Pearson.

The Hon. MARK PEARSON: I will continue with the kangaroo inquiry, if that is okay, Minister. One of the recommendations is for the Auditor-General to examine whether the kangaroo management program is

meeting the requirements of the Biodiversity Conservation Act. The reason that recommendation is there is because after gathering a great deal of evidence from the department and other experts, the finding is that the department's methodology for calculating the quotas for killing kangaroos is not transparent and is not clear, and it could not be made clear. Your department is responsible for protecting kangaroos from harm under the Biodiversity Conservation Act, yet at the same time we have a commercial industry and a non-commercial killing of kangaroos. So we found that this was a priority. Would you support the recommendation that the Auditor-General investigate and examine whether the department's kangaroo management program—particularly, you have one coming up to sign off on or not—is meeting the requirements of the legislation appropriate to it?

Mr MATT KEAN: We are very happy to look at that, yes.

The Hon. MARK PEARSON: Would you support that recommendation?

Mr MATT KEAN: I need to get fully briefed, but it does not seem an unreasonable request so, yes, of course we will look at it.

The Hon. MARK PEARSON: There are also two other recommendations that actually relate to the same question. One is that the Natural Resources Commission appoints independent ecologists to analyse and examine the methodology used to determine the kangaroo management program. Would you be willing to support that recommendation?

Mr MATT KEAN: We will definitely look at it.

The Hon. MARK PEARSON: Okay. Will the Minister confirm that Dr Steve McLeod is a senior research scientist with the department?

Mr MATT KEAN: I think Dr Grimes would be best to advise on who his staff are.

The Hon. MARK PEARSON: Sure.

Dr GRIMES: Thank you, Minister. When it comes down to individual staff, perhaps Sharon Molloy may be the best officer placed to answer the questions.

The CHAIR: Ms Molloy?

Ms MOLLOY: Yes, Sharon Molloy here. Steve McLeod, to the best of my knowledge, works within the Department of Primary Industries. He is not an employee of the Department of Planning, Industry and Environment [DPIE].

The Hon. MARK PEARSON: He is not an employee of DPIE.

Ms MOLLOY: Yes, he is at the Department of Primary Industries. It is a similar acronym.

The Hon. MARK PEARSON: If so, why is Dr McLeod listed on the department's Kangaroo Management Advisory Panel webpage as representing an independent body, the Australasian Wildlife Management Society? Can you answer that question?

Ms MOLLOY: Yes, and I think you asked me that previously and I took it on notice and I think we have given an answer to that. He was nominated to—

The Hon. MARK PEARSON: I do not think we do have an answer.

Ms MOLLOY: Okay. Alright. I will do my best to answer it, but I might need to take part of it on notice. He is a member of that society and was nominated, as he can be, to be on the Kangaroo Management Advisory Panel to represent that organisation. To the best of my knowledge—and again I will have to double check—I think there is another Department of Primary Industries member of staff that is on the panel representing the Department of Primary Industries. I will clarify all that for you.

Answer:

As previously advised in response to a question taken on notice at the Energy and Environment portfolio budget estimate hearings on 2 March 2021 (Answers to Questions on Notice, Portfolio Committee No.7, 2 March 2021, page 47):

“I am advised that Dr Steven McLeod is a member of the Australasian Wildlife Management Society (AWMS) and was formally nominated to represent the society at the AWMS board meeting on 3 February 2016. Dr McLeod's current appointment is his second term on the Kangaroo Management Advisory Panel. The NSW Department of Primary Industries has a separate representative on the panel.”

Subsequent advice was provided by Ms Sharon Molloy during the Energy and Environment portfolio budget estimate hearings on 26 October 2021 that “Andrew Sanger is the actual Department of Primary Industries rep on that advisory panel [disorder].” (Uncorrected Transcript, Portfolio Committee No. 7, Budget Estimates, Energy and Environment, 26 October 2021, page 24).

The Hon. MARK PEARSON: While I have you, Ms Molloy, you made reference in the inquiry to having a very modern, up-to-date kangaroo management program compliance program, which includes prosecution guidelines. Would you be able to forward a copy of those prosecution guidelines to the Committee?

Ms MOLLOY: Yes, absolutely—not a problem. In fact, I think they are on our website but if they are not I can certainly forward you a copy.

The Hon. MARK PEARSON: You also made reference to DPIE undertaking opportunistic, random and targeted inspections of carcasses, harvesters, chiller premises and processing works. Will you please furnish a list of all those inspections from 2018 to 2020?

Ms MOLLOY: Yes, I can definitely do that.

The Hon. MARK PEARSON: That being of carcasses, harvesters, chiller premises and processing works.

Ms MOLLOY: Yes, I can do that, and I think that information is in our annual reports which get published on the website, but if it is not, I will certainly get that information and forward it to you. That is not a problem. I have just got through some information from my team. Andrew Sanger is the actual Department of Primary Industries rep on that advisory panel [disorder].

Answer:

The Prosecution Guidelines are available at <https://www.environment.nsw.gov.au/research-and-publications/publications-search/oeh-prosecution-guidelines>.

Information on inspections is contained within the NSW Commercial Kangaroo Harvest Management Plan Annual Reports:

- 2018: <https://www.environment.nsw.gov.au/research-and-publications/publications-search/nsw-commercial-kangaroo-harvest-management-plan-2018-annual-report>
- 2019: <https://www.environment.nsw.gov.au/research-and-publications/publications-search/2019-annual-report-nsw-commercial-kangaroo-harvest-management-plan-2017-21>
- 2020: <https://www.environment.nsw.gov.au/research-and-publications/publications-search/2020-annual-report-nsw-commercial-kangaroo-harvest-management-plan-2017-21>

A summary of inspections from 2018 to 2020 is captured in the table below.

Year	No. of registered chillers	Average number of inspections per chiller	Animal dealer/skin dealer processing works inspections
2018	121	1	26
2019	121	1	27
2020	149	2.4	32

The Hon. MARK PEARSON: Minister, at the inquiry—and we can refer to page 6 of the 19 August hearing transcript—in regards to questions about whether eastern grey kangaroos were sedentary, and this is extremely important, Dr McLeod stated:

I think what you have identified is we really have a knowledge gap here. We really need to understand the movement of kangaroos through the environment ... more.

Given that statement and given that the DPIE clearly has a limited understanding of the movement of grey kangaroos, will the department advise how the kangaroo management program can be confident that significant increases in estimates of population shown in the quota reports are accurate?

Mr MATT KEAN: That is a very good question. I might just have to ask Ms Molloy to help me out.

The Hon. MARK PEARSON: It is rather specific.

Ms MOLLOY: No worries. It is quite specific, but I can talk about it in general terms, and we have given you quite a lot of evidence in relation to the validity of the survey work that we do. It is done annually for the nine zones in the western part of New South Wales and triennially on the six zones in the tablelands. We have got data from 46 years. We are pretty confident in terms of the scientific rigour of the survey—

The Hon. MARK PEARSON: But Dr McLeod is not confident, Ms Molloy.

Ms MOLLOY: Just on that—

The Hon. MARK PEARSON: He has made that statement quite clear.

Ms MOLLOY: Yes, just on that particular—

The Hon. MARK PEARSON: He is not confident that we have the knowledge of this movement—

Ms MOLLOY: There is probably—

The Hon. MARK PEARSON: —in 45 years.

The CHAIR: Order! Please allow Ms Molloy to answer.

The Hon. MARK PEARSON: Sure.

Ms MOLLOY: There is probably more research that needs to be done on certain aspects of kangaroo biology and movement, and indeed I think quite a number of the recommendations in the inquiry report talk about numerous pieces of research that we could do to fill in knowledge gaps. If Dr McLeod has said that, then I completely trust him, and it is probably an area of research that we might need to do a little bit more work on, which is the primary role of our colleagues in the Department of Primary Industries. They assist us with that research.

The Hon. MARK PEARSON: This is something that the Committee has had to grapple with and try and get its head around. Minister, given that your department's main purpose is to protect and prevent unnecessary and unjustifiable harm to kangaroos and other macropods, do you not think that there is an inherent conflict of interest between your department's statutory obligation under the Biodiversity Conservation Act to protect kangaroos, as I said, and running a program that facilitates the commercial exploitation of kangaroos?

Mr MATT KEAN: When you phrase it like that, yes. I would hope, though, that our department would have the appropriate governance structures in place to be able to do both things, that is, protect these macropods but also support the industry. I acknowledge the significant work done by the Committee and the serious issues that have been raised, and we are going to look very closely at those recommendations that have been made in order to help us further strengthen getting that balance right.

The Hon. MARK PEARSON: You can understand that it is extremely important and critical—

Mr MATT KEAN: Yes.

The Hon. MARK PEARSON: —because if one kangaroo is shot or one joey is bludgeoned to death and the methodology used to calculate how many animals are to be killed is wrong, that means that animals are being harmed in breach of the Biodiversity Conservation Act but it is being authorised by your department. That is the critical question that really has to be answered because it is a very serious matter.

Mr MATT KEAN: I think we all want to see the highest animal welfare standards put in place in how we manage pests or native macropods, and where we can achieve that, we should. I think the inquiry goes a long way towards doing that. I know my very good friend the outstanding the Hon. Catherine Cusack has spoken to me about these issues we have been talking about, and I am going to be working with her to make sure that we put in place those robust protections that will give the Committee the confidence that we are getting the balance right.

The Hon. MARK PEARSON: At the inquiry Mr Brill cited safety reasons for not conducting field inspections and monitoring point of kill, referring to the death of a colleague due to a firearms incident, but that was in relation to inspections for clearing of native habitat. Will the department confirm whether any compliance officers in the department have been harmed or injured while monitoring kangaroo welfare at the point of kill? That might have to be taken on notice.

Dr GRIMES: We may have to take it on notice, but Ms Molloy may be able to assist us right now.

Ms MOLLOY: Yes. To the best of my knowledge, Mr Pearson, from the commercial industry's perspective I am not aware of anyone being injured while out doing compliance, but the health and welfare and safety of my staff is paramount. Out at night-time with shooters is probably not the best use of our compliance

resources. I cannot comment from a non-commercial perspective and whether anyone has been injured there, but maybe my Parks colleagues may know or we can take it on notice.

Answer:

The National Parks and Wildlife Service has no record of any of its officers being injured while undertaking kangaroo-related compliance.

The CHAIR: Thank you.

(Short adjournment)

The CHAIR: We will proceed with questions from the Opposition.

The Hon. PENNY SHARPE: Minister, the Premier has just said at a presser that, in relation to net zero, we did not have to change one policy setting to achieve that aim. Given that you just told us in the last session that policies were going to have to change post-2030, is the Premier wrong?

Mr MATT KEAN: I think what the Premier is trying to say is that we are on target to get to net zero by 2050.

The Hon. PENNY SHARPE: No, you are not. We just had that conversation.

Mr MATT KEAN: We are, because we are going to hit between a 47 per cent and 52 per cent emissions reduction target by 2030.

The Hon. PENNY SHARPE: Do I need to show you the diagram again?

The Hon. ROSE JACKSON: Do you want to get the graph out again?

The Hon. PENNY SHARPE: Do you want to get the graph out again?

Mr MATT KEAN: No. The reality is that there is no country or government in the world that knows exactly how they are going to get to net zero by 2050. We have put out our stage one plan that will put us on a path to get there and we will release our stage two and stage three plans. I think what the Premier is clearly trying to say is that we are committed to get to net zero by 2050 and we are going to put in place very ambitious policies to achieve that.

The Hon. ROSE JACKSON: He does not know the difference between the targets.

The Hon. PENNY SHARPE: Let's be honest, the Premier doesn't understand.

The Hon. ROSE JACKSON: Let's be honest, he does not understand the difference, does he?

Mr MATT KEAN: The Premier is very committed to ensuring that New South Wales leads the country and the world when it comes to tackling climate change in a way that will grow our economy. That is what this Premier is about. He has backed these ambitious policies the whole way in the Cabinet process.

The Hon. BEN FRANKLIN: Hear, hear!

The Hon. PENNY SHARPE: But let's be clear, he does not actually understand what he is saying at these press conferences.

Mr MATT KEAN: I think that is very unfair, Ms Sharpe. You are playing word games with—you are cherrypicking things that the Premier has said in a press conference out of context. The reality is that this Premier is absolutely committed to hitting net zero emissions by 2050 and doing so in an economically responsible way.

The Hon. ROSE JACKSON: Does he understand that policies will need to change, because that is quite a fundamental issue? If he thinks that we are going to get there on current policy settings—and we are not—that is a pretty significant misunderstanding.

Mr MATT KEAN: He understands that our stage one net zero plan is putting us up there with the most ambitious countries in the world when it comes to tackling climate change. But we have more to do, which is why we are going to release our stage two and stage three plans to hit net zero emissions by 2050, and we will do it with policies that are going to grow the economy, create jobs, drive investment and underwrite our prosperity.

The Hon. PENNY SHARPE: Thanks, Minister. Minister, will you consider—

Mr MATT KEAN: I note that is in stark contrast to the policies that you have not put out.

The Hon. PENNY SHARPE: No, Minister, this is not—

Mr MATT KEAN: We have not seen a single policy from Labor on how you are going to tackle our carbon emissions.

The Hon. PENNY SHARPE: Minister, this has got nothing to do with your question time, with your budget estimates. Minister, will you consider legislating net zero, given the gap that is identified in your road map?

Mr MATT KEAN: Will we consider legislating net zero?

The Hon. PENNY SHARPE: Will you consider legislating net zero in New South Wales to ensure we get there? Given all the issues that have been identified—if we are going to get there anyway, according to the Premier, are you going to legislate it?

Mr MATT KEAN: We have got a target, it is in regulation and we have got policies to achieve that target, Ms Sharpe.

The Hon. PENNY SHARPE: So that is a no?

Mr MATT KEAN: We have got a very clear pathway to hit between 47 per cent and 52 per cent. I look forward to seeing Labor come out and say that they are going to put in place similar ambitious policies.

The Hon. PENNY SHARPE: Sorry, my question is very clear, Minister. I know you like talking about this but my question is very clear. Will this Government consider legislating net zero by 2050?

Mr MATT KEAN: We have got our targets in regulation at the moment and we have got our policies to back that in.

The Hon. PENNY SHARPE: Okay, so that is a no—just to be clear.

The Hon. ROSE JACKSON: That is a no.

Mr MATT KEAN: No. I have said we have got an ambitious target that is given force through our regulations, and we have got policies to back that in.

The Hon. PENNY SHARPE: Great, that is okay. I want to ask about national parks now.

Mr MATT KEAN: I have been waiting.

The Hon. PENNY SHARPE: There is a lot to talk about. Minister, I want to talk about the Kosciuszko National Park special activation precinct plan. I want to ask you particularly about where you see the hierarchy in relation to plans of management for national parks.

Mr MATT KEAN: Can you be more explicit?

The Hon. PENNY SHARPE: National parks have plans of management. They are supposed to be the overriding documents that govern the way in which the land under those national parks has been gazetted and managed. Do you believe that is an appropriate hierarchy?

Mr MATT KEAN: The plans of management obviously play an important role in governing how our national parks are managed.

The Hon. PENNY SHARPE: But you do not believe they are the number one consideration?

Mr MATT KEAN: No, I do. That is the law at the moment, Ms Sharpe.

The Hon. PENNY SHARPE: You are aware then that the special activation precinct essentially is looking at doing development and handing over development consents within that national park to Regional Growth NSW—I think is their fancypants name. Do you think that is acceptable?

Mr MATT KEAN: What I think is acceptable is that there is a process currently underway to review that proposal. Submissions have now closed. I am not going to pre-empt where that process may end up. What I will say is that we want to encourage more visitors to our national parks but we need to do it in a sustainable way. I am not going to engage in hypotheticals here today.

The Hon. PENNY SHARPE: Sure.

Mr MATT KEAN: Let's go through the proper process and see where it lands.

The Hon. PENNY SHARPE: But you are not concerned that essentially the plan of management is being overridden by the proposals by the former Deputy Premier?

Mr MATT KEAN: Our National Parks and Wildlife Act has a statutory obligation to support the

visitation of people to our national parks. We need to do that in a sustainable way, and right now the way that is achieved is through our plans of management.

The Hon. PENNY SHARPE: Minister, do you consider it appropriate that the developments would be proposed for the national park without any capacity to deliver an environmentally meaningful offset for the resultant environmental impacts?

Mr MATT KEAN: I am not going to answer it in generic—

The Hon. PENNY SHARPE: Do you want me to explain the offset to you?

Mr MATT KEAN: Do you want to put a specific proposition to me, Ms Sharpe?

The Hon. PENNY SHARPE: The offset is very basic. There have been developments proposed within the Kosciuszko National Park. The proposal to deal with that is for any damage that they provide, for them to be offset within the park. You are eating the park alive, aren't you, Minister?

Mr MATT KEAN: That is not true, Ms Sharpe. You do not need to use inflammatory language like that. It is totally inappropriate.

The Hon. PENNY SHARPE: You asked me to explain it. I did give you the long question.

Mr MATT KEAN: I have just added an additional 500,000 hectares of additions to the national park estate. In fact, that is more than we have seen for well over a decade.

The Hon. PENNY SHARPE: You have got 12.45 p.m. to be able to do your Dixer. I know that you love your national parks and we welcome them. I am talking about this one that you are failing to protect.

Mr MATT KEAN: What aspect? Let's go into the detail of what you are talking about.

The Hon. PENNY SHARPE: Allowing development in a national park that cannot be offset.

Mr MATT KEAN: What development specifically?

The Hon. PENNY SHARPE: Within the special activation project.

Mr MATT KEAN: I have just said we are going through a process. We are considering that process and we will see where it lands.

The Hon. PENNY SHARPE: We will move on from that if you do not want to answer that question. I have a more specific one for you. What legal advice has your department taken to ensure that the proposed amendment of the plan of management complies with the requirements of section 72AA of the National Parks and Wildlife Act.

Mr MATT KEAN: I am happy to ask Dr Grimes or Mr Fleming to answer that.

The Hon. PENNY SHARPE: Can someone explain that to me? Maybe Mr Fleming?

Dr GRIMES: I think Mr Fleming would be the right person to address the question.

Mr FLEMING: I am advised by my team that we are confident that all of the obligations of the Act have been complied with as we have been working through this planning process. I understand the point you are raising, Ms Sharpe, has been put to us by the National Parks Association. Because they have indicated that they could take legal action, I would obviously prefer not to discuss specific legal advice.

The Hon. PENNY SHARPE: So your legal advice is that you have complied with 72AA and there has been a proper analysis of this plan that has gone out for public consultation?

Mr FLEMING: My expectation is that we would always comply with the provisions of the Act in developing land management, and this would be no exception.

The Hon. PENNY SHARPE: Minister, I note that the consultation period for the draft plan of management for the horses in Kosciuszko National Park, I think, closes today or tomorrow or very soon. The draft plan sets out a target of 3,000 in the park. Can you tell us where the 3,000 figure comes from, the context obviously being that, previously, scientific committees have indicated that that number needs to be much lower. The original draft of the horse management plan, which went through a very rigorous process, suggested there should only be 600 horses. I am just wanting to know where the 3,000 figure came from.

Mr MATT KEAN: Obviously, there was an extensive community consultation process in developing that draft plan of management. There was input from a range of stakeholders. The reality is that, by not taking any action, we have seen numbers explode down there and it is devastating that beautiful, pristine environment. I know some people will want to go further. There are also a group of people that want far less. They do not want any horses taken out. We have just got to move this debate forward. I think we just need to take the politics out of it.

Three thousand is a number that I think brings everyone together. We will see with the submissions—

The Hon. PENNY SHARPE: It is the number you could do a deal with John Barilaro on. Is that the case, Minister?

Mr MATT KEAN: It is the number that we could land on that brought those people that care about these horses and those people that love that natural environment together on. That is the first time we have been able to do that in a very long time. Let us not make the—

The Hon. PENNY SHARPE: I recognise and welcome that there is progress in terms of at least agreeing to remove horses, because, as you know, they have not been removed for 10 years. Minister, what extra resources sit behind the plan in relation to even the 3,000 number? There is around 14,000 now. In five years there is quite a lot to be removed. How much extra money have you given national parks to deal with it?

Mr MATT KEAN: We have not landed the plan yet. Once we get the plan, we will obviously need to resource it to give it effect. But I do not want to pre-empt things. I want to make sure the community are part of this discussion, and they do not feel like we have prejudged where it may land. That is why we are going through that consultation process. I just want to make sure we try and take the heat out of this issue. But, Ms Sharpe, I share your love for that national park. I want to make sure we move forward in this discussion. Rest assured that I will do everything in my power to make sure national parks are adequately resourced to move forward with regard to the Kosciuszko horse issue.

The Hon. PENNY SHARPE: This is separate to the horse plan but extremely important. Obviously, the horses have done an inordinate amount of damage, particularly to the waterways and the watercourses within that national park. Do you expect that you are going to be providing additional resourcing into the park to restore the damage done by the horses?

Mr MATT KEAN: Yes, absolutely. I think we need to, particularly around the sphagnum bogs and protecting those very threatened and endangered species. There has already been a number of measures that have been put in place, like fencing and things like that. But there is going to have to be restoration work. On the flip side, what I will say is we do know that country does bounce back from heavy agricultural practices or heavy impact. We have seen that when we removed livestock from the national park. So it is going to be a bit of both. Removing the horses is key, but also there is going to have to be some restorative work to some of those damaged ecosystems.

The Hon. PENNY SHARPE: It really goes back to my first question in this session, which was about the role of the plans of management within national parks. Obviously, the draft plan for horses has actually had to fit under the wild horse heritage Act, again giving pre-eminence to horses rather than all of the threatened species within the park. Would you consider repealing the Kosciuszko Wild Horse Heritage Act to ensure that the plan of management for that beautiful park is actually given pre-eminent status?

Mr MATT KEAN: No, not at this stage, Ms Sharpe. We have spent a long time trying to find a middle path here. It has been very difficult, as you know. I do not want to do anything that is going to upset building that community consensus to manage the park in a sustainable way. So I will rule that out right now.

The Hon. PENNY SHARPE: Minister, I actually want to move to a different park and the Light to Light walk in the Ben Boyd National Park. My understanding is that there is a review of environmental factors on that park and there has been significant concerns from the local community in relation to the impact of the bushfire season. The original review of environmental factors has not taken into account the impact of the fires that obviously tore through there. Can you tell us what additional measures are being taken to ensure that the ecosystem and that Light to Light walk is protected? Has the review of environmental factors [REF] been revised to address that impact?

Mr MATT KEAN: I am happy to take it on notice, but I think Atticus Fleming is best placed to answer that.

The Hon. PENNY SHARPE: Yes, he might know.

Mr FLEMING: I think we should take it on notice. Clearly, the REF is still out for public comment. We will ensure that those issues are taken into account in the environment assessment. When we respond to you on notice, we can give you some additional details about some of the investment in that park around restoration after the fires.

The Hon. PENNY SHARPE: Obviously, the issue here is that the community—there is some controversy around the walk. I am not arguing the toss about that. But I am concerned that the REF has gone out, communities have been consulted but it actually does not take into account that a significant proportion of that was burnt in 2019.

Mr MATT KEAN: Could we just come back to you on that one?

Answer:

The National Parks and Wildlife Service (NPWS) completed cultural heritage and environmental assessments in Ben Boyd National Park before the 2019–20 bushfires and again following the fires. The proposed Light to Light track alignment and accommodation sites were re-surveyed after the fires. The comprehensive review of environmental factors that closed for consultation on 15 October 2021 includes all information from assessments undertaken both before and after the fires, ensuring the full impact of the fires is taken into account.

NPWS reopened the existing Light to Light Walk in November 2020 after repairing the damaged walking track, replacing toilets and providing vehicle access to Boyds Tower, following the fires.

The Hon. PENNY SHARPE: Yes, that is fine.

Mr MATT KEAN: I will catch up with you offline.

The Hon. PENNY SHARPE: While you are doing that, I also know that there is significant concern from the Aboriginal community down along that area. I know that there have been some adjustments to the plan based on feedback of the local traditional owners. But my understanding is that there are still significant issues in relation to Aboriginal sites along the Light to Light walk and the protection of those. Can you tell us what additional work is being done? Or is that work now concluded?

Mr MATT KEAN: I think we have been trying to work very closely with the traditional owners down there. Where they have raised concerns, we have tried to address them. But, Mr Fleming, I might just throw to you on the specifics.

Mr FLEMING: I am not aware of any outstanding concerns. But Naomi Stephens is here. She has worked more closely on that project. I might ask Ms Stephens to answer.

Ms STEPHENS: The route for the project was, obviously, viewed and assessed for cultural heritage values. We amended the proposal on the basis of the concerns that had been raised by Aboriginal communities. We actually dropped a day, the final day, out of the walk because the area was of such cultural significance to Aboriginal people. We also changed some of the planned route for the area. That is still part of the project. The REF considers the Aboriginal cultural heritage. I can confirm that we did work before the 2019-20 fires, but we then also redid quite a lot of the assessment work that underpins the REF to reflect what had occurred in the fires and to ensure we picked up sites that may have been exposed as part of the bushfires. The REF will address any outstanding concerns. We have obviously got [disorder]—

The Hon. PENNY SHARPE: Sorry. Just to be clear, my understanding is the REF is out. It is out for consultation?

Ms STEPHENS: It is. Sorry [disorder].

The Hon. PENNY SHARPE: You seem to be talking about a REF that is going to be reissued. I assume that is not what you are talking about.

Ms STEPHENS: No, that is not. I am sorry.

The Hon. PENNY SHARPE: That is okay. I might move on. I have got this afternoon with you; I will pursue this further then. Minister, I want to talk about the Blue Mountains World Heritage area and Warragamba Dam wall raising, an issue that you have previously been very strong on. You suggested in a number of ways that we need to deal with the flood issue, which everyone takes extremely, and the way that we mitigate that. But you would be aware, with the EIS coming out—

The Hon. SHAYNE MALLARD: Cutting your grass.

The Hon. PENNY SHARPE: Sorry?

The Hon. SHAYNE MALLARD: I was just talking to Justin.

The CHAIR: Order!

The Hon. PENNY SHARPE: I think Justin is fine.

Mr JUSTIN FIELD: We all own the World Heritage area.

The Hon. PENNY SHARPE: That is right. Some of us actually care about regent honeyeaters. Minister, do you believe that this project should go ahead?

Mr MATT KEAN: I believe that the project should go through the proper process, which it is. It is still open for community consultation. There are, obviously, a diverse range of views on this topic. But the Government has a very clear position since 2016. The Government's position is that they will be raising the Warragamba Dam wall. I am obviously very concerned about the impact of inundation on the World Heritage area. Those issues need to be completely canvassed through the EIS process, which is what is happening at the moment.

The Hon. PENNY SHARPE: Do you still agree that the economics of raising the dam wall make the project unviable?

Mr MATT KEAN: I think the economics—

The Hon. PENNY SHARPE: Now that you are the Treasurer, it is your problem.

Mr MATT KEAN: That is right. I think the economics are difficult but, again, that is a decision for government—

The Hon. ROSE JACKSON: The Treasurer. That is you.

Mr MATT KEAN: The Treasurer—

The Hon. PENNY SHARPE: It will be you at some point in time.

Mr MATT KEAN: —as part of a government to work out how it will allocate its very scarce resources. Let me just say this: Those communities in the lower Nepean-Hawkesbury obviously are going to face increasing threat of inundation due to climate change. We need to find the best way to manage that threat. I think we all have an interest in finding the best solution. That is exactly why we are going through a proper process to do that.

The Hon. PENNY SHARPE: Minister, are you comfortable that the EIS actually deals with the potential biodiversity offsetting reasonably, given it is trying to argue that it is temporary rather than permanent?

Mr MATT KEAN: Obviously, inundation—temporary or permanent—is going to impact on the Greater Blue Mountains Area.

The Hon. PENNY SHARPE: World Heritage-listed.

Mr MATT KEAN: The World Heritage area. Whether it is temporary or permanent, it is both going to have an impact. That is what the EIS is looking at—that impact.

The Hon. PENNY SHARPE: Very clever answer, Minister. There is a very big difference in cost in terms of biodiversity offsetting as a result of that fiddle.

Mr MATT KEAN: There is obviously an impact as a result of inundation, no matter how temporary it is, and that should be reflected in the offsetting regime.

The Hon. PENNY SHARPE: Minister, how will you reconcile the issues? There is the Gundungurra people and the importance of their songlines—very significant sites down there. There is also the warnings from UNESCO about the World Heritage status as a result of this project. What action are you taking to deal with those issues?

Mr MATT KEAN: They are being canvassed through the EIS. The traditional owners absolutely need to be partners in this process. I know that they are engaged, and I have certainly spoken to them, but the impacts on cultural heritage and the World Heritage area are real and we need to very delicately assess how we can manage it to protect that area for future generations whilst also understanding the needs of those people living in the lower Hawkesbury.

The Hon. PENNY SHARPE: No-one is saying that is not important.

The CHAIR: Minister, as has been pointed out already this morning, you are now in a unique position of being Treasurer as well as the Minister for Energy and Environment. I know you have been lobbied, probably quite relentlessly, by the community for the creation of a Great Koala National Park. Will you put your money where your mouth is and protect that critical koala habitat on the mid North Coast while you can and while you are Treasurer?

Mr MATT KEAN: We are going to do everything that we can to protect critical koala habitat. We have obviously put \$193 million aside to deal with that and, as the new Treasurer, I will be looking to see what more we can do to ensure that we meet that target that I set of trying to double our koala population by 2050.

The CHAIR: Does your \$193 million for the NSW Koala Strategy involve looking at some areas of State forest that are koala habitat and making them part of the protected areas network?

Mr MATT KEAN: I will look at any opportunity to protect koala habitat, no matter what the tenure is. If there are opportunities to work with the Forestry Corporation to get a great outcome for our koalas then, yes,

absolutely, we will be doing that.

The CHAIR: Minister, you are now a shareholder of the Forestry Corporation, aren't you?

Mr MATT KEAN: I believe so.

The CHAIR: That puts you in a unique position, doesn't it?

Mr MATT KEAN: You will find out next Wednesday at Treasury budget estimates. I have not boned up on that quite yet.

The CHAIR: As the Minister who wants to double koala numbers by 2050, you are now in a position to be able to purchase some of the best koala habitat in the State to make that promise a reality.

Mr MATT KEAN: That is right. Let me be very clear: As Treasurer, I intend to continue being an aggressive voice for our environment and our planet. That is not going to change. I am committed to this, I always have been, and I always will be.

The CHAIR: Are you aware of the proposal that is before you called the Forest Bridge proposal? It would seize 2,500 hectares of land, added to Bongil Bongil National Park, from parts of Tuckers Nob and Pine Creek State forests. Pine Creek State Forest has previously been identified as critical koala habitat. I understand that both of those State forests have been or are near assets of intergenerational significance, which I think is a new thing that you have done since the bushfires.

Mr MATT KEAN: Level of protection, yes.

The CHAIR: Are you aware that those two areas are part of that category of assets of intergenerational significance?

Mr MATT KEAN: I am not familiar with those two parcels, but maybe Atticus Fleming can speak more directly to those.

The CHAIR: Are there State forests as well as national parks that have been part of that or is it just national parks?

Mr MATT KEAN: Just national parks.

Mr FLEMING: Atticus Fleming. Just confirming assets of intergenerational significance apply to areas of national park and not to areas of State forest.

The CHAIR: Are you aware whether anywhere near Bongil Bongil National Park has been declared one of those assets of intergenerational significance, Mr Fleming? You can take it on notice if you do not know.

Mr FLEMING: I will correct this if I am wrong, but I think Bongil Bongil has been [audio malfunction].

The CHAIR: You have just cut out, but I think you said you think that Bongil Bongil National Park has been declared an asset of intergenerational significance. You just cut out then, but I think that is what you said because I can read lips.

Mr FLEMING: Correct, yes. I will confirm the exact area.

Answer:

Please refer to the answer given later in the Energy and Environment Budget Estimates hearing on 26 October 2021, recorded on page 50 of the uncorrected transcript.

The CHAIR: Thank you very much. Moving on, Minister, I want to ask you questions about native vegetation and the rates of land clearing that have taken place over the past few years particularly. The 2019 landcover change reporting appears to confirm that vastly increased unexplained clearing of the past two reporting periods has continued. I think someone mentioned just previously that this year 54,500 hectares has been cleared. A lot of that clearing is still unexplained. Is that correct, or do you not know how much is unexplained?

Mr MATT KEAN: There is still a lot of unexplained land clearing. It might be best for me to throw to the department to give you an update as to where that is at.

Dr GRIMES: We would be very happy to provide an update. I might hand to Deputy Secretary Knudson.

Mr KNUDSON: Thank you, Dr Grimes. Dean Knudson. Exactly as was just mentioned, the last stats show 54,500 hectares cleared. Those stats were released on 25 June. We have started work with Local Land Services to

effectively take a look into unexplained clearing. At this point, I will just give a couple of examples of what can go as unexplained but legal land clearing—for example, a suite of routine allowable activities under the Local Land Services Act. Certain parts of the management code can occur, which are unexplained but legal. Another example would be clearing due to landholders undertaking self-assessments, in particular [inaudible] vegetation, to determine the land management activities that are permitted. The legislation requires the landholders retain records of their self-assessments, which can be requested by the department during investigations. I will just give an opportunity to Ms Kelly if she wants to add anything to this work.

The CHAIR: That is okay. I think that answers that. Do you know how many prosecutions have occurred since 2017 for land clearing breaches under part 5A of the Local Land Services Act or the biodiversity Act?

Mr KNUDSON: I do not know that statistic off the top of my head, but I think Ms Molloy might. She has just put up her hand, so I will take that as a very good sign.

Ms MOLLOY: Sorry if that was rude by putting up my hand.

The CHAIR: No. I cannot see it, but that is great. Ms Molloy?

Ms MOLLOY: Sharon Molloy. I have got stats for 2020-21. If we go back in time, Ms Faehrmann, I would have to take that on notice and maybe do you up a table, but we have certainly got those stats. Essentially, the way the reporting goes, in the 2020-21 financial year we received 565 reports of vegetation clearing. Now, that would be mainly under part 5A of the Local Land Services Act, but potentially—because we have almost finished resolving the issues under the Native Vegetation Act, there was a number of legacy issues, which you would be aware of. There were 283 compliance actions that happened during that period, and the compliance actions are a range of things. So they can be advisory or warning letters or [inaudible] penalty notices with certain fines. There were some remedial directions. We had a number of prosecutions and a number of prosecutions completed. I can give you more detail going back to 2017 if you would like that, but I would have to take that on notice. I do not have all of those stats in front of me.

The CHAIR: That is okay. Taking it on notice is fine.

Answer:

Since 25 August 2017, the Department of Planning, Industry and Environment has undertaken 674 compliance actions under Part 5A of the *Local Land Services Act 2013* (LLS Act), including:

- 1 completed prosecution for a breach under Part 5A of the LLS Act
- 587 advisory or warning letters
- 13 official cautions
- 38 penalty notices
- 35 remedial orders.

In addition, the Department has commenced four prosecutions for alleged breaches under Part 5A of the LLS Act.

Minister, at one of the last budget estimates hearings, whether it was this year or last year—it is all a bit of a blur, I think—I asked you about full-time equivalent compliance officers and what your compliance officers were doing in relation to native vegetation. Do you know what the current number of full-time equivalent compliance officers is within the department?

Mr MATT KEAN: No. I do not have that on me, but I am happy to refer to the department.

Ms MOLLOY: Sharon Molloy here. I can answer that. It is the same from my answer back in March. It is 37 full-time equivalents. Obviously some of those staff would be working part-time. That is the current sort of number of staff.

The CHAIR: Was that 27 or 37?

Ms MOLLOY: No, 37. That has not changed over the last two or three years.

The CHAIR: I understand then that that is not enough compliance officers to investigate the number of breaches and reporting that comes through the environment hotline within a certain period of time. Is it that there are quite a few cases that do not get looked at or investigated because there are not enough compliance officers still?

Ms MOLLOY: No, I would tend to disagree with that. We have a compliance policy and prosecution

guidelines and a compliance program that allow us to prioritise. Some of those cases can be dealt with very, very quickly. We might get 500 calls to the environment line and, as I mentioned, only 283 of them need investigation. So we prioritise them. We close low-impact cases or cases where they just require an advisory letter within three months. If you ratchet that up to medium and egregious cases or cases where there are large amounts of clearing, it ends up being a relatively small number that need that intensive work by the compliance staff. So we are able to prioritise quite effectively across all of those different bits of compliance that we do, because it is not only the Local Land Services Act but it is also Aboriginal cultural heritage and threatened species. Our compliance program adjusts to deal with that from a prioritisation point of view. I hope that answers your question.

The CHAIR: Thank you. We will now move to questions from Ms Abigail Boyd.

Ms ABIGAIL BOYD: Thank you, Chair, and hello, Minister. Last time, when we talked at estimates in March, we were talking about the Clean Air Strategy. The draft plan was to be released imminently. We have now seen that draft plan. When it comes to coal and coal-fired power and the air pollution that comes out of those two industrial sources, the draft strategy is more a bunch of thoughts and feelings than actual strategy, isn't it?

Mr MATT KEAN: No, that is not correct, Ms Boyd. Let me just say no-one has done more to deliver air quality improvements in this State than the Coalition Government. We have just announced—

Ms ABIGAIL BOYD: What is new in the Clean Air Strategy in relation to coal and coal-fired power stations and curbing the air pollution that comes from them?

Mr MATT KEAN: Let me tell you what is new, and that is the most ambitious renewable energy plan in our nation's history that will see our coal-fired power stations not replaced with coal but with renewables.

Ms ABIGAIL BOYD: With respect, we talked about this last time. I said at the time that is fantastic. We can see where things are going. Again, that is kind of a prediction of, "Well, the market's moving this way." And yes, we have some legislation in place which is going to pave that way. But what are you doing in relation to curbing the air pollution today from coal and coal-fired power stations?

Mr MATT KEAN: What are we doing today? We are doing a range of things. We are transitioning our electricity system to renewables. We are moving towards electric vehicles. We are helping out heavy industry to decarbonise. That will mean that they are belching less pollution into the atmosphere.

Ms ABIGAIL BOYD: If I could bring you back, Minister, because I do not have much time. The idea of looking at where industry is going and then saying, "Oh, that should result in some air pollution being less in the future," I do not think is what the community is expecting. The community want to know what you are doing right now to stop, for example, coal being transported without covers through major towns.

Mr MATT KEAN: We obviously take the issue of air quality very seriously. We understand that those towns that are on train lines that transport coal see a lot more dust and a lot more air pollution. I totally understand that. But right now we are putting in place a suite of measures around our coal-fired electricity generation, around our vehicles and industry to improve air quality around New South Wales.

Ms ABIGAIL BOYD: Without touching the operations of what those companies are doing right now.

Mr MATT KEAN: We have put our policies on the table. They are our policies. If you are proposing new ones then I look forward to that.

Ms ABIGAIL BOYD: Is it acceptable for me to stand on Gosford station—so it is not known as being a coal area—with my two children and have uncovered coal wagons coming past?

Mr MATT KEAN: We need to make sure that we are protecting human health and our environment. Where we can do that, we absolutely should. That is what we are doing on a range of fronts right across New South Wales, whether it comes to coal being transported on our railway lines or whatever. We should be doing what we can.

Ms ABIGAIL BOYD: Sure. Why isn't the covering of coal part of the Clean Air Strategy?

Mr MATT KEAN: I think that with regard to coal trains we have strong environmental standards, which are enforced by the EPA. So Ms Mackey might be best placed to talk about what we are doing with regard to that issue.

Ms MACKEY: Particularly in terms of the regulation of coal trains, that was something that was implemented last year, in 2020. There has been quite a bit of work done around what aspects of rail regulation were required with regard to the dust.

Ms ABIGAIL BOYD: Does the regulation require those coal—

Ms MACKEY: To be covered? No, it does not.

Ms ABIGAIL BOYD: —to be covered. No. So the question then—sorry; we do not have much time—to you, Minister, is why is that not part of the strategy, that we would just cover those so that we do not have to breathe it in?

Ms MACKEY: There was detailed scientific and technical work done about what was required in terms of the regulation of the rail users, not beyond coal but including coal. It was determined that that was not an element that would be covered by the regulation. I know you have got limited time, but we have got someone who has—

Ms ABIGAIL BOYD: I will be back in the afternoon to pick up on that a little bit further. I have limited time with the Minister. That is one thing that I would say would be a good thing to put in the Clean Air Strategy. Also, last time we spoke you talked a lot about the high standards you thought were in place for coal-fired power stations. I think what has become clear in our clean air bill inquiry is that the coal-fired power stations have the most lax regulations in most comparable countries when it comes to air pollution. Why is that not addressed in the Clean Air Strategy?

Mr MATT KEAN: We have regulations that are enforced by the EPA. I am very happy for Ms Mackey to talk about that later on this afternoon.

Ms ABIGAIL BOYD: Thank you. My time has expired.

The CHAIR: Thank you. Mr Justin Field.

Mr JUSTIN FIELD: Thank you, Chair. Minister, I wanted to come back to the LLS code review. This is the three-year review. You mentioned earlier—I think maybe it was through one of your officials—that the terms of reference were sitting with the agriculture Minister. Is that correct?

Mr MATT KEAN: I think Mr Knudson said that was the case. So, yes, I believe that is so.

Mr JUSTIN FIELD: I asked questions about this in March. At that stage Ms Dumazel responded:

We have been doing preparatory work for the review and we have been undertaking that. We are just waiting on the finalisation of the final terms of reference.

That was happening in March.

Mr MATT KEAN: They have been finalised.

Mr JUSTIN FIELD: Didn't you just say they were sitting with the agriculture Minister?

Mr MATT KEAN: They have been finalised from my end.

Mr JUSTIN FIELD: When did you send them to the agriculture Minister? How long has that been sitting with that Minister?

Mr MATT KEAN: Mr Knudson is probably best to answer that.

Mr KNUDSON: I do not remember the exact date, but it has been quite a while. We can certainly come back and give the specific date to the Committee.

Answer:

On 3 March 2021, I wrote to the Minister for Agriculture and Western New South Wales, seeking his approval of the terms of reference for the Land Management and Biodiversity Conservation framework three-year review.

Mr JUSTIN FIELD: March? April? Any idea? Was it soon after those estimates?

Mr KNUDSON: [Inaudible].

Mr JUSTIN FIELD: I think you are on mute, Mr Knudson.

Mr KNUDSON: Sorry about that. All I was going to say was that I do not have the specific date but definitely can come back to you later on in the afternoon, unless Ms Dumazel has it at this point.

Mr JUSTIN FIELD: Minister, this was part of the agreement—I think that it is widely understood—between the Liberals and Nationals over the biodiversity reforms, that you would review the code, hugely controversial. The Chair just took you through some of the stats for unexplained clearing before. What is going on here? Your colleagues in the National Party just put a handbrake on and say, "We don't want to play. We're not even going to do the reviews we promised." What is going on?

Mr MATT KEAN: You are probably best to ask—

Mr JUSTIN FIELD: Minister, have you taken it up with Minister Marshall as to why those terms are still sitting on his desk?

Mr MATT KEAN: I regularly talk to Mr Marshall about a whole range of things where we have to get the balance right between Agriculture and Environment, but I am not going to go into private conversations with my colleagues.

Mr JUSTIN FIELD: Is it acceptable to you that this review just does not happen?

Mr MATT KEAN: I want to see this review happen. That is why I have signed off on the terms of reference.

Mr JUSTIN FIELD: What do you do if Mr Marshall does not sign off on the terms of reference? Does it just sit there forever; a review will not happen?

The CHAIR: Like the veg maps.

Mr MATT KEAN: I beg your pardon?

Mr JUSTIN FIELD: I think the Chair is drawing a connection to the Native Vegetation Regulatory Map.

The Hon. PENNY SHARPE: Still kicking it down the road.

Mr MATT KEAN: There is a five-year statutory review as well.

The Hon. PENNY SHARPE: Bingo!

Mr JUSTIN FIELD: This is exactly what was raised in March, that the plan was just to kick it off to the five-year review. Are you saying that is what is going to happen?

Mr MATT KEAN: No, I am saying that is the backstop, but I am saying—

Mr JUSTIN FIELD: What if they just do not do that review?

The Hon. BEN FRANKLIN: Let him finish the sentence.

The Hon. PENNY SHARPE: "Mr Marshall, chop-chop" is what you need to say, Minister.

Mr MATT KEAN: I am sure you will be attending Mr Marshall's hearings later in the week and he is probably best placed to answer these questions. I cannot speculate as to why he has or has not signed off on the terms of reference. You are probably better placed to ask those questions.

Mr JUSTIN FIELD: And I shall. Something closer to your home, private native forestry reporting—

Mr MATT KEAN: I will say my office has raised it with his office on a number of occasions.

Mr JUSTIN FIELD: I am sure it was a nasty email. Minister, when will the Forestry Snapshot 2019-20 be published? The latest one we have is 2018-19. That is before the fires.

Mr MATT KEAN: Can I ask Ms Mackey to answer that question?

Ms MACKEY: We are in the publication phases of that. It will come to the Minister shortly, within a matter of the next couple of weeks.

Mr JUSTIN FIELD: Why is it so late?

Ms MACKEY: We have compiled everything that we require from a range of parties. We do not hold all of the information, so we are reliant on those different organisations to provide us with information and that is what takes the time in terms of the compilation of those reports.

Mr JUSTIN FIELD: Some information that you should have, that belongs to you as the regulator: What was the volume of timber taken from private native forestry operations in 2019-20?

Ms MACKEY: We do not have that information. That is not something that we collect.

Mr JUSTIN FIELD: Yes, you do. PNF operators are required to report to you annually on the volume of timber that they take out and forecast to take out.

Ms MACKEY: That goes to Local Land Services.

Mr JUSTIN FIELD: No, under the code it goes to you.

The Hon. BEN FRANKLIN: Point of order: All I would suggest is that, particularly when speaking to

public servants—and I understand you are not being deliberately rude—if we could treat them with the respect that they are due.

Mr JUSTIN FIELD: To the point of order: We went through this in March as well. It is established—

The CHAIR: Just to the point of order, please.

Mr JUSTIN FIELD: I understand.

The CHAIR: Yes, proceed.

Mr JUSTIN FIELD: Ms Mackey, you know these reports are required to go to you. If they are not coming to you, if you could make that clear, that would be useful.

Ms MACKEY: There is a range of information and data that was transferred from the EPA to LLS some years ago. As I indicated at the previous estimates, we were not receiving that data. We have now received—in a matter of the last month—a very large volume of data. We are going through that to look at what we have and have not received, and we have been working closely with LLS to try and receive that data on a more regular basis to make sure that we can actually follow up and be able to understand what is happening in that PNF space.

Mr JUSTIN FIELD: We might come back to it this afternoon.

The CHAIR: We have just lost the Minister briefly. Do you have questions not to the Minister, Ms Jackson?

The Hon. PENNY SHARPE: I can do one. While the Minister is not here, I recently asked some questions on notice in relation to payments towards the Biodiversity Conservation Trust. This might be one for Mr Elton, or perhaps for Mr Knudson. What it shows is basically that increasingly developers and others are looking to pay out rather than protect critical habitat subject to biodiversity offsets. In relation to the response to my question, in 2018 there were 31 payments into the BCT to transfer offset obligations. In 2019-20 it was 75, and in 2020-21 it is at 104. Are you able to tell us what proportion of all offset credit obligations being generated are being fulfilled through the pay and proceed payment to the BCT option? It is probably one for Mr Elton.

Mr KNUDSON: Actually, if you do not mind, I would not mind offering just a little bit of context on this. There are options always with every project that has an impact for them to secure their offsets directly, or they can go through within the BCT and enter into a biodiversity stewardship agreement and acquit their liabilities that way. It is not just simply making a payment and then ignoring the obligation; it is done in a very rigorous way in terms of the size of the payment that needs to go through to the BCT to ensure that the offset liabilities are acquitted.

What I will say is that we can come back to you with respect to the profile on offsets which are being acquitted outside of the BCT versus within the BCT. It will take us a little bit of time to do that, so we would have to do that on notice, but certainly we are seeing—and Mr Elton can certainly talk about this—an increase in the use of the BCT. It is a new institution, and that is what you would expect as people become more comfortable and familiar with it, more businesses are using that—

Answer:

I am advised that to 30 September 2021, biodiversity credit obligations under the NSW Biodiversity Offsets Scheme have been met primarily by retiring the required credits in the market, by either purchasing credits or establishing a Biodiversity Stewardship Agreement, or by paying the amount determined by the biodiversity offsets payment calculator into the Biodiversity Conservation Fund. In the latter case, the Biodiversity Conservation Trust is then responsible for delivering the credit obligation. As at 30 September 2021, approximately 93 per cent of credits have been retired through market transactions and 7 per cent of credits have been retired by the Biodiversity Conservation Trust.

I am further advised that this information includes credit obligations for development proposals approved prior to the commencement of the current scheme (under previous offset schemes) and credit obligations that have only been partially met.

The Hon. PENNY SHARPE: I appreciate that and, Mr Elton, I will come back to you this afternoon on this, but I might go to the Minister on the general concern about the Biodiversity Offsets Scheme. You have indicated that you are going to be doing a review, and it sounded to me this morning that Dr Grimes suggested it is a significant review given the problems with the scheme. My biggest concern, and I think the concern of those that are actually looking at maintaining and keeping biodiversity, is that more and more we are seeing developers use the payment option as the first option, not the last resort. Are you concerned about that?

Mr MATT KEAN: I am concerned about the integrity of the overall scheme. I want to make sure that developers are genuinely offsetting their environmental damage. That is why it was set up and it should be delivering on those objectives.

The Hon. PENNY SHARPE: Dr Grimes, we will go into this this afternoon. I wanted to get an update—I do not think that Ms Faehrmann asked this question, but I just want to check—on the Colebee Reserve and the fact that it has not been actually gazetted. This was the offset for the M7 fifteen years ago. It says that it is under ownership of the National Parks and Wildlife Service. I believe it has not been gazetted, has not been handed over, so 15 years later we do not actually have a proper offset.

Mr MATT KEAN: I might just get Mr Fleming to jump in while I check my notes, if that is all right, Ms Sharpe?

The Hon. PENNY SHARPE: Yes, that is fine.

Mr FLEMING: I have not checked my notes, so I cannot confirm whether it has been handed to us or not, but I can confirm that—

The Hon. PENNY SHARPE: My understanding is that the National Parks and Wildlife Service has been quoted as saying that remediation works need to be undertaken and will be completed in 2022, and then it will be transferred. My problem is the complete lack of transparency around this. This is an offset for a road in western Sydney. It has been 15 years and it is still not done. There is no update in relation to the remediation or status of where that is. On the website it says that national parks have it when you do not, it is still in Transport, as I understand it.

Mr MATT KEAN: I will take that on notice.

Answer:

I am advised:

The subject land remains in the ownership of Transport for NSW (TfNSW). TfNSW advises that certain works, including boundary fencing and remediation of a contaminated landfill site, are to be completed before transfer to the National Parks and Wildlife Service.

Most of the boundary fencing is complete. The outstanding section of fencing is subject to heritage approvals. This is expected to be resolved, and fencing completed, next year.

TfNSW will submit a development application to council in December 2021 to commence works to remediate the contaminated landfill site. TfNSW expects to transfer the land to the Minister administering the *National Parks and Wildlife Act 1974* in late 2022, following the completion of these works.

The Hon. ROSE JACKSON: Minister, I will start with a few questions about the renewable energy zones, starting in the Central West. Obviously you would be aware that there were concerns about the way that some landholders were approached by prospective project developers and some of those interactions. What have you done to resolve those issues?

Mr MATT KEAN: In the Central West?

The Hon. ROSE JACKSON: In the Central West.

Mr MATT KEAN: Clearly there has been an issue with Transgrid in how they engage with landowners. I am not happy with it; I do not think it has been done in a respectful way. We are currently developing a new set of guidelines that Transgrid will be forced to adhere to when engaging with private property owners. I think Mr Hay might be best to give you the detail on that, so if I could get him to jump in—but I am happy to go through all your questions if you want to talk to him later.

The Hon. ROSE JACKSON: I might go back to him later on the details, but when will those guidelines be available? That would be useful to know.

Mr MATT KEAN: Imminently.

The Hon. ROSE JACKSON: As soon as possible?

Mr MATT KEAN: Again, I am just not across the detail on that but, Mr Hay, would you mind—

The Hon. ROSE JACKSON: Perhaps just on that one, Mr Hay, if you would not mind letting us know

when they might be available?

Mr HAY: Yes, the guidelines are being prepared at the moment and will be going up for approval, so we are hoping to get them out just as soon as we possibly can. In terms of a specific date, there is not a date, we just need to work through the final details.

The Hon. ROSE JACKSON: And that is approval by the Minister. Is that right, Mr Hay?

Mr HAY: They will be approved through the Energy Corporation of NSW for consultation with the Minister and other parties, including Transgrid itself.

The Hon. ROSE JACKSON: Moving onto the Hunter Renewable Energy Zone, the public information in relation to that REZ has basically remained unchanged for almost the entire year. Is there any update on when more information might be available on the Hunter Renewable Energy Zone?

Mr MATT KEAN: The priority is obviously the Central West Renewable Energy Zone and the New England Renewable Energy Zone. New England is about eight gigawatts and the Central West is about four gigawatts. That is going to get us to the 12 gigawatts that we have legislated through the road map. The Hunter is really important, and I should acknowledge Labor's contribution to getting that made as a renewable energy zone, and it is really important because it is close to the load. The priority needs to be those other zones so that we can get that energy into the system to supply the whole of New South Wales, but that Hunter zone is going to be really important for that industrial load around the port, for example, and developing those industries. The priority has been those other two. We are getting to the Hunter and we will have more to say about it, but, again it is not the priority at the moment.

The Hon. ROSE JACKSON: Will you have more to say this year or next year? Obviously investors are interested in some certainty.

Mr MATT KEAN: The key thing around all the renewable energy zones is getting the Energy Corporation set up that will then run the auctions to build the new generation. Once that governance structure is set up, then we can roll them out across all the renewable energy zones and go to competitive open auctions for the Hunter, the Illawarra, New England, the Central West and the south-west. But right now we are running really hard to try and get that underway. We expect that structure to be all set up—the non-commissioned officer that Mr Hay talked about—early next year, and we are hoping to run our first competitive auction in that time. As to when the first one will be run in the Hunter, Mr Hay might be best to give you more information.

Mr HAY: James Hay here. The auctions process, which will be the consumer trustee, will be commencing ideally in the first or second quarter of next year. In terms of the Hunter REZ and the question that was asked, with each renewable energy zone what we do is commence with an expression of interest. Because the Hunter is more of an existing centre for generation, what we would be wanting to do is also understand those who want to use energy in the renewable energy zone. Renewable energy zones are not just about generation. We are anticipating that expression of interest early in the new year. We are currently working hard to work on the Hunter renewable energy zone, which is a different model, if you like, to Central-West Orana. We are working that up, but we anticipate pushing that forward early in the next calendar year.

The Hon. ROSE JACKSON: Minister, obviously you have mentioned that a priority for you is the jobs and employment components of these projects. What assurances are you able to give in relation to local procurement, for example?

Mr MATT KEAN: We have set up a renewable energy procurement board effectively and it is chaired by Dan Walton from the Australian Workers' Union [AWU] and Craig Memery from the Public Interest Advocacy Centre, which is like a consumer advocacy group. They are going to be recommending the guidelines which will deliver on the Government's commitment supported by Labor and the crossbenchers that the majority of this infrastructure will be built with local content and local labour. We are just waiting on those guidelines, but I think by the end of the year we are hoping to have that framework, which then I am required to consider and sign off on.

The Hon. ROSE JACKSON: The guidelines will hopefully be available by the end of the year. To what extent, again, can you give us assurances that those will be more than just a guide and that there will be an assurance that the requirements they come up with are actually met and implemented on the ground for these projects?

Mr MATT KEAN: This is State-building, nation-building stuff, and it is my absolute commitment that we will be using local labour and local content. There is obviously a cost implication; all this infrastructure needs to be paid for by consumers. Every dollar additionally that we add then has to go on household bills.

The Hon. ROSE JACKSON: It could be paid for by you as Treasurer.

Mr MATT KEAN: It could be paid for by taxpayers of course, but someone has got to foot the bill. We want to make sure that we keep the cost as low as possible while using local content and local labour. I know that sounds like I am dancing around it—

The Hon. ROSE JACKSON: It does.

Mr MATT KEAN: —but the intention is to make sure that we are supporting local jobs, supporting local businesses and driving our economy forward. This is one of the biggest infrastructure programs our State has ever seen and we need to make sure those jobs stay here.

The Hon. ROSE JACKSON: It is good that that is your intention but, as you would be aware, there is oft slip between cup and lip on this stuff and so people are looking for an assurance that, as this is rolled out, those best intentions are delivered in terms of actual jobs and actual procurement contracts signed on the ground.

Mr MATT KEAN: I want to work with the Opposition to give the community confidence that we will actually do that. The only caveat that I would say is obviously the guidelines will have to be in line with the World Trade Organization rules around dumping and a whole range of things. But, yes, it is a very clear intention and I think all parties that supported that bill was because it is going to drive local jobs and local content.

The Hon. ROSE JACKSON: There have also been some concerns raised around safety issues for the renewable energy zones and the people who are working on the new infrastructure. Is that something that has been brought to your attention?

Mr MATT KEAN: Yes. I have met with the Electrical Trades Union, for example, and I have met with the AWU and they have raised those issues. We obviously need to be making sure that everyone that works on these projects goes to work in the morning and comes home safely to their families at night. We will not be compromising the safety standards and we will take advice from those relevant unions and those relevant businesses as to what we need to do to ensure that we have the highest quality safety standards in place.

The Hon. ROSE JACKSON: I want to ask a brief follow-up from my question to Dr Grimes about the green investment strategy because I did just want to push a little bit on when that might be ready.

Mr MATT KEAN: I do not have the exact timetable for that.

The Hon. ROSE JACKSON: As soon as possible?

Mr MATT KEAN: It has been a busy couple of weeks, which I did not anticipate, and so I need to balance the delivery of the green investment strategy with the considerable new issues that I need to get my head around. I am not going to give you an exact time today, but I am happy to come back to you with something more concrete.

The Hon. ROSE JACKSON: It would be better just to come back with a strategy, Minister.

Mr MATT KEAN: Which we will do.

Answer:

The Department of Planning, Industry and Environment is working closely with NSW Treasury and Investment NSW on ways to attract greater private sector investment in initiatives that reduce emissions and have positive environmental outcomes. The work underway includes the development of strategies to:

- drive private sector investment in net zero initiatives
- unlock sustainable finance opportunities for NSW
- reward good management of natural capital.

This work is underway and making good progress.

The Hon. ROSE JACKSON: I want to ask about storage. Obviously the Electricity Infrastructure Roadmap predicted \$32 billion in private sector investment. How is that going?

Mr MATT KEAN: Very well. We have gone out for two expressions of interest, one in the New England and one in the Central West. In the New England Renewable Energy Zone we called for expressions of interest of up to eight gigawatts of renewable energy. We were oversubscribed by more than four times; we got interest of about 34 gigawatts. The value of that interest in New England alone is in the order of around \$40 billion worth of private capital, which is pretty extraordinary. That is a similar situation to the Central-West Orana. We were after about three gigawatts to four gigawatts there, and again I think it was oversubscribed nine times. Is that right, Dr

Grimes?

Dr GRIMES: Something like that.

Mr MATT KEAN: Nine times. The private sector is really interested in it; the capital is there. Again, setting up the consumer trustee and the governance process is the key thing, and we are running really hard. We have got a lot of staff on this and we are aiming to get that done by the end of the year.

The Hon. ROSE JACKSON: It is excellent that there is a lot of private sector investor interest in renewable energy. One of the things that you would be well aware needs to be resolved is that reliability question.

Mr MATT KEAN: Yes.

The Hon. ROSE JACKSON: How are you progressing on the storage issues?

Mr MATT KEAN: Obviously we have legislated that we will need to also deliver two gigawatts of long-duration storage. That will be supported by the underwriting process that Mr Hay talked about. We have got Snowy 2.0 as well, which is well underway. The major constraint there is the transmission infrastructure to get that electricity into the market. We are riding Transgrid really hard to build that infrastructure. The other part of the reliability strategy is obviously the interconnectors between the different States. We have the Queensland interconnector well underway and I think the Victorian interconnector as well. In addition to that—

The Hon. ROSE JACKSON: Is Snowy 2.0 going to deliver the long-term storage capacity needed by 2030? Is that project alone going to deliver that?

Mr MATT KEAN: No way.

The Hon. ROSE JACKSON: What else—

Mr MATT KEAN: Snowy is about two gigawatts on top of—I think there is about a gigawatt there as well, so that is three. You have the interconnectors, which will obviously be able to ensure we get more electricity out of Queensland. Their coal-fired power stations are a lot younger than ours, so they will last a bit longer. Then we have our two gigawatts on top of that. Our road map will ensure that there is enough dispatchable capacity to back up the renewables, but we need to get cracking and the essential ingredient is getting a consumer trustee in place so we can run the auctions for the underwrite.

The Hon. ROSE JACKSON: I mean, are you—

Mr MATT KEAN: Sorry to cut you off. The market is responding really well not just for renewables but also for storage. So we are confident that as soon as we call for expressions of interest, we will be flooded with offers.

The Hon. ROSE JACKSON: One of the projects that I understand was/is in the works is the Glennies Creek pumped hydro project. Are you aware of the quite considerable delays to the provision of that project?

Mr MATT KEAN: I know the project but I am not familiar with the reasons for the delays. Mr Hay will definitely be across that.

The Hon. ROSE JACKSON: Mr Hay?

Mr HAY: One of the things that we have recently completed is seeking all interest from all pumped hydro that is looking to develop in the State through the pumped hydro grants part of the road map policy. We are in the middle of assessing all those applications, including the one you mentioned. We can come back with more specific details, but some of that is clearly at the sharp end of commercial consideration as to which of those projects get grants to deliver the two gigawatts that the Minister talked about over and above Snowy Hydro's long-duration storage. That process has allowed us to get a view across all pumped hydro options in the State that are coming forward for feasibility.

Answer:

The WaterNSW Renewable Energy and Storage Program seeks to facilitate private sector investment in renewable energy generation and storage projects, including pumped hydro and wind farms, on WaterNSW land and assets such as Glennies Creek Dam.

The Hon. ROSE JACKSON: Mr Hay, just to clarify, in relation to that project, where construction was intended to have commenced in late 2019 and still has not commenced now in late 2021, that is not going to disrupt the modelling on which the storage capacity was based? You are confident those models are still robust

and going to be able to deliver the storage that we need by 2030?

Mr MATT KEAN: Yes.

Mr HAY: We are confident that the pumped hydro grants scheme—its target is to bring forward at least three gigawatts of potential long-duration storage that can be developed by 2030. Our process now with that grants scheme is to help them through the feasibility stage and to have them ready to participate in the auctions the Minister mentioned the consumer trustee will be running. We are doing everything we can to bring those forward.

Mr MATT KEAN: You have identified the exact issue and the big risk to the system. These coal-fired power stations, they are coming under enormous pressure. We have planned for 2030 but the reality is that—what I should say is that long-duration storage takes a long time to build, the pumped hydro, the transmission lines and stuff—we need to start now. I am confident we will get there by 2030, but there are a number of other pressures being brought to bear on the system which we need to be cognisant of. All I can say is thank God we collectively legislated this pathway because if we did not have a plan to replace the stuff, there would be a real problem. These people trying to say that we should not do anything, they are being so irresponsible.

The CHAIR: Minister, you would be aware of the landmark decision by the Land and Environment Court in August in relation to the EPA having to take action on climate change. In terms of those guidelines, what direction have you provided or given to the EPA to respond to that ruling?

Mr MATT KEAN: I expect the EPA to respond to the ruling. Obviously we did not contest it, so that was the first direction that I gave—that we would not be contesting the decision of the court. I expect the EPA to get on with the job of implementing the decision of the court. Ms Mackey, would you like to talk to that?

Ms MACKEY: I can talk to the actions that we have already taken and what we plan to do, if that is helpful?

The CHAIR: Sure.

Ms MACKEY: Prior to that legal matter going through the courts, we had already made some steps in terms of progressing towards tackling our contribution around the Government's climate change policy framework. And, indeed, in our strategic plan that was launched in July, which was prior to the court's decision, one of the five focus areas is on climate change. We are well progressed in drafting a policy—that is the EPA's policy—around climate change. We expect to be able to share that with some key stakeholders this side of Christmas with a view to making that public early in the New Year. Associated with that policy will be an action plan which indicates the immediate and then the longer-term actions. What it also does is it highlights the range of things that we are already doing which contribute to the Government's net zero target.

The CHAIR: Can I check, when you are referring to policies and what the Government is doing, is it also in relation to the EPA's duty to protect, restore and enhance the quality of the environment in New South Wales in terms of the activities of the industries that you monitor that you will be looking at, or are you simply referring to your own internal, and the Government's, targets?

Ms MACKEY: We are not going to be setting any targets. It is a policy around how we deliver on the climate change issues that are associated with our responsibilities across all the legislation that we have responsibility for—there are 14 various Acts. We have looked across all of our responsibilities and looked at what we can do as a regulator. We are not a policy agency; we are a regulator. So we have been very careful to look at what is within our remit. There is a range of things that we can do that we will be looking to move down the path of.

The CHAIR: Do you have a time line for that work to report back?

Ms MACKEY: Part of the court's decision is not a report back to the court, but we will shortly be making public in the new year our policy, which is the commitment around what we will do in the space, including the action plan.

The CHAIR: Minister, I want to go back to the issue of the State Government potentially opening up new areas for coal exploration. Are you aware of when one of your predecessors, the Hon. Rob Stokes, was environment Minister he wrote a letter of support for the nomination of additional areas of inclusion in the National Heritage List for the Greater Blue Mountains World Heritage Area. Some of those areas he supported nomination for are smack bang in the middle of these potential strategic release areas around Ganguddy-Kelgoola, as well as Hawkins and Rumker. Are you aware of that?

Mr MATT KEAN: No, I am not.

The CHAIR: Does it concern you then that these areas have been supported potentially by a previous environment Minister for World Heritage declaration, if you like, and now your Government is potentially considering them to develop and mine for coal in those areas?

Mr MATT KEAN: I need to get across the details, but obviously I want to see more land included in our national park estate, not less—more biodiversity protected, not less.

The Hon. SHAYNE MALLARD: Hear, hear!

The CHAIR: What role will you play as environment Minister in the decision-making process around the preliminary regional issues assessment [PRIA] for Hawkins, Rumker and that area?

Mr MATT KEAN: It will go through the planning assessment process, I would imagine—a proper EIS. My agency will be making decisions through the normal course of that process.

The CHAIR: This is the PRIA, the preliminary regional issues assessment. Is that coming to Cabinet?

Mr MATT KEAN: It might be best for Dr Grimes to provide some details about the process. I am not familiar with it.

Dr GRIMES: Chair, you are referring to exploration licences?

The CHAIR: Yes.

Dr GRIMES: Some of those matters will obviously fall out of our area of responsibility. I do not have anything to add at the moment, but we may have an officer who has something to add otherwise. It would be largely a process that is managed outside of the Environment, Energy and Science [EES] group. I have no volunteers.

The CHAIR: That is okay.

Dr GRIMES: We can take on notice whether there is any further information we can provide you.

Answer:

I do not have a role in the Preliminary Regional Issues Assessment process, as the Minister for Energy and Environment. However, the Department of Planning, Industry and Environment's Environment, Energy and Science Group (EES) has an advisory role.

In May 2021, EES was consulted on this Preliminary Regional Issues Assessment and provided the vegetation mapping information requested by the Department's Planning and Assessment Group. If areas are released for coal or petroleum exploration, a proponent must undertake appropriate environmental assessments for exploration activities as part of the approval process.

Any further questions are a matter for the Minister for Planning and Public Spaces.

The CHAIR: Minister, have you had a briefing around what is potentially at stake in relation to the Hawkins-Rumker area that your Government is looking at opening up?

Mr MATT KEAN: I have not, Ms Faehrmann.

The CHAIR: Are you aware that you have received 15,000 emails in opposition to this new coal release area from the Wilderness Society?

The Hon. ROSE JACKSON: You did not notice 15,000 emails?

Mr MATT KEAN: I think I would have noticed 15,000 emails.

The Hon. PENNY SHARPE: They created a rule, I think.

The Hon. ROSE JACKSON: That is right.

The CHAIR: The Wilderness Society and other community groups have, in fact, sought meetings with you as environment Minister to talk to you about the fact that there are these areas that a previous environment Minister has supported the nomination of to include in World Heritage areas and about the importance of these areas, but you have not met with anybody, as I understand it, to get a briefing on these areas: the Hawkins and Rumker areas, smack bang next to Wollemi National Park.

Mr MATT KEAN: I am a great admirer of the Wilderness Society and the work that it does. I am very happy to meet with it about this issue or anything else. I will certainly speak to my office about making that happen.

The CHAIR: You said before that you are aware that the UNESCO World Heritage Committee has

concerns about coalmining taking place in the vicinity of the Blue Mountains World Heritage Area, yes?

Mr MATT KEAN: Yes.

The CHAIR: This is your Government potentially opening up areas right next to the World Heritage area for coalmining. You do not know whether you have had a briefing on this. You think that you will not be involved in decision-making about it. Do you think getting some kind of a sense of what is at stake regarding the Blue Mountains World Heritage Area falls within your remit as environment Minister?

Mr MATT KEAN: Yes, I do. Now that you have drawn it to my attention, I am very happy to go and get across this issue and make sure that we participate fully in the process.

The CHAIR: That is a very good thing. Are you aware of the Kamay ferry wharf project? The Kamay ferry is a tourist ferry service from La Perouse to Kurnell?

Mr MATT KEAN: Yes.

The CHAIR: Are you aware that there are at least four endangered species, several vulnerable and many protected species that are going to be at risk if this goes ahead? Have you been briefed on the threats to threatened species as a result of this proposal?

Mr MATT KEAN: I do not believe I have been, or I do not recall being briefed on the specific threat to four endangered species. I am happy for Mr Fleming to provide you with some information.

Mr FLEMING: I cannot recall being briefed or briefing the Minister, but I might ask Ms Stephens if she is aware. Before Ms Stephens starts speaking, I think this is a project that is being implemented largely by Transport.

The CHAIR: Yes. I have a list of a few endangered species that are potentially at risk from this proposal while Ms Stephens is finding her notes: the Bare Island's White's seahorse, the weedy sea dragon, the pot-bellied seahorse and the pipefish. Is that your understanding, Mr Fleming or Ms Stephens?

Ms STEPHENS: I am aware that those species are potentially impacted by the proposal. The department of transport is the proponent for the development, and they are undertaking all the planning and assessment work. The impact to those species will be considered as part of the environmental impact assessment that is being done for the project.

Mr MATT KEAN: Could I seek leave for a moment?

The CHAIR: Sure. Mr Pearson, do you have any questions for the public servants while the Minister has gone, because it is your question time?

The Hon. MARK PEARSON: I might ask my last set of questions about kangaroos to Ms Molloy. Would you like me to do that or wombats?

The Hon. BEN FRANKLIN: Just before we do—Ms Mackey, I think you might have had something you wanted to add.

Ms MACKEY: I was going to add on that particular project, we certainly have a role in terms of that approval process, particularly at the EIS stage. We are aware and engaged in that process with Transport.

The Hon. MARK PEARSON: You will probably need to take this on notice. I think it is to be directed to Ms Molloy. On page 15 of the New South Wales 2021 *Quota Report*, the DPIE announced the expansion of two commercial harvest zones—being the Griffith Zone and the South East Tablelands Zone. The Griffith commercial harvest zone was expanded to include the non-commercial zone of Wagga Wagga. Can you explain the reasoning behind the DPIE's decision to expand this zone?

Ms MOLLOY: I will have to take that on notice. I do not have the exact details. I may be able to get back to you this afternoon on it, though, if the team can find out for me. We continuously look at the zones and the boundaries and work out what is the best way of managing and balancing between the inland zones and the coastal zones. It is probably something along those lines, but I will get you a definitive answer.

The Hon. MARK PEARSON: There are some more questions following that for more specificity. I will put those to you on notice so you can give the narrative of the answer.

Ms MOLLOY: Absolutely.

Answer:

See answer provided to Supplementary Question number 5 from the 26 October 2021 Budget Estimates hearing.

The Hon. MARK PEARSON: Minister, I want to ask some questions about wombats and wombat mange.

The Hon. ROSE JACKSON: Sorry, Mark. He anticipated you would ask about it, which is good.

The Hon. MARK PEARSON: I usually let him know most of the questions I am going to ask—

Mr MATT KEAN: A surprise attack.

The Hon. MARK PEARSON: —and then I give him a couple of surprises.

The Hon. PENNY SHARPE: The answers should be better.

The CHAIR: Order! Mr Pearson will proceed with his questions.

The Hon. ROSE JACKSON: Apologies, Mark.

The CHAIR: There is not much time left.

The Hon. MARK PEARSON: Are you aware of the condition of mange that wombats suffer?

Mr MATT KEAN: Yes, of course.

The Hon. MARK PEARSON: Are you aware that it is becoming worse and it is a problem—these animals being under your care, control and supervision—that we are not getting on top of, and the mange is affecting more and more of these animals?

Mr MATT KEAN: I came prepared today, Mr Pearson, because I thought you might ask about this. Luckily Atticus Fleming has been doing some very important work to tackle this issue. He is best placed to give you a bit of an update. Dr Fleming, over to you.

The Hon. MARK PEARSON: Thank you. Dr Fleming?

Mr FLEMING: It is Mr Fleming.

The Hon. PENNY SHARPE: I am sorry. We do this all the time, don't we?

The Hon. MARK PEARSON: You look like a doctor.

The CHAIR: The Minister said "Dr Fleming" this time. Proceed, Mr Fleming.

Mr FLEMING: It is really Naomi Stephens who is doing the work. I could tell you from the notes that I have been given and then I will get Naomi Stephens to add.

The Hon. MARK PEARSON: I am sorry, we are finding it difficult hearing you, Mr Fleming. Could you either speak straight ahead towards your microphone or move closer to it? That is what we are finding—if you move your head away, we cannot hear you.

Mr FLEMING: I hope that is better.

The Hon. MARK PEARSON: Yes, so far.

Mr FLEMING: I will get Ms Stephens to add to this but we are doing work at Bents Basin. We have been trialling a couple of different techniques to try to address the problem of mange. We had some initial success. Unfortunately, that initial success has been undone so we have moved on to trialling a second agent, Bravecto, which is showing some early signs of success. We are doing collaborative work with the University of Sydney. I note that the National Environmental Science Program threatened species hub has also been involved in developing national guidelines, and we have contributed to that process. We are doing a lot of work but the problem, as you said in your question, is that there is no solution at this stage.

The Hon. MARK PEARSON: One of the problems that has been pointed out to me is that a lot of individuals who are wombat carers or concerned landholders—there is a particular drug that can be applied to the entrance of the wombat den, if we can call it that, but the drug is restricted in its availability. It is called moxidectin. A concern is being expressed to me that for individuals who want to be able to treat wombats or at least put the substance there so they can be treated, there is a restriction as to whether they can have access to that particular drug. Are you aware of that?

Mr FLEMING: I am not aware. I am happy to take it on notice, unless Ms Stephens can add some detail.

The Hon. MARK PEARSON: Is moxidectin one of the trials in the work by the university and by you? Is that being used?

Mr FLEMING: No. We initially used Cydectin and then Provecta. Unless they are going by a different name, it would not be one of the drugs we used. But, again, I am happy to take that on notice and confirm.

Answer:

Please refer to the answer given later in the Energy and Environment Budget Estimates hearing on 26 October 2021, recorded on page 69 of the uncorrected transcript

The Hon. MARK PEARSON: Minister, what is the purse? What funds have been put aside for this research and development into treatment of wombat mange?

Mr MATT KEAN: I am now in a better position to be able to find some funds. As Treasurer I will certainly be looking very closely at that, Mr Pearson.

The Hon. MARK PEARSON: Have you got a ballpark figure?

Mr MATT KEAN: I am going to have to be advised by the experts on what is going to be necessary, because I want to come back to the next estimates and be able to say we have got a solution for you.

The Hon. PENNY SHARPE: That will be in Treasury estimates.

The Hon. ROSE JACKSON: Talk about wombat mange in Treasury estimates.

The Hon. MARK PEARSON: Mr Fleming, in your research so far and the work that has been done so far, can you glean what might be an appropriate figure to make this research and development robust?

Mr FLEMING: I cannot give you a figure off the top of my head, no.

The Hon. MARK PEARSON: No. Now I might turn to magpies, Minister. We are going on a bit of a species journey, but it is all on—

Mr MATT KEAN: Speaking of 15,000 emails that you unleashed on me, Mr Pearson?

The Hon. SHAYNE MALLARD: Still replying to those.

Mr MATT KEAN: I saw those.

The Hon. MARK PEARSON: Just a question for you to take on notice. How many licences to harm magpies did the department provide to landholders in the last year?

Mr MATT KEAN: We will give it to you on notice.

Answer:

Between 5 November 2020 and 4 November 2021, the National Parks and Wildlife Service granted 15 licences to landholders to harm magpies. This excludes licences granted to airports for the purpose of aircraft safety.

The Hon. MARK PEARSON: Okay. In regard to the National Parks and Wildlife Service 2003 policy Management of Native Birds that Show Aggression to People, which is having ongoing review and was scheduled for a release in 2021, can the department provide an estimate as to when this new policy will be published and come into effect?

Mr FLEMING: I am told that that review will be complete at the end of this year, Mr Pearson.

The Hon. MARK PEARSON: Will it include some of the projects that have occurred in Queensland, of other deterrents and translocation being used as opposed to lethal means?

Mr FLEMING: You have previously provided some information, including the names of a couple of researchers. The work that they have been doing is being taken into account in the review of the policy.

The Hon. MARK PEARSON: I think I can finish there.

The CHAIR: Justin, do you want the last question?

Mr JUSTIN FIELD: If I could. Minister—

Mr MATT KEAN: Where is Mr Latham? I have been waiting.

Mr JUSTIN FIELD: He has given up. Renewables win. You win. Renewables win.

The CHAIR: Let us keep going. Order! There is hardly any time. Go, Mr Field.

Mr JUSTIN FIELD: Minister—

Mr MATT KEAN: But he is always wanting to question me. He gets an opportunity and he does not even bother turning up.

The CHAIR: Order!

Mr JUSTIN FIELD: The advisory committee for the Batemans Marine Park was advised quite a few months ago now that the new plans for marine parks would be going out for consultation. Nothing has happened. Where is that at? Where is this new plan?

Mr MATT KEAN: Probably best to ask Dean Knudson.

Mr KNUDSON: Thanks, Minister. We have developed, with Fisheries and also the Marine Estate Management agency, a revised plan. That is now with the two Ministers, but we are just trying to coordinate the release of that and where it is up to. It is the fisheries Minister as well as Minister Kean. I know his office is engaged with the fisheries Minister to expedite that.

Mr JUSTIN FIELD: Is this another one of those things that you have signed off for consultation and it is just sitting on Minister Marshall's desk again, Minister?

Mr MATT KEAN: We are not the hold-up.

Mr KNUDSON: I think that is the case.

Mr JUSTIN FIELD: Sorry. I missed that. Did you say, "We are not the hold-up"?

Mr MATT KEAN: I said I am not holding it up.

Mr JUSTIN FIELD: So it is Minister Marshall holding this process up?

Mr MATT KEAN: You will have to ask Minister Marshall.

Mr JUSTIN FIELD: An amnesty has been in place now for a couple of years on five sanctuary zones down there. This is undermining the environmental protections of our marine parks, including around the Green List site on Montague Island. Why are you allowing Minister Marshall to dictate the effective removal of these sanctuary protections?

Mr MATT KEAN: I am not allowing Minister Marshall to dictate. We are trying to work through a process. I have signed off on the terms of reference. Minister Marshall, I am sure, is considering what to do next.

Mr JUSTIN FIELD: All in due course.

The Hon. ROSE JACKSON: As soon as possible.

Mr MATT KEAN: As soon as possible.

The CHAIR: Thank you. We will now move to very quick questions from the Opposition.

The Hon. ROSE JACKSON: I just wanted to ask about the Tallawarra B project. To what extent is that going to be fossil fuel powered?

Mr MATT KEAN: I will just get the specific details, but effectively it will be net zero from day one. They have to offset any fossil fuels. They are going to shandy in a proportion of hydrogen—

The Hon. ROSE JACKSON: Five per cent? Is that the proportion?

Mr MATT KEAN: Immediately, but I think it will ramp up to around 20, Mr Hay? We will get those details.

The Hon. ROSE JACKSON: It is essentially \$78 million for a fossil fuel power plant, is it not, Minister?

Mr MATT KEAN: It is essentially money to ensure that we can transition to renewables very quickly

and support the uptake of hydrogen in doing so.

The Hon. ROSE JACKSON: It is a fossil fuel power plant, though.

Mr MATT KEAN: It uses natural gas. They are offsetting their carbon footprint from day one. It is going to take a portion of hydrogen to drive the creation of hydrogen and helpfully build that economy so that the Illawarra can have a natural hedge to the threat of climate change, which is coming to their industries.

The Hon. ROSE JACKSON: Do you think that 5 per cent from 2025 is adequate in the green hydrogen component? Are you happy with that extremely low percentage?

Mr MATT KEAN: My understanding is that the proposed power plant will be able to take more than 5 per cent. But that 5 per cent is going to be really important to developing the supply chain in the Illawarra, which will, hopefully, then scale up and be ready for export use by the end of the decade.

The Hon. ROSE JACKSON: Can you give us any more information on that scale-up, any time frames, any figures—

Mr MATT KEAN: In regard to how much hydrogen the plant will take?

The Hon. ROSE JACKSON: Yes.

Mr MATT KEAN: Can I just get Mr Hay to speak to the technical details of it?

Mr HAY: The arrangement that we have done in this grant is to effectively require the proponent to enter into the largest offtake for green hydrogen in Australia. It is about the capacity to deliver the green hydrogen. I would add that this is a peaking plant. It operates only a very minimum part of the time. It firms renewables. It is fully offsetting all its emissions through that time. There is an obligation also on the proponent to undertake further engineering works to extend the use of hydrogen through the plant to a higher percentage. There is some more work to do on that, but it may well be in the vicinity the Minister talked about or higher. But that is a process over time. It really will be governed by how quickly green hydrogen can be produced and the volumes required. But I do emphasise this plant will run around about 2 to 3 per cent of the time that it is available to run because it is a very peaking plant. So its emissions will not be large.

The CHAIR: Thank you, Minister, I just wanted to ask you quickly about waste-to-energy incineration. The EPA released a draft energy-from-waste policy recently, which just talked about four different areas for these waste incinerators to take place. I just wanted to check then on what that means for a couple of the waste-to-energy incineration projects that are currently slated for western Sydney and parts of Sydney. One is Cleanaway and one is the Next Generation projects. They are currently in the planning pipeline. Does that mean that they will go ahead, that the policy does not refer to the ones that, if they are approved, will be built in western Sydney?

Mr MATT KEAN: No. Our policy is that there will be no energy-from-waste facilities in western Sydney or in the Sydney Basin unless they are replacing things like— There will be no waste-to-energy in the Sydney Basin. But, if a company is already burning fossil fuels to produce energy for industry then it may be able to look at having a cogeneration facility. But that would be very small. Basically, it rules out the proposals in Eastern Creek.

The CHAIR: Minister, you said before that your Government is trying to strike the right balance when it comes to managing native vegetation on private land. What does that balance mean when you as the environment Minister are overseeing a regime that is effectively approving or allowing the clearing of 50,000 hectares, 60,000 hectares or 70,000 hectares of native vegetation every year? Is that striking the right balance or is the agriculture Minister and The Nationals winning out on this balance?

Mr MATT KEAN: I think the balance that I am referring to is supporting a strong economy while protecting the environment. We have found the right balance when it comes to tackling climate change, and our policies I think reflect that and it is how it has brought the Coalition together. With regard to land management, there are communities that rely on that natural asset to create jobs and drive their economies, but we need to balance that with the need to protect our environment. That is what we are trying to do. It is a hard challenge, Ms Faehrmann, as you well know as a long-time environmental campaigner. You know how hard that challenge is.

The CHAIR: Thank you, Minister. It is now 12:45 p.m. That is the end of your time with us. I thank you for appearing today.

The Hon. BEN FRANKLIN: Hang on a second.

The Hon. PENNY SHARPE: Do you have a question?

The CHAIR: Sorry, of course.

The Hon. PENNY SHARPE: Ask him about the new national parks.

The CHAIR: Questions from the Government—the Hon. Ben Franklin.

Mr MATT KEAN: I am waiting for my Dorothy Dixers.

The CHAIR: You could have gone, Minister.

The Hon. BEN FRANKLIN: I do have a question.

Mr MATT KEAN: You have been getting me excited all morning that I was going to get a chance.

The CHAIR: You could have gone but we now have questions—

The Hon. ROSE JACKSON: You cannot go now.

The Hon. PENNY SHARPE: Tell us about the new national parks.

The CHAIR: Order! The Hon. Ben Franklin.

The Hon. BEN FRANKLIN: Minister, I was wondering if there was anything you wished to add about the issue you were discussing with Mr Shoebridge about diary and your diary and his diary and the diary issue.

Mr MATT KEAN: Thank you for the opportunity to give an answer to that question, the Hon. Ben Franklin. I should just refer to the earlier question from Mr David Shoebridge regarding my meetings with the Hunter Gas Pipeline. The first meeting he referred to was on 14 September 2020. My records indicate that the following private individuals were in attendance: Mendy Moss, Garbis Simonian, James Simonian and Paul Rubenstein. The second meeting he referred to was on 7 December 2020. My records indicate that the following private individuals were in attendance: Garbis Simonian, Mendy Moss and Barbara Company. With respect to my disclosures that Mr Shoebridge referred to in his questions, I note that the donations are publicly available via the Australian Electoral Commission and the NSW Electoral Commission websites, and they are a matter for the Liberal Party to deal with.

The Hon. BEN FRANKLIN: Thank you, Madam Chair, that concludes my questions.

The CHAIR: Are there any other questions from Government members?

The Hon. PENNY SHARPE: Do you not want to tell us about the national parks?

Mr MATT KEAN: You can read about it in my favourite forum, *The Sydney Morning Herald*.

The Hon. PENNY SHARPE: I read it this morning, Minister.

The CHAIR: Thank you very much, Minister.

(The Minister withdrew.)

(Luncheon adjournment)

The CHAIR: We will now proceed to questions for our afternoon session, starting with the Opposition and the Hon. Penny Sharpe.

The Hon. PENNY SHARPE: Thank you for coming in, Mr Fleming. Did you want to put something on the record?

Mr FLEMING: Can I do that please?

The Hon. PENNY SHARPE: Yes, you can.

Mr FLEMING: You raised a few things that I just thought were worth closing out. In Kosciuszko National Park, I wanted to clarify that with the plan of management amendment, there is nothing in that that provides for Regional NSW to be the approval authority, which I think is one of the issues you raised. That is certainly not in there. You will be aware that there is an alpine SEPP. That is the resort areas and the approval authority is Planning. Probably late 2022 is when that is expected to transfer to National Parks. You threw me with the reference to the website. I think that is the Transport website that had the error on it.

The Hon. PENNY SHARPE: Quite possibly.

Mr FLEMING: We will get that clarified. The asset of intergenerational significance at Bongil Bongil National Park is about 3,859 hectares. It is not the entire national park, but it is the important koala habitat in that park. The Koala Acquisition Program: The update there is that it is 10 properties in total across 4,424 hectares, and \$14.46 million has been spent including about \$680,000 in administrative costs. There is also another property that is under contract which is not in those figures which would add another 950 hectares.

The Hon. PENNY SHARPE: Are you able to tell us how much that will cost? Probably not.

Mr FLEMING: I would rather not give individual property—

The Hon. PENNY SHARPE: No, that is fine. I am not going to push it. I understand that it is in negotiations.

Mr FLEMING: You also asked about the State forests transfers for koalas. There are 4,055 hectares which were to transfer to National Park tenure; that has happened. There is another 5,002 hectares where the management responsibility has formally transferred to National Parks, but they remain flora reserves. There is another 14,213 hectares that is in the process of transferring across so that NPWS is the manager of those flora reserves. They are broken into different categories. Some of them are basically the Executive Council process. There is one, Belanglo State Forest, where we are hoping to expand the original proposed area because an adjacent mine has been refused approval, and there are some State forests in northern New South Wales where we are talking to Githabul about how to effectively move forward jointly.

The Hon. PENNY SHARPE: All of those are coming from State forests.

Mr FLEMING: Yes, that is right. It is only the 4,055 hectares where the tenure changes. With the rest, it is the management responsibility. We are appointed as managers.

The Hon. PENNY SHARPE: They are all going to be flora reserves.

Mr FLEMING: The rest are flora reserves, yes. Wombat mange, moxidectin is the—

The Hon. PENNY SHARPE: Wait until Mark is here when you get to his questions and you can deal with that.

The CHAIR: Yes, please, rather than use up the Opposition's time.

Mr FLEMING: I am not sure who asked about the Kamay ferry.

The CHAIR: That was me, and we will start your time afresh after this.

Mr FLEMING: Yes, sorry.

The CHAIR: That is okay.

Mr FLEMING: I just wanted to acknowledge that a member of the public has written to the Minister and cc'd me about those issues. I could not recall when I was answering the question, but I did just want to put that on record.

The CHAIR: That is good. We will start the 20 minutes now of Opposition questioning.

The Hon. PENNY SHARPE: I might just follow up on that update, and I appreciate you getting it to us this afternoon. I refer to the \$20 million that was allocated under the previous soon-to-be-finished koala strategy. There is still \$5 million that is not spent. Is that correct?

Mr FLEMING: Correct. That is still available to the National Parks and Wildlife Service. We are still actively considering properties.

The Hon. PENNY SHARPE: I wanted to ask about Killalea Reserve. There has been a lot of discussion about this, and I am sure that the department, if not directly National Parks, is very aware of the community concern about overdevelopment on that site. There has been some discussion, as I understand it, about whether it would be transferred to the National Parks and Wildlife Service. Are you able to give us an update about where that is up to?

Mr FLEMING: You are correct that there have been discussions around the possible transfer of that site. It is Crown land and so we are the recipient rather than the proponent of any transfer. I should leave it for Crown Lands to answer the question other than to say that I think they are working through that and hopefully there is something imminent.

The Hon. PENNY SHARPE: I wanted to talk about the playing fields at Scheyville National Park, which is Pitt Town, up near the Hawkesbury. My understanding is that it previously was Crown land. There are a bunch of playing fields there. They play soccer, netball and cricket, and it was transferred to the National Parks and Wildlife Service. But it has basically been managed by the Pitt Town sports club since 1996 with some very limited fees applied to the use of those fields. The club as a result has developed a whole community sports focus. My understanding is that National Parks and Wildlife Service has now come to them and wants to charge them annual fees of over \$19,000 to use the land. Can you tell me why, after 25 years, this has happened?

Mr FLEMING: I am not aware of the developments that you are referring to, so I am hoping someone is listening and will get me an answer and I will share that with you later.

The Hon. PENNY SHARPE: Terrific. You can probably take this on notice but my theory—and I am

not asking you to comment—is that you are seeking revenue wherever you can get it and where there have been previous arrangements you are now seeking those. Would you be able to provide to the Committee a list of any

other such facilities—Pitt Town being an obvious example—where previously there were peppercorn or low-fee arrangements that are now looking at new lease arrangements?

Mr FLEMING: I am very happy to do that. I suspect I will have to do that out of session.

Answer:

The National Parks and Wildlife Service (NPWS) has been working for some years with the Pitt Town Sports Club to formalise an agreement for its use of land, reserved in Scheyville National Park since 1996, as it would with any other third party and as required by the *National Parks and Wildlife Act 1974*. NPWS will continue to work with the club to ensure an appropriate and reasonable agreement is in place.

A statewide framework applies to use of national park land by third parties and commercial operators. A lease or licence formalises the appropriate management of the land or asset and the payment of fees for the use of public land. The framework ensures an equitable and transparent approach.

A register of leases, licences, easements and rights of way is available on the NSW environment website at <https://www.environment.nsw.gov.au/topics/parks-reserves-and-protected-areas/park-management/leases-easements-and-rights-of-way>.

The Hon. PENNY SHARPE: Yes, I accept that. That is fine. Thank you. I wanted to come back to Warragamba Dam. I know that we have covered some of this in the inquiry. A lot of the answers in the inquiry were "Wait for the EIS". I am wanting to understand the input that National Parks generally—or maybe it is also for you Dr Grimes—and particularly the environmental parts of the department, had in relation to the argument that is being made in the EIS that the inundation as a result of the dam wall raising is only temporary and not a permanent harm. I am happy to take answers from both of you on that.

Dr GRIMES: Yes. There may be limited assistance we can provide this afternoon, simply because these are matters that we will be providing input into and comment on in the EIS. If there was anything that could be provided on that, it would probably be Mr Knudson or one of his officers who can provide you with further information, but it is a process that is currently in train.

The Hon. PENNY SHARPE: I suspect it is Mr Knudson. My question is: Have you done modelling on what the biodiversity offsets would be if it is considered permanent inundation as opposed to temporary inundation?

Dr GRIMES: I will ask Mr Knudson.

Mr KNUDSON: Alright. I am going to pass it to Ms Dumazel, who has actually got the lead director responsible for this environmental assessment, but we can walk through what is on exhibition with respect to the EIS and how that was derived. Ms Dumazel?

Ms DUMAZEL: Thanks, Mr Knudson. In relation to the upstream impacts, it was agreed that we would, with WaterNSW—that it would be assessed within the area from the current 20-year flood extent up to the likely new 20-year flood extent in the raising of the dam wall. So what we are doing now is reviewing the EIS and going through it in detail.

The Hon. PENNY SHARPE: That is great but my question is: What work has been done in any aspect of the department around costing the biodiversity offsets that would be required under different options? Or are you telling me that you are only going to assess what is in the EIS as opposed to the different options?

Ms DUMAZEL: Yes, we are looking at what is being included in the EIS. I am unable to comment any further on that because we are actually going through that process at the moment. But what we will be doing is looking in terms of what has been put forward. We will be assessing it based on the biodiversity impacts and what is put forward in the assessment report. We will go through that in detail against that. Unfortunately, I cannot give you any more advice at this point in time.

The Hon. PENNY SHARPE: Sure. I know because everyone has participated in the inquiry. In the lead-up to that there has been a lot of discussion about the issues in relation to biodiversity offsets. Mr Field will correct me if I am wrong here, but my understanding was that all would be revealed in the EIS. My question is: What modelling in the lead-up to the EIS has been done regarding the cost of biodiversity offsets? This has been a very significant issue that has been in the public domain and is being discussed a lot and has, in my understanding

of it, significant impacts in terms of the cost of this project.

Ms DUMAZEL: I will need to take that on notice. I will see if the team listening can provide some additional information but, Mr Knudson, did you want to add to that?

Mr KNUDSON: Yes, I did. Just in general, as part of principle normally it would be the proponent's preoccupation, shall we say, to do any modelling of how they structure their proposal and what the potential impacts of that—including the residual offsets that would be required—would be. So I think that is probably a question for the proponent as opposed to for us, because we certainly do not do modelling of potential offsets associated with individual projects and the scenarios for those projects. We wait for the proponent to determine which way they want to proceed and then through the assessment methodology et cetera we come to a conclusion as to what offsets would be required.

The Hon. PENNY SHARPE: Thank you. I appreciate that answer but can I just say two things that are concerning me about that. One is that I had thought that the point of these cluster arrangements around the way that government is structured would be that these issues would be considered on the way through. Secondly, you are saying to me, "No, not really. It is an issue for the proponent", which means that water is not considered. But my concern, I suppose, and maybe it is one for you Mr Fleming—there is a significant issue with a World Heritage area. Inundation and the offsets that were required are extremely important parts of whether this project went ahead. Was there no work done in the department that would actually be looking at this impact, how you would have to calculate biodiversity offsets and how you would ensure that there would be no net loss, given the size of the project?

Mr FLEMING: Our role has been to effectively make submissions to ensure that the impacts were properly assessed. I would just add that, when it comes to offsets, Planning makes that ultimate decision. But we have submitted that there are biodiversity offsets and there are additional offsets that are required. I made this point in the committee inquiry. Additional offsets are required in relation to the status of that area both as a national park and a World Heritage area, so effectively protected area offsets.

The Hon. PENNY SHARPE: And the threatened species habitat of regent honeyeaters is obviously extremely important.

Mr FLEMING: Yes, and I think they are captured in the biodiversity offsets, but I am saying there is effectively another layer of offset which relates to the protected area status.

The Hon. PENNY SHARPE: Did you make recommendations about whether it should be considered permanent impact versus temporary impact?

Mr FLEMING: Not that I have seen.

The Hon. PENNY SHARPE: Could you come back to me if that is incorrect? Can you provide a bit more detail on that?

Mr FLEMING: I can confirm whether we have done that, yes.

Answer:

I am advised that the Department of Planning, Industry and Environment has not done modelling on the biodiversity offsets as this is a matter for the proponent, WaterNSW.

Discussions were held between the proponent (WaterNSW), the Department of Planning, Industry and Environment (Planning and Assessment Group and Environment, Energy and Science Group), Infrastructure NSW and the Australian Government Department of Agriculture, Water and Environment on the application of the Framework for Biodiversity Assessment to this project. The impact area for the purpose of calculating offsets was based on likelihood of an event, rather than on flood frequency. These discussions included upfront offsets for an agreed area of additional inundation that is likely to occur in an agreed period of time. The modelling determined the likely temporary inundation level and assumed total loss of biodiversity values for the likely impact area. It was agreed between the proponent and Government agencies that the proposed approach would be presented as part of the Environmental Impact Statement (EIS) and considered by agencies as part of their review of the EIS documentation.

The methodology for determining the likely impact area for offsets is described in section 8.2.5 of the Environmental Impact Statement for the Warragamba Dam raising project.

The Department will assess the EIS against what was required by the Secretary's Environmental Assessment Requirements issued on 13 March 2018.

The Hon. PENNY SHARPE: Biodiversity offsets—while we are there we may as well deal with these. I really want to clarify, Dr Grimes. There have clearly been some very serious allegations in relation to biodiversity offsetting. I accept that you are taking them seriously. Could you just explain to the Committee— I am a little bit confused. In your answer as I thought I understood it this morning, you basically said, "Look, it is a continuous process and we are going to do that." The Minister indicated that root-and-branch reform is needed. Clearly there are administrative practices and then there are policies. Are you looking at legislative change in relation to this? Can you just expand for the Committee what is being undertaken to deal with the specific issues raised but, more broadly, concerns about biodiversity loss under the scheme?

Dr GRIMES: Yes, absolutely. I think it was worth picking up and discussing a little bit more this afternoon so that there was a clarity about the work that we are doing. As I indicated this morning, we have developed an integrated improvement and assurance program and it is recognising that, as we learn lessons from the rollout of the biodiversity offset scheme, we need to be incorporating those lessons and making necessary changes to the scheme so that it is meeting the objectives that the Government is seeking and the community is seeking. It is very much a program that can evolve over time as we identify areas that need to be addressed.

For that reason, the inquiry process that is underway at the moment we see as being very, very useful and we will be participating very actively in that. Certainly, if we identify other matters that should be built into our program of work we would be standing ready to build those into our program of work. Some of those matters may go to policy issues, obviously, and then they would be matters on which we would be providing advice to the Government, and then for the Government to be considering. But our basic stance, if you like, is one of wanting to make sure that we have got programs of work in place to address any issues that need to be addressed.

So it is not that we are undertaking a "single review" with a "single reviewer", but rather we have tried to make sure that there is a concentrated focus on our overall work program, including having an external monitor to report on progress in implementing changes and improvements to the scheme. There is, very deliberately, a focus on both improvements to the scheme and assurance, because we agree that ensuring that there are high degrees of assurance is going to be important—is important.

The Hon. PENNY SHARPE: Obviously, the allegations around what has been described as insider trading—people making windfall gains through inside knowledge through their involvement—is very specialist work, clearly. What are you doing to address those probity issues?

Dr GRIMES: As I indicated this morning, we have launched several investigations, or initiated several investigations, within the department. We indicated at the time the first set of articles were published that we took the matters that had been raised very seriously and that we would be reviewing those matters.

The Hon. PENNY SHARPE: Has that come to—what is the time—

Dr GRIMES: No.

The Hon. PENNY SHARPE: They were obviously quite old. Just to be clear, they are internal investigations?

Dr GRIMES: A mixture of internal and external. As I indicated this morning, the review work—either investigations or review—

The Hon. PENNY SHARPE: Well, there are very specific allegations.

Dr GRIMES: Yes.

The Hon. PENNY SHARPE: So let us call them investigations.

Dr GRIMES: Exactly. The work that is proceeding there, I think I indicated this morning that overlaps with matters that had been referred to ICAC and that the investigations and review work was still ongoing and, as a result, I did not feel it was appropriate for me to be commenting in further detail. But I can assure you that there is a very comprehensive set of work being undertaken within the department.

The Hon. PENNY SHARPE: I am not asking you to speak to the detail of those. But I am interested in the time frame for conclusion of those investigations, particularly the internal investigations—or is it all interlinked?

Dr GRIMES: There are a number of interlinked components. I cannot give you a final date for conclusion of that work. Obviously we will be wanting to progress it and complete it as quickly as possible. A number of inquiries are well progressed but they are not at the point of a final conclusion.

The Hon. PENNY SHARPE: Have any of them gone to the Australian Competition and Consumer Commission?

Dr GRIMES: Not that I am aware of.

The Hon. PENNY SHARPE: Okay. Thank you. There is obviously a consultation going on with the Biodiversity Offsets Scheme and I am told that there are a lot of submissions—close to 1,500. Is it intended that those will be made public?

Dr GRIMES: The consultation process you are referring to is the consultation process being undertaken by the BCT at the moment—

The Hon. PENNY SHARPE: It might be—sorry, it might be Mr Elton.

Dr GRIMES: —around the calculator.

The Hon. PENNY SHARPE: Yes. Sorry. My apologies.

Mr ELTON: Just to clarify, Dr Grimes, the first stage of consultation was conducted by the department and that involved receipt of submissions, so you may wish to comment on that. But in terms of the current BCT role, we are conducting the second stage of consultation, as requested by the Minister and that process is involving extensive engagement with all scheme stakeholders and participants through a series of sessions and workshops and so on. We are working towards completing that process by early in the new year.

The Hon. PENNY SHARPE: Is the expectation that the submissions will be made public?

Mr ELTON: That would be a matter for the department, those—

The Hon. PENNY SHARPE: Okay. Sorry. Dr Grimes, back to you.

Dr GRIMES: Yes. I think our confusion is arising because of the sort of two-stage process. We conducted an initial consultation process earlier this year. I cannot see any immediate reason why those submissions cannot be made public or should not be made public, but I would have to take that on notice.

Answer:

Initial consultation on proposed improvements to the Biodiversity Offsets Scheme was led by the Department of Planning, Industry and Environment's Environment, Energy and Science Group (EES) and concluded in May 2021.

I am advised EES wrote to all submitters providing a high-level summary of feedback and advising that, in response to feedback received, proposed changes would be deferred until further consultation had been completed. This information was also published on EES's website.

EES plans to publish a submissions report for the initial consultation on its website in the coming weeks.

The Hon. PENNY SHARPE: Sure. Ultimately, I think the Minister will have a view about that.

Dr GRIMES: Yes.

The Hon. PENNY SHARPE: You might have to take this question on notice. Offsets are being generated through a range of different pathways. I want to know how many offset obligations are being generated across those pathways with the various consent authorities—so under the Environmental Planning and Assessment Act, the Local Land Services Act and the Vegetation State Environmental Planning Policy. I suspect you need to take that on notice.

Dr GRIMES: Either have to take it on notice or a combination of Ms Dumazel and Mr Elton may be able to assist there.

The Hon. PENNY SHARPE: I know it is a complex question.

Dr GRIMES: But it may be that we are having to take a detailed question like that on notice. I will just check with Ms Dumazel.

Ms DUMAZEL: Yes, I might just add a few things to that, Dr Grimes. In terms of the obligations, the offset obligations are set through the conditions of consent and it is the responsibility of the consent authority to ensure these conditions are met. Proponents can meet their obligations, as you know, in a number of ways. So obviously the first thing is about avoiding offset and then the next thing is to minimise that. Then we look at the different pathways for it, which could include where a proponent might create a biodiversity stewardship agreement on their own site, they might seek a landholder close by that might have those particular credits that they need to offset, or they can pay into the Biodiversity Conservation Trust. We have a public register that shows the status of all biodiversity credits. The register shows which credits are retired and the BCT—and I might hand

over to Mr Elton to talk about the registers that he has [disorder].

Answer:

The table below shows the number of biodiversity assessments undertaken via each of the legislative pathways into the NSW Biodiversity Offsets Scheme (BOS), as at 7 November 2021. I am advised the data presented is based on finalised assessments, which may or may not have been approved by the relevant consent authority.

Project type	Number of assessments	Legislative pathway	Consent/determining authority
Biodiversity certification proposals	11	<i>Biodiversity Conservation Act 2016 (BC Act)</i>	Minister for Energy and Environment (or delegate)
Clearing proposals of native vegetation that require approval by the Native Vegetation Panel	4	<i>Local Land Services Act 2013</i> or <i>State Environmental Planning Policy (Vegetation in Non-Rural Areas) 2017</i>	Native Vegetation Panel
State significant developments and state significant infrastructure projects, known as major projects	180	<i>Environmental Planning and Assessment Act 1979</i>	Minister for Planning and Public Spaces (or delegate), or Independent Planning Commission
Part 4 development (other than State Significant Development) known as local development, that triggers the BOS threshold or is likely to significantly affect threatened species based on the test of significance under section 7.3 of the BC Act	582	Part 4 of the <i>Environmental Planning and Assessment Act 1979</i>	Local council or relevant Planning Panel
Activities assessed and determined by public authorities – if likely to have a significant impact, public authorities must prepare a Species Impact Statement or can opt to use the BOS	18	Part 5 of the <i>Environmental Planning and Assessment Act 1979</i>	The public authority undertaking the activity

I am further advised 39 proposals were assessed using the streamlined assessment module – scattered trees, provided in Appendix B of the Biodiversity Assessment Method. These streamlined assessments may have been undertaken as part of any of the above assessments, or for additional proposals of any one of the above project types.

The Hon. PENNY SHARPE: No, it is okay. I am well across that. Mr Elton has previously briefed me on that and I appreciated it a great deal. So, no, that is fine. My concern is a bigger one. What worries me is that it just seems as though we are managing these things in very narrow silos and it is unclear to me about who has got oversight over all of this, around what is happening to biodiversity loss as a result of the scheme. Is that EES' role? Is there any role in government where someone is not actually dealing with the very complex system and program that it is but who is actually saying, "Look, over this year we have lost this much."? Who is advising the environment Minister about "This is how much we have lost under the scheme and these are the trends in relation to how much people are paying out rather than avoiding or minimising."?

Ms DUMAZEL: There are a couple of—

Dr GRIMES: Sorry, Ms Dumazel.

The CHAIR: Dr Grimes, continue.

Dr GRIMES: I was just waiting for Ms Sharpe.

The Hon. PENNY SHARPE: I am listening. Please.

Dr GRIMES: I was not wanting to be rude.

The CHAIR: We are women; we can do two things at once.

The Hon. PENNY SHARPE: Sorry, and I am not being rude. My apologies.

Dr GRIMES: When it comes to the ultimate provision of policy advice, that would be a matter for the department and should be a matter for EES. Indeed, in considering the Biodiversity Offsets Scheme, there could be benefit in thinking along the lines that you are suggesting, and that is: How does it fit strategically? What is our strategic road map for biodiversity within New South Wales? Certainly, in our own internal thinking we are giving some thought to bringing a stronger strategic perspective to the way the various elements of our biodiversity responsibilities or programs and policies come together.

The Hon. PENNY SHARPE: Thank you very much.

The CHAIR: This is a question for the EPA, possibly Ms Mackey. I have heard reports from the community and there has been a historical legacy of basically slurry and pollution escaping from coalmines surrounding Royal National Park and into Royal National Park waterways. There has been one historical example where there is a spill of 10 tonnes of coal by the Metropolitan Mine went into a waterway near the Royal National Park. I have a photo in front of me as well showing mine sludge in Camp Gully Creek, which was recent, in Royal National Park. What is the EPA doing to ensure that surrounding coalmines, such as the Metropolitan Mine, are not polluting the waterways of Royal National Park?

Ms MACKEY: We have quite clear regulatory responsibilities about managing water quality or any pollution events from any type of mining. I know the particular one that you were talking about and I am just going to ask either Stephen Beaman or Carmen Dwyer to give you some further information, because we have had quite an ongoing engagement with the community down there.

The CHAIR: Mr Beaman maybe to start?

Ms MACKEY: I am just not sure which of the two of them had the lead on it.

Ms DWYER: Carmen Dwyer. I do not have the specifics on that particular matter, but we will endeavour to get them for you before the session is completed, if that is all right.

Answer:

I am advised:

Metropolitan Collieries Pty Ltd operates the only coal mine in the Hacking river catchment and is regulated by the EPA through Environment Protection Licence No. 767. A copy of the licence is available on the EPA's public register:

<https://apps.epa.nsw.gov.au/prpoeoapp/ViewPOEOLicence.aspx?DOCID=154862&SYSUID=1&LICID=767>. The licence has Limit, Operating, Monitoring/Reporting, and General Conditions intended to protect the receiving environment, in particular the waters which flow into Royal National Park.

There are three points described on the licence which allow a discharge to Camp Creek. Two of the points routinely discharge clear water that is treated by filtration. The third point is an overflow from a sediment dam that occasionally discharges during heavy rainfall conditions.

Since 1997, the EPA has added numerous Pollution Reduction Programs to the licence aimed specifically at reducing water impacts to the receiving environment. These have included: PRP1 Wastewater Collection and Treatment System, PRP 2 Turkeys Nest Pond and Pumping System Upgrade, PRP 3 Settlement Pond Upgrade, PRP4 Taj Mahal Upgrade (stormwater harvesting) and PRP 7 Surface Water Assessment.

The EPA will continue to adaptively regulate the colliery, and new improvement programs will be added as needed to protect the waters that flow into Royal National Park.

The CHAIR: Thank you. Just on the same issue, I understand there is an Environment Protection Licence No. 767, which is the licence for Peabody's Metropolitan Colliery. It allows their holding dams to discharge into creeks, which run into Royal National Park. Is there any information about that from the EPA? Is that correct?

Ms MACKEY: We will have to pull up that licence for you, and we can do that through the course of the afternoon and give you details on that. We are quite aware that our local academics are interested in that particular site and there is a local group that have set up their own monitoring on that site. So we are quite conscious of what happens down there.

Answer:

I am advised:

Metropolitan Collieries Pty Ltd is regulated by the EPA through an Environment Protection Licence (Licence No. 767). A copy of the licence is available on the EPA's public register:
<https://apps.epa.nsw.gov.au/prpoeoapp/ViewPOEOLicence.aspx?DOCID=154862&SYSUID=1&LICID=767>.

At Metropolitan Colliery, rainfall runoff from coal stockpiles and operational areas is collected and stored in a number of dams before being pumped to the water treatment plant and then reused on site or discharged. The water is typically used for dust suppression on coal stockpiles, in the coal washery or in underground operations. Under dry weather conditions, the treatment plant discharges clear water to Camp Creek through discharge points 6 and 7.

In the infrequent situation during wet weather conditions, when all the dams are full, stormwater is allowed to overflow from point 8, which is a concrete weir on the Turkey Nest Dam.

The CHAIR: Okay. We will come back to that. It is probably something of interest for the whole community if in fact it is pollution running into Royal National Park waterways. I want to ask detailed questions now about the Biodiversity Offsets Scheme, if I can. I think I might go to you, Mr Elton. Just around the reform that is taking place around the biodiversity offsets price calendar, I understand from early next year the model will be that the trust will control the price calculator and it will be hidden from public view. Is that correct?

Mr ELTON: The department commissioned a technical review that was conducted by EY Port Jackson Partners [PJP]. The proposal was to move the administration of the calculator to the BCT and for the BCT to design and use a different model. There is a proposal to take the calculator down from public view because it causes some undesirable market distorting effects. But the department is looking to replace that with market information tools so that proponents and landholders can still consider the potential costs of offsets or the potential proceeds they could make from generating offsets, respectively. The current calculator at the moment is based entirely on an econometric model. It works reasonably well most of the time, particularly where credits are regularly traded, but it does occasionally spit out anomalous overcharging or undercharging, and that is the basis for making the change. The proposal is to move to the model that will have three information support tools: an econometric model, a cost structure model and a market soundings model. That is based on the PJP recommendations, and we hope that that will enable us to issue charges that are closer to our expected costs to equip offset obligations that are transferred to us from development proponents.

The CHAIR: I understand the developers will be asking you to quote on the price of transferring their offset obligations to the public as well, yes?

Mr ELTON: That is correct.

The CHAIR: Do you expect generally that the prices that developers will transfer to the trust will be higher than they have been over the previous years?

Mr ELTON: Not necessarily. As I said, in most cases the calculator at the moment spits out—I shouldn't say "spits out"—produces appropriate charges. In fact, we are now publishing on our website details for every offset that has been transferred to us. We are publishing details of the payments made to us and our costs of acquittal. Cumulatively to date, there is only a small operating deficit. There is some undercharging that has been realised, and you would expect that because where there might be undercharging, there is an incentive to pay into our fund. There has also been some overcharging that has not been realised because there is then not an incentive to pay into our fund. I think once we have got this new method in place, we will be much more confident that we can only see some modest unders and overs and hope to balance that out on a rolling five-year basis.

The CHAIR: I understand that there is currently an offset gap, if you like, in terms of you have a fair few current offsetting obligations that have been transferred to the trust and have not yet been fulfilled. Is there a risk that a number of these commitments that have already been made will never be able to be offset? What happens in that situation?

Mr ELTON: I do not see a significant risk of that. Just to give you an update, as at 30 September this year we have received 242 payments worth \$55.9 million, transferring 574 offset obligations to us. We have so far acquitted or acquired for acquittal or we are pending acquisition—i.e. we have entered into a pre-purchase agreement with a landholder—enough offsets to equip 47 per cent of those offset obligations that have come to us to date and all of those so far on 100 per cent like-for-like basis. I expect that that pattern will largely continue and we will be able to offset most of the offset obligations on a like-for-like basis. We will not be able to hold that up forever. There will be occasions where there are offset types where we may have to use the variation rules, or

in fact the regulations may require us to use a conservation action where they are more suitable than a site-based offset. At this stage there is no real evidence of us facing any difficulty in acquitting all offset obligations that are coming to us under this scheme.

The CHAIR: I want to get our heads around the sometimes perverse incentives that are being created by the offsets calendar. I am taking the liberty to do this because we are probably only going to be able to get you for an hour during the inquiry, so I will spend some of the time here to go through it. Documents tabled by the Better Planning Network at Friday's offsets inquiry hearing showed that it is cheaper to clear high-quality Sydney turpentine-ironbark forest—this is specifically at the Mirvac/IBM site in Sydney at West Pennant Hills—than it is to clear low-quality Sydney turpentine-ironbark forest. In other words, the calculator, if you like, has the low quality being something like \$12,311 per credit and the high quality being \$9,281, for high-quality credits. What is wrong with the calculator that that anomaly and perverse incentive to clear better quality vegetation is showing up?

Mr ELTON: I might have to refer that question back to the department because the department administers the current version of the calculator.

The CHAIR: Are you aware of anything like that happening in other examples, Mr Elton? Have you been alerted to the calculator throwing up those kinds of perverse incentives previously?

Mr ELTON: In some cases I could not give you any specifics. I would have to take that on notice. Yes, I am aware of those odd anomalies and that is another thing we are looking to address as part of the design of the new calculator.

Answer:

I am advised the Biodiversity Conservation Trust (BCT) is aware of examples where the Biodiversity Offsets Payment Calculator prices threatened ecological communities more cheaply than their non-threatened equivalent. Two examples are provided below (prices are per credit and were calculated as at 5 November 2021):

- PCT 27 Weeping Myall Open Woodland of the Darling Riverine Plains Bioregion and Brigalow Belt South Bioregion (Threatened): \$5998.05
- PCT 27 Weeping Myall Open Woodland of the Darling Riverine Plains Bioregion and Brigalow Belt South Bioregion (Non-threatened): \$9086.19
- PCT1649 Smooth Barked Apple-Red Mahogany – Swamp Mahogany – Melaleuca sieberi heathy swamp woodland of coastal lowlands (Threatened): \$4005.11
- PCT1649 Smooth Barked Apple-Red Mahogany – Swamp Mahogany – Melaleuca sieberi heathy swamp woodland of coastal lowlands (Non-threatened): \$6648.25

The Biodiversity Offsets Payment Calculator is based on an econometric model where market trade information, a risk premium and administrative costs are used to estimate the cost that the NSW Biodiversity Conservation Trust will incur to secure each type of biodiversity credit.

The BCT is currently developing and consulting with scheme stakeholders on a new Biodiversity Conservation Fund Charge System to achieve more reliable charges. The new system will be subject to an independent assurance process.

The CHAIR: I have one last question to finish this line of questioning because you have taken questions on notice. The NSW Threatened Species Scientific Committee's final determination was all occurrences of the Sydney Turpentine-Ironbark Forest are threatened, regardless of their condition. But the low quality Sydney Turpentine-Ironbark Forest on the site is classified as not being a threatened ecological community when it comes to your biobanking calculator. Do you not think that is concerning?

Dr GRIMES: As Mr Elton has indicated, it is primarily a question for the department because it goes to the setting of prices under the calculator. As to the very specifics, I would either have to refer to one of the officers or take it on notice. A very important point is the need for reform of the calculator and that is the consultation process that we are going through at the moment. It was identified that we had concerns around the calculator, requested a review, commissioned and initiated a review last year from EY Port Jack Partners and have been proceeding through the course of this year towards consultation and ultimately implementation of new pricing arrangements for biodiversity credits. I might just pause for a moment in case Ms Dumazel or Dr Kelly might want to add anything on the operation of the biodiversity offset payments calculator in that respect.

Ms DUMAZEL: There are a couple of things in that. Number one is we have the biodiversity assessment method and that calculates the credits that are required. In that specific example I have to take it on notice, as Mr Elton has indicated. Generally the way that the biodiversity assessment method works is that there is a ratio of about

4:1. It is dependent on the actual species or the ecosystem that you are looking at. It is quite a scientific detailed method and Dr Kelly might want to add a little bit more to that specific point.

Certainly the biodiversity assessment method takes into account the status of species. It also takes into account the different requirements for individual species. As Dr Grimes has noted, the actual calculator that is out at the moment—not the band calculator but the pricing calculator—we had a discussion paper that went out earlier this year that was looking at taking down the calculator and also changing the method. That was more in relation to payments into the BCT. What I am not sure about is in the example that you have raised, whether that is from a previous biobanking component. That is different because obviously since the biodiversity offset scheme came into place in 2017, there has been a transition process for previous biobanking aspects. Certainly the work that we have done in terms of the biodiversity offset scheme and in terms of the requirements to offset the credits, that is a lot more transparent and rigorous under this process. I will hand to my colleague, Dr Kelly, who might want to say a little bit more about the scientific component.

Answer:

I am advised on 15 September 2021, the Hills Shire Council Local Planning Panel approved the demolition of existing buildings and ancillary structures and associated vegetation clearing and other associated works at 55 Coonara Avenue, West Pennant Hills.

The report to the Local Planning Panel states that the assessor determined that the vegetation to be impacted did not meet the definition of any native plant community type. The report also indicates that council independently assessed the vegetation on site and also concluded that the site was not Sydney Turpentine-Ironbark Forest.

Dr KELLY: I just wanted to clarify, not necessarily specifically the turpentine example but the biodiversity offset payments calculator [BOPC] is indeed a calculator that estimates market price. It does not set market price. Because it is a market, there can be a situation where there might be a lot of high-quality turpentine being made available on the market and yet limited amounts of low quality. That is the nature of a market scheme. I will just clarify again that the BOPC does not set the price; it estimates the market price.

Mr JUSTIN FIELD: Ms Dumazel, while you are taking notice I might come back to some of the questions Ms Sharpe was asking about Warragamba Dam. You had indicated that as part of the development of the EIS—and I do not want to misquote you here, so correct me if I am wrong—there was an agreement to consider the upstream impact between the current one in 20-year event impact and compare that to the one in 20-year flood event impact should the dam wall be raised. Did I get that right?

Ms DUMAZEL: Correct.

Mr JUSTIN FIELD: How was that decision arrived at?

Ms DUMAZEL: I will have to take that on notice because I do not have the information in front of me at this time. My understanding is that our expert worked with WaterNSW to determine that. I will take that question on notice.

Mr JUSTIN FIELD: Who is your expert?

Ms DUMAZEL: The team within the Greater Sydney branch. I will need to take that one on notice.

Answer:

Discussions were held between the proponent (WaterNSW), the Department of Planning, Industry and Environment (Planning and Assessment Group and Environment, Energy and Science Group), Infrastructure NSW and the Australian Government Department of Agriculture, Water and Environment on the application of the Framework for Biodiversity Assessment to this project. The impact area for the purpose of calculating offsets was based on likelihood of an event, rather than on flood frequency. These discussions included upfront offsets for an agreed area of additional inundation that is likely to occur in an agreed period of time. The modelling determined the likely temporary inundation level and assumed total loss of biodiversity values for the likely impact area. It was agreed between the proponent and Government agencies that the proposed approach would be presented as part of the Environmental Impact Statement (EIS) and considered by the agencies as part of their review of the EIS documentation.

Mr JUSTIN FIELD: That is fine. You would agree that that would mean that those areas that will be impacted upstream from a flood event will not be considered under the EIS? There will be impacts greater than a one in 20-year event upstream?

Ms DUMAZEL: At the moment we are going through the EIS. We are working through that at the moment so I think it is best if I do not comment specifically on that process. There was the agreement around the 20-year mark.

Mr JUSTIN FIELD: There was an agreement that was reached. I might put some more questions on notice about the nature of this agreement. The March 2021 flood event, the most recent flood event I think was only a one in 10-year event in the Warragamba catchment, if my memory of previous hearings serves me right. But the volumes of water that came down the Warragamba catchment were sufficient to have totally filled the capacity of a 14 metre dam wall raising within a period of about two days, which suggests that a much more significant impact would have been delivered upstream, even under that event scenario than what is being contemplated in the EIS in terms of impacts that will be offset. Has your department looked at how that event would have impacted upstream as bit of a case study for assessing the biodiversity impacts of the dam wall raising?

Ms DUMAZEL: Certainly the team will be looking at the information that is included in the EIS and it will be taking into account the expertise that we have in our flood specialists and our engineers. They will be going through that in detail as they are finalising their advice.

Mr JUSTIN FIELD: I might move on.

Mr KNUDSON: If you do not mind, I just wanted to say you have asked also a specific question about that event that has occurred and whether that would be taken into account. We should come back to you on that just to clarify because that was quite specific, as opposed to the standard work that is done through the EIS process.

Answer:

The Department of Planning, Industry and Environment's Environment, Energy and Science Group has not analysed how the March 2021 flood event would have impacted upstream as a case study for assessing the biodiversity impacts of the dam wall raising.

The methodology for determining the likely impact area for offsets is described in section 8.2.5 of the Environmental Impact Statement for the Warragamba Dam raising project.

Questions seeking further detail on the modelling of March 2021 flood should be directed to the Minister for Jobs, Investment, Tourism and Western Sydney, and Minister for Industry and Trade as the coordinating Minister for the Hawkesbury-Nepean Valley Flood Risk Management Strategy.

Mr JUSTIN FIELD: I appreciate that. Thank you very much. Ms Mackey, if we could turn to the question of private native forestry reporting. Do you accept that under the current PNF code the obligations are on PNF approval holders to report both the volume of timber and the area logged to the Environment Protection Authority on an annual basis?

Ms MACKEY: The advice they get is to report it to Local Land Services and LLS hold that data, and we have to get it from LLS. I understand the reason why there is some confusion about this and David Fowler can provide further clarity. It has got to do with the guidelines that preceded the arrangements where LLS took over the data responsibilities in 2018 and what they actually get when they get their approval from LLS in terms of advice.

Mr JUSTIN FIELD: It does seem that there has been some confusion around this for a long period of time because it is quite specific in the actual code that landholders are to report to the EPA. You are saying that they do not; they report to the LLS?

Ms MACKEY: Yes. We are in the process of sending out advice to all landholders that have approvals for PNF, because we now have that information from LLS. We are writing to all of them to remind them of their responsibilities. It is not a compliance action; it is a proactive step to say, "Here are the requirements. This is what you need to adhere to. This is what is expected in terms of reporting." We hope that will assist in more of the returns coming forward.

Mr JUSTIN FIELD: To you—reminding them to report to you.

Ms MACKEY: I might hand over to Mr Fowler or Ms Dwyer, because they are both sitting in that space of engaging in PNF, to talk you through what we are—

Mr JUSTIN FIELD: Before we do, in the last session you indicated that you recently received a large amount of data.

Ms MACKEY: We did.

Mr JUSTIN FIELD: I assume that was from LLS?

Ms MACKEY: That is right.

Mr JUSTIN FIELD: That was received how recently—in the last couple of weeks, or month?

Ms MACKEY: In about the last month.

Mr JUSTIN FIELD: What was the nature of that data?

Ms MACKEY: It is a very large dataset and it contains all sorts of data. Probably Mr Fowler is best placed to take you through it.

Mr JUSTIN FIELD: I am happy to throw to Mr Fowler in a second and he can run me through all of that.

Ms MACKEY: It is not something that I have dug into, because there is too much sitting in there. It actually requires a lot of—

Mr JUSTIN FIELD: This one is for you, though: When did the EPA take over regulatory responsibility for private native forestry?

Ms MACKEY: We have had PNF responsibility for quite some time. There was a change back in 2018, and I can give you the date.

Mr JUSTIN FIELD: That is 2018. It is now 2021, and—

Ms MACKEY: That is about a co-regulatory arrangement between the EPA and LLS, so that is what happened at that point.

Mr JUSTIN FIELD: I understand. But it is now 2021, and you are telling me that the relevant data to enable you to actually perform your regulatory functions has largely just come in a data dump in the past month or so.

Ms MACKEY: You could possibly characterise it in that way.

Mr JUSTIN FIELD: Why were you not getting this information before?

Ms MACKEY: As I said, we have been repeatedly seeking that information for a matter of years.

Mr JUSTIN FIELD: I do not know if you have said that, actually.

Ms MACKEY: We have.

Mr JUSTIN FIELD: Who have you been seeking it from?

Ms MACKEY: Local Land Services.

Mr JUSTIN FIELD: In what form were you seeking that information? Have you written letters?

Ms MACKEY: We have sought it in a range of fora that we have—at an officer level, and a senior officer level, at CEO-to-CEO meetings. We have also put in formal requests; we have written to them. It is not that we have not sought this information. We think it is quite critical to the way in which we are able to regulate the space.

Mr JUSTIN FIELD: So when you and David Witherdin, CEO of LLS, have sat down and had this out, what was his response for why it was not being provided until now?

Ms MACKEY: I have had commitments for it to be provided, and we have had trouble getting the breadth and depth of information that we need as a result of those commitments.

Mr JUSTIN FIELD: Do you know why?

Ms MACKEY: I do not know why. You would have to ask Local Land Services.

Mr JUSTIN FIELD: I shall do that. I wonder if Mr Marshall might be the critical link in here. For whoever is appropriate—it might be Mr Fowler—if you could take me through the actual nature of the data that would be useful.

Mr FOWLER: After multiple requests, we received a number of reports and datasets from Local Land Services regarding PNF approvals and information associated with those approvals, including landholder details and areas of land that were subject to the PNF approvals. After we had trawled through that data—and it was a significant amount of data, as I said, in multiple datasets—we effectively realised we had current information around some 3,500-plus PNF approvals. That information has now been considered by the EPA. We have developed a prioritisation process which looks at all of those approvals and the environmental values associated with land

subject to those approvals. We are using satellite and aerial imagery to look at the vegetation change that has occurred on those particular properties, and then we are looking at soil and vegetation mapping as well as threatened species and ecological communities mapping to effectively allow us to identify those sites that are the highest priority for us to consider from an operational perspective.

In addition to that focused, risk-based approach, we are engaging with all 3,500 PNF approval holders to make clear the EPA's regulatory role and the co-regulatory role that we have with the Local Land Services. In particular, we are looking at reinforcing those reporting obligations. As indicated, there is some confusion around who that reporting needs to be submitted to—reporting regarding previous PNF activity around volume of timber, the number of hectares that operations have occurred on and silviculture treatment, but also proposed PNF activity looking 12 months into the future. From a regulatory approach, we are having that engagement to inform and educate the landholders about their obligations.

Mr JUSTIN FIELD: Thank you, Mr Fowler. We might come back to volumes at some point.

The CHAIR: We will now move to questions from the Opposition. The Hon. Rose Jackson.

The Hon. ROSE JACKSON: I wanted to ask a few questions about the Energy Accounts Payment Assistance [EAPA], the Government's emergency support. Mr Lewis, I understand that that was a \$30 million scheme. Is that correct?

Mr LEWIS: Which particular time frame are you referring to, please?

The Hon. ROSE JACKSON: In a way, you tell me. Our understanding is that the Government committed \$30 million as part of COVID emergency support to assist with energy payments. What is your understanding of how long that scheme is administered for?

Mr LEWIS: In early 2020 the Government committed a total of \$30 million in additional assistance stimulus funding for the EAPA, which was to be \$5 million in the 2019-20 financial year and \$25 million in the 2020-21 financial year.

The Hon. ROSE JACKSON: Right, and of the \$25 million that was allocated to this financial year, has all of that money been expended?

Mr LEWIS: The \$25 million was allocated last financial year.

The Hon. ROSE JACKSON: So the \$30 million has all been allocated. Is there any budget remaining?

Mr LEWIS: No, because they were only allocated for those two financial years—the 2019-20 and 2020-21 financial years. I can tell you what the current budget allocation for EAPA is this financial year. The current annual budget allocation for 2021-22 is \$23,125,850.

The Hon. ROSE JACKSON: So the \$30 million was in addition to the ordinary allocation. For the 2021-22 financial year, there was no additional allocation to the scheme.

Mr LEWIS: There has been no additional stimulus funding allocated, at this point, this year. The difference from when the \$30 million was initially allocated was that it was towards the end of the financial year. With the onset of the first COVID lockdown there was the potential for a significant increase in applications, and therefore the decision was made by government to allocate additional stimulus funds. As we are still relatively early in the current financial year, projections at the moment are that, based on the annual allocation for EAPA, we will be able to manage within that budget at this point in time. If that changes, we have a process to engage with New South Wales Treasury via the Treasurer, and Minister for Energy and Environment to seek an increased allocation if that is considered necessary. Obviously the EAPA scheme—the Energy Accounts Payment Assistance scheme—is a parameter-driven scheme. It depends on the number of applications that are received and an assessment of the level of assistance for each applicant that is provided as to how much, on an annual basis, is spent. If there are additional funds required, we go through a process to seek those additional funds.

The Hon. ROSE JACKSON: Just to clarify, even though in this financial year—in the 2021-22 financial year—we have had the second lockdown, which in many ways was much more significant than the first lockdown, your view is that no additional funding is required for the scheme. Last financial year an extra \$25 million was allocated; this financial year no additional money has been allocated and the second lockdown was in this financial year.

Mr LEWIS: At this point in time our projections are that we will be able to operate within our budget that has been allocated. But, as I said, if the number of applications that come in continues to remain high, we have a process where we can seek additional funding for this program.

The Hon. ROSE JACKSON: That leads to my next question. Are you seeing more applications than you would ordinarily expect as a result of the lockdowns?

Mr LEWIS: Compared to pre-lockdown, yes, we are seeing more applications being received. To give you

an example, last financial year the amount of assistance that was provided under the Energy Accounts Payment Assistance scheme was some 27 per cent greater than the previous financial year, which only had three months of lockdown and the increased assistance was provided right at the end of that financial year.

The Hon. ROSE JACKSON: So for that—

Mr LEWIS: We are basing—I'm sorry.

The Hon. ROSE JACKSON: Apologies, Mr Lewis. Please finish.

Mr LEWIS: We have been basing our uptake numbers for this financial year largely on the uptake rate that occurred last financial year during the lockdown, and the budget that I mentioned before that has been provided for this financial year is greater than the amount that was spent last year.

The Hon. ROSE JACKSON: Did you not spend all of the additional \$25 million from the stimulus money that was allocated last year? Was that not all allocated?

Mr LEWIS: Not all the additional stimulus was required to meet the level of demand that came from EAPA. That is correct.

The Hon. ROSE JACKSON: How much of that \$25 million was allocated?

Mr LEWIS: I will have to take that on notice and check exactly how much. I just do not have that in front of me at this point in time.

The Hon. ROSE JACKSON: Can you give me any guide, Mr Lewis? Was it in the vicinity of \$2 million or was it in the vicinity of \$20 million?

Mr LEWIS: The total amount spent on EAPA last financial year was \$18,144,550.

The Hon. ROSE JACKSON: Can you give me an example of what might ordinarily have been spent pre-lockdown? Do you have, for instance, a figure for 2018-19 so that I can get a sense of what the budgetary allocation is in a normal year with no lockdown and no COVID?

Mr LEWIS: It varies from year to year. I will have to go and check the previous years but it is generally—no, I will double-check. But it has been somewhere in the teens in terms of millions of dollars.

The Hon. ROSE JACKSON: And there is \$23 million allocated for 2020-21?

Mr LEWIS: Correct.

The Hon. ROSE JACKSON: Are you able to tell me how many people accessed the scheme in the 2020-21 financial year? You said it was a 27 per cent increase from the year before; are you able to tell me how many people accessed the scheme?

Mr LEWIS: I will take that on notice and I should be able to provide that information a little bit later this afternoon.

Answer:

In 2020–21, 52,197 NSW households accessed EAPA, the amount of assistance provided was 27 per cent greater than the previous financial year.

The Hon. ROSE JACKSON: Thank you. Do you have any information on how many applications were rejected?

Mr LEWIS: No, we do not have information on how many applications were rejected. As you may be aware, the EAPA scheme is primarily delivered by non-government organisations and there is no requirement on those NGOs to advise us of how many applicants were not supported. We receive information through the digital EAPA system of how many applicants have been supported.

The Hon. ROSE JACKSON: Those non-government organisations make assessments based on the guidelines for the eligibility requirements for the scheme. If you do not meet them, obviously, you get rejected. Do you receive any information as to what are the primary grounds of rejection? Does the department receive any sense from the NGOs that administer the scheme as to why people would be missing out, even if you do not receive the numbers?

Mr LEWIS: We do receive informal feedback from the NGOs and a lot of the time it is that, in the opinion of the NGOs in terms of undertaking their assessment, the applicant has not met the financial hardship criteria, which is the basis of the EAPA scheme.

The Hon. ROSE JACKSON: How much, if any, checking do you do of the way that those decisions are made at the NGO level? Do you have any oversight that would give you confidence that those decisions about whether people fit into the eligibility requirements or not are being properly administered at the NGO level?

Mr LEWIS: Yes, we do have an audit regime—an annual audit process which examines the systems and processes that are undertaken by the NGOs—and we do regularly check to make sure that they are complying with the requirements of the guidelines, particularly in terms of their record keeping and assessment processes.

The Hon. ROSE JACKSON: Have any NGOs been excluded from the scheme because they failed an audit?

Mr LEWIS: I will need to take that on notice. I do not know the exact number but I am aware that there have been a number of NGO EAPA providers that have been deregistered following the audit process.

The Hon. ROSE JACKSON: If you could provide that information on notice, that would be really useful.

Mr LEWIS: Certainly, no problem.

Answer:

Over the history of the program, there have been Energy Accounts Payment Assistance (EAPA) providers that have been deregistered or have withdrawn from the program when deregistration proceedings were commenced. No EAPA providers were deregistered as a result of the 2020 audit.

The Hon. ROSE JACKSON: Have any NGOs who are still in the scheme requested more funding or indicated that there is a demand that they cannot meet?

Mr LEWIS: Yes, absolutely. We have a well-established process with the NGO providers. Twice a year they get an allocation of a budget for EAPA vouchers and we, along with the NGO, regularly review. If it appears that a particular provider has a higher than forecast demand, we are able to reallocate funding and provide them with additional EAPA assistance to provide to their clients.

The Hon. ROSE JACKSON: How regularly are you doing those sorts of check-ins about what money has or has not—

Mr LEWIS: Our electronic database identifies how much funds are remaining against each EAPA provider and we have triggers that when the remaining balance—based on how many months are left in the year or in the six-monthly payment period—looks like it is going to trend to be below their balance, that flags an alert and we get in touch with that provider to see if they would like assistance. Alternatively, providers also proactively contact the department and advise us if they believe that they are going to need a top-up, and we review their top-up applications based on the data that we have from them in terms of the number of successful assessments that they are undertaking.

The Hon. ROSE JACKSON: Just to clarify, at present—late October 2021—that data is tracking to be on budget for this financial year? Obviously, between June and October 2021 we have had massive economic disruption in and outside Sydney. You are confident that the allocation that has been given for this period is adequate to meet demand?

Mr LEWIS: Based on the projections that we do regularly review and update, the latest projections on uptake rate are indicating that we will be able to operate within the funding envelope that has been provided. But as I mentioned before, if that situation changes and the uptake rate remains higher than forecast, we have well-established processes to seek an increase to the budget envelope for the EAPA scheme to ensure that all applications that are assessed as eligible do receive EAPA assistance. There would not be a case where EAPA would be declined to stick to a budget allocation. As with all the energy rebate and social programs that the department administers, if there is a higher than forecast uptake rate, as I said, we do have a process to seek additional funding support from Treasury.

The Hon. ROSE JACKSON: So long as the energy Minister remains the Treasurer. You might want to get in early, Mr Lewis. Do you have a breakdown of the geography of where applicants are accessing the scheme? Is that something that you are able to track—where the funds are being spent by the NGOs?

Mr LEWIS: Yes, we do have access to that information through our digital EAPA system, and that information is published twice a year as part of our overall Energy Social Programs report. What I can confirm is that prior to COVID lockdown, the broad geographic distribution of EAPA assistance and rebates was roughly 50:50 per cent between regional New South Wales and Sydney metropolitan, but we have noticed a significant increase in demand from metropolitan Sydney over the last financial year. I do not have the exact breakdown on me, but we do regularly check that, and that informs some of our decisions about seeking additional NGO providers or focusing on particular areas for not only the energy rebates program assistance but broader

assistance that can be provided.

So in the COVID stimulus funding that was announced by the Government last week there was an additional \$50 million provided for expansion of the Solar for Low Income Households program, and the first areas where that expansion is going to be is in the former 12 LGAs of concern because that area, in particular, correlated with a higher uptake of, and successful applications for, EAPA assistance over the last few months.

The Hon. ROSE JACKSON: Are you able to take on notice the provision of that information for the last few months and the geographic breakdown of requests for assistance over that period? Is that something that you will be able to provide on notice?

Mr LEWIS: That is something that we will be able to provide on notice. It depends on how you would like to receive that. We can provide it by LGA. We can provide it by region.

The Hon. ROSE JACKSON: LGA would be fantastic, Mr Lewis.

Mr LEWIS: We certainly have that information available.

The Hon. ROSE JACKSON: If you would, LGA would be really useful. Who is responsible for the promotion of the process? Is that something that the NGOs take care of in terms of proactively letting the community know that the support is available or is that something that the department takes care of?

Mr LEWIS: It is a combination. Certainly the NGO providers make that known to their clients that come in seeking assistance. Obviously the clients that visit NGOs are not just after energy assistance. There is a broad range of financial and other assistance that those NGOs provide. But also the New South Wales Government, through Service NSW, promotes not only the EAPA scheme but the range of energy social programs through the electronic direct mail that regularly gets sent out by Service NSW to its database of customers.

Answer:

The total number and value of Energy Accounts Payment Assistance (EAPA) vouchers provided between 1 July 2021 to 31 October 2021 by Local Government Area (LGA) is provided in the table below. LGAs with less than eight vouchers are excluded to protect customer privacy.

EAPA vouchers provided per Local Government Area (LGA) between 1 July 2021 to 31 October 2021

Local Government Area	Number of EAPA Vouchers	Value of EAPA Vouchers
Albury	970	\$ 48,500
Armidale Regional	413	\$ 20,650
Ballina	241	\$ 12,050
Balranald	15	\$ 750
Bathurst Regional	928	\$ 46,400
Bayside	3,687	\$ 184,350
Bega Valley	376	\$ 18,800
Bellingen	264	\$ 13,200
Berrigan	103	\$ 5,150
Blacktown	6,936	\$ 346,800
Bland	43	\$ 2,150
Blayney	126	\$ 6,300
Blue Mountains	1,899	\$ 94,950
Bogan	61	\$ 3,050
Bourke	62	\$ 3,100
Brewarrina	46	\$ 2,300
Broken Hill	246	\$ 12,300
Burwood	514	\$ 25,700
Byron	631	\$ 31,550
Cabonne	150	\$ 7,500
Camden	1,686	\$ 84,300
Campbelltown	4,482	\$ 224,100

Canada Bay	1,213	\$ 60,650
Canterbury-Bankstown	11,588	\$ 579,400
Carrathool	19	\$ 950
Central Coast	6,968	\$ 348,400
Central Darling	20	\$ 1,000
Cessnock	708	\$ 35,400
Clarence Valley	507	\$ 25,350
Cobar	33	\$ 1,650
Coffs Harbour	1,300	\$ 65,000
Coolamon	35	\$ 1,750
Coonamble	82	\$ 4,100
Cootamundra-Gundagai Regional	169	\$ 8,450
Cowra	535	\$ 26,750
Cumberland	7,442	\$ 372,100
Dubbo Regional	1,204	\$ 60,200
Dungog	70	\$ 3,500
Edward River	125	\$ 6,250
Eurobodalla	420	\$ 21,000
Fairfield	6,766	\$ 338,300
Federation	102	\$ 5,100
Forbes	151	\$ 7,550
Georges River	2,221	\$ 111,050
Gilgandra	70	\$ 3,500
Glen Innes Severn	498	\$ 24,900
Goulburn Mulwaree	609	\$ 30,450
Greater Hume Shire	102	\$ 5,100
Griffith	213	\$ 10,650
Gunnedah	242	\$ 12,100
Gwydir	43	\$ 2,150
Hawkesbury	1,075	\$ 53,750
Hay	39	\$ 1,950
Hilltops	400	\$ 20,000
Hornsby	1,080	\$ 54,000
Hunters Hill	101	\$ 5,050
Inner West	1,988	\$ 99,400
Inverell	314	\$ 15,700
Junee	90	\$ 4,500
Kempsey	344	\$ 17,200
Kiama	75	\$ 3,750
Ku-ring-gai	770	\$ 38,500
Kyogle	165	\$ 8,250
Lachlan	130	\$ 6,500
Lake Macquarie	2,022	\$ 101,100
Lane Cove	238	\$ 11,900
Leeton	121	\$ 6,050
Lismore	692	\$ 34,600
Lithgow	615	\$ 30,750

Liverpool	5,840	\$ 292,000
Liverpool Plains	72	\$ 3,600
Lockhart	24	\$ 1,200
Maitland	920	\$ 46,000
Mid-Coast	1,398	\$ 69,900
Mid-Western Regional	278	\$ 13,900
Moree Plains	302	\$ 15,100
Mosman	232	\$ 11,600
Murray River	89	\$ 4,450
Murrumbidgee	63	\$ 3,150
Muswellbrook	426	\$ 21,300
Nambucca	205	\$ 10,250
Narrabri	49	\$ 2,450
Narrandera	108	\$ 5,400
Narromine	208	\$ 10,400
Newcastle	1,345	\$ 67,250
North Sydney	506	\$ 25,300
Northern Beaches	1,614	\$ 80,700
Oberon	63	\$ 3,150
Orange	656	\$ 32,800
Parkes	269	\$ 13,450
Parramatta	4,724	\$ 236,200
Penrith	3,869	\$ 193,450
Port Macquarie-Hastings	1,378	\$ 68,900
Port Stephens	1,119	\$ 55,950
Queanbeyan-Palerang Regional	986	\$ 49,300
Randwick	2,109	\$ 105,450
Richmond Valley	643	\$ 32,150
Ryde	1,988	\$ 99,400
Shellharbour	1,028	\$ 51,400
Shoalhaven	1,578	\$ 78,900
Singleton	290	\$ 14,500
Snowy Monaro Regional	243	\$ 12,150
Snowy Valleys	200	\$ 10,000
Strathfield	703	\$ 35,150
Sutherland Shire	1,865	\$ 93,250
Sydney	3,782	\$ 189,100
Tamworth Regional	1,332	\$ 66,600
Temora	384	\$ 19,200
Tenterfield	85	\$ 4,250
The Hills Shire	1,698	\$ 84,900
Tweed	796	\$ 39,800
Unincorporated NSW	11	\$ 550
Upper Hunter Shire	182	\$ 9,100
Upper Lachlan Shire	76	\$ 3,800
Uralla	50	\$ 2,500
Wagga Wagga	1,204	\$ 60,200

Walcha	17	\$ 850
Walgett	91	\$ 4,550
Warren	34	\$ 1,700
Warrumbungle Shire	197	\$ 9,850
Waverley	887	\$ 44,350
Weddin	26	\$ 1,300
Wentworth	63	\$ 3,150
Willoughby	489	\$ 24,450
Wingecarribee	673	\$ 33,650
Wollondilly	796	\$ 39,800
Wollongong	3,109	\$ 155,450
Woollahra	598	\$ 29,900
Yass Valley	163	\$ 8,150

The Hon. ROSE JACKSON: Are you aware of any proactive promotion in communities who maybe are a little bit harder to reach with general government information, so communities for whom English is a second language or who perhaps are a little bit disengaged from some of the ordinary government programs? Are you aware of any proactive promotion for those communities?

Mr LEWIS: Yes, we do undertake certain promotion for culturally and linguistically diverse communities, and we do various types of engagement both from the Government and in conjunction with NGOs.

The Hon. ROSE JACKSON: Are you aware of whether any of the energy and gas retailers had moratoriums on disconnections during the recent COVID outbreak? Is that something that you are aware of?

Mr LEWIS: Under guidelines that were implemented by the Australian Energy Regulator [AER], yes, there were moratoriums on disconnections in place for all gas and electricity retailers, not just in New South Wales but across Australia.

The Hon. ROSE JACKSON: Are they still in place or has that been lifted now?

Mr LEWIS: The latest version of the AER's guidelines meant that it was communities that were subject to lockdown requirements, so I believe that some of those restrictions have either recently lifted or are about to lift. But I am happy to take that on notice and get confirmation of exactly if those limits on disconnections are still in place or when they were changed by the Australian Energy Regulator.

Answer:

The Australian Energy Regulator developed a standby Statement of Expectations for energy businesses that was applied to jurisdictions which were subject to COVID-19 stay-at-home orders that lasted for more than seven days. This included a requirement to not disconnect any residential or small business consumers who may be in financial stress without their agreement.

The standby Statement of Expectations remained in effect in NSW until 14 days after the stay-at-home order had been lifted. Stay-at-home orders in NSW ceased on Monday 11 October 2021.

The National Energy Retail Rules remain in effect and contain a range of requirements to protect customers from unwarranted disconnections, including advance warning notices and opportunities to request payment plans.

The Hon. ROSE JACKSON: Thank you, Mr Lewis, that would be great. I just wanted to move on to ask some questions about modelling on the impact of household retail gas prices. Who might I direct those questions to?

Dr GRIMES: Mr Lewis is probably our best here.

The Hon. ROSE JACKSON: Mr Lewis, you would be aware that in mid this year we had a real surge in wholesale gas prices. I am aware that because most of the contracts are long-term contracts, this does not immediately flow through to household retail prices. But has the department done any modelling on the impact of persistently high gas prices on household retail gas prices?

Mr LEWIS: The department does not usually undertake that modelling. We do in some circumstances. We rely, in particular, on market bodies such as the Australian Energy Market Operator and the Australian Energy Market Commission and the New South Wales Independent Pricing and Regulatory Tribunal, but particularly the first two that I mentioned, who do regular—some of them do quarterly—pricing reports. So we primarily base our assessment on those reports. We have in the past done and commissioned our own, but we have not done so recently.

The Hon. ROSE JACKSON: What is the best, latest advice on whether those higher gas prices that we have seen recently in the wholesale gas market might flow on to household retail prices? What is your expectation?

Mr LEWIS: I am happy to take that on notice and get the latest report that has been published on this issue, and provide that information.

Answer:

The NSW Independent Pricing and Regulatory Tribunal (IPART) produces an annual market monitor report on retail gas prices for households and small businesses in NSW.

I am advised the most recent draft annual market monitoring report for 2020–21 found that in the 12 months to June 2021, the median market offer for residential gas customers has decreased by 5.6 per cent within the region supplied by the Jemena Gas Network. Approximately 95 per cent of NSW small gas customers are within the Jemena region. IPART's final report for 2020–21 will be provided to the Minister for Energy and Environment by 30 November 2021.

I am further advised the Australian Energy Market Operator, in its Quarterly Energy Dynamics Q3 2021 report, identified that wholesale gas prices across the east coast markets peaked in July at \$15.61/gigajoule (GJ) due to a partial outage of the Longford Gas Plant. Average wholesale market prices have since decreased to \$8.41/GJ in August and further decreased to \$8.09/GJ in September.

The Hon. ROSE JACKSON: Thank you, Mr Lewis.

The CHAIR: Questions from the crossbench. I think this may be a question for you, Mr Fleming, but we will see. It relates to Kosciuszko National Park and the feral horse population there. Can the department provide an update on the most scientifically accurate estimate of horse numbers in the park?

Mr FLEMING: We can, but that document is actually on the website at the moment. That is the survey that was undertaken at the end of 2020.

The CHAIR: Do you know the number?

Mr FLEMING: Yes, it was 14,380 but with quite a wide confidence interval.

The CHAIR: How is the number determined and who, if anyone, reviewed that estimate?

Mr FLEMING: We engaged some specialist contractors. It was an aerial transect and then it was peer reviewed. I think it was peer reviewed by both CSIRO and one other independent expert, but it was using best practice.

The CHAIR: Who were the contractors?

Mr FLEMING: I will try to grab that for you in the course of the next few minutes.

The CHAIR: Okay, thank you. Just on this issue still, the Government commissioned an Aboriginal cultural values report as input to the draft Kosciuszko National Park Wild Horse Heritage Management Plan. The report recommended that there be wild horse eradication zones to protect places of high Indigenous significance, particularly the headwaters of the Murrumbidgee and the lower Snowy Valleys. Why does the draft plan, therefore, propose merely a reduction of feral horses in those areas rather than removal, as recommended by that cultural values plan?

Mr FLEMING: The draft wild horse management plan is prepared in accordance with the wild horse management Act. There are quite specific tests in that Act as to what the plan is to do, and that is to ensure that the heritage value of the horses is protected in certain areas while also maintaining the other values in the park. So we have had to take into account advice from various sources in formulating that plan. The plan reflects our best judgement, having taken into account all of that advice.

The CHAIR: Okay, so just to be clear then, the Kosciuszko Wild Horse Heritage Act 2018 overrides in this instance the Aboriginal cultural values report and the requests of that report that those horses be eradicated from those areas of high Indigenous significance?

Mr FLEMING: The wild horse heritage Act—sorry, I am using the short form—sets out a specific legislative test that we needed to meet in preparing the plan. That test—again I am paraphrasing slightly—is to ensure that the heritage value of horses in designated areas in the park is protected while the other values of Kosciuszko National Park are maintained. As I said, therefore we are taking into—

The CHAIR: So the Kosciuszko Wild Horse Heritage Act places a higher heritage value on those horses than it does on areas of high Indigenous significance. That is what the Act says?

Mr FLEMING: I am summarising the test for you. I would just add that the test enables us to obviously take into account the impact of horses and the impact on heritage but it does require us to ultimately meet—again, I am paraphrasing—that balance, which is to maintain heritage values of horses in locations of high heritage value while seeking to maintain the other conservation values of Kosciuszko National Park.

The CHAIR: I am not sure that sounds like a balance to me, Mr Fleming.

Mr FLEMING: It is the legislation.

The Hon. PENNY SHARPE: He is just working with the Act.

The CHAIR: I know. I am going gently with it. On the heritage value of the horses, the draft Kosciuszko National Park Wild Horse Heritage Management Plan lists in section 3 the criteria for claiming heritage value for feral horses in certain parts of Kosciuszko National Park. One of those criteria is the colour of the horse's coat—so grey, various kinds of brown and some mixed colours. What scientific evidence did the department rely upon to distinguish Kosciuszko's grey and brown horses, for example, from other grey and brown Australian horses?

Mr FLEMING: Sorry, I am not sure what you are quoting from when you quoted the section and the requirement.

The CHAIR: This is from section 3 of the Kosciuszko National Park Wild Horse Heritage Management Plan. In that section different colours of horses' coats are used to determine the heritage value of the horses.

Mr FLEMING: We have taken into account advice from the community advisory panel, which we are statutorily required to consider. If you look at that report, it contains a series of information about the heritage values of various horses but I think if you read through the draft plan it also cites other examples of where the information has come from in relation to the heritage values of different horses.

The CHAIR: It does not sound like it is scientific evidence to suggest that the colour of the horses' coats determines their heritage value. It is not scientific evidence—it is members of the community advisory panel who are saying that.

Mr FLEMING: I want to be helpful but I am not sure I fully understand the question so I am answering it as best as I can. There is a series of inputs to us—relevant inputs—around the heritage values of horses. They are not referenced in the draft plan and I think what you are referring to is that some of those references cite the different origins, if you like, of the various horse populations in the park—Kiandra greys, for example.

The CHAIR: Okay. On the same issue, the *Atlas of Living Australia*—you are aware of what that is—shows a concentration of the broad-toothed rat, which is conservation status vulnerable, in exactly the area proposed as a feral horse retention zone on Long Plain and nearby areas in northern Kosciuszko. What is the science case behind the draft management plan's proposal to single out the Long Plain area as one of the zones that will have the least protection from feral horses in Kosciuszko National Park and the home of the vulnerable broad-toothed rat?

Mr FLEMING: I want to just reference the Minister's comments this morning about meeting the test in the Act and trying to find the balance that is broadly acceptable. I echo the Minister's comments this morning, or reference them, in trying to find the right balance and a solution that is acceptable to the community. That is obviously the backdrop to this. But the outcome proposed in the plan—and it is a draft and we are receiving submissions and they will be taken into account before it is finalised by the Minister—is there are obviously areas where horses are being removed but the overall population is being reduced of the order of 80 per cent. So really, across the park, from an environmental point of view, either we are preventing horses entering into areas which are currently free of horses, we are removing horses from some areas altogether and, for those areas where horses will be retained, the population is being reduced significantly. I think when you look at those things in combination, the draft plan meets the test in the Act around maintaining the other environmental values of Kosciuszko National Park.

The CHAIR: What measures will be put in place if, for example, that area becomes a retention zone for feral horses and we have the habitat of the vulnerable broad-toothed rat there as well? Are you looking at ways to protect the broad-toothed rat from the horses? I know you mentioned some kind of fencing off areas. Are you considering active management to that effect?

Mr FLEMING: There are a range of other measures that are being introduced. The wild horse plan is important but we are working with the Australian National University and others to develop an ecological health framework for the park as a whole, which is really critical because that will help us track the health of a whole range of attributes, including species like the broad-toothed rat. We have also declared a number of areas as assets of intergenerational significance across the park—it is about 49 I think, from memory. That includes areas for the broad-toothed rat. So for those areas we need to develop specific conservation action plans which would map out the sorts of additional measures that you are referencing. So there is a range of things that are being done across Kosciuszko National Park.

The CHAIR: I was telling my colleague the Hon Shayne Mallard that, despite its name, the broad-toothed rat is a very cute endangered native animal in Australia and New South Wales, is it not?

Mr FLEMING: I agree with you wholeheartedly.

The Hon. MARK PEARSON: I think all rats are cute. I think you may be the best person to answer this question, Mr Fleming. The Legislative Council unanimously passed a motion for us to put considerable research and development—and I think you know where I am going—into immunosterility pilots. Of course, I have spoken to Mark Speakman and also the current Minister over the years. Is anything on the table or is anything moving in that direction to maybe trial immunosterility programs, which are quite successful, say, in the Rocky Mountains and other parts of the world? I understand there needs to be a specificity for our environment but are there any moves in that direction?

Mr FLEMING: Yes, from memory, and I will stand corrected if I am getting this wrong but, from memory, we do have a reference in the plan to the fact that that is something that, looking forward, we are going to keep watching brief on. I do not think there is anything in that area that could currently be deployed to address the horse problem in Kosciuszko National Park but in the future, if that technology develops and as circumstances change it is more likely to be successful if the population is small than with a very large population. So there is a range of factors that would influence whether and when that technology could be deployed.

Ms ABIGAIL BOYD: I think I will start with questions to you, Ms Mackey. I wanted to ask about the load-based licence scheme review. I understand that you sought public feedback on an issues paper between 31 October and 23 December 2016. Can you tell me where that review is up to and when we should expect to see a final position?

Ms MACKEY: That review is in the final stages of being completed and we expect to be able to share it this side of Christmas.

Ms ABIGAIL BOYD: Why is it taking so long? Why has it taken five years?

Ms MACKEY: I think there has been a range of different considerations through that time. We have also gone back out and sought additional information from various parties and we certainly have tested some of the actions that we intend to take so when we land the review we are in a position to be able to take forward those changes.

Ms ABIGAIL BOYD: With the amount of new information that is coming to light, particularly in relation to air pollution and the impact on health, I can only assume that you have been updating the load-based licence scheme—the revised one—based on that evidence. Is that why it is taking a long time?

Ms MACKEY: Our colleagues in EES have led on the clean air strategy and also the clean air regulation, so they would be able to update you on what is happening in both of those regards.

Dr GRIMES: Absolutely. Dr Wilson would probably be the officer best placed to assist you.

Ms ABIGAIL BOYD: Thank you. Dr Wilson?

Dr WILSON: Probably as you are aware, the draft Clean Air Strategy was released early this year for public consultation and that presents a significant amount of evidence and, as you say, we get new evidence all the time. The strategy is in its final stages of completion. In addition, the clean air regulation had a technical update this year for some technical reasons but will be going out for consultation again for updated clean air regulation in the coming 12 months.

Ms ABIGAIL BOYD: With the load-based licence scheme, is that review driven by the objective of more accurately reflecting the true cost of those emissions and will you be taking the health costs into account when calculating that load-based licence scheme amount?

Ms MACKEY: The load-based licensing scheme is a regulatory tool; it is not a policy tool in terms of some of those issues that you were just mentioning. I might ask possibly David Fowler or Nancy Chang to chime in on some of the considerations that we have been doing around the LBL review.

Ms CHANG: In terms of the timing on load-based licensing, it has been very important for us to develop that policy with respect to the other policies that the Government has announced recently, including the net zero plan, the energy road map and also the upcoming Clean Air Strategy. As Tracey Mackey says, this is not a policy per se, it is a regulatory tool and we just need to make sure that it complements all the other government strategies that happen that have been announced or will be announced.

Ms ABIGAIL BOYD: If I could clarify then, what you are saying is that the policy as to whether or not the load-based licence scheme actually reflects the impacts or the health costs and all the rest of it from emissions is a separate thing to how you then implement it with the load-based licence scheme. Is that correct?

Ms MACKEY: That is right, because the load-based licence scheme is not designed to be a tool for government to cost impacts across a range of portfolios. It is quite a discrete regulatory tool around the operations of certain industries who have emissions. That is why we call it a regulatory tool.

Ms ABIGAIL BOYD: Sure, and is there an explicit policy then that governs that, and where is that policy document?

Ms MACKEY: There is not a policy per se. There is a scheme and that scheme has been reviewed, which was the subject of the load-based licensing review, and that, as I said, we are close to finalising and we expect to be able to provide that—

Ms ABIGAIL BOYD: My question is how is it being reviewed if not in line with a particular policy goal?

Ms MACKEY: That is why we are lining up with the Clean Air Strategy and the clean air regulation.

Ms ABIGAIL BOYD: I understand, but the Clean Air Strategy does not touch on, for example, coal-fired power stations. There is nothing in there about this.

Ms MACKEY: It has to complement. This is a regulatory tool; it is not meant to go beyond and into the broader clean air space.

Ms ABIGAIL BOYD: I understand, but presumably you do not do it in a vacuum. You are telling me it is a regulatory tool; it must be driven by a particular policy. If there is no policy, how can that be the case?

Ms MACKEY: There are a range of strategies and there is a range of responsibilities that we have, and this is one of the regulatory tools that we use in terms of providing licensees in particular sectors with an arrangement to be able to emit certain things, and there is a cost associated with that.

Ms ABIGAIL BOYD: Could you tell me, given that there is nothing in the draft Clean Air Strategy about coal-fired power stations, where is the policy in relation to how much coal-fired power stations should pay for their emissions which is guiding the review of the load-based licence scheme?

Ms MACKEY: I cannot comment because it is currently before government, as my EES colleagues have indicated. The Clean Air Strategy is in the final stages and will be released shortly. I cannot indicate to you whether it is or is not and what is contemplated in that.

Ms ABIGAIL BOYD: I am very confused because, for instance, at the moment under the load-based licence scheme we know that the amount that is being charged to coal-fired power stations is a fiftieth of what the health costs of that are. When those numbers are reviewed and updated, on what basis will they change if not on the basis of a policy?

Ms MACKEY: I might ask one of my colleagues to talk through some of the considerations that we have done as part of the review in terms of the various issues that we have canvassed, particularly around the costs associated.

Ms CHANG: The EPA is considering all available information to inform the design of the scheme. In particular, I will go to the point that it is a regulatory tool and we need to consider what fees should be set and at what rate they will actually enable a change in behaviour and incentivise industries to lower emissions. The aim of the scheme is to ensure that we lower the emissions and it is about what is the best tool in order to achieve that in the scheme of considering all the other strategies and all the other incentives that the Government has put in place.

Ms ABIGAIL BOYD: Does that explain then this approach to what is possible more than what is necessary—for example, for health and environmental reasons, this idea of what is possible framing what we get from the review? Is that why we see, for instance, Vales Point Power Station being given exemptions to pollute at much higher levels than everyone else, because it is deemed to not be possible to do it or it would not be an incentive?

Ms MACKEY: There has been no decision on Vales Point being able to continue to emit with that redemption in place and in fact we have gone beyond our statutory responsibilities in terms of considering

the current application before us. As I am sure you probably know, we have gone out to public submissions, which is absolutely not a requirement but we are keen to hear from the community, and they are open for about three weeks. My colleague Mr Beaman can confirm that. We will certainly be taking that into consideration. I am also aware that even our stakeholders, such as the Nature Conservation Council, have been quite surprised that we are willing to release and be transparent about all the information we have at hand on that. We are attempting to be as inclusive as possible in terms of taking on board all that information before we make a decision. There has been no decision made.

Ms ABIGAIL BOYD: I understand. Sorry, I was not asking you about the review of that licence. As you know, the exemption was given to Vales Point in 2012, so there has been a good 10 years for them to try to reduce their pollution, and now we are considering doing it again. Was that exemption granted on the basis that you just thought that they could not afford to curb that pollution?

Ms MACKEY: I would have to take on notice what were the considerations in 2012 because that is way before my time, but there are a range of considerations that we take into account for any licence variation or amendment that we consider.

Answer:

I am advised:

In 2010, the previous operator of the Vales Point Power Station applied to the EPA for an exemption of tightened nitrogen oxides (NOx) air concentration limit under the Protection of the Environment Operations (Clean Air) Regulation, commencing from 2012. In assessing the application, the EPA considered site specific monitoring data, the facility's ability to meet the tighter limits, modelling demonstrating conformance with impact assessment criteria, and the likely significant cost of retrofitting to achieve compliance with the tighter limit. The EPA determined that the exemption request was reasonable, noting that it would not result in any adverse environmental impacts.

A further exemption to the NOx air concentration limit required under the Regulation was sought in 2015. The EPA reassessed the air dispersion modelling completed as part of the 2010 application and considered there to be a low risk of exceeding ambient air quality goals. A review of data from the Regional Ambient Air Quality Monitoring Network confirmed NOx concentration had remained below EPA criteria.

(Short adjournment)

The CHAIR: We will go to questions from the Opposition. The Hon. Penny Sharpe?

The Hon. PENNY SHARPE: Thank you. Dr Grimes, I think this is one for you. Are you able to provide the Committee with information about the efficiency dividend that will be applied across the agency this year?

Dr GRIMES: I am not aware of a single efficiency dividend across the agency. We get allocated a budget that applies to EES, which has a number of components. I might just take it on notice, just to ensure that I do not miss something that I should be advising you of.

The Hon. PENNY SHARPE: It is an initiative I ask about every year. Mr Fleming would be familiar with it. Does National Parks and Wildlife Service have one this year?

Mr FLEMING: Similar to Dr Grimes, I am not sure if I can identify an efficiency dividend per se, but I am pleased to say our staff levels—

The Hon. PENNY SHARPE: "Savings target"? I am not quite sure what they are calling it these days.

Mr FLEMING: You normally ask about staff levels, so I am pleased to say our latest staff level was 2,014 full-time equivalent, which is—

The Hon. PENNY SHARPE: I know. That is why I have not asked. But I am interested in how much money you have got to find for the next year. If you could provide that on notice, that would be great. Thank you

Answer:

There was no efficiency dividend included in this year's State Budget announced on Tuesday 22 June 2021.

very much. I have a waste question. I think it is probably for Mr Beaman, maybe, or Mr Fowler?

Ms MACKEY: Mr Beaman does not have waste anymore. He is operational, for most matters.

The Hon. PENNY SHARPE: Okay. Ms Mackey, you can start and we will go from there. I have had concerns raised with me about your recent circular about batch process and continuous process for recovered fines. There have been issues raised. My understanding is the department has made changes to the way in which the industry operates that means that fines that are recovered from skip bins, most typically—although it is more complicated than that—there will no longer be an exemption on that. Can you just let me know where that is up to?

Ms MACKEY: Sure. As part of what we do across a whole range of areas that we regulate, we look at changes and we do audits and undertake research. In this particular space, since 2018 we have been looking very closely at the operation of this particular, if you like, exemption that is in place and looking at whether or not it is fit for purpose and should continue in its current form. We have done significant consultation. We have gone back out, quite recently, to the sector and indicated that we believe that, given the findings—particularly of the samples that have been taken over a long period of time—we need to change the arrangements in this space to make sure things are safe and there is no impact on the environment.

So it is particularly about stopping the use of a skip bin residue for construction and landscaping purposes, because there were a range of contaminants that were being found in that particular line of waste. It is out for consultation. We are aware that there are a very small number of operators and the sector themselves has indicated that they have had problems with compliance against the current arrangements. So we are aware that they have feedback and a number of issues they want to explore. David Fowler can talk more. He has lots of meetings in this space. We will continue to hear from them during this consultation period, before we finalise any new arrangements.

The Hon. PENNY SHARPE: Just to be clear, you did some audits, there are concerns about contaminants that are then being used in soil products. Is that, essentially, the issue?

Ms MACKEY: I will let Mr Fowler—he is the technical guy on this and he is much better placed.

The Hon. PENNY SHARPE: Yes, I am sure Mr Fowler will know.

Mr FOWLER: Yes, that is correct. Through our audits and through our sampling programs we identified that there were levels of contamination, including treated timber, chemical contamination and some asbestos in samples taken. There was also—

The Hon. PENNY SHARPE: Can you tell me what the percentages of those are? Is there an audit document that you could provide to the Committee on notice?

Mr FOWLER: I can most certainly take that request on notice.

Answer:

I am advised:

In 2019, the EPA conducted a review of the recovered fines orders and exemptions. The work included inspections and sampling at 14 facilities, a review of two years' worth of monitoring data required by the order, and a survey of users of recovered fines. The review found:

- 57 per cent of industry had asbestos in their recovered fines.
- 71 per cent of industry failed to meet a chemical or other limit in their recovered fines at least once in the two years of data reviewed.
- 67 per cent of industry failed an aspect of their sampling requirements.
- 43 per cent of industry failed to sample recovered fines at the required frequency.
- Chemically treated timbers and synthetic mineral fibres were found in recovered fines at almost every facility. The risks of these substances in recovered fines to human health and the environment are unknown.
- Industry was not notifying the EPA of non-compliances with the sampling requirements and pollutant limits.
- Industry sampling as required by the “continuous process” order and exemption was inadequate, where one sample can represent any amount of waste.
- Recovered soil was produced by some facilities as a separate waste stream to recovered fines. Recovered soil is a superior and cleaner waste stream compared to recovered fines.
- Recovered fines that complied with the general order and exemption still contained a significant amount of microplastics.

The Hon. PENNY SHARPE: Does that mean you are going to think about it or are you going to provide

it?

Ms MACKEY: We have actually shared the—

Mr FOWLER: No, no, we have—

The Hon. PENNY SHARPE: You think you will be able to give it to me?

Mr FOWLER: Yes.

The Hon. PENNY SHARPE: Great.

Ms MACKEY: We have previously shared the findings from all of that with the sector. It has not been something that we have held in secret, so we are happy to provide that information.

The Hon. PENNY SHARPE: Thank you. The zero extinctions target, Mr Fleming. Can I just be clear, are there any additional resources that have been put into that target?

Mr FLEMING: The resources available to National Parks have increased in the last couple of years, fairly significantly. The reason I say that is because the resources that are applied to this target will then come from different buckets or different sources, if you like. A lot of our fire management is directed towards threatened species work. A lot of our feral animal control is directed towards threatened species work. So we are approaching this in quite an integrated way. We have had significant bushfire recovery funding, and obviously there is an element of the Saving our Species funding that is going to support the zero extinction approach.

The Hon. PENNY SHARPE: Saving our Species has been cut, has it not? It used to be \$20 million a year. It is now going to be \$15 million a year. Am I correct?

Dr GRIMES: That will be its funding, yes, \$15 million.

The Hon. PENNY SHARPE: So it has had \$5 million a year cut to the program. When you are talking about those extra resources, that money for firefighting comes out of the NSW Climate Change Fund [CCF] and is predominantly about bushfires. It obviously has a flow-on effect in relation to threatened species, or are you saying they are doing something new with that?

Mr FLEMING: I guess what I am saying is we have a very complicated funding base. So, yes, there is money that comes from the CCF. We also have money from consolidated funding for fire management. So we have got money coming from a range of sources. What this approach is really doing is ensuring that we apply all of that in an integrated way to ticking a number of boxes, one of which is the zero extinction strategy.

The Hon. PENNY SHARPE: Does that mean when the Minister announces various money going to various things he gets to count them three or four times?

Mr FLEMING: I am not aware of that happening.

The Hon. PENNY SHARPE: It sounds like it to me. Anyway, that is okay. I will move on. In relation to the—

Mr KNUDSON: Sorry—

The Hon. PENNY SHARPE: Does someone want to jump in?

Mr KNUDSON: Sorry. If I could just clarify, there are basically three major funding envelopes with respect to threatened species. So we have \$26 million over the next two years for land management, biodiversity and conservation. We have the \$193 million that the Minister talked about this morning with respect to koalas and then we have the \$75 million for Saving our Species. I think, as some of the questioning this morning talked about, Saving our Species in its first round did have a koala component to it. Now we have a standalone program. They will obviously speak to each other. But, at the same time, I just wanted to say that there are those three main lines and when you line them up it is close to \$300 million. So I just wanted to put that in context.

The Hon. PENNY SHARPE: I look forward to the detail of the koala plan, Mr Knudson.

Mr FLEMING: I should add, just very quickly, when I referred to the various buckets, that is partly what Mr Knudson has just mentioned. But in addition to the other things that I have mentioned, there is the feral-free area funds, there is the ecological health monitoring funding and some of our land acquisition is in Narriearra, for example, we purchased the entire habitat of the grey grasswren in New South Wales. So we are factoring threatened species into everything that we do.

The Hon. PENNY SHARPE: That is very good. I am just trying to disentangle where the money is going—I am trying to follow the money. Obviously the regent honeyeater—and this is not a question about Warragamba; it is actually a question about Burragorang, Capertee and the Hunter Valley. My understanding is that they are not included as intergenerational assets. Can you explain why that is the case?

Mr FLEMING: Only because we are doing it in a staged manner. The first tranche, if you like—which from memory was 92 species plus the original Wollemi Pine declaration, so 93 habitats for 93 threatened species—focused on species that had very high percentage of their records on national park and that were in the critically endangered or endangered category. But that is certainly not the end of the process. The regent honeyeater is one of the species that I expect will be included in a future—hopefully not too distant—round of listings.

The Hon. PENNY SHARPE: Was it not included because of the impact of the Warragamba Dam wall raising?

Mr FLEMING: No. It was not included because, as I said, that first focus was on critically endangered and endangered species with a high percentage of records on national park. The other key driver for that first lot of listings was species with a fairly discrete habitat. So a lot of the initial listings were plants, for example, that occupied—in the case of I think the inland mallee, it is about four hectares on the national park. If you like, the first tranche were the easier ones to map and identify. The regent honeyeater, being quite a mobile species, as you know—it is obviously much more difficult to identify the key or most important areas of park that should be identified. It is a little bit more complex. That is why it is in a future tranche.

The Hon. PENNY SHARPE: I want to ask about swift parrots. This is sort of in line with the impact of the bushfires and how your agency is able to manage, particularly with State forests, where there are areas that were not burnt and that are significant—I am aware of a pretty significant coop that is in the State forest near Mogo. That has been demonstrated to be a very significant area for feeding of swift parrots, of which there are about, as I understand, 800 left altogether. Yet, that area is still slated for logging. What is the role, in terms of those in your area of the department that are dealing with threatened species, in that situation? What action or discussion has taken place regarding saving those important flowering gums that feed that coop of swift parrots?

Ms MACKEY: In our regulator role we draw on the expertise across the agency and further. We do talk to colleagues in National Parks but also in Science in particular and also at times in Biodiversity and Conservation around various species and the ecology around certain sites when we are considering the arrangements and plans that Forestry Corp provide us. We are now, as was mentioned earlier today, certainly much more engaged before, during and after that process with Forestry Corp to try and make sure any particular issues such as this one are borne out in the planning process.

The Hon. PENNY SHARPE: I appreciate that and it is clear from your evidence today that obviously there have been issues in the past. But the clock is ticking on this particular threatened species. Does the EPA speak directly to Forestry Corp and say, "We know that there is this particular coop"? I have actually written to the Minister about it. I am not just pulling it out. What active action is actually taken? The clock is ticking. In the next 18 months this particular area of forest is slated to be logged and I do not see any action being taken. It is actually one of the key feeding areas that has been demonstrated over 20 years. This is not just guessing. This is

scientists—we actually know now. We have spent a lot of time, as I said, this morning looking at things and studying things, which is absolutely terrific, but if we are not applying it to saving the trees, how does that work?

Ms MACKEY: My colleague Carmen Dwyer can provide a bit more information, but we certainly do work with Forestry Corp about particular species at the various sites. In fact, we have done our own work with stakeholders on not only the South Coast but also the North Coast and we have developed something called the "tell the EPA" app so we are trying to make it easier—

The Hon. PENNY SHARPE: I am telling the EPA right now about these swift parrots.

Ms MACKEY: What I was going to say is this is really important in terms of sighting of particular species. That has been problematic in the past in terms of where they were sighted and when they were sighted to try and gather that evidence so that we have got that. We have certainly been working much more closely with Forestry Corp and their ecologists around how they are doing that planning work, but Carmen can add to that.

Ms DWYER: Carmen Dwyer here. Just to reinforce what Ms Mackey said, Forestry Corp are required to check all of the threatened species databases. It is part of their planning for any forestry activity that occurs on Crown forest.

The Hon. PENNY SHARPE: Can I just stop you there, Ms Dwyer? Do you know whether they have done this in this case? How do you know that they have done that, given you have just told us that they did not give you data for five years?

Ms DWYER: No, no—

Ms MACKEY: Just so we are really clear, the data issue is around private native forestry, so that is the co-regulation with LLS. On State forests that are Forestry Corp, that is a very different arrangement under the IFOA and we do get to approve the plans. If it is something that they are not intending to harvest for the next 18 months, we are unlikely to have received the plan at this point. That will happen much closer to the point in time. We can check if we have a plan for that particular site—or maybe Carmen knows—and come back to you

around that.

The Hon. PENNY SHARPE: If you could that would be great. I would really appreciate that.

Answer:

I am advised:

The EPA is aware that Forestry Corporation of NSW has an approved harvest plan for Mogo State Forest Compartment 146A.

Forestry Corporation of NSW has provided the harvest and haul plan in accordance with the requirements of the Coastal Integrated Forestry Operations Approval (CIFOA) and the EPA has reviewed it. The plan appropriately identifies swift parrots as a species which has known or potential habitat in the operational area. The plan also considers the requirements for protection of swift parrot nectar feed trees as required by the CIFOA, which is five feed trees per hectare.

While the requirements of the CIFOA have been met, the EPA believes that additional proactive steps can be taken to improve the quality of the Harvest and Haul Plan, including the addition of known swift parrot sightings on the Harvest Plan Operational Map. The EPA is providing advice to Forestry Corporation of NSW to address this issue and ensure that the latest data is shown on the Harvest Plan Operational Map.

Ms MACKEY: But we would expect to check it closer to once we have the plan. That is usually within the weeks preceding the harvesting. That is when we get to review it and determine if there is anything that has been missed or needs to be added.

Ms DWYER: Carmen Dwyer here. If I can just clarify that, Ms Mackey, the EPA does not approve the plans—

Ms MACKEY: No, we check them.

Ms DWYER: —however, we do have access. But that is exactly right. We have access to the plans and we check the plans. We do both desk-based reviews and inspections of the sites pre-harvest, during harvest and post-harvest. That can be multiple inspections, so if we become aware of a record like a swift parrot through information gained in any scenario, we are able to pass that onto Forestry Corp or check that it has been included in their planning.

The Hon. PENNY SHARPE: So, sorry, you check it but you have no ability to stop it?

Ms MACKEY: It is part of their requirements under the IFOA that they operate in compliance with. If they are not identifying a threatened species that is present on the site, then that would be a matter of—

The Hon. PENNY SHARPE: I know that we are getting right into the weeds about this but it is quite important. Swift parrots do not always, as I understand it and as the scientists who have spoken to me about this tell me—and I believe them. They have been studying it for 20 years. Swift parrots do not necessarily come every year to this particular area, but it has been identified over a long period of time that every couple of years they come because they have very defined areas in which they feed on these flowering gums. My question is: If you get one report through the IFOA from State forests about intention to log, they may have gone once into that particular coop even though we know there is a body of evidence, which I believe is held within the department—it is not unknown.

We just might get lucky. One day they might see a swift parrot and then they have got to stop. It is quite important because it is one of the most threatened birds in New South Wales. We know a lot about it. All of the checks and balances and all of the work that the department as a whole and the Government says they are doing to save threatened species actually hinges on whether we have the rigorous system in place that actually will guarantee that this very important habitat for this very endangered bird is actually going to be protected. I am not hearing that today.

Ms MACKEY: There is a consideration around whether or not there have been sightings, but it is also about whether or not that is a location for that particular threatened species and what the records show, which is why we draw on the expertise that sits across the agency. Often we also get advice from local groups that have been engaged in that particular environment for a long period of time. So we get a range of sources of information to inform that and Forestry Corp have a responsibility as well. They have their own ecologists who are looking at the sites. They have got a responsibility to gather similar information about both habitat and species that are present.

The Hon. PENNY SHARPE: I will await my response from the Minister. This morning we were talking about the outstanding private native forestry codes and the land management vegetation reviews. I know that this is not primarily this department's role, but there is a role for the Minister in concurrence. Can you explain to me the role that the various parts of your agency play in the preparation of those?

Dr GRIMES: That will probably be across EPA and EES. Who wants to go first?

Ms MACKEY: I might do private native forestry because that is probably a little bit clearer, and then perhaps Dr Grimes can do the remainder. In terms of private native forestry, that is a concurrence with the Minister for Energy and Environment. Local Land Services have the lead on undertaking the review of the codes. They have done a public consultation around the draft codes, which closed in May 2020, and we are waiting for those draft codes to be developed so that we can go through a decision-making process within government.

The Hon. PENNY SHARPE: So your input really comes after—there will be draft codes, which we have not seen. I am just trying to understand at what point again the environmental agency and government actually have input into the impact.

Ms MACKEY: Throughout the development. We were certainly involved in 2019 and early 2020 in the lead-up to those codes being released for consultation.

The Hon. PENNY SHARPE: What is the nature of that involvement? How does it actually work in practice?

Ms MACKEY: There was certainly a working group at that time, and there was a range of staff at an officer level working together on the development of those draft codes. Certainly research and science contributed around various elements of the codes as they were being drafted. What we step away from, if you like, is the process side of managing the process around the consultation and then the finalisation.

The Hon. PENNY SHARPE: I am not that concerned about that. I am interested in the actual scientific input. Thank you.

The CHAIR: We will go to questions from the crossbench, starting with Mr Mark Pearson.

The Hon. MARK PEARSON: I will follow on from Ms Sharpe's questioning. I am trying to get a better understanding of Local Land Services. What is the actual working relationship between Local Land Services and your departments?

Dr GRIMES: Essentially, it is multidimensional. If we take the department proper, there will be engagements on a number of different levels, including engagements between national parks and LLS. Of course, the EPA has its own set of relationships with LLS as well. We could turn to each of the officers in turn and they can describe their interaction with LLS, or we could drill down in a particular area if there was something—

The Hon. MARK PEARSON: That could be a bit lengthy, so probably go to an example to help us understand. For example, Local Land Services promotes the building of exclusion fencing with landholders. Even though the money for promoting that comes from a Federal pocket, Local Land Services actually administers that. When would there be a trigger for Local Land Services to refer any activities that they are authorising to your department if there is a chance or it is likely to impact on the environment?

Dr GRIMES: I think Ms Dumazel is probably the best person to answer that question, but she may refer to other officers if necessary.

Ms DUMAZEL: In terms of when we are working with Local Land Services and if there is an impact—first I have to say we have got an overarching structure where we actually have a board where our executive meet both Environment Energy and Science, and Local Land Services and we bring items to that. Depending on what the item might be—for example, in this case where we are talking about exclusion fencing, if a paper comes through from Local Land Services or they ask for us for advice, we would then seek advice from different parts of our organisation. For example, in this particular scenario we would look at it from a neighbour's perspective as well as a scientific perspective.

The Hon. MARK PEARSON: But it would be up to Local Land Services to trigger that referral for your assessment. There is no rule?

Ms DUMAZEL: If a fence triggers the Biodiversity Offset Scheme, for example, where there is a fence and there is clearing on either side of the fence for that and it triggers the offset scheme, certainly Local Land Services engages with us on the impact there and what their requirements would be under the Biodiversity Offset Scheme.

The Hon. MARK PEARSON: I think I will leave it there.

Dr GRIMES: Mr Pearson, earlier on today I think you had asked for a copy of the prosecution

guidelines.

The Hon. MARK PEARSON: Yes.

Dr GRIMES: I just thought maybe now, Chair, would be an appropriate time to table those guidelines.

The CHAIR: To table them? That is fine rather than to read them. Yes.

Dr GRIMES: I thought this was probably the appropriate time, so I can table those.

The CHAIR: Thank you. There was something about wombat mange.

Mr FLEMING: Yes, I wanted to go back to the wombat mange. Mr Pearson, you asked about moxidectin. I just wanted to confirm that is an active ingredient in cydectin, which is one of the measures that we have trialled. So we have trialled it. It was initially successful and not so successful going forward, so we have moved onto trialling something else.

The Hon. MARK PEARSON: Okay. Thank you for that.

The CHAIR: We will now move to questions from Mr David Shoebridge.

Mr DAVID SHOEBRIDGE: Nice to see you all again. My question is probably first to you, Ms Mackey. Last year the EPA issued a series of stop work orders against Forestry Corporation in South Brooman State Forest. Can you please advise us what, if any, penalties and/or prosecutions have been issued against Forestry Corporation arising from those breaches?

Ms MACKEY: Sure. We have a number of prosecutions that are underway in the Forestry Corporation space. I might get Ms Dwyer to talk you through each of those.

Mr DAVID SHOEBRIDGE: Could we start with South Brooman?

Ms DWYER: I can. I am just bringing up the results for South Brooman, if you could bear with me. What I can clarify is that the EPA has nine current investigations on foot with Forestry Corporation and three current prosecutions before the courts. Can I come back to you on South Brooman?

Mr DAVID SHOEBRIDGE: While you are getting South Brooman, Ms Dwyer, can you tell us which forests the three current prosecutions relate to?

Ms DWYER: They relate to—Ms Mackey, did you want to take that?

Ms MACKEY: I can do that while you look for South Brooman, if that is helpful. They relate to Wild Cattle Creek, Dampier State Forest and Tomerong.

Mr DAVID SHOEBRIDGE: Perhaps I will ask a broad question to start with. Can you provide us with the status on all prosecutions, fines and stop work orders issued to Forestry Corporation since the beginning of the 2020 calendar year?

Ms MACKEY: We would have to take that on notice and put it together for you.

Mr DAVID SHOEBRIDGE: I understand. But you can take that on notice?

Ms MACKEY: Yes.

Mr DAVID SHOEBRIDGE: Do you have before you a list of the completed prosecutions, either court prosecutions or penalty notices, in the last calendar year against Forestry Corporation?

Ms MACKEY: I would have to look to my colleagues online to see if they have got—

Mr DAVID SHOEBRIDGE: As I understand your evidence, there are 12 on foot in one way or another—three in court and nine actively under investigation. Is that right?

Ms MACKEY: That is right.

Mr DAVID SHOEBRIDGE: Do you know how many of them have been successfully completed?

Ms MACKEY: I do not think we have completed any of the—actually, I think we might have completed a prosecution.

Mr DAVID SHOEBRIDGE: Why don't we go to Ms Dwyer?

Ms DWYER: I will just clarify that. I will double-check, but I do not think we have got a completed prosecution, but we have three before the courts at the moment. There were two stop work orders and a third considered and there are a number of other regulatory actions that we have taken, but I will need to put that detail together for you.

Answer:

I am advised:

Although in the last calendar year there has not been any prosecutions completed by the EPA against the Forestry Corporation of NSW, there are currently 10 prosecutions before the courts in relation to three forests (Dampier, Wild Cattle Creek and Tomerong).

The EPA has issued 10 penalty notices to the Forestry Corporation of NSW since 1 January 2020 and two stop work orders.

Mr DAVID SHOEBRIDGE: So will you give us that full set of answers about the regulatory actions since 1 January 2020? The reason I say 1 January 2020 is that it is a good starting point, given the damage we had from the fires. But you do not know how many penalty infringement notices have been issued and paid in the time?

Ms MACKEY: We did not prepare that information for today, so we will have to pull that together.

Mr DAVID SHOEBRIDGE: That is okay.

Ms DWYER: I can clarify on South Brooman. South Brooman is in the final stages of consideration for what is the most appropriate regulatory action. So the investigation is complete and we are just determining what is the most appropriate regulatory action.

Mr DAVID SHOEBRIDGE: Do you have a time frame for when the South Brooman case will be at least resolved as to what form of action will be taken?

Ms DWYER: Before the end of the year.

Mr DAVID SHOEBRIDGE: I have been unable to find the forestry snapshots report for 2019-20 or 2020-21 from the EPA.

The Hon. PENNY SHARPE: Have we not asked that question?

Mr DAVID SHOEBRIDGE: I am sorry if I missed that question earlier. Is the 2019-20 available or the 2020-21 available?

Ms MACKEY: The 2020-21 is not available but the 2019-20 is being graphic designed and it is ready to go. I should be in a position to be able to that forward up to the Government in the coming weeks. It is a matter of weeks away and not months. We did talk about this morning that the reason why it takes so much time is we rely on the gathering of information from a range of other parties and then we get all that information together and get it checked before we publish the snapshot.

Mr DAVID SHOEBRIDGE: But there is not much point having a snapshot that is more than 12 months out of date. It is counterintuitive to call that a snapshot, isn't it? It is more like a mirror shot.

Ms MACKEY: I would hope that it is pleasing to the Committee that we are now getting the snapshots in a regular progression of time. Because certainly one of the first things I did when I took this role, I think we released three of them at the same time. I am absolutely committed to—

Mr DAVID SHOEBRIDGE: Ms Mackey, I would commend you for the work you have been doing with the EPA. It is more proactive and transparent; I commend that. I think many stakeholders have noticed that it is more transparent and more proactive. But there is also a degree of frustration that it takes so long to get the snapshots.

Ms MACKEY: We are reliant on others for the provision of that data. There is only so hard we can push in terms of the collection of that data.

Mr DAVID SHOEBRIDGE: Who is it that is slow in getting you the information?

Ms MACKEY: I will take that on notice and we will have to look at the range of engagements and correspondence that we have with various parties.

Mr DAVID SHOEBRIDGE: Ideally, that would be resolved and we would be getting these more rapidly going forward, learning lessons and implementing change. If you could let us know where the defaulters are—and

you can describe them however you like in your answer—we can get an indicator of where to put pressure to get the information.

Ms MACKEY: We can certainly look back at our records at where there are some challenges.

Answer:

The forestry snapshots require significant contribution from a range of agencies, and all agencies are contributing as requested. It takes time to compile and check facts and data, and to edit for publication. Each compiled draft is also successively reviewed for accuracy by staff in contributing agencies, from officer level up to executive and head of agency.

The key contributing agencies are:

- National Parks and Wildlife Service
- Department of Planning, Industry and Environment (Environment, Energy and Science – Biodiversity and Conservation)
- Forestry Corporation of NSW
- EPA (various divisions)
- Department of Regional NSW (Department of Primary Industries and Local Land Services).

Drafting of the snapshots commences following publication of other agency reporting, such as annual reports and Forestry Corporation of NSW sustainability reporting; and timber harvesting annual returns.

The EPA aims to finalise each snapshot as soon as all participating agencies have supplied and endorsed required content. Timing of the 2020–21 Forestry Snapshot is expected to be within seven to 10 months of publication of other agency reporting for 2020–21.

Mr DAVID SHOEBRIDGE: Recently the Natural Resources Commission [NRC] released research from the University of Wollongong which found that the 2019-20 fires were:

... likely to pose significant risks to the CIFOA objectives and outcomes. Importantly the magnitude of the fires and their effect on disturbance regimes have placed the CIFOA, generally, in a highly vulnerable state ...

First of all, are you aware of that report by the Natural Resources Commission?

Ms MACKEY: Yes, I am.

Mr DAVID SHOEBRIDGE: What role does the EPA have in responding to those findings?

Ms MACKEY: We will provide advice to Government as a part of all the considerations and issues that are being explored across the IFOA space.

Mr DAVID SHOEBRIDGE: Is there a time frame for when that advice will be provided? Right now, those coastal forests are being logged under rules that ignore that advice from the Natural Resources Commission. Do we have a time frame?

Ms MACKEY: That is a matter for Government.

Mr DAVID SHOEBRIDGE: Do we have a time frame for when you will be providing the advice to Government?

Ms MACKEY: We certainly need to adhere to the government processes around this as we are required. We are certainly looking at that report from our point of view to understand it, and it was only released, as you know, a matter of weeks ago. We have certainly taken a deep dive into that report to look at it, and as required we will provide advice to Government.

Mr DAVID SHOEBRIDGE: If you read that report, it basically says that business as usual will cause extinction-level events in our forests. That is not an unreasonable reading of it, is it?

Ms MACKEY: I think there are a range of statements that are in that report which are matters for Government and not us as the regulator. We have certainly been quite open with our advice to Government around needing additional measures post-fires to ensure that the impacts of logging are mitigated and that there is broader considerations than there previously was. As you would be aware, we had those additional requirements in place, but Forestry Corporation have now moved to operate under or, if you like, reverted to the IFOA without those additional conditions in place.

Mr DAVID SHOEBRIDGE: What the report from the Natural Resources Commission says is that the Forestry Corporation operating without those restrictions as business as usual is going to cause extinction-level events in New South Wales public forests. That is what the Natural Resources Commission report ultimately says, does it not?

Ms MACKEY: There is a range of conclusions in that report—

Mr DAVID SHOEBRIDGE: Correct me if I am wrong on that summary. If you disagree with that summary, tell me why.

Ms MACKEY: I think it canvasses a range of issues and there is not just one conclusion to draw from it. It certainly indicates that there is more and a range of issues that we should be looking at in terms of regulating post-fires, which we absolutely agree with and have been quite open about advocating for in the forestry space.

Mr DAVID SHOEBRIDGE: While you are advocating, the Forestry Corporation is logging, and they are logging under rules that ignore the advice from the Natural Resources Commission. How long is that going to continue for?

Ms MACKEY: That is a matter for the Forestry Corporation.

Mr DAVID SHOEBRIDGE: But you are the regulator in this space. Just simply saying that it is a matter for the Forestry Corporation to go and continue business as usual causing extinction among species in New South Wales is not a good answer from the regulator.

Ms MACKEY: Sorry, I answered that. The Forestry Corporation is the one that has made the decision to stop using the additional special considerations we put in place. That was not a decision of us as the regulator; it was a decision of the Forestry Corporation. We have been quite clear that our absolute preference is for them to operate with those special conditions on a site-by-site basis because it allows us to look at the risk associated with it, but they have chosen not to go down that path. We would encourage you to talk to the Forestry Corporation about why they made that change because it was working quite well in terms of being able to look at the risk and mitigate the impact as much as possible. We are bound by the regulations that we have to operate under, and so at the moment all we have got is the IFOA and that is the rule set. And as we have talked about many times in this committee, we have stepped up and we have done the forestry reset so we can be as active as possible in that space to regulate, but we must regulate against that rule set.

Mr DAVID SHOEBRIDGE: Ms Mackey, the Natural Resources Commission has provided its advice about forestry operations under the coastal IFOA, dealing with how to address forestry operations as the public forest estate recovers from the 2019-20 bushfires. Have you seen that advice?

Ms MACKEY: We have certainly been involved in providing advice to the NRC around all of the work it is doing.

Mr DAVID SHOEBRIDGE: I am asking if you have seen the advice from the Natural Resources Commission. It provided advice to Government about what changes are needed in forestry operations based upon its review. Have you seen that advice?

Ms MACKEY: We have seen a range of advice that the NRC has provided to Government.

Mr DAVID SHOEBRIDGE: Have you seen the advice that it has about the changes that are needed on forestry operations to deal with the catastrophic events of the 2019-20 bushfires?

Ms MACKEY: We have absolutely been engaging with the NRC and talking to it about our experience, our learnings and what we think could be in place, and we continue to engage with it very closely in the work that it does.

Mr DAVID SHOEBRIDGE: You have already said that, Ms Mackey. Why has there been no action in response to that advice from the NRC and why has that advice not been made public?

Ms MACKEY: That is a matter for Government; it is a policy decision of Government. We are the regulator that operates under the rule set.

Dr GRIMES: It may be appropriate to see if Mr Knudson or Dr Kelly have any comments in this area as well.

Mr KNUDSON: Dr Kelly, anything from your perspective on the report itself?

Dr KELLY: Not specifically on the report, Mr Knudson. Thank you. We are considering—like the EPA—the recommendations of the NRC.

Mr DAVID SHOEBRIDGE: That did not shed a lot of light. Dr Grimes, how much of the \$50 million that was allocated for green hydrogen in the 2020 electricity bill has been allocated? When I say electricity bill, I

mean in a parliamentary sense and not an unpleasant letter in your letter box.

Dr GRIMES: How is it being allocated?

Mr DAVID SHOEBRIDGE: How much has been allocated?

Dr GRIMES: I would have to refer to Mr Lewis on that question.

Mr DAVID SHOEBRIDGE: That was from the Climate Change Fund, I think.

Dr GRIMES: Yes.

Mr DAVID SHOEBRIDGE: Mr Lewis?

Mr LEWIS: Thank you, Dr Grimes. At this point in time there has not been any of that \$50 million expended, but it is recognised as part of the money that has been allocated for hydrogen harvest and other initiatives that were announced in the hydrogen strategy that was recently released.

Mr DAVID SHOEBRIDGE: So at least \$50 million of the hydrogen strategy was re-announcement of that \$50 million from the 2020 bill?

Mr LEWIS: As you are aware, Mr Shoebidge, there were initiatives announced in the hydrogen strategy and the road map we just—

Mr DAVID SHOEBRIDGE: My question was just focused on that, Mr Lewis. My question was focused on whether or not the \$50 million that was set aside in 2020 has been repackaged in the more recent hydrogen announcement. The answer seems to be yes.

The Hon. BEN FRANKLIN: Perhaps let him answer the question.

Mr LEWIS: So the road map legislation and the \$50 million was to be spent on green hydrogen over a number of years, and that expenditure has been included in a number of the initiatives that were announced as part of the hydrogen strategy.

Mr DAVID SHOEBRIDGE: While we are on renewable energies, the New South Wales Government has made a number of statements about the extraordinary potential for offshore wind in New South Wales. What steps has the New South Wales Government taken to put in place a positive regulatory framework for offshore wind? Through you, Dr Grimes, wherever you think it is best to go.

Dr GRIMES: Probably Mr Hay is the best person to make any comment on that matter.

Mr DAVID SHOEBRIDGE: Mr Hay?

Mr HAY: It is James Hay. We are still looking at the offshore wind resource and commissioning that. As you are aware, there are five onshore REZs that are substantial, so that is the primary focus of EnergyCo to date, but considering the offshore wind resources is also on that agenda.

Mr DAVID SHOEBRIDGE: Are there plans afoot to extend either the Newcastle or the Illawarra Renewable Energy Zones offshore, at least to the edge of the State limits?

Mr HAY: Not at this point. I think there is a broader question to understand the resource first. We do not want to hold up the existing REZs for that work. There is more work to be done on the nature of deepwater offshore resource, which tends to be the nature of offshore wind in New South Wales.

The CHAIR: We now move to questions from the Opposition. Ms Rose Jackson?

The Hon. ROSE JACKSON: I wanted to ask about smart meters. That might be Mr Hay or Mr Lewis.

Dr GRIMES: Mr Lewis.

The Hon. ROSE JACKSON: Hello again, Mr Lewis. I just want to know how many customers in New South Wales have smart meters at the moment.

Mr LEWIS: Certainly, Ms Jackson. As of September 2021, 962,650 smart meters have been installed in New South Wales, which is approximately 26 per cent of residential and small business customers.

The Hon. ROSE JACKSON: Are you able to give me a breakdown between residential and small business? Perhaps you might have to take that on notice, Mr Lewis.

Mr LEWIS: I am very happy to take that on notice and get that breakdown for you.

Answer:

Based on data provided by the Australian Energy Market Operator, as of October 2021, 979,134 smart meters

have been installed in NSW. Of these, 898,474 are registered to residential customers, 77,134 are registered to small businesses and 3526 are uncategorised. Small businesses are defined by whether the retailer has classified the customer on a small customer business electricity tariff.

The Hon. ROSE JACKSON: Is the department concerned about the pace of uptake of smart meters? As you would be aware, they have been mandatory in Victoria for some time. New South Wales, as well as other States, has been a bit slow in the take-up of smart meters. Is that something that is on your radar as an issue of concern?

Mr LEWIS: It is on our radar, definitely. The framework that is in place in New South Wales and other jurisdictions is a market-led rollout of smart meters, and so we are seeing I think over 20,000 smart meters a month being installed in New South Wales. A lot of that is driven by solar installations, which generally need a smart meter to take full advantage of the solar panels when they are installed, but also the requirement that all new and replacement meters be smart meters is also having an impact on that uptake. Obviously, in recent times, with COVID lockdown restrictions, that has had some impact on, particularly, solar installation and therefore the delivery of smart meters via that process. But certainly we continue to monitor the rollout of smart meters because we recognise the value that they have in providing information to consumers and opportunities that smart meters present to be more efficient and reduce bills as a result of timing, particularly for customers who are on a time-of-use tariff—how they can optimise their energy consumption to take advantage of the lowest tariff options.

The Hon. ROSE JACKSON: Yes, I think that is right. As you have identified, there are a number of benefits to smart meters to the consumer, who is able to better manage their electricity bills, but also obviously more broadly smart meters do contribute to emissions reduction and efforts towards decarbonisation. When you say that it is a market-led rollout, do you mean by that that there are no initiatives from government to promote smart meter take-up or incentivise or do anything to encourage consumers to take up smart meters?

Mr LEWIS: There are no direct financial incentives from the New South Wales Government at this point in time to encourage smart meter uptake, but I understand that, as part of the updated energy security safeguard mechanism, there will be some opportunities for the installation of smart meters to generate certificates if it can be demonstrated that they lead to reduced energy consumption. So again that will be an opportunity for the market to identify the appropriate opportunities under that mechanism to help promote smart meter uptake.

The Hon. ROSE JACKSON: Thank you, Mr Lewis. I wanted to ask about the Kurri Kurri gas plant. That might be you, Mr Hay. I appreciate the Minister's comments on it, but just from the work of the department, where is that project up to in terms of State-based approval mechanisms? Have all of the State-based approvals that are required been provided? Where is it up to?

Mr HAY: Andrew Lewis can also—

The Hon. ROSE JACKSON: I thought you were off the hook there, Mr Lewis, but no.

Mr HAY: The project is progressing well and the intention is that it is operational for the summer in 2023. It was a very well-developed project at the time that the grants were made. It was one of the reasons it was considered eligible to help address, essentially, the closure of Liddell. Sorry, Kurri Kurri. I was thinking about the tunnel—

The Hon. ROSE JACKSON: No, sorry. I appreciate that it is a Federally funded project, but I am just wondering about, first of all, the State-based approval mechanisms. Where are they up to with Kurri Kurri?

Mr HAY: On that one, I will hand to my colleague Mr-Lewis who is sitting to my left.

The Hon. ROSE JACKSON: I wondered if you guys were sitting next to each other. It looks a bit funny here. Mr Lewis?

Mr LEWIS: I will absolutely double-check but my understanding is that the EIS for the project has been on exhibition. The submissions have been made against that process and it is now with the proponent to be responding to the submissions made as part of the EIS process. But I am happy to double-check and provide an update on that. Obviously, the EIS process is managed by the planning and assessments area of the department.

Answer:

I am advised the Kurri Kurri Gas Plant project is currently in the assessment phase with the Planning and Assessment Group at the Department of Planning, Industry and Environment. Upon completion of the assessment phase, a recommendation will be made to the Minister for Planning and Public Spaces.

The Hon. ROSE JACKSON: Yes. Is the New South Wales Government providing any funding for that project?

Mr LEWIS: I am not aware of any New South Wales Government funding for that project.

The Hon. ROSE JACKSON: Has the New South Wales Government done any modelling on expected emissions from that project?

Mr LEWIS: I am not aware of any modelling that has been done by the Government. Similar to the other answers that have been provided, that is something that is required to be included by the proponent as part of the EIS process, and then in the assessment of that EIS by the relevant agencies the modelling of data that has been included will be assessed.

The Hon. ROSE JACKSON: Finally, just on that project, has the New South Wales Government done any modelling on employment growth projected from that project or in any of the employment outcomes allegedly associated with the project?

Mr LEWIS: The area that I am in in the department, we have not done any of that modelling. I [inaudible] for other areas in other departments and clusters that may have looked at some of the economic impacts, but again I believe that is part of some of the requirements that are in the EIS.

The Hon. ROSE JACKSON: Moving on, just briefly, to the Electricity Infrastructure Roadmap, in the road map obviously there was the Aurora research around the impact of the road map on household electricity prices. Has there been any update on that modelling since the road map was approved by the Parliament or is that still the best available modelling?

Mr HAY: That is the best available modelling, at this point.

The Hon. ROSE JACKSON: And do you have any sense of whether household electricity prices are tracking well against that modelling, consistently with that modelling?

Mr HAY: We are seeing, at the moment, wholesale and retail prices tracking downwards there, as was predicted in that modelling. The impact around will be closures of plant and timing of the road map.

The Hon. ROSE JACKSON: I wanted to ask next about solar feed-in tariffs. Obviously you would be familiar with the recommendations of IPART to cut the benchmark tariff rate for solar. Is this you again, Mr Hay and Mr Lewis?

Mr LEWIS: Yes, we are aware of the IPART report and recommendations on the voluntary feed-in tariff levels.

The Hon. ROSE JACKSON: Are you concerned that may have an impact on the uptake of household solar? Is that something that, again, you have done some modelling on or you have looked into?

Mr LEWIS: The greatest benefit from having solar on a household roof is to offset the self-consumption of the household. Any additional revenue that is made available from export is obviously a bonus, and we note that the voluntary price bands that have been identified by IPART have been decreasing. But, as the IPART report outlines, IPART's assessment is based on what the equivalent wholesale electricity price for the solar output is modelled at. If there was to be an artificially high feed-in tariff that was required, that would need to be met by non-solar customers as part of a cross-subsidy arrangement. The solar feed-in tariff that IPART assesses and recommends is based on a like-for-like comparison with what the wholesale price that retailers purchase the equivalent amount of electricity is at in the market.

The Hon. ROSE JACKSON: I appreciate the point that you are making, which is perhaps that the primary benefit is that the household reduces its electricity bills. But that bonus, as you referred to it as, is quite significant for some people, so do you anticipate perhaps a slower uptake of solar once that bonus is reduced or removed?

Mr LEWIS: The prices that we are seeing from IPART do not indicate that a voluntary feed-in tariff would be removed. We do know that retailers quite often offer a feed-in tariff that is above the IPART-recommended benchmark, and they do that for their own customer attraction purposes. Again, it is primarily a market-driven approach as to how retailers structure their tariffs and their offerings for solar customers. We continue to see a strong increase and uptake of solar installations in New South Wales, and we do expect that to continue.

The Hon. ROSE JACKSON: It is a pretty significant thing to just leave to market factors. I appreciate the point you are making, which is that plenty of the retailers do their own thing to attract customers, and that is great. But it is really important for our State emission reduction goals that we have strong uptake of household solar. There are no other plans to incentivise that being worked on?

Mr LEWIS: As I mentioned before, we have the Solar for Low Income Households program, which is particularly targeting current energy rebate recipients—recipients of the Low Income Household Rebate—and allowing those households that potentially would not be able to afford to install solar to help with their bill reductions. That program has recently received a \$50 million increase as part of the COVID recovery measures announced by the Government, so that is just one of the programs where the Government is looking to help promote and increase the uptake of solar energy, particularly for vulnerable and low-income households.

The Hon. ROSE JACKSON: Are households that are eligible in that category able to use funding to access household batteries, or is it just for the panels?

Mr LEWIS: That program is just for solar panels. The value of the Low Income Household Rebate is \$285 per annum. What we are seeing is that customers who take up the offer of the free installed solar system are saving up to \$600. The latest average that I have, which includes the winter months, which is obviously a lower period for solar generation, indicates that the savings are in excess of \$430 per annum. The households that have participated in this program to date are receiving a significantly greater benefit by signing up and participating in this program than they would by just receiving the \$285 Low Income Household Rebate.

The Hon. ROSE JACKSON: Yes, it is a good program. It is important for those individual households and, as I said, for our statewide goals. One of the things that could make household solar even more effective is greater take-up of household batteries so that, at the household level, individuals are able to store that power that is generated during the day and use it at night. But battery take-up is still pretty limited; I have a figure here of 4.4 per cent. I think that is an Australia-wide figure. Do you have a percentage in New South Wales for household batteries?

Mr LEWIS: I do not have a percentage figure. The latest figures that I have seen is that last financial year over 75,000 household batteries were installed in New South Wales, and the New South Wales Government is currently trialling the Empowering Homes program, which does offer interest-free loans for qualifying applicants to be able to install either a battery system or a solar battery system under that program.

The Hon. ROSE JACKSON: And how many loans have been taken up or issued, including for battery use, under that trial or pilot?

Mr LEWIS: Under that program we have over 400 participants at this point in time.

The Hon. ROSE JACKSON: What is the time frame? When does the trial wrap up?

Mr LEWIS: We have recently expanded the trial to include additional local government areas, so we are expecting an increase in those numbers. We continually review the trial to try and optimise the design. One of the matters that has emerged is that at the time the design of the Empowering Homes program was announced, interest rates were higher. A lower interest rate and a greater diversity of low- or no-interest offerings from commercial providers means there is a range of different solutions other than the New South Wales Government program that is available. We are continually reviewing the results and the feedback that we get from participants to understand how we can improve the program.

The Hon. ROSE JACKSON: What are the additional local government areas that were added to the trial?

Mr LEWIS: I will take that on notice and provide the full list, but we did include at least an additional 15 local government areas that it has expanded into.

Answer:

The Empowering Homes pilot was expanded in December 2020 to include the 15 additional local government areas listed below:

- Central Coast
- Newcastle
- Blue Mountains
- Port Macquarie – Hastings
- Tamworth Regional
- Hawkesbury
- Orange
- Bathurst-Regional
- Mid-Western Regional
- Kempsey
- Lithgow
- Cabonne

- Blayney
- Oberon
- Walcha.

The Hon. ROSE JACKSON: That would be useful. Again, just to clarify, the purpose of these trials is, as you say, to test whether these programs work and then presumably either decide that they do not and come up with something else or, if they do, potentially roll them out statewide. Is there a time frame on when those kinds of assessments might be made, so that we can know whether this is a good way to get household battery uptake moving?

Mr LEWIS: As I have mentioned, we review the program on a regular basis based on the feedback that we are getting. There is currently a total of 24 LGAs. The 15 additional LGAs included the Central Coast, Newcastle, Blue Mountains, Lithgow, Cabonne, Orange, Oberon, Port Macquarie-Hastings, Walcha, Bathurst Regional, Mid-Western Regional, Tamworth Regional, Kempsey, Hawkesbury and Blayney.

The Hon. ROSE JACKSON: I just want to clarify—I am sorry to be difficult here, Mr Lewis. Other people in other areas of New South Wales might look at that program and go, "Jeez, that looks like something I'd like to take advantage of. Oh, I can't do that because it's a trial and I'm not currently included." They might want to know when there might be an assessment that, yes, this is working and it is a good program. There is no time frame; you are just rolling on, continually getting feedback. Who is making the decisions about when more areas might be eligible or that kind of stuff?

Mr LEWIS: The department assesses how the program is proceeding and then we make recommendations to the Minister around potential expansion. That is what happened with the expansion into the additional 15 local government areas.

The Hon. ROSE JACKSON: Is there any part of your team's work plan that is about making additional recommendations to the Minister on the rollout of the trial? Is that part of something you have in the works?

Mr LEWIS: Yes, absolutely.

The Hon. ROSE JACKSON: Good news for other people in other local government areas—that is excellent. I just wanted to ask about *A Draft Plan to Save NSW Energy and Money*, which was produced in October 2016. I do not think we ever saw the final plan. Did I miss that, Mr Lewis or Mr Hay?

Mr LEWIS: The release of that document or policy or strategy preceded my time in the department. I will have to take on notice what happened with that one.

The Hon. ROSE JACKSON: It would be useful to know if the draft plan released in October 2016 was ever followed up with the release of a final plan. In the draft plan there was an identified cut to electricity bills of \$17 billion by 2050. I wondered whether that was still the goal or the target, or whether that had been superseded by another goal or target.

Mr LEWIS: As I said, I am very happy to take that on notice. I am not familiar with that program, so I will need to get some further advice. I am not sure if Ms Wilson might have some information on that or not, but I am very happy to take it on notice and get some more information for you.

Dr WILSON: This is Kate Wilson here. I can confirm that a final plan was not released. A number of other programs have superseded that, including of course the electricity restructure, the Electricity Strategy and the Net Zero Plan. But I am not familiar with that figure that you referred to so I will have to take that on notice.

The Hon. ROSE JACKSON: Thanks. It was good to know that I did not miss it.

Dr WILSON: You did not miss it.

The Hon. ROSE JACKSON: Are you able to confirm that—as you said, policy has moved on and New South Wales has moved on—there will be no final plan? Just to confirm, that is not something that you are sitting on, coming out as soon as possible?

Answer:

The NSW Climate Change Fund Draft Strategic Plan was finalised in a series of policy and program decisions between 2017 and 2020.

The Government released the draft plan in November 2016 and then consulted with industry, businesses and

households. The draft plan included a form of energy savings action plans for large businesses.

The Government then announced various packages of energy efficiency and electricity supply programs for households, industry, business, local government and communities. These packages included the Energy Affordability Package 2017; more energy efficiency programs for low-income tenants, for energy intensive manufacturers and for local council-provided street lighting announced in 2018; the 2019 NSW Electricity Strategy; and the 2020 Electricity Infrastructure Roadmap, which is the New South Wales Government's plan that will deliver a reliable, affordable and sustainable electricity system. They also include the energy efficiency programs announced in early 2020 under the Net Zero Plan Stage 1: 2020-2030.

The Government continues to develop and implement energy efficiency programs under the Net Zero Plan.

Dr WILSON: Correct.

The Hon. ROSE JACKSON: That particular plan is going to remain forever in the draft stage.

Dr WILSON: It has been superseded.

The CHAIR: I just want to ask some questions about BINGO landfill, if I can. I think this is a question for Ms Mackey. Has the EPA confirmed that reports of local residents experiencing headaches, breathing difficulties, sore throats and stinging eyes—all of which are symptoms of hydrogen sulphide poisoning—at Minchinbury, Rooty Hill and nearby suburbs, is a result of the nearby BINGO landfill?

Ms MACKEY: We certainly identified that the BINGO landfill was the cause of significant odour between, sort of, March and July, so post the significant rain event in March. We have taken action with them to address the odour that was emanating from the site. There is now an investigation underway.

The CHAIR: What material was causing the odours?

Ms MACKEY: I might get Stephen Beaman to talk to this because his team led the response and they did quite a lot of research around the cause of the odour.

Mr BEAMAN: This is Steve Beaman speaking. Just before I contribute, I just want to say that the odour caused by the landfill was a totally unacceptable impact on the community. I do have to be a little bit circumspect by saying that because this matter is still under investigation. But research we have done, particularly out of the United States Environmental Protection Agency [USEPA], is the significant rainfall event in March introduced excessive water into the landfill mass and there is a breakdown of gyprock. The gypsum in the gyprock breaks down and that produces the hydrogen sulphide. There is some really interesting research out of the USEPA about hydrogen sulphide generation by landfills. We issued a clean-up direction on 23 April and we actually varied their licence. The big change at the site was to have a landfill gas extraction system put in. So 30 wells were put into the landfill mass and the gas is then extracted and burnt through four landfill squares.

As soon as they went in we saw a pretty dramatic reduction in odour complaints. We also conducted 55 of our own odour surveys and had our own odour specialists actually do odour surveys around the community. Something that we had not done before but we did for this situation is we placed hydrogen sulphide monitors around the landfill boundary but outside the BINGO premises and in the community. There are three hydrogen sulphide monitors in the community that monitor hydrogen sulphide levels every 10 minutes continuously. That uploads to our website automatically, really giving the community pretty excellent information around hydrogen sulphide. Once we saw the landfill gas flares go in, we saw those concentrations pretty much all go to zero. In terms of odour complaints, in the last two months, September and October, we only received two complaints in each one of those months. The matter is still under investigation.

The CHAIR: When you said you varied the licence, how did you do that?

Mr BEAMAN: We changed it to add a couple of conditions. One was to actually reduce the size of the tipping face, the area where the active landfilling was occurring. So we did that. We actually removed a couple of different types of waste off their licence to minimise any—what we said is "no odorous waste" to come onto that landfill site. They were the two major licence variations initially in May. Subsequently we have got them to prepare a longer term strategy, which we call a filling plan. What is the strategy and how—because it is actually quite a big hole. It is about six or seven hectares in size. They are preparing a filling plan, a surface water management plan and a longer term landfill gas management plan to make sure that they are actually using best practice to minimise the risk of any odour generation.

The CHAIR: Does that sound like, then, in terms of the licence variation that you changed it, because they never were permitted to receive organic waste? I understand it would have been the receiving of organic waste that would have resulted in hydrogen sulphide odours. Is that the type of licence change you are referring

to?

Mr BEAMAN: No. The organic odours we think came from the building and demolition waste component of it. It comes from the breakdown of the gyprock material in building and demolition waste.

The CHAIR: Right. Just to confirm, you are saying that the hydrogen sulphide odours came out of the breakdown of construction demolition waste, not organic waste.

Ms MACKEY: That is right.

Mr BEAMAN: Yes. It is unusual for those landfills and we have had one or two similar landfills, post that March rainfall, generate hydrogen sulphide. The research that we have done from the USEPA—they publish some excellent research—attributes it to the breakdown of the gyprock and the former gypsum in building demolition waste. The gyprock from a building demolition gets crushed up into small pieces and when you add particular—it needs particular environments for it to generate hydrogen sulphide and one of those is excessive water. So it seems to make sense with the excessive rain we had in March. It was a pretty significant rain event for western Sydney and for most of coastal New South Wales. It was about six or seven weeks later when we saw that hydrogen sulphide issue emanating out from the BINGO landfill.

The CHAIR: I just wanted to go to you, Dr Grimes, and you can see who this can be referred to. If a development is going to have a serious and irreversible impact on, for example, a critically endangered community, what avenues does the department have to reject that development or to put in place measures that prevent the serious and irreversible impact on a critically endangered community?

Dr GRIMES: I think it is probably best to refer to Ms Dumazel to provide you with a summary.

Ms DUMAZEL: The main thing is if it is a serious and irreversible impact and it is going through a local development process, that cannot proceed. If it is, for example, a major project and it is a planning consent through the department, then the impacts—the conservation measures need to be considered as part of that. We would provide the advice then to our planning and assessment colleagues where that might be the case, and then it would be a consideration for the consent authority to determine whether the actions that are proposed are sufficient.

The CHAIR: Previously today I asked about the Mirvac development, the old IBM site at West Pennant Hills. In relation to that Mirvac development, senior officers within EES said development consent cannot be granted to proposals which impact on serious and irreversible impact entities, which was in relation to Blue Gum High Forest trees. Are you aware of that, Ms Dumazel?

Ms DUMAZEL: I would have to take that one on notice. I do not have the particulars for that one. I will have to take that one on notice.

The CHAIR: That is fine. Taking it on notice is good.

Answer:

Under Section 7.16(2) of the *Biodiversity Conservation Act 2016*, a consent authority must refuse to grant consent under Part 4 of the *Environmental Planning and Assessment Act 1979*, if in the opinion of the consent authority the proposed development is likely to have serious and irreversible impacts on biodiversity values.

I am advised that on 15 September 2021, the Hills Shire Council Local Planning Panel, as the consent authority, granted conditional consent to the development application for the demolition of existing buildings and ancillary structures, associated vegetation clearing and other associated works at 55 Coonara Avenue, West Pennant Hills. This is the former IBM site, and the development applicant is Mirvac Projects Pty Ltd. The panel was satisfied that the development is unlikely to result in a serious and irreversible impact on the Blue Gum High Forest or on the Sydney Turpentine-Ironbark Forest.

This is another question around the biodiversity assessment methodology, potentially for Mr Elton and maybe for one of the officials at the table. This is in relation to the Mirvac/IBM development again, because a lot of community are very concerned about what is actually going to be cleared for that development on that site. I understand that the biodiversity assessment method recommends that some of the measures for mitigating impacts on resident fauna include that you can mitigate in terms of the timing of works to avoid critical lifecycle events—for example, breeding and nursing. But often demolition and destruction of native habitat happens during cycles of breeding and nursing.

On the Mirvac site, the avoidance of clearing 1,253 trees in spring was not included in the biodiversity development assessment report, nor was it included in the local planning panel's condition of consent. We hear that Mirvac is going to start felling the trees in mid-November, where hundreds of native wildlife are currently breeding on the site. They will likely be destroyed, according to the local community who is monitoring that site

very closely. Is there anything that the National Parks and Wildlife Service can do to prevent the destruction of this number of trees in West Pennant Hills at a time when much of the wildlife that use those trees will be breeding in those trees?

Mr KNUDSON: If I may, I think your question, in effect, is going to involve our planning colleagues as well as the experts within the department. Understanding what the conditions that were put in place by planning, in effect, and what of those conditions might go to the issue that you are talking about would be important for us to dig into. If it is agreeable, picking up on Ms Dumazel's point, I think we can come back on notice about what are the avenues available. Further to the point, we will pick this up with planning as soon as possible after this hearing just to understand so that we are not waiting for a formal process of getting back to you on questions on notice. That is my undertaking to you that we will proceed on this with planning.

Answer:

The Department of Planning, Industry and Environment's Environment, Energy and Science Group (EES) has reviewed the conditions of consent for the Mirvac/IBM development. Relevant conditions include the retirement of credits to offset impacts to biodiversity values, protection of existing trees and native vegetation not approved for clearing, and the replacement of 60 advanced size trees elsewhere on the site. EES has contacted the Hills Shire Council, which confirmed it is overseeing on-site compliance with the conditions of consent.

Before any works commence on site, a project ecologist is to be appointed and a fauna management plan prepared and approved by council. The plan must include details on pre-clearance surveys, fauna protection, rescue and relocation and installation of fauna nest boxes and timelines. While the conditions do not include details of when the vegetation should be cleared, the timeframes for these actions must be included in the fauna management plan. Council has advised that the fauna management plan has not yet been received for review and approval.

Mr FLEMING: Chair, can I also just clarify something on the record? I think you just asked whether there was anything National Parks and Wildlife Service could do but it is not a national park we are talking about, so the answer is nothing.

The CHAIR: Sure. Thank you. Mr Field.

Mr JUSTIN FIELD: Mr Fowler, just to come back to where we were in my last round, could you confirm if there was any information in that data drop that you got from LLS about the volumes of timber removed from private native forestry operations?

Mr FOWLER: Not that I am aware of.

Mr JUSTIN FIELD: So we are unlikely to have information that historically, whether it was to go to the EPA or LLS, was supposed to be reported annually by PNF approval holders? Is that correct, Ms Mackey?

Ms MACKEY: That is correct. We should clarify that while there may not have been any in that delivery of data, over the last 12 months I believe we have received seven reports from five properties.

Mr JUSTIN FIELD: That would be substantially less than the number of private native forestry approval holders?

Ms MACKEY: Correct. We understand there has probably been around 1,000 PNF activities that should have been reported.

Mr JUSTIN FIELD: I suspect we might want to get this resolved before you finalise the review of the PNF code, Ms Mackey.

Ms MACKEY: We will keep working at this one.

Mr JUSTIN FIELD: When I spoke to the Minister this morning, I asked some questions about the production of hydrogen via biomass. He seemed to give an indication that there would be some regulatory barriers that might be looked at to prevent that from happening, and he pointed to you. Could you just give us a bit of an idea of what you are planning here?

Ms MACKEY: We are certainly working up advice for the Minister along the lines that he suggested to make sure that the regulatory arrangements in place are quite clear about what should and should not be allowed to be used for the production of energy.

Mr JUSTIN FIELD: Has there been any policy position taken or is it your view that native forest biomaterial should be prevented from being able to be used in the production of hydrogen in New South

Wales?

Ms MACKEY: We will not have a policy view; the Government will. We are providing advice to the Government presently.

Mr JUSTIN FIELD: The Minister seemed to suggest that green hydrogen production would only occur through electrolysis provided by renewable energy. Of course, there is the Verdant proposal in the Hunter, which describes itself as renewable energy—one million tonnes of mostly native forest biomaterial. I might suggest you erred this morning in suggesting the Land and Environment Court was making a decision about who would be the consent authority around it; it is actually making a decision on the modification proposal. I ask again: Have you considered joining that? Does the EPA have a view on the proposal, given the substantial amount of native forest biomaterial that that plant would consume?

Ms MACKEY: I might ask Ms Chang to provide a response because she has been in the detail of this one.

Ms CHANG: Thank you. Nancy Chang here. We are not party to those proceedings. However, in order for that amendment to be made because it requires an EPL variation it would need the support of the EPA and the EPA will consider the current regulatory frameworks that apply to biomass.

Mr JUSTIN FIELD: Obviously the current regulatory framework has so many loopholes in it that it allows timber coming from both private native forestry and CIFOA operations to be used, so I am trying to understand what sort of process you go through to work out whether that is acceptable or not.

Ms MACKEY: What will be acceptable in terms of any policy change will be a matter for government. Obviously we have been doing quite a bit of work in the biomass space, and we are sharing that with the Minister at the moment for government to be able to consider the policy position.

Mr JUSTIN FIELD: I am not asking you to consider or change the policy position. The policy, as in the regulations, allows for that material to be burnt for electricity. What are your considerations when it comes to a licence variation here? If the consent authority, the Land and Environment Court, says, "Yes, modification approved, tick—million tonnes a year of biomaterial," what powers do you have to stop that under the current regulatory environment?

Ms MACKEY: I might ask Nancy Chang to answer that one.

Ms CHANG: Thank you. Nancy Chang here. In terms of the current regulatory framework, we need to make sure that the current regulation prescribes that the production of wood from native forest for electricity is not allowed. So you cannot source wood from a native forest for the purposes of producing electricity. The only time biomass can be used for energy recovery is if it would otherwise go to landfill or be burnt in situ. So this is in line with also the higher order use that is in the current regulation as well.

Mr JUSTIN FIELD: I am sorry, Ms Chang, that is not true. There is an exemption for timber, including pulp logs and other heads that would be left on the forest floor under CIFOA operating conditions or PNF, that can be used. There is a clear exemption in the regulation, is there not?

Ms CHANG: There is an exemption for that only after having considered whether it could be used for other—and so the best use and higher use needs to be considered first, including leaving it on the forest floor [disorder].

Ms MACKEY: Which is considered to be a best and higher use than using it for energy production.

Mr JUSTIN FIELD: I will have some further questions on that.

Mr DAVID SHOEBRIDGE: I do not know if you had an answer on the South Brooman forest prosecutions. It was that there is only one outstanding investigation. Is that the situation, Ms Dwyer? There is one outstanding investigation which you are going to have an answer for by the end of the year. Is that right?

Ms DWYER: What I said was that the investigation for South Brooman is complete and we are currently considering the most appropriate regulatory response for the findings of those investigations. But, yes, that will be completed by the end of the year.

Mr DAVID SHOEBRIDGE: How many breaches were considered that are the subject of that investigation?

Ms MACKEY: It would not be appropriate for us to canvass the breaches because part of the consideration process at this pointy end is what is the regulatory action. We have got our prosecution guidelines so if that is one of the paths we want to take there is, as you would be aware, the basis upon what we would consider what those breaches are.

Mr DAVID SHOEBRIDGE: How many incidents are the subject of that investigation?

Ms MACKEY: When you mean incidents—

Mr DAVID SHOEBRIDGE: There was a series of reported breaches. There was a series of stop-work orders that were issued. Is the investigation covering all of the stop-work orders?

Ms MACKEY: There was only one issued in South Brooman in terms of the stop-work order. Ms Dwyer might want to talk to the scope of the investigation.

Ms DWYER: I can clarify that there are actually two investigations for South Brooman. I think, Mr Shoebridge, it goes to your concern about, "Are all matters being investigated?" Yes, all matters that have been raised with the EPA are being investigated, and for both of those matters, we should have our regulatory decision by the end of the year.

Mr DAVID SHOEBRIDGE: Moving on to another matter, and again it is probably to you, Ms Mackey, what work has been done, if any, to assess the impact of microplastics generated from the installation of synthetic playing fields across New South Wales?

Ms MACKEY: Planning has been leading on that work, but I know Mr Fowler from our point of view has been engaging in that so he might be able to help.

Mr FOWLER: Most certainly. Our technical people within the organisation have been engaged on the early stages of the work undertaken by Planning. Planning has recently released its report looking at the risks and protection mitigations to those risks, and Planning will be working with local government, which has approval role around synthetic grass.

Mr DAVID SHOEBRIDGE: What about the role of the EPA? I would like you to specifically address the role of the EPA in considering microplastics coming from the field, given that action 5 of the NSW Plastics Action Plan is reducing the risk of nurdles entering the environment.

Ms MACKEY: Planning is in the final stages of a study to look at all of the risks associated, including possible water pollution and so forth. It has not yet been finalised so once it is, we will certainly be looking closely at it and determining whether or not there are other steps we need to take.

Mr DAVID SHOEBRIDGE: But it is not planning that has the lead on the NSW Plastics Action Plan; it is your department. Are you saying that the department's position is that this critical action under the action plan has all just been handed over to Planning?

Ms MACKEY: No, absolutely not, but there is significant work underway which will be quite helpful for us to determine what are the appropriate steps for us to take. We are waiting for that study to be finalised.

Mr DAVID SHOEBRIDGE: What is happening in regard to action 5 in the action plan? Half a million dollars of public money is being spent to try to prevent nurdles going into the environment; meanwhile, nothing is being done to prevent the rollout of synthetic fields, which are each pumping hundreds of kilograms of that same plastic waste into the environment every year. Dr Grimes, how are those two things happening simultaneously?

Ms MACKEY: I think there is a sequencing issue in terms of the Waste and Sustainable Materials Strategy and the plastics plan recently being released. The implementation work on both of those is well progressed across both EES and EPA. I am sure Kate Wilson can assist in terms of the particular actions, but—

Mr DAVID SHOEBRIDGE: My question was to Dr Grimes. Dr Grimes, you are responsible for this multi-headed hydra. On the one hand you are putting half a million dollars of public money to try to stop nurdles going into the environment, but on the other hand you are doing nothing about preventing, for each synthetic field, 800 kilograms of the same pollution entering the environment every year. How are those two things happening at the same time under your watch?

Dr GRIMES: As Ms Mackey was suggesting, perhaps Dr Wilson might be able to give us some further information on this.

Dr WILSON: Mr Shoebridge, it is as Ms Mackey said. The Plastics Action Plan that you referred to was released alongside the Waste and Sustainable Materials Strategy in June this year, and we are currently in a bridging year when we are planning out what action we can do. We are working very closely with colleagues in the EPA, particularly Ms Nancy Chang and her staff, and the actual implementation will start from the next financial year. You are correct that we are not far down the track in implementing that, but that is because it is a recently announced policy and the funding actually commences from July 2022.

The CHAIR: The last few minutes will be for questions from the Hon. Penny Sharpe.

Mr DAVID SHOEBRIDGE: I just wanted to get "nurdles" into *Hansard*.

The CHAIR: You got it.

The Hon. MARK PEARSON: You got it; all of them.

The Hon. PENNY SHARPE: The new 25-metre boundary clearing code allows the removal of vegetation along fence lines and the code is based on self-assessment by landholders. What role does EES have in monitoring how the 25-metre code is being used?

Dr GRIMES: Mr Knudson, or one of his officers, would probably be best placed to respond to that question.

Mr KNUDSON: Sure, and I will turn to Ms Dumazel in a second on this. But one thing I would highlight is that it does allow for clearance of vegetation within 25 metres of the landholder's boundary without assessment or approval. The code does, however, exclude a number of key environmental attributes. Those include certain threatened species, areas of outstanding biodiversity value, mapped critically endangered ecological communities and core koala habitat as identified in a koala plan of management. But in terms of the specifics about what our role is—

The Hon. PENNY SHARPE: Before you go to Ms Dumazel, can I follow up directly?

Mr KNUDSON: Sure.

The Hon. PENNY SHARPE: It is self-assessed. Who is in charge of monitoring those decisions?

Mr KNUDSON: I think that will come to my next point that I will turn to Ms Dumazel on.

Ms DUMAZEL: From our perspective, and I might need to hand over to Dr Kelly or Ms Molloy as well, given the nature of the clearing, because it is quite linear, it will be identifiable in satellite data and we should be able to see that through our early change monitoring program as well. So we will be monitoring that to see what is going on and we will be working very closely with our colleagues in Resilience NSW in terms of the ongoing operation of this particular code.

The Hon. PENNY SHARPE: Just to be clear, there are no boots on the ground monitoring the impact of this clearing; it is just going to be caught up after the fact?

Mr DAVID SHOEBRIDGE: Maybe.

The Hon. PENNY SHARPE: Can anyone tell me whether there is anyone who is actually going to be walking along that fence and seeing what is being cleared?

Dr GRIMES: I am not aware of there being boots on the ground. But if we have got any boots on the ground, surely one of our officers will advise that now.

The Hon. PENNY SHARPE: For example, going to Mr Fleming on this, a lot of properties border national park. There is quite a lot of discussion about national parks and those kinds of things. You do not have a lot of people on the ground, but looking at fencing, is there any way other than just observing it that you would be reporting concerns that you have with clearing that is happening on your boundary line in relation to threatened species, for example?

Mr FLEMING: I think our staff, if they were out in the field and saw clearing that they were concerned about, would report that, yes.

The Hon. PENNY SHARPE: Who would they report that to?

Mr FLEMING: The environment line or if they are working closely with colleagues across EES, they may mention it to their colleagues in EES. But the environment line is how most things are reported.

Mr KNUDSON: I do not want it to be left with the impression that there is no observation going on, so Dr Kelly can you give a quick response on that and then if Ms Molloy can add anything.

Dr KELLY: Yes, I would like to comment on our technology improvements. We use multiple satellite platforms and we can actually use the European Space Agency to provide weekly high-resolution images and we combine that with other satellite providers to get daily images at high resolutions. So as Ms Dumazel pointed out, we will pick that up in the linear fashion. However, change monitoring can deploy these satellites to any particular area within the State, so it can pick this up in a matter of weeks or days to alert us to any variant not in line with the code which was released by RFS under the RFS Act. So these techniques will allow us to detect both woody and non-woody clearing in this linear fashion in a very timely way.

The Hon. PENNY SHARPE: Thank you, that was actually extremely helpful and quite exciting if we are able to watch it that closely. My question, though, remains: Are we just watching it being cleared? Where is

an intervention if you are concerned that there is a whole strip of core koala habitat being ripped out?

Dr KELLY: The colleagues who monitor the satellites work very closely with our compliance colleagues. I will ask Ms Molloy, because she looks after compliance colleagues.

The CHAIR: Ms Molloy, are you answering that? I think you might be on mute. Otherwise, we are over time.

The Hon. PENNY SHARPE: I will pursue this on notice.

Dr GRIMES: I think it was pretty clear where the answer was going, that the matter would be referred on to our compliance officers and they would assess and then take relevant action.

Mr DAVID SHOEBRIDGE: But no reference to threatened species habitat.

Dr GRIMES: Well, indeed, they would be—

The CHAIR: Thank you to all of the government officials who have spent the entire time with us today, particularly those who did so virtually. It was nice to do it in person, because we know how exhausting it is to do it virtually all day. Thank you very much for joining us. The secretariat will be in touch about the questions that you took on notice and any supplementary questions.

(The witnesses withdrew.)

The Committee proceeded to deliberate.