

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

**Wednesday, 10 March 2021**

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

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

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**The Committee met at 09:30**

### **MEMBERS**

The Hon. Tara Moriarty (Chair)

The Hon. Robert Borsak (Deputy Chair)

Ms Abigail Boyd

The Hon. Wes Fang

Mr Justin Field

The Hon. Ben Franklin

The Hon. Rose Jackson

The Hon. Trevor Khan

The Hon. Mark Latham

The Hon. Daniel Mookhey

The Hon. Peter Primrose

Mr David Shoebridge

### **PRESENT**

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

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

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

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



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**The CHAIR:** Welcome to the public hearing for the inquiry into budget estimates 2020-2021 initial hearings. Before I commence, I would like to acknowledge the Gadigal people, who are the traditional custodians of this land. I would also like to pay respect to the Elders past, present and emerging of the Eora nation and extend that respect to other Aboriginals present. I welcome Minister Ayres and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Jobs, Investment, Tourism and Western Sydney.

Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I would also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat. All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018.

There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In those circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Minister Ayres, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. We expect that transcripts of this hearing will be available on the web from tomorrow morning. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing. Witnesses need to be sworn in before giving evidence. Minister Ayres, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. I remind Ms Curtain and Mr Draper that you do not need to be sworn as you have been sworn in at an earlier budget estimates hearing before this Committee.

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**STEVE COX**, Chief Executive Officer, Destination NSW, affirmed and examined

**SARAH HILL**, Chief Executive Officer, Western Parkland City Authority, sworn and examined

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

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

**The CHAIR:** Today's hearing will be conducted from 9.30 a.m. until 12.30 p.m. with the Minister and from 2.00 p.m. to 5.00 p.m. with the departmental witnesses, with questions from Opposition and crossbench members only. If required, an additional 15 minutes is allocated at the end of each session for Government questions. As there is no provision for any witnesses to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

**The Hon. DANIEL MOOKHEY:** Thank you, Chair. Greetings to you, Minister, and greetings to your officials as well. Thank you for joining us this morning.

**Mr STUART AYRES:** It is good to be here.

**The Hon. DANIEL MOOKHEY:** I am sure it is. Minister, did you tell the transport department to acquire 26 hectares of land to build a train station at Orchard Hills?

**Mr STUART AYRES:** Sorry, say that to me again.

**The Hon. DANIEL MOOKHEY:** Did you tell the transport department to acquire 26 hectares of land at Orchard Hills for the purposes of a train station and other developments?

**Mr STUART AYRES:** No.

**The Hon. DANIEL MOOKHEY:** When did you first learn that the transport department was embarking on that course of action?

**Mr STUART AYRES:** When it published the documentation that was made public as part of the consultation process around the delivery of that project. I think it was in an environmental impact statement.

**The Hon. DANIEL MOOKHEY:** Why were you not consulted about that prior to the transport department publishing it?

**Mr STUART AYRES:** Sydney Metro is delivering that project. I think it is important that everyone gets access to the same information, so I do not actually have a problem with that. I have no issue with them being able to go through their process of public consultation.

**The Hon. DANIEL MOOKHEY:** Is any of that land being used for the Western Sydney Parklands?

**Mr STUART AYRES:** For the Western Sydney Parklands?

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr STUART AYRES:** Any land acquired by Sydney Metro would be for the purposes of delivering a transport project.

**The Hon. DANIEL MOOKHEY:** Are you in discussions with Sydney Metro about transferring any of that land to the Western Sydney Parklands after the conclusion of the construction of that station?

**Mr STUART AYRES:** To the authority?

**The Hon. DANIEL MOOKHEY:** Yes, sorry.

**Mr STUART AYRES:** No.

**The Hon. DANIEL MOOKHEY:** So, as the western Sydney Minister, you are telling us that the first you learnt about this was when you read it in a newspaper. Is that effectively what you said?

**Mr STUART AYRES:** No, I said when the publications for the community consultation documents were published online and released publicly.

**The Hon. DANIEL MOOKHEY:** Sorry, so the first time you heard about it was when it was published online, not in a newspaper?

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

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**The Hon. DANIEL MOOKHEY:** It never occurred to you perhaps to pick up the phone to the Minister and go, "Hey, why are we acquiring 26 hectares of land?"

**Mr STUART AYRES:** No. I think it is fair to say that the Sydney Metro is delivering a transport project that links the St Marys area or the T1 western line with the aerotropolis core. It is a critical State infrastructure project. It is critical for the long-term prosperity of western Sydney. We had announced publicly where train stations were going to go. When we made that public, off the back of that the appropriate community consultation documentation was released. You do this so that you remove the risk around property speculation. That documentation going out publicly and transparently I think is a good process.

**The Hon. DANIEL MOOKHEY:** Did it ever occur to you to ask why the Sydney Metro authority was acquiring 26 hectares in Orchard Hills but only acquiring 1.5 hectares in Westmead?

**Mr STUART AYRES:** It may have occurred to me had I seen the documentation before it was made public, but I do not see any reason why I would have been shown that documentation. This is Sydney Metro delivering a project.

**The Hon. ROSE JACKSON:** Does it occur to you as odd now that you know that fact—that 26 hectares of land is being acquired at Orchard Hills and a considerably smaller amount is being acquired at Westmead? Now you are aware of that, are you bothered by that?

**Mr STUART AYRES:** Sydney Metro has indicated why they are purchasing that land. They say it is for the construction of the project. It includes construction compounds. It includes a lot of things that are required for the delivery of that project. It is not far from tunnel portals. But Sydney Metro has to be able to justify the use of that land. The just terms compensation Act, which I am sure many people around this table are familiar with, says that land can be acquired for public purpose, and as long as Sydney Metro is using that Act appropriately, they have to justify why they are using more land than what has been used in other locations. But I think that is something that Sydney Metro has to be able to justify.

**The Hon. DANIEL MOOKHEY:** Minister, you are aware that this is creating tremendous anxiety and uproar in the community of Orchard Hills?

**Mr STUART AYRES:** I am absolutely aware of that. I have spoken to many of the local residents.

**The Hon. DANIEL MOOKHEY:** And you are aware that is because these people, who have worked very hard to buy their land, are about to lose it in a compulsory acquisition? Are you aware that that is their concern?

**Mr STUART AYRES:** Yes, I think everyone is very aware that their land is being compulsory acquired, yes.

**The Hon. DANIEL MOOKHEY:** And you are aware that none of them feel like they have been treated fairly by Sydney Metro?

**Mr STUART AYRES:** Are you saying that they would like more money?

**The Hon. DANIEL MOOKHEY:** No, I am saying that none of them feel like—are you aware that none of them feel like they have been treated fairly by Sydney Metro?

**Mr STUART AYRES:** I think that there are lots of—in fact, I could say with a strong degree of confidence that all of the residents who are closely aligned to that Orchard Hills train station and the land acquisitions associated with it have got question marks over whether they are being paid an appropriate value for their land. But I think it is also important to recognise that Sydney Metro, through the acquisition, is following the arrangements of the just terms compensation Act.

**The Hon. DANIEL MOOKHEY:** Do you share the residents' concerns that their land is being undervalued?

**Mr STUART AYRES:** I think it is important that we talk about value in the way that we answer this question. The just terms compensation Act requires the Government or the acquiring entity to use the existing zoning of the land, so that is the valuation that the Valuer General would start with as an existing point for where valuations would be established. Other valuation activity will be sale of properties in the surrounding areas. I think the real challenge that exists here is that the local residents believe that the area around the Orchard Hills station will be used for alternative or for different uses. They think it will have a higher density, except they do not have the zoning to reflect that right now. So that presents a challenge for them. It presents a challenge for the Government as well about how you determine value on the existing zoning.

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**The Hon. DANIEL MOOKHEY:** I appreciate the context, Minister, and it is helpful. But my question was: Do you share the concern of the residents that their land is being undervalued?

**Mr STUART AYRES:** I do not think their land is undervalued when you are using the parameters of the just terms compensation Act and also the Valuer General. I have seen multiple news reports where members of the Opposition and the public have questioned whether the Government has paid too much or various governments have paid too much money compared to the land value as determined by the Valuer General. In this circumstance, the fairness that local residents are asking for is for a payment that will be significantly higher than what their current land zone is worth.

**The Hon. ROSE JACKSON:** Surely, Minister, you accept that the land around the metro station is going to be worth considerably more once it is rezoned? Someone is going to capture that value.

**The Hon. DANIEL MOOKHEY:** And make millions.

**The Hon. ROSE JACKSON:** Right now it is the Government that is doing that at the expense of these local residents who have built their lives there. You are going to take that value—

**The Hon. TREVOR KHAN:** Point of order: There was a question asked at the start and then there was essentially a series of statements made. So I take the point of order that this is budget estimates where questions are asked. The question has been asked by the member. She should now hand it to the Minister to answer the question that she posed.

**The CHAIR:** It would be better for everyone today if we just have questions followed by answers followed by questions. But to be fair to the member, I think she was finishing the question, and when she has done the Minister can answer.

**Mr STUART AYRES:** I fully expect that this will be a topic of conversation today and there is a lot of emotion that is associated with this. I have had many emotional conversations with local residents about how this works and the impact it is having on their families and on their lives. There is, I think, a serious question about whether the just terms compensation Act is fit for purpose when it comes to, particularly, greenfield development sites. The challenge here is presented—if you were to make a comparison with another site where the zoning around transport is well known or the uplift is more easily understood. In a greenfield development site, where this Government and I would argue very strongly for the first time in western Sydney we are putting in the infrastructure before the houses arrive so that we can shape that city and shape the economic and social opportunity, that will present some challenges around the existing rezonings.

I have sympathy for the residents on one side of the ledger who can see that their community around them is going to change. In fact, one of the things that these residents say to me consistently is that they like what the Government is doing in relation to the delivery of infrastructure, they like the fact that there is forward planning; they just want to make sure that they are getting value that is associated with that forward planning. Ms Jackson, you used a term about capturing value. The just terms compensation Act requires the acquiring entity—which in this case is Sydney Metro—to use those existing zonings. There is some degree of flexibility here but if this was in another situation—and I have seen this in the past 12 months where members of the Opposition have accused the Government of paying much more than what the Valuer General has said the land exists for, but that is because of a change in zoning, so—

**The Hon. DANIEL MOOKHEY:** Minister, you would agree that it would be unconscionable for the Government to profit from rezoning the land you have forcibly acquired off Orchard Hills families; is that correct?

**Mr STUART AYRES:** The just terms compensation Act makes it very, very clear that you cannot acquire land for the purposes of profit.

**The Hon. DANIEL MOOKHEY:** Yes, but that is not my question. My question is, Minister: Would you agree that it would be unconscionable for the Government to profit from rezoning the land after you have taken it off the Orchard Hills residents in a compulsory acquisition process?

**Mr STUART AYRES:** So you are expressing an intent that the Government wants to profit off land. The Government cannot acquire land for the purposes of profit.

**The Hon. DANIEL MOOKHEY:** Yes, but, Minister, is the Government acquiring this much land using the current zoning because it is the only way you can pay for that train station at Orchard Hills?

**Mr STUART AYRES:** No, I think that, self-evidently, Sydney Metro is saying that that land needs to be acquired for the purposes of delivering that infrastructure. I think there is a harsh reality here that if the belief is that that is not the case, then I do not think this estimates hearing, nor me, nor anyone sitting here, nor the Parliament can actually determine that. That would be for a court to determine whether Sydney Metro is acquiring

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land for the purposes of profit. At the moment they are acquiring land because they say very, very clearly that they need to acquire that land for the purposes of delivering infrastructure. Now, if that needs to be contested—

**The Hon. DANIEL MOOKHEY:** Minister, how many meetings have you had with Sydney Metro?

**Mr STUART AYRES:** Have I had with Sydney Metro?

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr STUART AYRES:** I would have to go back and check my diary.

**The Hon. DANIEL MOOKHEY:** Have you had one meeting?

**The Hon. TREVOR KHAN:** Point of order: There have been repeated interjections, essentially, Chair, as the Minister is answering the question. He has rolled with the punches but Mr Mookhey knows that—

**The Hon. DANIEL MOOKHEY:** I accept that.

**Mr STUART AYRES:** I do not know the exact number. I have had a number of meetings with Sydney Metro, primarily about the alignment of the rail corridor and the location of the train stations. I have not had any detailed discussions with Sydney Metro about the land that they are acquiring or they have proposed to acquire for the purposes of delivering that. I am aware of what it is because it is publicly available, but I have not had any detailed discussions with them about it.

**The Hon. DANIEL MOOKHEY:** So to the extent to which you are making comments today, it is based on publicly sourced information, not any specific meeting you have had with Sydney Metro?

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

**The Hon. DANIEL MOOKHEY:** You have said that you have met with the residents, that you share aspects of their concerns, but you have not actually met with the authority that is inflicting this trauma on them. Do you not think perhaps you should have?

**Mr STUART AYRES:** I have not met with the authority. They are going through their own process around acquisitions and engagement with the community. I have no doubt in saying that I have spoken with Minister Constance to say that this is an issue that is causing considerable concern. I have flagged that with him; he is aware of that. This is a very, very challenging issue. We are acquiring land in an area that is rapidly changing on zonings. Without wanting to pre-empt where this—in fact, I will pre-empt where this inquiry will go: We will probably talk about areas further south where we have rezoned land and that changes the value of land and that also then changes the way in which rates are paid and also the way in which acquisitions for public purpose take place. I think the fundamental issue here is that residents do not believe—let's call a spade a spade—that Sydney Metro needs all of that land to deliver the project and so they are concerned that there is a capturing of value that is not within the legal framework that is available.

**The Hon. DANIEL MOOKHEY:** Well, Minister, that is one of their concerns—that Sydney Metro is acquiring way more land than they should. The other concern that they have is that Sydney Metro is not negotiating with them in good faith under the Act, that Sydney Metro is not taking advantage of the first half of the Act, which you did not describe, which allows them to reach a commercial negotiation settlement before the Valuer General reaches a determination. In fact, their view is that Sydney Metro is waiting them out to force it to the Valuer General, who would have to make the valuation on the basis of the just terms Act on its highest best-use principle, as opposed to entering into a negotiation with them to reach a fair value. Have you taken any steps to tell Sydney Metro, "Let's not send this to the Valuer General. Let's actually reach a proper outcome"? There are only 16 homes here—well, there are many others but these are the 16 that are most agitated. Surely you could have said to Sydney Metro, "Hey, can you not just go and talk to these 16 families and make sure they are not being done over"?

**Mr STUART AYRES:** I have had that engagement with Minister Constance—

**The Hon. DANIEL MOOKHEY:** What did he say?

**Mr STUART AYRES:** —where I have said to him that this is an issue where you have the opportunity to negotiate. My understanding is that Sydney Metro continues to do that, that they are in negotiation with the individual landowners and they are following the framework that is set out by the just terms compensation Act.

**The Hon. DANIEL MOOKHEY:** When did you have the conversation with Minister Constance?

**Mr STUART AYRES:** Maybe eight or 10 weeks ago.

**The Hon. DANIEL MOOKHEY:** Right. So nothing substantially in the last week or two weeks?

**Mr STUART AYRES:** No.



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

**Mr STUART AYRES:** I think this issue has got lots of public attention and I do not think Minister Constance need any—

**The Hon. DANIEL MOOKHEY:** Well, perhaps—

**The Hon. TREVOR KHAN:** Let him finish.

**The Hon. DANIEL MOOKHEY:** Sorry.

**Mr STUART AYRES:** I am the Minister for Western Sydney and a resident in this local area. I spoke with Andrew, as I think any reasonable person would expect me to do, to say that this is an issue that is going to continue to become—or is—traumatic and we need to treat people with compassion, and we need to ensure that the capacity for the negotiating parameters of the just terms compensation Act are utilised. He assures me that that is what is taking place and I have no reason not to believe him.

**The Hon. DANIEL MOOKHEY:** Sure. These residents want to make sure that Claremont Meadows, which is 500 metres away from their homes, is included in the valuation area. So far, Sydney Metro is not including it. The reason is because Claremont Meadows is valued as residential and their land is valued as rural. It is 500 metres. They want to return to the same community. Do you agree that Claremont Meadows should be the benchmark to ensure that these people are getting fair value? You know this area very well, Minister.

**Mr STUART AYRES:** Claremont Meadows is just one of many locations.

**The Hon. DANIEL MOOKHEY:** That is the one they are asking for.

**Mr STUART AYRES:** Yes, and if the valuation framework that allows for value to be captured here, value to be recognised, so that fair compensation can be paid—I do not know the legal framework around how far that can be reached but what I would say, though, is that it does make it very clear that existing zonings are the basis on which valuations are determined. Quite clearly, what you are presenting is an attempt by the residents to identify another suburb. It is on the other side of the M4 Motorway, so there is a clear separation and community of interest. It makes logical sense that any community trying to extract more value in the compulsory acquisition process would identify the nearest suburb. I think they are just doing what any normal person would look to try to do.

**The Hon. DANIEL MOOKHEY:** Sure, Minister, but their principle is that they want to return to the area that they have lived in for their entire lives. We are talking about a 70-year-old couple here who have growing health concerns. It is not a small concern for them to want to be close to their doctors and their community of support. You make point that Claremont Meadows is—you are deliberately describing it in the evaluation process where I am asking you about in the negotiation process. Have you taken any steps to make sure that Claremont Meadows is being used as part of the benchmark in the negotiations that Sydney Metro is doing, not the Valuer General process? There is quite a difference and you know that. The residents want Claremont Meadows in the benchmark for the purpose of their negotiation with Sydney Metro. Are you taking any steps to see whether that takes place and do you think they are wrong to ask?

**Mr STUART AYRES:** No, I do not think they are wrong to ask but I think it might fall into a case of be careful what you wish for, because Claremont Meadows is a traditional western Sydney detached subdivision suburb. If you are using that valuation against rural property that is across much larger sites—many of the landowners in the Orchard Hills area are on five, 10 or 20 hectares. I think the idea of using residential value to apply that across to Orchard Hills might in fact be actually undervaluing against what they might have as a future zone, which is actually the reason why the just terms compensation Act asks you to use the zoning that exists. Because the very principle that you are proposing there is to speculate on what a future government would do, perhaps—

**The Hon. DANIEL MOOKHEY:** No, it is their speculation about the intentions of your Government—not a future government, the intentions of your Government around rezoning the land and putting towers and commercial properties on 26 hectares that have been forcibly acquired from them. Let us be clear. That is their concern.

**Mr STUART AYRES:** I am a pretty practical speaker and if that is what you think the Government's intention to rezone is, the last thing I would want to do, if I was a property owner in Orchard Hills, is have my land zoned and valued at what is at Claremont Meadows.

**The Hon. DANIEL MOOKHEY:** No, Minister, their point is your Government is not acting in good faith and your Government is intending to profit.

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**Mr STUART AYRES:** Sorry, you just made it very clear—

**The Hon. DANIEL MOOKHEY:** No, you are not listening to the question.

**Mr STUART AYRES:** I get a chance to respond—

**The CHAIR:** Just let him finish the question and then, absolutely, you will get a chance to respond.

**The Hon. DANIEL MOOKHEY:** Minister, the concern is not with the intentions of a future government. It with the intentions of your Government right now, that you are intending to forcibly acquire their land, undervalue it and then profit from its sale. Feel free to directly address the residents' concerns.

**Mr STUART AYRES:** Let us be clear. You made a very clear statement about rezoning land and creating higher density residential or higher density uses around a train station. In the specific reference to Claremont Meadows, if that is what you think is going to happen around a train station, the last thing any person would want to do is have their land valued against a single detached subdivision from the 1980s, because that land use and that urban footprint is vastly different to what you are talking about. Now the accusation that the Government is acquiring land for the purposes of making profit—that is not permissible under the just terms compensation Act. What is happening here is Sydney Metro is saying that they need that land to be able to deliver this infrastructure project. If legally that is contested and it is determined that that land is not being used for the purposes of delivering a piece of public infrastructure, then they will not be able to acquire that land for the purposes of profit.

**The CHAIR:** Mr Latham.

**The Hon. MARK LATHAM:** Thanks, Chair, and thanks, Minister. Minister, just to clarify your earlier statement there, is it your proposition that a residential zoning at Claremont Meadows is less valuable than the current rural landscape zonings at Orchard Hills?

**Mr STUART AYRES:** No, it is not. My point I was making was that if you were—I think the accusation that was coming from the member of the Opposition was that, if the intent was to rezone to a much larger density and you were trying to capture fair or true value, you would not use a low-density rural subdivision to value that land. I was using that as an example to demonstrate why the just terms compensation Act removes this element of speculation, because it is incredibly difficult to work out what land will be used for in the future.

**The Hon. MARK LATHAM:** Thanks for that clarification. Minister, are you aware of the small landowners in the aerotropolis screaming about the developer contribution levies of 6.5 per cent that have been set by Penrith and Liverpool councils at the request of the State Government?

**Mr STUART AYRES:** I would not say that they were set at the request of the State Government. We will have our own infrastructure charge levy that is in place. It is a lower figure. The proposals from Penrith and Liverpool councils at 6.5 per cent create a difficult situation that I think largely can be described as a cumulative impact. So you have the cumulative impact of charges from the local government. Then you have the small 1 to 2 per cent charges that come from the State Government. All of those charges that go into the provision of infrastructure and areas for public purpose do make the margins on being able to develop property harder. The challenge here is making sure that we generate enough revenue from those that are going to benefit from changed zonings to deliver the infrastructure that makes communities livable but at the same time not sterilising the capacity for those residents to sell their land or to develop their land based on the zonings that have been put in place by the State Government. But I would say that it would be incorrect to say that the State Government asked local governments to set an infrastructure charge at that particular rate.

**The Hon. MARK LATHAM:** Do you believe in the aerotropolis—and it is a huge issue out there, fair and equal treatment of all property owners—that all the landowners should be paying the same structure of developer contributions?

**Mr STUART AYRES:** The developer contribution regime will exist across the entire land formations. What we have done thus far is set a contribution levy, or a figure for that, and we have also rezoned. The ability for landowners to bring their land to market will often be determined by the size of land and this is why the fragmented nature of some parts of—it does not really matter where this is but in particular relating to the aerotropolis locations. The fragmentation of land ownership will be a prohibitor to future development unless those landowners are able to agglomerate their land.

**The Hon. MARK LATHAM:** Minister, you just said that the entire development contributions will be uniform across all the land formations. But that is not true of Celestino at the Sydney Science Park, is it?

**Mr STUART AYRES:** Celestino went through a rezoning process from Penrith council before the State Government rezoned the circa 11,500 hectares of the rezoning of the aerotropolis land. So they may well have

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had existing contribution regimes that have been approved prior to the aerotropolis going through its rezoning process.

**The Hon. MARK LATHAM:** That is not fair, is it, that one landowner and/or would-be developer has hundreds of millions of dollars in benefit less than every other landowner paying the 6.5 per cent. What will the State Government do to level the playing field and ensure that there is no favourable treatment of Celestino?

**Mr STUART AYRES:** I do not think I have any legal jurisdiction here. I am happy to take a more detailed response on notice. But if Penrith council has created a development and infrastructure charge framework with Celestino prior to the aerotropolis rezoning, prior to the State infrastructure charges and those local infrastructure charges being set, that is a decision for Penrith council. The other thing I would not want to do—I have no problem with the line of questioning because it does create a question mark over whether something that had happened beforehand should be relayed into the existing framework. I think it is difficult to go back in time and increase the charges associated with a particular property owner that have been set under a legal framework. I think that is more of a question—particularly for those local infrastructure charges because they are not set by the State Government—for Penrith council to answer.

**The Hon. MARK LATHAM:** But, Minister, you acknowledge, do you not, that this disparity in the developer contributions is only possible because the State Government approved the Celestino rezoning and no rezoning for any other landowner in the aerotropolis?

**Mr STUART AYRES:** The Celestino rezoning took place before we rezoned the entire 11,500 hectares.

**The Hon. MARK LATHAM:** That is right, so it is only possible that Celestino is getting this massive developer contribution exemption because of the State Government action to rezone their land ahead of anyone else's.

**Mr STUART AYRES:** I think it would be more appropriate for the technicalities of that timing and the rezoning approvals to be answered by the planning Minister, who would have approved those.

**The Hon. MARK LATHAM:** The time line is clear, is it not? They got their zoning in 2016, five years ahead of everyone else.

**Mr STUART AYRES:** Very true. However, they had embarked on that process as a landowner through the planning and legal framework that existed. They are entitled to do that. They are entitled to take the land. They are entitled to negotiate and engage with Penrith City Council. They are entitled to enter into voluntary planning agreements. There was no reason why they would not be able to do that. What we have done subsequent to that is obviously undertake a very large rezoning of over 11,000 hectares of land around the Western Sydney Airport, not the airport itself. The Celestino land does exist in the north-west corner of the aerotropolis, but I think it would be impossible to go back and ask them to change the investment decision that they made. That would be a classic moving of the goalpost.

**The Hon. MARK LATHAM:** No, I am just asking for fair and equal treatment. Perhaps you could on notice give us a list of all the other property owners who were told subsequent to 2015 that they could not have a rezoning because the Government was going to do the aerotropolis as a holistic development with consistency for everyone except Celestino.

**Mr STUART AYRES:** I am happy to take that on notice, but I would like to clarify this remark and say that those rezonings or development application proposals would have come through Penrith City Council based on their local environment plan and their existing development framework.

**The Hon. MARK LATHAM:** But you can take it on notice. Thank you. Are you aware that the Celestino development has an approval for 100,000 square metres of so-called education space?

**Mr STUART AYRES:** I think that was part of their master plan.

**The Hon. MARK LATHAM:** Why then has the State Special Infrastructure Contributions plan at the aerotropolis exempted any contribution whatsoever for education space—another massive financial gift to Celestino?

**Mr STUART AYRES:** I would have to take that on notice. I do not know the technical details of that one.

**The Hon. MARK LATHAM:** Minister, are you aware of the aerotropolis development control plan that was released in September last year?

**Mr STUART AYRES:** Do you mean the precinct plans?

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**The Hon. MARK LATHAM:** No, the development control plan that was released in September.

**Mr STUART AYRES:** Yes.

**The Hon. MARK LATHAM:** Do you think it is a fair and equitable principle that every developer bringing forward their land would be subject to the same development control plan rules in the name of a level playing field?

**Mr STUART AYRES:** I am just going to get a technical response here from Sarah, just because it is not my—I think it needs a technical answer.

**Dr HILL:** Sure. I can confirm that the draft development control plan is on public exhibition along with the precinct plans and will be subject to feedback from the community and landowners by the end of this week. I understand that 12 March is the closing date for that.

**The Hon. MARK LATHAM:** Yes, thank you. Minister, given that the development control plan outlines all the modern and, I am sure the developers would say, expensive requirements for greening, new city open space, connection to country and net zero carbon ambitions, why at page 15 does it state:

This DCP will not apply to the Science Park—

—the Celestino Science Park.

Instead, Council's existing DCP provisions will continue to apply—

—another exemption for Celestino.

**Mr STUART AYRES:** Well, I think in many respects, Mr Latham, you answered your own question. They already had a pre-existing position with Penrith council. I think it would have been inappropriate to try and renegotiate the position.

**The Hon. MARK LATHAM:** But you acknowledge then that there is one set of rules here in development control for Celestino and a different, more onerous set of rules for every other landowner in the aerotropolis.

**Mr STUART AYRES:** No doubt there is a different set of conditions for Celestino that had already moved through a planning pathway before the Government implemented the aerotropolis plan.

**The Hon. MARK LATHAM:** I will just come to something you mentioned earlier on, Minister, about many meetings with Sydney Metro about the alignment of the rail line and the location of the stations. The Government in collaboration with the Federal authorities did benefit-cost ratios on three different options for how you could link the Badgerys Creek airport site by rail, those three being extension of the existing Leppington line, the Macarthur South route and the one that the Government is going to build now, the northern route to St Marys. What did those benefit-cost ratios show?

**Mr STUART AYRES:** I do not know off the top of my head. I can get the technical analysis. I think you will find it will be captured by Cabinet-in-confidence, given it was an Expenditure Review Committee decision.

**The Hon. MARK LATHAM:** Leppington was the most beneficial rail line, was it not?

**Mr STUART AYRES:** I think it is important to note here that the decision around rail infrastructure in western Sydney is not just about being able to create a connection to the airport. The area west of the M7, the Western Parkland City, as we define it, and that north-south city will require significant cross-city infrastructure. I have no doubt, Mr Latham, that the train line will be extended from the aerotropolis core around to Leppington and the sooner that happens the happier I will be.

**Mr JUSTIN FIELD:** Good Morning, Minister. I have some questions about Warragamba Dam.

**Mr STUART AYRES:** Yes.

**Mr JUSTIN FIELD:** On 2GB radio last November, you said:

We're not giving up any more time; we're not bowing to what is, for all intents and purposes, environmental terrorism.

Who exactly do you think is engaging in "environmental terrorism"?

**Mr STUART AYRES:** I think it is important that people talk about the impacts of the environment in a transparent way and that is exactly what the Government is endeavouring to do. We will release an environmental impact statement that—

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**Mr JUSTIN FIELD:** That is nice, Minister. You described people on radio effectively as engaging in "environmental terrorism".

**The CHAIR:** We do need to—we just need to let him finish the answer.

**Mr JUSTIN FIELD:** Well, no, he is answering a different question, Chair. If I could—

**The CHAIR:** He can answer how he chooses to answer. I understand—

**Mr JUSTIN FIELD:** We can't answer a different question.

**The CHAIR:** —and you can do a follow-up question, but we need to let him finish.

**Mr STUART AYRES:** No, so the Government will release an environmental impact statement. It will be clear, open and transparent. It will show the environmental impacts of raising the dam wall and that will allow the public to understand what those environmental impacts will be and weigh those up against the downstream impacts of protecting people's lives and property. My reference to the term around "environmental terrorism" was the complete neglect of residents who live downstream of the dam for the pure and unadulterated purpose of protecting the environment without having any reference or consequence to what it means to people's lives and properties downstream. If you neglect one side of this ledger, you are an extremist and that is just the reality.

**Mr JUSTIN FIELD:** Minister, the Commonwealth Department of Agriculture, Water and the Environment, and the NSW National Parks and Wildlife Service were highly critical of the environmental assessment conducted to date in your environmental impact statement [EIS]. Are you describing their actions and pushback on the environmental assessment as evidence of "environmental terrorism"?

**Mr STUART AYRES:** No, I am not. I am saying that this is an intensive exercise by multiple government agencies to get to a point where you have what is effectively a single source of truth—an environmental impact statement—where we show very clearly what the environmental impact will be of creating a flood mitigation wall at Warragamba that will temporarily hold water back in the event of a flood. It is absolutely critical, reasonable and fair that we are open and transparent about those environmental impacts, so that people can weigh those environmental impacts against the mitigation protections that are provided for residents—up to 90,000 of them—who live in areas that would be impacted by a large-scale flood because of historic planning decisions that have allowed them to live in areas where we would not allow them to live today.

**Mr JUSTIN FIELD:** I am happy to move on. You are talking about transparency and openness. In *The Daily Telegraph* on 19 August 2020, you said—sorry, it is not a direct quote. It is an implied suggestion. It said:

Minister for Western Sydney Stuart Ayres is concerned huge biodiversity offset costs enforced by government departments and pressure from green groups will make the dam wall project unviable.

Seeing as you are open and transparent, can you explain what was the basis for you claiming these huge biodiversity offset costs?

**Mr STUART AYRES:** Sorry, my questioning here is that if environmental groups attempt to use—

**Mr JUSTIN FIELD:** "Government departments and green groups" here. Are you talking about government departments as well?

**Mr STUART AYRES:** I am talking about environmental groups. Environmental groups lobby the Government, government agencies and yourself to utilise biodiversity as a mechanism of creating an inflated price for raising the dam. That is a clear attempt to lift the price of the dam to make it harder for the Government say yes.

**Mr JUSTIN FIELD:** There is Government policy that sets offset costs—

**Mr STUART AYRES:** Sorry, can I—just let me answer.

**Mr JUSTIN FIELD:** My question was: What was the—

**The CHAIR:** Sorry, we need to—

**Mr JUSTIN FIELD:** No, my question, Chair, was: What was the comment based on?

**The CHAIR:** Clarifying the question is one thing, but—

**Mr STUART AYRES:** I am halfway through my answer.

**The CHAIR:** Let me just say an overall statement: Question followed by answer means everybody gets a chance. If he needs to clarify a question, that is okay, but we need to not interrupt each other.

## CORRECTED

**Mr STUART AYRES:** To be very really clear here, the raising of Warragamba Dam is for holding water back temporarily. That could last for one hour. At the outer extreme, we think it is two weeks. So you are talking about temporarily holding water behind a dam wall, so that it is not in people's living rooms or in the streets of the local suburbs, for a period of time between one hour and 14 days. The biodiversity offset of that is not a permanent biodiversity offset. There is actually no way that it can be. In fact, if you charge that value up-front for the construction of the dam, then you are paying for a biodiversity offset that has no biodiversity benefit until a flood arrives. Under that premise, Mr Field, I suspect you should be charging the Commissioner of the Rural Fire Service a biodiversity offset charge when they do hazard reduction because it is exactly the same principle.

**Mr JUSTIN FIELD:** It is not my policy; it is your own Government's offset policy, Minister. I am just asking you what your claim and the media was based on—huge biodiversity offset costs. Have the offset costs been determined yet? Was it based on a briefing?

**Mr STUART AYRES:** No, no—

**Mr JUSTIN FIELD:** It was just a statement in the media?

**Mr STUART AYRES:** My statements to the media were clearly in response to environmental groups attempting to increase the value of biodiversity offsets as part of a clear strategy to make the price of the dam higher than what it would be in true terms.

**Mr JUSTIN FIELD:** Environmental groups cannot do that. You have got a Government policy that sets offset costs. It is not up to environment groups and lobby groups. Has the offset cost been agreed for the dam?

**Mr STUART AYRES:** I am just going to say the same thing again. I am responding to the accusations, to the lobbying, to the campaigning. There are clearly people who oppose the dam. They will try to exploit different strategies. One of those strategies is to try and increase the biodiversity offset cost for the dam. That is clearly a strategy, and I am responding by saying if that is a pathway that they want to walk down—they want to write letters, they want to lobby—I am going to refute claims that I do not agree with. In this case, the idea of charging a permanent biodiversity offset for what is clearly a temporary impact is not something that I agree with.

**Mr JUSTIN FIELD:** And I am sure you have been lobbying yourself. Have you spoken to other Ministers or other government departments about the offset costs?

**Mr STUART AYRES:** No, we are going through the environmental impact statement construction or development of that. It is being done through Infrastructure NSW and Water NSW. We consult extensively through that process with other government agencies at the local, State and Federal government levels. There are obviously a lot of submissions, responses, further submissions and further responses. That process needs to be completed before you go out to the public with a clear position around what the environment impact will be, including biodiversity offsets.

**Mr JUSTIN FIELD:** Will the EIS put a cost on biodiversity offsets?

**Mr STUART AYRES:** Biodiversity offsets will be referenced in the environmental impact statement, yes.

**Mr JUSTIN FIELD:** But will the costs be outlined, whether or not you are going to make—

**Mr STUART AYRES:** I will take the technical nature of that question on notice.

**Mr JUSTIN FIELD:** Have you had any direct meetings with other Ministers about diversity offsets yourself?

**Mr STUART AYRES:** No.

**Mr JUSTIN FIELD:** Are you aware that agreement has been reached at this point about how biodiversity offsets will be dealt with, whether they will be considered direct or indirect?

**Mr STUART AYRES:** I do not think that—I have not had a briefing to suggest that that process has concluded.

**Mr JUSTIN FIELD:** When do you expect the EIS to be published?

**Mr STUART AYRES:** The middle of the year—July.

**Mr JUSTIN FIELD:** Would you agree that the main barrier to getting the EIS on public exhibition have been the quite specific and detailed concerns raised by government agencies about the adequacy and consistency of the EIS with the secretary's environmental requirements?

## CORRECTED

**Mr STUART AYRES:** No, I would not agree with that. I would say that the reason why the EIS has taken longer than what I would have hoped was because we are talking about an area of thousands of hectares in a World Heritage-listed location that has been impacted by a once-in-100 year bushfire, and that is remote and hard to access. There has been an extensive process of consultation and engagement with registered Aboriginal parties as part of our cultural assessments. There are extensive government agencies to engage with, and what I want to get to at the end of this is an environmental impact statement that is open, that is transparent and gives every single person an understanding of what the environmental impact of raising the dam wall will be so they can weigh that environmental impact up—because there will be one—against the value of protecting people's lives and properties downstream.

This is also a highly emotive topic for many, many people, but I feel absolutely compelled it is my role as a Minister to ensure that I do everything possible to protect people who are exposed to the highest flood risk in the country. For us to do that, and do that properly, people need to know what the environmental consequence will be. If they do not have faith or trust in that document when it is completed, then it makes it very difficult to have that open and transparent conversation with the public. I have sacrificed time. My advice to multiple departments is to make sure that we get this right and if that means it takes longer, then, given we are talking about a piece of infrastructure that will protect residents in western Sydney for a century, I am prepared to sacrifice the additional 12 months it has taken us to get to the point where we have got this environmental impact statement right.

**Mr JUSTIN FIELD:** Much of your advocacy has been based on reducing flood risk, but of course the Insurance Council recently came out and said that they would not support the dam as proposed because of concerns about the upstream assessment, and encouraged the Government to look at alternative flood risk management. Does that not run entirely counter to the arguments you are making?

**Mr STUART AYRES:** In fact, the Insurance Council has written to you, Mr Field, to make it very, very clear that they consider the flood risk and insurance risk in this location to be the highest in the nation.

**Mr JUSTIN FIELD:** But they want alternatives to the dam wall raising.

**Mr JUSTIN FIELD:** They do, and we have considered those. They are publicly available. I might actually take this opportunity to go through all of the ones that you have available to your Committee because I do not hear about them very often, and they are part of our options report. They include lowering the dam by five metres—

**Mr JUSTIN FIELD:** This might not be useful for you, Chair. They are available on the public record.

**Mr STUART AYRES:** Well, you know what? Let us do that in the next session.

**The CHAIR:** It is the Opposition's time.

**Mr STUART AYRES:** It is always amazing how when you get to the alternative options we never get to hear them.

**The CHAIR:** The Opposition.

**The Hon. ROSE JACKSON:** It is not just residents in Orchard Hills who have raised concerns. Residents in Luddenham, Rossmore and Bringelly have also raised concerns about compulsory acquisition and land rezoning policies. Why is your Government pursuing a policy of legalised theft of people's properties and family homes in order to fill your budget black hole?

**Mr STUART AYRES:** I will respectfully answer that by saying I categorically reject that proposition.

**The Hon. ROSE JACKSON:** That is not a line that I came up with. That was a line that your member Tanya Davies used yesterday in a meeting of hundreds of people in Luddenham. That was her term, not mine.

**Mr STUART AYRES:** I am still categorically rejecting the proposition.

**The Hon. ROSE JACKSON:** Have you picked up the phone to Tanya and told her "Gee, shouldn't have called it 'legalised theft'. It's a bit awkward"?

**Mr STUART AYRES:** No, I have not spoken to Tanya Davies in the last 24 hours but let me respond. There are two different processes happening here, and I think it is important that people understand the differences. Orchard Hills is around compulsory acquisition. It is for the purposes of delivering a piece of significant State infrastructure, and Sydney Metro has defined the land that they believe they need to deliver that infrastructure. We discussed that in the previous session of questions. Around the aerotropolis, we have rezoned land. In many cases— and, in fact, in most cases—we have rezoned significantly land up in value in mixed-use and enterprise zonings. Areas where there are flood impacts along South Creek and a number of creeks that exist in this

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location—where flood impacts are most intense—have an environmental zoning because they are in line with the one-in-100 year flood level where development would already be restricted.

Subsequent to the rezoning, the Government is out on consultation with precinct plans, which is a finer level of detail. That is currently out on exhibition and, as Sarah Hill mentioned earlier, the exhibition for that and the consultation for that closes on Friday. What that proposes is a more granular level of detail about what the urban format would look like. So you find that people who have an enterprise or mixed-use zoning will now start to see some of the land conflicts or challenges that exist with their individual property—and those land and property conflicts will include things like creek lines, water courses and riparian zones, so they can be clearly identified. There is also the initial shaping of what a local road network will be. So the precinct plans are not a secondary rezoning. What they provide people with is clear information around what will be the other uses that will need to happen on that land.

There is no compulsory acquisition of land through the precinct plan. If a person who has had their property rezoned from rural to enterprise finds that there is a public purpose on their land for the provision of a road—perhaps a stormwater or utilities corridor, it might be a stormwater or water retention basin, or it could even be a public park—if those things are for the purposes of public use then the government, whether it be a local or a State government, will have to enter into an acquisition process and in some cases compulsory acquisition. But they will crucially have to pay for that based on the new land zoning, so the enterprise zoning or the mixed use zoning. By having a rezoning, the value for those people has been protected. Herein lies the classic conflict where the Government has rezoned people in the aerotropolis area but in Orchard Hills the area has not been rezoned. Any acquisition that would now take place would require the acquiring authority to pay for the value based on that new zone, because that is what the just terms compensation Act requires of government.

**The Hon. ROSE JACKSON:** When you give that technical explanation to a resident in Luddenham who has had their land rezoned to be almost worthless, are they comforted? Do they say, "Thanks, Minister, really appreciate that explanation of government policy about how my property is now worth almost nothing because you have rezoned the land"? Do they feel better about it because of that?

**Mr STUART AYRES:** Sorry, can you cite the example of where their land is worth almost nothing?

**The Hon. ROSE JACKSON:** Residents in Luddenham have accused the Government of sterilising their land. It means their land is, quote, "unsellable", according to numerous local real estate agents. What do you say to those residents? Do you give them that explanation and does it make them feel better?

**Mr STUART AYRES:** I think it is important to recognise here that existing uses of land are still permissible after rezonings have taken place. If a resident is in a flood-impacted zone, then the idea that they would be able to create a substantial profit around that zone did not exist before the rezoning, did not exist before the precinct plan and does not exist now. But the value of their land for the purposes for which it is currently used, perhaps a rural property, has not gone down. But what they are not able to do, if they are in a flood zone or an area that will be used for a public purpose, is develop their land at substantial uplift in profit.

**The Hon. ROSE JACKSON:** The local member, Tanya Davies, stood up in front of 200 residents yesterday and described the Government's policies as legalised theft. Do you agree with her?

**Mr STUART AYRES:** No, I do not.

**The Hon. ROSE JACKSON:** Why do you think she would have used that term as a member of your Government? Can you understand why she has described it in that way?

**Mr STUART AYRES:** I have no doubt that Tanya is talking to many, many local residents.

**The Hon. ROSE JACKSON:** Are you talking to local residents in those areas?

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

**The Hon. ROSE JACKSON:** So you have met with residents in the areas that are subject to the rezoning for the aerotropolis.

**Mr STUART AYRES:** Yes, absolutely.

**The Hon. ROSE JACKSON:** And what did you say to them?

**Mr STUART AYRES:** I had a very meaningful and fruitful discussion with a local resident literally just last week. He lives in the Northern Gateway area; their property backs onto Cosgrove Creek. They were talking through the impact of the precinct plan on their property. They foreshadowed that the creek line border would have reduced the amount of area on their property they could develop, but this local resident used a line that has really stuck with me to describe the challenge. He said to me, "Why do you need so much green space



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and why do you need as many local roads as you have proposed in this plan?" This local resident knows that if we plan in advance and show people where local roads and green corridors go, so that we do not make the same mistakes of the past—where we have McMansions carpet-bombing areas of western Sydney with no green corridors, leading to heat island impacts—then he cannot sell as much of his land to a developer as what he could have done when we did not have the plan exposed. This is about making sure that the city and the environment where we live in the Western Parkland City is futureproofed.

It is a difficult conversation telling people that a local road will take out part of their land and they can no longer sell it to a developer for a super profit. What they can do is sell it to the government, a local government or a State government, for the purposes of the public infrastructure that will go there. He was obviously disappointed that he does not get to make as much money as he hoped he would make, but he also recognises that he lives in a community that is bordered by suburbs that if we had our time again we would have designed very differently. I do not get the chance to go back to past governments over the past 50 years to reshape what they look like in western Sydney. What I do get to do is talk and engage with the community about what they will look like into the future. The unfortunate reality for people who had built up expectations about being able to make lots of money by selling their land is that as the land is shrunk—for the purposes of open green space, riparian corridors, local roads and utilities provisions—they will be compensated if it is for a public purpose through the acquisition of their land when that infrastructure arrives.

**The Hon. ROSE JACKSON:** Minister, do you understand how frustrating it is for local residents when on the one hand you rezone land for the purpose of a road that might be built 20 years in the future, causing them significant financial loss, and on the other hand residents in Orchard Hills are having their land compulsorily acquired and you refuse to even contemplate what might happen on that land in terms of rezoning and development in the very near future? On the one hand you are saying it is all about future planning. To Orchard Hills residents you say, "Couldn't possibly think about what is going to happen to this specific piece of land in the near future and what value that might bring." Do you see the inconsistency?

**Mr STUART AYRES:** The just terms compensation acquisition Act, which allows for the compulsory acquisition of land, does not provide Sydney Metro in Orchard Hills with a legal framework—

**The Hon. ROSE JACKSON:** Stop hiding behind Sydney Metro. You are the Minister for Western Sydney.

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

**The CHAIR:** Let us let him finish. Let us hear the rest of the answer.

**The Hon. TREVOR KHAN:** The point of order has been raised before about interjections, but there is also an obligation for members to be courteous to witnesses and that includes the Minister. That is just an unnecessary stunt that was played and I ask that you call her to order.

**The CHAIR:** I will not do that. The Minister has the call.

**Mr STUART AYRES:** That is alright. The one thing that I have learnt in this exercise is that being calm, compassionate and considerate about having those conversations is really important to local residents. If you want to invite the TV camera to make your stunt, I am much more concerned about having those conversations with people and explaining to them the reality of what happens when you try to build a city in an area that has been market farms and cow paddocks for 50 years. I think you are better than that, actually.

**The Hon. ROSE JACKSON:** Oh, honestly, please. Please let me mansplain to you about "calm and collected".

**The Hon. DANIEL MOOKHEY:** Minister, you have received an unsolicited proposal from Celestino developments, have you not?

**Mr STUART AYRES:** Yes, the Government has an unsolicited proposal.

**The Hon. DANIEL MOOKHEY:** When did you find out about that unsolicited proposal?

**Mr STUART AYRES:** When the Department of Premier and Cabinet [DPC] briefed me. I would have to go back and check the date.

**The Hon. DANIEL MOOKHEY:** Was that after September 2020?

**Mr STUART AYRES:** I think it would have been beforehand, based on time frames. The unsolicited proposal pathway has a very clear framework around the three stages of unsolicited proposals. I am briefed at the completion of stage one and if there is a Cabinet process for it to proceed through stage two, then it would have gone through Cabinet.

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**The Hon. DANIEL MOOKHEY:** Sure. I struggle to reconcile how it is possible that you knew about it before 13 September 2020, because DPC says on its website:

The proposal seeks to provide the NSW Government with the land required for a Sydney Metro-Western Sydney Airport rail corridor and metro station at Luddenham, as identified in the NSW Government's station location announcement on 13 September 2020.

So I assume, naively perhaps, that they made the offer after you announced the station's location. Or is that not the case?

**Mr STUART AYRES:** I would have to go back and check the dates. It might well have been.

**The Hon. DANIEL MOOKHEY:** Did you have any separate meetings with Celestino prior to them lodging the proposal?

**Mr STUART AYRES:** Not in relation to that. I have done a number of events with Celestino on their land.

**The Hon. DANIEL MOOKHEY:** Okay. Does that include the Sydney Science Park?

**Mr STUART AYRES:** Their land is the Sydney Science Park.

**The Hon. DANIEL MOOKHEY:** True. To be fair to that particular company, that is correct. In any of those conversations that you have had with Celestino, was this discussed or raised with you?

**Mr STUART AYRES:** The unsolicited proposal?

**The Hon. DANIEL MOOKHEY:** Yes, that they were intending to make an unsolicited proposal.

**Mr STUART AYRES:** No.

**The Hon. DANIEL MOOKHEY:** They never flagged with you or your office that they were intending to make an unsolicited proposal?

**Mr STUART AYRES:** They may well have flagged that unsolicited proposal pathway would have been one of the things that they could have engaged with Government on. They are a single landholder in that location.

**The Hon. DANIEL MOOKHEY:** When you say that is one of the things that they may have flagged—

**Mr STUART AYRES:** It means that there are multiple development pathways.

**The Hon. DANIEL MOOKHEY:** Let me just finish the question. Did they flag that with you? Did you have a discussion with them about this being a potential pathway forward?

**Mr STUART AYRES:** If they raised that they may have been considering unsolicited proposals, I would have said to them that is an option that is available to them. But beyond that, I have no role to play in the unsolicited proposal assessment.

**The Hon. DANIEL MOOKHEY:** That is not necessarily true. Your authority does. I presume they answer to you.

**Mr STUART AYRES:** The unsolicited proposal pathway is managed by a team in DPC. There are strong integrity measures around that. So I would be very clear in saying the intervention or engagement of Ministers into the unsolicited proposal [USP] process, outside of moving from stage to stage, which would be subject to a Cabinet decision—

**The Hon. DANIEL MOOKHEY:** But you accept that your authority, Western Parkland City Authority, is chairing the assessment panel for the proposed unsolicited development?

**Mr STUART AYRES:** They play a role in assessment panels, yes.

**The Hon. DANIEL MOOKHEY:** They are the chair. It says here quite clearly that an assessment panel has been established and will report to the proposal-specific steering committee, "Western Parkland City Authority, Chair". Maybe Ms Hill can confirm the authority is the chair?

**Mr STUART AYRES:** Yes.

**Dr HILL:** Yes, we are.

**The Hon. DANIEL MOOKHEY:** Great. So you are playing a role, a pretty substantial role. You are chairing the assessment panel. You accept that—to be fair, your authority is.

**Mr STUART AYRES:** Yes. I am not chairing the assessment panel. Let us be very clear about that.

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**The Hon. DANIEL MOOKHEY:** This is for them effectively to do a land swap, to build a station. They are proposing to give the Government some of its land for the construction in exchange for, effectively, the Government committing to take a substantial part of the Sydney Science Park [SSP]. Is that a fair summation of the proposal as you understand it?

**Mr STUART AYRES:** Yes, I think it is fair to say that they are the only landholder in the location where the station is being built.

**The Hon. DANIEL MOOKHEY:** It says here that basically this would avoid their land being taken off them in a compulsory acquisition process.

**Mr STUART AYRES:** They can say that. Absolutely, they can.

**The Hon. DANIEL MOOKHEY:** So we have this scenario where a developer who owns quite a lot of land is able to use the unsolicited proposal to swap it with you. But residents have to be put through a compulsory acquisition process. Do you see that perhaps from the perspective of a resident in Orchard Hills watching a developer enter a negotiation with Government where they can do a land swap but they lose their home in a compulsory acquisition process, that might strike you as unfair?

**Mr STUART AYRES:** For starters, the process around USPs has to be concluded to determine whether it is unique and meets an appropriate value proposition. The very principle of a land swap would be the exchange of value. An acquisition is us taking land and paying for that purpose. A land swap is the reduction of land in exchange for other land. It is a transaction, the same as compulsory acquisition. So if—

**The Hon. DANIEL MOOKHEY:** I know what a land swap is. That is not really what I am asking you, Minister. Minister, what I am asking you is—this pathway is only available to SSP. They are only using it to avoid the just terms acquisition Act, or at least that is a significant implication of their proposal. That strikes the people of Orchard Hills, among others, as there being one standard for a rich developer and there being other standards for family owners. Do you not see that perception?

**Mr STUART AYRES:** You may want to cultivate that as a perception. But the idea that the USP that is proposed—which I want to clarify again would still need to be assessed and completed—does not mean there is not an exchange of value. If you want to compare apples with apples, to use Orchard Hills as an example, if there was one single landowner around Orchard Hills and they wanted to enter into a USP discussion with the Government around a land swap, there is nothing that stops them from doing so.

**The Hon. DANIEL MOOKHEY:** Minister, your response to this concern, rather than take the developer out of the USP process and put them through a compulsory acquisition, is that everybody else should get themselves organised to go through a USP. Is that seriously the position that you are putting forward?

**Mr STUART AYRES:** No. I am saying the Government has a clearly defined process for unsolicited proposals. Anyone, any entity, any business, any individual can make an application under that process. They have to go through a series of qualification stages to get to the end of that. Celestino is able to do that, like any other citizen or business in New South Wales is. There has to be at the very basis a unique proposition here. That position does not exist at Orchard Hills because, as you so clearly put, there is not a single landowner.

**The Hon. ROSE JACKSON:** Minister, I want to ask you a couple of questions about tourism. I think we would all accept that the tourism industry has been one of the hardest hit industries as a result of the coronavirus pandemic. We have JobKeeper, which has really been a lifeline for a lot of those businesses, finishing on 28 March. Margy Osmond has said unless something is done, we will not have a tourism industry in this country. Does the tourism industry need to calm down as well or can they be pretty concerned and angry about where things are up to?

**Mr STUART AYRES:** I'm sorry. That cheeky grin is for my media adviser, who told me not to grin when that question comes. I think the premise of your—

**The Hon. DANIEL MOOKHEY:** Don't blame your media adviser.

**The Hon. ROSE JACKSON:** That's right. He failed, media adviser. He grinned.

**Mr STUART AYRES:** Yes, indeed. The impacts of COVID and bushfires on tourism have been catastrophic for many tourism operators. I do not agree with the arbitrary statement that when JobKeeper concludes at the end of the month the tourism industry will not exist. One of the things that I am most inspired by in this role is the resilience of tourism operators right around the State. There is no doubt when JobKeeper finishes, there will be job impacts across the tourism sector. The Commonwealth has said that it will follow JobKeeper with more targeted, industry-specific support. The New South Wales Government is waiting to see what that support will be for the tourism sector. I have had a number of conversations with the Treasurer. He has said

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publicly that we will wait and see where the Commonwealth deploys its resources, so that if there is any funding allocated to support the tourism sector in this case specifically, we would do so so that it complements what the Commonwealth does. We are preparing that work now.

I would love to have been able to see JobKeeper in the tourism sector—it has had a profound impact. But the idea of keeping to pay for JobKeeper and moving that onto the credit card for future generations is not a sustainable position. The other thing I would also say here is that the tourism impacts are very patchy across the State. You have locations in regional New South Wales, because of Australians not being able to travel overseas, they are flooding into some locations in regional New South Wales; whereas here in Sydney you have got hotels operating on 10 per cent occupancy. The idea of keeping a broad, blanket JobKeeper in the tourism sector itself would probably be a waste of taxpayer money. So I think it is prudent here for the State Government to see what the Federal Government deploys in its support and then follow that up with targeted support in the areas that perhaps the Federal Government does not fund.

**The Hon. MARK LATHAM:** Thank you, Chair. Thank you, Minister. I will just take you to the Celestino unsolicited proposal. It reads as follows:

Celestino proposes that the NSW Government establish a footprint within the Sydney Science Park (SSP) through the development of fully serviced commercial land for strategic government purposes.

Do you think there is any way that can possibly represent value for money for the New South Wales taxpayer?

**Mr STUART AYRES:** That value will be determined through the USP process. If it does not represent value for the taxpayer, I cannot see why we would approve it.

**The Hon. MARK LATHAM:** You are progressing this to stage two. Under the criteria, that should only happen if you can see the possibility of value for money. In 2015 this land was rural landscape. The State Government and Penrith council rezoned it, with a massive upgrade in value, to mixed use. You gave Celestino exactly the rail alignment they wanted. You gave them exactly the station location they wanted. Now to access the land, to build the metro station, the proposal is the State Government needs to buy Celestino's land to establish a government office precinct. Is that right?

**Mr STUART AYRES:** The USP process will go through its full stage assessment—

**The Hon. MARK LATHAM:** But that is the proposal.

**Mr STUART AYRES:** It is essentially a land swap. So there has to be a value exchange here.

**The Hon. MARK LATHAM:** You mentioned earlier on that Celestino may have flagged this proposal with you. What was your response to them?

**Mr STUART AYRES:** That everyone in New South Wales is open to submitting a USP.

**The Hon. MARK LATHAM:** Did they give you this kind of detail, that this is what it was to involve?

**Mr STUART AYRES:** No. I would not have accepted it either.

**The Hon. MARK LATHAM:** Minister, what representations did you receive from the Camilleri family or Celestino about the rail alignment? You said earlier on you were involved in many meetings with Sydney Metro about the alignment of the rail line and the location of the station.

**Mr STUART AYRES:** I do not think I have had any direct request from Celestino about rail alignment.

**The Hon. MARK LATHAM:** What does that mean, a "direct request"? Have you had discussions with them?

**Mr STUART AYRES:** I have said that I have done numerous announcements on their land. It has been an early mover of development opportunities in western Sydney. I have not been involved in any detailed discussion with Sydney Metro about their rail alignment. That is being led by Sydney Metro and by the Transport department. I am not sure, Sarah, whether you want to explain—

**The Hon. MARK LATHAM:** Hang on. There are two issues here. You have said you have not been involved in detailed involvement with Sydney Metro about the alignment. What about any form of discussion with Celestino about the alignment?

**Mr STUART AYRES:** I do not think I have met a landowner in western Sydney who has not wanted a train station on their land. I have no doubt that at some stage in the past in any one of those public events that I have done Celestino has said to me, "We would like to see a train station located on our site."

**The Hon. MARK LATHAM:** How did you respond?

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**Mr STUART AYRES:** "You will have to engage with Sydney Metro." Most of these determinations are made based on the purposes of what is the most effective way of moving people around the city.

**The Hon. MARK LATHAM:** In your engagement with Sydney Metro, did you mention the Celestino proposal?

**Mr STUART AYRES:** For?

**The Hon. MARK LATHAM:** The metro and the rail alignment.

**Mr STUART AYRES:** Not a USP.

**The Hon. MARK LATHAM:** No, the decision that was made last year for the alignment and the Luddenham station location.

**Mr STUART AYRES:** No, Sydney Metro made those determinations.

**The Hon. MARK LATHAM:** But did you raise it? You said you had many meetings with Sydney Metro about the alignment with the rail line and the locations of the stations. You have said that Celestino would have mentioned that to you. In these meetings with Sydney Metro you must have been discussing something. You must have had a discussion about the alignment and the station location.

**Mr STUART AYRES:** To be clear, I have not advocated for one landowner to be able to achieve a particular transport outcome with the exception of saying that the aerotropolis core should have a train station.

**The Hon. MARK LATHAM:** So you made no mention with Sydney Metro of the Luddenham metro location?

**Mr STUART AYRES:** Not advocating to them. Sydney Metro has provided me with a number of briefings around their proposed alignments. There are two train stations that are in land that is not owned by the Government or is not substratum. They are Orchard Hills and Luddenham. There are two train stations on the Western Sydney Airport land and there is one train station on the land that is owned by or going to be owned by the New South Wales Government—114 hectares at the aerotropolis and one substratum train station at St Marys.

**The Hon. MARK LATHAM:** Chair, could I furnish the Minister with a document here and one for you? Minister, what I am providing you with is a copy of page 61 of the Celestino application for their Sydney Science Park lodged in November 2015 with Penrith council, subsequently approved by the council and also the State Government. It shows a proposed rail alignment. You can see there the vertical line on the right of the diagram running north-south. That is the alignment that the Government announced late last year. If you look at the little star next to the dark circle, that is the proposed underground railway option, which is exactly the location the Government announced late last year for the Luddenham metro. How did Celestino know these locations five years in advance of the Government announcement?

**Mr STUART AYRES:** I do not think there was a train line determination made by Sydney Metro at that particular point in time, but let's be very clear: If you draw a line from St Marys to the airport, it is pretty easy to work out where a train alignment is going to go in a broad framework. All landowners were able to engage with government agencies and do their own efforts. I can say that there was a strong proposal from Western Sydney University to create a longer rail line and go further underground underneath their area for their land ownership at Werrington. But Sydney Metro makes the determination based on what they see as the most appropriate method of transport and land use.

**The Hon. MARK LATHAM:** But five years in advance of that decision, how did Celestino know exactly the rail alignment and exactly the location of Luddenham station?

**Mr STUART AYRES:** I am not going to say that this alignment is the exact alignment. I would need to check that.

**The Hon. MARK LATHAM:** You will take that on notice?

**Mr STUART AYRES:** Yes, I can take that on notice and check whether this—

**The Hon. MARK LATHAM:** And check how Celestino knew these things in advance, which seems quite remarkable.

**Mr STUART AYRES:** Sorry, I am going to refute the concept. I am not going to take on notice that they knew in advance. I will take on notice and check whether the alignment that you have put in front of me here is the exact alignment. But it is not unreasonable for any landowner engaging in consultation with Sydney Metro, with Transport, to say, "We are a landowner. If you have an alignment that is running between the airport and St Marys, a train station would be a logical place to go here." The other thing that I would also say in relation to

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this, as you have pointed out at length today, is that this site here had already gone through a rezoning process and infrastructure had already started to be delivered on the ground by the proponent because they were ahead of the rest of the aerotropolis.

**The Hon. MARK LATHAM:** What infrastructure was that? They have only just started their earthmoving operations.

**Mr STUART AYRES:** They have made adjustments to local roads, they have created entry points. It is not significant.

**The Hon. MARK LATHAM:** But what has that got to do with getting the multibillion-dollar bonus of a metro station being allocated inside your land?

**Mr STUART AYRES:** This is not our land; this is their land.

**The Hon. MARK LATHAM:** This is their land, yes.

**Mr STUART AYRES:** And they already—

**The Hon. MARK LATHAM:** And the Government decision is a multibillion-dollar bonus to this developer.

**Mr STUART AYRES:** They already had a rezoning. That is all I am saying: They already had a rezoning.

**The Hon. MARK LATHAM:** So if you have got a rezoning does that mean that you automatically get the rail alignment that you want and the train station you want?

**Mr STUART AYRES:** No, but—

**The Hon. MARK LATHAM:** Shouldn't proper transport planning supersede issues of ownership and zoning?

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

**The Hon. MARK LATHAM:** So you think it is a coincidence that Celestino, who is the only landowner in the aerotropolis to get this multi-use zoning decision, also gets the rail alignment that they foreshadowed five years earlier and the exact station location? All of that is just a coincidence of how the maps were drawn up. Is that what you are saying?

**Mr STUART AYRES:** No. I will be clear again: The rezoning process they started well before the Government undertook any creation of the authority or undertook our rezoning exercise or the creation of the aerotropolis plan. They were already through a series of planning gateways, to use that term, that no other landowner was through. There could well have been an opportunity, I suppose, where the Government could have removed all of those conditions and sent that landowner back to the very beginning, but the Government chose not to do that. It allowed that work to stay in place and incorporate it into the aerotropolis. The other thing I would say is: Between Elizabeth Drive and the tunnel portal that goes underneath the motorway and Great Western Highway and goes into St Marys, there are only two areas of population as they exist at the moment. They are Luddenham and Orchard Hills. They are the two eminently logical locations to put train stations, at Luddenham and Orchard Hills, and that is where Sydney Metro put them.

**The CHAIR:** Mr Field.

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

**Mr STUART AYRES:** Can I go back to the options that we considered?

**Mr JUSTIN FIELD:** I think I will ask the question, Minister.

**Mr STUART AYRES:** Okay, sorry. I just thought I would ask.

**Mr JUSTIN FIELD:** I thought that was what we had agreed to earlier.

**Mr STUART AYRES:** Yes.

**Mr JUSTIN FIELD:** I ask the questions; you answer them.

**The Hon. BEN FRANKLIN:** It is the answering bit that would be nice.

**Mr JUSTIN FIELD:** We will see. We will give the Minister a chance. Minister, I have got some text messages and WhatsApp messages here from you that have been obtained under the Government Information (Public Access) Act [GIPAA]. One was a discussion within your office about a media inquiry I believe from

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Kathleen Calderwood at the ABC where you respond to Sophie Hull in your office. This is your WhatsApp message:

She can get stuffed!

We have no idea if the Fed submission has been taken into account because the EIS hasn't been released.

Let us do our bloody job and complete the Draft EIS and then everyone can look at the same document!

Original lines stand. Happy to consider adding this though—

this is the relevant bit—

The pro-flooding groups that oppose raising the Warragamba Dam wall are desperate to delay the release of the EIS as it will give the public an opportunity to assess this proposal on its merits rather than narrow views of vested interest groups.

Who are these vested interest groups, Minister?

**Mr STUART AYRES:** GIVE A DAM, the Colong Foundation—I would describe them as groups with incredible vested interest.

**Mr JUSTIN FIELD:** And how are they seeking to—

**Mr STUART AYRES:** They are pro-environment groups and they do not support flood mitigation in western Sydney. They have made that abundantly clear.

**Mr JUSTIN FIELD:** Are they the people who are also engaged in environmental terrorism?

**Mr STUART AYRES:** Their clear attempts to delay and obfuscate and make life much harder for the Government to complete the EIS I think can only be viewed through the lens of wanting to stop the project. They have a right to do that, but the public has a right to have access to an open and transparent environmental impact statement that allows the opportunity for the wider public to weigh up the benefits of flood mitigation against the environmental impacts. We are not hiding that. There are always going to be people who are passionate on both sides of this argument. That is why it is so critical that we get to an open and transparent environmental impact statement.

**Mr JUSTIN FIELD:** What have they done to delay the project?

**Mr STUART AYRES:** What have they done to delay the project?

**Mr JUSTIN FIELD:** Yes.

**Mr STUART AYRES:** I do not know how many days of inquiries you have chaired. Whilst that is a process that—

**Mr JUSTIN FIELD:** So, I am one of the environmental terrorists, as well, trying to delay the process?

**Mr STUART AYRES:** No, I did not say that, although it is incredibly—it is tempting.

**Mr JUSTIN FIELD:** An inquiry established formally through the Legislative Council—

**The CHAIR:** Let him answer the question. We need to let him answer the question.

**Mr STUART AYRES:** Look, it is tempting to say that, Mr Field. What I would say is that every time, whether it is a GIPAA or whether it is an inquiry—whilst these are all incredibly important processes and practices that I represent in a democratic society, they do have an impact on time. If you stop doing the work on an EIS to undertake a public inquiry or a public hearing or respond to a request for information, that does mean that you stop doing that work, particularly when you only have a relatively small team. Those things are part of the process and why this has taken longer.

The other thing—and I said this before in my previous answer—it is so critical that the environmental impact statement is a document that is trusted and a document that the public can look at and understand what those environmental impacts are. There is no doubt they exist and they need to be clearly articulated so the public can clearly see—and, for that matter, the Government—and so the Government can clearly weigh up the impacts on the environment versus the downstream benefits for flood mitigation.

**Mr JUSTIN FIELD:** Two of the hearings that we held last year looked at the leaks of the consistency review statements from government agencies, the Commonwealth agency and particularly National Parks and Wildlife. They raised a lot of concerns with the EIS, in particular the adequacy of environmental and heritage assessments, including post-bushfires. I want to read you another text message, if I could. This is from you to Michael, Maree and Alison:

I think we have to update our messaging about further survey work post bushfire and of Aboriginal sites.

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If we are going to have to do it anyway then we should own it rather than it being perceived that we have been forced there.

Also if the work is going to further delay the EIS to allow it to be completed then we should seek to own that too.

What are people's views on adjusting messaging to say something like...

"I've pushed back to completion of the Draft EIS to allow more time to complete further field studies of Aboriginal sites and bushfire impacted areas."

Minister, the concerns raised in the inquiry and by groups like GIVE A DAM are that there was not adequate assessment of environmental impacts and Aboriginal cultural sites, especially given the bushfires. Have you not just acknowledged that it was actually that advocacy that was important? That work was important to do, and here you have acknowledged that that has been the delay?

**Mr STUART AYRES:** I have said time and time again that the extensive work required here is the reason why we have taken longer to deliver the EIS. There is no doubt about that. I am more than comfortable in saying to my staff and to anyone in the public domain that if we have to take more time to ensure that the survey work under the agreed methodology with registered Aboriginal parties is completed, then that is what we will need to do. The bushfire impacts are quite interesting in the sense that there were clearly Indigenous sites that may have existed pre-bushfires that do not exist now. They do not come back; bushfire impacts are much more extensive than temporary flooding impacts. So, the ability for us to then get back into that site to complete the survey work under that agreed methodology with registered Aboriginal parties—I understand that there is probably in excess of 2,000 hectares that has been through that work. That is a significant impact on why we have taken longer to complete. It is one of many, many factors.

**Mr JUSTIN FIELD:** Is that an acknowledgement that originally the survey work was not completed in accordance with the agreed methodology with the registered Aboriginal parties?

**Mr STUART AYRES:** No, it is not.

**Mr JUSTIN FIELD:** That is what they say.

**Mr STUART AYRES:** Yes, and I am saying it is not. I am saying that the EIS has been an extensive process. If there are critiques in the drafting of the EIS, often that will mean that we adjust and go and do more work, because at the end of the day you need to have a completed EIS. My main concern with this is that this is—if you want to call them leaked documents—a commentary based on leaked documents that in many cases would be substantially out of date. What the public deserves to have is a completed EIS with all of that information in an open and transparent format that they can all assess. Having an assessment on what an agency may have thought at any stage in the last four years is not necessarily a reflection of what will be in the EIS when it is made public.

**Mr JUSTIN FIELD:** Those documents are from July and August last year, Minister. They were hardly old documents. The analysis by the Department of Agriculture, Water and Environment and by the National Parks and Wildlife Service were very recent; they were a direct response to your draft EIS.

**Mr STUART AYRES:** Yes, and until the EIS is completed and all of those issues have been considered, the public does not get an opportunity to assess them in their totality.

**Mr JUSTIN FIELD:** Why was it a concern for you to not be seen to have been forced to do additional work? Is that not an acknowledgement that the concerns raised by those departments and advocacy groups like GIVE A DAM were actually spot on?

**Mr STUART AYRES:** No, I do not agree with that at all. I am saying that if there was work that we were always going to have to do, then just go and do it.

**Mr JUSTIN FIELD:** Okay. Minister, last week in the water budget estimates, emails from Treasury to WaterNSW were tabled. I am sure it has been brought to your attention, but it puts a figure on the Warragamba Dam wall raising at \$1.6 billion. Is that the current estimated cost for the project?

**Mr STUART AYRES:** The estimated cost for the project will be publicly available when the application to submit the EIS is produced in the middle of the year.

**Mr JUSTIN FIELD:** At what point did \$1.6 billion become the figure? This was a 10 October 2019 document. At that time publicly most commentary was talking about a \$700 million project.

**Mr STUART AYRES:** I have said time and time again that this will be an expensive project. I am not going to go into a running commentary on how much it will or will not be. We will lodge our application for the submission of the EIS. As part of that application process an indicative cost will be attached to that. That will be as part of the open and transparent process. I am happy to wait until that point in time so that everyone can see the same figure at the same time and we do not have to go through this exercise of bringing up figures every time



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a new update is put in place. Let us get to that open, transparent EIS position where all of the information is made available to everyone.

**Mr JUSTIN FIELD:** I know that you would like that to be the process, but there are other processes that we are legitimately able to take, including parliamentary inquiries. There are media discussions.

**Mr STUART AYRES:** Yes.

**Mr JUSTIN FIELD:** You are engaged in the media yourself, going out there and calling people environmental terrorists. Why do you want to put some information out there when it suits you beforehand, but information critical to the dams project and communities' thinking is being withheld, even though it is an open discussion within the Government?

**Mr STUART AYRES:** Because the public deserves to know what is the indicative price is when we have completed all of our work. A crucial part of that is an assessment of what the environmental impacts will be. Until you have a clear understanding of what they are, you are not able to complete a business case. So, rather than cherry-picking information throughout the course of the process, let us just give the public an open, transparent document—the environmental impact statement—with the indicative price that goes with its application. Why can we not just let the public see everything at the same time?

**The Hon. JOHN GRAHAM:** Minister, I might give you the chance to talk about some of your responsibilities in relation to the night-time economy. Firstly, would you like to give us an update? Since the strategy has been released by the Government, what progress have you made? What things have you already ticked off out of that strategy? Maybe just give us some feel for where you have headed already.

**Mr STUART AYRES:** Yes. So, the completion of the strategy—we have been through Parliament with the 24-hour economy amendments, which have been critical. We have announced Michael Rodrigues as the new 24-hour Economy Commissioner. The consultative group that is going to be established—we have decided to wait for Michael to begin his appointment. I am very enthusiastic about him starting with the Government; he is incredibly well respected. Unfortunately to get the person we wanted to do this—with his current employment his start date has been a little bit later than what we would have hoped, but that is a respectful arrangement with his existing employer. From that point on, we will establish the group that we have put in place. We have started to create a framework around how the acceleration program will work. Michael has had some early engagement on that. But the primary strategies or the primary things that we have taken through have been the steps through the Parliament to change the laws that are associated with a lot of night-time activity with the support of yourself and I think sensible amendments that went through the Legislative Council.

**The Hon. JOHN GRAHAM:** Great. And perhaps rather than take the time here if you could take on notice an update about each of those items in that strategy. Where are we up to? There is obviously a lot of detail there.

**Mr STUART AYRES:** Yes. It is an extensive document; it is not a strategy that is going to be delivered in a month or a fortnight. It is a living document. I expect we will actually update it, and the primary delivery or the executing entity will be the Office of the 24-Hour Economy Commissioner, but I am more than happy to take the update on notice and give you a bit more information.

**The Hon. JOHN GRAHAM:** Thanks. I also want to acknowledge the role you played in getting those night-time economy laws through the Parliament. That was very important to the Government's position. There is one issue at the moment, though, that is of deep concern particularly to music venues across Sydney and that is real, practical support—financial support—for them as JobKeeper comes to an end. They have struggled through. They were worried that 85 per cent of them might close—that is what they told the Parliament. They have struggled through until JobKeeper comes to an end at the end of this month. That is now happening. This is the moment where we are about to lose venues who will never get the chance to use those laws because they will close the door, possibly in the coming weeks. Where are we up to on this issue about a specific financial assistance package for venues in New South Wales?

**Mr STUART AYRES:** Just before you walked in I was answering questions about the post-JobKeeper environment and that I have had discussions with the Treasurer about what we would do or what we could do to support targeted industries. We were waiting to see what the Commonwealth Government is going to say about their—they have been quite open about targeted support. But specifically in the context of—this is Save Our Stages we are really talking about here, we have had a number of interactions with Save Our Stages. They have amended their request of government recently to reflect the changing nature of—some venues are starting to see activity and they are feeling more confident; others are still struggling.

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We have taken that application and we have provided that through to Treasury. It is currently being assessed right now. It is definitely something that I think the Government needs to be considering in that post-JobKeeper environment and then it is about determining a threshold for where venues would be able to access that type of support. I think you know this, but some venues are in stronger positions than others. Some have actually used the period of time when music has not been able to be played in their venues to undertake substantial refurbishments. Other venues are having quite intense discussions with the existing landowners.

**The Hon. JOHN GRAHAM:** And I want to acknowledge your support for that package. The Treasurer has got to act, though, here if there is going to be some hope here.

**Mr STUART AYRES:** Indeed.

**The Hon. JOHN GRAHAM:** Isn't the issue for venues that they have got to—this is the end of March we are talking about. They've got to tell their staff, they've got to tell their suppliers, whether they are shutting up. They are making those decisions now. Isn't that the issue?

**Mr STUART AYRES:** There is no doubt that the impact of the end of JobKeeper is shaping the mindset of lots of entities, businesses across the wider tourism, hospitality, entertainment sector. Some will have already been starting to peel employees off JobKeeper. Others do not have the capacity to do that. I think in the context of some of the music venues that we are talking about, a concern that I have continued to raise and I have said publicly and will say here is that why I think this area could be open for more targeted support is effectively the changing nature of land use around a number of the venues. Venues exist on existing use rights in a lot of places—cities and towns have moved, development has happened around them—and so it is important that those cultural activities that are so critical to Sydney are maintained as much as we possibly can. I think there is an understanding here that this is not just a business falls over in hard economic times, economic times return and new business comes in.

**The Hon. JOHN GRAHAM:** Once we lose them, they are gone for good—and we are losing them at the moment.

**Mr STUART AYRES:** For some of them, yes.

**The Hon. JOHN GRAHAM:** The Old 505 Theatre is one of the few that has gone public. That is a devastating loss to the Sydney music scene and the theatre scene.

**Mr STUART AYRES:** Indeed.

**The Hon. JOHN GRAHAM:** You are aware, I think, of another prominent music venue—I will not name them because if I did that'll be jobs gone, tickets cancelled, gigs cancelled—who is at risk of having the doors closed this afternoon at 5.00 p.m. We are losing venues right now—last week, today, next week. They can't wait for New South Wales to take specific steps to fund those venues. What can we do, Minister?

**Mr STUART AYRES:** As much as waiting is often painful, I think making sure that where we deploy taxpayer funds and employing them where they will have the most impact is critical—the Federal Government making its announcements around what it will do in the tourism sector post-JobKeeper and then the State Government taking a more targeted approach for where those gaps exist.

**The Hon. JOHN GRAHAM:** But these venues are closing now. Isn't that unfair to their staff? That is just not a practical view, is it, Minister?

**Mr STUART AYRES:** Yes, except I think it is also fair to say that the taxpayer should not have the exposure to support every entertainment venue or every business, and so—

**The Hon. JOHN GRAHAM:** I agree with that, but do you accept that while there is a—

**The Hon. TREVOR KHAN:** I'll take the point of order.

**The Hon. JOHN GRAHAM:** I was trying to agree.

**The Hon. TREVOR KHAN:** And you are very good at it, but I will take the point of order that the Minister is answering and he is being interrupted.

**The CHAIR:** Minister, you have the call, so you can finish the answer.

**Mr STUART AYRES:** The difficulty is always going to be working out where Government intervention and Government support for businesses—some businesses, even in the entertainment sector, are not necessarily well-run businesses or they do not necessarily have the cash position to even survive a short-term grant from the Government. I am more than happy and will continue to advocate for appropriate interventions in sectors that have been disproportionately impacted by COVID but I want to make sure that, as best as we possibly can, where

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we deploy taxpayer funds it actually delivers an outcome, it does not just keep a business open for three months because they run out of their ability to pay rent three months later.

**The Hon. JOHN GRAHAM:** I agree with that 100 per cent, but do you agree that Victoria has rolled out about \$30 million of assistance? In New South Wales that figure is zero. This venue that might have the doors closed today, if they were in Victoria would have received more than \$100,000—maybe \$110,000, maybe \$130,000—to get them through. In New South Wales they get zero. Why can't we? There is a time issue here; do you acknowledge that, Minister?

**Mr STUART AYRES:** I do. We are both passionate advocates of the sector. There is no doubt that time will have an impact here. I do not think it is fair to say that there was zero allocation of funds in New South Wales compared to Victoria. Victoria had a more defined support package but there were many other opportunities for funding support for grants that existed through the Department of Customer Service and small business activities that were made available to all businesses across New South Wales. So they could have accessed some support through those. Some did; some haven't. We have continued to try to help as many businesses access those existing arrangements. Whilst it is not as packaged, and even reflecting that, and I have mentioned that Save Our Stages has provided a more refined submission to government.

**The Hon. JOHN GRAHAM:** Yes, understood.

**Mr STUART AYRES:** That is with Treasury right now. I think it is fair to say that I have been very clear in my presentation to Treasury to say that time is critical here. JobKeeper removing is forcing a lot of stress into the sector.

**The Hon. JOHN GRAHAM:** Finally on this issue, Minister, I might ask for your help. We are dealing here with this venue with a landlord who appears won't negotiate. They are likely taking JobKeeper but refusing to follow the principles of the national code. Can I ask for your assistance to get the Small Business Commissioner to look at this issue urgently?

**Mr STUART AYRES:** I will do that. I will not pass judgement on whether the landlord is taking JobKeeper—

**The Hon. JOHN GRAHAM:** I agree.

**Mr STUART AYRES:** —but what I will do is I will ask the Small Business Commissioner to see whether they can engage with that business and offer them some guidance.

**The Hon. JOHN GRAHAM:** Great. Thank you. I will ask about one final issue, which is page 11 of the strategy report, *Sydney's 24-hour Vision*. I want to ask about the night-time economy poem that your Government published.

**Mr STUART AYRES:** Yes.

**The Hon. JOHN GRAHAM:** Just to remind you, it is the one that starts:

There are cities and then there are cities.

Places that exist, not just on maps,

but in culture, nostalgia and in our wildest imaginations.

There are cities that never sleep but somehow keep you dreaming.

Global cities.

**Sydney is one of them.**

Minister, how much did this poem cost?

**Mr STUART AYRES:** I will have to take that on notice. I do not know the exact figure off the top of my head and whether it was drafted through the drafting process of the 24-hour economy or whether it was subject to a direct payment, but I will take it on notice.

**The Hon. JOHN GRAHAM:** The poem goes on to make this observation:

Where we also value our functional amenities—late-night pharmacies, all-hour gyms and accessible public transport.

Who drafted this poem, Minister?

**Mr STUART AYRES:** It was drafted as part of the 24-hour Economy Strategy to create a narrative for what we want Sydney to be.

**The Hon. MARK LATHAM:** It was not a school competition?

## CORRECTED

**Mr STUART AYRES:** No, I do not think it was, Mr Latham.

**The Hon. JOHN GRAHAM:** It certainly was not a winning entry in the school competition. I hand to my colleague.

**The Hon. TREVOR KHAN:** That is a bit churlish. I thought it was quite lyrical, really.

**The Hon. JOHN GRAHAM:** I will table the poll.

**The Hon. PETER PRIMROSE:** Minister, if I may ask you some lyrical questions as well—

**The Hon. BEN FRANKLIN:** You always do, Mr Primrose.

**Mr STUART AYRES:** Sorry, Mr Primrose, my team has just advised me that we have already referred that venue to the Small Business Commissioner earlier today.

**The Hon. JOHN GRAHAM:** Thank you.

**The Hon. PETER PRIMROSE:** Minister, can I ask you, as Minister for, inter alia, jobs and western Sydney, some questions about jobs and western Sydney. Can you tell us what is the largest and growing employment sector in western Sydney?

**Mr STUART AYRES:** I do not have a specific reference for an individual sector in front of me. I think it would be very difficult to define a single sector—if you wanted to create a framework for how I would do that—but what I would say is the services sector continues to be the strongest employer in New South Wales that exists in western Sydney. I would think that the services sector on the whole would be the largest employer.

**The Hon. PETER PRIMROSE:** Minister, I refer you to the official Australian and New Zealand industrial classification system that everyone uses. I would assume, as jobs Minister, you would use this all the time. Is it possible for you to clarify which of those sectors?

**Mr STUART AYRES:** I am more than happy to, using that classification, provide you with that information on notice.

**The Hon. PETER PRIMROSE:** You do not know?

**Mr STUART AYRES:** No, I do not know that off the top of my head.

**The Hon. PETER PRIMROSE:** Sorry, I just assumed as jobs and western Sydney Minister you might be aware of that.

**Mr STUART AYRES:** I do not carry the Australian qualifications network in my head every day of the week, no.

**The Hon. PETER PRIMROSE:** My question was not about that. My question was: What is the largest and growing employment sector in western Sydney? But I will not pursue this. Are you familiar with the New South Wales Government Western Sydney Planning Partnership technical report summaries that were issued in November 2020 and, particularly, the Draft Aerotropolis Precinct Plan.

**Mr STUART AYRES:** I am familiar with the precinct plans, yes.

**The Hon. PETER PRIMROSE:** Can I read you a statement on page 29 under "Economic and market feasibility"? It states:

Despite strong population-serving and industrial sectors of employment; industries such as health care and social assistance, administrative and support services, and real estate services experienced declining employment

Do you agree with that?

**Mr STUART AYRES:** I do not know the basis on which that statement is undertaken, but if it is in that planning framework and that described a decline in employment, I am going to assume that they have used a reputable source for that reference point.

**The Hon. PETER PRIMROSE:** In light of your previous comment in relation to the health care and social assistance sector, do you think that is an accurate statement—that it is, in fact, industries such as health care and social assistance—in the official government document that I am quoting from here? It is not a trick question.

**Mr STUART AYRES:** No. I am familiar with the precinct plan. I have to say that I do not know the basis under which that statement—and where that information came from. I am happy to go away and clarify it.

**The Hon. PETER PRIMROSE:** I would be very interested if you could because I then go to a document put out at the same time by the Australian Government. I presume your agency has some consultative relationship

## CORRECTED

with the Federal Government's Local Jobs Program, which was issued late last year, specifically to do with local jobs plans for Sydney south-west and Sydney greater west regions. Are you familiar with that document?

**Mr STUART AYRES:** Not in detail, no.

**The Hon. PETER PRIMROSE:** As jobs Minister, you are not familiar with the Federal Government's recently issued document on local jobs?

**Mr STUART AYRES:** Not in detail.

**The Hon. PETER PRIMROSE:** I am sorry. I base these questions on the assumption you would be familiar with them, but I will proceed anyway. This document specifically makes a statement where it looks at employment issues in both of them. It says one of the most notable things about the Sydney greater west region, and I quote from page 17 of the document:

Employment trends

...

- ... increased ... in Health Care and Social Assistance [workforce] ...

So we now have a definitive State Government document that says it has declined and we have a Federal Government document that says it has increased and is increasing, and you do not seem to be familiar with either of them.

**Mr STUART AYRES:** No, I said that I am familiar with the planning partnership document.

**The Hon. PETER PRIMROSE:** I think you have just been handed a "save me" note.

**Mr STUART AYRES:** No, I said I was familiar with the planning partnership document, and it relates to the precinct plans for the aerotropolis. Sorry, you have asked questions. Let me answer.

**The Hon. PETER PRIMROSE:** Yes, so I am trying—

**The Hon. WES FANG:** No.

**The Hon. PETER PRIMROSE:** Let me define it so we do not go down a rabbit hole. I am simply saying, Minister, are you correct—is the State Government correct or is the Federal Government correct in their official documents in relation to jobs and western Sydney?

**Mr STUART AYRES:** To be clear here, I do not know the source and the basis around why the precinct plan document created by the Western Sydney Planning Partnership utilised that turn of phrase or those words, talking about a reduction in health and I think it was social services?

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

**Mr STUART AYRES:** I will take that on notice to find out why.

**The Hon. PETER PRIMROSE:** I appreciate that.

**Mr STUART AYRES:** In relation to the Commonwealth figures, I also do not know on what basis they made those statements. I will ask them. It is not a document that we have prepared. What I would say, though, is that we have seen consistent trends that see growth in areas across the entire western Sydney region. I suspect the planning partnership document that you are referring to talks about a very specific location of Sydney that we refer to as the aerotropolis, which is a very lightly inhabited area by Sydney standards, and so I suspect the numbers included that may well have formed that are subject to quite significant variation.

**The Hon. PETER PRIMROSE:** Minister, having read the documents, I urge you to maybe read the documents and your office to read the documents because what you are indicating is speculation. It is, in fact, not the case.

**Mr STUART AYRES:** Sorry, what is not—?

**The Hon. PETER PRIMROSE:** I have read the documents.

**Mr STUART AYRES:** What is not speculation? If you are referring to the Western Sydney Planning Partnership precinct plans for the aerotropolis, that is a precinct plan for an area of 11,000 hectares—circa 11,500—around the Western Sydney Airport. Most of that area is currently rural lands with very, very limited employment activities happening in those areas. I say that in the context of a wider Sydney standard because if you are operating a business in a place like Luddenham or you are running a small farming lot or an intensive agricultural resource, you will think that your business is very, very important, as you should. I am

## CORRECTED

saying that the total population in that area could be subject to quite significant changes in datasets from one year to the next because the population base is so small.

In the context of your reference to the Federal Government's documents, I am sure they are talking about a much, much wider area of western Sydney where, quite clearly, we have seen growth in the services sector, which has quite strong growth in areas around health care and social services. A lot of that has been driven by government policy positions, particularly the bipartisan position around the creation of the NDIS, which has seen increasing demand for workforce in that location, and we have also seen substantial increases in the size of the public sector workforce relating to health as well.

**The Hon. PETER PRIMROSE:** Minister, the precinct plans include specifically small area documents across the whole of western Sydney.

**Mr STUART AYRES:** No, sorry. The western Sydney partnership precinct plan relates to—I know you missed the earlier entertainment at this hearing—

**The Hon. PETER PRIMROSE:** No, I have been watching most carefully.

**Mr STUART AYRES:** —but the precinct plan relates to the 11,000 hectares around western Sydney.

**The Hon. PETER PRIMROSE:** Yes, I have read them. That is why I can ask these questions, but I will come back.

**The Hon. MARK LATHAM:** Minister, I take you to the last answer you gave me. You were outlining, if I can summarise it, that in terms of transport planning principles there are two population centres north of the airport site—Luddenham and Orchard Hills—so the sensible thing to do—

**Mr STUART AYRES:** Reasonably defined, yes.

**The Hon. MARK LATHAM:** —is locate your two metro stations at those population centres. Is that right?

**Mr STUART AYRES:** Luddenham and Orchard Hills are the two. They are not an intense development. I think you probably know this.

**The Hon. MARK LATHAM:** Townships.

**Mr STUART AYRES:** Yes. Luddenham has a village that is to the west of the airport. It is not in the area between St Marys and the airport, but Luddenham, as defined as a geographical area, takes up a large chunk of land north of Elizabeth Drive, and it largely butts into the area known as Orchard Hills, which runs south of the motorway and largely runs into Luddenham.

**The Hon. MARK LATHAM:** But you said population centres. In fact, where you are siting the Luddenham metro station there is no population there, is there? It is vacant land to the west of the Twin Creeks golf club.

**Mr STUART AYRES:** Yes. What I was saying was that the two areas that are defined that have population in them, they are not intense by any stretch of the imagination. You already know that; we both know this area reasonably well. Orchard Hills and Luddenham are the two geographically defined areas.

**The Hon. MARK LATHAM:** But where you are putting the Luddenham metro has no population. It is vacant area to the west of Twin Creeks golf club.

**Mr STUART AYRES:** Yes but—

**The Hon. MARK LATHAM:** And the Luddenham township is actually 10 kilometres west of the metro site.

**Mr STUART AYRES:** Yes, I have just described that.

**The Hon. MARK LATHAM:** So the Luddenham metro is not going to be servicing any population centre that you have previously outlined?

**Mr STUART AYRES:** No, I was saying that Luddenham as a geographical region is the location where people live.

**The Hon. MARK LATHAM:** So this transport planning decision is irregular, is it not? You said it would be a regular thing to put the stations where the people are but you are missing the Luddenham township by 10 kilometres by putting it on the Celestino land, which is vacant.

## CORRECTED

**Mr STUART AYRES:** Sorry, to be—with all due respect, Mr Latham, the Luddenham village, as you have said, is probably 10 kilometres south-west of the location—

**The Hon. MARK LATHAM:** On the Northern Road.

**Mr STUART AYRES:** Well, it is west of the airport. It is long way away from what would be a natural alignment to go due south from St Marys to the airport. It would be a significant deviation into an area that we have zoned for agribusiness purposes. So that would be an unusual planning decision if we sent the—

**The Hon. MARK LATHAM:** Just to clarify, the planning decision is a station on the Celestino land on Luddenham Road, which is essentially vacant, and then go further north to the Orchard Hills population centre?

**Mr STUART AYRES:** Yes, there are two sites—

**The Hon. MARK LATHAM:** That is the decision?

**Mr STUART AYRES:** Sydney Metro determine those two sites. There are other sites between, and I have mentioned this before. There is an underground station at St Marys. The train line travels in a tunnel underneath the St Marys township, underneath the Great Western Highway and underneath the motorway. It returns to the surface at Orchard Hills. Not far from the tunnel portal Sydney Metro has identified a site for a station. Further south is the area known as Luddenham. It is a wide area. As you have said, the village of Luddenham is different to the broader geographic area of Luddenham but Luddenham is on the corridor between St Marys and the airport.

**The Hon. MARK LATHAM:** It is a multibillion-dollar gift to the Celestino's, is it not?

**Mr STUART AYRES:** A multibillion-dollar gift to Celestino? Well, I think any train station location which is likely to have future development is going to have value attached to it; there is no doubt about that.

**The Hon. MARK LATHAM:** A lot of value.

**Mr STUART AYRES:** Yes, of course there will be value.

**The Hon. MARK LATHAM:** Given that the benefit-cost ratio identified Leppington as the biggest benefit and the biggest employment growth from linking Badgerys Creek airport by rail, why has the Government decided instead to do what Celestino wanted—in fact, what looks like Celestino knew about five years earlier—to undertake this particular alignment through to St Marys and site the station at Luddenham?

**Mr STUART AYRES:** I do reject the proposition that the Sydney Metro alignment is being delivered by Celestino or for Celestino. I would say that the New South Wales Government has taken a very good decision, one that was passionately advocated by a number of people and councils in western Sydney, particularly Penrith council—my own regional council—to create a north-south alignment. I think, from memory, there were six different alignments that were assessed. We have always been strong in the view that this line is merely stage one, to use that term, of a much larger rail network that will eventually link the north-west rail line at the north-west train station—I have just forgotten the name—down to St Marys, from St Marys through to the airport to the aerotropolis. From that point, the natural opportunity is to extend from there to Leppington and then south to Macarthur. My strong view is that we have laid the foundation for an outer Sydney rail line and that will substantially shape outer western Sydney the same way the north-south train line that crosses the harbour has shaped the eastern part of Sydney.

**The Hon. MARK LATHAM:** Prior to the Government announcement about the metro route and the siting of Luddenham metro station, how many times did you meet with or have discussions with the Western Sydney Rail Alliance, which was lobbying for this exact same project?

**Mr STUART AYRES:** I would have to go back and check my meeting disclosures if I met with them. I immediately do not have a recollection if I did, but to be sure I would go back and check my meeting disclosures.

**The Hon. MARK LATHAM:** Do you recall that that rail alliance, which was very prominent in the media—and we will check to see what the diaries say—the spokesperson for it was John Vassallo, who is the head of Celestino?

**Mr STUART AYRES:** John Vassallo? Yes.

**The Hon. MARK LATHAM:** John Vassallo, the CEO of Celestino.

**Mr STUART AYRES:** He was. I do not think he is any more but he was at the time.

**The Hon. MARK LATHAM:** But he was at the time that he was spokesperson for the Western Sydney Rail Alliance lobbying for this. It was organised by Chris Brown, who has Celestino as one of his clients.

## CORRECTED

**Mr STUART AYRES:** He might well. I am not aware of Chris Brown's client list. I think he would be a better person to answer who his client list is than me.

**The Hon. MARK LATHAM:** Minister, for the aerotropolis, how many memoranda of understanding [MOUs] have been signed with companies expressing an interest to site themselves in the aerotropolis area?

**Mr STUART AYRES:** We have 18 foundation partners and we have also signed a number of other MOUs. I would go back and check the exact number of where we are up to. We have had subsequent smaller MOUs around future uses that they would be interested in. One that comes to mind is FedEx and there are probably a number of others.

**The Hon. MARK LATHAM:** So you have 18-plus MOUs?

**Mr STUART AYRES:** Yes, I can clarify the exact number.

**The Hon. MARK LATHAM:** What is your level of involvement in negotiating those and signing them?

**Mr STUART AYRES:** The execution of MOUs has often been done—signatures have often been done by Ministers or the Premier. The negotiation of the MOUs have been done by Western Parkland City Authority and the individual businesses.

**The Hon. MARK LATHAM:** So what is your level of involvement? You have known about each of them in the negotiation and you have been part of the signing ceremonies—

**Mr STUART AYRES:** Yes and—

**The Hon. MARK LATHAM:** If we had time, you could pretty well list the 18, could you not?

**Mr STUART AYRES:** Yes and we have done lots of engagements with companies like Hitachi, Mitsubishi Heavy Industries. We have engaged with Sydney Markets, for instance—they are a foundation partner. We have been able to engage a lot with those businesses and encourage them to become foundation partners. Vitex Pharmaceuticals—I can keep naming these. My engagement with them has been one of ministerial engagement about encouraging them to be a foundation partner or to invest in western Sydney. To be clear, a foundation partner does not absolve a person or entity of going through acquisition processes, planning processes. They do not get any favouritism in that regard.

**The Hon. MARK LATHAM:** So in that "lots of engagement", logically, a company wanting to locate at the aerotropolis—how many times have they said to you, "Well, it is a pretty big space of land there and lots of options. What is the place where we should be locating inside the aerotropolis?"

**Mr STUART AYRES:** A lot of foundation partners will talk about what the future of the aerotropolis is, where infrastructure will go, what the future planning frameworks are. A lot of it is about understanding the decisions that the Government is making with relation to the planning framework. Some will be located on the 114 hectares of State government-owned land and that will include the advanced manufacturing research facility. My expectation is that a number of those foundation partners will establish a foothold in the aerotropolis through that advanced manufacturing research facility. Others, like CSIRO, who have announced a consolidation of all of their Sydney sites, will develop their own building.

**The Hon. MARK LATHAM:** In those discussions have you told them about Celestino being the only rezoned site with a rail line, a metro station, and the advantages of locating there?

**Mr STUART AYRES:** No, I think Celestino have been very proactive in engaging with industry in their own right. I think they have formed partnerships with CSIRO and I think, from memory, they have got a commitment around developing what is called a living lab. They have a relationship with UTS. They also have their own business interests that they are looking to locate on the site—

**The Hon. MARK LATHAM:** So never once in the discussions about where these foundation partners would locate inside the aerotropolis have you mentioned the name Sydney Science Park or Celestino?

**Mr STUART AYRES:** Not in a preferential treatment way.

**The Hon. MARK LATHAM:** In any way?

**Mr STUART AYRES:** Of course I would have, particularly to say that Sydney Science Park is a demonstration of other investors committing into the aerotropolis.

**The Hon. MARK LATHAM:** You promoted the Sydney Science Park to the partners?



## CORRECTED

**Mr STUART AYRES:** Yes, absolutely. I promote western Sydney and people who want to invest in western Sydney, and encourage jobs to come to this location. Of course I would do that. I think we answered all the dam questions.

**The Hon. MARK LATHAM:** This is a big advantage to Celestino and the Sydney Science Park, isn't it, that there is only a small number of locations that will be shovel ready where these foundation partners could possibly locate?

**Mr STUART AYRES:** I do not know that it is right to say "there is only a small number".

**The Hon. MARK LATHAM:** How many are there? Say I am an aerospace company or a warehousing or an IT outfit wanting to locate and invest in the Aerotropolis. Are you saying I can go to the State Government advanced manufacturing site, maybe there is a possibility of CSIRO—we do not know the detail there—and there is Celestino, isn't there? That's it?

**Mr STUART AYRES:** No, all landholders inside the Aerotropolis now can bring development applications forward to their local council.

**The Hon. MARK LATHAM:** How many have?

**Mr STUART AYRES:** I do not know the answer to that.

**The Hon. MARK LATHAM:** Only Celestino at Penrith council late last year. So they are first cab off the rank, aren't they?

**Mr STUART AYRES:** I think there is at least a perception here that Celestino has been given some favouritism. Celestino started their process before the Government embarked on the rezoning of the Aerotropolis—the creation of the State environment planning policy [SEPP], the creation of the precinct plans. And the precinct plans do overlay the Celestino land as well, so they are subject to the same road network alignments that are being outlaid in other locations as well. I just want to be really clear here to say that they have been through a rezoning exercise, which self-evidently means that they have moved faster than others.

However, now that we have gone through our rezoning, the opportunity for people to bring forward development applications to their local governments based on their existing zonings exists. I would expect that landowners will be looking to—some will sell to people who are wanting to buy and agglomerate land. Enabling infrastructure will be critical. The State Government and I will continue to advocate for us to invest in enabling infrastructure in the land that we own. Enabling infrastructure will be brought on both as a combination of State Government through charges that we discussed earlier, but also private sector contributions to open up land to be developed. We have set that framework and that's how—

**The Hon. MARK LATHAM:** But Celestino has big first mover advantages. When did the Abbott Government announce that we were going to have a second international airport at Badgerys Creek?

**Mr STUART AYRES:** I would have to check the date, but I think it was 2014. It was a pretty important in this Parliament, actually.

**The Hon. MARK LATHAM:** So why then would the State Government in dealing with the Celestino rezoning application—the Abbott Government did announce it in 2014. Why wouldn't the State Government at that point say, "Obviously, the Federal Government is building this second international airport, much anticipated in western Sydney. Your rezoning can't proceed because we'll have logical plans here for all the industrial tourism, housing and commercial land around that airport site that will need to be treated where every landowner is on a level playing field and we can't give someone—one commercial organisation—massive first mover advantages."

**Mr STUART AYRES:** I was not the planning Minister at the time, to be able to put myself in the mindset of that. But I think there is a fairness proposition here that if the rules of rezoning, development applications, the engagement through Penrith council—if they followed those rules, then why wouldn't they be permitted to proceed with that.

**The Hon. MARK LATHAM:** Because no one else got those rules, did they? No one else got that advantage and rezoning. They were allowed, after the announcement of the international airport by the Federal Government, to be the only commercial body that got the massive first mover advantages, that is why.

**Mr STUART AYRES:** They followed the process that was available to them.

**The Hon. MARK LATHAM:** Why wasn't that process made available to others? Why were others knocked back?

**Mr STUART AYRES:** I am not aware of who—

## CORRECTED

**The Hon. MARK LATHAM:** There were a whole bunch of landowners there over the past five years who wanted their land rezoned and they were told you will have to wait for the final Aerotropolis plan.

**Mr STUART AYRES:** Sorry, to be—

**The Hon. MARK LATHAM:** Okay, but in—

**The Hon. BEN FRANKLIN:** Let him finish the sentence, Mark.

**Mr STUART AYRES:** Celestino took their rezoning proposal through Penrith council.

**The Hon. MARK LATHAM:** And the State Government.

**Mr STUART AYRES:** Yes, in the sense that every application comes to the Government for final sign-off. I think we have allowed local governments to be able to go through the management of their own local environment plans. You cannot move the goalposts. They have just taken the opportunities that have been made available to them.

**The Hon. MARK LATHAM:** Yes, but you can have everyone shooting at the same goalpost, can't you Minister? And the process was that the Abbott Government announced the airport in 2014, Celestino got their application through Penrith council and the State Government, and then the State Government made a decision, "Hang on, we'd better do holistic planning here of the Aerotropolis." That was the chronology, wasn't it?

**Mr STUART AYRES:** Yes, I do not dispute that. And in fact I would—

**The Hon. MARK LATHAM:** Only when Celestino got theirs through.

**Mr STUART AYRES:** If the proposition is that the State Government waited for Celestino or prioritised Celestino, I just categorically reject that. It is so far from the truth. It is just not—

**The Hon. MARK LATHAM:** What expertise did Celestino have, having been chicken meat producers, in developing a science park?

**Mr STUART AYRES:** I am not going to pass judgement on their performance of their business, but merely say that they have gone through a rezoning process that Penrith council clearly agreed with.

**The Hon. MARK LATHAM:** And the State Government.

**Mr STUART AYRES:** Yes, and the State Government, which would have come clearly from the advice of—

**The Hon. MARK LATHAM:** To your knowledge, inside the State Government did anyone say, "Really? A chicken meat producer is going to now produce a science park? They really wouldn't have the expertise or experience. Maybe we should wait until we have holistic development of the Aerotropolis to see who could be the best science park proponent."?

**Mr STUART AYRES:** I think Sydney Science Park is a branding proposition that they have used to engage in the community. It was—

**The Hon. MARK LATHAM:** Only branding?

**Mr STUART AYRES:** They are using it to define the type of activity that they would like on the site. I do not think that you should create one rule for one and another rule for another. However—

**The Hon. MARK LATHAM:** But that is what you have done, isn't it?

**Mr STUART AYRES:** No, no.

**The Hon. MARK LATHAM:** That is exactly what you have done.

**Mr STUART AYRES:** No, you are talking about trying to create a new time line. I do not think we should stop and say, "Alright. Celestino have gone through their rezoning process. After you've done that, we're going to say, 'No, you can't have that anymore. We're going to put you back into this pile that allows everything else to be collated.'" It is fair and reasonable to allow people to continue to proceed based on the rules on which they started. And because this was going to happen rapidly and it has created a number of the challenges that we have to deal with today, particularly around changing land values and different zones, it makes more sense to try to provide a much clearer framework for landowners and investors, and that is what we have done.

**The Hon. MARK LATHAM:** Minister, were you aware that the CEO of Celestino, John Vassallo, has been a Liberal Party donor?

## CORRECTED

**Mr STUART AYRES:** He might well be, but he would not have been a donor—I am going to work on the assumption that he is not a donor to anyone in New South Wales, assuming he is a developer.

**The Hon. MARK LATHAM:** You, yourself, are pretty good mates, aren't you, with John Camilleri, who is the owner of Celestino?

**Mr STUART AYRES:** I would describe us acquaintances. We have met a number of times, but I would not say that we were close mates. What are we talking about here? I go around to his place for dinner or I have a beer with the guy?

**The Hon. MARK LATHAM:** But you talk about his development interest at Sydney Science Park?

**Mr STUART AYRES:** I have had a couple of discussions with him about that, but I would not describe it as a relationship.

**The Hon. MARK LATHAM:** Minister, in deciding which of the 10 precincts at Aerotropolis go forward now, there appears to be a decision that six of the precincts are to be fast-tracked for development: Aerotropolis Core, Northern Gateway, Wianamatta, Badgerys Creek, Agribusiness and Mamre Road. And four others look like they are on the backburner: Dwyer Road, Kemps Creek, North Luddenham and Rossmore. How was that distinction made between the six to go forward and the four that are left quite frustrated.

**Mr STUART AYRES:** Yes, the provision of infrastructure plays a significant role in that. I will use Dwyer Road. It is fairly practical but let's say that sewage goes downhill and Dwyer Road is the site that is furthest located from the existing sewage treatment plants, so it will take the longest at the highest cost to get to that site that would allow for further agglomeration of that land. Whereas the Northern Gateway is closer to that existing infrastructure. It will be able to be brought to market earlier at lower cost. Eleven thousand hectares is kind of—it is bigger than from here to Sydney Airport and probably west to sort of Balmain. We are talking about a massive amount of land that has no infrastructure in it. You cannot deliver 11,000 hectares worth of infrastructure in one go. You have to prioritise and sequence it.

**The Hon. MARK LATHAM:** Sure, but this Northern Gateway you are mentioning, just to wrap up, by far its biggest development is Celestino's Sydney Science Park, is it not?

**Mr STUART AYRES:** I would have to check the landholdings. There may be larger landholders in that area. The Northern Gateway site is also heavily compromised by existing and future infrastructure corridors. The M12—

**The Hon. MARK LATHAM:** Compromised? They are getting the rail line and the metro station.

**Mr STUART AYRES:** I was talking about the Northern Gateway, not just the individual property owners. But that whole gateway has a motorway that goes through it. It has got a rail line that goes through it. It has probably got utility corridors that will have to go through it. That Northern Gateway area will be considerably smaller from a development footprint because of all of those other provisions that we have to account for in that area. On top of that will be lower-lying areas where flood activity could take place and they are also under the one-in-100 flood level. So they are the locations that we have identified as environment zones in the precinct plans and through the rezoning process, which is one of those zones that you referred to earlier. Wianamatta South Creek is largely an environment corridor because it is inside the one-in-100 flood level that is in existence with most councils. The other point that I would just flag on that one is that in the initial consultation on the aerotropolis plan or the SEPP we consulted on the probable maximum flood level, which would have sterilised more land. But after consultation with the public, that corridor was reduced back down to the one-in-100 level, which is consistent with the existing local council flood plans.

**The Hon. PETER PRIMROSE:** I would just like to briefly return to some questions about jobs in western Sydney. It is correct that the western Sydney projects outlined in the NSW Infrastructure Pipeline, including the jobs acceleration fund as well as others mentioned during the election campaign, and their employment effects were calculated using the New South Wales Government employment calculator. That is correct, is it not?

**Mr STUART AYRES:** Sorry, can you just repeat the question?

**The Hon. PETER PRIMROSE:** It is correct that the western Sydney projects outlined in the NSW Infrastructure Pipeline—and I include the jobs acceleration fund as well as others mentioned during the election campaign—and their employment effects were calculated using the New South Wales Government employment calculator. That is correct, is it not?

**Mr STUART AYRES:** I would have to take that on notice.

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**The Hon. PETER PRIMROSE:** You do not know?

**Mr STUART AYRES:** You are making a proposition that I am going to take on notice.

**The Hon. PETER PRIMROSE:** Okay. Could you also then take on notice, as the western Sydney Minister and the Minister who is repeatedly talking about the number of jobs that are going to be created, what multiplier was actually used? Because that is how, Minister, you calculate the number of jobs that are in your press releases. To clarify then, what is the total number of jobs purported to be created in western Sydney in the Infrastructure Pipeline?

**Mr STUART AYRES:** I do not have that cumulative figure off the top of my head. It is an extensive infrastructure pipeline, Mr Primrose. I am happy to go away and provide you with the figure with the entire pipeline, but I do not think it is a reasonable expectation that I would have every single infrastructure project and the jobs allocated to it in my head right now. So while I am sure that number is—

**The Hon. PETER PRIMROSE:** Well, maybe your staff could before the end of the hearing, because I have got the press releases when you went out talking about it.

**Mr STUART AYRES:** Yes. I am just saying that if you are asking me for a cumulative number across many projects, I am not going to give you a large-scale macro number. I will happily take it on notice and answer the question.

**The Hon. PETER PRIMROSE:** And please disaggregate those. What is the number of jobs created in western Sydney out of the possible 20,000 that your Treasurer said would be created by the \$3 billion jobs acceleration fund? How many of those will actually be created in western Sydney?

**Mr STUART AYRES:** That would be entirely dependent on where the projects were located and what other businesses took on support from that.

**The Hon. PETER PRIMROSE:** How many do you propose, as the jobs and western Sydney Minister, out of your Government's announced program will actually be created in western Sydney?

**Mr STUART AYRES:** I will have to take on notice the individual jobs associated with each project.

**The Hon. PETER PRIMROSE:** So you do not know the total number of possible jobs that may be created in western Sydney?

**Mr STUART AYRES:** No. That is not what you asked me. You asked me about a specific program. I do not have that information in my head or in front of me.

**The Hon. PETER PRIMROSE:** Okay.

**Mr STUART AYRES:** I will take that on notice and come back to you.

**The Hon. BEN FRANKLIN:** As he is entitled to do.

**The Hon. PETER PRIMROSE:** As he is perfectly entitled to do.

**Mr STUART AYRES:** Sorry, I just do want to answer one you referenced—you were right, my staff can actually grab some information.

**The Hon. PETER PRIMROSE:** Yes, I was puzzled. Certainly the bureaucrats may know.

**Mr STUART AYRES:** So the local jobs program that you—the map here runs from—it looks like nearly Balmain, by the looks of this, all the way out to Wollondilly. So that is a vastly different area to the precinct plans that you are referring to. I think my statements about small area versus larger geographical area are probably pretty relevant. The maps are on page 9 of the document if you want to check that.

**The Hon. PETER PRIMROSE:** Minister, I have lots of questions here in relation to jobs in western Sydney but clearly your statements so far—you are unable to answer them. So I will just put them on notice. If you are unable to talk about jobs in western Sydney, then there is no point in asking them.

**The Hon. WES FANG:** Is there a question, Mr Primrose?

**The Hon. ROSE JACKSON:** Let us go back to tourism. I recall your answer previously, which was that, yes, you recognise that when JobKeeper ends there is going to be an issue and you are awaiting the Federal Government's potential announcement before the State Government considers its own package response. Is that a fair summation of your position at the moment?

**Mr STUART AYRES:** Yes, the Treasurer and I have said this numerous times. I think he said it in his own budget estimates that the Commonwealth has indicated that JobKeeper is finishing. Whilst that will be

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a painful exercise for businesses, I think that is an appropriate decision. What we have also said is that the Commonwealth has made clear that they will be doing some targeted sector support. We would like to see what that targeted sector support is so that we can shape any of our own additional and targeted sector support to reflect that. You do not want to be funding the same things. If there are gaps that are more relevant for the State Government to be able to support versus what the Commonwealth Government does, I think that is an appropriate course of action.

**The Hon. ROSE JACKSON:** Just to clarify, you agree with the Treasurer that the JobKeeper should end. You are supportive of the cessation of JobKeeper on 28 March.

**Mr STUART AYRES:** Yes, the JobKeeper program has served its purpose. It has kept lots of people connected to their employer. It has come at, I suspect, the single biggest expense in the history of Australia to support continued employment. It is all borrowed and at some stage you have to start paying that back.

**The Hon. ROSE JACKSON:** So when you say it "has served its purpose", you do not think that there is an ongoing need and purpose specifically in industries like tourism, which are still being significantly impacted by—

**Mr STUART AYRES:** No, self-evidently I do believe there should be continued support, but I think that support has to be targeted. The Commonwealth Government, whilst we are awaiting their specific allocations or detail, have identified sectors like tourism as a sector that will need ongoing assistance from the Government. It will not come in the form of JobKeeper. They have been clear about that and the New South Wales Government will also be engaging with or supporting the tourism sector through our response post-JobKeeper.

**The Hon. ROSE JACKSON:** So you have met with the Federal Treasurer and the Federal tourism Minister to discuss their response?

**Mr STUART AYRES:** The Treasurer has met with the Federal Treasurer and I have had discussions with the Federal tourism Minister.

**The Hon. ROSE JACKSON:** And from those discussions it is your expectation that they will announce a targeted package of support for the tourism industry? You expect that to be forthcoming?

**Mr STUART AYRES:** Both the Federal Treasurer and the Federal tourism Minister have said that there will be additional supports for the tourism sector after JobKeeper.

**The Hon. ROSE JACKSON:** When do you expect the details of that to be announced?

**Mr STUART AYRES:** I do not have a specific date, but given what has been in the media in the last few days I suspect it is imminent.

**The Hon. ROSE JACKSON:** Well, it would need to be, would it not, Minister, because 28 March is two weeks away.

**Mr STUART AYRES:** Yes but, let us be frank, the Commonwealth Government is controlling the JobKeeper arrangements. I think the sooner they provide that information, governments along with private sector interests will be able to adjust on whatever those support mechanisms look like.

**The Hon. ROSE JACKSON:** But do you accept that we know the date when JobKeeper ends—it is 28 March; it is two weeks away—but we do not know what is replacing it in terms of targeted support, and we do not even know when we will know that? It is leaving a bit of a hole, isn't it, right now, for the tourism industry to plan the rest of 2021?

**Mr STUART AYRES:** Yes, I think that everyone in the tourism sector would have liked to have known what is going to come after JobKeeper earlier. Of course I do.

**The Hon. ROSE JACKSON:** I wouldn't be so glib about it.

**The Hon. WES FANG:** Point of order: Chair, that was totally unnecessary by the Hon. Rose Jackson.

**The Hon. ROSE JACKSON:** I withdraw if the Minister is offended.

**Mr STUART AYRES:** Not offended and not glib either. I just think it is very obvious.

**The Hon. ROSE JACKSON:** I appreciate your response is "We are waiting for the Federal Government", but how long are you prepared to wait? When are you, as a State Minister, going to hit the panic button when it is obvious that there is a cliff coming on 28 March?

**Mr STUART AYRES:** For starters, I do not think Ministers should hit the panic button, ever. The second thing I would say is that it is important that when we are deploying taxpayer funds, we do so in the most

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efficient and effective way. Clearly, in this case, having an understanding around what the Commonwealth is going to do will allow us to shape our funds to where they do not support, or where we can add additional value. The other thing is that there are lots of businesses in the tourism sector that are doing really well. There are lots of reasons why people should travel. There are lots of reasons why people should get out and continue to support the tourism sector by being good customers. It would be, I think, a mistake to take a broadbrush approach to sector support, particularly without knowing what is going to happen from the Commonwealth, when the actual economic performance in the tourism sector is so patchy at the moment. I mentioned earlier that regional New South Wales is a location that is doing incredibly well, whereas Sydney's CBD, for instance, is doing less well because the exposure to different markets in those two locations is so dramatically different.

**The Hon. ROSE JACKSON:** But do you accept that because JobKeeper is ending in two weeks and at present there is no plan for what will go after that, in the areas that are massively suffering, people are being told right now that they are going to lose their jobs because it is two weeks away, and there is incredible anxiety about the details of this targeted, patchy response? Will you, as the State Minister responsible, provide at least some assurance to tourism businesses in New South Wales that you have got their back?

**Mr STUART AYRES:** I have done that. I have done that publicly. I have done that at numerous tourism events. I have done that in direct and personal engagements with tourism operators. I have also said—to use this in a very specific context—JobKeeper will have an impact on larger-scale hotels in Sydney, which are operating at lower occupancy rates. JobKeeper has allowed hotels to keep people employed when the occupancy rate would not normally have allowed for that business to keep paying a person's salary. Two things can happen here. The single best way to support the tourism sector after JobKeeper is not actually targeted financial support; it is the reduction and removal of restrictions that stop people from being able to participate in the economy at their full value. The next thing—and this will have a profound impact on the Sydney tourism market—is that State Premiers give a clear guarantee to not close borders without warning.

The closure of the borders after the Avalon outbreak at the back end of last year was reckless and catastrophic in the momentum that we were building up. When they locked citizens out of their own State, they sent a signal—and particularly to business and corporate travel, which is so critical to our Sydney market—to all of those people that if you leave the State and there is an outbreak in another State, we may not let you back in. Just think about that. Premiers of other States sent a clear signal to their citizens that if you travel to Sydney and something happens in Sydney, we will not let you back into Victoria and we will not let you back into Queensland. That has meant that business groups and corporate travellers, which is a huge part of the Sydney tourism market, are too afraid to fly because Annastacia Palaszczuk and Dan Andrews will not let them home.

**The Hon. ROSE JACKSON:** I think everyone is pretty tired of the kind of border politics now, so we are trying to talk about what is going to happen in two weeks when JobKeeper ends and there is no plan—

**Mr STUART AYRES:** Sorry, Ms Jackson, I cannot be any clearer. If you want people to travel to Sydney—if Dan Andrews and Annastacia Palaszczuk say tomorrow morning at a press conference, "We will give 48 hours' notice before we close our borders," more business travellers will come to Sydney. And that will have much more profound impact than any form of Government support because that business activity will allow hotel owners and hotel operators to employ housekeeping staff because their occupancy rates will be higher. This is not a border politics issue; this is actually supporting the tourism sector.

**The Hon. ROSE JACKSON:** Do you accept, Minister, that even with the resumption of more normal levels of domestic tourism—say, because domestic restrictions are wound back—there is no way that can actually make up for the gap left by international tourists, particularly in Sydney? Do you accept that just saying people in Australia need to travel more cannot actually solve this problem, particularly for our major centres?

**Mr STUART AYRES:** Numerically, the answer to that question is no. You are incorrect. Australians spend more money travelling overseas. We are a net trade deficit nation when it comes to tourism. Australians spend more dollars on travelling overseas than what the world spends travelling to Australia. In a raw equation of Australians travelling overseas, if they were to spend every dollar they spent overseas here in Australia, we would generate more economic activity in Australia. So the opportunity to reinforce the "holiday here" message, the "Sydney, love it like you mean it" message, the staycation, the travel in your own State and discover your own backyard message—regional New South Wales is seeing this very clearly. In fact, I suspect the big challenge—and I see Mr Franklin sitting here—is the volume of people in some locations that exist in regional New South Wales because those Australians who have chosen to travel overseas historically are travelling in their own communities. Does Sydney have a higher exposure to international travellers? Yes. But the most important market to Sydney is domestic business and corporate travellers. And at the moment they do not trust the Premiers not to shut the borders.

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**The Hon. ROSE JACKSON:** It is not just a statement that I have made. I mean, I am quoting Margie Osmond, who said:

... domestic tourism would not be enough to save the industry. It's got no hope of filling the gap in international travel – it's just not going to happen.

So what do you say to people like that—industry leaders who are saying we have got to quit the rhetoric of border politics and the domestic market is going to make up the gap, and get in the business of recognising there is still going to be a significant hole left by international tourists and the Government has got to do something?

**Mr STUART AYRES:** No, there is no doubt that international visitor expenditure is a significant contributor to the entire New South Wales economy, and particularly the visitor economy. But a large chunk of that can be filled by domestic activity if all of the restrictions around domestic activity are removed. If you are going to talk about where targeted support is focused, you should focus that support on locations that have the highest exposure to international corporate travellers as opposed to international leisure travellers. Those leisure travellers will have more opportunity to capture domestic dollars, whereas the corporate traveller is less likely to be filled by domestic expenditure. So that is a very good example of why understanding where the Commonwealth is going to deploy its funds would give the State Government an opportunity to think about or deliver a targeted package to support a section of our State—perhaps Sydney's CBD or Sydney metro—which has a higher exposure to international markets. That is why it is important that we get this right, see what the Commonwealth is going to do, and deploy our dollars as quickly and as effectively as we can.

**The Hon. DANIEL MOOKHEY:** Minister, what is Investment NSW?

**Mr STUART AYRES:** Investment NSW is a single door for investors across Australia and across the world to be able to engage with the New South Wales Government to make this State the most attractive location for domestic and foreign direct investment. We see the opportunities that are generated in a post-COVID world. There is significant disruption and significant frustration with governments both domestic and overseas. We think this is a good opportunity to ensure that New South Wales puts its best foot forward and is agile and nimble enough to attract investment that, in my mind, will be much more mobile and much more footloose over the coming decade.

**The Hon. DANIEL MOOKHEY:** When was the decision taken to create Investment NSW?

**Mr STUART AYRES:** The Premier announced it publicly yesterday.

**The Hon. DANIEL MOOKHEY:** When did you first find out about it?

**Mr STUART AYRES:** The Premier announced it publicly yesterday.

**The Hon. DANIEL MOOKHEY:** Was that the first time you found out about the creation of Investment NSW?

**Mr STUART AYRES:** We have been discussing at length over many, many months what is the right framework for how we shape government engagement with particularly the private sector. This is overwhelmingly focused on non-government investment.

**The Hon. DANIEL MOOKHEY:** But the question, Minister, is: Did you find out about that yesterday when the Premier announced it?

**Mr STUART AYRES:** I have had this discussion over a long period of time. I will not engage in discussions that take place between myself and other Ministers around government policy.

**The Hon. DANIEL MOOKHEY:** But you found out yesterday, did you not?

**The Hon. ROSE JACKSON:** It was yesterday.

**The Hon. DANIEL MOOKHEY:** Just deny it; you found out yesterday.

**The Hon. BEN FRANKLIN:** He is answering the question.

**The Hon. ROSE JACKSON:** Was it yesterday?

**Mr STUART AYRES:** No, I did not find out yesterday. There is another big grin. This has been an ongoing discussion. I think it is a good decision by Government to make sure that we are ready to take on board all engagements with foreign direct investors.

**The Hon. DANIEL MOOKHEY:** When will the agency be operating?

**Mr STUART AYRES:** Most of the functionality for that already exists. It is currently fragmented across other parts of government and it will be a consolidation of those activities.

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**The Hon. DANIEL MOOKHEY:** Yes, but when is the door opening on Investment NSW? When will it be in operation?

**Mr STUART AYRES:** If it is subject to any administrative order changes, that would be when it goes through the Executive Council.

**The Hon. DANIEL MOOKHEY:** Is it subject to any administrative order changes?

**Mr STUART AYRES:** I would need to see the full intent of where that goes and where Investment NSW will draw all of its resources from. If it does draw from multiple agencies then it may well be subject to that.

**The CHAIR:** Ms Boyd.

**Ms ABIGAIL BOYD:** Thank you. Good afternoon, Minister. Apologies for not being here earlier. I am chairing the other estimates Committee at the same time.

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

**The Hon. TREVOR KHAN:** Chairing!

**Ms ABIGAIL BOYD:** Attempting to chair at the same time, yes, so apologies if these questions have been put to you before. Firstly, are you a senior Minister for the purposes of your remuneration?

**Mr STUART AYRES:** I have not checked but I do not think so.

**Ms ABIGAIL BOYD:** You have not checked?

**Mr STUART AYRES:** No, I could not tell you the last time I looked. I think there is a separation, is there not?

**Ms ABIGAIL BOYD:** There are senior Ministers who earn \$17,000 more than other Ministers.

**Mr STUART AYRES:** I genuinely do not know. I have not checked. I do not think I am, but I do not know.

**Ms ABIGAIL BOYD:** Do you understand how poor it looks to people who are doing it really tough that you do not actually know how much you are getting paid?

**Mr STUART AYRES:** I have not really been too concerned about whether I am categorised as a senior Minister because I am much more focused on the citizens that I serve.

**Ms ABIGAIL BOYD:** Sure, which is the same stock response I just got from Minister Toole. But he is a senior Minister.

**Mr STUART AYRES:** Just to be clear, there is nothing stock about the service of the people in New South Wales.

**Ms ABIGAIL BOYD:** There are two levels of Minister within Cabinet.

**The Hon. TREVOR KHAN:** Probably three. I think the Premier probably constitutes one level as well.

**Ms ABIGAIL BOYD:** Thank you, you are right. There are positions such as Premier and Deputy Premier. There are also positions within the House. But are you telling me you are not aware of who within Cabinet is classified as a senior Minister and who is not?

**Mr STUART AYRES:** My assumption here is that cluster Ministers, who head clusters, are considered senior Ministers and that the Deputy Premier and the Premier are paid a particular salary. Whilst I do not wish to sound glib about this, my salary is not a high priority or very much a priority at all for me. I have never really checked whether I am considered a senior Minister or not. I do not think I am.

**Ms ABIGAIL BOYD:** Minister Tudehope is a senior Minister. Were you aware of that?

**Mr STUART AYRES:** He is a member of the leadership team in the Legislative Council.

**Ms ABIGAIL BOYD:** He has a position in the Legislative Council that was created for him, that is correct. But have you never questioned how you get to be a senior Minister or what the process is for that?

**Mr STUART AYRES:** It has never really been a priority for me, no.

**Ms ABIGAIL BOYD:** Okay, thank you. So there is no transparency even within Cabinet as to who is given the senior Minister role by the Premier.



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**Mr STUART AYRES:** When you say "transparency", what do you mean? I know who all the cluster Ministers are.

**Ms ABIGAIL BOYD:** Sure. When I asked the Premier about this last week, we were told that there was no public information about who was senior not for the purposes of being the head of a cluster but for the purposes of the Parliamentary Remuneration Tribunal's salary amounts. You get \$17,000 extra as a Minister just by the Premier saying that you are senior. Were you aware of that?

**Mr STUART AYRES:** I am not sure I would agree with that statement. I think that if a person has been determined as a senior Minister, it is because of the roles and tasks that they perform.

**Ms ABIGAIL BOYD:** No, the Premier did confirm it is at her discretion.

**Mr STUART AYRES:** Okay, and I am sure that is reflective of the roles and the tasks that the Premier has asked that Minister to perform.

**Ms ABIGAIL BOYD:** Okay, thank you. The plot thickens.

**The Hon. BEN FRANKLIN:** It does not, actually. There is not much of a plot here at all.

**Ms ABIGAIL BOYD:** I am sure we will get to the bottom of it. I am sure it will be made public in due course and then we will all be able to see why that is the case.

**Mr STUART AYRES:** I am fairly confident my salary is publicly available for every citizen in New South Wales to see how much I get paid.

**Ms ABIGAIL BOYD:** Unfortunately no. There are two different levels of Minister who do not have another title. That is listed on the Parliamentary Remuneration Tribunal's salary brackets, so we can see very clearly. But there is a category called "senior Minister" where that person gets \$17,000 more than other Ministers and the way to become a senior Minister is for the Premier to designate you as one. However, that designation is not made public so the public, when they are looking at those two levels of pay, have to just guess who is on it.

**The Hon. TREVOR KHAN:** As they often do.

**Ms ABIGAIL BOYD:** Technically all of the Cabinet could be senior Ministers and be getting that extra amount. Who would know?

**Mr STUART AYRES:** I would direct that question to the Premier, who makes those determinations.

**Ms ABIGAIL BOYD:** Okay. Clearly you do not know, though.

**The Hon. BEN FRANKLIN:** This is the top priority for The Greens, is it?

**Ms ABIGAIL BOYD:** Transparency and democracy and integrity of our processes? Yes, it is a top priority for The Greens.

**The CHAIR:** Yes, it is nice that we are livening up, but Ms Boyd has the call.

**Ms ABIGAIL BOYD:** Anyway, it is just interesting during a public sector pay freeze that there is this ability to just give Ministers \$17,000 extra, as we saw in the case of Mr Tudehope. Hence the question that I am asking.

**The Hon. WES FANG:** How much do you make, Abigail? Will you tell the members how much you make?

**Ms ABIGAIL BOYD:** Sure. Do you think I earn more than you or less than you, Mr Fang?

**The CHAIR:** Let us focus on asking the Minister questions. We only have a little bit of time left with him. Let us get back to work.

**Ms ABIGAIL BOYD:** Sorry, that is very good advice. I will ignore you, Mr Fang.

**The Hon. TREVOR KHAN:** You actually earn more because you are the chair of a committee.

**Ms ABIGAIL BOYD:** Right, okay. There we go. I am happy to tell you everything that I earn.

**Mr STUART AYRES:** Perhaps the citizens of New South Wales would prefer if we focused more on them than our own salaries.

**Ms ABIGAIL BOYD:** I think that is right and I think it is very interesting for the people of New South Wales to see that a certain amount of money is going to the Cabinet instead of to our public service, who have been doing it so hard and are subject to a pay freeze—again hence the question. You may want to talk about

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something other than your pay, so I will ask you while I have you: What have you been doing in relation to the urban heat effect within western Sydney to prepare people to be able to withstand the extra heat from climate change?

**Mr STUART AYRES:** Ms Boyd, I so wish you were here for the rest of the inquiry. The most significant challenge that exists in western Sydney at the moment, as has been discussed today, is the challenge around engaging with the public about the rezoning of land and the precinct plans that exist around the aerotropolis and the creation of new urban footprint. As part of that conversation and being transparent with the public around how land will be used into the future, we have released a precinct plan that sits at a more granular level of detail beyond the zonings. That includes riparian corridors, green corridors and areas where watercourses are. The existence of those will substantially restrict development in those locations. In many respects this is the practicality of making the Parkland City a city of parks and a city of green corridors. To be very clear and to answer your question, the actual framework that we have put in place with the precinct plans is the very practical application of your question of how we are putting into public policy the reduction of heat island impacts into the future. I think it would be irresponsible of any government, to plan future development, in western Sydney particularly, if you did not make it very clear where future green corridors would be.

**Ms ABIGAIL BOYD:** Sure, and that all sounds great in relation to future development. But what are you doing at the moment to assist, for example, councils to provide heat refuges for people within their areas in western Sydney or other— ?

**The Hon. MARK LATHAM:** Heat refuges.

**Ms ABIGAIL BOYD:** Are you—oh, dear.

**The Hon. MARK LATHAM:** It has never been hot in western Sydney.

**Ms ABIGAIL BOYD:** "It has never been hot in western Sydney." There you go. Straight from the mouth of Mr Latham.

**The Hon. MARK LATHAM:** Only now. "We need heat refuges." Oh, my god. It is called air conditioning.

**Ms ABIGAIL BOYD:** I will ignore you as well. Thank you.

**Mr STUART AYRES:** One example I would give you, Ms Boyd, is the Billabong park in Campbelltown, which is a part of the livability program for the Western Sydney City Deal. It is a joint-funded project between Campbelltown City Council, the State Government, and the Federal Government, as are all of the livability projects. The Billabong park project is location in Campbelltown to be a place of public gathering. It is designed specifically with heat impacts in mind. It is a place of access to water from a public perspective, places where people can cool off. It will change the urban landform around an existing built-up area. The intent is to reduce the—

**Ms ABIGAIL BOYD:** That sounds great. Are there more of those planned?

**Mr STUART AYRES:** It does not have the same focus on heat impacts, but another livability project—there is a consistent theme here because most councils in western Sydney identify heat as critical, so access to public open spaces that are cooler climates—in my own community of Penrith, the Regatta Park project, once again, another livability project through the Western Sydney City Deal, will create a riverside park in Emu Plains. It is a \$24 million contribution, \$7.5 million each from the State and the Commonwealth Governments and \$9 million from the local government. That will create quite a beautiful spectacular riverside park, where a really—

**Ms ABIGAIL BOYD:** It sounds like you are doing some things in that space, which is very positive.

**Mr STUART AYRES:** It is something that we—

**Ms ABIGAIL BOYD:** Are you doing anything in relation to the retrofitting of western Sydney's homes to better cope with heat impacts? Has anything been done around that?

**Mr STUART AYRES:** I know that my colleague Minister Keene has a number of programs that are available for retrofitting activities of businesses and homes. I do not know all of those in detail off the top of my head, but I would defer to him for more-specific information. What we are also doing and have done from a planning perspective from a number of years now is to create building conditions that allow for us to develop homes or build homes that are more resilient to the changing nature of climate and particularly the hotter climate of western Sydney.

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**Ms ABIGAIL BOYD:** Just to round off the question, then, are there any retrofitting plans, any plans to help with western Sydney's homes' retrofitting as opposed to new builds?

**Mr STUART AYRES:** There may well be in some of the environment grants that are available. But I would have to go away and check them specifically.

**The Hon. MARK LATHAM:** Minister, could I just take you to your visit to Celestino's Science Park on 17 December last year with Minister Pavey to announce an extra 2.4 million litres of recycled water? You called it a landmark partnership between Sydney Water and Celestino. The media released ended:

Sydney Water is accelerating plans to provide staged water, wastewater and recycled water services from December 2021 to support Sydney Science Park's development timeframes.

Who is paying for that?

**Mr STUART AYRES:** Sydney Water will pay for that. Celestino will, probably, make a contribution. Then there would be user charges, as is the—

**The Hon. MARK LATHAM:** Wouldn't the normal practice be for the developer to pay for it all, given it is a service to them that benefits them commercially?

**Mr STUART AYRES:** In most cases the provision of infrastructure is not exclusively provided by a developer, it is provided as a shared service. The provision comes from the State Government. There is a contribution. We spoke earlier about the State infrastructure charge, which is also another location in which revenue can be generated. In the case of Sydney Water, the user of that water is making a contribution through the bill that they pay.

**The Hon. MARK LATHAM:** What is happening there? Sydney Water is building a water-recycling plant at Sydney Science Park? Is that the idea?

**Mr STUART AYRES:** I would have to go back to check the exact detail. I know that there is a press release there, but I would have to go back to look at the exact detail.

**The Hon. MARK LATHAM:** It is only three months ago. What other development proponents have been offered this accelerated plan for their water, wastewater and recycled water, some of which at the expense of Sydney Water?

**Mr STUART AYRES:** You would have to ask Sydney Water around what their development profile is for that. Sydney Water—

**The Hon. MARK LATHAM:** But you were part of this announcement and you are in charge of the Aerotropolis. Do you know of any other announcements you and Minister Pavey have made for a commercial developer where they get this Sydney Water assistance?

**Mr STUART AYRES:** Once again we are coming back to the issue of timing—

**The Hon. MARK LATHAM:** No, I am asking a question. Do you know of any other developer who has been given this kind of assistance foreshadowed by you on 17 December?

**Mr STUART AYRES:** I do not. I would have to ask Sydney Water that. So I will take that on notice.

**The Hon. MARK LATHAM:** Is your intention that, as other developers come on line, they will get this same kind of assistance?

**Mr STUART AYRES:** Sydney Water will make a determination around where their infrastructure is best needed. They will also have to engage with existing landowners around where that infrastructure goes. We have discussed at length today already that—

**The Hon. MARK LATHAM:** That is a general answer. At the moment it is a one-off for Celestino.

**Mr STUART AYRES:** This is why timing becomes relevant. We keep coming back to the same point. I think, Mr Latham, you are attempting—at least, this is how it feels to me—to demonstrate that Celestino has got some sort of favourable treatment. I do not believe that is the case. What has happened is that Celestino moved before the Government was able to deliver the wider Aerotropolis planning framework. I do not think it is appropriate that we go back and ask a business or a landowner, whether they be large or small, after they have made a series of decisions, to change what they have done. That means that they are now in a position to engage with Sydney Water. They are, clearly, further down the pathway because they started it earlier, before the Government created the Aerotropolis plan.

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**The Hon. MARK LATHAM:** Minister, you are right in saying it is a question of timing. But the Government had control of the timing, and it put Celestino on a beneficial fast track when it gave them an approval and no-one else. That is the point that I am making, and I have outlined seven or eight major decisions that are multibillion dollar gifts to Celestino. We have dealt with water. I will come to another one. What—

**Mr STUART AYRES:** Sorry, I fundamentally disagree with the premise, that the New South Wales Government favoured Celestino. They went through a planning process. They went through a rezoning—

**The Hon. MARK LATHAM:** But you approved.

**Mr STUART AYRES:** Yes. With Penrith council. And they—

**The Hon. MARK LATHAM:** You are making out like this just dropped from the sky one day. It was with State Government approval. But anyway, I should come to the next question.

**The Hon. BEN FRANKLIN:** Point of order—

**The CHAIR:** We are almost at time. We are both interrupting each other here. Let us just have a question followed by an answer.

**The Hon. MARK LATHAM:** Sure. I will come to a question about your expectations for research and development capacity inside the Aerotropolis. What sort of partnerships are you expecting to form up?

**Mr STUART AYRES:** Most significantly, the lead entity for research and development in Australia, CSIRO, has become a foundation partner of the Aerotropolis. It has publicly announced that it will consolidate its Sydney activities at the Aerotropolis. We will continue to work with other subsidiaries or close operators of CSIRO. I think this is one of the most profound decisions that has been made by CSIRO in its history, to identify western Sydney as its future. It sends an incredibly clear signal to private enterprise, that the head of research and development in this country wants to call western Sydney home. Other foundation partners and other businesses that have commitments towards research and development will see that as a very attractive partner for them to engage with.

So I would say that we will, for many, many years to come, be working and leveraging the CSIRO to create translational and applied research opportunities out of the Aerotropolis. We will do so with space technology. We have just recently launched our SmartSat Cooperative Research Centre. We did that yesterday. The businesses that, we hope, will locate at the Aerotropolis will be absolutely critical in the emergence of the economy that exists around space technology. Defence and aerospace present themselves as huge advantages. The concept of biofuels, long-distance flights, robotics, automation, these are the macro-trends that will shape the economy. To have the biggest players around the world seeing western Sydney as an exciting place to do R&D, I have to say, makes me a pretty happy Western Sydney Minister.

**The Hon. MARK LATHAM:** Minister, is it your expectation that any partnership in this space between commercial bodies and government agencies would be on a competitive process rather than just favouring one developer?

**Mr STUART AYRES:** I think the R&D activities will be heavily influenced by the proposals that come forward to government. A lot of R&D activity will not actually be between the New South Wales Government and individual businesses. They will be business-to-business activities. I think, where there is engagement from the State Government, it will be subject to the usual approaches around either competitive tendering or under the appropriate direct deal arrangements that exist in the legislative and legal framework we operate under.

**The Hon. MARK LATHAM:** Are you concerned about the absence of any competitive tendering or competitive process for the announcement by the Government in July 2017—it does not seem to be linked to any kind of timing concern—that the Government signed a partnership agreement with Celestino for the Westmead precinct's seven health, education and research organisations: the Sydney University Children's Hospital Network, Westmead Children's Medical Research Institute, Westmead Private Hospital, Western Sydney University and the Westmead Institute for Medical Research? Celestino at that time said:

This agreement provides an opportunity for businesses and organisations at Sydney Science Park to leverage the knowledge, expertise and data that has amassed at Westmead over nearly 40 years.

Why is the Government giving away government-owned public data expertise and knowledge at Westmead for the benefit of Celestino without a competitive process?

**Mr STUART AYRES:** I am going to respond, Mr Latham, by saying that if the entities that you have named—a large number of well-respected and esteemed research institutes that have many, many partnerships with non-government enterprises—have entered into a partnership agreement with Celestino it is because they think it is in the interests of—

## CORRECTED

**The Hon. MARK LATHAM:** No, the Government did. Your Government corralled these organisations, got them together and signed a joint partnership—State Government to Celestino.

**Mr STUART AYRES:** Those entities—

**The Hon. MARK LATHAM:** Seemingly you are handing over the knowledge, expertise and data.

**Mr STUART AYRES:** We could have a very long and rich discussion about open data and what benefits that will provide to research and development, particularly in western Sydney but across the entire State. I do not see an issue here with those medical research entities wanting to form partnerships with private sector supporters and where they see a shared set of values. I do not think this is about handing over data. I have no evidence to suggest that this is about handing over data to one exclusive partner over another. All of those entities that you have raised are often in research partnership agreements with private sector funders or private sector research partners.

**The Hon. MARK LATHAM:** Minister, do you monitor proposed education facilities in the Aerotropolis where the Government was part of the announcement? A school was supposed to be built, for instance, and nothing has been delivered.

**Mr STUART AYRES:** You are referring to the Catholic education office STEM school?

**The Hon. MARK LATHAM:** Yes. Four years ago they said they would have a STEM high school in the Sydney Science Park. The Premier, Gladys Berejiklian, and the education Minister, Rob Stokes, were part of the signing ceremony. They signed it, but at this stage—four years later—it is still an invisible school. They are yet to see capital funding from the New South Wales Catholic head office.

**Mr STUART AYRES:** The decision to invest in that school is a decision for the Catholic education office. I support the concept of a school in the Aerotropolis that has a focus on STEM. It is consistent with the theme and the values of what we see as the future economic activity in that location. I understand there is an agreement around land between Celestino and the Catholic education office, but the decision to invest and the timing at which that happens is clearly a decision for the Catholic education—

**The Hon. MARK LATHAM:** The school was supposed to open this year, but do you think the Government was sucked into being part of the Celestino branding or PR exercise—the promise of a school—that clearly they have no intention of delivering?

**Mr STUART AYRES:** To the best of my knowledge the Catholic education office is very committed to delivering a school on that location. I think it is a location that will have strong demand over the long term. Has the development time frame moved as quickly as perhaps what the education office thought it might at the time? No. But they decide to invest their dollars when they decide to invest their dollars. This is a decision for the Catholic education office, not the New South Wales Government.'

**The Hon. DANIEL MOOKHEY:** Minister, are you going to be the Minister responsible for Investment NSW?

**Mr STUART AYRES:** I am currently the investment Minister, yes.

**The Hon. DANIEL MOOKHEY:** So is Investment NSW going to answer to you under the ministerial arrangements?

**Mr STUART AYRES:** I would have thought so. Assuming that—

**The Hon. DANIEL MOOKHEY:** Have you been told otherwise?

**Mr STUART AYRES:** No, but I am going to work on the view—

**The Hon. TREVOR KHAN:** Politics can be cruel.

**Mr STUART AYRES:** —taking Ms Boyd's referencing of me not being a senior Minister—

**The Hon. DANIEL MOOKHEY:** You might get a promotion out of this.

**Mr STUART AYRES:** But I suspect that there will be a cluster Minister who sits above me and—

**The Hon. DANIEL MOOKHEY:** You should ask for senior Minister designation.

**Mr STUART AYRES:** —apparently gets paid \$17,000 more than I do.

**The Hon. DANIEL MOOKHEY:** Minister, is Investment NSW going to sit in the Treasury?

**Mr STUART AYRES:** Well, decisions for administrative arrangements sit with the Premier.

## CORRECTED

**The Hon. DANIEL MOOKHEY:** Well, you are the Minister, so you have a part of that. You get to make the decision on part of this. Do you know whether it is going to sit within Treasury or not?

**The Hon. TREVOR KHAN:** No, no, no.

**The Hon. DANIEL MOOKHEY:** Or are you risking your promotion and your pay rise on that?

**Mr STUART AYRES:** No, I am merely saying that—and this is a well-known fact; I am not stating anything that is unusual—the administrative arrangements for the entire Government are the purview of the Premier.

**The Hon. DANIEL MOOKHEY:** Yes, but I am asking you specifically: Has a decision been made about which cluster this agency is going to be in?

**Mr STUART AYRES:** I have not seen its position in the administrative arrangements because—

**The Hon. DANIEL MOOKHEY:** So currently this investment function—

**Mr STUART AYRES:** —to the best of my knowledge they have not been drafted.

**The Hon. DANIEL MOOKHEY:** So this investment function is currently undertaken by Treasury. That is the status quo. I believe, therefore, Ms Curtain is part of the Treasury cluster. That is correct?

**Mr STUART AYRES:** Ms Curtain is a Deputy Secretary in Treasury.

**The Hon. DANIEL MOOKHEY:** So who is going to be in charge of this new agency?

**Mr STUART AYRES:** I think it is very important to recognise the Premier has announced the creation of Investment NSW. I think this is a critical step in bringing all of the functions of government closer together.

**The Hon. DANIEL MOOKHEY:** Yes, we have gone through that. The question is basic, Minister: Who is going to be in charge of the agency?

**Mr STUART AYRES:** We announced it yesterday.

**The Hon. DANIEL MOOKHEY:** So has no-one yet been chosen?

**Mr STUART AYRES:** I think we are allowed to take some time to determine the organisational structure. We are allowed to tell people around the world that—

**The Hon. ROBERT BORSAK:** Is that Bara taking over?

**Mr STUART AYRES:** —New South Wales is open for business.

**The Hon. DANIEL MOOKHEY:** Does the establishment of Investment NSW require any legislation?

**Mr STUART AYRES:** Not that I am aware of.

**The Hon. DANIEL MOOKHEY:** Is the creation of Investment NSW going to lead to the removal or dismissal of any current senior executive service staff?

**Mr STUART AYRES:** As I have said before, we have made the announcement to create Investment NSW. Give us more than 24 hours to decide the organisational structure.

**The Hon. DANIEL MOOKHEY:** Minister, to be fair, it was not my announcement; it was your Government. These are really basic questions. Who is the Minister? Which cluster is it going to be in? Who is in charge? When is it going to open? What is its mandate? Does it need a law? They are really simple questions. Your Government made an announcement, hence—take the opportunity if you wish to answer those questions because—

**Mr STUART AYRES:** I just did. I am the investment Minister.

**The Hon. DANIEL MOOKHEY:** Good.

**Mr STUART AYRES:** It does not require law.

**The Hon. DANIEL MOOKHEY:** Hey.

**The Hon. TREVOR KHAN:** Come on, Daniel.

**Mr STUART AYRES:** And if there are changes that are required around the administrative arrangements, they are the purview of the Premier.

**The Hon. DANIEL MOOKHEY:** What is the budget for Investment NSW?

CORRECTED

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**Mr STUART AYRES:** A budget has not been allocated at this stage.

**The Hon. DANIEL MOOKHEY:** What are the FTEs at Investment NSW? How many people are going to be working there?

**Mr STUART AYRES:** I just said to you that we have made the announcement to create Investment NSW. I am sure you will get plenty of opportunity in the next round of budget estimates to interrogate—

**The Hon. DANIEL MOOKHEY:** Or this afternoon.

**Mr STUART AYRES:** —Investment NSW.

**The Hon. MARK LATHAM:** Minister, are you monitoring progress with the announcements the Government has been party to about helping people with disability needs in the Aerotropolis? Again, a non-timing matter. In December 2016 Premier Mike Baird and disability Minister John Ajaka witnessed the signing ceremony between Celestino and Presentense, an Israeli accelerator addressing disability needs. What has been achieved there five years later?

**Mr STUART AYRES:** I must admit, Mr Latham, I do not have immediate knowledge of the outcomes of that agreement. I will take it on notice.

**The Hon. MARK LATHAM:** Just another PR thing that drifted into the ether?

**Mr STUART AYRES:** It is not an area in my direct responsibility. Celestino is—

**The Hon. MARK LATHAM:** Minister, you are the local member for these ones. Have you been party to the arrangement by which Celestino lists itself as a partner with the Nepean Blue Mountains Local Health District?

**Mr STUART AYRES:** I think they have some sort of agreement with the Nepean Blue Mountains Local Health District. The details of that partnership I think would be best directed towards the health Minister.

**The Hon. MARK LATHAM:** You were never involved in helping negotiate that arrangement of benefit to Celestino?

**Mr STUART AYRES:** No.

**The Hon. MARK LATHAM:** What about the Penrith—

**Mr STUART AYRES:** Sorry. To be clear, I am not aware of what benefit exists to Celestino in that agreement.

**The Hon. MARK LATHAM:** We normally work on the assumption when commercial bodies do something in partnership with public bodies it is not for altruistic reasons, it is for commercial motivation. Correct me if I am wrong there. But what about the Penrith quarter—

**Mr STUART AYRES:** Sorry, this is not a statement specifically about Celestino. I do not want it to be interpreted that way. But it may surprise you, Mr Latham, that there are plenty of businesses that operate in New South Wales that are good corporate citizens who take value generated by profits that they make and reinvest them in communities. Celestino may well be one of those businesses.

**The Hon. MARK LATHAM:** Are they?

**Mr STUART AYRES:** And if they are a long-term investor into western Sydney I do not think it would be unreasonable for them to want to have a greater or a closer working relationship with other entities that operate across western Sydney. In fact, I would—

**The Hon. MARK LATHAM:** Minister, with the Westmead Health Precinct they said they were drawing the knowledge, expertise and data out of the public bodies. I am asking: Isn't it likely they are doing the same at the Nepean Blue Mountains Local Health District and also the Penrith quarter, a health research hub around Nepean Hospital, announced by you in 2016?

**Mr STUART AYRES:** Yes, the Penrith quarter is a local government initiative working closely with Nepean Hospital and the other businesses that are operating around there. I did launch it at the Western Sydney University campus and I am sure that there are other operators outside of the local health district that are engaged in activity across The Quarter.

**The Hon. MARK LATHAM:** And do you understand that the Penrith quarter is selling its knowledge and expertise to Celestino at a commercial rate, or is it just giving it away?

## CORRECTED

**Mr STUART AYRES:** I do not think The Quarter is a business entity in its own right with intellectual property to sell. I think if you wanted to ask any of those individual entities about what information they have traded or shared with Celestino, you could direct your questions to either Celestino or any one of those individual entities.

**The Hon. MARK LATHAM:** Celestino is all around you in Penrith, are they not? There is a remarkable set of agreements and Government arrangements that have been struck over a long period of time. You are looking for a new name for the Parkland City—maybe "Celestino"? Celestino could be the new name.

**The CHAIR:** We are actually at time. The Government has time, if they require it.

**The Hon. BEN FRANKLIN:** I do have a question. Sorry, everybody.

**The Hon. MARK LATHAM:** Not the Natalie Ward one.

**The Hon. BEN FRANKLIN:** Not the Natalie Ward question. Minister, I was quite interested in the discussion that you had previously with Justin Field about the Warragamba Dam wall raising issue. I was wondering if you could perhaps, for the benefit of the Committee, outline the options that were considered in the options report as part of the Hawkesbury-Nepean Valley Flood Strategy?

**The Hon. DANIEL MOOKHEY:** Take it on notice.

**The CHAIR:** Please, take it on notice.

**Mr STUART AYRES:** I should have thought of that one myself. Thank you, Mr Franklin. There has been considerable discussion about Warragamba Dam. We have covered a lot of ground here today. I think one of the questions that is often raised is, "Has the Government considered other alternatives?" I think it is fair to say that often environment groups paint the picture that those alternative options have not been considered in detail. Prior to making the decision about having a preferred option of raising the dam wall by 14 metres, we considered lots of other options. I am going to go through them; I think it is critical that people hear these.

We looked at an option to lower the water storage by five metres in the dam. We also looked at lowering the water storage by 12 metres in the dam. Both of those failed to provide the flood mitigation benefits that a 14-metre option would. It is also critical to recognise that the V-shaped nature of the valley that is the dam lake means that the lower you go, the less water you have got available. To be clear here—and I think this is an interesting number for people to be aware of—we exited the most recent drought with the dam sitting in the low 40 per cent. I note that the Opposition has raised this as a potential position that they would consider, but if you reduce the storage capacity of Warragamba Dam to 60 per cent—had we gone into the last drought with the dam sitting at 60 per cent to buy that extra airspace, we would have run out of water in Sydney. We would have had no water in Warragamba Dam.

So, the other complexity that exists in managing the dam is that you protect the drinking water asset as well. That 40 per cent of airspace has value. It has financial value as an asset that is sold to citizens of New South Wales through their water bills, but it also has immense social cohesion value about making sure the largest city in the nation has a drinking water supply. Other things that we considered were river diversion channels. As the water comes through the dam and makes its way down the Nepean and the Hawkesbury, can you divert the water out of those locations? That underperformed; it obviously does not stop the large volume of water that is coming through. One that I am sure the environmental advocates would have opposed as well was river dredging. Trying to create a deeper channel across all of the rivers performs badly from an environmental perspective and offers poor flood mitigation options.

Levee banks, where we build up levee banks closer to locations, do provide some very localised benefits, but the sheer volume of water that comes into this valley makes them a poor performer. We have also looked at roads; this is seen as a way in which you might reduce risk. Roads are a critical part of evacuating from flood areas, but one thing roads do not do is that they do not stop the water. And so, you can evacuate people from locations that are high risk. There may not be anyone in there, but the flood will still come and will still impact businesses, communities and homes. Preventing future development, which we have continued to do—Minister Stokes and the Government over a 10-year period have continued to strengthen the locations where people can actually develop. Councils have participated in extensive flood mapping, which has made the recognition of where flood risk is higher.

The last option we considered was to buy back all of the properties that were in the high-risk flood zones that were approved by past governments, and that financially performs very badly compared to the investment in new infrastructure. So, there have been extensive options; all of those options are available online. Our options report was a critical part of the Hawkesbury-Nepean Valley Flood Strategy. It was part of the decision-making to settle on raising Warragamba Dam wall by 14 metres. The 14 metres is the storage height for water; it is where



## CORRECTED

the drum doors would be that allow the water to go out. For the sake of transparency, the physical infrastructure may be anywhere between one and three metres higher than that, but the water level would not be above 14 metres. That allows us to then understand where the water level will be in the event of a flood behind the dam wall.

I thank you for being provided the opportunity to use these estimates to reinforce the extensive options that the New South Wales Government and particularly the teams at Infrastructure NSW and WaterNSW have led. We take great responsibility in making sure that when we go out with our EIS, that trade-off that is unfortunately there—what will be the environmental impact that we are prepared to accept, to ensure that 90,000 people have better flood mitigation than what they currently have in what every insurance body in the country describes as the highest-risk flood location in Australia?

**The Hon. BEN FRANKLIN:** Thank you very much, Minister. That is all from me.

**The CHAIR:** Thank you, Minister.

**Mr STUART AYRES:** Thank you.

**The CHAIR:** We have concluded with your portion of this estimates hearing this morning, but the rest of us will be back at 2.00 p.m.

**(The Minister withdrew.)**

**(Luncheon adjournment)**

**The CHAIR:** Welcome back, everybody. We will continue in the same way that we did this morning in terms of rounds of questions and start with the Opposition.

**The Hon. DANIEL MOOKHEY:** Thank you, Chair, and thank you, Deputy Secretary and officials, for your appearance. Deputy Secretary, if we can pick up the conversation with Investment NSW, what do you understand the purpose of Investment NSW to be?

**Ms CURTAIN:** To bring together multiple parts of the government or the public service that are focused on growing the economy, and certainly there was a lot of focus in the press release around investment, I guess for the purpose of growing jobs in New South Wales.

**The Hon. DANIEL MOOKHEY:** Did the creation of Investment NSW follow advice that you gave?

**Ms CURTAIN:** No.

**The Hon. DANIEL MOOKHEY:** The decision to create Investment NSW did not result from advice from you?

**Ms CURTAIN:** I have not written advice about the creation of Investment NSW.

**The Hon. DANIEL MOOKHEY:** Has Treasury?

**Ms CURTAIN:** Not that I am aware of.

**The Hon. DANIEL MOOKHEY:** Are you aware of any public sector agency that provided advice to establish Investment NSW?

**Ms CURTAIN:** I am not personally; there could be, but I am not personally.

**The Hon. DANIEL MOOKHEY:** Are you the relevant deputy secretary who so far undertakes this? Is that not your title, "Jobs, Investment and Tourism"?

**Ms CURTAIN:** Yes, certainly my team will be forming part of Investment NSW, but the details of that are still being worked through.

**The Hon. DANIEL MOOKHEY:** When did you first become aware of the decision to create Investment NSW?

**Ms CURTAIN:** On Monday night I received an email about Destination NSW being part of a new entity, and I was informed yesterday morning.

**The Hon. DANIEL MOOKHEY:** So you found out about it yesterday morning?

**Ms CURTAIN:** Yes.

**The Hon. DANIEL MOOKHEY:** Who told you?

**Ms CURTAIN:** The secretary, Mike Pratt.

## CORRECTED

**The Hon. DANIEL MOOKHEY:** Okay, so Secretary Pratt informed you. Are you aware when Mr Pratt became aware of this?

**Ms CURTAIN:** No.

**The Hon. DANIEL MOOKHEY:** So you found out about this on Monday night, or yesterday morning after an email on Monday night, and that email was from Mr Pratt?

**Ms CURTAIN:** No, no, Mr Pratt spoke to me yesterday morning before the email went out to Treasury.

**The Hon. DANIEL MOOKHEY:** So the first you found out about it was yesterday, when Mr Pratt told you, and then an email followed?

**Ms CURTAIN:** Yes. Sorry, just the steps—

**The Hon. DANIEL MOOKHEY:** Yes.

**Ms CURTAIN:** On Monday night I did receive an email as part of the board of Destination NSW to inform the board that Destination NSW, which is under Steve Cox, would be moving to the new Investment NSW. I was not aware of it before that. Yesterday morning I was informed by Mr Pratt of the detail.

**The Hon. ROSE JACKSON:** Was that email from Mr Cox?

**Ms CURTAIN:** No, from the chair of the board.

**The Hon. DANIEL MOOKHEY:** So the chair of Destination NSW told you?

**Ms CURTAIN:** Yes, informed the board.

**The Hon. DANIEL MOOKHEY:** And you are a member of the board?

**Ms CURTAIN:** Yes.

**The Hon. DANIEL MOOKHEY:** That is how you found out, in your capacity as a member of the board?

**Ms CURTAIN:** Yes.

**The Hon. DANIEL MOOKHEY:** Not in your capacity as deputy secretary of the Treasury?

**Ms CURTAIN:** No, that was the conversation I had with Mike yesterday in more detail in the morning.

**The Hon. DANIEL MOOKHEY:** Mr Cox, when did you find out about the creation of Investment NSW?

**Mr COX:** Monday afternoon, late in the afternoon.

**The Hon. DANIEL MOOKHEY:** Where did you find out?

**Mr COX:** Mike Pratt gave me a call.

**The Hon. DANIEL MOOKHEY:** So the Secretary of Treasury called you on Monday afternoon?

**Mr COX:** Yes, late in the afternoon.

**The Hon. DANIEL MOOKHEY:** Yes, and what did he say?

**Mr COX:** He said, "I just wanted to advise you"—or words to this effect—"that Destination NSW will be part of Investment NSW and there will be an announcement by the Premier tomorrow" and, "I wanted you to be aware of it as opposed to reading it in the newspaper."

**The Hon. ROSE JACKSON:** Did he indicate whether that had any impact on you and your role in Destination NSW?

**Mr COX:** No, there was no conversation around structure or anything else like that.

**The Hon. DANIEL MOOKHEY:** Mr Cox, are you transferring as well, as far as you are aware, to Investment NSW?

**Mr COX:** Yes.

**The Hon. DANIEL MOOKHEY:** Is Destination NSW going to be continuing as a separate entity, or do you not know?

**Mr COX:** I really cannot comment on the structure; I have only been advised that there is a change.

## CORRECTED

**The Hon. DANIEL MOOKHEY:** Is that because you do not know, or you just cannot comment?

**Mr COX:** I am not aware of the structure. I have not been advised. I am unaware.

**Ms CURTAIN:** The announcement yesterday was around the intention to set up Investment NSW, but that sort of detail has not been worked through yet—that is my understanding—and that will be worked through in the coming weeks.

**The Hon. DANIEL MOOKHEY:** Mr Cox, did you advise the Minister or the Premier to create Investment NSW?

**Mr COX:** No.

**The Hon. DANIEL MOOKHEY:** They did not ask for any policy advice that came from Destination NSW?

**Mr COX:** No.

**The Hon. DANIEL MOOKHEY:** What other agencies are being folded into Investment NSW?

**Mr COX:** I am not aware of all of the agencies.

**The Hon. DANIEL MOOKHEY:** Ms Curtain, do you have any insight?

**Ms CURTAIN:** The Western Parkland City Authority and parts of Treasury.

**Dr HILL:** I do not know if we are part of Investment NSW, but my understanding is we will also be moving into the DPC cluster.

**The Hon. DANIEL MOOKHEY:** So you are going to be moving into the DPC cluster, but you are not sure whether as part of Investment NSW?

**Dr HILL:** My understanding is, and from the correspondence that was sent by the secretaries, that would infer that we are separate to Investment NSW—

**Mr COX:** Alongside.

**Dr HILL:** Yes.

**The Hon. DANIEL MOOKHEY:** Currently the Western Parkland City Authority is a part of the Treasury cluster under the existing administrative arrangement. Is that correct?

**Dr HILL:** That is correct.

**The Hon. DANIEL MOOKHEY:** And you are a deputy secretary in the Treasury cluster?

**Dr HILL:** Yes.

**The Hon. DANIEL MOOKHEY:** And you have been advised by Mr Pratt that you are transferring, or likely to?

**Dr HILL:** Mr Pratt also advised me, yes.

**The Hon. DANIEL MOOKHEY:** But you are not going to be part of Investment NSW?

**Dr HILL:** That is my understanding. We will be alongside them.

**The Hon. DANIEL MOOKHEY:** Why are you transferring then?

**Dr HILL:** Because we have a very synergistic role with Investment given our remit in our legislation around economic investment and job generation.

**The Hon. DANIEL MOOKHEY:** Is that what Mr Pratt's advice was?

**Dr HILL:** I am just going off the basis of Mr Reardon's email, or Secretary Reardon's email, and that is my understanding.

**The Hon. DANIEL MOOKHEY:** So there is an email from Mr Reardon as well?

**Dr HILL:** The secretaries have advised the relevant clusters of the change.

**The Hon. DANIEL MOOKHEY:** So you received an email from Mr Reardon?

**Dr HILL:** All clusters at both Treasury and DPC were informed yesterday.

## CORRECTED

**The Hon. ROSE JACKSON:** What is the scope of the change? Investment NSW has been created in DPC—

**The Hon. DANIEL MOOKHEY:** We think.

**The Hon. ROSE JACKSON:** We think, and Destination NSW and Western Parkland City is going to DPC. Is anyone else moving or is that the scope of it?

**Ms CURTAIN:** My team.

**The Hon. ROSE JACKSON:** And your team?

**Ms CURTAIN:** Yes.

**The Hon. ROSE JACKSON:** And that is the scope of it at this stage?

**Ms CURTAIN:** And the Trade team.

**The Hon. ROSE JACKSON:** And the Trade team?

**Ms CURTAIN:** Yes, within Treasury.

**The Hon. ROSE JACKSON:** They are all moving to DPC?

**Ms CURTAIN:** Yes.

**The Hon. DANIEL MOOKHEY:** So the Trade team is now moving to Premier—

**The Hon. TREVOR KHAN:** Can I just take a point? We are getting in to what we have seen at other times and we have tried to avoid—that is, two members asking at the same time. It is unfair on the witnesses if it is sort of a double-team whammy.

**The Hon. DANIEL MOOKHEY:** You might have a point there.

**The Hon. TREVOR KHAN:** Yes, I might.

**The Hon. ROSE JACKSON:** Apologies. I will yield.

**The Hon. DANIEL MOOKHEY:** Sure, but it was a good question. So the Trade team is moving as well.

**Ms CURTAIN:** Yes, my team—the Jobs, Investment and Tourism team—and the Trade team work very closely together. We are all under the banner of Global NSW and are very focused on job creation and economic development, so there are a lot of synergies between our teams, so we work very closely together, and that whole group will be moving to DPC as well.

**The Hon. DANIEL MOOKHEY:** Ms Hill, when did that email from Mr Reardon come?

**Dr HILL:** Yesterday.

**The Hon. DANIEL MOOKHEY:** Was that the first time that you discovered your authority was moving?

**Dr HILL:** No, like Steve, I was advised by Mr Pratt or Secretary Pratt on the Monday.

**The Hon. DANIEL MOOKHEY:** Okay. Then Mr Pratt sends an email yesterday morning to the Treasury and then Mr Reardon sends one as well. Is that correct?

**Dr HILL:** That is right.

**The Hon. DANIEL MOOKHEY:** Is it possible to get on notice—or actually now, if you are in a position to, to table the emails or get them on notice?

**Ms CURTAIN:** We do not have the hard copies.

**Dr HILL:** We can get you a hard copy.

**The Hon. DANIEL MOOKHEY:** Ms Hill, did you ever issue advice to anyone, any Minister or, for that matter, Secretary to ask to be transferred to the Premier's cluster, or not?

**Dr HILL:** I have not issued advice or been asked to give advice on the matter.

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**The Hon. DANIEL MOOKHEY:** What do you understand the reason is, or what was the reason that was explained to you as to why? You said that you think because there is synergy, but is that the reason Mr Reardon said?

**Dr HILL:** I can only—and I can read from the email if it helps.

**The Hon. DANIEL MOOKHEY:** It might, yes.

**Dr HILL:** Mr Reardon's email. "Investment NSW will be a one-stop-shop for the private sector, attracting global companies, overseas capital, talent, tourists and students. It will bring together a number of groups from across government into the Premier and Cabinet cluster: Investment Attraction and Jobs Plus, Global NSW, commercial partnerships, 24-hour Economy Commissioner, Destination NSW, Study NSW and newly announced Research and Delivery NSW. Western Parkland City Authority will also join the Premier and Cabinet cluster."

**The Hon. DANIEL MOOKHEY:** To the extent to which you understand the motivations, it is all derived from that email. Is that correct?

**Dr HILL:** We certainly have a role to play in many of those aspects, such as attracting local companies.

**The Hon. DANIEL MOOKHEY:** Of course, and, look, to be fair, I am not suggesting that it is either a good decision or a bad decision. I am just more interested in the process that led to it, to be fair. Ms Curtain, are you expecting to continue in your role? Have you been advised as to whether or not this is going to result in any reduction in staff or a change to leadership per se?

**Ms CURTAIN:** I have not been advised of any changes other than the coordination of the move is being coordinated by DPC, and we will be working with them on how we make it happen.

**The Hon. DANIEL MOOKHEY:** Okay. Mr Cox, have you been advised as to whether or not this has any implications for whether you are going to continue in your role?

**Mr COX:** No, I have not received any further advice.

**The Hon. DANIEL MOOKHEY:** Okay. Ms Hill, have you?

**Dr HILL:** No.

**The Hon. ROSE JACKSON:** Without wanting to do that thing where we ask questions at the same time, can I ask a question?

**The Hon. DANIEL MOOKHEY:** Go, of course.

**The Hon. ROSE JACKSON:** I am just creating a clear—

**The Hon. DANIEL MOOKHEY:** I did not say you had to stop.

**The Hon. TREVOR KHAN:** I just suggested it was unfair. I did not say that you had to.

**The Hon. ROSE JACKSON:** I am saying we are deliberately trying not to do a gang-up thing. Have you been advised as to a time frame as to when some of those issues about what role you will play in DPC will be resolved? When are you expecting to know what those new roles in DPC might look like?

**Ms CURTAIN:** I have not been advised of any specific time line. I did speak with some people in DPC yesterday. I actually asked if we could wait until after today because I had a lot on my mind getting ready for today, so we will be getting into those conversations, I guess, straightaway to make it as quick and efficient as possible.

**The Hon. DANIEL MOOKHEY:** How many staff will be moving, Ms Curtain, FTE? How many are in your team?

**Ms CURTAIN:** My team, there is around 160.

**The Hon. DANIEL MOOKHEY:** Nearly 600 people work in Treasury, so that is 160—

**Ms CURTAIN:** No, there is more than that now.

**The Hon. DANIEL MOOKHEY:** Is there? How many now?

**The Hon. MARK LATHAM:** About 1,000.

**Ms CURTAIN:** Close to 1,000. Yes, it is around 1,000. It was around 600 before the changes almost two years ago when the change in Parliament—

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**The Hon. DANIEL MOOKHEY:** Yes, right. My figures are out.

**Ms CURTAIN:** After the election and the changes, yes.

**The Hon. DANIEL MOOKHEY:** Indeed. But 16 per cent of the department is transferring through this decision?

**Ms CURTAIN:** I could not quote the figures.

**The Hon. DANIEL MOOKHEY:** But 160 out of about 1,000; that is about 16 per cent that is transferring?

**Ms CURTAIN:** Yes, I mean, in my numbers I am not including Destination NSW and the Western Parkland City Authority.

**The Hon. DANIEL MOOKHEY:** You are in the Treasury cluster, Destination NSW?

**Dr HILL:** Yes.

**Ms CURTAIN:** Yes.

**Mr COX:** Yes.

**The Hon. DANIEL MOOKHEY:** How many people from Destination NSW are transferring?

**Mr COX:** How many? The whole organisation, which is approximately 192 people.

**The Hon. DANIEL MOOKHEY:** So 192 from Destination NSW. How many from the parkland authority?

**Dr HILL:** Eighty-two.

**The Hon. DANIEL MOOKHEY:** So 400 people have had their arrangements changed overnight. From what I can understand, no notice was provided to you or those 400 people. Is that an unfair summation of the events?

**Ms CURTAIN:** Well, I think I would say the messages we have been given is that the teams are staying intact as a whole, so there are not wholesale changes happening to individuals, as far as we are aware at this stage. It is sort of whole groups shifting.

**The Hon. DANIEL MOOKHEY:** To be fair, I am not suggesting that each one of them is going to be directly impacted in their functions, but basically a decision was made to move 40 per cent or thereabouts of the Treasury cluster to the Premier's cluster overnight. Is that an unfair summation of events?

**Ms CURTAIN:** I cannot comment on how long it took to make the decision, but we were informed Monday night, yesterday.

**The Hon. DANIEL MOOKHEY:** Currently, under the existing administrative arrangements, Ms Curtin, you report to the Treasurer, do you not, as well as to the Minister?

**Ms CURTAIN:** Yes.

**The Hon. DANIEL MOOKHEY:** The cluster Minister is the Treasurer?

**Ms CURTAIN:** Yes.

**The Hon. DANIEL MOOKHEY:** Under the existing administrative arrangements, do you have any responsibilities to the finance Minister?

**Ms CURTAIN:** There is a small part of my group called Business Connect that does advice to small businesses, so they are the—

**The Hon. DANIEL MOOKHEY:** Yes, I know Business Connect. I will be talking to you about that on Friday.

**Ms CURTAIN:** They are the responsibility of the small business Minister.

**The Hon. DANIEL MOOKHEY:** Okay. You report to Minister Ayres as well?

**Ms CURTAIN:** Yes. The remainder of my group reports to Minister Ayres and the Treasurer.

**The Hon. DANIEL MOOKHEY:** Do you know about whether or not that style of arrangement will continue? Is the Premier being added to this list or are you and the Treasurer being removed—

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**Ms CURTAIN:** I do not have any details.

**The Hon. DANIEL MOOKHEY:** —or you do not know?

**Ms CURTAIN:** I do not have details.

**The Hon. DANIEL MOOKHEY:** Do you know when you are going to have details? Do we have any idea when these new administrative arrangements are going to be made?

**Ms CURTAIN:** It is a decision of government, I guess.

**The Hon. DANIEL MOOKHEY:** Yes, it is indeed a decision of government, but to the best of your knowledge you have not been asked to help prepare any new administrative arrangements or orders?

**Ms CURTAIN:** We have not been asked to prepare admin orders at this stage, no.

**The Hon. DANIEL MOOKHEY:** Okay. I can only presume, Mr Cox and Ms Hill, that the same answers would apply: that neither of you has been asked to give input into the design of the new administrative arrangements?

**Dr HILL:** That is correct.

**Mr COX:** That is correct.

**The Hon. DANIEL MOOKHEY:** I presume you also have the same reporting lines to the Treasurer? No?

**Dr HILL:** No.

**The Hon. DANIEL MOOKHEY:** Let us do Mr Cox first. You do?

**Mr COX:** Minister Ayres.

**The Hon. DANIEL MOOKHEY:** You are exclusive to Minister Ayres?

**Mr COX:** Minister Ayres, and there is a board for Destination NSW.

**The Hon. DANIEL MOOKHEY:** Ms Hill?

**Dr HILL:** Similar arrangements: a board and the Minister.

**The Hon. DANIEL MOOKHEY:** Do you have any idea as to whether you are now going to include the Premier as well, or not?

**Dr HILL:** No, I cannot say at all. I can only go off the basis of this.

**The Hon. DANIEL MOOKHEY:** What are the cost implications for the new administrative arrangements? What type of costs can we expect to occur through this transfer? Is it a totally cost-free transfer or does it incur costs when you change the machinery of government like this?

**Ms CURTAIN:** We were informed yesterday so I think it is a bit early to be able to answer that question.

**The Hon. DANIEL MOOKHEY:** So we do not know how much it is going to cost, basically?

**Ms CURTAIN:** I do not, personally.

**The Hon. DANIEL MOOKHEY:** I presume that applies to the other two.

**Dr HILL:** Yes.

**The Hon. DANIEL MOOKHEY:** Okay. Is this an unfair summation: that sitting here right now you are not necessarily sure which Ministers you are going to be answering to?

**Ms CURTAIN:** At the moment we have not been advised of any change, so I am assuming it remains, a lot of my portfolio, with Minister Ayres, and I will continue to assume that unless we are told something different.

**The Hon. DANIEL MOOKHEY:** But your cluster Minister will change? Is it an unfair implication to assume you're not going to be reporting to the Treasurer.

**Ms CURTAIN:** Yes, I would assume so.

**The Hon. DANIEL MOOKHEY:** Is it an unfair implication to assume that you are not going to be reporting to the Treasurer.

CORRECTED

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**Ms CURTAIN:** I would assume so, yes.

**The Hon. DANIEL MOOKHEY:** Do you have any idea as to whether or not the deputy secretary—what the structure of Investment NSW is going to be?

**Ms CURTAIN:** No. My understanding is that the way in which the actual entity or group is set up is what will be worked through in the coming weeks.

**The Hon. DANIEL MOOKHEY:** By whom? Who will be working on this?

**Ms CURTAIN:** The set-up of Investment NSW is being led by DPC, working closely, obviously, with all of us.

**The Hon. DANIEL MOOKHEY:** But who in DPC is running this?

**Ms CURTAIN:** Amy Brown has been named as the lead, along with Tim Riordan, obviously.

**The Hon. DANIEL MOOKHEY:** Who is Amy Brown? A deputy secretary?

**Ms CURTAIN:** Deputy secretary.

**Dr HILL:** Deputy secretary.

**The Hon. DANIEL MOOKHEY:** And then you expect that a process will be put in place, or there is a process in place that you are aware of? See the difference.

**Ms CURTAIN:** I know meetings have been put in place already for us to have discussions but, given I am spending my whole day here with you today, I have not had much of a chance to have a conversation about it.

**The Hon. DANIEL MOOKHEY:** Well, I am hoping that our questioning my contribute some of the questions you might need to resolve with Ms Brown. I am hoping it is not a total waste of your time. Alright, I do not have any more on this. Do you?

**The Hon. ROSE JACKSON:** No, that is fine, thank you. We may come back to it later when we have some reflections on it. I just want to ask Mr Cox some questions or perhaps it is actually to Ms Curtain. I want to ask about the Out and About vouchers or the now Dine & Discover vouchers. Should I pose these questions to you, Mr Cox?

**Mr COX:** That is fine.

**The Hon. ROSE JACKSON:** Why was tourism accommodation not included as part of the Dine & Discover voucher scheme?

**Mr COX:** It was not designed by our area, so the decision as to what was going to be included was taken outside of our site, so I am not aware of the reason why it was excluded.

**The Hon. ROSE JACKSON:** Was it designed elsewhere in Treasury?

**Mr COX:** It was Customer Service and Treasury—a combination.

**The Hon. ROSE JACKSON:** So a joint Customer Service-Treasury designed scheme?

**Mr COX:** That is my understanding, yes.

**The Hon. ROSE JACKSON:** Ms Curtain, was that your area?

**Ms CURTAIN:** No.

**The Hon. ROSE JACKSON:** But you are involved, Mr Cox, in the administration now of the voucher scheme? Is there any involvement at all of Destination NSW with the scheme?

**Mr COX:** Let me just check one fact. We have one member on the organising committee representing Destination NSW.

**The Hon. ROSE JACKSON:** Yes, it is probably unfair to slate responsibility for the design of the scheme down to that one person; I accept that. This scheme is specifically about trying—it was originally called the Out and About scheme. It is a scheme that is specifically designed to try to promote people getting out and about, so now that the scheme is designed, is there any ongoing involvement of Destination NSW with its rollout or administration?



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**Mr COX:** Again, we continue to be a member of the group that is involved in that work so we continue to get reports about how it is going and we continue to be a member of that panel.

**The Hon. ROSE JACKSON:** Have you received feedback, though, from the tourist accommodation providers that Destination NSW is obviously in relatively regular contact with about their concern about being excluded from the scheme? Is that feedback that Destination NSW has received?

**Mr COX:** Yes. We have spoken to a broad range of representatives in the accommodation sector and we would obviously like to see some such thing.

**The Hon. ROSE JACKSON:** Presumably you have fed that into the broad Treasury/Customer Service process. Is there any sense from you about other support they might be able to receive at this stage?

**Mr COX:** Nothing specific to the Dine & Discover program.

**The Hon. ROSE JACKSON:** Any other programs, though?

**Mr COX:** The ongoing work that Destination NSW continues to facilitate, for instance, "love it like you mean it" campaign for Sydney, which is totally about Sydneysiders going and visiting hotels, and marketing campaigns broadly interstate, intrastate and international. We have an extensive program of works that are all designed to grow visitation to the Sydney market and the accommodation sector in the Sydney market. Of course, as the Minister said earlier today, within regions, some regions—not all—have high levels of people in the rooms and low levels of vacancy rates. So Sydney is the larger issue, broadly speaking. So, yes, there is a number of different things that are in place to try to drive visitation.

**The Hon. MARK LATHAM:** Just continuing with Mr Cox, do you think Destination NSW has undersold the second New South Wales city Newcastle, given the natural advantages of the beaches, the harbour, the heritage buildings, the public investment in light rail, the university in the CBD, Honeysuckle, access to the Hunter Valley wineries and the forthcoming liberalisation of the night economy? I make this point in particular because there are a lot of influencers who go to the Hunter Valley with ideas on how to abolish jobs, mainly related to the coal industry. Do we not have to make a special push here to make Newcastle a tourism feature in New South Wales, second only to Sydney, to create jobs and build it up as much as possible through promotion and tourism activity?

**Mr COX:** To answer your question, Mr Latham, no, I do not believe we have undersold Newcastle. In fact, since I have been CEO of Destination NSW, I have made it my job to broadly on average visit regions and actually be in the regions at least two days a month on an ongoing basis. The very first destination that I visited in the role of CEO was to the Newcastle region. I think it is important when we reflect upon the Newcastle region to also include beautiful Port Stephens and the Hunter region and then through down to the Central Coast. There is an enormous amount to offer a visitor within quick access of all those areas. On my visit there I met with their mayor and all the local representatives of the Newcastle chambers. Then following that visit we went and did a board meeting. So that one in three approximately board meetings of Destination NSW are also held in the regions.

The first one of those in my time was also in the Hunter Valley. Further to that, we have supported in excess of 49 major events. You would be aware we just secured, with the support of Regional NSW, the World Surf League Championship Tour in Newcastle, which is in April 2021. The Tri Nations rugby that I negotiated with my team at the back end of last year, which of course changed its name to, I think, the Championship because, unfortunately, South Africa pulled out—two of the five games were held in Newcastle. Further to that, we have continued to support Newcastle with regional conferencing programs: four conferencing events received \$150,000 worth of support through that period of time; we had six business events receive \$150,000 worth of support; the regional event fund—26 regional events through Newcastle over since 2011; and, of course, the Newcastle 500, which you would be very well aware of—whilst unfortunately will not be held in 2021, it is the opening race of the 2022 season so we have continued to secure that.

Beyond that, we had Great Southern Nights, which is an excellent initiative opening up the pubs and clubs across all of New South Wales and through Sydney. Great Southern Nights had 93 gigs at 29 venues in the electorates of Cessnock, Charleston, Lake Macquarie, Maitland, Newcastle, Port Stephens and Swansea. We are working with the Newcastle council on a destination management plan, which is an excellent process and I am delighted to say that the destination northern catchment is also working within our destination network to make sure that the correct input is in that. Of course we have also had the cruise coordinator role in Newcastle, and I have personally met in Newcastle Airport with the CEO and the team at Newcastle Airport and we are in ongoing discussions with Newcastle Airport about how we can help secure additional routes.

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**The Hon. MARK LATHAM:** Beyond those events, where are the TV and radio ads to let everyone in Australia know that Newcastle is the best kept secret in our State and to pump it up for maximising tourism beyond events with general promotion in the tourism market?

**Mr COX:** I am delighted to say we have had more ads in market over this recent period of time. The Love NSW campaign has received tremendous support. That campaign includes the Newcastle region. We have ongoing and consistent public relations and media, which includes the Newcastle region. We have our road trips campaign, which focuses on the Newcastle region. In fact, visitation to Visit NSW or to the destinationnsw.com.au website is significantly up this year, and funnelling leads directly to the Newcastle business chamber.

**The Hon. MARK LATHAM:** Has any consideration been given to a specific radio and TV campaign just for Newcastle?

**Mr COX:** I am sure there has been consideration given to it—

**The Hon. MARK LATHAM:** How are things going?

**Mr COX:** —but these things are often done in partnership with the local areas, so I do not have any details about a specific campaign. The Port Stephens campaign, which is very close, was launched and I was at the launch of that at the back end of last year. That is within that area. Visitors to Port Stephens also visit Newcastle, so there is a lot of activity within the area.

**The Hon. MARK LATHAM:** Is there any budgetary reason why you cannot run a Newcastle promotional campaign on TV and radio?

**Mr COX:** No specific reason. The budget needs to be applied across the broad range of things that Destination NSW does. Our remit is to deliver economic and social benefit to the people of New South Wales as a whole by driving growth in the visitor economy. When we invest our money, we look across the board—what we can invest our money in across marketing, events, promotions and, very importantly, industry development. Getting industry online and making sure that they are bookable and ready so that when people do go online they can find them, and ensuring that we can give facts and information to businesses to make sure they get help to make better decisions in Newcastle and across all New South Wales.

**The Hon. MARK LATHAM:** In your performance measures then for New South Wales, can we take it that the second New South Wales city of Newcastle would logically be expected to be the second best performer in tourism numbers behind Sydney?

**Mr COX:** Not necessarily, Mr Latham, and there are a variety of—

**The Hon. MARK LATHAM:** Why not? Why do we not try to aim for that for the benefit of Newcastle? There is no other part of the State where so many people go there to suggest ways of destroying jobs. Hasn't Destination NSW got a special remit to pull in the other direction to create jobs?

**Mr COX:** Our remit is absolutely about delivering economic and social benefits for the people of New South Wales. Newcastle is an important city, Wollongong is an important city and the regions are important cities. As far as the answer to your question about growth and size, it varies by area and by region. The feedback I have received from the people in Newcastle is that they have been receiving increased visitation in many cases—not in all cases—off the back of COVID. I think it is an important area and will continue to be a focus of Destination NSW as all towns, cities, regions and, of course, Sydney itself, remain the focus of the work of our organisation.

**The Hon. MARK LATHAM:** Okay. I will go to Ms Hill, turning back to the aerotropolis and the Western Parkland City Authority. When the draft Land Use and Infrastructure Implementation Plan [LUIIP] was released in 2018, page 48 stated:

NSW Health is investigating a site for an integrated health facility within the Aerotropolis in a metropolitan or strategic centre location supported by public transport. This could serve up to 250,000 people from around the Western Parkland City.

Has that been progressed to the point where we can expect it to be part of the final LUIIP and SEPP document in the next couple of months?

**Dr HILL:** Mr Latham, unfortunately I am unable to comment on the LUIIP, given that it is a matter that is prepared by the Department of Planning and in association with the planning partnership. I know, however, that they have consulted with the New South Wales Department of Health on those matters and identified appropriate medical facilities. But I would have to refer that one either to the planning department or take it on notice for you.

**The Hon. MARK LATHAM:** Could you take it on notice, thanks?

**Dr HILL:** Sure.

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**The Hon. MARK LATHAM:** Particularly this statement at page 48 of the 2018 document that there was going to be an integrated health facility. Looking at the material that is on display now, it is hard to identify, isn't it, the location for health facilities in this aerotropolis?

**Dr HILL:** Certainly on the basis of the broad zones, but again I am happy to take that on notice.

**The Hon. MARK LATHAM:** Broadly for the Western Parkland City, a figure that is often used is that 1.3 million people are moving in to outer western Sydney living west of the M7. Wouldn't you normally expect a population of that size to have advance planning for a public hospital?

**Dr HILL:** Again, I would have to refer that question to NSW Health. I know there is substantial investment in a number of hospitals, but it is substantial population growth.

**The Hon. MARK LATHAM:** It is a population the size of Adelaide, which has got four public hospitals. At the moment we have not got a site allocated for one in the aerotropolis or beyond. I know they will say that capital works at Campbelltown and Nepean are occurring, but, if you live in Oran Park and you have got sick children, Nepean and Campbelltown are a long way away, particularly in traffic. So you can answer those on notice. If I can take you to the unsolicited proposal from Celestino, can you give us a guide to what they are expecting in terms of strategic government purposes as the State Government buys into their so-called science park for, I am assuming, government office space, Service NSW and other public facilities? Is there a menu of possibilities there?

**Dr HILL:** Unfortunately, I am not personally involved in the assessment of that USP so I could only refer you to what is on the public website.

**The Hon. MARK LATHAM:** But doesn't someone from your authority chair the consideration?

**Dr HILL:** They do, and again I am happy to take that on notice.

**The Hon. MARK LATHAM:** Are you aware, or is the authority aware, of a commercial-in-confidence submission to the aerotropolis LUIIP process in November 2018 in which Celestino concluded their submission by saying they wanted to engage in a voluntary planning agreement to deliver a public school and public hospital that will be required to service the associated increase in dwelling numbers within the Northern Gateway Precinct? Would that be what they are talking about in terms of the State Government buying strategic land there for government purposes—to deliver a public school and public hospital?

**Dr HILL:** It is my understanding that a voluntary planning agreement, if it was entered into, would be made public on a website. Again, I am happy to take that on notice, but my understanding is that would be on a website. Whether that relates to the USP, again—

**The Hon. MARK LATHAM:** Is the thinking inside the authority that if this unsolicited proposal advances and part of it is a public school and a public hospital on Celestino land, then that explains why there is no other allocation of a public hospital site in the aerotropolis?

**Dr HILL:** I cannot say that that is the position of the authority, but again I am happy to get any details I can.

**The Hon. MARK LATHAM:** Thank you. Can I just take you to the comment the Minister made before lunch about what I term the six precincts being fast-tracked. He gave the theory of the sewage gravity flow from north to south, but that does not really explain the full nature of the six precincts that are moving forward and the four that are held back at this stage, does it? Because North Luddenham is not in the six and the Aerotropolis Core, in the southern districts, is. It is not just about gravitational pull of sewage is it?

**Dr HILL:** It is not just about sewerage. It would be a range of different infrastructure types. Certainly in the case of Aerotropolis Core and the Commonwealth land that we are working with the Commonwealth on at the moment there is a requirement for substantial government investment to kickstart that, you are correct. In saying that, the actual determination of the precincts again was a matter for the planning partnership and the Department of Planning.

**The Hon. MARK LATHAM:** Can I get some more information please about the memoranda of understanding with these major companies.

**Dr HILL:** Sure.

**The Hon. MARK LATHAM:** The process that unfolds is that the companies would logically say, "We've signed this here and we've got an expression of interest to locate in the aerotropolis. We'd like to get a guide from you as to the best place where we could think about actual location." How is that handled? How does it unfold in practice, please?

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**Dr HILL:** Sure. The authority has over the years called publicly for expressions of interest for agreements with the organisation and actively as part of its legislation encourages investment and job growth within the Western Parkland City. We have 18 foundation partners of varying forms of MOUs and non-binding commitments. They range from organisations that have an interest in working with us in the education and training space through to some that may have an interest in locating within the aerotropolis. In addition to those 18 foundation partners, we have a pool group that are now interested in working with us across the city more generally. Some are existing businesses in the Western Parkland City looking to expand. Others are looking to relocate from elsewhere to the parkland city. We work with those organisations and councils as part of our economic development strategy to identify the merits of working and living in the parkland city and potential opportunities for sites for them that suit their needs.

**The Hon. MARK LATHAM:** Do you give them a dossier of information, printed material?

**Dr HILL:** We do have some information. We are working to expand that and we are also working with the eight City Deal councils to prepare an economic development strategy across the whole city to ensure that there is an equitable and very open approach to the targeted industries that we are seeking to bring to the parkland city but also the opportunities for those businesses.

**The Hon. MARK LATHAM:** It is possible to share with the Committee the locational material that is passed on to the 18 foundational partners?

**Dr HILL:** We can certainly provide some of the information in terms of prospectuses that have been publicly available, yes.

**The Hon. MARK LATHAM:** Thank you. I assume we take him as your predecessor—Sam Sangster was head of the aerotropolis authority, which has now morphed into the parkland authority. He said at budget estimates on 10 March last year:

Let us be very clear on the 200,000 jobs. That is across the totality of the Western Parkland City; across those eight local government areas.

So sometimes in the debate the 200,000 new jobs that are forecast are taken to be in the aerotropolis, but it is definitely across the entire parkland authority.

**Dr HILL:** It is definitely across the entire parkland city.

**The Hon. MARK LATHAM:** Is that a target or based on economic modelling of what is projected?

**Dr HILL:** We are absolutely targeting an additional 200,000 jobs.

**The Hon. MARK LATHAM:** There is no modelling that says we are expecting 200,000 jobs. It is just a notional target that has been put out there.

**Dr HILL:** There is modelling that stands publicly available on job projections for the parkland city. We are also targeting an additional 200,000 jobs in order to achieve the Government's vision of rebalancing the Greater Sydney and more jobs for the parkland city so less people have to travel across the city for work.

**The Hon. MARK LATHAM:** Is it part target, part some form of modelling inside the aerotropolis authority?

**Dr HILL:** The additional 200,000 is a target and the intention is that we verify that and we identify the appropriate industries and locations for that with the economic development strategy that we are preparing across relevant government agencies in State Government and with the eight City Deal councils.

**The Hon. MARK LATHAM:** So it is a target. Mr Sangster seemed to suggest it was a very, very ambitious target because he put out on Twitter on 10 June 2019 that we have to build more than three Macquarie Parks in half the time. That is, the 200,000 jobs in 20 years is like building three Macquarie Parks in half the duration. Is that really feasible?

**Dr HILL:** It is ambitious but we have a role to turn the tide on past trends of not securing enough jobs in the parkland city so that people can live and work in close proximity. We are targeting substantial job growth to meet the residential growth and we are being ambitious and in relatively short periods, that is right.

**The Hon. MARK LATHAM:** This was said two years ago. What is the update on how it is being realised?

**Dr HILL:** I am very happy to say that we are making good progress. We are intending this year, as I mentioned, to have a number of important strategic elements in place including the economic development strategy with councils. We also have very strong relationships with those 18 foundation partners. But I think

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critically there are a couple of key elements coming together. The first is our intention to secure funding this year subject to business case approval and government approval for enabling works within the Aerotropolis Core site. That will generate construction jobs but it will start to pave the way for development to occur over the next few years and provide an opportunity for businesses to come and locate within the parkland city.

We are also preparing a business case and designing a new approach to education and training that we are hoping to pilot later this year and the intention is to skill and reskill citizens in the parkland city in new industries and in the skills required for those going forward. We are also undertaking a business case for a facility called the Advanced Manufacturing Research Facility, which is a pretty unique proposition in Western Parkland City whereby it provides some remarkable machines that allow us to go from idea to a commercial product. If we are successful, that will be one of the first anchor tenants and anchor buildings of the aerotropolis core site.

**The Hon. MARK LATHAM:** I met with Mr Sangster and he seemed a pretty cluey guy. He had studied these second airports, sometimes referred to as overflow airports, some distance from the centres of major metropolises. In particular he had been to Tokyo, where they had a business park idea around a second airport a long way from the centre of Tokyo, and it was effectively a white elephant until such time as fast rail was put in. Mr Sangster's conclusion was that fast rail was integral to the success of our western Sydney aerotropolis. But we are never going to get a fast rail into the centre of Sydney, are we?

**Dr HILL:** I cannot comment on that. That is certainly a matter for Transport for NSW and the Government in this regard. But I can say we are connecting the aerotropolis core and the airport with rail and, as the Minister said today, it is the first stage of an important network, we hope, for the future rail in the western city.

**The Hon. MARK LATHAM:** But on the current Transport planning, you must acknowledge, would you not, that the fast rail link is not possible simply for the reason that to go from Badgerys Creek to St Marys means you have got to change there to get the heavy rail into the centre of Sydney. Any time you are changing trains it is obviously a slower journey than the fast rail without an interchange and straight into the city. Then, if you go south and if they ever build the Badgerys Creek to, say, Oran Park Link and then you try and get on the Leppington link, that will not be at the airport site itself. You will have to change trains around Kelvin Park station, hypothetically, to get the Leppington heavy rail into the centre of Sydney. So, again, that changing of trains means we will never have the Sangster vision of a fast rail link, will we?

**Dr HILL:** I cannot comment on Sangster's vision, but I acknowledge your point about changing at train stations. As to the timing and how fast that is, I could not give any technical comment on that.

**The Hon. MARK LATHAM:** How did it ever come about that the head of the aerotropolis, who studied these international trips and the Tokyo experience, said that a fast rail link to the centre of Sydney is essential? In the Transport planning we have got now—as they do the cut under the second airport for where they are going to do the terminal and where underneath they will have the rail platforms—on any of these plans into the future, anyone arriving at Badgerys Creek airport will have to change trains to get to the centre of Sydney, which is obviously a major destination for any visitors to our metropolis?

**Dr HILL:** Mr Latham, again, I am afraid that is a matter for Transport to best advise on. It is not my—

**The Hon. MARK LATHAM:** They have messed it up, haven't they?

**Dr HILL:** It is not my area of technical expertise. I am sorry. Chair, just for the Committee's benefit, could I clarify a point from earlier today?

**The CHAIR:** Of course, yes.

**Dr HILL:** Thank you. I will just confirm that the precinct plans are on exhibition until 12 March, but the phase one development control plan [DCP] has concluded its public exhibition and there is an intention for a phase two DCP to replace it later in this year.

**The CHAIR:** Great. Thank you. I might jump in with some questions. Perhaps, Mr Cox, you are the best person to start with. I might start with the Auditor-General's report into Destination NSW's support for major events, which I know is from last year. Some of the key findings were that there were some issues in terms of transparency around spending in your area. Have you made improvements in your recording of decision-making and outcomes of investments in events?

**Mr COX:** We continue to evaluate our events and investment. I think you will find the Auditor-General's report found our methodology for doing so being very robust and sound.

**The CHAIR:** How many of the recommendations made by the Auditor-General in that report have been accepted and dealt with?

CORRECTED

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**Mr COX:** Sorry, I think I will take that question on notice if you do not mind. I do have the information but I am struggling to get to it at this moment.

**The CHAIR:** Yes, that is all right. Can you take on notice how many have been implemented, not just accepted?

**Mr COX:** Sure.

**The CHAIR:** There were some issues raised in that report in terms of how ministerial briefings were dealt with. You are welcome to take that on notice as well, but if we get some information about how that has been improved that would be great.

**Mr COX:** Thank you.

**The CHAIR:** Regional Event Fund—this might be you or Ms Curtain—whoever wants to jump in. In terms of the Regional Event Fund, how many of the 59 events that were funded as part of the pandemic response actually went ahead as per their applications?

**Mr COX:** Sorry, my apologies. I have just been handed some information in relation to the previous question if you like.

**The CHAIR:** Sure, that is fine.

**Mr COX:** The Audit Office report which was finalised on 9 April—we agree with the recommendations regarding more detailed reporting information and performance against major event-related key performance indicators. But the actual methodology that we were using was found to be sound. We can take the other questions on notice.

**The CHAIR:** Sure. Sorry, I understand you are getting advice on that.

**Mr COX:** Yes, my apologies.

**The CHAIR:** No problem at all. I am happy for you to catch up on that. So the Regional Event Fund.

**Mr COX:** Yes.

**The CHAIR:** How many of the 59 events that were funded as part of the COVID pandemic response actually went ahead as per the application?

**Mr COX:** Three events went ahead in 2020. They were the Hello Koalas Festival in Port Macquarie, Beats in Bruxner, which was in Tenterfield, and the Cowra Christmas event. Fifty-six events were deferred to 2021.

**The CHAIR:** So all of those are scheduled? Are the ones that were deferred scheduled to occur as per the plan and as per the funding?

**Mr COX:** At this moment in time, yes. Now obviously with COVID things are still fluid, but they have been deferred and we will continue to defer them if needed.

**The CHAIR:** So three were held and 56 deferred. Will they all happen again, subject to what happens in the future? Hopefully there are no more outbreaks, but will they all happen in person? Nothing was moved online or to some other format as part of this process?

**Mr COX:** No. Only three were held, so the other 56, as I say, have been deferred.

**The CHAIR:** And none of them have been cancelled?

**Mr COX:** Not to my knowledge, no.

**The CHAIR:** Okay. So they have to still operate in the same way that they were funded and the same way the funding was allocated last year? I do not need you to detail when they are all scheduled to happen, but if, say, of the 56 some of them are no longer relevant or not timely or do not happen, what happens to the money that would have been allocated to them? Would it be returned? What is the process?

**Mr COX:** The events would be held. To my knowledge there has not been any changes with relation to those events. Our practice with other events is we work with the operators to try to help them make them occur. My expectation is that these events will proceed and they have been deferred. They are not cancelled; they have been deferred.

**The CHAIR:** Sure. There is no process in place if some of them fell over for whatever reason or the timing did not line up or they were not relevant or they were otherwise annual events?

## CORRECTED

**Mr COX:** Often the fund depends on the individual agreements and I do not have all the individual agreements in this case. If we have not provided the funding, then the funding just would not be provided. Ordinarily when we provide funding, there is a level of staging to the funding that gets provided, so I would imagine in many cases here that funding has not been provided. If the event does not occur, then there will be no funding provided.

**The Hon. ROSE JACKSON:** Sorry, just to jump in on that, if that is the case, is there a commitment that the money that was saved because there was no expenditure be retained within the pool of the Regional Event Fund or would that money just be reallocated elsewhere in Destination NSW?

**Mr COX:** I will take that on notice.

**The Hon. ROSE JACKSON:** Sorry.

**The CHAIR:** No, you're fine.

**The Hon. TREVOR KHAN:** She had helped and clarified a lot.

**The CHAIR:** How many major events has Destination NSW bid for in the last, say, three years?

**Mr COX:** I do not specifically have the numbers around the number of bids so we will have to take that on notice. I have got the number of events secured and retained, but the total number of bids, which would include those that were not secured—I do not have that information.

**The CHAIR:** How many were secured?

**Mr COX:** So the numbers I have here, from 2011 we had 891 events secured and retained across Sydney, western Sydney and regional New South Wales. In 2019-20 we secured or retained 81 events.

**The CHAIR:** You are more than welcome to take the other question on notice, as you have, but is there a rough percentage of events that you would have bid for? Was there 1,000 and you missed out and only got that number or—

**Mr COX:** There is no rough percentage so I think I would have to take on notice any information that we may be able to provide on that basis.

**The CHAIR:** Sure. I know that we have talked a lot about the vouchers today but is there any other work being done by either Destination NSW—anyone can jump into this—in terms of other options that could be made available to some areas? I know in other States they have been a lot more generous in terms of how this stuff works. We have covered this a little bit but, for example, in the Northern Territory it includes petrol for driving to different places. Is there any work being done on expanding it from that broader tourism perspective?

**Mr COX:** As I say, Dine and Discover is specifically designed to support businesses in the food and beverage sector. As I said previously, we do have a member of from our team who sits in on that board. I know we have looked at different voucher programs, but specifically this one has been Dine and Discover and we have been a part of it.

**The CHAIR:** I accept that. There is the Dine and Discover program, which you have already said is essentially run by, I think, Customer Service. But in terms of the tourism perspective, is there any work being done or is there consideration based on some businesses still trying to play catch up, particularly as we have also discussed today, once JobKeeper finishes, on ideas for expanding it?

**Mr COX:** Not specifically with vouchers. As the Minister mentioned earlier today, it is something that we continue to look at. We are always looking at how we can drive visitation and ultimately drive more people into accommodation, particularly in Sydney. The "love it like you mean it" campaign that is currently launched is all about that: all about driving people back in. It is a very extensive campaign across all the touch points. We are in ongoing and consistent consultation with each of the accommodation industry bodies and individual providers. There is a range of work, but there is not a specific voucher piece of work.

**Ms CURTAIN:** If I could just add to that, the Treasurer mentioned on Monday that they are looking to see what the Federal Government is going to be putting in place in terms of any other replacement or additional support when JobKeeper ends and then New South Wales will be looking to complement that. So I know there is work being done. It is not being led by my team, but there is work being done to consider what that might be but wanting to see what the Federal Government might put in place first before we set how we complement that the best.

**The CHAIR:** But specifically in terms of tourism—I understand what you have said—have you put forward suggestions on how it could be expanded given the struggles the sector is facing?

## CORRECTED

**Mr COX:** We have put forward notes to the Minister's office about the voucher systems that are in place in other States, what they look like and what the parameters are around those.

**The CHAIR:** Other things that you would like to see?

**Mr COX:** I would like to see any number of things to help support the visitor economy and drive visitation for Sydney and New South Wales. I think the Government is managing it very well, very prudently, keeping borders open. New South Wales, I think, has been the exemplar as far driving visitation and maintaining visitors and giving confidence to the visitor economy more broadly. So, it is a broad range of things. We are always looking at it and we are very mindful that there is no one fix. I think one thing that is really important here, having spoken to some of the accommodation businesses directly—and I am in constant dialogue with them on an ongoing basis—is also to be considering the underlying factors about how do we drive more people to come through as opposed to just a one-off hit.

So what is it that we can do to keep driving people into Sydney and into New South Wales accommodation across the board? That is what we continue to work on as well. We have got the Renew and Refresh funding program that is out at the moment. That is a \$2.5 million funding program that is available for accommodation providers to update or refresh their accommodation to help attract further visitors. We have got Experience Enhancement funding as well. So there are a number of different touch points that we use to drive visitation and to support the accommodation industry.

**The CHAIR:** I understand that and I accept that this is being looked at broadly across all of government. I do accept that, but at the same time I know there are parts of the industry that are really struggling and are not covered by those broader aspects.

**Mr COX:** Of course.

**The CHAIR:** I understand the arguments about border closures but then there are some sectors on the South Coast, for example—around my neck of the woods—that are still struggling from bushfires plus the shutdown. How are you engaging with some of the specific parts of the sector that are struggling despite the broad action that you are taking, or the Government is taking?

**Mr COX:** Around specific areas, for instance, the week prior to last the whole board of Destination NSW was in Batemans Bay talking to the local areas down there. We continue to engage across the board. We have got programs in place for the Murray region and the Sapphire Coast to support them with additional marketing and other activity that we provide to drive visitation. We have had members on the regional panel that was looking at funding for those areas, so there is a broad range of things that we do across those areas.

**The CHAIR:** I know some of these sectors might be better than others at having lobby groups or louder voices. Is there an outreach program, for want of a better way of putting it, where you can reach out to some of these businesses? I do not know that they all might necessarily know what programs are available. So other than travelling—you mentioned you were in Batemans Bay—are there other ways that you are doing that?

**Mr COX:** Yes, we have got a number of ways that we engage with all the regions of New South Wales. We have the Destination Networks, of course. The Destination Networks are on the ground and they are constantly talking to their local representatives. We talk to the industry groups. We visit. I am physically on the ground. I have been in the Riverina region myself and doing the visits as I mentioned previously. I have been down to the Batemans Bay region doing visits previously. We have got teams within Destination NSW whose job it is to help grow product and improve product across the regions, and who have got specific focus around particular areas. And Destination NSW is also linking into government much more than it perhaps did in the past. We have representatives on boards and action groups from regional New South Wales. We work with national parks—broad body to give information about things that can be done to improve the visitor economy. The Visitor Economy Strategy 2030, which was released in January, is a very clear document about the strategic approach that the New South Wales Government will take to grow the visitor economy.

Within that document there are a number of actions that are outlined, all of which relate to the areas that you are talking about, and for the first time there will be a senior officers of government group formed specifically with relation to the visitor economy so that we can work across all of the New South Wales Government to make sure we get the best possible outcomes. So there are many different touch points and we are very, very mindful and in constant contact with all regions as well as Sydney, which I do not want to forget, because it is heavily impacted right now as well.

Both myself personally, my team, to our Destination Network boards—I have instigated an ongoing hook-up of the chairs of the Destination NSW boards every six weeks. We have a get-together with those boards where they give me their issues—what is working, what is not working—to make sure that we are very, very close



## CORRECTED

and in touch. My approach is to be as close to the ground as I can. There is a reason why the in the Visitor Economy Strategy, the first strategic piece was put the visitor first, and that is fundamentally about being on ground, walking, talking, listening to the operators, seeing what the visitors are doing. In fact, tomorrow I am on a plane going to Broken Hill, and last week I was in the Blue Mountains doing a tour of that area as well.

So I am constantly with my team, either in region or talking to region, getting feedback, listening and then recalibrating our work at Destination NSW and, I think really importantly, then feeding that information back into the broad New South Wales Government. I think many people would say that our relationship across the board has really improved as far as getting outcomes across the New South Wales Government and the senior officers of government group. At the end of the day, there is a lot of money that the New South Wales Government spends on areas that impact the visitor economy that do not go through my organisation, so I want to help the New South Wales Government make sure that when money does get invested in the customer experience or our national parks or in regional or whatever it might be, we are there to help get the best possible outcomes.

That is why those Destination Networks are so critically important to us as well, because they are close to the ground, talking to local areas and listening. All of that feedback gets fed back into our team and I make sure that on an ongoing basis in our team leadership team meetings we are constantly talking about how, at the end of the day, we are here to support New South Wales businesses and keeping people in jobs. I am passionate about our purpose to deliver economic and social benefit for the people of New South Wales by growing the visitor economy, and I am constantly reminding our team about how fortunate we are to work for the Government as opposed to having a small business and being out there. We have got to drive visitors into these areas and support these people who are doing it so tough. I am very, very mindful of being a small business operator. I have overseen many small businesses in my time, and that is the approach that we take at Destination NSW [DNSW] going forward.

**The CHAIR:** Perhaps, Ms Curtain, this might be a question for you. In terms of border closures and work that might be done around any potential closures in the future—again, touch wood, hopefully we have no outbreaks going forward and we should never wish for it—we have heard a lot today and over the past little while about, I would paraphrase it by saying, a lot of reliance on borders staying open even for travel and tourism within New South Wales. I put it to you that it is not enough to simply complain to the other States about closing borders. Is any modelling being done for our border communities about what protections should be in place and what notice, what support could be given to them if things like that happen again, rather than just saying, "Oh, well, Victoria has done something" or "Queensland has done something"? It has happened a number of times now. Is there any work being done on what might happen if it happens again in the future?

**Ms CURTAIN:** First of all, I think we all absolutely agree that we are not just relying on borders staying open. At the same time, I think nobody ever planned for borders to be shut, so it is an unusual situation. It is not led by my team, but I am aware that the economics teams both in the Department of Premier and Cabinet and in Treasury are certainly looking at what is the impact when there are border closures and what difference could be made in terms of advising our own Government, if we have to go down that path, in terms of what the impact is and how we could make it less of an impact, I guess. This is part of the discussion that happens in the Federal Cabinet process as well. I am not directly involved in those, but I am aware of the work going on to try to minimise the effects of any further border closures in the future.

**The CHAIR:** So it is work done essentially through the Federal process. I have forgotten what they have called it.

**The Hon. ROSE JACKSON:** The National Cabinet.

**The CHAIR:** Yes. So it is jointly being done between the State Government and the feds in terms of planning for what support could be ready to go if it were to happen again for communities around, say, Albury. New South Wales did not close that border, but if it was to happen to us then there is some work being done. I appreciate not by you.

**Ms CURTAIN:** Yes, I am not involved directly so I am not sure exactly where the conversations are being had, but I know that New South Wales is certainly preparing for what—learning lessons. We are constantly learning through this process and certainly we want to make sure that any further impacts will be as minimal as possible. But I am not personally involved in those discussions.

**The Hon. MARK LATHAM:** I will come to Ms Hill and the process of settling down all the uncertainty and insecurity that smaller landowners in the Aerotropolis feel. They are in several categories. Is there any intention by the authority and your Planning partners at DPIE to set out some sort of schedule of expected land acquisition, a clear explanation of the process and—let us hope—the fairness of what could unfold? I think that one of the problems for several years now has been the lack of basic information about what lies ahead.

## CORRECTED

**Dr HILL:** First and foremost, I will clarify that the authority does not have a land acquisition role. The Department of Planning leads in terms of the planning process. But in response to your question, I understand that the department is preparing, for example, a South Creek delivery strategy that will identify appropriate methods and mechanisms to address some, or many of the concerns that landowners may have within the South Creek environmental zones. I understand that, subject to the precinct plan process closing and feedback being considered, there will be clarification on the green space network and the appropriate overlay of the precinct plans and what that means. At the moment there is still that process of gathering input from the community, which will be considered by Planning and the planning partnership. Greater certainty will then be secured once they can confirm the way forward on those planning documents. That is not a matter, though, that the authority is presently involved in. We are more in the economic investment, delivery and coordination space.

**The Hon. MARK LATHAM:** Sure, but as a parkland authority you have a big stake in the creation of parkland.

**Dr HILL:** We do, and you cannot have a parkland city without parklands. That is right. We are very aware of the issues and certainly the importance of parklands.

**The Hon. MARK LATHAM:** What is your input, then, to the way in which the acquisitions for open space are being scheduled and the fairness of the land acquisition process?

**Dr HILL:** At the moment it is only appropriate that the Department of Planning is addressing that. We are kept abreast of the issues and certainly we are listening and interested in the feedback, but that is a matter for the planning partnership that has been established to address these issues.

**The Hon. MARK LATHAM:** Have they told you so far where the acquisition process is going start? Is it starting at Thompsons Creek?

**Dr HILL:** I understand the planning documents identify Thompsons Creek as a priority area. That is something that the Office of Strategic Lands or the appropriate part of the Department of Planning will be looking at meeting with landowners to discuss the appropriate way forward.

**The Hon. MARK LATHAM:** Thank you. Does it then follow, moving north-east at Aerotropolis Core, that Kelvin Park would be the next area—those acquisitions along the South Creek?

**Dr HILL:** I cannot talk to that because I am not aware of the details there.

**The Hon. MARK LATHAM:** Could you take it on notice? I am aware and respectful of your answer that it is to do with the Department of Planning, but I think it is very important to let concerned residents—these are people who are sitting on their nest egg investment and their only asset in life is their property. They have been pretty patient with all the speculation over 30 or 40 years about what will happen with this airport and they are just trying to get some basic information as to where they stand. If you can provide anything on notice, even if it is straight from the Planning department, that is very helpful.

Can I raise with you one of what I see as two concerning scenarios that those landowners face? I have had a fair bit of involvement with them, particularly around Aerotropolis Core. It is the situation where someone has 10 acres, for example, and the front five acres will go into some mixed-use development. That looks great on paper and most likely they will realise a fairly decent return on their land value. But the back five acres of their property is designated a flood zone and open space and recreation for these purposes. They logically have a fear that perhaps their hopes on the front five acres will be frustrated because the back five acres will be a drag if government does not actually acquire it for the green space. Is there any possibility government will not acquire private land for what ultimately will be parkland in the Aerotropolis Core?

**Dr HILL:** I think there is a number of different categories here. There is the area that is identified as flood liable and that, obviously, for a range of safety and biodiversity reasons has been zoned for environmental purposes. There is also land that is identified for public purposes. Subject to the feedback from the precinct plans, my understanding is that those areas will be confirmed as to whether they are needed. The relevant contribution schemes will identify appropriate areas to acquire that are required for public purpose. If an area is required for public purpose then it will be scheduled accordingly for acquisition. They need to be verified based on the feedback from the precinct plans. There is a couple of different categories there, but I do note and acknowledge your points around the need for certainty. That is certainly an important part of the process that the Planning department is working through at the moment.

**The Hon. MARK LATHAM:** And in your planning partnership, when do you think certainty for the residents can be delivered?

## CORRECTED

**Dr HILL:** I cannot comment on the planning partnership, and the authority is not part of that. That is a combination of the Department of Planning and the relevant councils for planning that area, but I am sure they would be keen to move things as efficiently and effectively as possible to address those uncertainties.

**The Hon. MARK LATHAM:** One of the fears of the residents is that the Government will drag its feet on acquiring the back five acres that is designated open space in the hope that the resident will just sell the whole property, the 10 acres, to a developer knowing that the front five acres could be subject to development and quite lucrative in that regard. That would not be a fair process, though, would it? In principle, if government designates land for open space then government has an obligation to acquire it.

**Dr HILL:** I can only comment on what I have been advised by the Department of Planning, that if something is identified for a public purpose, the intent is to acquire it for that reason.

**The Hon. MARK LATHAM:** Okay. So the back five acres will not be treated any differently. In the example at Orchard Hills, where there is a public purpose—the construction of a metro station—the whole parcel of land will be acquired from those landowners.

**Dr HILL:** I think it depends on what the back five acres are zoned as and where they are located. So I would have to reserve any comment, rather than speak in hypotheticals. But as I said, anything for public purpose that is confirmed, my understanding is that it would need to be acquired.

**The Hon. MARK LATHAM:** But for the creation of effective, usable parkland it would be an absurdity, would it not, to hold designated open space areas in private ownership, which will be fenced off, not accessible? If you get a patchwork effect of what is developed and what is not then there will be no effective use of any parkland.

**Dr HILL:** I think the signal around Thompsons Creek is an important one, that it is being prioritised as an area for public purpose and thereby acquired accordingly.

**The Hon. MARK LATHAM:** Can I just read to you, Ms Hill, a letter written to an interested party by the former planning Minister, so from the Government. This was a commitment on 4 October 2018. It reads, "I refer to your comments regarding the development of land surrounding the western Sydney airport and specifically those lands surrounding South Creek." South Creek is the spine for the major parkland allocation. The letter from Minister Roberts goes on, "Can I point out that no landholder will be disadvantaged. It is the Government's intention to acquire land in this precinct directly from existing landowners prior to any rezonings. This will ensure that no current landowners are impacted, either positively or negatively, by any decision to rezone land. This land will be acquired at fair value on valuations based on its current rezoning." Would you take from that that the Government went to the last election—certainly by the end of 2018 it had a commitment to acquire the land for open space parkland, not at its open space value but on the current rezoning?

**Dr HILL:** My understanding is, in the case of land that is designated for public purpose, the zone determines the value of it. If I give an example of an oval that is located within the mixed-use zone, then the underlying land value relates to the mixed-use zone as distinct from the use as an oval.

**The Hon. MARK LATHAM:** That is the commitment that was made and you believe it is being honoured?

**Dr HILL:** Without seeing the former Minister's letter and understanding the context of that, I cannot comment specifically on that. But I am happy to look into that and take that on notice if you want some more details around that letter by the former Minister.

**The Hon. MARK LATHAM:** Can I get some further information, coming back to our friends at Celestino. You might have noticed from my questioning before lunch that they will never die wondering, these people, as to what the Government might do for them at any time. They lodged a commercial-in-confidence submission to the aerotropolis LUIPP in November 2018. I am just wondering, from the viewpoint of the authority, are these valid development strategies that should be followed, consistent with the orderly balanced development of the aerotropolis economic opportunities? These are requests from Celestino in November 2018, which I am sure the Government has probably dealt with in some capacity at this time. The first was increasing the 30,000 square metre retail centre to realise 130,000 square metre regional centre to enhance its important role as a strategic centre and lifestyles hubs of the northern gateway. What is the authority's view on that, increasing by a factor of more than four the size of the retail space at the Celestino development to turn it from a retail centre to a regional centre?

**Dr HILL:** Mr Latham, I am not aware of the details of that. I do not believe the authority has an official view on that matter from 2018.

## CORRECTED

**The Hon. MARK LATHAM:** But would that be consistent with your vision for what the aerotropolis should be in terms of economic development, that there is a massive regional centre on something that is supposed to be a science park? There is not a lot of science there when you are building shops.

**Dr HILL:** I am afraid that without many of the details I am not in a position to comment at the moment.

**The Hon. MARK LATHAM:** Their second request was to lift the height limits—these people are world-class askers—on residential housing at the Luddenham metro station. This is in November 2018. The station is announced two years later, but they are already putting in their request to lift the height limits on residential housing at the Luddenham metro station from the current 24 metres to 70 metres—25 storeys—in line with the north-west metro approvals. Are we going to have 25-storey apartment towers near the international airport?

**Dr HILL:** Not to my knowledge. I am not sure what happened in regard to that request. Again that is a matter for Planning and I cannot comment without any proper assessment of the implications of those heights.

**The Hon. MARK LATHAM:** The third one is a pretty good ask—lift the cap on gross floor space area on non-residential in the Sydney Science Park to go to 1.5 million square metres. Are you aware of that one?

**Dr HILL:** I am not able to comment on the detail of that one either.

**The Hon. MARK LATHAM:** Would that be part of your economic strategy for the aerotropolis, to have 1.5 million square metres of gross floor space area, non-residential, in just one part of the aerotropolis?

**Dr HILL:** I think our economic strategy is a city-wide one and we would be looking at a broad range of sectors as we are developing them.

**The Hon. MARK LATHAM:** Then they say they want to amend the Sydney Science Park's 3,400 residential cap to 30,000 plus, so an increase of around 10 times over time. What is your view on how residential development should unfold in a science park?

**Dr HILL:** I understand there is an element of residential that is permitted as part of the—

**The Hon. MARK LATHAM:** Yes, 3,400.

**Dr HILL:** As to extending that, again, I would have to be able to assess the relevant information and across what scale and what size and over what period, so I cannot comment.

**The Hon. MARK LATHAM:** Then fifth and final, include their North Luddenham landholding—that is a separate 203 hectares—in the Northern Gateway Precinct. Is the Northern Gateway Precinct going to be amended so that Celestino can consolidate their full 490 hectare parcel of land? Is that on the agenda?

**Dr HILL:** Again, I would have to take that on notice and ask my colleagues at the department of planning their view on that.

**The Hon. MARK LATHAM:** If you can take that on notice, thank you. They are five mighty requests, aren't they? But given the long list of things that have been done for them in the past, you would not rule it out. I thought it was important to ask that, put it on the agenda here at this budget estimates. More generally, Ms Hill, in managing the future of the parkland authority and the aerotropolis, which is really the centrepiece of your responsibilities, how difficult has it become, given we have got two sets of rules and two different processes for two different types of landowners in the aerotropolis? Celestino have obviously raced well ahead and have received decisions, benefits, largesse on a pretty significant scale. Whereas you have got all these other smaller landowners, very frustrated that their prospects have been held back. As an urban planner, is there any way we can even the playing field out?

**Dr HILL:** I think the important thing is that there is now a standard and uniform approach that the department of planning and the planning partnership are seeking to achieve across the aerotropolis. It has been on public exhibition and various different documents have been provided, aiming to have that consistency of approach across the aerotropolis. I think that is important for anyone understanding what they can do and, as you say, giving comfort around the value of their property but also their development potential. Certainly the Sydney Science Park proposal was prior to the work that is being undertaken and the public exhibition of it. We now benefit from a far broader reaching and coordinated approach across the eight City Deal councils and with the State Government's planning department.

**The Hon. MARK LATHAM:** Sure. But with the consistency and coordination of the approach, in hindsight would you say that this 2016 decision to rezone the Celestino land was a mistake?

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**Dr HILL:** That is not for me to say. It was a time prior to us establishing planning partnerships and city deals and those sorts of elements. It was a decision of its time, as all planning matters are.

**The Hon. MARK LATHAM:** But to get that consistency of approach and fairness for all the landowners, would it not now be appropriate to say to the Celestino people, "Well, you have had a pretty good crack at this and you raced ahead, but we are going to have to put your development applications on hold until everyone catches up and it is a truly level playing field."?

**Dr HILL:** I think that is a matter for planning law and what is appropriate in terms of their existing rights, and a decision was made. That is a matter for case law to determine, whether it is even feasible to stop that.

**The Hon. MARK LATHAM:** It would not be the first time development applications took a while to process. There is a lot of irate people in the aerotropolis, smaller landowners, for all the reasons you have heard here today and we were at the public meeting yesterday. I think all those fine citizens and dedicated family members are wanting is a fair crack—the same set of rules that others have enjoyed. You might want to consider that going forward as a way of tempering the public reaction out there to a process at the moment that looks fundamentally unfair and fundamentally uncertain. I will just make that as my final suggestion. I thank you very much for the answers you have given.

**Dr HILL:** Thank you.

**The Hon. ROSE JACKSON:** I wanted to ask, Mr Cox, in terms of finishing up on the Dine & Discover vouchers, are you involved in any oversight of the pilot? For example, can you let us know how the pilots have gone and is the program on track to roll out statewide this March?

**Mr COX:** We receive updates in relation to how the pilot has been going. The organisation received that. I do not have that detail to hand. So we do receive updates.

**The Hon. ROSE JACKSON:** But in general those updates suggest it is going well or suggest it is going disastrously?

**Mr COX:** No, the information I have seen has been well received.

**The Hon. ROSE JACKSON:** In general it is still the expectation of DNSW at least that the statewide rollout will be this month? You do not have any other information?

**Mr COX:** I do not have any information other than what has been made publicly available.

**Ms CURTAIN:** I have some details.

**The Hon. ROSE JACKSON:** Sorry, Ms Curtain.

**Ms CURTAIN:** I quickly found some. Just in terms of the status so far, at the end of February there were 4,690 businesses and 34,000 customers registered to participate in the scheme. To date there has been 98 per cent positive feedback from businesses and 96 per cent positive feedback from customers on the process.

**The Hon. ROSE JACKSON:** That sounds good. Do you have any knowledge about the statewide rollout? Obviously that is from the pilot scheme. Do you have any information, Ms Curtain, about that?

**Ms CURTAIN:** I do not believe so.

**The Hon. ROSE JACKSON:** Mr Cox, I wanted to ask about what Destination NSW did to assist tourist operators to interpret public health orders. Did you play a role translating in a way what was coming out of NSW Health for tourist operators so that they could ensure they were compliant?

**Mr COX:** We play a role on our public-facing websites to post the current health updates. We have done that throughout the whole COVID crisis and also through the bushfire crisis as well. Our events team works with event operators to get them through to the right people in Health to help answer their questions or to chaperone them through government to help get outcomes as far as COVID safety plans. Our Destination Networks and our organisation as a whole, as I outlined before, is in constant communication with industry more broadly and we will, certainly if we are asked questions in relation to any of those things, assist.

**The Hon. ROSE JACKSON:** I think one example—perhaps there are more—that I have been made aware of is bus industry operators who are sometimes in the transport space, sometimes in the tourist space to the extent that they operate coach tours. Occasionally they receive conflicting information about how different rules apply to them. Has Destination NSW been working with that industry, for example?

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**Mr COX:** We have had conversations with the bus industry, but the Department of Customer Service is the one that we would mostly refer people through to.

**The Hon. ROSE JACKSON:** I understand Destination NSW was supposed to present a bushfire recovery module at the Local Government NSW Tourism Conference in Jindabyne but did not turn up, did not attend. Do you have any information about why Destination NSW did not attend?

**Mr COX:** I am not aware of that. I will need to take that on notice.

**The Hon. ROSE JACKSON:** Yes, perhaps take that one on notice. That would be useful. Has Destination NSW played any role giving briefings or updates to local members of Parliament, particularly in regional areas, about what support there is for tourist operators so that they can ensure that of the services that you have available people are aware that they can access them?

**Mr COX:** Look, from time to time, for things that are occurring—so take Great Southern Nights as an example, we may provide information to members across New South Wales to advise them of the things that are occurring within their local areas. Our organisation is there to help everybody and anybody who has a query in relation to the visitor economy. If we are asked, we provide information wherever we can.

**The Hon. ROSE JACKSON:** So people approach you but you have not necessarily been doing that proactively?

**Mr COX:** Our information sources and particularly our websites we continue to keep up to date and make sure that information is available. We also work with our destination networks to make sure that they have their information available. They are constantly going out into regional areas in particular. They really act as an in-between, between industry and local government, to be able to get information back to us and vice versa.

**The Hon. ROSE JACKSON:** I understand that a new chair of the board has recently been appointed. Is that correct?

**Mr COX:** Yes, that is correct.

**The Hon. ROSE JACKSON:** What was the selection process?

**Mr COX:** The selection process is a matter for the Minister. I do not oversee the selection process.

**The Hon. ROSE JACKSON:** You were not involved in that?

**Mr COX:** No.

**The Hon. ROSE JACKSON:** Do you know if expressions of interest were called? Are you aware of that?

**Mr COX:** I am not aware. My understanding is the process was done through that office.

**The Hon. ROSE JACKSON:** Did the Minister's office—

**Mr COX:** Ms McLoughlin was identified as the most suitable candidate with the required skills. She is the current chairperson of Suncorp Group, a highly regarded business leader, so I think we are very fortunate to have her as the new chair for DNSW.

**The Hon. ROSE JACKSON:** So you are not aware, for example, if there were no expressions of interest or how many expressions of interest or applications were received? That is not information—

**Mr COX:** As I said, I was not involved. I am not involved in the process of recruiting chairs for Destination NSW.

**The Hon. ROSE JACKSON:** So the Minister's ministerial office managed that process entirely?

**Mr COX:** I am not aware of the full process. As I say, I am not involved in the process, so I do not know the ins and outs of that process.

**The Hon. ROSE JACKSON:** Ms Curtain, are you aware of any departmental involvement in that process at all? I mean, obviously it is not coming from Destination NSW. Is it entirely the Minister and his ministerial office that managed that? Are you aware of any other departmental role?

**Ms CURTAIN:** I was not specifically part of it. As a member of the board I think they thought it best that I not be a part of it.

**The Hon. ROSE JACKSON:** Sorry, I had forgotten that.

**Ms CURTAIN:** No, that is okay.

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**The Hon. ROSE JACKSON:** Are you aware if anyone else from Treasury, from the public service, was involved at any point in that process?

**Ms CURTAIN:** I am not aware of who was involved.

**The Hon. ROSE JACKSON:** I wanted to ask a question in relation to the World Surf League events in Narrabeen and Newcastle.

**Mr COX:** Yes.

**The Hon. ROSE JACKSON:** My understanding is that it has been reported that the New South Wales Government is providing \$5 million to host those events.

**Mr COX:** I have seen those reports but all of our negotiations are commercial in confidence.

**The Hon. ROSE JACKSON:** I was going to ask how was that figure derived at?

**Mr COX:** You would understand the media better than myself, I am sure.

**The Hon. ROSE JACKSON:** You do not want to tell me that, do you?

**The Hon. BEN FRANKLIN:** Whether he wants to or not is another matter entirely.

**Mr COX:** I am aware of the reports.

**The Hon. ROSE JACKSON:** It has been reported; can you confirm that New South Wales is paying for the surfers' hotel quarantine costs?

**Mr COX:** We do not make any comment in relation to agreements on events. It is of a commercial-in-confidence nature. I have seen the reports you are referring to but I can make no comment in relation to the commercial-in-confidence nature of events that we have secured.

**The Hon. ROSE JACKSON:** So other than the publicly reported figure of \$5 million, we are not able to get any more information about the New South Wales Government's involvement in that project?

**Mr COX:** I think we can all read the papers and see what gets written in newspapers. That is publicly available.

**The Hon. TREVOR KHAN:** How much of it is true of course is—

**Mr COX:** For good reason, the actual numbers of commercial events is of a commercial-in-confidence nature. I think we are very, very happy to have secured two World Surf League championships in New South Wales—one in Newcastle and one in North Narrabeen. I was personally involved in both of them—called the Newcastle mayor, their office, and myself to help secure that Newcastle event. I think it is a very, very good outcome for New South Wales.

**The Hon. BEN FRANKLIN:** Hear, hear!

**The Hon. ROSE JACKSON:** I am not trying to put you in a difficult position, Mr Cox.

**Mr COX:** No, I understand.

**The Hon. ROSE JACKSON:** But obviously there is that accountability.

**Mr COX:** I have read the article.

**The Hon. ROSE JACKSON:** On Newcastle, it has been reported that Newcastle city council had six hours to prepare information for their bid after Destination NSW had reached out to them. Is that accurate? Is that the kind of time frame that this bid was put together on?

**Mr COX:** This was put together quickly. That has been the nature of the COVID environment that we operate within. Sometimes we have to work rapidly to secure outcomes for the people of New South Wales. This particular thing was an excellent outcome and something I am very proud to have been involved with.

**The Hon. BEN FRANKLIN:** Hear, hear!

**The Hon. ROSE JACKSON:** Did you reach out to any other councils?

**The Hon. BEN FRANKLIN:** Yes—I am sorry.

**The Hon. ROSE JACKSON:** Mr Franklin! Mr Cox, did you reach out? Obviously Newcastle and North Narrabeen are the ones that—did you reach out to any other councils?

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**Mr COX:** No, because it has to do with where you can actually do the surfing. I did not reach out to any other councils.

**The Hon. TREVOR KHAN:** Yes, Tamworth missed out again.

**The CHAIR:** Outrageous.

**Mr COX:** There were other councils that were looked at as far as the World Surf League championships, but Newcastle was the one that I got involved with and spoke to directly.

**The Hon. ROSE JACKSON:** Can you give us information about which other councils were considered and then ruled out as not suitable?

**Mr COX:** Again, only what is in the public domain. I do not have the information to hand.

**The Hon. BEN FRANKLIN:** I can talk to you about it later.

**The Hon. ROSE JACKSON:** Thank you. Ms Curtain, with the vouchers, I think you said it, but I just wanted to confirm: Can you give me the figure again of how many vouchers have been used? Did you have that figure? I think you said businesses—

**Ms CURTAIN:** It was the number of registrations.

**The Hon. ROSE JACKSON:** —and registrations. Apologies, yes.

**Ms CURTAIN:** Customers and businesses.

**The Hon. ROSE JACKSON:** Did you have a figure of the actual utilisation?

**Ms CURTAIN:** I can have a look.

**Mr COX:** No. That information—

**Ms CURTAIN:** I do not believe so, but—

**The Hon. ROSE JACKSON:** Is that because that information is not available or you just do not have it? Are you aware?

**Ms CURTAIN:** I assume it will be available somewhere, but I can take that on notice. I do not have it right in front of me.

**The Hon. ROSE JACKSON:** Thank you. That would be useful if you took it on notice, Ms Curtain. I just wanted ask about the Regional Tourism Awards. Is that event going ahead in 2021?

**Mr COX:** If you just bear with me for one moment, I will be able to answer that question quickly for you. If you do not mind, rather than take it on notice, I will get an update. I do not have a particular date on it.

**The Hon. ROSE JACKSON:** Yes, sure. I do have some questions about that; perhaps we could check. I do not know if you will be able to answer this, Ms Curtain or Mr Cox, but—

**The Hon. BEN FRANKLIN:** I think he is just—

**The Hon. ROSE JACKSON:** Oh, did you want me to pause entirely? Ms Curtain, I might ask you about the Dine and Discover vouchers. Were cellar doors initially included in the program? Obviously there has been quite a lot of angst from the wine industry about—

**Ms CURTAIN:** I am not sure of that detail. I am not sure whether Steve Dox knows if cellar doors were included in Dine and Discover.

**Mr COX:** I will come back to the cellar doors, if you do not mind.

**The Hon. ROSE JACKSON:** That is okay. I was just moving on, as we were—

**Mr COX:** That is okay, I understand.

**The Hon. ROSE JACKSON:** I am happy to talk about the Regional Tourism Awards. I am very, very excited about them.

**Mr COX:** The Regional Tourism Awards were cancelled in 2020.

**The Hon. ROSE JACKSON:** Devastating.

**Mr COX:** To my knowledge they are not running this year. The awards are run by Regional Tourism Awards Incorporated, which is a not-for-profit organisation that was originally set up by four regional tourism



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organisations—Riverina, New England North West, Central NSW and Outback NSW—for the sole purpose of organising and running the annual awards. Destination NSW has not provided funding for the Regional Tourism Awards except for a one-off contribution in 2019, so it is not a Destination NSW run award. It is something that we provided a one-off payment to.

**The Hon. ROSE JACKSON:** My understanding is that the Tourism New South Wales website suggests that it will return in 2021, but your most recent information is that it is not?

**Mr COX:** The Tourism New South Wales website, the Visit NSW website or the Destination NSW website?

**The Hon. ROSE JACKSON:** I will have to clarify exactly which website.

**Mr COX:** Our website is Destination NSW and in DNSW—

**The Hon. ROSE JACKSON:** In any case, your view is that it is not occurring?

**Mr COX:** No. My understanding—

**The Hon. ROSE JACKSON:** Your understanding.

**Mr COX:** My view is that it is not occurring, but we are in discussion with Business NSW regarding 2021 State tourism awards.

**The Hon. ROSE JACKSON:** Yes, I appreciate that. It is a separate event, though.

**Mr COX:** Yes.

**The Hon. ROSE JACKSON:** My understanding of some of the history here is that the Regional Tourism Awards were sponsored for a number of years. Sponsorship—

**Mr COX:** The Regional Tourism Awards have only been funded by Destination NSW—

**The Hon. ROSE JACKSON:** No, by other organisations.

**Mr COX:** Okay, sure.

**The Hon. ROSE JACKSON:** For a range of reasons that sponsorship has not been forthcoming. As you say, in 2019 the Government stepped in to ensure the event went ahead. It did not happen last year. I appreciate that you are not reneging on a long-term commitment here, but have you considered supporting them again so that the Regional Tourism Awards can occur this year? Has there been a conversation?

**The Hon. TREVOR KHAN:** It probably starts with them making an approach for funding, if they have.

**The Hon. ROSE JACKSON:** Have they approached you for funding? Great question, Mr Khan. Have you been approached for funding?

**The Hon. TREVOR KHAN:** I was in opposition once.

**Mr COX:** Not personally and not that I am aware of, but I can take it on notice and find out.

**The Hon. ROSE JACKSON:** Yes, it would be useful if you could find out if there has been any approach to Destination NSW for sponsorship or support so that the Regional Tourism Awards can go ahead.

**Mr COX:** Yes. As I say, we are working with Business NSW on potentially State tourism awards, but the Regional Tourism Awards are as we have discussed.

**The Hon. ROSE JACKSON:** Okay. Well, take it on notice about any approaches in relation to funding or support. Just back on the wine industry—

**The Hon. TREVOR KHAN:** I am a big supporter.

**The Hon. ROSE JACKSON:** Huge—massive. I think we all are. Obviously they have copped it from the smoke and the Chinese export issue. The Australian wine industry has been under some pressure.

**Ms CURTAIN:** That was a useful interlude because I found the answer. According to the information I have here, wineries are eligible to register for food, non-alcoholic beverages and tours, but not where it only involves alcohol.

**The Hon. ROSE JACKSON:** Right, okay. Has there been any other support that Destination NSW more specifically has provided the New South Wales wine industry? As I said, I think we all accept that they have

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had a tough time and it is a particularly important and unique tourist offering that we have. Have there been any particular strategies to support the wine industry?

**Mr COX:** Yes, there have been extensive strategies with relation to the wine industry. I will just get some of the detail for you, if you do not mind waiting for one moment. We have ongoing delivery of the New South Wales Food and Wine Tourism Strategy and Action Plan. It was released in 2018 and contains 27 actions to ensure the continued growth and development of the New South Wales food and wine sector. The 27 actions provide support to tourism operators through leveraging peak body alliances, convening industry forums, undertaking product and experience audits to determine gaps and new trends in the food and wine sector, working with New South Wales wine regions to identify and promote hero experiences, integrating food and wine experiences into regional marketing and public relations programs, and delivering local product development workshops.

We have ongoing consultation and development with the New South Wales food and wine tourism industry. We have consulted widely with them in working with this food and wine strategy and action plan. We did an online survey that went to 2,200 stakeholders. We did a number of roundtables across Gerringong, Queanbeyan, Wagga Wagga, Bathurst et cetera—a significant number of the wine regions. The implementation of that strategy and plan, which goes out to 2022, continues. A key achievement is the million-dollar memorandum of understanding of the New South Wales Government with the New South Wales wine industry to deliver projects aimed at attracting and growing international wine tourism in the 14 New South Wales wine regions. That again includes a product audit and gap analysis of wine tourism experiences in each of the 14 wine regions, content development, international partnership campaigns, trade and media familiarisations, and industry education programs.

Other actions have included regional marketing campaigns to promote the range of New South Wales food and wine experiences, attractions and venues. We have showcased Sydney, and New South Wales food and wine offerings and events through Destination NSW domestic and international media programs. We have showcased New South Wales food and wine at all Destination NSW events through Australia and overseas. We have partnered with Restaurant and Catering Australia and the NSW Wine Industry Association to sponsor the best New South Wales wine list award at the annual NSW Wine Awards. We have profiled New South Wales premium food and wine offerings to domestic and international buyers at key events, including the Australian Tourism Exchange and Mercedes-Benz Fashion Week.

We have developed and delivered Sip, Chat and Discover, which is an educational model that features industry experts and winery case studies in a New South Wales first program to encourage wineries and tourism operators to develop bookable products. I must say, having visited a number of the winery businesses through COVID, that has been an unexpected benefit of COVID. Forcing wineries into booking tastings has actually ended up being a very good thing for wineries, where the visitor gets a better experience and the wine operator gets some money for the wine that they are giving to the tasting. It has generally been very, very well received by all sides. So that program has been in place.

We have increased the number of bookable experiences at New South Wales wineries from 15 to 90 from 2018 to 2020, and I would suggest that number would have gone up significantly more in this past year. We have also produced a new resource for the travel trade, *Wine Regions of NSW—a Toolkit for the Travel Trade*, and there is more, so an extensive body of work in relation to New South Wales wine. I would point out that we have also used TV—the *Taste of Australia with Hayden Quinn*, which aired on Channel 10 from July to October, featured our wine regions and episodes of *Three Blue Ducks* featured our wine regions—so an extensive amount of work.

**The Hon. ROSE JACKSON:** I want to ask a couple more questions and then I might move on to questions for the parkland city authority. In terms of Destination NSW, going back to the questions we asked at the beginning about moving to DPC, when did Destination NSW move into Treasury? That was part of the super cluster restructure.

**Ms CURTAIN:** The official start date was 1 July 2019.

**The Hon. ROSE JACKSON:** So you have actually been in Treasury for less than two years, is that right, Mr Cox?

**Mr COX:** That is correct, yes—those dates. It was before my time but yes.

**The Hon. ROSE JACKSON:** Does that provide any organisational challenges in terms of moving the agency around quite frequently?

**Mr COX:** As we said earlier, I think we have to see what the outcomes are of the structural change.

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**The Hon. ROSE JACKSON:** I understand that Destination NSW was working towards goals or targets for overnight visitor expenditure?

**Mr COX:** Yes.

**The Hon. ROSE JACKSON:** Of course I can imagine that COVID has impacted these so I just thought I would check. The target was for overnight visitor expenditure to double by 2020. Presumably that was not achieved, and I am not going to hold you responsible for that, but just to check—

**Mr COX:** Sure.

**The Hon. ROSE JACKSON:** So that was not achieved?

**Mr COX:** The Government's State Plan included a target of \$36.6 billion in overnight visitor expenditure in 2020. Obviously with the devastating impact of the bushfires and COVID, that target was not hit. We were on track to achieve that if it had not been for the COVID-19 pandemic. In the year ending December 2019 the required growth to achieve the target for the New South Wales Government was only 4.4 per cent, which includes 2.7 per cent for inflation. Our annual expenditure growth had consistently been above 4.4 per cent, so we were certainly well on target to achieve that number, prior to COVID.

**The Hon. ROSE JACKSON:** To the extent that there are forward goals now—\$55 billion by 2030 and, for regional expenditure, \$20 billion by 2025 and \$25 billion by 2030—are they still goals that you have committed to or are you reviewing them or—

**Mr COX:** The Visitor Economy Strategy 2030 articulates a clear set of new targets across the path out to 2030—it is within that document—so they are the numbers that we are working towards. As you can appreciate, it is a fluid environment right now, but we are confident that under current circumstances we will hit the numbers that we have outlined in the Visitor Economy Strategy by 2030. Obviously no-one knows exactly when international travel will be in and out, so we have purposely articulated that strategy across three time lines. We have the road to recovery, which goes out to 2024. It broadly targets the return to visitation spend of 2019 levels by 2024.

It is our best estimate based upon all the different information that we have to hand about what that recovery period may look like. Of course, much will depend upon vaccination success, both domestically and internationally, and the return of international travel, which certainly we would love to see as soon as we can, so there is a number of different factors, but that is a working, living, strategic document, which means that we will be consistently reporting to it and reviewing it and then looking at our numbers. The 2030 position, as I say, is in three key pieces: We have a road to recovery stage, moderate growth and then accelerated growth out to 2030, and we think it is achievable.

**The Hon. ROSE JACKSON:** As you said, is there any kind of systematic or programmed review of that? You said that it is a living document that you are reviewing constantly.

**Mr COX:** Yes.

**The Hon. ROSE JACKSON:** Or is it very much a constant work in progress?

**Mr COX:** It is an ongoing and constant work in progress.

**The Hon. ROSE JACKSON:** Ms Hill, the Western City & Aerotropolis Authority was disbanded and the Western Parkland City Authority was created—that is correct, isn't it?

**Dr HILL:** It is the same legislation and, in effect, the boundary was expanded and subsequently the name was changed, so the geographic remit under the legislation was expanded from the 11,000 hectares around the aerotropolis to the full Western Parkland City, which is about 800,000 hectares, including national parks, and the name was subsequently changed.

**The Hon. ROSE JACKSON:** Other than the change to the geographic boundaries, there was no other difference.

**Dr HILL:** And the name.

**The Hon. ROSE JACKSON:** Yes.

**Dr HILL:** No other legislative changes.

**The Hon. ROSE JACKSON:** Were there any costs involved in that?

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**Dr HILL:** The organisation has a broader remit now, so there are some additional projects that we are undertaking in collaboration with the councils. They will have a cost. The economic development strategy I referred to earlier is an example of that.

**The Hon. ROSE JACKSON:** How many full-time staff are employed at the Western Parkland City Authority?

**Dr HILL:** As of February there were 82 full-time equivalents.

**The Hon. ROSE JACKSON:** And how many were employed in the Western City & Aerotropolis Authority?

**Dr HILL:** At various different points, when I came in, there was in the order of—I would have to take that on notice, but there were less.

**The Hon. ROSE JACKSON:** There were less?

**Dr HILL:** Yes.

**The Hon. ROSE JACKSON:** So as the remit has expanded, the staff has expanded.

**Dr HILL:** It has expanded to meet the additional priorities.

**The Hon. ROSE JACKSON:** What about the budget? What is the annual budget of the parkland city authority?

**Dr HILL:** The annual budget as set out in *Budget Paper No. 4* is in the order of \$37½ million. That includes an operational budget as well as capital budget in relation to the works and business case that is currently being prepared for the Aerotropolis Core site as part of the city deal commitment that was flagged.

**The Hon. ROSE JACKSON:** What was the annual budget of the city and aerotropolis authority?

**Dr HILL:** It was \$20 million base. It always envisaged that it would need additional money for the works that I just mentioned, so there is no change there in terms of scope.

**The Hon. ROSE JACKSON:** Are the board members of the parkland city authority paid? Are they paid positions?

**Dr HILL:** They are paid positions, yes.

**The Hon. ROSE JACKSON:** What is the salary of the chair, the deputy chair and the board? What are they paid?

**Dr HILL:** If you would give me a moment, I can pull that out and the bands which apply to that. I do have that information. If I can take a moment to get that advice, that would be great. I can come back to you on that.

**The Hon. ROSE JACKSON:** Yes. I am interested also in how they were chosen or appointed.

**Dr HILL:** They are appointed by government through the standard approach for a government board. This happened certainly prior to my time in 2018 when the organisation was established, so the board has not changed with the expansion of the geographic remit of the organisation.

**The Hon. ROSE JACKSON:** And what is the term of the board members?

**Dr HILL:** Each board member has a three-year term.

**The Hon. ROSE JACKSON:** Expiring this year then?

**Dr HILL:** Next year, so February next year.

**The Hon. ROSE JACKSON:** Sorry, I thought you said 2018.

**Dr HILL:** Yes, so February next year their terms will conclude.

**The Hon. ROSE JACKSON:** If you can either provide information or take on notice the salaries, that would be useful.

**Dr HILL:** I understand it is a B5 remuneration level but I am happy to take on notice what that means in dollar value.

**The Hon. ROSE JACKSON:** That would be useful. Where is the office of the parkland city authority located?

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**Dr HILL:** We presently have an office in Parramatta and we also have an office in Liverpool.

**The Hon. ROSE JACKSON:** The Parramatta office is not actually in the parkland city authority area, is it?

**Dr HILL:** No, it is in the central city. We are currently in the process, though, of identifying an appropriate space within Penrith, so we currently have an office in Liverpool, which is in the parkland city, and we are also looking to identify an office in Penrith.

**The Hon. ROSE JACKSON:** In terms of the current arrangements, I think you said there were 82 staff. How many of them are working from the Liverpool office?

**Dr HILL:** I understand it has capacity for 10 people.

**The Hon. ROSE JACKSON:** So the vast majority are at the Parramatta office?

**Dr HILL:** Yes. COVID, obviously, has had some implications on that but, yes, that is correct.

**The Hon. ROSE JACKSON:** Indeed, some are working from home.

**Dr HILL:** That is correct.

**The Hon. ROSE JACKSON:** Yes, but the Parramatta office is the much more major centre.

**Dr HILL:** Yes.

**The Hon. ROSE JACKSON:** What is the time frame on relocating the office to within the parkland city area?

**Dr HILL:** We are actively looking for appropriate space for us at the moment to have a bigger footprint in the parkland city in Penrith, and we are hoping by mid this year to have secured that and to start to relocate staff to the Penrith office.

**The Hon. ROSE JACKSON:** In terms of some of the precinct plans, Mr Latham has asked some questions about this as well but, just to clarify, do you have any specific information about how many hospitals will be built in the precincts or schools?

**Dr HILL:** Again, that is a matter for the planning department.

**The Hon. ROSE JACKSON:** Planning, yes. I have a range of questions about the provision of hospitals, schools, childcare centres et cetera. That is the responsibility of Planning at this time—

**Dr HILL:** Planning and Health.

**The Hon. ROSE JACKSON:** Are you are least able to indicate whether it is your understanding that that is happening, that to the extent that it is their responsibility they are doing that work to ensure that those services are available?

**Dr HILL:** I think it is an important part of any city planning that you consider the broad range of services. My understanding is that the planning department has been discussing this with NSW Health, and they would all have an interest in ensuring appropriate services for our citizens in the parkland city.

**The Hon. ROSE JACKSON:** I think this might be for you, Ms Curtain. I want to ask about the Parramatta startup hub. I have asked about it previously, and it was in progress. Is it still in progress or is it open? What is the status of that?

**Ms CURTAIN:** It is not open yet, but works are underway currently. We expect it to be open around the end of the year. We are currently out with expressions of interest to get an operator who is going to operate it so we can start working with them on who is going to fill it and programs and how we put it together.

**The Hon. ROSE JACKSON:** How has the Sydney Startup Hub been going with COVID? Presumably it has impacted the—

**Ms CURTAIN:** Absolutely, and any sort of working spaces like that have been significantly impacted, but it is coming back quite strongly. They actually had their third birthday this week. When everyone went to work from home, that kind of model is difficult to keep going, so everyone in there was quite heavily impacted, but it is building back up again now and it is on a good trajectory.

**The Hon. ROSE JACKSON:** Do you have a percentage of what its current utilisation is compared to what it was before COVID?

**Ms CURTAIN:** I will have it. I can take that on notice.

## CORRECTED

**The Hon. ROSE JACKSON:** Is it 50 per cent—

**Ms CURTAIN:** It is more than 50 per cent, but I do not have the exact figure. I will take that on notice and get you the right figure.

**The Hon. ROSE JACKSON:** In terms of the Western Sydney Airport, I wanted to ask if there was any update on the fuel pipeline because I think in 2018 Transport for NSW said it was undertaking preliminary work; in 2020 Transport for NSW said it was undertaking preliminary work. Are they still undertaking preliminary work?

**Dr HILL:** I cannot give you any update on Transport's preliminary work, unfortunately, but I have had some discussions with fuel providers in the Western Parkland City, and we are also considering it as part of some broader strategic work we are doing in terms of utility provisions and multi-utility approaches. Unfortunately, I cannot give any more of the specifics on Transport's analysis.

**The Hon. ROSE JACKSON:** You are not able to provide any update on whether there is any prospect of the fuel pipeline being available when the airport opens?

**Dr HILL:** I cannot give any update on Transport's work, but I am happy to see if I can get anything if I take that question on notice.

**The Hon. ROSE JACKSON:** Yes, I appreciate it is Transport's responsibility, but in terms of the airport and its opening, obviously whether the pipeline is there or not or how long that is going to take is reasonably significant, so that is why I was wondering.

**Dr HILL:** I understand. As I said, we are looking at some alternative options around co-locating utilities, and we are looking at that as part of a broader piece for the parkland city. I am happy to take questions on notice in terms of Transport's analysis in that regard.

**The Hon. ROSE JACKSON:** To the extent that it may not be open—as I said, I appreciate that is not your responsibility. If it is not, the number of truck movements around the airport and the broader aerotropolis is obviously going to be considerably higher because if a fuel pipeline is not there the fuel will need to be brought in. Is that at least something that, again, you are including in your planning?

**Dr HILL:** That is certainly something that would need to be considered in any transport modelling. Again, that is a matter for Transport, but we are very conscious of that and the importance of reducing the need for vehicles to travel and reducing congestion and associated environmental impacts. Any details, again, would be a matter for Transport.

**The Hon. ROSE JACKSON:** Just in terms of the jobs associated with the precinct plan, I wanted to clarify. I think there was a media release in November last year which said that a range of projects would deliver 200,000 jobs across the Western Parkland City. Other public statements have indicated nearly 100,000 around the airport specifically. But then there have been other public statements that have suggested, for example, that 200,000 jobs is across western Sydney. Can you provide any clarity about where those jobs are expected to be delivered?

**Dr HILL:** The 200,000 jobs—it sounds like you are referencing the target—

**The Hon. ROSE JACKSON:** I am indeed, yes.

**Dr HILL:** —that I mentioned earlier. You are absolutely right. The intention is to have a target for 200,000 additional jobs across the Western Parkland City. As to what industries we target to achieve that additional job generation, that is something we are working through in detail with the councils at the moment that, obviously, cover the parkland city. As for the 100,000 jobs, my understanding—and I am happy to be corrected here—is that there is a number that has been identified of capacity for 100,000 additional jobs within the aerotropolis. That is the 11,000 hectares, which includes the airport, which in its own right will generate over 30,000. That includes metro, which in its own right I understand will generate over 14,000 indirect and direct jobs and a cumulative account of that. So 11,000 hectares is a substantial area and, I understand, there is potential for 100,000 within that. Target versus capacity generated are two different starting points, but that is my expectation of where those numbers may be drawn from.

**The Hon. ROSE JACKSON:** Just to clarify, the 200,000 is—

**Dr HILL:** Across the whole city, a target.

**The Hon. ROSE JACKSON:** —across the whole city. That is a target that you are working towards.

**Dr HILL:** Correct.

## CORRECTED

**The Hon. ROSE JACKSON:** The 100,000 around the airport is not a target; that is just how many—

**Dr HILL:** Jobs could be generated if the capacity is created.

**The Hon. ROSE JACKSON:** —could be generated, but there is no specific work towards meeting that target?

**Dr HILL:** Well, certainly, the authority's role would be trying to generate as many jobs as possible.

**The Hon. ROSE JACKSON:** As many as possible.

**Dr HILL:** That is right. So that 100,000 would substantially contribute to our 200,000 target across the whole parkland city.

**The Hon. ROSE JACKSON:** That is by 2056?

**Dr HILL:** This is the 100,000?

**The Hon. ROSE JACKSON:** Yes.

**Dr HILL:** I do not know the genesis. I did not calculate that number so I cannot say for certain. I would say that is capacity generated through the rezoning of the aerotropolis area—the 11,000 hectares. That will depend on take-up by businesses within that period. I do not know the particulars of the time frame.

**The Hon. ROSE JACKSON:** My understanding is that that time frame is taken from the aerotropolis precinct plans.

**Dr HILL:** I am not sure of whether it is 2036, 2056 or a variation thereafter, but they are the general two time frames. As to the 200,000, that is a 2036 number which is, indeed, an ambitious number of jobs to generate within that period, but we are experiencing and forecasting significant residential growth. As I mentioned earlier, it is important that we provide jobs locally for those residents.

**The Hon. ROSE JACKSON:** Yes, so it is ambitious, but you are still confident?

**Dr HILL:** We are working very hard to achieve those jobs. Jobs are challenging. Residential growth is somewhat easier to predict and to address. Certainly, as we have experienced in the past 12 months, there are many things that affect job generation, but we are working very hard and that is a very clear focus of the authority.

**The Hon. ROSE JACKSON:** Sorry, you describe it as additional jobs because it is additional to normal economic activity, so do you have a figure of how many jobs the Government is forecasting will be created by normal economic activity in that period?

**Dr HILL:** Yes, my understanding is existing projection—and, again, I am happy to be corrected—is in the order of 206,000 jobs. We are aiming for another 200,000 jobs.

**The Hon. ROSE JACKSON:** Yes, that is right. I mean, it is just useful to have that figure because—

**Dr HILL:** That shows you how substantial it is.

**The Hon. ROSE JACKSON:** That is right. So normal economic activity is 206,000 and you are going for an additional 200,000.

**Dr HILL:** That is important. Over the past two decades we have seen a decline in the ratio of jobs per resident in the parkland city. We want to start to turn the tide on that.

**The Hon. ROSE JACKSON:** I just wanted to ask briefly about the draft Aboriginal and non-Aboriginal cultural heritage assessments. I think there was a number of significant Indigenous sites identified around the airport that could impact on development. To the extent that that information has been publicly available, it has been heavily redacted. Can you give us any insight into why that has been so heavily redacted? Because it does make it difficult for the public to understand the nature of those significant sites.

**Dr HILL:** I can only say that I am aware of the documents; that they have been made public on the Department of Planning's website, I believe. I have not had any involvement with the preparation of those documents and it is a matter for Planning, rather than the authority.

**The Hon. ROSE JACKSON:** You cannot, for example, tell us—the six major sites were identified, but their location was redacted. Can you tell us the location of those sites?

**Dr HILL:** I did not commission those studies or I have not had any involvement so, I am sorry, I cannot help in that regard.

## CORRECTED

**The Hon. ROSE JACKSON:** Mr Cox, I just wanted to ask briefly about the ski season because the winter sports tourist offerings et cetera—winter last year was really particularly badly impacted. I think we can accept that, so we are obviously looking forward to winter this year. Can you give us any insight into what happened last year? There seemed to be a few hiccups and issues with the 2020 ski season and have those been resolved for 2021 so that we can have a better and more functional ski season in New South Wales?

**Mr COX:** I am not aware of any hiccups or issues as such. I think the ski season in New South Wales was—our ski slopes were impacted, of course, by COVID, but we actually had a ski season as opposed to other parts of Australia. Victoria I do not think had a significant ski season of any type. So, there were limits. I visited the ski area when they opened their new lift and they managed their numbers exceptionally well in a COVID-safe environment. I think many visitors to New South Wales and specifically to the ski region had a wonderful time. In fact, from what I understand, those who enjoy skiing, because the numbers were down on, had a really good time on the slopes.

So I am not aware of any specific issue in relation to the operation of the ski season. It operated under the constraints of COVID and that creates significant challenges. It is a credit to each and every member of the people who work in the ski region that they were able to execute so well. Having met a number of them, their passion and their skill set are immensely clear. From my understanding it actually functioned very well. This year's ski season, as long as we can convince all the States to keep their borders open—as we spoke about this morning—I think we can look forward to a very, very strong ski season. Particularly with international travel still restricted, New South Wales becomes a very keen destination.

**The Hon. ROSE JACKSON:** Yes, I think the issue was, Mr Cox, that because information and decisions were made relatively late—and these were not decisions of Destination NSW, but decisions were made primarily by NSW Health in relation to how the ski season could operate under public health orders—it meant that there was a late scramble and people had difficulty securing both lift passes and accommodation. Then there was, you know, a number of people who had, for example, one and not the other. My understanding is that is what has happened in the past; you have suggested that you did not think that that was such a big issue. But at least in terms of this year, are we confident that we are going to be able to get really clear, really complete information out early so that, for example, by the long weekend—the traditional start of the ski season—we are really ready to go in New South Wales?

**Mr COX:** Ms Jackson, I think the New South Wales Government has clearly been the number one government across all of Australia in managing COVID, the impacts of COVID and communicating those impacts. It is a pandemic. The nature of that is that sometimes decisions are made at short notice. I do not discount those who were impacted that you refer to. Whilst I do not know about them specifically, I am sure that those things could have occurred in that kind of environment. The nature of those things is that sometimes notice is short, but the New South Wales Government has maintained a pro-business, keep-the-borders-open—help our visitor economy continue to operate. I can assure you, having met a number of the people who operate those businesses in our snow region, they do an outstanding job and should be absolutely commended for the work that they do.

I would have every confidence and I think we can look forward to a more stable environment going forward; I certainly sincerely hope so. The vaccination rollout—and, again, I think New South Wales is the leader and the best in class in doing that, so I would certainly hope that we can look forward to a more predictable season ahead. I am sure that there have been lessons learnt. But I think New South Wales will be the premier ski destination in Australia without a doubt. Those who did get to go to the ski season last year will be delighted to return and I am sure those who missed out will come down.

**The Hon. ROSE JACKSON:** I appreciate Mr Latham was asking earlier about Newcastle, for example, and I am sure every area wants to have a little bit of the promotional money flowing their way but, again, there was a particular impact. We did manage to get a ski season, but it started late and numbers were very limited so, obviously, as you would know from meeting with these operators, they really want to make this year a success.

**The Hon. WES FANG:** Is there a year that they don't?

**The Hon. ROSE JACKSON:** I think we can accept, Mr Fang, that if this year has hiccups and there are bumps after what happened last year it is going to be particularly difficult. I hear your full confidence. Is that based on any specific money that you have allocated to help them with promotion, to help them with getting the message out that they are safe, to help them with COVID compliance to the extent that there are still restrictions, or is it just a hopeful confidence?

**Mr COX:** It is to do with the way the New South Wales Government has managed this whole pandemic has been best in class, without a shadow of a doubt, across Australia. It is in relation to having a very, very clear



## CORRECTED

visitor economy strategy that we delivered in January that absolutely clearly articulates a proper commercial strategy to grow visitation for New South Wales across government. All of these things will be applied to that region as well.

**The Hon. ROSE JACKSON:** Have you given any consideration to things, for example, such as the waiver of national park fees for tourist operators, waivers for audit requirements for coach bus tour operators? I think there are a number of particular costs and compliance requirements in the tourism industry that people have flagged, things that might be forthcoming as support considering the difficult times they face. Have any of those things being considered within Destination NSW?

**Mr COX:** Things like park passes et cetera relate to National Parks and not to ourselves. The really important thing to remember here is that this is a whole-of-government approach. If you take out one particular thing and look at it in isolation you miss the fact that we have had over \$8.3 billion in measures to support businesses and the economy in response to COVID-19 across the board. So I am aware of individual pieces, but I think New South Wales has absolutely continued to support the visitor economy exceptionally well and Destination NSW is focused on it, but I know all parts of government look at their own particular areas and some of the things you referred to.

**The Hon. ROSE JACKSON:** I appreciate that but, you know, part of the problem for tourist operators, particularly small business tourist operators, is that they have to go to Transport for NSW for their vehicle registration fixed costs, they have to go to National Parks for their costs. It is a big bureaucracy. It can be difficult to navigate. They see Destination NSW as a portal to all of those different elements.

**Mr COX:** Sure.

**The Hon. ROSE JACKSON:** So to the extent that you are able to help them with all of the different costs and compliance requirements across all of the different elements, are you doing that?

**Mr COX:** Absolutely we are.

**The Hon. ROSE JACKSON:** Are you taking that feedback and going to National Parks and saying, "Hey, here is an idea"? Are you going to Transport saying, "Look, what about vehicle registration and fixed costs for tourism bus tour operators"? Is that a role you are playing?

**Mr COX:** We absolutely act as an in-between between industry and government and look to represent them. We met with representatives of the Bus and Coach Association in 2020 and briefed them about the range of industry support services that are available through the New South Wales support first program as well as the opportunity for the members to create free Get Connected listing. So it works both ways. We spoke to this concept previously. We go out and actively provide information to industry, and industry does come to us, as you pointed out, and ask for help in being chaperoned across to the relevant part of government, and we do that as well.

**The Hon. ROSE JACKSON:** Do you have any information, for example about how many tourist businesses applied for, or were successful in receiving, the \$3,000 small business marketing grants? I appreciate that those grants are run through the finance department, but have you had any involvement in ensuring that tourism businesses are aware of them and able to access them?

**Mr COX:** Again, I do not have specifics around the numbers, but we absolutely do work both within the organisation and within our destination networks to connect industry to the full range of government support and certainly we have our own funding programs in place that I spoke to previously as well—the Refresh and Renew Fund, which is \$1 million; the development fund for Experience Enhancement Fund, which is \$2 million; and the Regional Business Event Development Fund, which is \$500,000. Each of those is open right now. The first to go through to 31 March and the last one—the business event fund—goes through to 30 April. We are absolutely a conduit between industry and government. We are working to improve that all of the time and we continue to engage across a very broad range of touch points. I have ongoing and regular diarised meetings with the heads of the industry associations to make sure that I am personally in touch with any issue that they may raise and to help them if there are things on which they are particularly lobbying other parts of government. So, yes, we work across the board.

**The Hon. ROSE JACKSON:** As an example, my understanding is that some bus and coach charter companies were told that they were not on the list of highly impacted industries for the COVID-19 business restart grants because, in a way, they had been incorrectly categorised not as highly impacted tourists businesses, because they could also be characterised as transport businesses or other things. So they have gone through the application process. They have lost a substantial amount of their bookings. No-one was going on coach tours last year. Was that the type of thing you are able to assist with?

## CORRECTED

**Mr COX:** Not with that specifically but, again, when we meet with associations—and we did meet with the bus association—and they raise those issues, we absolutely table them and whenever we can pass them on to the relevant parts of government. The other thing here I should point out, Ms Jackson—and I referenced this earlier today—is that for the very first time, through the work that we have established in the Visitor Economy Strategy 2030, we are establishing the visitor economy senior officers of government group, which is a forum for these exact types of conversations as well and a formal forum with senior representatives of government across all the different touch points so that we can also bring these things to table in a formal setting, to talk about things that might be across all of government. That is another piece that we have in play beyond the work that we already do.

**The Hon. ROSE JACKSON:** Possibly one of the last questions I have, Chair, was just, in terms of some of that forward planning, it is my understanding that whilst for example pre-COVID, Sydney v Melbourne tourist economy, the length of time and amount of expenditure that visitors were spending, say, in Melbourne was greater than in Sydney. People would come to Sydney, do a few of the sites, but then move on to Victoria, for example, or Tasmania and be more embedded there. Are you doing any work, assuming that we can get international tourists back hopefully next year, to really beef up Sydney as a place where people should come and stay. Because, once we can get tourists back in here, obviously we are all interested in maximising the amount of money that flows in to make up for the period where we have been so devastated.

**Mr COX:** I dispute your numbers from the beginning. Sydney remains the largest market in the Australian marketplace.

**The Hon. ROSE JACKSON:** I was not suggesting that it was not the largest but I think, as I said, we were not getting as much length of stay as perhaps some of the other markets, but in any case—

**Mr COX:** Sydney remains the largest. The Visitor Economy Strategy does call out specifically work around things such as brand New South Wales and brand Sydney, and that work is underway right now. That whole document, which I hope that you may have seen, clearly articulates the work that we are doing and Sydney is absolutely called out within that, and we are very mindful of that. I refer to anyone who will listen that I believe very strongly that both Sydney and New South Wales can look forward to the roaring 2020s. I think we have so many things in place off the back of this pandemic to really accelerate out of this pandemic. I think the Government has handled COVID exceptionally well. Sydney is still, for me, the best of the global cities. It is the only global city in Australia. And we are working very hard across the board, with all parts of industry and within government, to continue to position it as such. So there are those works happening, they are detailed in the Visitor Economy Strategy and we look forward to delivering them.

**The Hon. ROSE JACKSON:** Just to clarify, the Minister earlier talked about the New South Wales Government waiting until the Federal Government delivers its more immediate tourism recovery package. Are you and the team at Destination NSW actively working on options now? For example, I understand the Queensland Government has specific vouchers for North Queensland and some of the other States have started throwing those things out there. I appreciate we are not going to get announcement until we get a Federal Government announcement, but can you give the tourism industry some assurance that those kind of options are under active consideration?

**Mr COX:** I can give the industry the assurances I do on a daily basis that we are looking at all things and avenues to grow and stimulate the visitor economy for New South Wales, and where possible for the things that will be long lasting and maintainable. Building differentiation in the mind of visitors, making sure we are first in mind when people think about coming to Sydney, thinking about tactics and ways to enhance the length of stay, increase the spend, improve the yield—right across the board, there are a number of pieces.

**The Hon. ROSE JACKSON:** And that does include looking at what the other States have done?

**Mr COX:** Of course. It is a competitive market. Through the Visitor Economy Strategy, the positioning is very clear—to be the premier visitor economy of the Asia-Pacific. That means, in effect, beating the rest of Australia and the Asia-Pacific region to make sure that we are the premier visitor economy of the Asia-Pacific. So of course we are constantly looking at what is happening in other markets and giving consideration to that. I am constantly challenging our team to make sure that we are first in market, that we are pushing the boundaries and doing what we can and that we are absolutely engaging, I would suggest more than ever, with industry as an organisation to seek feedback, to listen and to adjust. I have run commercial businesses for all my years. You wake up and you look at you sales numbers on a daily basis. That is the way we operate. Always looking, always understanding what the competitive set is, and making sure we make changes and adapt accordingly.

**The Hon. ROSE JACKSON:** Okay. Let's hope so. That is all from me, Chair.

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**Ms CURTAIN:** Can I just correct one thing, Chair, from earlier when Mr Mookhey asked me about the number of staff currently on my team. We have had some changes between my group and the trade team so currently, just to correct that, the jobs investment and tourism team currently has about 130 people and there are around 85 people in the trade team including the offshore staff.

**The Hon. ROSE JACKSON:** But the trade team is also moving to DPC.

**Ms CURTAIN:** Yes, that is right.

**Mr COX:** One last thing. I have just got through absolute confirmation to say, yes, we have made recommendations around the voucher scheme. So, yes, we can assure the industry with relation to that as well.

**The Hon. ROSE JACKSON:** Okay, good.

**The CHAIR:** I thank you all for your time today. We really do appreciate it and we do appreciate the work that you do. The Parliamentary Secretariat will be in touch with any questions that were taken on notice. The answers need to be provided within 21 days, and also any supplementary questions that arise from the hearing. But otherwise we are finished for the day, so thank you very much.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**