

PORTFOLIO COMMITTEE NO. 4 - REGIONAL NEW SOUTH WALES, WATER AND AGRICULTURE

Wednesday, 3 November 2021

Examination of proposed expenditure for the portfolio area

REGIONAL NEW SOUTH WALES

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The Committee met at 9:30.

MEMBERS

The Hon. Mark Banasiak (Chair)

Ms Abigail Boyd

Ms Cate Faehrmann

The Hon. Wes Fang

The Hon. Sam Farroway

Mr Justin Field

The Hon. Emma Hurst (Deputy Chair)

The Hon. Rose Jackson

The Hon. Peter Primrose

Mr David Shoebridge

The Hon. Mick Veitch

PRESENT VIA VIDEOCONFERENCE

The Hon. Lou Amato

PRESENT

The Hon. Paul Toole, *Minister for Regional New South Wales*

* Please note:

[inaudible] is used when audio words cannot be deciphered.

[audio malfunction] is used when words are lost due to a technical malfunction.

[disorder] is used when members or witnesses speak over one another.

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 2021-2022. Before I commence I acknowledge the Gadigal people, who are the traditional custodians of this land. I pay respect to Elders past, present and emerging of the Eora nation and extend that respect to other Aboriginals present. I welcome Deputy Premier Paul Toole and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Regional New South Wales.

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

With regard to the audibility of the hearing today, we have witnesses in person and via video conference. I ask Committee members to clearly identify who questions are directed to and I ask everyone appearing remotely to please state their name when they begin speaking. Could everyone please mute their microphones when they are not speaking. Finally, could everyone turn their mobile phones to silent for the duration of the hearing. All witnesses will be sworn prior to giving evidence. Deputy Premier Toole, I remind you that you do not need to be sworn in as you have already sworn an oath to your office as a member of Parliament. I also remind the following witnesses that they do not need to be sworn as they have already been sworn at an earlier budget estimates hearing: Mr Gary Barnes and Mr Scott Hansen.

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ANSHUL CHAUDHARY, Chief Executive Officer, Forestry Corporation, before the Committee via videoconference, affirmed and examined

GEORGINA BEATTIE, Deputy Secretary, Mining, Exploration and Geoscience, Department of Regional NSW, before the Committee via videoconference, affirmed and examined

GARY BARNES, Secretary, Department of Regional NSW, on former affirmation

SCOTT HANSEN, Director General, Department of Primary Industries, on former oath

SHANE FITZSIMMONS, Commissioner, Resilience NSW, before the Committee via videoconference, sworn and examined

CHRIS HANGER, Deputy Secretary, Public Works Advisory and Regional Development Group, Department of Regional NSW, before the Committee via videoconference, affirmed and examined

FIONA DEWAR, Acting Deputy Secretary, Strategy Delivery & Performance, Department of Regional NSW, before the Committee via videoconference, affirmed and examined

REBECCA FOX, Deputy Secretary, Regional Precincts, Department of Regional NSW, before the Committee via videoconference, affirmed and examined

The CHAIR: Today's hearing will be conducted from 9.30 a.m. to 12.45 p.m. with the Minister and from 2.00 p.m. to 5.15 p.m. with departmental witnesses, with questions from the 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, I will throw to the Opposition for questioning.

The Hon. MICK VEITCH: Deputy Premier, congratulations again on your elevation to the role. These estimates hearings are more about your new role in your new department. Did you receive an incoming briefing from the department?

Mr PAUL TOOLE: I have received quite a number of briefings from the department on various issues and various matters. The answer is yes.

The Hon. MICK VEITCH: Alexandra Smith has an article in *The Herald* this morning. Apparently the Premier is going to conduct a review into how grants are being distributed in New South Wales amid concerns of pork-barrelling—I guess a fair bit of which was explored at the ICAC. Were you consulted on the scope and the type of review that is to be undertaken?

Mr PAUL TOOLE: Absolutely. I have had conversations with the Premier in relation to the terms of reference for the grants review, and I certainly welcome the review. I think it is important when you are talking about grants that there is a transparent process. I think it is important, as well, that there are equitable funds that are being shared across the State. Even before the review, he asked me a question at the very start—did I get a briefing from my department? The answer is yes. One of the very first things we discussed was in relation to grants and the processes around them.

The Hon. MICK VEITCH: I guess what you are saying is that pork-barrelling, as it is referred to—which has been the topic on everyone's lips over the past few weeks in particular—has become quite widespread. Would you agree?

Mr PAUL TOOLE: I think it is important that we fight for regional communities. I know my predecessor was very strong and very passionate about regional New South Wales and making sure that we got a fair share of investment into our communities. I can tell you as the Minister and the Deputy Premier, I want to ensure that strong investment continues into regional communities, and I also want to make the point that it should not just be for large regional centres. I want to make sure that some of those smaller towns and smaller local government areas are also given the opportunity to receive funding. We have a number of grants programs that actually deliver that. There is a fair and equitable approach, but also a fair share of funding that is given to all local government areas across the State for some of our programs.

The Hon. MICK VEITCH: You may not know this, or maybe you do, but what is the time frame for the announcement today? What time frame is the Premier putting on that review of the grant process?

Mr PAUL TOOLE: It is April next year.

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The Hon. MICK VEITCH: There are quite a number of funding buckets in the Department of Regional NSW, as we all know. Have you implemented your own internal review of the processes within your new department?

Mr PAUL TOOLE: Yes, I have had a conversation already in the department about some of those processes and I am of the understanding that a number of changes have been made. I wanted to make sure that they were appropriate and transparent and that there was probity in relation to the programs that are already there. From the department I am now in charge of, they already have some gold standards in place. I know Mr Barnes would be very happy to talk about the grants programs and how they work. One of the very first things I did when I became the Deputy Premier was to have that conversation with the department. Obviously, being the Minister for Regional Transport and Roads, we have a number of grants programs where I have set processes in place, and I wanted to make sure that they were tight in relation to the Department of Regional NSW as well. I have to say that I am very happy with what they have done, I am very happy with where they are and I am very pleased with the work that has been undertaken previously.

The Hon. MICK VEITCH: Is pork-barrelling dead, do you think?

Mr PAUL TOOLE: We will fight for fair share in the bush, and I think a classic example is our Stronger Country Communities Fund. That important program enables every regional local government area to be given a base amount of funding that can then be used for community projects or can go towards improving amenities in local areas. When I say a base amount, it does not matter what the size of the local government area is; everybody gets the same base amount. On top of that, it might see some additional funding, but it is based on population. Therefore, I see that as a fair and equitable approach.

As the Minister for Regional Transport and Roads, my Fixing Local Roads program has about \$500 million. In the last round, we spoke about \$153 million being rolled out, but that went to every eligible council that applied for funding. There were not winners or losers; everybody who was eligible for that funding received it. I think that is the important factor here. We will continue to do that and we will continue to deliver for regional and rural parts of New South Wales because it is critical and we have fought so hard to get the funding into our communities, and we will continue to do so.

The Hon. MICK VEITCH: Essentially, pork-barrelling as we know it has been put under the spotlight—a pretty harsh spotlight. Do you think it has changed the way in which people are going to go about promising funds for electorates?

Mr PAUL TOOLE: I think the Premier has made it very clear, even with the review today, that this is a government that is going to govern for all. It does not matter what seats it might be and it does not matter where you live in New South Wales, whether you are in the city or in the bush. We will continue to provide grants and funding right across the State. I welcome the review. I think if there are processes that we can improve upon to ensure that there is greater transparency and a fairer share of funding, then I welcome that. I think that is important.

The Hon. MICK VEITCH: One of the highlights, Deputy Premier, is that lessons obviously had to be learned from previous programs. You mentioned your own in the regional transport and roads space. As you reflect upon the last couple of weeks at ICAC, are there any programs you have rolled out that you look back on and think, "Wow, we could have done that a bit better," or "Maybe there was a more transparent process we could have put in place"? Have you reflected?

Mr PAUL TOOLE: We should always review programs. Even if there is a review today, I do not think you should ever end in that space. I can tell you that with some of the grants programs that I have been responsible for, in some cases we have put a focus on those communities that may have been impacted by droughts and bushfires so that they were a higher priority when it came to eligibility for funding. That is because those communities were hurting; that is because those communities were doing it tough. So it was important that we actually put a spotlight on those communities at that particular time. But, again, I do not think you should set in stone processes without ever going back and reviewing them. I think that is a continual process about how you can actually make it better and that how you can ensure that funds are being distributed fairly across the State.

The Hon. MICK VEITCH: The ICAC fundamentally put on the stand the processes around allocating grants and talked about transparency in the allocation of funds. As a part of this review, will ICAC be consulted about measures that can enhance and strengthen the way in which public funds are allocated in New South Wales?

Mr PAUL TOOLE: The Premier has made it very clear that we are not waiting for the findings of ICAC and who knows when that is going to happen.

The Hon. MICK VEITCH: We all know that takes a while.

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Mr PAUL TOOLE: Irrespective of ICAC, the Premier has actually said that we are going to do a review of all grants and I welcome that. So this process is going to be done well and truly before any findings or any handing down has come from ICAC, and I think that is important. You have got a Premier who is being proactive and looking at the grants that the Government are delivering across the State, and I welcome that.

The Hon. MICK VEITCH: You are right. ICAC does take quite a while to deliver their reports so, because of that period of time that they are going to take, do you think it is important that ICAC be consulted in the interim as a part of this review?

Mr PAUL TOOLE: The review will be there and I am sure there is an opportunity for many people to be able to put forward their views. But there are a lot of grants processes in place already. I think they probably will not even change because they are of highest standards already. They have systems in place. They have probity officers. In some cases those grants are actually done at an arm's length even in some cases from Deputy Premiers and Ministers when the decisions are being made, and I think they are important processes that we will continue to go through.

The Hon. MICK VEITCH: But will ICAC be consulted as a part of this process? That is the nub of my question.

Mr PAUL TOOLE: That is not my understanding but obviously that will be a matter for the Premier. You can ask him tomorrow.

The Hon. MICK VEITCH: With regard to funds under your remit previously, the Stronger Communities Fund, when you were the Minister for Local Government, came under a fair degree of criticism as you are probably aware and would have had a chance to reflect upon. Would you have done that differently now, years later in hindsight? Would you have rolled that out differently?

Mr PAUL TOOLE: No. When I was the Minister for Local Government we actually put a program in there to support those councils that had merged. I would say to you that we put funding there to be able to support councils through the merger process and to ensure that they had funding to be able to put it into community projects. That was why it was established and that is exactly why we had support for councils. What I saw previously when there were mergers that took place—and it was under your Government at the time—there was absolutely no financial support. What the decision was at that particular time was to support local councils with infrastructure when it came to actually merging those new entities.

The Hon. MICK VEITCH: How did Hornsby get in the mix, then?

Mr PAUL TOOLE: That was after me.

The Hon. MICK VEITCH: If you look at the program—

Mr PAUL TOOLE: I can say that my program, when it was established—obviously there have been other Ministers after me. I cannot comment on those processes. You will have to ask the appropriate Minister at the time. I established the program. You will need to refer your question to the Minister for Local Government.

The Hon. MICK VEITCH: Minister, on Monday we spent a bit of time talking to Minister Marshall about mice. The then Deputy Premier had a pretty firm hand on this program—the \$150 million. As we discovered on Monday—and I know Mr Barnes and Mr Hansen might correct me here—in totality there is about \$27 million that has been distributed to date from those funds, which leaves a large amount of unexpended funds out of that program. We look like we are getting through the spring with low mouse numbers—fingers crossed. Even as late as last night I was reading stuff from the CSIRO that it looks like maybe autumn could become problematic again. Are we looking at rolling this program over and those unexpended funds. What are you going to do with the unexpended funds?

Mr PAUL TOOLE: At the moment, and as you are aware, we have actually provided the \$150 million there to support our communities and the farming sector because we know that mice are a real problem. When you actually travel to various parts of the State and you see—

The Hon. MICK VEITCH: Your electorate.

Mr PAUL TOOLE: That is right. Probably not even my electorate, probably other electorates further west and north were actually impacted. When you start see those mice getting into people's homes and when you start to see crops being decimated and seed being eaten up because of the mice and the number of mice in those areas, the Government needed to act. I am pleased that there was \$150 million that was put on the table for zinc phosphide. I know that a number of farmers have come forward and I really encourage others to come forward. It is undersubscribed at the moment but I think, importantly, we do know that there is a real potentiality of a spike of the mouse plague in some of those areas as well. So I know it sits with the agriculture Minister but I also know

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that, being the Deputy Premier, I have a very important area to actually have a focus over the top of it to ensure that funding is going to be able to be delivered to those that are in need. But I will get Mr Hansen to provide some additional info for you.

The Hon. MICK VEITCH: I want to explore that a bit later with Mr Hansen. Deputy Premier, you were talking about reviewing programs. A program like this which actually has an underspend—have we reviewed why there was an underspend? Was it too difficult for people to apply or was it the retrospective date where people did not keep the receipts that would have assisted in lodging their claim? Have we looked at why people did not take up the offer?

Mr PAUL TOOLE: That would be a question for the ag Minister but I do know this: What is important here is that we actually have enough funding to be able to support the farming sector and also those businesses that were impacted by mice.

The Hon. MICK VEITCH: Small businesses and households, yes.

Mr PAUL TOOLE: I think it is important that we have enough funding for that. These programs, again, will be reviewed. If there is additional funding that is left over, it does not sit there for perpetuity to say that the next mice plague that might come in 10 years' time is going to continue to use those funds. That will be looked at. I know that the agriculture Minister knows that it is undersubscribed but, importantly, what has happened here is that the Government has provided funding to support those that are in need at this time.

The Hon. MICK VEITCH: Mr Barnes, you may well be going to answer this but, Deputy Premier, you have control or responsibility for a large portion of this fund. Is that not correct?

Mr PAUL TOOLE: I just have to get advice because I know that there was a lot of work done with the previous Deputy Premier and the agriculture Minister as well.

Mr BARNES: The money that has been set aside for small business and households—and that fund is administered out of Service NSW, as we discussed on Monday—has been the remit, if you like, of the previous Deputy Premier and the Department of Regional NSW. Ms Dewar, who will be called as a witness later today, helped design that fund. She did it with the Farmers Federation, she did it with the small business groups concerned and she did it with groups that represented households as well. We have a general rule of trying to plan for the worst and hope for the best and it is true to say that, as the plague rolled out—

The Hon. MICK VEITCH: Advanced.

Mr BARNES: —it did not advance as quickly as we had predicted. Because the money exists for the financial year, there is no call for that money to come back into consolidated revenue at this point, though treasuries typically will look at unexpended buckets of money through their midyear review process.

The Hon. MICK VEITCH: That is one of the next series of questions I had, Mr Barnes. Essentially, if there is such an underspend that Treasury is not going to put pressure on the Deputy Premier to pull that money back into general revenue and that people can rest assured that those funds are there, particularly if there is a—

Mr BARNES: In fact, Mr Hansen might give you an update on the zinc phosphide because we have just extended the time frame around that.

Mr HANSEN: The difficulty about calling too early an underspend on phosphate rebates is the fact that it is a single application and so producers are able to go back to 1 January this year. So it is retrospective.

The Hon. MICK VEITCH: But they need receipts.

Mr HANSEN: They do need receipts. To be honest, with the level of expenditure you are talking about, they would have been keeping them for taxation purposes anyway, one would expect. But, with a single application fee, you are expecting many of them would have been utilising in-crop baiting all the way up to just before the withholding periods for harvest, have rolled straight into the harvest period and were expecting, once they get off the headers, when they finish with the trucks, they will be sitting down to do their paperwork. So we are keeping a close eye on those applications in coming weeks, as they get the opportunity to do their paperwork. We will be tracking that closely to see what kind of surge in applications come through at that point in time. As with all the programs you have seen through the Rural Assistance Authority [RAA], if amendments need to be made to make it simpler, to make it faster, to make it more effective, then we will be recommending those through to the Minister and Deputy Premier.

The Hon. MICK VEITCH: Deputy Premier, did we roll this program out too late? Were we too late to start this process? It is pretty clear. You and I and, I reckon, everyone else from regional New South Wales, every

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other MP would have been receiving representations around the impact of mice on farmers, households, small business. Did we start the program too late?

Mr PAUL TOOLE: I just think, at the end of the day, the importance here is the program was actually introduced. I think the most important thing here is we actually had funding to support our farmers. Yes, I know that a lot of our farmers and ones that I speak to as well had already put measures in place to try and combat the situation. What we did was actually, again, provide support, work side-by-side with our farming and business community to be able to give them support and some funding to be able to deal with the problem that was ahead of them. In hindsight you can always look at how you can do things different. It is no different to the program—always should review it. You should look at making improvements, as Mr Hansen said, because you can always learn from how these programs roll out and if you can make them better into the future.

The Hon. MICK VEITCH: Speaking of reviewing the programs and having a look at how things work, do you agree with Minister Pavey when she says, "Minister, we stuffed up water policy for the bush"?

Mr PAUL TOOLE: I read that article. Also, when you do read the article—the Murray-Darling Basin Plan is very complex. I know that it is a matter that cuts across all levels of government: the Commonwealth Government, other States as well. It is complex. But I also think what is important here is about getting the right outcome. It should not be a static document. I think that is important. I think you need to also engage and listen to stakeholders along the Murray-Darling Basin because they are living and breathing it each and every day. I think that is actually going to be able to achieve the best outcome. I think there are various views in relation to how that works, but it is a very complex system. It is one that, I think, is ever going to be evolving. But, again, you need to talk to those that are involved in the system.

The Hon. MICK VEITCH: Did you talk to Minister Pavey about her comments just to get a feel for why she said that?

Mr PAUL TOOLE: I know that Minister Pavey went out west. I know that there was a significant funding announcement as well made with Keith Pitt. I think it was over \$330 million that was announced. I think that was important for some of those projects for the Murray-Darling Basin. Again, it is not an area that you stop working on. It is an area that you continue to actually work on with those that are involved.

The Hon. MICK VEITCH: Also on Monday, we explored with Minister Marshall the agricultural workforce issues. I am quite surprised. I quoted you from a document, from an article in the Telegraph, by Matthew Benns. Minister Marshall said it was a beat-up. That it was actually incorrect, essentially, it was a beat-up. Do you agree?

Mr PAUL TOOLE: I think it is not a beat-up. I think it was actually an interview that I had with Mr Benns about what was happening around the seasonal workforce, the need for extra workforce here in the State—

The Hon. MICK VEITCH: Critical issue.

Mr PAUL TOOLE: Critical shortage. It is something that Minister Marshall as well has had conversations with me previously about in my role, where I sit on the COVID committee, where I have actually been able to take forward on behalf of any of his concerns in relation to seasonal labour shortages.

The Hon. MICK VEITCH: Thank you. The bell has gone.

The CHAIR: I will pass to Ms Hurst.

The Hon. EMMA HURST: Good morning, Deputy Premier. Last week you announced the \$35 million Regional Housing Package, which, you said, will drive construction in the regions and deliver improvements to accommodation for health workers, with a view to help attract and retain health staff. You may be aware. At the moment, the health committee in the upper House is actually running an inquiry into the health systems in regional and rural and remote New South Wales. One thing that we have constantly heard throughout that inquiry is that it is really difficult to get students into placements in a lot of these regional and rural areas. One of the reasons, of course, is the accommodation—the fact that these students are actually having to pay for that accommodation. I am wondering if the package that you have announced will be broad enough to help cover some of those accommodation costs.

Mr PAUL TOOLE: Firstly let me say that I actually welcome the regional health inquiry. I think that it is important to be able to put the spotlight on the needs of health in regional and rural parts of the State. I think that is important. But I also make the point that it is very complex. Is there going to be a blanket solution? No, there will not be. There will need to be localised solutions for localised areas. I think that is something that is coming out already with some of those who have appeared before the inquiry. The announcement that we made

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last week was part of our \$200 million regional economic stimulus package. The importance here was actually having \$35 million to support health workers to be able to go into regional communities. Of that \$35 million, only 30 of it is actually dedicated to attracting health professionals and health workers into regional and rural communities. At the moment, accommodation is being found or is being paid for by local health districts. So what we are trying to do is to find permanent accommodation so that we can actually attract those GPs, those nurses, those clinicians into those areas, to be able to retain them rather than to have a fly-in and a fly-out on those services being provided.

The Hon. EMMA HURST: Sorry. So the focus of this money will be on attracting permanent medical health staff into those areas rather than the student placements in other areas?

Mr PAUL TOOLE: It will be both. We will not just target just those who are going to move in. In some cases, it might be placements. In my area as well, we have students who actually work alongside our doctors at the hospital. That happens at many of our hospitals across the State. We want to make sure that there is adequate accommodation—whether that is pods being built. We need to make sure that we have got a space for them to be able to go into those communities so that we can actually have them working alongside our clinicians. We all know that, if our doctors of the future are going to be working in these communities, there is a greater chance that they will actually finish their degree and their course and actually move into a regional community and practise into the future. That is why it is important that those opportunities be given towards them.

The Hon. EMMA HURST: I understand Hunter New England and Western NSW local health districts will be the first to trial the new accommodation. Why were these two areas identified for that trial? Were they assessed as being areas most in need?

Mr PAUL TOOLE: I will get Mr Barnes to actually elaborate.

The Hon. EMMA HURST: That is fine.

Mr BARNES: Ms Hurst, again, later on today, I think for the final session, Ms Dewar, who is the deputy secretary who has been working with the Ministry of Health on this, can explain to you exactly why those two were chosen. The Deputy Premier is exactly right. The trial or the piloting of this new approach to the provision of housing will cut across a broad range of employees, all the way from those that are finishing off their undergraduate studies and doing placements to GPs who refuse to travel into some of our regional areas because of the availability or the quality of housing, which causes issues. But, certainly, Ms Dewar has been working for some time. I know that those two LHDs or the local health districts have indicated not only that they have issues in this space but a preparedness to try things. But Ms Dewar can do that this afternoon.

The Hon. EMMA HURST: Thank you, Mr Barnes. I will definitely come back to that this afternoon. Minister, I know the Government has announced funding for a range of infrastructure projects as part of the COVID-19 economic recovery. One issue that I am constantly hearing about is rural and regional pounds in New South Wales that are in desperate need of upgrades. I have actually heard that several of them are literally running outside of tips and dumping yards as their local pounds. Is that something in which the Government is considering investing in regards to construction grants as part of the COVID-19 recovery plans for new pounds or pound upgrades in regional and rural areas?

Mr PAUL TOOLE: Firstly let me say that there are opportunities for councils to be able to apply for funding for pounds. I can tell you right now my council, in Bathurst, is actually building a brand-new animal rehoming centre. This is worth millions of dollars, and it applied for funding through our Stronger Country Communities Fund. We are funding the brand new adoption pavilion that will be constructed as part of that program. There are opportunities already for councils to apply for infrastructure grants to be able to do that. In some cases, councils themselves would need to put this forward as a priority for funding. When we have our infrastructure grants that go out, there will be an opportunity for councils to be able to put forward their funding for the projects that they see as the priorities in their local areas. I encourage you to talk to councils if you feel that is a priority.

The Hon. EMMA HURST: It is something that we have been talking with councils about. We held a roundtable on this issue and a lot of these councils felt that they could not prioritise the funding in this space. That is why I was asking if there was any kind of those COVID-19—

Mr PAUL TOOLE: It is already there. In my area, the funding has already been given. There is availability for funding. It is up to the councils whether or not they put forward the application for that particular area.

The Hon. EMMA HURST: So it will not be considered as part of any kind of COVID-19 construction grants in addition?

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Mr PAUL TOOLE: It will be part of the package, but is it going to be specified to pounds? No. It will just be specified to infrastructure, and it will be up to the councils to determine whether it is community infrastructure or however that is going to look.

Mr JUSTIN FIELD: Good morning, Minister. Welcome back to the forestry ministry role.

Mr PAUL TOOLE: Have you changed your attitude?

Mr JUSTIN FIELD: To what? Forestry? I suspect that the direction might be heading towards what I have been advocating for a while, Minister. I think you might know that. Have you received a brief on the Natural Resources Commission [NRC] report that has been done? It was commissioned to provide advice on forestry operations under the Coastal Integrated Forestry Operations Approvals [CIFOA], as forests recover from the 2019-20 bushfires.

Mr PAUL TOOLE: Yes, I have had an overview that has been provided by Mr Chaudhary in relation to forestry. Obviously, the NRC report did come up in relation to that conversation.

Mr JUSTIN FIELD: That report was commissioned in response to a bit of a public spat between the Environment Protection Authority [EPA] and Forestry Corporation about logging in bushfire-affected forests. Why has that report not been made public yet?

Mr PAUL TOOLE: I will have to ask Mr Chaudhary if he would like to comment on that at the moment.

Mr HANSEN: Maybe I can take that one. As you would be aware, and as you have heard in evidence from Ms Mackey last week, that report is still with Cabinet for consideration. It will be at their discretion as to when and how it gets released.

Mr JUSTIN FIELD: Who has carriage of it within Cabinet? Whose responsibility is it for bringing the report and a response to Cabinet?

Mr HANSEN: It is jointly between the Minister for forestry and the Minister for the environment.

Mr JUSTIN FIELD: Minister, what is wrong with making a report like this—it is very sensitive. It was designed to basically provide independent guidance with regard to this dispute between the EPA and Forestry Corporation. Forestry Corporation is still logging, including in some of the identified high-risk forests by the EPA. The Government has had this report since at least June. Would you be opposed to it being released publicly? Why should the public not be able to see it?

Mr PAUL TOOLE: There is a process, Mr Field, firstly. You have just heard that it will need to go to Cabinet. That will be a decision that Cabinet will make as to how it will go forward.

Mr JUSTIN FIELD: The NRC has an obligation, under the Act that established it, to make public its reports. How long do you think is reasonable for it to be considered by Cabinet before the public is made aware and before the various players are able to look at how they apply their obligations under various laws in New South Wales?

Mr PAUL TOOLE: Obviously, it is important that we do get slots into Cabinet when these reports do come up. I will certainly be taking it forward when the opportunity comes.

Mr JUSTIN FIELD: Minister, you may be aware that a yield review was done after the bushfires. It suggested a hit to the sustainable yield of about 30 per cent on the South Coast—less on the North Coast. That assessment was largely based on desktop work because the forests were not accessible, in large part because of the impact of the fires. Will additional work be done to verify those sustainable yield assessment?

Mr BARNES: That will be Mr Chaudhary.

Mr HANSEN: Just before we go to Mr Chaudhary—as you would be aware, that was done immediately after. There was a combination of desktop plus onsite assessment for those areas we could get into.

Mr JUSTIN FIELD: There is a lot of uncertainty, even from the reviewer, about the assessment. That is quite clear in the report.

Mr HANSEN: As you also know, it was independently reviewed post the completion of the report.

Mr JUSTIN FIELD: And that raises substantial uncertainty about the data given. The limitations are quite clear from that independent reviewer as well.

Mr HANSEN: But, as you also know, these sustainable yield reports are done on a regular basis, at least every five years or as the need arises in between. This was an as the need arises one; it was not one of the scheduled

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ones. There are scheduled reviews of that and reruns of those reports using the Forest Resource and Management Evaluation System [FRAMES] model.

Mr JUSTIN FIELD: When is the next one due?

Mr HANSEN: I will take that on notice and come back to you on that date.

Mr JUSTIN FIELD: The reason I ask is that we know a substantial number of wood supply agreements, particularly on the North Coast, are due to conclude in 2023. What is the status of any negotiations? What is your plan, Minister, in renegotiating those wood supply agreements for North Coast forests?

Mr PAUL TOOLE: Obviously, that process will be underway. That will be looking at those wood supply agreements for the future. They will be conversations that will be had with Forestry Corporation and those individuals who have already got contracts and looking at how they sit today and extensions.

Mr JUSTIN FIELD: This is my point. We are nearly in 2022. They expire in 2023—I am not exactly sure of the month or date. You have had a substantial hit to wood supply agreements. You are sitting on advice from the Natural Resources Commission that, I think we all know, probably raises some substantial concerns about long-term sustainability. At what point are you going to give the mills on the North Coast and the communities that are concerned about the impact of forestry operations on their forests, including the burnt forests, about the future of these agreements? Have you started negotiations yet?

Mr PAUL TOOLE: I have been in the role for about 26 days.

Mr JUSTIN FIELD: But you were there before, Minister. I know you know the problems here.

Mr PAUL TOOLE: Absolutely. I can say to you that our wood supply agreements are around giving certainty to industry and to those mill owners. Let us be very clear about this: There are a lot of mill operations that are reliant on employment in some of those smaller towns and communities as well. It is important that we give them certainty for the future. I believe that the wood supply agreements are critical in supplying that.

Mr JUSTIN FIELD: They do not have that certainty at the moment, and these are due to expire pretty soon.

Mr PAUL TOOLE: I support the industry because I think it is critical. That table that is in front of you is made of wood.

Mr JUSTIN FIELD: It is unlikely to be North Coast hardwood forest though, Minister.

Mr PAUL TOOLE: I would like to point out to you that it is the ultimate renewable, at the end of the day.

Mr JUSTIN FIELD: No-one is arguing about softwood plantations, Minister.

Mr PAUL TOOLE: Let us not forget how important it is when it comes to creating jobs in our regional communities and towns. Yes, we know that Forestry Corporation will continue to work with those individuals to look at those wood supply agreements.

Mr JUSTIN FIELD: They have no certainty now. You are talking about businesses that make long-term plans. They do not know what is happening when the contracts expire in just over a year, effectively.

Mr HANSEN: I know that was the buzzer.

Mr JUSTIN FIELD: I just got in before the buzzer. Mr Hansen, you are free to answer.

Mr HANSEN: You would be aware that the previous Minister, the former Deputy Premier, did commit publicly to a negotiation of an extension for the type A high-quality sawlog wood supply agreements on the North Coast. As a result, Forestry Corporation has commenced negotiations of extensions to bring them in line with the 2028 contract that exists up there as well.

Mr JUSTIN FIELD: We will come back to this because that is not what he admitted to, is my understanding, Mr Hansen. We will come back next time. I am pretty sure he ruled that out.

Mr HANSEN: Happy to do that.

The CHAIR: Welcome, Deputy Premier. I want to start by asking some questions about the Tamworth intermodal, noting that this is obviously a project that sort of hovers between portfolios—one of them is yours. But it obviously has some impact on forestry export trade. If there are questions that you cannot answer or they sit in transport, just let me know.

Mr PAUL TOOLE: Sure.

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The Hon. WES FANG: He can answer everything. Don't worry.

The CHAIR: I am sure he can. I just want to get some answers around what the total funding figure was from State government. In 2017 I think there was \$7.4 million announced by the local member, and that was about reactivating one of the lines. And then there was a second tranche of about \$27.8 million, which would take us to around \$35 and a bit million. Is that a fair assessment or have I missed some funding somewhere?

Mr PAUL TOOLE: Mr Barnes said that he can help me with this one, so I might go to him.

Mr BARNES: I will help by suggesting that Chris Hanger, who oversights those funds, will be here after 3.30 p.m. He will be able to give you details of the funds that were released and the source of those funds. There was an initial allocation and then a further allocation was made by—I cannot tell you off the top of my head the numbers, but Mr Hanger has those in his notes.

The CHAIR: We will get the definitive figures from Mr Hanger after three. Was there a business case for this project or was it sort of wrapped up in this global gateway case that was put forward by Tamworth council?

Mr BARNES: Again, one for Mr Hanger. I believe there was a business case.

The CHAIR: And that was produced prior to the expression of interest?

Mr BARNES: I believe so.

Mr PAUL TOOLE: We will get him to actually provide that information later in the hearing today.

The CHAIR: Sure. Going to the expression of interest that was conducted or announced on 14 April 2017. Minister, are you aware that that EOI essentially, even before it reached its first anniversary, was halted and the contract was awarded to Qube?

Mr PAUL TOOLE: My memory, if I go back—I understand that Qube were involved in discussions at that point but I would have to take the question on notice.

The CHAIR: As a former local government Minister and also having been in local government yourself, is that a common practice: where an EOI is essentially halted midway and it is awarded to somebody? Is that something that is common or uncommon?

Mr PAUL TOOLE: I do not really know the context of the actual program, so it is a bit unfair to talk about the context of this one because I do not really understand what is the pathway here. I would say that expressions of interest—councils do go out to actually see what relevant players are involved in particular projects that have been put forward. That is not uncommon. I do not know the status of whether there were two, five or 10 players that may have been interested in the particular project. Sometimes expressions of interest actually might clearly define that there is only one party that is interested in pursuing it any further. I would have to take on notice the actual question. But in relation to councils going out with EOIs that is not not common.

The CHAIR: That is not common?

Mr PAUL TOOLE: It is not uncommon.

The CHAIR: Not uncommon, but you are unsure as to whether it is common that they are halted midway?

Mr PAUL TOOLE: I am not sure with this particular project.

The CHAIR: Were you aware that Crawfords Freightlines was also one of these interested parties at all? You said you did not know whether it was 10 or 15. Were you aware that Crawfords Freightlines was one of these interested parties as well?

Mr PAUL TOOLE: I know Crawfords. I have met with Crawfords about different proposals that they have put forward in relation to other matters. In relation to this particular one, I cannot recall. I do not really know at the end of the day.

The CHAIR: Are you aware that they, at least for timber, hold at least 50 per cent of the freight line that would possibly go through this intermodal, but now they have set up their own operation at Werris Creek?

Mr PAUL TOOLE: Again, I have met with Crawfords who, I understand, are an important operator within that area.

The CHAIR: Are you aware that your predecessor in the Roads portfolio, the member for Oxley, was made aware of these loss of freight volumes because Crawfords had set up its own, essentially, intermodal at Werris Creek that would severely hinder the commercial viability of this intermodal?

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Mr PAUL TOOLE: I will have to take it on notice.

The CHAIR: Do you have any understanding or vision of what the requirements are between Qube and Tamworth council in running this intermodal in terms of arrangements in ownership of land? Or is that beyond your scope?

Mr PAUL TOOLE: It is really with council at the end of the day—the question. But, I mean, there are always arrangements that are made between councils and operators. Obviously they have got processes that they have got to follow under the Act as well. But importantly here councils, when they do go into partnership with various projects—it is about driving the local economy. It is about providing jobs and in a lot of our communities that is a critical process that is undertaken.

The CHAIR: My understanding is that Qube will have the land for 15 years and then the ownership will revert back to council. Has there been any work done by your department in terms of how Tamworth council will benefit from that arrangement? Or will Qube be the major benefactor in that arrangement?

Mr BARNES: One, again, to ask Mr Hanger, but I am aware that, through the various funding programs that are made available, the Government also supported the Werris Creek intermodal by putting a flyover across a rail line because of the dangerous conditions of land transport getting in and out of their site. But, again, as the Deputy Premier said, once business cases have been done and processes have been followed, it goes across to local government to engage in securing or moving forward on those projects. But I am sure that Mr Hanger can come along at 3.30 p.m. and give you all that he knows on that.

The Hon. ROSE JACKSON: I wanted to ask a few questions about the Regional Housing Taskforce. Are you aware of when the final report is going to be made available?

Mr PAUL TOOLE: It will not be that far away because it was only about last week that I had a briefing from the Regional Housing Taskforce as to some of the work that they have undertaken. This was actually something that was put forward by the Minister for Planning and Public Spaces back in June this year. They have actually presented me their findings and I would say that it is not too far away before we see that full report.

The Hon. ROSE JACKSON: Have you read the interim findings report that was handed down by the Regional Housing Taskforce? I think it was probably in September this year.

Mr PAUL TOOLE: I have had a high-level briefing that has been provided by the task force and members of the task force as well. What I do commend them on is the fact that in August of this year they did go out and engage with many stakeholders, getting their thoughts and their views about housing and the shortages in a number of regional communities.

The Hon. ROSE JACKSON: You would agree that the reason for the genesis of the task force—and you have talked publicly about the serious housing issues that there are in regional New South Wales. Is that something that you would agree is a pretty urgent priority right now?

Mr PAUL TOOLE: I have actually indicated this is going to be one of my key issues to deal with because what we have found is, especially with COVID, people have realised that they can work at home. People have realised that they do not need to be in the city any longer, so we have seen thousands of people who have moved out into the bush. They have bought up homes. They are living there now but they can also work there. Regional New South Wales is a great place to live, work and play at the end of the day. What we have seen are pressures that have been put onto the housing market and rental prices because of people moving out into the regions. Yes, it is a challenge. It is going to be complex. We will have a number of players that will need to be involved in this space. But we need to look at supply and we need to look at opportunities as well. That is something that we will do and I look forward to the final task force report being handed down.

Mr BARNES: Something to note, more than anything, is that when that housing task force was announced it was jointly announced by Minister Stokes and then Deputy Premier Barilaro. The reason for that is that he had already tasked his department to look at housing affordability and housing supply and tightness in the market. So, in our department, when that task force was announced, we had already stood up a team within the department to begin working, if you like, in the hotspots across the regions, particularly with a focus on housing supply. Again, if you wanted to talk this afternoon with Ms Dewar, she could give you some real examples on how we are putting downward pressure on housing prices by opening up supply in places like Cooma and on the North Coast. It is a big issue out there.

The Hon. ROSE JACKSON: It is interesting that you mentioned supply. I read your comments, Minister, in the newspaper where you said:

We're going to open up more blocks of land we're going to cut the red tape through the planning system to allow housing development to occur ...

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But in the actual findings report of the Regional Housing Taskforce, they say:

... the NSW planning system is not seen as being inherently restrictive with many reporting that there is sufficient zoned land available for housing.

They in fact cited the failure to provide infrastructure as the barrier to realising the potential of this land.

Mr PAUL TOOLE: Firstly, let me just say I think that the investment that this Government has made in infrastructure in regional New South Wales is why it is so attractive for people wanting to pack up and move into our communities. I think that is a positive thing, but it also comes with other pressures. What we have got is councils that are, in some areas, in the land development. It is about working with councils, potentially, to be able to open up those blocks in a more timely manner for those communities that want to grow and deal with the housing supply. In many cases the levers will also involve Commonwealth Government, it could involve State Government and it could involve non-government organisations all being part of the solution that is going to be required. This is not going to be fixed overnight, but what we do need is to ensure that there is a process in place to deal with and tackle the issue of regional housing supply in our areas.

The Hon. ROSE JACKSON: It is just that you keep talking about supply of new houses, which is important, but the task force specifically addresses that and says that the barrier is that the infrastructure is not there to support the supply of new houses. How is it that, after 10 years in government, there is not sufficient infrastructure to support the provision of new houses in regional New South Wales? That was the finding of the task force.

Mr PAUL TOOLE: The task force's report has got to be finally handed down, so we need to see that report in its full detail, but I do say this: It is this Government that has invested more strongly than ever in local government. I sat on councils and we did not get very much funding at all from the previous Government. It is this Government that is supporting councils when it comes to building that infrastructure. Whether it is the roads or whether it is the headworks that are involved, we have programs to support councils through that. We also have, through our Growing Local Economies fund, opportunities there for councils to put in infrastructure to be able to deal with issues around building the right infrastructure for future housing development. There are opportunities there for councils. I am happy to talk to those councils that indicate that they have not got funding for infrastructure, because what I find at the moment is there are a lot of councils that are struggling to spend the funding that they are receiving from the Government at this point in time—which is an important thing but an exciting thing, as well, for those areas.

The Hon. ROSE JACKSON: I hear the words that you are saying. It is just that when you read the report it says that infrastructure provision is commonly cited as the major barrier to the provision of new houses. Substantial evidence was received by the Regional Housing Taskforce to suggest that the land is there, the zoning is fine and new houses could be built, but the infrastructure is not available. You have been in government for 10 years and you want to tout your record, but the finding of the task force was that your failure to invest in infrastructure has caused the regional housing crisis.

The Hon. WES FANG: What is the question?

The Hon. ROSE JACKSON: What do you say to that?

Mr PAUL TOOLE: I do not agree with the premise of your question, but I will say this: When areas are opening up for housing and development, we all agree you do not just open up a block of land available. You have to build the infrastructure behind that. You have to put in the sewer pipes, you have to put in the roads and you have to ensure that the water connections are available. Nowadays, it is also having that digital connectivity. There are opportunities for those areas to be able to do that. That is all part of the package of looking at the availability and the supply of regional housing. We are very committed to ensuring that does happen and there is support there for those councils and communities, but we also want to make sure we cut through some of the red tape. When there are planning processes, you can do it in a more timely manner.

What we have found is it has crept up a lot quicker than people thought. We were talking about a regional housing shortage two years ago. It is a very different situation today compared to two years ago, and that is because of the number of people that we have seen move into regional New South Wales. I think that is where the pressures have come from, and this Government is not shying away from that. Mr Barnes has already said the department had started to tackle this even before the task force was put together, so we understand it is an issue. It is complex, but at the end of the day we are going to be looking at how we can assist those councils, those communities and those regional areas that have a shortfall in housing supply.

Mr BARNES: And a big focus of the task force was looking at housing supply in and around the outskirts of Sydney. I know that they also looked at, by definition, the regional areas the Deputy Premier has responsibility for. But it may well be, when you look at their interim recommendations, that reference to some of

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the infrastructure provisioning may be in the peri-urban areas. It is not a one-size-fits-all scenario. In places that we have gone to, yes, they do need support with making land available. In others, there is plenty of land and we need to help them to turn that land off. But the shift is on and there are places up and down, and inland as well, where houses are being snapped up sight unseen by people from Sydney and interstate. That locks other people out of the market and pushes prices up, so it is a complex set of conditions and it will require complex and well-thought-through strategies to address it.

The Hon. ROSE JACKSON: I hope to see the findings of the Regional Housing Taskforce soon, which presumably address some of that. It will take a while, as you accept, to turn this situation around. What are the short- to medium-term solutions that you will put in place? As you said, people are sleeping in cars. This is something that you have identified is an urgent issue right now. I have similarly heard reports of people sleeping in cars, people sleeping in tents and people living permanently in caravans. What kinds of solutions are going to be put in place in the short term to try to prevent people in regional New South Wales falling into homelessness?

Mr PAUL TOOLE: Absolutely, and I think we both agree that this is an issue that has crept up very quickly, so we are both on the same page in relation to dealing with it. I have already said that this is a key focus for me. As the Deputy Premier, I have been in the role for 26 days. One of the very first briefings I got was in this particular area, because I know that this is an issue in regional New South Wales and it is something that we need to address and we need to tackle. It is not going to be fixed overnight. As Mr Barnes said, there is not going to be one solution or one size to fit all areas. We are going to also need to be looking at different localities as to how we can address that.

Last week, as well—and we said it previously in the hearing—we just announced \$35 million going towards housing as part of our \$200 million Regional Economic Stimulus Package. Admittedly, about \$30 million of that is going to go towards assisting health workers to be able to go out into the regions, but we have also got another \$5 million of that to try to tackle some of the issues that we have got right here and now. It is not going to be an easy solution, but I will tell you what: When I hear stories of people sleeping in cars, that is heartbreaking. When I hear stories of people paying only \$250 for rent and all of a sudden now, because of the market, someone can get \$400 and they push them out of the home—they have probably been there for 10 or 15 years—that is pretty heartbreaking. We need to be looking at various solutions. There is not going to be one solution that fits everything, but we need to make sure that there are various solutions to address the needs of those individuals, those families, that are going to be caught up in this situation.

The Hon. ROSE JACKSON: One issue that you have identified is the increasingly common pattern of people being evicted from their rental property only to see it on the market a few weeks later with \$100 or \$200 added to the rent. That is possible in this State because we have no-fault eviction laws, so one practical measure that has been suggested in the short term is to look at tightening the laws around eviction so that does not happen to people. Is that something that you would be open to?

Mr PAUL TOOLE: We are going to look at various measures. I am not going to sit here today and provide a running commentary about what is going to be the solution. Obviously, we are going to be working with the findings of the Regional Housing Taskforce. My department has been doing some work as well. I have got some ideas of my own that I would like to see addressed as well.

The Hon. ROSE JACKSON: Share them.

Mr PAUL TOOLE: That is how we are going to be able to tackle the situation, which is a real issue in regional New South Wales. You have also admitted that it is something that we need to look at but also it is not one size fits all for those communities.

The Hon. ROSE JACKSON: But you could literally change the law in the November sittings to stop people being evicted who have done nothing wrong, only to see their—

Mr PAUL TOOLE: I cannot change the law, because it does not fit under my premise as the Deputy Premier.

The Hon. ROSE JACKSON: You are the Deputy Premier now.

Mr PAUL TOOLE: It does not fit under my portfolio to change the law. But, as I said—

The Hon. ROSE JACKSON: You could speak to Minister Anderson about it.

The Hon. WES FANG: Point of order, Chair.

The Hon. ROSE JACKSON: He is responsible. He is your colleague.

Mr PAUL TOOLE: As I said to you—

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The CHAIR: I will hear the point of order from the Hon. Wes Fang.

The Hon. WES FANG: I have been very patient.

The CHAIR: You have.

The Hon. WES FANG: Interjections from the Hon. Rose Jackson while the Minister is trying to provide his answer are just unbecoming. I ask you to ask her to allow the Minister to provide his very detailed answer and then she can interject and insert her commentary all she wants. But allow him to finish his answer first, please.

The CHAIR: I do not believe it was unbecoming, but if we could allow a couple of seconds breath between the interjection—

Mr PAUL TOOLE: A pause. You said "a pause" the other day.

The CHAIR: A pause, yes.

The Hon. ROSE JACKSON: Apologies, Chair. Continue—you were saying it is not in your area?

The CHAIR: Continue, Minister.

Mr PAUL TOOLE: This will cut across various portfolios. As I said, it is something that I am keen to tackle, but it will also be in conversations and discussions by pulling the levers with other Ministers in other departments as well. It will not be something that, as the Deputy Premier, I will do on my own. Yes, I have said that this is a key area that I will be working on. I am committed to that because I know of those stories of individuals that have been caught up in terrible situations and I think we all have a responsibility to address it.

The Hon. ROSE JACKSON: So you will commit to at least talking to Minister Anderson about the protections that people who are renting have?

Mr PAUL TOOLE: What I am going to commit to is talking to various Ministers about various matters that could be addressed in this holistic solution—and at a Commonwealth level as well. There is a part that I believe the Commonwealth can play as well.

The Hon. ROSE JACKSON: Just quickly, before I hand back to my colleagues, I wanted to follow up my colleague Mr Veitch's questions about Minister Pavey's comments on the Murray-Darling Basin Plan [MDBP]. My understanding is that government positions on the MDBP, which obviously are negotiated with the other States and the Commonwealth, require approval by Cabinet. I wondered whether her recent comments and commentary on the plan represented a shift in the Cabinet's position. Did this go to Cabinet? Is that something that you ticked off on?

Mr PAUL TOOLE: I think Minister Pavey is experienced enough to be able to make comments about what happens around water. But I make this point: In New South Wales we will continue to put the interests of our people and our State first. We make no apologies for that and we will continue to do that. We have advocated very strongly in the past in relation to this area and we will continue to do that. Some of the comments that are made there are true. You need to make sure that you listen to various stakeholders that are involved in the Murray-Darling. But, above that, there are other States that are involved—the Commonwealth is involved. But we also need to make sure that we are getting the best deal for our farmers and our landholders and our stakeholders in the State when it comes to the Murray-Darling Basin. We will continue to advocate that. What I think is important here is the fact that everyone has indicated that they want to be at the table to find a solution. I think that is the most important thing here at the moment for our communities.

The Hon. ROSE JACKSON: Should it have taken Minister Pavey and her predecessors 10 years to figure out that consulting with local communities was an important part of water policy? It seems like a long time to come to that realisation.

Mr PAUL TOOLE: Well, look, water is complex. What I have found is—even in this space, just getting briefings on water in the last couple of weeks—it is complex. It cuts across a lot of different areas, a lot of different agencies—at the Federal and State level—and various stakeholders that are involved. What we need to do though is be all working for the same outcome; that is, for those people that are on the ground. I think, at the end of the day, listening to the needs of those on the ground is going to ensure that we provide the right policy and the right solution going forward.

The Hon. ROSE JACKSON: Literally no-one is proposing a policy in which people on the ground are not listened to. It seems that it has taken Minister Pavey and her predecessors quite a long time to realise that that might be something. Do you want to apologise to the local communities who have been sitting there for 10 years and have now, after a decade of this Government, finally had an acknowledgment that someone should be talking to them?

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Mr PAUL TOOLE: No. I think what is important is the fact that we continue to work with the Commonwealth. I think the announcement that was made when Minister Pavey was out there was around \$330 million for infrastructure. I think that is a positive announcement. That one is important as it deals with some of the situations that have been confronted in the past. I think that is important and Minister Pavey is addressing it. We will continue to work with the Commonwealth but also the other States in relation to this. Look, it is complex. There are different requirements in the southern part versus the northern part of the State. Getting a solution for all will always be challenging, but I think it is something that can be achieved by getting everyone to sit down at the table to try to address it.

The Hon. ROSE JACKSON: One last question before I go back to my colleagues. Yes, it is complex, but there are some baseline legally binding requirements that the New South Wales Government has signed up to under the Murray-Darling Basin Plan that require us to achieve water-saving targets and deliver water to the southern States. Are you still committed to doing the right thing by the other States and by our legally binding agreements to meet those water saving targets?

Mr PAUL TOOLE: We will continue to—

The Hon. ROSE JACKSON: It is a yes or no question.

Mr PAUL TOOLE: Firstly, I will say this: We will continue to listen to our communities—and you can ask Minister Pavey on Friday, whilst she is here at budget estimates. But I also say that we will continue to stand up for the interests of residents and stakeholders in New South Wales. I do not think that is something that we have been afraid to do in the past. Yes, I understand that there are requirements around the Murray-Darling Basin system, but we also need to make sure that our communities are not forgotten and our communities have a voice at the table when it comes to decisions being made and put forward, as they go forward.

The CHAIR: I will throw to Ms Faehrmann.

Ms CATE FAEHRMANN: Thank you, Chair. Good morning, Minister. Have you had a briefing from your department on the Hawkins and Rumker potential coal release areas in your electorate?

Mr PAUL TOOLE: I am aware of the Hawkins and Rumker proposal that has been put forward. It is one that is north of my electorate. It is not in my area but it is in the northern part of the State, across from my electorate, yes.

Ms CATE FAEHRMANN: It is in the electorate of Bathurst though, is it not?

Mr PAUL TOOLE: No, it is just outside of the Bathurst electorate. It does extend into some of Rylstone—a very small part of the Bathurst electorate. But I am aware of the project and, yes, we have spoken about it from a department level and also through my office as well.

Ms CATE FAEHRMANN: Yes. So let us go to you as the responsible Minister who will take the proposal to Cabinet and, if there is a recommendation, whether Cabinet supports it. The Preliminary Regional Issues Assessment [PRIA] is being undertaken and I understand you might be the responsible Minister taking that to Cabinet. Have you had a briefing, for example, from industry in relation to this area?

Mr PAUL TOOLE: It is my intention to take this proposal to my colleagues and it is my intention to rule it out. So that will be my proposal that I will be taking to my colleagues. I take that view because what I have seen already shows that there are issues around commerciality of the project and also there are social issues around the project. This is still in line with our Government's commitment to the Future of Coal Statement, acknowledging that coal needs to be put into those areas that are appropriate. But I can tell you now, I will be taking a proposal to my colleagues to rule it out.

Ms CATE FAEHRMANN: Minister, a ute muster is happening at Rylstone this weekend in opposition to this proposal. I think all of the locals who are going to be attending that ute muster will be very happy to hear that. I refer to the Ganguddy-Kelgoola area, which is different. I think there are 14 potential new release areas for coal within the coal statement that has been already issued by your Government. What about that area?

Mr PAUL TOOLE: I have had nothing come through on that one at this point in time.

Ms CATE FAEHRMANN: I think that is the next one that is—

Mr PAUL TOOLE: Yes. Without pre-empting, I will certainly be keen to see what comes forward in relation to that proposal. But it is pre-emptive today.

Ms CATE FAEHRMANN: Did you come here today thinking that you were going to make that announcement that you would be recommending not to open up the Hawkins and Rumker areas?

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Mr PAUL TOOLE: I formed a view before budget estimates in relation to that project. I drive in that part of the world as well, so I can see—

Ms CATE FAEHRMANN: It is very beautiful.

Mr PAUL TOOLE: It is a beautiful part of the top end of my electorate. But even as you go into the neighbouring electorate where it was being proposed, it is a beautiful area. As I said, there are commercial issues around its viability, but social issues have also been identified. I think it makes it very clear for me to actually say to my department that, when we put the report going up to my colleagues, it will be indicating that we rule it out.

Ms CATE FAEHRMANN: Okay. I understand that you have the Strategic Statement on Coal Exploration and Mining in New South Wales. There is a resources assessment as part of that and I have had a number of members of the community say that they would like that to be released publicly if possible. Is there a reason that that assessment has not been released publicly for community feedback? I understand that people have asked for it and it is not.

Mr PAUL TOOLE: What is this one?

Ms CATE FAEHRMANN: It is a resources assessment underpinning the Strategic Statement on Coal Exploration and Mining in New South Wales.

Mr PAUL TOOLE: This is separate to the Future of Coal Statement?

Ms CATE FAEHRMANN: Yes.

Mr PAUL TOOLE: I will have to ask Mr Barnes.

Mr BARNES: I think Ms Beattie, who has now rejoined us, Ms Faehrmann, might be able to answer that one.

Ms BEATTIE: The Future of Coal Statement was based on known coal resources across the State. That statement, as you know, identified a limited number of areas that might be considered for potential release. I think there are seven or eight of those, and the Hawkins-Rumker represent two of those areas. When a Preliminary Regional Issues Assessment is done, that involves a more comprehensive resource assessment of that area as part of a consideration of that Preliminary Regional Issues Assessment. That report is publicly released after the Government has made a decision alongside the Preliminary Regional Issues Assessment.

Ms CATE FAEHRMANN: Thank you. Those are all my questions.

Mr JUSTIN FIELD: Minister, I acknowledge your statements this morning about Hawkins-Rumker. I have been working with that community and they will be very glad to hear your advocacy.

Mr PAUL TOOLE: Have you got a ute?

Mr JUSTIN FIELD: I was invited. I do not have a ute. I could not make it this weekend but I reckon you should ride in on the back of yours and you will get a good reception.

Mr PAUL TOOLE: You know I have a ute too, so—

Mr JUSTIN FIELD: I do. I have had a few ute musters in my time. They are worth attending, no doubt. Thank you for your statements this morning about that. Hopefully that is a clear sign of the direction of the Government when it comes new coal exploration in this day and age, which seems now quite strange indeed. I want to turn back to the renegotiation of wood supply agreements. I might go directly to Mr Chaudhary, if I could. Mr Chaudhary, based on what Mr Hansen said before—that the Deputy Premier had committed publicly to a negotiation on an extension of type A high-quality sawlog wood supply agreements and negotiating extensions to bring them in line with 2028 contracts—can you explain what directions you have been given by the former Deputy Premier about entering into those negotiations and what the status of those negotiations is?

Mr CHAUDHARY: First of all, as you know, we undertook the sustainable yield review and released that in March this year. We needed that piece of advice before we could open any negotiations. You rightly pointed out that the previous Deputy Premier had made some public announcements indicating that the wood supply agreements would be extended to 2028. Forestry Corporation recognises that our customers need the certainty of investment, and the time is approaching. With the release of the sustainable yield review we wrote to our customers earlier this year indicating that we will commence good-faith negotiations and conversations with them.

That actually cuts across both type A, B and C wood supply agreements. With the previous Deputy Premier's office we were working on the extension parameters. As you can appreciate, there are contracts involved for the State, and New South Wales is also party to this contract so we needed to make sure that the Deputy Premier's office was comfortable. With the change in the Deputy Premier's office, obviously this has somewhat

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delayed the process—the need to brief the incoming Deputy Premier through all of this and then get on with the process of negotiating the contracts with the customers.

Mr JUSTIN FIELD: Just to my first point, though, the Deputy Premier made public statements, which I think I asked you about in the previous August estimates.

Mr PAUL TOOLE: The previous Deputy Premier.

Mr JUSTIN FIELD: Sorry, that is right—just to be clear, the previous Deputy Premier. They switch them around. In previous estimates in August you had indicated that those negotiations I do not think had commenced at that stage. There were public statements by the Deputy Premier. Did you get some sort of direction or request by the forestry Minister at the time to enter into those negotiations? How did that process commence?

Mr CHAUDHARY: There was not a formal direction given by the former Deputy Premier. There was simply that indication in the public announcement that he had made, and then we have been working with the Deputy Premier's office on what the next steps are and how we make that happen.

Mr JUSTIN FIELD: So you have written to wood supply agreement holders. Is it possible—and we have done this before, and I am not after personal information or commercially sensitive information—to get a redacted version of the letters that went out to understand the nature of the parameters that are being put forward in terms of the negotiations?

Mr CHAUDHARY: Sure, Mr Field. Let me take that away on notice and check the commercial-in-confidence issue. I am pretty sure that we should be able to make something available.

Mr JUSTIN FIELD: I assume that, given the State is party to these agreements, the shareholder Ministers and Treasury would need to sign off on any final renegotiated or extended contracts.

Mr CHAUDHARY: That is correct. We have been keeping the shareholder investors briefed with our Treasury officials.

Mr JUSTIN FIELD: So they are aware that you are involved in negotiations at this stage with wood supply agreement holders on the North Coast about possible extensions?

Mr CHAUDHARY: Yes. Just to be clear, we have not commenced negotiations; we have written to our customers indicating that we will commence those negotiations. We just need to iron out the extension parameters, as I mentioned earlier, and then we should be on the way.

Mr JUSTIN FIELD: How is sustainable yield being factored into this? Have you got a view of the total volume of timber that would be renegotiated between 2023 and 2028?

Mr CHAUDHARY: Yes, Mr Field. If you recall, the sustainable yield review indicated that the impact on the North Coast wood supply was minimal. It was about 4 per cent. Just remembering that the sustainable yield resource review [inaudible] extended the period [inaudible] outlook. We do not commit on every available [inaudible] timber that is available in the forest in our context anyway, so there is always headroom. Our analysis has indicated that we should be okay in extending the contracts with the current volumes on foot.

Mr JUSTIN FIELD: With the current volumes? Was that right?

Mr CHAUDHARY: With the current volumes, yes.

Mr JUSTIN FIELD: I might come back to some of this this afternoon, Mr Chaudhary, but I appreciate that. This question is possibly for you, Mr Hansen, or the Minister. I asked questions in the August estimates about the status of the Sweetman wood supply agreements—the timber mill around Kurri Kurri. I know that the mill was being purchased or was in the process of being purchased. Have those wood supply agreements now been transferred to the new owners?

Mr HANSEN: That would be a question for Mr Chaudhary. Just before you do throw back to him, can I just close out that the sustainable yield review is actually due next year. That is part of its five-year cycle so the work has already started and is underway on that.

Mr JUSTIN FIELD: Okay, I appreciate that. I am happy for Mr Chaudhary to answer. I think it was someone else who answered last time.

Mr CHAUDHARY: The contract—as I understand it, we have done our part in the assignment of the agreement, but the sale transaction, as I understand it, has not been completed with Sweetman so that is a matter for them. Until that happens the assignment does not take into effect.

Mr JUSTIN FIELD: I suspected that could well be the case.

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The CHAIR: Just picking up from where we left, Deputy Premier, you mentioned that you thought there was a business case on this Intermodal—

Mr PAUL TOOLE: No, I never—

The CHAIR: I cannot seem to find it publicly. Maybe on notice you can see whether it is available for us.

Mr PAUL TOOLE: Yes. We will have a look. We will find it.

The CHAIR: Sure. Thank you.

Mr PAUL TOOLE: Just be aware, though, in a lot of regional projects as well, and I will just make the point—and I will find out for you at least one—just be careful. There are a lot of projects in our regional communities that will never stack up to have a benefit-cost ratio [BCR]. So there are a lot of projects that will be required, are needed, but if we put a BCR against them they will never pass. Therefore it is important in regional communities that we look at the need of the project. That might be another project, for example—I would give you examples around water projects. If you put a BCR to it, it would probably never stack up. But the worst thing you could do is not have a project happening and see a town running out of water. So there are exceptions as well.

The CHAIR: Yes, sure. Can we talk about the delays in the project? I understand some of this has been under the stewardship of the former Deputy Premier, but in 2017 the council stated that it would be a six- to nine-month build, with trains in and out of the site by 2018. Then the local paper reported that we had an ambitious time line of August 2019, which has then again been pushed back because designs have not been finalised. We are now in the final months of 2021. What are the causes of these delays and do we have a projected date as to when this will be operational?

Mr PAUL TOOLE: Can we get Mr Hanger maybe this afternoon to provide you with that information? We will take the question and provide it to him to come back to you.

The CHAIR: Sure. No problems at all.

Mr PAUL TOOLE: Thank you.

The CHAIR: I am just going to pass you up some documents so you can see what I am referring to, turning towards the economic viability of this project and obviously how it relates to our exports. The first one is just some graphs that come from Transport for New South Wales—a very handy sort of program they have got there, where they can isolate geographical regions in terms of their commodities. Looking at 2016, we look like we had 9.7 kilotons coming out of Tamworth for coal. Looking at the projected freight for 2021, this year, that has jumped to 10.1 kilotons. Can you see where I am drawing that from, Minister?

Mr PAUL TOOLE: Not really, but—

The CHAIR: Underneath the map there is a little table with a bar graph. Presumably that \$10.1 million was under the assumption that Shenhua was still going to be operational. Would that be a fair assumption?

Mr PAUL TOOLE: I would have to ask Mr Hanger to comment.

Mr BARNES: Shenhua never moved into production, so I doubt that there would be any assumptions made on volume.

The CHAIR: Okay. Where are these assumptions on coal volume being drawn from? Because there are significant increases all the way through to 2056. How would they have come to this figure, do you think, Mr Barnes?

Mr BARNES: I would have to go back to Transport for NSW, who would pull this together. They may well have been looking at coal in the Liverpool Plains and the amount of coal that would go through or adjacent to Tamworth to find its way to Newcastle.

The CHAIR: I accept that. If we go to—

Mr PAUL TOOLE: We will take it on notice. It will probably have to be referred to Transport anyway.

The CHAIR: Sure. If we look at the agriculture commodities then, and assuming that includes timber, this year it is at 1.5 million kilotons and then it is projected in 2056 to increase to 2.3, and then you have also got oilseeds going from 170 kilotons to 240 kilotons in that same time period. Given that Crawfords has 50 per cent of the timber contracts, a lot of the oilseeds come from the Liverpool Plains, they have got an operation at Werris Creek that has the capacity to take this in and it is probably more convenient from a geographical perspective.

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How is this project going to be viable if a lot of these projected increases in freight are probably going to be more sensible to go through Werris Creek?

Mr PAUL TOOLE: I would have to take your question on notice. Otherwise, Mr Hanger might have some information this afternoon for you.

Mr BARNES: As I remember back, some of the expectations of the Tamworth Intermodal may be that some of the cold storage freight from the big abattoirs that were in and around the Tamworth area—as you know, there are three big ones, Thomas Foods, Teys and Baiada—may in fact shift some of the freight off road and onto rail.

The CHAIR: I have heard that, but I have also heard that a lot of those abattoirs are looking at centralising their abattoirs, making them exclusively for freight to reduce the compliance costs that naturally come with exported meat. That may include shifting that export meat to an area other than Tamworth. Obviously that is not confirmed but that would possibly cause some issues there too.

Mr BARNES: There are three massive processing plants. Baiada have indicated a desire to expand their volume there, so they have got to take that product somewhere.

The CHAIR: My time has expired, but obviously we will probably explore this a bit further. Mr Veitch?

The Hon. MICK VEITCH: Deputy Premier, I think you said you have been in the gig for 26 days.

Mr PAUL TOOLE: Yes, what is it? Twenty-seven days. It's Thursday tomorrow—four weeks, so 28.

The Hon. MICK VEITCH: A lot of meetings.

The CHAIR: How many meetings?

The Hon. MICK VEITCH: How many meetings?

Mr PAUL TOOLE: They will be disclosed in my diary. I am happy for you—

The Hon. MICK VEITCH: Two or three a day?

Mr PAUL TOOLE: Happy for you to see them when I do. I think we were asked this question last week. Already in this space I have met with NSW Farmers, which I indicated to you in my last budget estimates hearing as well. I met with stakeholders like the Country Women's Association [CWA]. I have had a lot of departmental briefings as well in relation to different portfolios. So I continue to do that. My diary will be disclosed and you will be able to see the number of meetings I have had—and who they are.

The Hon. MICK VEITCH: As you know, I will read it.

Mr PAUL TOOLE: I know you are keen.

Mr DAVID SHOEBRIDGE: Cut to the chase, Mick.

The Hon. MICK VEITCH: I have already got what I needed out of that. Deputy Premier, I understand you have just ruled out the Hawkins-Rumker proposal. Resource Strategies were awarded a couple of contracts to prepare reports, as I understand it. Did you use those reports to form the basis of your decision?

Mr PAUL TOOLE: I think obviously some of the information is coming back to me, but I also know the area quite well.

The Hon. MICK VEITCH: It is in your electorate.

Mr PAUL TOOLE: I travel that area. I know the sentiments. I have also seen some of the information that has been provided by the Advisory Body for Strategic Release [ABSR] as well and their particular report. I do have concerns around it, so that is why I made the definitive decision to actually rule it out quite early.

The Hon. MICK VEITCH: The Resource Strategies reports, would you release those publicly?

Mr PAUL TOOLE: I will see them and then obviously that would be a matter for going to Cabinet as well to determine the next steps.

The Hon. MICK VEITCH: I guess what I am saying is: Did you use them as a part of your decision?

Mr PAUL TOOLE: There were a number of factors in my decision. It was one of the factors, but there was a number of factors that came into consideration when I made this decision.

The Hon. MICK VEITCH: But you are not going to release them publicly, or you are going to release them publicly?

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Mr PAUL TOOLE: No. Well, actually, this will go to Cabinet first before decisions are made as to what is released.

The Hon. MICK VEITCH: There were two contracts awarded to Resource Strategies. What I am getting to here is if you use those reports as a part of your decision-making, that was a good spend of taxpayers' funds. But if you did not use them, that would not have been a good spend of taxpayers' funds.

Mr PAUL TOOLE: I might get Mr Barnes to answer the question, or we might go to Ms Beattie.

Mr BARNES: Ms Beattie can answer this, but the ABSR is an independent body. It is a requirement for them to provide reports to the portfolio Minister, and of course their reports are taken into consideration along with other things. Ms Beattie?

Ms BEATTIE: Thanks, Mr Barnes. The Resource Strategies contracts were engaged by the Department of Planning, Industry and Environment, who are responsible for preparing the Preliminary Regional Issues Assessment that we talked about earlier. Those documents were technical reports, and Resource Strategies are well experienced in assessing constraints and opportunities from coalmining and exploration. So they have provided information to the department and then the department provided information to the Advisory Body for Strategic Release, which, as Mr Barnes said, is independently chaired, and then that group provides advice to the Deputy Premier to make a decision.

The CHAIR: We might just stop there, because we are bang on 11 o'clock, for our Glen 20 break. We will see you back at 11.15 a.m.

(Short adjournment)

The CHAIR: I will throw back to the Opposition for the remaining sixteen minutes of their questions.

The Hon. PETER PRIMROSE: Minister, you are familiar with the Gig State project, aren't you?

Mr PAUL TOOLE: I am a little bit, with the Gig State, yes.

The Hon. PETER PRIMROSE: Can you give us an update on the rollout, please?

Mr PAUL TOOLE: I can. I think it is about a \$100 million project.

The Hon. PETER PRIMROSE: Yes.

Mr PAUL TOOLE: I did remember it. The Gig State is \$100 million. It is actually to bring metro-level internets speeds to regional New South Wales through investment in network infrastructure, including data hubs. So it is replacing the National Broadband Network [NBN]. The department works collaboratively with the Commonwealth and the NBN to ensure no duplication.

The Hon. PETER PRIMROSE: Tenders were asked for in early 2021. Where is it up to?

Mr PAUL TOOLE: I will have to ask Mr Barnes if he can provide some additional information there.

Mr BARNES: Again, Rebecca Fox will be here this afternoon. She looks after all of the Snowy Hydro Legacy fund, including the Gig State. I think, in fairness, Ms Fox will be able to take you through each of the component parts and where things are at in respect to Gig State.

The Hon. PETER PRIMROSE: But you can confirm it has not been canned?

Mr PAUL TOOLE: I can confirm it is still continuing, Mr Primrose.

Mr BARNES: In fact, I think Ms Fox will tell you that we are actually in the market at the moment for one of the components.

The Hon. PETER PRIMROSE: Will Ms Fox tell me what target locations will be first in the queue?

Mr BARNES: She may well do, but we will leave that for her.

The Hon. PETER PRIMROSE: You guys are not aware of that?

Mr BARNES: That it has been canned?

The Hon. PETER PRIMROSE: Whether it has been canned or not.

Mr BARNES: No, not at all.

The Hon. PETER PRIMROSE: Minister?

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Mr PAUL TOOLE: I am not aware of that. I understand there are even commitments in some areas, so my understanding is that they are still continuing.

The Hon. PETER PRIMROSE: Good, thank you.

Mr BARNES: Mr Primrose, what I would say is that government indicated very clearly that they wanted to go to market, for example, to put data to the edge and to enhance backhaul. In the three to six months that followed us stepping into that marketplace and being definitive around government's expectations—and remembering that IT and communications is typically not an area that State government is leading. But upon doing that, we had several approaches from the private sector that said, effectively, to us, "You do not need to go to market and underwrite this. We are going to do it anyway because it makes sense." So Ms Fox this afternoon will talk to you, for example, about a data storage facility that is proposed to happen in Dubbo and a number of others, which are exactly the places that we had been envisaging data to the edge would make sense to give fast connectivity.

The Hon. PETER PRIMROSE: Yes, Mr Barnes, I have read through the briefings and I have read through the request for tender. The initial target locations were Wagga Wagga, Parkes, Dubbo and a corridor west to Cobar. Can you just confirm that they are still the targets?

Mr BARNES: Let's let Ms Fox take those questions this afternoon, but my understanding is that those are still the areas of interest.

The Hon. PETER PRIMROSE: I would hope so. The Minister does not know; I will ask the public servants.

Mr BARNES: The Minister has been in the portfolio a very short period of time and making big decisions as they come along, one of them today. He has received a briefing, in fairness, on all of the Snowy Hydro but not one particularly on this matter.

The Hon. PETER PRIMROSE: Good. Well, maybe you need to give him one.

The Hon. WES FANG: Point of order—

The Hon. PETER PRIMROSE: I have finished my questions.

The Hon. WES FANG: I think that the commentary is inappropriate. Certainly, given that the Minister and secretary have both indicated that Ms Fox this afternoon will be able to provide a detailed response, commentary around what the Minister may or may not have been provided a briefing on at this time is probably not appropriate.

The Hon. PETER PRIMROSE: To the point of order: I am asking the Minister for his views. I can ask the public servants this afternoon. The Minister has indicated he does not know. Mr Barnes has covered for him. I can accept that. Let us move on.

The Hon. WES FANG: To the point of order: Commentary around covering for the Minister is not appropriate and it is unbecoming of the Opposition, I think, in what is supposed to be a truth-seeking exercise.

The CHAIR: Before someone else jumps in and makes a comment on the point of order, commentary about a Minister's questions or one of the bureaucrat's questions is not really a valid point of order. The member is free to actually ask the Minister for their opinion and the Minister is free to not give it or answer it in any way he so wishes, which he has done. I also note that Mr Primrose had actually finished his line of questioning so, in the interests of moving on, I will pass to Mr Veitch.

The Hon. MICK VEITCH: I just want to go back to the ag workforce stuff and the article in *The Daily Telegraph*. Deputy Premier, how many of those 55,000 Pacific workers will actually be coming to New South Wales?

Mr PAUL TOOLE: That is actually going to depend on industry itself putting forward applications that they will need for the workforce. We have had conversations around working with NSW Farmers to be able to do that—obviously, where the needs are to be able to address the shortfalls and where they are required. That is one of our initiatives.

The Hon. MICK VEITCH: To be fair, it is a joint initiative with the Commonwealth—55,000.

Mr PAUL TOOLE: Absolutely, and I know Mr Hansen will provide some additional information in a moment.

The Hon. MICK VEITCH: I will explore that this afternoon with Mr Hansen.

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Mr HANSEN: I think it is just important that the 55,000 number is the number of eligible workers who have registered interest in the Pacific Islands, not the number who are boarding flights.

The Hon. MICK VEITCH: Yes. Do we have any idea how many of the 55,000 would be coming to New South Wales?

Mr PAUL TOOLE: Not at this point, but this is on top of the initiative we have with our public servants as well—the opportunity to take a week's leave to be able to go and support some of our farmers that need labour right now.

The Hon. MICK VEITCH: We have explored this with Minister Marshall and Mr Hansen on Monday, so we will leave that there for the time being. The skilled workers thing—no-one disagrees there is a critical labour shortage particularly when it comes to the harvest season, which we knew about for quite some time. The Pacific Islander numbers are predominantly unskilled workers. Is that not correct?

Mr PAUL TOOLE: The Pacific Islanders are also a country that has got low cases of COVID. They obviously cannot come into the country unless they have had a Therapeutic Goods Administration [TGA] approved vaccine. They have to be double vaccinated. The issue here as well is taking away that two-week quarantine period. So, before, that comes at a cost but also means that when they do come into the country they actually have to have quarantine for two weeks before they can go and work on some of these farms. These farms need the workforce right now.

The Hon. MICK VEITCH: Absolutely.

Mr PAUL TOOLE: You would know in Young, cherries have got to get off now, blueberries up in Coffs, there are grapes down in Murray.

The Hon. MICK VEITCH: You were talking about there being a registration process through employers; that would be farmers and labour hire companies?

Mr PAUL TOOLE: Yes.

The Hon. MICK VEITCH: In that registration process, do they sign off on a guarantee that they are going to pay award wages and provide decent living conditions for the Pacific Islanders when they come here?

Mr PAUL TOOLE: I would have to get Mr Hansen to talk about that process in more detail.

Mr HANSEN: The approved employers' accreditation is actually managed by the Commonwealth. They are the ones who set the conditions that need to be met by those employers. But it is in line with ensuring that they are treating the workers appropriately once they arrive, that they are recording where the workers are going to. Back to your earlier point about whether they are skilled or not—there is, obviously, a mix. A number of the Pacific Island workers actually have this in a regular rotation in terms of their coming over to Australia, providing assistance and then returning back to their countries. So we have a mix between skilled workers, who have been here previously, and unskilled workers, who are coming over and are skilled up on the job here.

The Hon. MICK VEITCH: There are skillsets that are required. There are shortages of shearers, harvester operators and even truck drivers in the harvest season. What is the plan to ensure we have sufficient shearers, harvester operators and truck drivers, which requires a bit more skills than what is required to pick fruit? I am not demeaning the work of those who pick fruit but the skills required are a bit more enhanced, one would suggest.

Mr HANSEN: As we talked about, there is a range of medium-term and long-term actions in play here. The short-term actions are about getting the quarantine arrangements and the border open. As you know, we regularly rely on a flow of shearers out of New Zealand, who are skilled and qualified for the task. So the re-entry of those back into the workforce over here will be well appreciated. The ability to move them seamlessly from north to south across the eastern seaboard and then, hopefully, at some stage, be able to get them traversing across to west Australia for that flock and back here as well will also enhance the availability of some of those skilled labourers. We have the training that we talked about on Monday in terms of the work that both Tocal is doing and Australian Wool Innovation in terms of shearer training and shed training. There is a range of activities. It not purely a government solution but, obviously, an industry and government solution in various components.

The Hon. MICK VEITCH: Deputy Premier, you are in the Telegraph talking up to 55,000 Pacific Islanders. When it comes to the conditions they are going to be living in and their wages, the State wipes their hand. We do not have responsibility there; it is the Commonwealth's responsibility. If we want people to work in these industries surely the State must have some sort of responsibility and obligation to ensure that they are treated well when they are here and they are paid adequate wages.

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Mr PAUL TOOLE: I think Mr Hansen has made that point already, Mr Veitch. But I make the point that the bush is booming. We are going to have some of the biggest harvests that we have ever seen. This is a conversation that I took up straightaway with the Department of Foreign Affairs and Trade [DFAT] and the Minister, Marise Payne, to talk about the need for labour to be expedited to get into this country, to get into this State, to be able to provide some of the shortfalls that we are experiencing. I can tell you right now it was something that I have raised through the COVID and Economic Recovery Committee. It is something that I have pursued since I have been the Deputy Premier, to ensure that those quarantine requirements are exempt so that we can get the workforce on the ground quicker in our communities.

The Hon. MICK VEITCH: Deputy Premier, is not the risk here that we will have grain and fruit and vegetables rotting on the ground because we will not be able to get the bumper harvest in—that is the first thing—and as Mr Hansen and I explored the other day, what that means for the cost of fruit and vegetables in particular at the supermarkets. The risk is going up because of that shortage.

Mr PAUL TOOLE: There is a couple of things. We have had conversations even with NSW Farmers. Obviously, when these workers come in, we want them to be housed appropriately. We want them to be looked after. I think that is critical. We agree with that. That is an important part of the process. But we also need to make sure that we are marrying up the right workforce to the right requirements as to where they are going to be needed. Again this is something that we are trying to expedite. I am pleased that we are able to make it happen faster by working with the Commonwealth to deal with this.

You are right. If we do not get the fruit off some of those trees, we not only see the farmer sitting there watching his crop rot this year; it spoils the season for next year because it sits on the trees and rots. Our farmers have had some pretty tough years with droughts, bushfires, floods, a mouse plague and a global pandemic. That is why we are trying to work with them to ensure that we get a workforce availability on the ground to support them to get the fruit from the trees. People will be driving chaser bins and there will be an opportunity for people who can drive harvesters to do so as well. These are critical at this point in time.

The Hon. MICK VEITCH: Are there State agencies that will have the responsibility to ensure that people are paid the right wages and they are accommodated properly?

Mr PAUL TOOLE: We expect and we will be making sure that people will be paid appropriately, housed and looked after. That is part of the requirement of these workers coming into this State and working on those farms. There will be checks and balances done as to where people will be going and where they will be working. That will be part of the work that we will be undertaking with the Commonwealth, organisations like NSW Farmers, looking at where those skill shortages are and then trying to marry up the right person to the right location to be able to assist. Obviously, they will have different skill levels. We need to ensure that they are put into the appropriate situation. We will not put someone in a situation where they are at high risk because they have never driven a harvester before. I think that would be an irresponsible act. But we will be putting people into areas where they have the right skills to be able to accommodate those areas.

The Hon. MICK VEITCH: Minister, in the couple of minutes that I have left I want to go on to another topic. You spoke earlier about having one of the many meetings you have had in 26 days—clearly, more meetings than the Minister for agriculture had in 26 weeks. You spoke to NSW Farmers. In that discussion, did you talk to them about the proposed land tax reforms?

Mr PAUL TOOLE: We did. That was one of the topics that came up during our meeting. There was a whole list of topics. That was one of the topics that we discussed at that meeting.

The Hon. MICK VEITCH: Do you support their views on the land tax reform proposal?

Mr PAUL TOOLE: It is only a proposal. The Government has not adopted anything around land tax. When we went out there we wanted to hear the views of the stakeholders and various community representatives to that proposal. All it is at the moment is a proposal. As a government we should not be afraid to be looking at new initiatives and new ideas. But, again, we are not going to be putting in things that are going to hurt our regional and rural sector.

The CHAIR: Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Thanks, Chair. Deputy Premier, nice to see you.

Mr PAUL TOOLE: Good to see you.

Mr DAVID SHOEBRIDGE: You were going to make an announcement on 1 November about the quarantine arrangements for Pacific workers to come. Where are you up to in your negotiations with the Federal Government?

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Mr PAUL TOOLE: I might just get Mr Hansen to elaborate a bit further in relation to that, but 1 November was a big day. Regional travel commenced again. International travel is back in as well. So—

Mr DAVID SHOEBRIDGE: Where are you up to with the two-week quarantine arrangements with the Federal Government?

Mr HANSEN: We have reached agreement with the Commonwealth around the fact that provided that incoming arrivals are double vaccinated. If they are from countries, a list of the Pacific Island countries for which there is an exemption from the polymerase chain reaction [PCR] testing prior to departure because of lack of availability of PCR testing in country, then they are able to be immediately released upon arrival into the hands of the approved employer to go out to work.

Mr DAVID SHOEBRIDGE: Which I have to say is welcome news because farm workers were coming from Tonga or Vanuatu where there is literally no COVID. They were more likely to have COVID at the end of a two-week stint in a quarantine hotel than they were when they arrived in the country. It was just ridiculous. Having made those arrangements to ensure that people can get out and do the work, Minister, why are you not making parallel arrangements, to ensure that they get paid properly and to ensure that they are not being exploited? There has been a troubling history from a minority of farmers exploiting, particularly, farm workers coming from the Pacific.

Mr PAUL TOOLE: I share your views, Mr Shoebridge. I would be disappointed if that is happening to those individuals that are coming in. At the end of the day, the workforce is there to help those farmers. I would expect them to be accommodating them in the most appropriate manner but also to be paying them at the appropriate level as well. So—

Mr DAVID SHOEBRIDGE: Are you going to have random checks on accommodation? Are you going to have somebody from your department actually go out and make sure that the accommodation is fit for purpose?

Mr PAUL TOOLE: Who knows? We could be seeing thousands of workers that come in. But it may be random checks. But we will work with the Commonwealth as well to make sure that there are processes in place to look after these workers. We do not—

Mr DAVID SHOEBRIDGE: The Commonwealth does not do it. So I am asking you, in the absence of that, are you going to step up and actually make sure the accommodation is fit for purpose?

Mr PAUL TOOLE: We will be making sure, as part of the process, when people are putting an application forward as to where a skill is needed, they will need to be showing how they are going to be looking after workers as well. Obviously they cannot just take a worker on without providing appropriate accommodation in some of our areas for those workers. That might be on-farm houses or it might be in the household itself, but, again, we want to make sure that they are not left stranded in a community and having to pick up and find accommodation, which we know in some areas is an issue as well.

Mr DAVID SHOEBRIDGE: It sounds to me like you are going to have a self-regulation model, that you are not willing to actually put any staffing or any resources in place to go and check even the most basic thing, which is that the accommodation is fit for purpose. I have not heard you commit to sending a single resource in to check on this.

Mr HANSEN: There are obviously two pieces of this story. The first one is around the Commonwealth's compliance checks on approved employers, that they are meeting their requirements as an approved employer to be able to bring these employees in.

Mr DAVID SHOEBRIDGE: All paper-based.

Mr HANSEN: No, I believe that there are audits and spot checks conducted by the Commonwealth. I am not aware of the frequency of those. Secondly, there are two groups of seasonal workers here. There is the Pacific Labour Scheme and there is also the working holiday-maker. The Pacific Labour Scheme is far more regulated. There is far more detail known about the people that are coming in, where they are going and why.

Mr DAVID SHOEBRIDGE: My question was about State resources, Mr Hansen. If there are not any State resources going in to ensure that the standards are being met, that people are not being exploited and that they are living in decent conditions, just tell me there are not any State resources. That is quicker.

Mr HANSEN: None within the Deputy Premier's remit, but I am not aware of what might be elsewhere.

Mr DAVID SHOEBRIDGE: Minister, will you commit to reviewing the arrangements in place from the Commonwealth to see if you are satisfied that they are going to be protecting these workers who are coming

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here to help us? They are coming here to help us. They are coming here to help the sector. Will you commit to reviewing the Commonwealth arrangements to see if you believe they are effective or not?

Mr PAUL TOOLE: Of course we will continue talking with the Commonwealth in relation to those workers that are coming in. What I think is pleasing here is the fact that we have been able to have those conversations very early in my role as the Deputy Premier with the Minister and with DFAT, to ensure that we are addressing a real issue that is being faced in this State. Yes, we will continue to talk about how, with them, those workers are being looked after as well.

Mr DAVID SHOEBRIDGE: We will probably come back to this after the first few scandals.

The Hon. WES FANG: Point of order: That was not a question. That was a comment.

Mr DAVID SHOEBRIDGE: Moving on—

The Hon. WES FANG: No, we are not going to move on.

The Hon. EMMA HURST: The Chair decides that.

The Hon. MARK BANASIAK: I will hear the point of order.

The Hon. WES FANG: The point of order is that Mr Shoebridge asked a question. He then gave some commentary and then he re-asked the question. The Minister answered the question, and then Mr Shoebridge gave some commentary. I have been keeping track of what has been happening here.

The Hon. PETER PRIMROSE: What standing order is this?

The Hon. WES FANG: The process we have been using is that you ask a question and get a response—allow the witness to answer. What Mr Shoebridge is doing is not providing procedural fairness to the witnesses.

The CHAIR: There is no standing order that talks about commentary. I listened carefully to Mr Shoebridge's comment. That last comment he made could be inferred as a question for the Minister to answer because he said we will revisit this when we have the first scandal. The honourable Deputy Premier could have said, "No, we will not," and answered the question. That is your time, unfortunately.

Mr DAVID SHOEBRIDGE: Could I trespass on you for just two minutes, given we spent two minutes with—

The CHAIR: I am looking to Ms Hurst because it is her time.

The Hon. EMMA HURST: Sure.

Mr DAVID SHOEBRIDGE: Thanks, Emma.

Mr PAUL TOOLE: Just before we move on, can I just say as well—

Mr DAVID SHOEBRIDGE: Heaven help us.

Mr PAUL TOOLE: You can come back to it. The upcoming regional and rural subcommittee of national Cabinet, we can also raise the issue with them at that level as well.

Mr DAVID SHOEBRIDGE: Thanks, Minister. I will show you this quickly. It is probably quicker if I do it myself. The Australian Government has just signed on to the Glasgow Leaders' Declaration on Forests and Land Use. Are you aware of that?

Mr PAUL TOOLE: I heard a report this morning, yes.

Mr DAVID SHOEBRIDGE: Are you aware the Australian Government signed on?

Mr PAUL TOOLE: I heard that report, yes.

Mr DAVID SHOEBRIDGE: Do you accept that when the Morrison Government signs on to international agreements, it is important that they are complied with?

Mr PAUL TOOLE: Yes.

Mr DAVID SHOEBRIDGE: In fact, we could say that for any Australian Government. When you sign on to an international agreement, it is important they are complied with. Do you agree?

Mr PAUL TOOLE: Yes. But I will also stand up for the interests of our State and our people from time to time as well. I will always put the interests of the people of New South Wales first.

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Mr DAVID SHOEBRIDGE: I ask you to turn to page 2 of this declaration. Do you see at point 2 on the page, just a little way down from the top of the page, the commitment was:

We will strengthen our shared efforts to:

1. Conserve forests and other terrestrial ecosystems and accelerate their restoration ...

Do you see that?

Mr PAUL TOOLE: Point 2?

Mr DAVID SHOEBRIDGE: Point 1, "Conserve forests and other terrestrial ecosystems and accelerate their restoration." Do you see that?

Mr PAUL TOOLE: Yes, I see that.

Mr DAVID SHOEBRIDGE: Given the Federal Government has just signed on to this international agreement, will you now commit to complying with that agreement and finally ending, like Western Australia and Victoria has done, the logging of native public forests in New South Wales?

Mr PAUL TOOLE: I think if you read into this a little bit further—you heard the Commonwealth this morning talking about deforestation.

Mr DAVID SHOEBRIDGE: Which you do on an industrial scale in State forests.

The Hon. WES FANG: Let him answer the question. You asked him the question.

Mr PAUL TOOLE: That is looking at alternative uses. That is clearing land and using it for alternative purposes. I can tell you now, Mr Shoebridge, when you look at native forestry in this State, it is a critical employer in our regional communities. I can tell you right now that there is a big difference between native forestry operations and deforestation. We just need to make sure that we clear up the definition—

Mr DAVID SHOEBRIDGE: So at the at the end of the day—

The Hon. WES FANG: Let him answer the question.

Mr DAVID SHOEBRIDGE: —the agreement means nothing. At the end of the day, business as usual, keep logging State forests, Minister?

Mr PAUL TOOLE: No, you are reading into this as being—

Mr DAVID SHOEBRIDGE: Business as usual.

Mr PAUL TOOLE: You are reading into this as ending forestry. This is not what it is saying. Deforestation has a very different meaning to native forestry operations. We just need to clear that up. I am happy to provide the definition to you.

Mr DAVID SHOEBRIDGE: Yes, business as usual.

The Hon. EMMA HURST: In regards to your announcement of the \$50 million Community Housing Innovation Fund, which will see social housing built in the Central West—Blayney, Forbes and Parkes—by the end of 2022, you might be aware that we have been doing a lot of work, particularly around the domestic violence and child protection spaces and the link between these forms of violence and animal cruelty. One of the big things that has come out of a lot of psychological research is that many people delay leaving violence to move into any kind of housing system because they cannot take their animals with them. Within our roundtables, it has been constantly pushed on us by all of the stakeholders that any future housing projects built by government are animal friendly. I just wanted to ask if you are aware if this social housing will be built and operated in a manner which will be animal friendly.

Mr PAUL TOOLE: I know there is \$50 million there. There are a couple of components to that. You speak about people moving out of homes. We also had a pretty large package around domestic violence announced a week and a half ago—\$484 million to support those people that are in terrible circumstances where they need to actually move out. There are a couple of components, but even with the \$50 million community housing, that is probably a question that you can ask Ms Dewar this afternoon when she is here at the hearing. She will give you more of an update as to where that particular program and project is up to. I will take on the premise of your question in relation to our concern.

The Hon. EMMA HURST: I suppose I could ask Ms Dewar to take it on notice if she does not know if it is going to be animal friendly either. I want to ask about an article that quoted you recently. The New South Wales Government is launching an awareness campaign about road safety near horses. It says that in the last

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10 years there have been nine fatalities recorded in New South Wales. Is it the drivers that are at risk or is it the people that are riding the horses that are at risk?

Mr PAUL TOOLE: I think it is both, at the end of the day. I think this is about making sure that motorists are aware that there are riders riding a horse in a lot of our regional and rural areas. It is important that we actually communicate and get that message out to everyone. I travel the State and I have actually seen horse riders on the side of the road, but it is also about making sure that road users are driving in a responsible way when they are travelling around these horses that are on the side of the road.

The Hon. EMMA HURST: You mentioned nine fatalities. This might be something to take on notice; I do not expect you to have it necessarily on you. I am just wondering if there are statistics on the number of people that have been injured as well as fatalities but also statistics of fatalities for the horses as well.

Mr PAUL TOOLE: Yes, I would have to take it on notice and I would have to refer it to the other Minister—to me in the other portfolio.

The Hon. MICK VEITCH: It would be an interesting conversation.

Mr PAUL TOOLE: That is right. But we will take it on notice and find out for you.

The Hon. EMMA HURST: I have spoken previously with Mr Barilaro about the great economic opportunity for regional New South Wales in investing in plant-based alternatives. Australia is the third fastest growing vegan market in the world, but unfortunately a lot of the plant-based products are actually being imported from overseas and a lot of the ingredients for the alternative products that are on the market are also imported from overseas. As the new Minister for Regional New South Wales, is this something that you see potential for investment within the New South Wales Government, particularly to ensure that more of these products are produced here in Australia?

Mr PAUL TOOLE: Yes, there is. There are even opportunities for that to happen. I met with a company in Dubbo this week—a lady who has got an oilseeds business. She has just received, through the New South Wales Government's Regional Job Creation Fund, \$200,000 to be able to expand her existing business. I think that is going to see around 10 or 11 additional employees. So there are opportunities for businesses to be able to relocate, businesses to be able to take up opportunities like that—but also attracting new businesses from other States into New South Wales. If we can bring those businesses and, I will say to you, if I can bring them into New South Wales and see them relocated into a regional centre, that is the ideal spot that I want to see them setting up and providing employment.

Mr DAVID SHOEBRIDGE: But your Federal colleagues are attacking them with their truth in labelling thing—the same party viciously attacking the whole industry.

The CHAIR: Mr Shoebridge, it is not your time now.

Mr PAUL TOOLE: Geez. I thought it was Mr Shoebridge again.

The CHAIR: I know. You got a bit excited there. Minister, I will just pick up from where we were before. I draw your attention to the second document I have passed to you. I am looking at page 25. There is a table there about full export container demand from 2016 to 2056. Can you—

Mr PAUL TOOLE: The table down the bottom?

The CHAIR: Yes. The table down the bottom.

Mr PAUL TOOLE: Yes.

The CHAIR: Just doing some basic maths here, it is talking about a projected increase in twenty-foot equivalent units, or TEUs, in 2056 to be 898,000. If we operate under the assumption that the port will probably have 48 weeks of operations in a year, factoring in holidays, that equals around 18,703 full containers being loaded each week. For arguments sake, if we say that 100 per cent of that came from the Tamworth Intermodal, that would mean 360 wagons a week and three trains a week. But obviously that is not going to be the case. I have been credibly informed that it would take a small intermodal—like three train trips would make it commercially viable. So my question is: What do we plan to fill these wagons with to make it commercially viable, given that Qube does not actually have any contracts at the moment for any products to go on these trains when the intermodal is built? What are we going to fill it with? Post holes, fresh air, good intentions?

Mr PAUL TOOLE: This is the first I have seen of the document so, to be fair, I will just try to take it in right now.

The CHAIR: I will slow down.

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Mr PAUL TOOLE: But I might be able to ask Mr Barnes if he is able to answer. Otherwise it might be this afternoon or—

The CHAIR: Do you know whether Qube has any contracts? My best understanding is that right now it does not.

Mr BARNES: The local government, the Tamworth Regional Council, would have formed some sort of contractual arrangement with Qube through whatever process they went through. The one thing we do know about intermodals is that volumes and assured volumes are very important to make intermodals work. Qube would have to satisfy itself that there would be enough volume for it to operate a terminal but like our department—and I believe the initial allocation of money probably came through Transport to the Tamworth Regional Council. I know that that freight report looks as though it has come from—

The CHAIR: It has but I would have hoped that some of those figures would have been drawn from your department, given that they are talking about meat export, timber—you would hope that you would have been involved in some way in drawing those figures to Transport, who would then have produced this report.

Mr BARNES: At the time—

The CHAIR: It was 2018.

Mr BARNES: At the time in 2018 the department did not exist and we do not have—

The CHAIR: The Department of Primary Industries [DPI] would have existed. Did DPI have any input in drawing these figures? I am looking at potentially Mr Hansen to help out here.

Mr HANSEN: I would have to take that on notice, Chair. I am not aware if we did. I would have assumed that it would actually be the companies directly that would have been asked to provide forecasts of exports and what they thought might be the volumes, as opposed to coming through us. But I am not sure what conversations we might have had. It is something I am happy to look into. We could even come back in the afternoon session to see what additional details we can provide you.

The CHAIR: Based on these figures—I appreciate that I have just given them to you, Minister, and you probably need to go away and digest—it does not seem like it would be commercially viable and someone like you would have to bear the loss over this across their other projects or their other income streams. Are we forecasting a bailout of this company or a bailout of Tamworth council, who has entered into this contract? I just do not see how such a company could last 34 or 35 years operating on such a potential loss.

Mr PAUL TOOLE: I am not aware of the data that they provided upfront. This is a commercial decision that has been made in relation to what has been put forward.

The CHAIR: I appreciate that. But we are potentially going to hand this asset to a private company and it may or may not be commercially viable. We may end up bearing the cost of bailing this out. Or it might just end up being a white elephant that we have actually spent \$34 million, \$35 million or \$50 million on.

Mr PAUL TOOLE: I think we would have to have a look at the data that has been provided upfront as well. The information that was provided—it might have been the proponent at the end of the day that put all the information forward. There are a number of factors that would need to be looked at in relation to it but government just does not walk up and provide bailouts to any proposal that is not doing well.

Mr BARNES: I think the best thing would be to allow Mr Hanger to come. He will know about this particular project and the processes through which it has travelled to secure various funding streams. I am sure that, given that Transport for NSW was involved through Fixing Country Rail in the early part of this, it would have used or sourced its own data.

The CHAIR: I appreciate that, Mr Barnes. That is why I premised at the beginning of my question that this sort of hovers across many portfolios.

The Hon. MICK VEITCH: Minister, I just want to close out our conversation around the Pacific Islander workforce issue. I do not know whether you will be able to provide the details just yet, but if you could take them on notice that would be pretty handy.

Mr PAUL TOOLE: Sure.

The Hon. MICK VEITCH: What I am looking for are the numbers that have come into New South Wales and which sectors they go to because a number of sectors will be looking for these workers. I have no doubt that horticulture—

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Mr PAUL TOOLE: Yes and we have asked NSW Farmers to assist us there in trying to work with those farms that need the skilled workforce to be able to then identify the Pacific Islanders that we can match up. Everyone has a part to play here to make this happen. We can pull the levers. We can get the Pacific Islanders here into the country and into the State, but we also then need to make sure they are matched up with the appropriate employer. There are a lot of factors—even looking around schools to be able to send them to, as well.

Mr HANSEN: Just for clarity, the numbers you are looking for are different to the numbers that we gave you on Monday as to arrivals and to—

The Hon. MICK VEITCH: Yes. At the end of the program, where are they?

Mr HANSEN: So going forward?

The Hon. MICK VEITCH: Yes—two different sets of questions.

Mr HANSEN: Yes, okay.

The Hon. MICK VEITCH: Is there a plan to review this at some point down the track so we again learn some lessons and better inform our decisions going forward? Is that the proposal?

Mr PAUL TOOLE: Absolutely, there will be a review. But I also make the point that no-one predicted a global pandemic. This is what has caused a real shortfall here with the labour shortages. This has been felt across different sectors, different parts of industry. This has exacerbated the situation, and this is why we need to look at ways of trying to get the workforce here into the State. But it has come about because of a global pandemic, where we are not seeing backpackers and we are not seeing those overseas workers coming in like we have previously.

The Hon. MICK VEITCH: With all due respect, Deputy Premier, last year this was an issue. We knew last year that it would be an issue this year. We have been a bit tardy in our approach to try to respond to this, so that is why I think we should have a review. Because of the serious nature of the shortage in the agricultural harvest workforce, will you, as the Deputy Premier, take a much more hands-on role in trying to develop the longer-term plans that are going to be required to address the fact that we need a domestic supply of shearers, harvester operators and fruit pickers? It is a very critical issue for the State's economy. Will you elevate it to your Deputy Premier status?

Mr PAUL TOOLE: I have a Minister that I will actually continue to work with, but when you see issues like this that are important to our regional and rural parts of the State then obviously I will have engagement and I will be involved in the process. I also have Ministers that are proficient in their role and will continue to work in this area as well. As the Deputy Premier, I will come in and work with those Ministers and assist them where I need to as well.

The Hon. MICK VEITCH: Deputy Premier, you are new to the department. Anna Patty wrote a story a few days back about an Ombudsman report where the former NSW Department of Planning and Environment filled a senior executive vacancy under emergency provisions in 2018 when there was no emergency. They hired an executive staff member as a contractor and paid them \$80,000 more than the normal salary for this position. As you have come into the department with a fresh set of eyes, have you sought to review the Department of Regional NSW to make sure that arrangement has not occurred in your own department?

Mr PAUL TOOLE: What I do know is this: We have actually got an opportunity for 900 senior public servants, when there is employment, to be able to work in regional New South Wales.

The Hon. MICK VEITCH: I want to explore that with you later.

Mr PAUL TOOLE: I think that is actually an important initiative this Government has put forward. What that does is allow some of those people in senior positions to be able to live and work in regional New South Wales. Technology has shown that we can do that, but also we do not need people to be living and working in Sydney when they can actually be living in regional communities and doing the same amount of work. The thing is, when you have got those decisions being made—for example, if it is someone that is involved in education and they are involved in a senior role—they are actually living and breathing what the needs are of that local community. Therefore, their thinking is going to be quite different, especially if they have got kids that go to the local schools, because they will have an understanding as to what the needs are. That is an important initiative that this Government has introduced. I think it is positive in relation to providing opportunities for those senior paid positions to be working in the regions.

The Hon. MICK VEITCH: I want to come back and explore that if I do not run out of time. I have some questions around how that is rolling out, so to speak.

Mr PAUL TOOLE: Sure.

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The Hon. MICK VEITCH: Deputy Premier, will you continue the Government's privatisation agenda in rural and regional New South Wales?

The Hon. SAM FARRAWAY: Oh, that is a bit of a push.

The Hon. MICK VEITCH: Under your watch as Deputy Premier, will that continue?

Mr PAUL TOOLE: Mr Veitch, I do not see us privatising anything at the moment. You can try to run a scare campaign around it, but that is not what is happening.

The Hon. MICK VEITCH: No, I am just asking you the question.

The Hon. SAM FARRAWAY: Our asset base has grown, if anything.

Mr PAUL TOOLE: We have actually had recycling of assets, and that has allowed us to reinvest back into our communities a record amount of infrastructure.

The Hon. MICK VEITCH: So you are going to continue with the asset recycling.

Ms ABIGAIL BOYD: Sounds like.

Mr PAUL TOOLE: We have never seen our communities receive so much funding—whether it be for roads, whether it be for bridges, whether it be for community projects that they cried out for decades for when you guys were in government. What this Government has done is turn that investment around. It has got to a position where councils have now got to a state where they are struggling to actually roll the money out the door.

The Hon. MICK VEITCH: They are struggling, some of them, I can tell you.

Mr PAUL TOOLE: That is a good problem to have, but it is a problem that we will work with those local councils in solving for those communities.

The Hon. MICK VEITCH: Some of those merged councils are struggling.

Mr PAUL TOOLE: That is why people want to move into regional New South Wales—because our Government and our investment and recycling of assets has allowed us to make it such a great place to live and work. I will tell you what: The bush is a great place to live, but I am going to make it an even greater place for people here in New South Wales. I am going to make it bigger, I am going to make it better and I am going to make it the first choice for people when they are wanting to reach and relocate here in this State.

The Hon. WES FANG: Hear, hear!

The Hon. MICK VEITCH: Good. Around that, there is a body of work that needs to be done around jobs, job losses and job relocations within regional New South Wales.

Mr PAUL TOOLE: Yes.

The Hon. MICK VEITCH: Does the Department of Regional NSW undertake any of that work? Earlier you spoke about the smaller communities.

Mr PAUL TOOLE: Yes.

The Hon. MICK VEITCH: I gather you are talking about the West Wyalongs or the Blayneys, for instance.

Mr PAUL TOOLE: Yes.

The Hon. MICK VEITCH: That is what I took from what you were saying. Has a body of work been conducted to work out jobs in and jobs out of those communities—where the jobs are coming from and where they are going to—to get a better idea of what is happening within regional New South Wales?

Mr PAUL TOOLE: Yes, absolutely. I can tell you that since 2011 we have created over 114,000 jobs in the regions.

The Hon. MICK VEITCH: Yes, but how many have been lost? It is the pluses and minuses.

Mr PAUL TOOLE: Let me finish. We have a fund called the Regional Job Creation Fund. That is a \$130 million program that this Government has in place. On Monday I announced \$55 million for about 69 projects across the State. That is seeing the private sector partner with us. That is seeing \$180 million in investment. That is creating almost 3,000 jobs. You said to me, "Is that just big, small?" Yes, we are keeping track. Narromine, for example—I was there with a bloke called David Simmons. He owns this company called Simmons Global. He is actually packing up from Western Australia and he is going to relocate it to Narromine. Here is a town of 3,000 people, and he is going to create 250 jobs in that town.

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The Hon. WES FANG: Wow.

Mr PAUL TOOLE: That is a game changer; that is going to transform that community. But our investment is for—

The Hon. MICK VEITCH: Minister, I accept this, but I want to talk about—

Mr PAUL TOOLE: No, these are jobs. This is 3,000 jobs of the back of that. I have got Fixing Local Roads.

The Hon. MICK VEITCH: That is not what I am asking, Minister.

Mr PAUL TOOLE: I have got 5,000 jobs just coming out of that particular program. We can show you stuff. Yes, we are collecting that data.

The Hon. MICK VEITCH: This is about the transfer—

The Hon. SAM FARRAWAY: Walt would say, "Jobs, jobs, jobs!"

Mr PAUL TOOLE: We have got jobs everywhere.

The Hon. MICK VEITCH: Minister, it is quite a serious question.

Mr PAUL TOOLE: It is a serious answer. I think investment and jobs that I just—

The Hon. MICK VEITCH: You have talked up one side, Minister, and I want to talk to you about the other issue here. You cannot deny this. There are jobs going from some communities and relocating to the larger centres. That is actually happening. You and I can name them. Wes, Sam—we all know people that have moved from Hay or West Wyalong to Bathurst, Orange or Dubbo, for instance. Is there a body of work that is looking at the migratory patterns within regional New South Wales so we better understand the infrastructure needs? In the Narromine scenario, there are 250 people working but where are the houses? Where are they going to live? What infrastructure supports are required? We actually need to have an idea about the migratory patterns within intra-regional New South Wales. Is there a body of work done?

Mr PAUL TOOLE: Absolutely. The Department of Regional NSW is already doing this work.

The Hon. MICK VEITCH: That is what I am asking.

Mr PAUL TOOLE: And the answer is yes. Simmons Global, for example—you asked me the question about the 250 jobs and housing and all that. That is part of their proposal: to ensure that they are accommodating housing opportunities for those workers in that place. Not only is it the 250 jobs but also what spins off the back of that. We are staying with Narromine because it is a small community—250 jobs from Simmons Global. They do drones, they do solar panels, they do mining equipment—all of that. But off the back of that, they are going to get manufacturing businesses that will probably relocate off the back of them. So here is a small town—

The Hon. MICK VEITCH: Which is the hope, right? That is, quality jobs and payment. Right?

Mr PAUL TOOLE: Absolutely. Quality, high-paying jobs, living in a small regional centre—it is critical. That is why the success of this program is important. The question is: Are we doing that work? Yes, we are. We are looking at where there is migration of jobs if they are going out of communities, where there are opportunities—

The Hon. MICK VEITCH: Is it publicly available, so that we can actually interrogate that ourselves?

Mr PAUL TOOLE: —and that changes all the time. If you have a look at our unemployment rate, I think last year it was sitting around 5.7 per cent. I think at the moment we are about 4.9 per cent.

Mr BARNES: Four point nine.

Mr PAUL TOOLE: We are 4.9 per cent in regional and rural areas right now.

The Hon. MICK VEITCH: That is not consistent across the board but that is, sort of, the regional average.

Mr PAUL TOOLE: No, and you know what, I will not say it is consistent because there will be variations to that.

The Hon. MICK VEITCH: That is exactly right.

Mr PAUL TOOLE: But we are leading the country when it comes to regional and rural parts of the State by having lower unemployment in our areas. Again, it is our programs that are creating those jobs. You know that we are investing in special activation precincts [SAPs].

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The Hon. MICK VEITCH: I am going to talk about that this afternoon, when we have the people here.

Mr PAUL TOOLE: That is going to create thousands of jobs in those particular areas that have been identified as well. These are initiatives—

The Hon. MICK VEITCH: When you talk about those jobs, Minister, the thousands of jobs—

Mr PAUL TOOLE: Thousands, yes.

The Hon. MICK VEITCH: —is there ever a review, five years or eight years down the track, to see that the thousands of jobs actually materialised and what those jobs were?

Mr BARNES: I might answer that one. I am happy to give you a briefing, Mr Veitch, on the updating of the Regional Economic Development Strategies [REDS].

The Hon. MICK VEITCH: Excellent. Yes, I have questions here about that.

Mr BARNES: We have recently updated REDS because of the bushfire impact and because of the 20-year vision with emerging technology. So we can sit down, and that absolutely looks at driver industries and where labour flows are. Growing Local Economies, which was a \$500 million cornerstone to the \$1.6 billion and now \$2 billion Regional Growth Fund, is all committed. We have worked with Treasury to look at the impact that that has made in terms of jobs creation and economic benefit because it underpinned the Regional Economic Development Strategies, which were 10-year strategies. It got a benefit-cost ratio of 1.6. It is probably the first time that a government department sat down and looked at the data about whether you are getting bang for the investment that you are putting in. It is a bit of a benchmark that piece of work. Again, with the Deputy Premier's concurrence, I am happy to walk you through that.

The Hon. MICK VEITCH: I am pretty keen on the intra-New South Wales migratory patterns. With regard to the REDS, the Narromine example is probably one. I know of an example at Cootamundra where there is an abattoir there being refurbished. I think it has spent about \$20 million to date, I was advised anecdotally. How does that fit with the REDS? When do we update the information that we have in the REDS to accommodate that sort of activity? I know the Deputy Premier just spoke about Narromine. But at Cootamundra, housing to support the workforce that will be required is actually an issue. They are struggling with how they can, in a timely enough fashion, have the accommodation available for a workforce that will be required. We have had this discussion earlier, but housing is another critical issue for regional New South Wales right now—affordable housing, particularly for people who are going to relocate for work. It is the rental market in a lot of the cases. So how do we update the REDS to accommodate this?

Mr BARNES: The REDS are a 10-year strategy. As you know, probably by listening to us bang on about this previously—

The Hon. MICK VEITCH: We have had these discussions, I know.

Mr BARNES: —we looked at the regions and divided them up into 37 functional economic regions [FERs]. That was about labour flow and connectivity between economies. Usually, they involve two or three, and sometimes four, local government areas. Those LGAs are the custodians of the REDS. But two things: any 10-year document needs looking at after three or four years, which is exactly what we did for a big chunk of those REDS in bushfire-impacted communities, and we funded that. A part of the plan that we are bringing to the Deputy Premier is to do a refresh on those REDS, in light of COVID and in light of migratory patterns that are happening that are putting pressure on housing markets, to look at whether we have got the alignment of our various funding packages to be spot on with those. But those REDS have got to drive activity at the local level as well as at the State and Federal level. The pleasing thing from our perspective is that we have a person embedded in the Federal department to make sure that their programs are lined up, and they have actually taken on board the notion of functional economic regions so that they can get alignment as well.

The Hon. MICK VEITCH: Mr Barnes, I would like to spend a bit more time in detail exploring this this afternoon, if that is possible? Because the clock is rapidly running down on me.

Mr BARNES: Yes, I am happy to do that.

The Hon. MICK VEITCH: Minister, I want to talk about the Department of Regional NSW locations in New South Wales. What was the rationale for selecting those cities? For instance, Armidale not Tamworth—

Mr PAUL TOOLE: Coffs Harbour, Dubbo.

The Hon. MICK VEITCH: Yes, Dubbo, Queanbeyan and Coffs Harbour. What was the rationale behind locating them there? Was it driven by purpose or function? How did it work?

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Mr BARNES: Remembering this was mainly about the staff who remained in and around the Greater Sydney area that could be relocated out into a regional setting, which was what the previous Deputy Premier wanted to see happen, and acknowledging that some of our people—like some of our food inspectors, some of the people who work in our research stations in the Greater Sydney area, public works advisory—cannot relocate because their work is immediately in this locale. But, as the figures show in various reports, 76 per cent of our workforce was already in the regions. The hope was to relocate those who could out into the regions.

We were looking to places where we did not have a huge footprint already—that we could bolster a presence. We had very few people in the south, like, I think, three or four people at Queanbeyan. We had small numbers of people at Dubbo. Orange was the big base there. Similarly, Tamworth was a big base already, with Public Works Advisory establishing a big footprint, as well as a research station at Tamworth through Department of Primary Industries [DPI]. So Armidale made more sense and we needed somewhere on the coast. We wanted to give people a choice as they relocated from Sydney.

The Hon. MICK VEITCH: Can I just ask then, Mr Barnes, how many people from Sydney have subsequently taken up the offer to relocate? Actually, if you take it notice it would probably be better.

Mr BARNES: I will take it notice, because it is—

The Hon. MICK VEITCH: And which of the centres they went to?

Mr BARNES: It is a combination, Mr Veitch, of people who may have left their job in Sydney and, as soon as they left their job, any new jobs in the Sydney area were advertised in—

The Hon. MICK VEITCH: One of the centres?

Mr BARNES: —one of those four locations.

The Hon. MICK VEITCH: Okay. Take that on notice.

Mr BARNES: So some will have relocated, some will be new positions that have been taken up. I know in Queanbeyan, where I relocated to, I think we are fast approaching 110 people. So it has grown from four or five to a big number.

The CHAIR: Ms Hurst?

The Hon. EMMA HURST: Thank you, Chair. Travel between Sydney and regional New South Wales, as you know, reopened on 1 November. While, obviously, this is really good for tourism and reuniting families, there is always that balance with the serious concerns that have been raised about the potential risk of spreading COVID in rural and remote communities where vaccination rates still remain lower than Sydney and, obviously, there is less access to health care. As the Minister for Regional New South Wales, are COVID cases in regional areas something that you will be monitoring closely during this relaxation period?

Mr PAUL TOOLE: Yes, and it is a very good question. As the Deputy Premier, I have an interest in all of New South Wales, but especially those areas across the State where we may see cases climb. I constantly get briefings as to where the vaccination rates are up to and where those cases may be popping up from time to time. As the Deputy Premier, and even in my previous role, I sit on the COVID committee, which has now become the COVID and Economic Recovery Committee. I still sit on that and get weekly updates from Dr Kerry Chant and Susan Pearce from Health. I think you are right. I think it was important that we delayed regional travel as well for a couple of weeks because if we opened up, say, two weeks ago, we would have only seen 36 per cent of our regional local government areas being double vaccinated at that 80 per cent level.

By allowing the additional two weeks we have now surpassed the 80 per cent of regional local government areas being double vaccinated, which has given greater protection in those areas. That does not say that some of those communities are still not nervous about people travelling into their areas, and I accept that. We still have safeguards that are in place and we still want people to do the right thing, like using the QR codes if they are going into businesses so that we are able to trace individuals as quickly as possible. It is important that we get the balance between keeping people being safe, having those safeguards in place and opening up the economy in a safe way.

The Hon. EMMA HURST: The organisation People with Disability Australia in particular is concerned about the impact that opening up regional Australia will have on people with disabilities in regional communities who are obviously at greater risk. What is being done to protect those people in particular in regional areas?

Mr PAUL TOOLE: I have spoken to a couple of organisations and I have an organisation in my area, known as Glenray, which has done an amazing job. I speak with a lot of those already in the disability sector. I think they already had something like 95 per cent of their staff double vaccinated a month ago. I think in their

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clientele it was something very similar as well. I think they were over 95 per cent as well. They have already done an amazing job in coming forward and getting private providers to come in and vaccinate both staff and their clients. They used providers like Aspen that have come in and provided the vaccine. Vivability is another one in my area as well.

I think the disability sector has really stepped up to the plate. They did not wait for the Government to be able to provide support through—they did not wait for the pharmacists or GPs or even those walk-up clinics. They took the initiative to ensure that they got their clients vaccinated and that is important because you are right, it is a vulnerable sector and we need to make sure that we are protecting them. But really the initiative has been undertaken by the sector itself. I get that there are concerns because they are the vulnerable in our communities but they have done a pretty good job in most areas. If there are any concerns of a certain section or an organisation, we want to hear from them because I know NSW Health will want to make sure they are vaccinated if that is possible.

The Hon. EMMA HURST: As the Minister for Regional NSW, would you be prepared to intervene if we see a sudden spike, particularly amongst the vulnerable, or we see more numbers of cases of people being hospitalised in regional New South Wales, and do you have any sort of foreshadowing as to what that intervention would be if you would intervene?

Mr PAUL TOOLE: I will always be guided by the advice from NSW Health. I think that is critical. I have always said that once we reopen again our last resort is to go back into lockdown. I think that has been pretty tough on communities and tough on individuals as well. The best thing that we can do to be safe is have people double vaccinated. To be double vaccinated means that you can still get the virus but you have way less chance of ending up in a hospital. So we will make sure that if there has to be a lockdown in any case it is a last resort. We will be looking at the factors around how many cases are in that particular area and also on top of that how many people are being hospitalised. That may then determine what the decision might be. It may not even be an entire local government area. It might even be a smaller locality, a smaller town or a smaller village depending on where the case numbers are and where the virus is tracking at that particular time.

Mr BARNES: This is something that we have done for the past two to three months with Health so we have people on the ground. That is the advantage that the Deputy Premier has—a big network of people who live in these communities. We have literally had our people with the Department of Health, as he said, not just at the LGA level but at the village level and sometimes the street level.

Ms ABIGAIL BOYD: Good afternoon. I will start with the Royalties for Rejuvenation fund that was announced during the Upper Hunter by-election. When can coalmining communities expect to see the money from the Royalties for Rejuvenation fund?

Mr PAUL TOOLE: That was announced and that was around having \$25 million each year for the Royalties for Rejuvenation. That is putting money aside each year to acknowledge that there are towns and communities that will be transitioning and moving out of coal. So it is about supporting them to look at what their future needs might be and what future growth, economic opportunities and employment may be in those local areas. That is something that I am still committed to following up with. I am hoping to introduce the bill to the Parliament this year and then hopefully it will be legislated early in 2022.

Ms ABIGAIL BOYD: Okay, that answers some of my questions. You are aware that this was a Greens election platform position as well.

Mr PAUL TOOLE: I was not aware of that. I do not really read The Greens policies very often.

Ms ABIGAIL BOYD: No, fair enough. We love it when you take up our ideas. So that explains why the Hunter Valley expert panel has not been set up yet—because it is going to be introduced in legislation.

Mr PAUL TOOLE: In relation to the panel, I will get Mr Barnes to provide an update.

Mr BARNES: You are quite right, insofar as the legislation is not there yet. But we have advanced the composition of a panel, which includes both expertise in alternative economic development as well as understanding the current community expectations. That work has been advanced so that once the legislation becomes live it can be stood up very quickly.

Ms ABIGAIL BOYD: Who have we got lined up for the expert panel?

Mr BARNES: It is a matter for the Deputy Premier to confirm but, as I said, we have been through an exhaustive process to put in front of the Deputy Premier options to sit on that panel.

Ms ABIGAIL BOYD: Okay. Minister, were you saying that that legislation will come next year to Parliament?

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Mr PAUL TOOLE: Yes, I am hoping to read it in the next few weeks—

Ms ABIGAIL BOYD: Excellent.

Mr PAUL TOOLE: Obviously it would just be a read into the Parliament, and then hoping early 2022 it will be passed through the Parliament.

Ms ABIGAIL BOYD: Great, I look forward to having a look at that.

Mr PAUL TOOLE: And not changing it and moving no amendments.

Ms ABIGAIL BOYD: I cannot promise we will not suggest amendments to improve the legislation.

The CHAIR: It is a similar policy so there would be no need.

Ms ABIGAIL BOYD: Unfortunately we cannot improve the amount. I asked your predecessor about amendments to the Mining Act. Mr Barilaro was very happy with the Mining Act in its current form, but it is quite a long time since it was properly reviewed and overhauled. Do you have plans to review the Mining Act to make it a little bit more modern in your term?

Mr PAUL TOOLE: Let me put it this way: I am still just getting briefings and getting my feelings, and I will be putting my stamp on a lot of things in this area as well. I note that the New South Wales Government—and this has been to Cabinet—has a whole-of-government approach, which is our Future of Coal Statement. We acknowledge that there are thousands of jobs that are involved in the mining sector. We know that it provides around 80 per cent of electricity supply in the State. We also know that it is an economic driver and we understand the importance of that. So I think our statement is very clear around the future of coal in New South Wales. But we also state that for future coalmining, it has to be in the appropriate place. We acknowledge that. I also say that mining is still going to be important here as we go forward in New South Wales. As the Minister responsible for resources, it will be an important and significant player here in New South Wales.

Ms ABIGAIL BOYD: I will just see if Mr Barnes is able to give you an update on the answer to the question.

Mr BARNES: I have got Ms Beattie, who is the head of Mining, Exploration and Geoscience. If you do not mind, I will just ask her if she wants to answer the work that has been occurring around changes to the Mining Act.

Ms ABIGAIL BOYD: That would be good. Just before you do, Ms Beattie, I know that you have been looking at the changes to the calculation of royalties for gas and some other things. I am particularly interested in whether there is going to be an overhaul of the Act, or if we are going to keep doing piecemeal changes.

Ms BEATTIE: As the Deputy Premier said, we are always looking to improve the regulatory framework for mining. As part of that, for some time, we have been looking at amendments that could be introduced to improve the operation of the Mining Act. The proposal is that the bill that the Deputy Premier mentioned that would be introduced for royalties for rejuvenation would also include some proposals to update the Mining Act. It is really a mix of a combination of small, practical changes and incremental improvements, if you like, that—

Ms ABIGAIL BOYD: Sorry, Ms Beattie, I will take this back up with you this afternoon. My time has expired. On that point I ask the Deputy Premier: Does that mean that this bill that you will be giving us that does something good—that is, giving money to coal communities—will also have some things in there that you would like us to pass? Will this be another one of those bills that your Government gives us where there is something nice wrapped with something terrible?

Mr PAUL TOOLE: I think all our bills are wrapped beautifully, so I will expect your support. I look forward to you reading the bill. You are very welcome to come and speak to me after you do.

Ms ABIGAIL BOYD: I will take that as a yes. Thank you.

Mr JUSTIN FIELD: Minister, I have some questions about the Verdant Earth Technologies proposal to turn Redbank Power Station in the Hunter Valley into a biomass plant. Have you met with Richard Poole, who is the CEO of Verdant Earth Technologies?

Mr PAUL TOOLE: Not that I am aware of. Not in my last four weeks.

Mr JUSTIN FIELD: Mr Tim Summers or Mr Sean Nalan? You do not know them?

Mr PAUL TOOLE: No.

Mr JUSTIN FIELD: Have you had a brief from the Department of Regional NSW about the Redbank proposal?

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Mr PAUL TOOLE: No.

Mr JUSTIN FIELD: The proposal is to turn an existing old coal-fired power station into a biomass plant. They are primarily wanting to source hardwood biomass from Coastal Integrated Forestry Operations Approvals [CIFOA] operations—pulp logs and heads and the like. About a million tonnes per year of dry wood weight, is my understanding, with the overwhelming majority coming from the forest. Currently there are insufficient wood supply agreements available to be able to support a proposal like that. Have you received a briefing on that proposal?

Mr PAUL TOOLE: Not at this point. I know Mr Hansen can assist you in relation to the question you are asking.

Mr JUSTIN FIELD: As you do, Mr Hansen, I would like to get into some of those issues we started on on Monday. In doing that, could you also explain exactly how the relationship works between DPI Forestry staff and reporting through to the Deputy Premier. Explain how that works and that delineation for DPI staff and their reporting roles.

Mr HANSEN: Thanks. I might start with that one and then work backwards. Obviously, the allocation of Acts when the Minister gets given their portfolio specifies what piece of legislation they have responsibility for—in this case, the Forestry Act and also the Plantations and Reafforestation Act. We have staff that are allocated within DPI to the deliverance of outcomes against those pieces of legislation. Therefore, they are loosely termed our forestry staff. I say loosely termed, but they are our forestry staff. They work towards the delivery of outcomes for those pieces of legislation. As the responsible Minister for those pieces of legislation, they obviously report up through me, up through to the secretary and up through to the Deputy Premier. Is that as much as you need?

Mr JUSTIN FIELD: That is useful. In the context of Verdant, I asked some questions on notice. I understand quite a number of DPI staff have been involved in site visits, briefings and, of course, the role that Dr Annette Cowie played in the conciliation hearing between Verdant and Singleton council and the Land and Environment Court. Were those staff all DPI Forestry staff?

Mr HANSEN: The DPI staff who attended, yes. They all sit within DPI Forestry. It was a visit to a number of the sites to actually have a look and hear what was being proposed out there. They were also accompanied, however, with staff from CSIRO, life cycle strategies, UTS, the University of Sydney and the University of Newcastle, who also were part of the group that were visiting and looking at the facility.

Mr JUSTIN FIELD: Nine staff seems like a lot. It seems like a bit of a full-court press from DPI Forestry in support of a proposal like this, which clearly has some challenges, given that there is not even sufficient timber supply in the current wood supply agreements to service a proposal like that.

Mr HANSEN: Obviously, this area of biomass and bioenergy is a big policy space that is being discussed and debated. We typically like to make sure that the staff who are going to be involved in discussions around big policy areas that are merging think about where new technologies or where new measurement recording gaps might be in our current knowledge base. That is why there was probably a full-court press, in your language, to get there and to make sure that we have staff who are hearing what it is the commercial sector are thinking about doing and ask some questions about where they are planning on going and what they see as opportunities or risks, as part of the inputs into deliberations about what we need to be doing to make sure we get the balance right.

Mr JUSTIN FIELD: Dr Annette Cowie, is she a DPI Forestry staff person? She effectively reports to Minister Toole, the Deputy Premier?

Mr HANSEN: No. In fact, Annette sits within our agricultural team. She is an international expert in carbon footprints. That was the basis on which she was asked to appear as an expert witness—to handle this question about carbon cycles.

Mr JUSTIN FIELD: So it was about carbon cycles; it was not about available timber supply at all.

Mr HANSEN: No.

Mr JUSTIN FIELD: How do you know? The answer that you gave me back—and I assume it went through you—was that you do not vet what she says as part of providing expert advice in the court hearing.

Mr HANSEN: Yes. I do not vet what she says, but we did have the approach made through us about whether she could appear as an expert witness. Obviously, we asked the question as to why do you want Dr Cowie, apart from—

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Mr JUSTIN FIELD: You asked that question of Verdant?

Mr HANSEN: Yes. In fact, I asked the question of her line managers, who had been approached by Verdant. Obviously, her international standing as a co-author in some of the UN papers on carbon footprint and carbon cycles places her in a very elite field of scientists in this space, which is why they were keen for her to come and contribute to the discussion and which I think is going to be an important discussion going forward around what is the impact on carbon emissions or of the use of biomass for bioenergy.

Mr JUSTIN FIELD: We will come back to this one. Thank you, Mr Hansen and Minister.

The Hon. MICK VEITCH: Deputy Premier, are you a supporter of uranium and uranium mining?

Mr PAUL TOOLE: I have made it very clear, and I think my colleague in the upper House—

The Hon. MICK VEITCH: Wes Fang?

Mr PAUL TOOLE: Sorry, the Hon. Damien Tudehope made a comment that we would be looking at uranium through fresh eyes under the new leadership team. There is no doubt that in New South Wales there are a lot of precious minerals that I am very keen to look at exploring. I have said that we will have a look at uranium as well.

The Hon. MICK VEITCH: That bill you are talking about also looks at nuclear generation of power. Do you support nuclear?

Mr PAUL TOOLE: We have said that we will look at it, Mr Veitch. I am not going to pre-empt today as to what that might mean, but I have made it very clear through Mr Tudehope when he spoke about it in the Parliament that we would be looking at it. I can tell you exactly what was said—

The Hon. MICK VEITCH: I was there.

Mr PAUL TOOLE: —was the fact that at present there is a boom in mineral exploration here. I understand that we want to have debate on the issue about driving further investment in exploration. This Government is eager to drive jobs and investment in the regions as we emerge from the COVID pandemic. What Mr Tudehope also said, which is what I asked him to say, is that we are prepared as a government to have another look at this bill with fresh eyes.

The Hon. MICK VEITCH: Previously we were talking about job numbers. It begs the question, when we talk about creating 8,000 jobs or whatever, are we talking about short-term jobs or long-term jobs? My colleague Mr Primrose is much more articulate in this area than I am, but what is the multiplier that we use on these job numbers?

Mr PAUL TOOLE: As in, what is being put forward?

The Hon. MICK VEITCH: Yes.

Mr PAUL TOOLE: There are a number of components. I will start with fixing local roads, for example. That is a program that we spoke about in a previous estimates and that is actually creating around 5,000 jobs, but that was actually about bringing those jobs forward and bringing that funding forward.

The Hon. MICK VEITCH: That is the crux of the question. They are not permanent jobs; they are short-term?

Mr PAUL TOOLE: They are about making sure that we are supporting subcontractors and contractors through what has been a difficult time and making sure that they have enough work on the ground. Whether it is fixing local roads, whether it has been fixing country bridges, those projects, through our investment and by bringing them forward, have ensured that we have got that support for those contractors and subcontractors right now. So that has been important. It also helps councils with their workforce and continuing to have enough work for their workforce as well. When we talk about the Regional Jobs Creation Fund—that is around applications that are being put forward by those individual applicants as to how many jobs are going to be created. If I go back to Simmons Global, that is a \$27 million investment and the Government is actually supporting it with an investment of about \$4.8 million, but when you are looking at 250 jobs, that is not a small amount of numbers.

I am going to be making another announcement tomorrow. You are going to hear me in the next month making announcements all around the State around new businesses that are either expanding or businesses that are actually relocating into regional New South Wales. Some of them have come from other States, but what is important is the fact that we are actually stimulating the economy and we are getting private investment here as well. We talk about manufacturing not being in New South Wales. There is a resurgence. It is actually an attractive

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place for manufacturing to come back into New South Wales and, again, these are jobs that are being created here right now.

The Hon. PETER PRIMROSE: Can I ask how you actually count and calculate the number of new jobs that are being created?

Mr PAUL TOOLE: I will get Mr Barnes to explain. That is only one program.

The Hon. PETER PRIMROSE: I understand.

Mr PAUL TOOLE: Don't yell. Calm down.

The Hon. PETER PRIMROSE: It is a very specific question.

Mr PAUL TOOLE: I understand. Just calm down.

The Hon. PETER PRIMROSE: It is a very specific question. How do you actually count?

Mr PAUL TOOLE: Let me explain to you—

The Hon. PETER PRIMROSE: How do you actually count?

Mr PAUL TOOLE: I will explain it to you. I said I would get Mr Barnes to explain to you as well. We could be here all day. We could be talking about regional renewable energy zones [REZs]. We could talk about stand-alone power systems [SAPS] with jobs being created. We could talk about the Regional Jobs Creation Fund. We could talk about fixing local roads.

The Hon. PETER PRIMROSE: How do you calculate the number of jobs that you claim?

Mr PAUL TOOLE: We could talk about all of those programs.

The Hon. PETER PRIMROSE: Tell me how you calculate.

Mr PAUL TOOLE: I am happy to explain it to you because these are jobs in our regions. I will tell you what, it is boom time, and it is going to continue to be a boom time in the bush.

The Hon. PETER PRIMROSE: You cannot tell me?

Mr PAUL TOOLE: No—

The Hon. PETER PRIMROSE: You cannot tell me, okay.

Mr PAUL TOOLE: That is your mantra.

The Hon. PETER PRIMROSE: Yes, because you will not tell me.

Mr PAUL TOOLE: That is your mantra.

The Hon. PETER PRIMROSE: Just tell me.

Mr PAUL TOOLE: I have not seen you for years and you used to say that all the time.

The Hon. PETER PRIMROSE: Yes, and it was true then and it is true now.

Mr PAUL TOOLE: You did not know then—

The Hon. PETER PRIMROSE: How do you calculate?

Mr PAUL TOOLE: —what was going on.

The Hon. PETER PRIMROSE: Well ask some of the councils. How do you calculate the number of jobs that you keep claiming?

Mr BARNES: Mr Primrose, the jobs numbers from the Australian Bureau of Statistics [ABS] are obviously looked at by the data analysts that sit within the Department of Premier and Cabinet and they are disaggregated down to Statistical Area 4 levels, which largely equates to local government areas. They are calculated in terms of full-time and part-time jobs. **They are all publicly available. They are delivered to us on a monthly basis. If you want to talk about how we calculate—**

The Hon. PETER PRIMROSE: What is that document called that is delivered to you on a monthly basis?

Mr BARNES: It is an interpretation and it is a standard set of data.

The Hon. PETER PRIMROSE: What is the document called because I would like to have a look at it.

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The Hon. SAM FARRAWAY: You have to SO 52 it.

Mr BARNES: I am happy to get you a copy of it.

The Hon. PETER PRIMROSE: I am happy to get one too. I just want to know what it is called.

Mr BARNES: As I said, the jobs numbers come out very, very regularly and the same set of data parameters are set on them no matter which State you are in because we need to compare how we are going against other States and different jurisdictions. I am happy to get that. It will be an Australian Bureau of Statistics feed that comes through.

The Hon. PETER PRIMROSE: Okay. I will ask more of these this afternoon.

Mr BARNES: Sure thing.

The Hon. PETER PRIMROSE: This is very interesting. Thank you.

Mr PAUL TOOLE: Jobs boom. It is great.

The CHAIR: A quick change of topic in the five minutes I have got. Minister, are you aware that the Natural Resources Commission just released research into koala responses to harvesting in the North Coast State forests and they found selective harvesting in State forests does not adversely affect koala numbers? Are you aware of that report?

Mr PAUL TOOLE: I have read that, yes.

The CHAIR: So have I.

Mr JUSTIN FIELD: They love it. They love logging. Koalas love logging.

The CHAIR: It is forestry, not logging. Are you going to use this research to influence future State environmental planning policies [SEPPs] in regard to koalas or private and State forestry operations?

Mr PAUL TOOLE: I will tell you what I actually am very much aware of and this is even when I was the previous forestry Minister. There used to be all these claims made that forestry operations impacted the koala numbers. What has clearly come out of various reports is the fact that koala numbers are equal or even higher in some cases in State forests and that is because they are managed in such a way that it allows the koala habitat to be able to flourish in those areas. At the end of the day, this is about striking the balance. This is what we have always said about striking the balance between allowing forestry operations to take place but also having safeguards in there to protect koalas. We have also said this around farmers in various SEPPs that have come up previously for conversations or discussions out there and that is what we will continue to do—to strike the balance.

The CHAIR: Are we planning to do similar research in this State's South Coast forestry or are we taking the North Coast as gospel?

Mr JUSTIN FIELD: There are no koalas left down there.

Mr PAUL TOOLE: I do not know if there is any particular report right now underway but all the time we are doing work in relation to koalas. I will tell you right now, in the Blue Mountains and around that area at the moment, there are people like Brad Law, who has done a lot of work in relation to tracking and finding out the numbers of koalas in national parks and in forestry. They are doing some work right now to try to determine what the koala numbers might be within that particular part of the world after the aftermath of the bushfires. So there is work that is undergoing right now in those areas. I know that you said the south, but I am sure there will be continual work that will happen in that part of the State as well.

The CHAIR: Obviously this research has shown that multiple-use State forests are delivering conservation values at the same or a higher value than national parks. Why are we continuing to change land tenures and actually increase the national park estate when clearly there is also an issue in managing the enlarging estate?

Mr PAUL TOOLE: There is a place for both. I think there is a place for both and there is no doubt when you have a look at some national parks that they are actually quite pristine. They actually drive the economy; they bring a lot of visitors into those areas. There is a lot of the natural environment that we need to look after and protect. But I also have my views. We need to make sure that we manage it in the right way. We need to make sure that, if we are going to be creating areas of national parks, we have got put mechanisms in place to actually still manage those parcels of land. Whilst it is not in my portfolio, it is something that I have expressed previously and, again, it is something where you probably really need to direct the question to the environment Minister as well.

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Mr JUSTIN FIELD: Deputy Premier, seeing as you are so happy to talk about NRC reports, why do you not release the other report that they have done into post-fire logging? Why is some of it kept Cabinet-in-confidence and some of it is released and championed?

Mr PAUL TOOLE: In four weeks I think I have read a lot of documents.

Mr JUSTIN FIELD: Let's release it. I am not talking about reading it. Let's release it.

Mr PAUL TOOLE: Well, I have read a lot of documents. The one that Mr Banasiak actually asked—

Mr JUSTIN FIELD: You like the one where apparently koalas like logging.

Mr PAUL TOOLE: The one that Mr Banasiak asked me about, I have actually seen that one.

Mr JUSTIN FIELD: But you are not going to release the other one.

Mr PAUL TOOLE: We will have a look in the future, Mr Field. But it will obviously be a decision made by Cabinet in relation to that report.

Mr JUSTIN FIELD: What? Whether or not the evidence by the independent Natural Resources Commissioner gets public is now a decision for Cabinet? Why would you hide scientific advice? Why would you hide it?

Mr PAUL TOOLE: You know what? When I was the forestry Minister, I was very happy to release reports and I was very happy for—

Mr JUSTIN FIELD: If you are happy to release it and Minister Kean is happy to release it and Minister Stokes is happy to release it, let's release it.

Mr PAUL TOOLE: Hang on. But you have also got to be very happy when it is being reported. When it is released from time to time, then you actually got to accept what is put forward. Do not go and actually try and create your own facts and your own stories around it as well.

Mr JUSTIN FIELD: Are you happy to have it released?

Mr PAUL TOOLE: I will actually put it through the appropriate processes, like Minister Kean, and that will be a decision that will be made through Cabinet.

Mr JUSTIN FIELD: Why is the Government keeping some scientific evidence secret and releasing others?

Mr PAUL TOOLE: No, no, no.

The CHAIR: That is the bell, unfortunately.

Mr JUSTIN FIELD: Giving dixers to the Nationals—I am telling your friends about that. Unbelievable!

The CHAIR: I have no friends. It is well established. Thank you, Minister, for your time today. You have taken some questions on notice. The secretariat will be in touch with your office to let you know. We will be adjourning for lunch and coming back at 2 o'clock with the bureaucrats. Thank you very much.

(The Minister withdrew.)

(Luncheon adjournment)

The CHAIR: Welcome back to this afternoon's session of budget estimates 2021-2022. We will throw straight over to the Opposition for questions.

The Hon. MICK VEITCH: Thanks, Chair. Welcome back, everyone. Welcome back to the drier, calmer session of the day. Wes is taking notes. He is over here ready to go. I just want to, if I could, go back to the 55,000 Pacific Islanders that are projected. I just want to clarify: That is not 55,000 Pacific Islanders that are coming to New South Wales; that is 55,000 as a part of a program that are Federal. Is that correct?

Mr HANSEN: Yes, that is my understanding, 55,000. Where I have heard that number utilised before is by the Federal Government talking about the potential pool of workers available. As, I think, the Minister on Monday and then the Deputy Premier today highlighted, in terms of those that we know that are coming to New South Wales, I think our forward chain through to the end of February is 600-and-something. I think I used that number before. I will have to find it again. But obviously the demand is what the industry requires. The available pool of supply is that 55,000 that is generally used as the number. They are the two connecting pieces there.

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The Hon. MICK VEITCH: Are we expecting the majority of the 55,000? I think on Monday we looked at something like—I think from memory it was 9,000 or something.

Mr HANSEN: I think that is the estimate of the number of normal seasonal workers that have been needed across New South Wales. Again that number is very hard to get an absolute on.

The Hon. MICK VEITCH: And that includes—sorry to interrupt—that includes meatworkers as well as the harvest, that 9,000 guesstimate or projection?

Mr HANSEN: Yes. Sorry. It includes the Seasonal Worker Programme as well as the Pacific Island program, because they are two separate pieces.

The Hon. MICK VEITCH: I think they were going to start arriving on Monday. Do we know how many have made it in the last couple of days?

Mr HANSEN: No, I don't. In fact I think the first flight was due on 16 November. But I think that that might well be pushed out. It all comes down to the scheduling of planes and the availability of the transport.

The Hon. MICK VEITCH: The article that I cited this morning that was in *The Daily Telegraph* spoke about the 55,000 Pacific Islanders coming to Australia. Did you provide any advice to the Deputy Premier in the preparation for that article?

Mr HANSEN: We certainly provided information about the ag workforce issues and challenges, but in terms of whether specifically for that article, I cannot recall.

The Hon. MICK VEITCH: The harvest leave program—again I know it is only a few days into this—how many leave applications under that program have we received since Monday?

Mr HANSEN: I will have to take that on notice. I have not checked in to get that number. I might be able to get it for you over the course of the afternoon. As we did talk about on Monday, however, the harvest that we are seeing at the moment is the northern grain harvest.

The Hon. MICK VEITCH: Yes, that is right. That is where I was going. I am just mindful of work programs and assisting the department to plan their work around the possibility of people taking leave. I also just want to clarify with that, is that harvest leave just available for Department of Regional NSW [DRNSW] staff that reside in regional New South Wales or is it also for metropolitan-based DRNSW staff?

Mr HANSEN: For all DRNSW staff.

The Hon. MICK VEITCH: Including executives?

Mr HANSEN: Yes.

The Hon. MICK VEITCH: Okay. Did you convince anyone, Mr Hansen, to come out and shear your sheep?

Mr BARNES: Mr Hansen and I are going to go and do a few days, for sure.

The Hon. MICK VEITCH: What have you got, 50 sheep? I reckon there was a time I could have done those in about two hours but that is not the case anymore.

Mr BARNES: I am not doing sheep.

The Hon. WES FANG: The Hon. Mick Veitch is offering to take you as an apprentice.

The Hon. MICK VEITCH: No.

Mr HANSEN: Actually, just while we have got a chance, because there was another part of this this morning that I think a combination of the questions from you and also from Mr Shoebridge around hire conditions, as we have flagged, they are not within our remit and not within our purview and therefore I did not have that information to hand. But I have had people over the lunchbreak digging into it for us. Obviously all labour hire providers that provide long- or short-term workers are required to comply with existing State and Federal employment laws and standards, so that picks up all the approved employers.

That includes the Fair Work Act 2009. That is the one that also sets some minimum obligations with regards to employee relations, awards, pay rates and so forth. The Fair Work Ombudsman obviously polices, protects and enforces that, the Work Health and Safety Act and there is actually also National Employment Standards that outlines 11 minimum employment entitlements. They are the suite of existing instruments in place to ensure that workers that arrive here actually arrive here with provisions for protection around their rights. I just wanted to make sure that we picked that up, because it was left hanging out of the last conversation.

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The Hon. MICK VEITCH: The other thing I want to tidy up from this morning, and probably from Monday as well, is to do with the mouse bait program. I keep thinking whether it is a plague of mice or a mouse plague; I know the grammatical people in Hansard like to get it correct. But it is the mouse bait program. RAA is responsible for the farmer-related aspect—

Mr HANSEN: The zinc phosphide, yes.

The Hon. MICK VEITCH: —and Service NSW, as I understand it, Mr Barnes, is responsible for the Department of Regional NSW [DRNSW] side of that, which is the households and commercial.

Mr BARNES: Small business.

The Hon. MICK VEITCH: Yes. Mr Hansen, one of the things that was raised with me subsequent to Monday was—some people have raised some concerns about the complexity of the application process on the RAA website. I was told anecdotally that it is a 12-step process. I have not had a chance to check that. I would be happy to be corrected on that. But have we reviewed the RAA process so that it is not as complex as people are saying it is?

Mr HANSEN: I am happy to follow up with you afterwards in terms of those individuals and where they are finding the complexity. We are constantly reviewing it. In fact, the RAA regularly receives feedback and we have regular dialogue with organisations about how we streamline and if people are finding something confusing or the provision of information duplicative. It is constantly evolving—that application process—to make sure that they continue to be as streamlined as possible.

The Hon. MICK VEITCH: Mr Barnes, has the DRNSW been in constant dialogue with Service NSW around their interface and the way that they are rolling the money out?

Mr BARNES: Yes. Part of the contractual agreement that we have got with them is that they report to us regularly on money out the door, which is the most important thing, and whether there is any issue with the platform. That was a brand-new platform that was stood up right in the middle of Service NSW also pushing money out the equivalent of JobKeeper—the New South Wales version. We did put the pressure on Service NSW to get that money out the door at the same time. As I said to you, as is normal, a small amount of that money was allocated to dedicating additional staff and for the build of the platform itself.

The Hon. MICK VEITCH: I suppose the other concern here is the grain. I think this is in the CSIRO report too. A bumper harvest usually means there are bumper leftovers on the ground. They go hand in hand. The bumper leftovers on the ground are going to feed the current mouse population and, therefore, this has the potential to feed another large mouse breeding event into autumn. Would that be a correct assessment of what we know on the ground at the moment?

Mr HANSEN: That is correct. In fact, the key messaging from all agencies across the grain producing belt of the east coast, west coast and South Australia is consistent that it is about clean harvest. Up until then it had been about using the available products to treat and knock down the populations. Now, obviously, with harvests either pending in some areas or underway in others, it is not so much about the treatment, but it is about the clean harvest. That is definitely the message that is being promoted out. We will continue the monitoring that is led by CSIRO that we participate in for those sites in New South Wales to provide the reports back in for both the spring and then the summer. They will give us a good guide as to what kind of challenges we will be facing in the lead-in to autumn.

The Hon. MICK VEITCH: Mr Barnes, the household component of the mouse rebate program or mouse bait program, the feedback that comes in—do people have feedback on the application process or difficulties they may have or how good it was?

Mr BARNES: Service NSW has a helpline, and our people would be monitoring that. If you have heard feedback that something needs fixing, then certainly feed that through. We try to use all different avenues to get feedback on the programs that we have got. The most immediate one is that Service NSW offer that opportunity to give direct feedback.

The Hon. MICK VEITCH: So essentially people go to the helpline and you are provided with some sort of a brief or whatever about if there are any themes coming in?

Mr BARNES: Yes. And if the feedback is such that it requires a rethink on the design of the program or the platform, that also is done and, in fact, was done in the bushfire recovery program for small business.

The Hon. MICK VEITCH: The harvest leave program—we discussed on Monday work programming and the potential to backfill. Of course, as you say, there is the northern harvest, but there is going to be cherries in Young. The fruit will start coming in between now and post-Christmas. Are you looking at winding back some

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of the work programs to assist in getting people out onto the ground with the harvest? This is the balancing act between getting the work of the DRNSW completed at the same time as trying to complement what is—I would not say dire, but certainly a critical issue around harvest.

Mr BARNES: To be honest with you, Mr Veitch, as a department, since we have been in existence—let's say the last two years or so—when things come along that are worthy of diverting effort to higher value things, we have always done it. We have had people from Mr Hanger's team and people from Mr Hansen's team—right across the board—helping out with fodder drops and in command centres when we are responding to bushfires. It is a balancing act, and we have got to be sure that we do not drop the ball on the things that matter to do other things. That is why, as Mr Hansen said on Monday, the premise on this leave is that it will be negotiated with the line manager.

From time to time, people go off for a week because they are ill or they have got family circumstances. That workforce planning is best done at the line manager level. We feel pretty confident that we can help out in this regard. I think it is the right thing to do as well. We are in, as I said on Monday, atypical times. I have been around the public service for over 40 years and this is the weirdest two years I have ever experienced—a rewarding two years in terms of being a public servant and trying to help people through things. We thought, as an executive, that this was the right thing to do. We thought we could balance it out with the competing priorities.

The Hon. MICK VEITCH: The east coast task force that was announced—I am keen to see what either your department, Mr Hansen, or, Mr Barnes, what sort of secretarial departmental support is being provided to the east coast task force and how that is being provided.

Mr HANSEN: This is being managed from within DPI. We have a staff member who is assisting on the secretariat components there. But they are working in partnership with their colleagues in Victoria, Queensland, Tasmania and ACT. It got brought together by the Minister in recognition of the fact that agencies have been working collaboratively for quite a while in terms of ensuring that we were working, either through our cross-border commissioners or independently between our different departments, to make sure we were triaging the movement of ag workers. It became clear that it made sense for us to have a forum in which not only were the bureaucrats or the public servants coming together to have those discussions but a forum in which the Ministers could equally have that discussion. It was an extension of the work that had been done and the working group of officials who had been managing and meeting fortnightly on ensuring that we were, as I said, triaging and working collaboratively. It was a logical extension of that group and that group is providing the secretariat support.

Mr BARNES: We absorb these things. We have got as a central agency within government—it is quite unique to have us being a central agency. But when you talk to Ms Dewar this afternoon—she chairs the across government mice advisory committee, which has several other agencies because there were health concerns, there were messages that needed to be given to schools, there were small business commissioners who needed to be involved. When these things come along, you to stand these groups up and dedicate resources to them.

The Hon. MICK VEITCH: I very quickly want to go on to the welfare of the staff of your respective agencies during COVID. Again, to pick up your words, Mr Barnes, a unique and atypical sort of arrangement—but right across the State different arrangements were in place as we worked through the last four or five months. What were the measures put in place to continually measure and monitor the welfare of your employees and are you going to have a look at those to see if they work properly?

Mr BARNES: We certainly came up with a whole-of-department plan, which included each of our work groups like DPI and LLS and Mining, Exploration and Geoscience [MEG] and also modifying those plans because you cannot have one size fits all and everyone is slightly different. But we had some core themes that we looked at over that period through our corporate and people area. They included first and foremost regular opportunities for people to engage with one another because—we had targeted sessions and targeted programs for families because workers who had young families were grappling with how to do homeschooling and maintain a job. We had targeted programs that looked at people who were living by themselves or did not have support.

I could furnish you with the full suite of things that we did but we just got our People Matter Employee Survey [PMES] results, which is the public sector employee survey. They are outstanding. The level of engagement that our staff have with their work groups and with the department sets a benchmark across the sector. What people think about the way in which we support them and make a flexible work environment work—I think it was 94 per cent. These are figures that are 6 per cent and 8 per cent above the rest. Because we are a people-based business—we do not push bits of paper around. Mainly we are working with people and interacting with people.

Mr JUSTIN FIELD: Mr Hansen or Mr Chaudhary, these might be for you. I want to ask some questions now about annuity and crop share hardwood plantations in New South Wales. Mr Chaudhary, how many annuity

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or crop share agreements are there and what area of land is currently under plantation under annuity and crop share agreements?

Mr CHAUDHARY: Thank you, Mr Field. Yes, I can take the question. Just to give you a little bit of background, I think back in the nineties we started with how to expand the hardwood plantations and there were a number of programs. Annuity, as you rightly point out, was one of the key ones. But right now we have two remaining annuity plantations. There were a number in the past. They have either gradually come to an end or agreements have been negotiated out. Right now there are two and I believe [inaudible] they total about 230 hectares as a combined, yes. Is that okay?

Mr JUSTIN FIELD: That is. When you say there were agreements reached, that relates to the project break-even, where you basically realised these were not working and you came up with a mechanism to hand back a lot of those plantations to effectively walk away from your joint venture agreement with the landholder. That was around 2014 or 2015, correct?

Mr CHAUDHARY: Yes. I think it was around about that time, maybe 2013 or 2014, where Forestry Corporation undertook a review of all the annuity plantations and they were looked at from a number of perspectives. Financial was one, but also the volume output, types of species and all of that was part of the assessment and as a result of that there was a consolidation approach that was applied.

Mr JUSTIN FIELD: Consolidation, but effectively Forestry Corporation walked away from those. You reached an agreement with the landholder. You no longer have an interest in those plantations, correct?

Mr CHAUDHARY: Correct. Yes, we reached agreements—commercial negotiations in line with agreements. But those ones we do not have any further involvement in. That is a good point.

Mr JUSTIN FIELD: In 2011 there was a yield forecast for hardwood plantations that looked specifically or included annuity and crop share. At that stage it was about 10,000 hectares, so you have walked away from pretty much all of them. The yield assessment at that stage was—from about next year or 2023 you were expecting 300,000 cubic metres a year to come out of those annuity and crop share plantations. I assume that that yield forecast now has virtually dropped to zero but what are you anticipating from the remaining 230 hectares?

Mr CHAUDHARY: Mr Field, I do not have that data on hand. I am happy to get that for you in terms of what the resource output looks like. But, as you know, that complements our already existing hardwood plantations and the native forest resource, so when we look at available resources to meet wood supply commitments we look at all of that available resource.

Mr JUSTIN FIELD: When these were established around the mid-nineties, particularly on the North Coast, it was designed to supplement hardwood sawlog supplies from restructuring native forestry resources. That comes straight from this yield forecast in the background. What percentage of timber that was harvested from any of the annuity or crop share plantations went to sawlogs?

Mr CHAUDHARY: Sorry, Mr Field. I will have that information. I just do not have it on hand.

Mr JUSTIN FIELD: It is pretty much zero though, isn't it? It has pretty much all gone to pulp?

Mr CHAUDHARY: Like I said, I am not across exactly what the output has been, but I can get that information for you.

Mr JUSTIN FIELD: Mr Hansen, for those areas of plantation that were subject to agreements that Forestry Corporation effectively walked away from as part of this project break-even—cute name, but I think we all know what has happened here—what is the status of those in terms of potential harvestability? Are they now no longer subject to the Plantations and Reafforestation Code? The private landholder could seek a private native forestry [PNF] approval over them, I assume. How are they regulated now?

Mr HANSEN: It would depend on the size. If they are over 30 hectares then they would obviously still need to be picked up under plantation regulations. If they were over 30 hectares they would still need to be picked up under the plantation accreditation.

Mr JUSTIN FIELD: Did they receive plantation accreditation at that time?

Mr HANSEN: I do not know. That is something I would have to take on notice. That is a long way back.

Mr JUSTIN FIELD: It is 2013-14. You were around, were you not?

Mr HANSEN: Actually, no.

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Mr BARNES: No.

Mr HANSEN: But we can find out for you.

Mr JUSTIN FIELD: I would appreciate that. Some of this would have come from Forest NSW at the time, I think it was called. Essentially, those yield forecasts of 300,000 cubic metres a year—that is just gone. That is not available to Forestry Corporation any longer. This question is to you, Mr Chaudhary, and I appreciate you might have to take some of the specifics on notice. **In 2011 you forecast, starting from next year, 300,000 cubic metres a year for 70 years. Three years later you walked away from the entire lot and basically are getting no timber at all. I am just trying to understand the evidence basis for the forecasting that Forestry Corporation does. That seems like an extraordinary misunderstanding of the available resource and value of it, if it was essentially worthless to Forestry Corporation and you walked away from it.**

Mr CHAUDHARY: Mr Field, yes, I think I might have to take that one away. Obviously, a lot goes into that inventory analysis. As you would appreciate, it is not so much just the tonnes but it is the types of products that come out of those operations, as well. That all would have been evaluated and analysed before decisions were made to come out of those agreements. But I am happy to, as I said, take that away. I just did not want to mislead the Committee with any speculation there.

Mr JUSTIN FIELD: I appreciate that. You have very few of these left. One of those belonged to Mr Todd Smith and Ms Samantha Morrows. Why were so few kept? What was the reason for those few joint venture arrangements between landholders and Forestry Corporation being kept when so many were dissolved?

Mr CHAUDHARY: They were all assessed on a case-by-case basis, both from our perspective as well as the landholders' perspective on the future viability of those agreements. The one that you have just called out, yes, that was one that was retained.

Mr JUSTIN FIELD: Harvesting has finished quite recently. Mr Chaudhary, are you aware of the substantial complaints that have been made by Mr Smith and Ms Morrows about Forestry Corporation's harvesting activities and how the site has been left since harvesting concluded?

Mr CHAUDHARY: I am aware of it but not across all of the details. You are right; we have completed the operations. We also have rehabilitated the land in accordance with the agreement and with the regulation. All of that has been achieved.

Mr JUSTIN FIELD: The information I have in front of me suggests that as many as 50,000 stumps, some as much as a metre high, have been left on this site, making it impossible to navigate the landscape and leaving the landholders with a multi-hundred-thousand-dollar clean-up bill to even be able to traverse the landscape with the stumps that are left. Are you really contending that you have complied with your obligations under the code in terms of rehabilitation?

Mr CHAUDHARY: Yes, Mr Field, I believe we have. I understand there were a number of complaints, as I say, and Mr Smith and Ms Morrows exercised the dispute resolution clauses in their contract. There was also a mediation last year, and we have complied with the recommendations from the mediation. Earlier, the Forestry Corporation has planned and carried out the operation in line with the requirements of the Plantations and Reafforestation Act, and the operations were also independently audited. I also inform you that we took additional voluntary steps in consultation with the landowner that involved setting aside plantation area as koala habitat and also donating quantities of seedlings to local koala care groups and to allow enrichment planting. We have worked in line with the contract, Mr Field, and I believe that we have met all our obligations.

Mr JUSTIN FIELD: One of the criticisms was that areas of forested land on their property that were not part of the plantation were harvested, and that this was enabled through some map changes that were made by Department of Primary Industries [DPI] staff to essentially expand the footprint of the plantation to enable various creek crossings, access to easements and the like. I would like to get an explanation from you, Mr Hansen, if I could. I have emails here that suggest that, at the request of Forestry Corporation, changes were made to the mapping for the site that essentially made sure areas that might questionably have been under the Plantations and Reafforestation Code were included into that code, in order to avoid any regulatory oversight by the EPA or local council in managing creek line crossings and erosion and the like. The emails suggest that the DPI staff very quickly responded and simply made changes to the mapping at the request of Forestry Corporation. Will you explain the role of DPI staff as it relates to that code, and particularly how the code operates with annuity plantations?

Mr HANSEN: Yes, sure. There are two pieces to keep an eye on here. One is compliance with the code, and the second one is what conditions might have been caught up in the joint venture agreement between Forest Corp and the landowners. We are not privy to, nor are we party to, the relationship under that joint venture

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agreement and what is captured in terms of agreements between those two parties. We are, however, responsible for making sure—it does not matter who the harvester is, whether it is Forestry Corp or others—that harvesting is in compliance with the reforestation code. With regard to the mapping—

Mr JUSTIN FIELD: Sure, so why would you change maps?

Mr HANSEN: Because the maps were hard copy, and so we changed maps because we turned them into digital copy. We have had the same correspondence, no doubt, as you have had. We have had a look and ensured that in that transfer there was no modification—no change in the map areas. It was purely a process where at the time—I think it was in 2014—the Forestry Corporation requested provision of an updated map, that is, conversion from hard copy to the digital. We would do that process for any plantation owners who asked for that service.

Mr JUSTIN FIELD: I think in this instance it was not the plantation owners; it was Forestry Corporation. Was this done with the agreement of the landholder?

Mr HANSEN: The annuity agreement actually puts the ownership of those trees into the hands of the joint venture.

Mr JUSTIN FIELD: But that is the issue. What are the trees? Is it the planted area? In this email it says, and this is quite clear from—

Mr HANSEN: Sorry, can I just finish? All we did was transfer a hard copy to a digital copy. We provided that to the plantation manager, the partner to the joint venture, who wanted it for the purpose of their planning of harvest activity. When the landowner—the other party to the joint venture—asked us for it, we provided it to them as well. We have gone back and checked to make sure there was no error in that translation between hard copy and digital. We have communicated that back to the landowners. We have been in constant dialogue with them since June 2020, I think, backwards and forwards. We have had numerous site inspections as well as numerous bits of correspondence going backwards and forwards. We did not change a map for the purposes of Forestry Corp. What we did do was translate a hard copy that had been created into a digital copy, and that is available to both of the parties to that joint venture.

Mr JUSTIN FIELD: The landholders seem pretty unhappy with the outcome?

Mr HANSEN: They are unhappy.

Mr JUSTIN FIELD: Explicitly in this email, when the request comes effectively to change the map, it says:

I found the original hand drawn map and yes it was mostly plantable, with some patches of native on the drainage lines—

but here is the key point—

The digitised map from 2014 used the stocked footprint only ... Same old issue of areas that should fall under the code but won't if not included on map somehow.

The suggestion here is that the landholders do not think some of those areas were part of the plantation. There is a real consequence here, right? Because there is a very different regulatory framework for rural land management of vegetation that is in a plantation versus not in a plantation and you are, effectively, the regulator in a plantation and there are other regulatory bodies—these staff also work for the forestry Minister. So you have got, basically, no independent or separate oversight of the regulatory environment here. Essentially, by changing that map, you have made it all a plantation issue and been able to do this without the agreement at the time of the landholder?

Mr HANSEN: But we have not changed the map and that is the bit—

Mr JUSTIN FIELD: I think they contest that?

Mr HANSEN: They do. We have reviewed it and we have looked back over it and we have provided the feedback. We can demonstrate that the map has not been changed. It is purely been converted from what was originally a hard copy, hand drawn, to a digitised version.

Mr JUSTIN FIELD: Mr Chaudhary, 20 years these landholders have been sitting on this land. I think they make a few thousand dollars a year in annuity payments. This was promised to be a replacement or supplement, or complement the hardwood sector, particularly for the supply of milling timbers. All of this material has just been clear-felled and has gone for export woodchip and to the biomass plant on the North Coast, is that not correct? And they got nothing for it?

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Mr CHAUDHARY: That is not my understanding, Mr Field. From the actual operations, you would get a variety of products. As you know, saw logs is what we primarily aim for but there are by-products as well—pulpwood and other residues. But my understanding is that saw log [inaudible] out of this operation.

Mr JUSTIN FIELD: Well, I have got the expected yields here. I will put this to you in questions on notice so that we can be really clear, but I would like to see a comparison between the expected yields in the harvest plan and what actually came out. Mr Smith and Ms Morrow have asked me to put to you directly: Why does Forestry Corporation NSW think it is alright to materially breach our and other joint venture agreements in regards to proper forest management and silviculture?

Mr CHAUDHARY: Mr Smith and Ms Morrow have made numerous complaints, not only to ourselves but to other bodies as well. We have looked into that very closely. As I explained earlier, there was a mediation process—that is, a dispute resolution within the agreement that was followed. We have been following the agreement. We have not been breaching that. As I said earlier, the harvesting operation is now over. We remediated the land. We have actually gone over and above what was required in the agreement. If Mr Smith and Ms Morrow still have concerns, then obviously they got other legal avenues that they can pursue.

Mr JUSTIN FIELD: They claim that there has been no silviculture practised, there was no thinning done and that, I think, they got one visit from DPI in terms of the management of the plantation over the life of the plantation. Given that these were supposed to try to complement milled timbers—and we will see the actual details—how could you possibly maximise the value for this property and take the pressure off our native forest hardwood sector without practising any silviculture practices on the site at all?

Mr CHAUDHARY: Sorry, is that question to me?

Mr JUSTIN FIELD: Yes, it is. You talked about different silviculture practices and different approaches and things change and the like. They just contest that there has been any silviculture practised on the site in the 20-odd years that they have had it?

Mr CHAUDHARY: Yes. There is a lot of correspondence that has taken place between ourselves and the landholder—I do apologise for my dog barking in the back—but we do not believe those allegations are true and we have worked with the landholder on that. I must say that I think our Forestry staff involved in this have been very professional and worked with the landholder as best as possible to address their concerns.

Mr JUSTIN FIELD: Mr Hansen, this is one for you. In these questions with regards to the maps and also the compliance with the code in terms of rehabilitation and erosion issues, I understand there has been no re-grassing of the site as well so the intention is to just allow invasive weeds to essentially stabilise the erosions. This is a quote—I think this has come from correspondence, but I am happy to be corrected—from Nick Milham, saying to Mr Smith:

We are under no obligation to justify our regulatory decisions to you.

Is that the right approach here in terms of your department's role—DPI Forestry staff's role—in regulating the plantations and reforestation code?

Mr HANSEN: A couple of things. We are going to have to disagree about the information that you were provided by the landowner, right?

Mr JUSTIN FIELD: Sure.

Mr HANSEN: Because 10 August 2020, 11 December 2020, 23 December 2020, 23 February 2021—all site visits to the plantation. The information you are providing or have been provided—

Mr JUSTIN FIELD: It is 20 years after it was planted—right at the critical end point, correct?

Mr HANSEN: Sorry, did you not say "one visit"?

Mr BARNES: That is more than one.

Mr JUSTIN FIELD: I think we are talking—this is at the time it is about to be harvested. I think that is their point. That is their point.

Mr HANSEN: Sorry if I misheard you—

Mr JUSTIN FIELD: And I do not want to—

Mr HANSEN: —say that there was only visit by DPI. What Mr Milham would have been reflecting was the fact that our relationship in terms of the regulatory obligation that we have is actually to the owner of the

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plantation. The owner of the plantation is, quite clearly, Forestry Corporation. These annuity arrangements, the owner of the plantation—

Mr JUSTIN FIELD: The owner of the timber?

Mr HANSEN: The owner of the plantation is actually Forestry Corporation. So our relationship on a regulatory front is with Forestry Corporation. Going to your point about the separation of duties, Forestry Corporation do not report to the forestry Minister.

Mr JUSTIN FIELD: I do not think that I said they reported to the forestry Minister?

Mr HANSEN: You were talking about our plantations unit and Forestry Corporation being within the same ministerial portfolio. Was that the—

Mr JUSTIN FIELD: My time has ended.

The CHAIR: Yes, I am just conscious of that. I do want to allow Mr Hansen to finish his response.

Mr HANSEN: Thank you for that.

The CHAIR: But we cannot keep having this back and forward questioning into the Opposition's time. We might need to pick it up once we go back.

Mr JUSTIN FIELD: Understood, Chair.

The CHAIR: Mr Primrose?

The Hon. PETER PRIMROSE: Thank you, Chair. This is probably a question for Mr Barnes and Ms Beattie. It is a general question. Can you give us an overview of the current status of mining for rare earth minerals in New South Wales? I am interested in the current number of exploration licences that might be available, what investment, and whether things like the Dubbo Zirconia Project is currently the only project that is operating at the moment and what its status is. Please feel free to give us a general overview and maybe take whatever you wish on notice.

Mr BARNES: I will throw to Ms Beattie in a moment. I think it is fair to say that New South Wales is blessed with resources in critical minerals and rare earth. We in fact think that coal is also very important but that the extractive industries will transition to other metals, including rare earths and critical minerals. Ms Beattie's group has worked exhaustively with her Federal colleagues around how we can position New South Wales to take advantage of what currently is almost a monopoly in terms of extracting and producing these things that China has. We think there have been some very positive steps taken through the Federal Government recently through the Export Finance and Insurance Corporation supporting one of the biggest and almost prospective mines that is just outside of Dubbo. But the other thing that Ms Beattie will tell you is that, with all the new technologies that rely on these, we also should not forget the importance of things like copper, which we have an abundance of as well, which are critical to battery technology and even those switches you talked about at last estimates, Mr Veitch. Ms Beattie?

Ms BEATTIE: Thanks, Mr Barnes. As Mr Barnes said, it is really very exciting, the opportunities that we have in New South Wales in the critical minerals area—rare earth elements are part of that group—but also in high-tech metals, which captures copper and gold. New South Wales has a lot of resources and we have got a well-established industry in gold and copper, and often those two resources are found together. We have the very large goldmine in Cadia out at Orange, which you are probably aware of. But the potential of an emerging industry in critical minerals is, really, I think, a future focus and a future industry development opportunity for New South Wales.

A lot of these resources are located out in the Central West of New South Wales. We have three advanced projects at the moment in critical minerals. You mentioned the Dubbo Zirconia Project; that has planning approval. It is not yet operating, but we hope soon that will happen. It is still getting finance sorted and a few other modification approvals and, as Mr Barnes said, we have been working with the Commonwealth to help progress that project and that is really positive. There is also the Sunrise Project, which is also in the Central West. That has planning approval as well to mine for nickel, cobalt and scandium. Scandium is one of those rare earths that you mentioned. The other project at the advanced phase is Cobalt Blue, which is out in Broken Hill.

There is really good potential with those three projects, but there is also a lot of other exploration happening. We are in an exploration boom at the moment. The great thing is that these projects are providing the metals that we need for advanced manufacturing, high technology and, of course, renewable energy. There is high global demand for these resources and New South Wales is well placed to try and capture some of the demand.

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I think the opportunity to process some of those minerals within New South Wales means there is an excellent opportunity to create a new industry and new jobs as well.

The Hon. PETER PRIMROSE: What would the New South Wales Government need to do to further facilitate the exploration and mining of these minerals?

Ms BEATTIE: We are working with the industry and are regularly in discussions with the industry and the Commonwealth Government about how we can support further investment in these areas. There is a lot of interest and a lot of exploration already occurring for these minerals. The focus needs to be on how, when discoveries are made, we can convert those to mines. I mentioned those three advanced projects, and the difference with these projects compared to some of the more traditional metals is that the investment that is required for mining can be much greater.

The Commonwealth recently announced a \$2 billion debt funding initiative, and we have been working closely with the Commonwealth on the opportunities for providing some support for finance to help get these projects up and running and also connect them with investors overseas. There are a lot of opportunities and a lot of interest from countries such as Japan and Korea in investing in these projects. There is a role for the New South Wales Government to help make those linkages and provide support, as well as assist them through their development process. We recently established an industry development team to support the minerals sector in New South Wales to navigate the planning system, help provide fast answers about where they need to go and connect them to the right people across government. They are all the things that we are doing and we are very well connected with the projects and with the industry to support them.

The Hon. PETER PRIMROSE: Thank you very much.

The Hon. MICK VEITCH: Mr Chair, I have a couple of questions for Mr Chaudhary. It relates to the HumeLink corridor, which is a bit of an issue down my way through Yaven Creek, Ellerslie Valley and also around Bannaby, where I was recently talking to some farmers. The farmers' suggestion, because this is pretty prime agricultural land we are talking about—the HumeLink corridor is proposed to go straight down through their farmland. They are proposing that there is large amounts of public land where this corridor could probably better fit. In our part of the world, down around Tumut, they are talking about Forest Corp land. Mr Chaudhary, have you had any conversations with TransGrid around its proposed HumeLink corridor and, if so, is it looking at traversing through Forest Corp land?

Mr CHAUDHARY: Mr Veitch, I have not actually discussed anything with TransGrid myself, but I know that staff in my organisation have. I think you will appreciate that the 2019-20 bushfires have significantly impacted the timber plantations, particularly in the Tumut-Tumbarumba area, where about 35 per cent of the [audio malfunction] plantation area in that region has been impacted. We are obviously very mindful of any further land not being available for timber plantation. My understanding with power lines or transmission lines is that the area of land below the transmission lines becomes sterilised for tree planting and so, therefore, it can probably operate or coexist with perhaps other land users, if you know what I mean. There are discussions taking place, but I do not think we have actually reached an outcome as yet.

The Hon. MICK VEITCH: Just to be clear, as far as you are aware, there have been discussions with TransGrid re its HumeLink proposal, but those discussions are not completed as of yet.

Mr CHAUDHARY: That is my understanding, yes, Mr Veitch.

The Hon. MICK VEITCH: I just want to go on to the bushfire impact, particularly on the softwood plantation around Tumut-Tumbarumba, if I can, Mr Chaudhary.

Mr CHAUDHARY: Sure.

The Hon. MICK VEITCH: The last time you were here we explored some of the hard infrastructure issues that arose because of the bushfires, like burnt-out bridges, road reconstruction and the like. Now that we are a fair way away from that event—some would say not far enough—have you had a chance to review the fire trails through that large plantation in southern New South Wales and the expenditure that is put towards maintaining those fire trails?

Mr CHAUDHARY: My dog loves to bark around this time. I hope you can hear me okay.

The Hon. MICK VEITCH: Yes.

Mr CHAUDHARY: I can say that last year we have done a significant amount of work in rebuilding the roads and repairing bridges across the State. I am really pleased to advise the Committee that about 5,000 kilometres of roads have been rebuilt across the State, and something like 18 bridges or crossings have been replaced. That is a really positive ending. We are also working with the Rural Fire Service in trying to get some

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additional funding on strategic fire trails. We have been successful in getting those. These are going to be spent on upgrading and repairing the fire-impacted fire trails. Again, it is across the State, Mr Veitch. It is something we are very mindful of and we are continuing to focus on that. Closer to the Tumut-Tumbarumba area, as you know, last time we spoke we were trying to get the Blowering foreshore opened up. We did for a period of time, but we found that there were other areas—not the ones that we had rectified, but some other ones—that actually needed some urgent work. So we had to close it down again. We have spent something like, I believe, \$2.5 million in that region alone to repair the roads, and it is still going. We are hopeful that for summer we will have all of that opened up.

The Hon. MICK VEITCH: So that is the western foreshore of Blowering Dam you are now talking about?

Mr CHAUDHARY: That is correct, yes.

The Hon. MICK VEITCH: With regard to replanting the softwood plantation, is that on track or are we having trouble sourcing rootstock?

Mr CHAUDHARY: I am actually pleased to advise the Committee we are ahead of track. I am not sure if I informed the Committee last time or not but we have now expanded both our production nurseries—one in Blowering and one up at Grafton. We have increased the capacity by around 30 per cent to 40 per cent. Last year, or this planting season that has just gone by, we planted about 15 million trees and that is a record. We have never done that before. We would normally plant about 9 to 10 million trees, so that is 15 million trees, and we are going through what we call an accelerated planting program to have the burnt fire estate fully restocked within the next six years.

The Hon. MICK VEITCH: Mr Chaudhary, you do not want them all maturing at the same time. Obviously to meet supply contracts and the like, you need to stage this. I understand and appreciate that large planting is taking place but does the work program across the six years ensure that Forest Corp can meet its supply contracts for softwood timber going forward beyond the 20 years?

Mr CHAUDHARY: Yes. It is a very good question. I think there is a real demand from our customers and a real realisation that we have a timber shortage going forward. If they would have at their way, they would ask for all of that estate to be replanted as quickly as possible, so we are going as quickly as possible, Mr Veitch. As you know, our clear-fall age is around 28 to 30 years, so that is how long it takes for the trees to fully mature. The impact of the bushfires obviously has a fairly large impact on the go forward wood supply and, as you know, we have negotiated contracts with our major customers and also our contractors to realign the resources to the post-fire available wood supply. We have done that and, as these fully stocked plantations will yield more timber, we will start having some wood flowing through in the thinning periods—the first and second thinning—and then, of course, at clear-fall age you will start to normalise our wood flow to the pre-fire levels.

The Hon. MICK VEITCH: You broke up there a little bit at one point. I think you said 28 to 30 years as the maturation for harvest. Is that correct?

Mr CHAUDHARY: That is correct. Clear-fall age is generally around the 28- to 30-year period.

The Hon. MICK VEITCH: They are all going to roll their eyes, but I raise this question every year about the weeds and pest control on that very vast landholding that the State has—that is, Forestry Corp's softwood plantation. When the fires went through and the woody weeds came back, the blackberries and briars, did we ramp up the expenditure, because you have got a great opportunity to get on top of those weeds whilst there are limited trees.

Mr CHAUDHARY: Yes, Mr Veitch and you did raise it before with me as well and I think I informed you that I had gone and visited those spots personally and found that the blackberries were really coming back with a vengeance. With all our best intent, it is something that we are grappling with. We have certainly invested more money on weed control. What we are doing is putting down what we call holding sprays to keep the weeds at bay and really concentrating near the neighbours and the boundaries. As you can appreciate, we have to be very careful of run-offs—of chemicals into waterways—especially due to less ground cover in some places. We would like to go faster but there are other constraints, not just financials, that we have to be mindful of.

The Hon. MICK VEITCH: One of the reasons why I keep pursuing this with you, around blackberries in particular, is people talk about fuel load and I do not think that they actually understand or appreciate that one of the major contributors to fuel load in a forest or our bushscape is, in fact, blackberry. So if you have got a large softwood plantation with an understory of blackberry, I think that is starting to be quite problematic. Hence we should be getting on top of our blackberry control measures now. This is the best opportunity. **If you could just**

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take on notice, Mr Chaudhary, how much was spent last year on weed control in the softwood plantations and how much is spent this year, I would really appreciate that.

Mr CHAUDHARY: Sure.

The Hon. MICK VEITCH: The same question also goes to pest control. Again, down my way they will talk about the wild dogs, deer and pigs coming out of Forestry Corp land. The State Government should aim to be a good neighbour of our farming fraternity and farming sector. What are we spending—last year and this year—on pest control? I will leave it at that. If you could take those on notice and get back, that would be very good.

Mr CHAUDHARY: I will do that, Mr Veitch. I think your comment also on the blackberry fuel is a very good one because it can act as a ladder for [audio malfunction].

The Hon. MICK VEITCH: Yes.

Mr CHAUDHARY: So we are very much awake to that and our fire management branch certainly has that as part of the control measures.

The Hon. MICK VEITCH: Mr Barnes, hydrogen is an area of substantial interest to a number of people around this table. I was just wondering whether you have done any work at all in your department with your fleet of vehicles and looked at converting those at some stage towards a hydrogen fleet?

Mr BARNES: Yes. We obviously are very interested in the economic opportunities that green hydrogen presents. In fact, you would have seen Twiggy Forrest standing with the Deputy Premier and the Premier a couple of weeks ago talking about the opportunities that it presents in New South Wales. We have done a lot of work about how hydrogen can be an enabler to economic outcomes, particularly in the Wagga Special Activation Precinct [SAP], but not just that SAP. As far as fleet vehicles go, the Government has a whole-of-government approach to fleet, but we certainly already prioritise green vehicles in our fleet.

There are, occasionally, times when those vehicles are not fit for purpose. Mr Hansen had to go outside of regular things to get a Ram truck to tow one of the boats that so importantly monitor the waters on our northern coastline. But we are committed to making sure that we align our fleet to keep in touch with what is happening. Mr Veitch, 214 positions have been created across those four areas. I will get you a breakdown on those.

The Hon. MICK VEITCH: Thank you.

Mr BARNES: Mr Primrose, Georgina Beattie has asked me to mention to you that, as well as all the work she outlined in the critical minerals space, she has also got a team of people that provide pre-competitive data to potential explorers so that they can focus and hone in on the areas that might make most sense.

The Hon. PETER PRIMROSE: Thank you.

Mr JUSTIN FIELD: We might go back quickly, Mr Hansen. We will not labour on this one for too long. Just so I am clear, there are joint venture agreements between the Forestry Corporation and a landholder for the establishment, maintenance and eventual harvesting of a plantation on that site. The landholder, if they have got any disputes with Forestry Corporation, can come to you, essentially, because you have a regulatory response to the Plantations and Reafforestation Code. Is that correct?

Mr HANSEN: If the landholder believes that Forestry Corp—or whoever the plantation owner is—is not meeting the requirements of the code, then they can come to us and we can carry out investigations. However, if they believe that the owner of the plantation—in this case Forestry Corp—is not meeting the conditions of the joint venture agreement, then they have civil dispute mechanisms that they utilise.

Mr JUSTIN FIELD: That is up to them. I think the key frustration here is that the code is being misapplied or has not been complied with and the landholder is not satisfied with DPI's response to that.

Mr HANSEN: I get that from the correspondence exchanges. But, again, here is where it comes down to—the code requires, for example, stabilisation of soil post-harvesting. That does not specify that it needs to be re-grassed, that it does not need to be returned to pastures. A weed is the wrong plant in the wrong place. Right? So if you are growing a wheat crop, a canola plant is a weed. Weed cover is actually a form of stabilisation of soil. The landowner might not be happy with that as the outcome, but when our inspectors inspect it and go, "Does it meet the requirements of the code? Has the ground cover been stabilised?" the answer is yes. Then it comes down to—

Mr JUSTIN FIELD: Sure. But I am just looking at the harvest plan, for example. It talks about weeds or ground cover. It states as an example "spreading grass seed". I do not think that is what they are relying on, but you can appreciate that the outcome for the landholder is very different.

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Mr HANSEN: But that might be what is included in the joint venture agreement [JVA] about what Forestry Corp were undertaking to do—

Mr JUSTIN FIELD: But you are not administering that, so that is not of concern to you.

Mr HANSEN: No, that is right. So we can only look at it from a point of view of: Does what they have done meet the requirements of the code?

Mr JUSTIN FIELD: Fifty thousand stumps were left. For them to be able to use that block at all, they are going to have to push those out. I understand that one of the options for rehabilitating the site is for Forestry Corporation to push them out, windrow them and have them removed. Essentially the cost is just being delivered on the landholder here.

Mr HANSEN: Again, our guys will have conducted those audits and those inspections based on: Has the plantation owner met their responsibility under the code? From what I understand, out of all the inspections there were four corrective actions that were placed on Forestry Corp as the plantation owner. Those have been closed out. We understand the fact that the landowner is not happy with the outcome. There is no more that we can do under the code than ensure compliance with the code. There is civil options available if they are unhappy about Forestry Corp's actions in meeting the requirements under the JVA.

Mr JUSTIN FIELD: With regards to that comment from one of your staff, "We're not required to explain our regulatory"—it sounds like it has been a frustrating experience from both sides. But that is not the way to—you do have a responsibility to explain your regulatory responses, right?

Mr HANSEN: But when that regulatory response is a regulatory response that we are taking on party A, our necessity to go into detail on it to party B—at times, in fact, we need not to be sharing data. In that—

Mr JUSTIN FIELD: This is difficult when it is their land and they live with the consequences of that.

Mr HANSEN: Again, we are not the—in terms of the—

Mr JUSTIN FIELD: We are not doing this anymore, right? There are no more annuity and crop share agreements being struck. Is that right? It sounds like a disaster.

Mr HANSEN: As Mr Chaudhary pointed out, I think there are two agreements left. I think that might be the one landowner.

Mr JUSTIN FIELD: Mr Chaudhary, how much money has Forestry Corporation lost in the 25-odd years that this thing ran? It is in the order of millions, right?

Mr CHAUDHARY: When you say "lost", are you saying how much we have spent in the land rentals and [disorder]—

Mr JUSTIN FIELD: When you subtract from the amount of money you made selling whatever timber came off the properties—when you subtract from that the amount that you have spent on harvesting them and maintaining them and entering into agreements and managing disputes and rehabilitating sites, what is left?

Mr CHAUDHARY: I do not have the details in front of me on that one, Mr Field.

Mr JUSTIN FIELD: Could you come back to us on that?

Mr CHAUDHARY: Yes. I have taken that on notice and can give you the relevant information.

Mr JUSTIN FIELD: I suspect it is a shocking number. We will see who wants to take this one. How much private native forestry timber by volume was harvested last financial year?

Mr HANSEN: I think the fact that you have spent a fair bit of time both on Monday—

Mr JUSTIN FIELD: No-one knows.

Mr HANSEN: —and the Wednesday before with the two agencies that are responsible for it, and neither of them report to the forestry Minister, I am not going to hazard a guess.

Mr JUSTIN FIELD: Sure. No-one seems to know. But it is true, is it not, that the private forest estate is factored into the sustainable yield review. Under the Regional Forestry Agreement [RFA], the whole point of the sustainable yield review, you are looking at all tenure, all forest types; tis part of the analysis, right? It just is. I do not think that is a controversial thing to say. It is not just about State forests.

Mr HANSEN: No, I believe it is just about public land.

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Mr JUSTIN FIELD: We will need to contest that. Still, no-one knows. Mr Chaudhary, does Forestry Corporation staff assist Forestry Corporation harvesting contractors in identifying or accessing private native forestry sites?

Mr CHAUDHARY: Mr Field, I am not 100 per cent sure. I would not want to mislead the Committee.

Mr JUSTIN FIELD: Do you share information about potential PNF holder and say, "You should go and knock on their door and see if they want to do some harvesting while you've got a lay period here"?

Mr CHAUDHARY: We work with our customers, as well as our contractors, particularly when we do not have sufficient resources or availability of wood supply from native forests. But I am not sure what sort of—

Mr JUSTIN FIELD: What does that mean? That sounds exactly what we are talking about. What does that mean, when you help your wood supply agreement holders when they do not have enough access from native forests? What are you talking about there?

Mr CHAUDHARY: It is more about looking for other sources, like the private native forestry, to obtain timber, but [disorder]—

Mr JUSTIN FIELD: Well that would be the only other source, right?

Mr CHAUDHARY: —responsibility. Yes, normally the customer would make that arrangement. I think the Local Land Services actually looks at that, not ourselves.

Mr JUSTIN FIELD: LLS engages with your customers to assist them to identify potential private native forestry opportunities to fulfil any gap? Is that what you are saying?

Mr CHAUDHARY: No. LLS looks after the private native forestry, as I understand. It depends on, I guess, which customer you are talking about. But there are customers who would approach private native forestry if we are not able to supply timber from State forests, and—

Mr JUSTIN FIELD: But you said before you sometimes help your customers to identify [disorder]. Sorry. I think you said you help your customers to identify other sources. There is not really another source, other than PNF. You would not necessarily have a list of potential PNF licence holders to be able to point your customers to, so what do you mean by that?

Mr CHAUDHARY: No, we do not. The LLS does. I think they work with the landholders.

Mr JUSTIN FIELD: Mr Hansen, does DPI Forestry staff have—are you involved in trying to smooth out the supply-demand cycle by helping Forestry New South Wales contractors identify PNF opportunities?

Mr HANSEN: No, we do not. We do, obviously, have a close working relationship with LLS on a whole range of fronts, but we do not play a role in trying to find supply for those who are seeking it. I will just confirm, though, the regional forestry agreements we have do require us to do sustainable yield calculations from State forests.

Mr JUSTIN FIELD: Only?

Mr HANSEN: The supply outside of State forests—the sustainable supply is done through PNF, through LLS.

Mr JUSTIN FIELD: It is factored into the sustainable yield assessment, though, right?

Mr HANSEN: No. That is only State forests.

Mr JUSTIN FIELD: I will come back on this.

Mr HANSEN: I know. We do this every couple of months.

Mr JUSTIN FIELD: I thought we had this discussion last time. I am trying to understand, given that no-one seems to know how much timber is coming out of PNF. We know your customers are not getting what they were contracted to get and there have been some suggestions you could be 30 per cent down on contracts. Force majeure, I believe, is still in place. I am happy to be corrected on that. I am trying to work out how you are making judgements about renegotiating future contracts when you do not know how much PNF is coming out or is even out there. That is pretty clear now. It seems very difficult.

Mr HANSEN: Again, the wood supply agreements are to ensure that Forestry Corporation are harvesting at a sustainable level across the State forestry estate. Right? Those sustainable yield calculations are based off that State forestry estate and then allow a safety margin for Forestry Corporation to say, "This is what we can sustainably supply out of the State forest."

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With all of these, whether it is the sustainable yield or the PNF regime, it is all about ensuring a sustainable harvest. Those ones are actually done through that LLS and EPA relationship that you interrogated on Monday and last week. Our sustainable yield calculations are about what is able to be sustainably harvested out of the State's forestry estate to ensure that the same volume of timber is available for the next generation.

Mr JUSTIN FIELD: I might come back with some questions on notice about that. The RFA is based on a more complicated understanding of the entire landscape. I am happy to be corrected on that, but I am not sure that is entirely the case. I am trying to understand—and I know it is not necessarily all about regional New South Wales and Forestry Corporation. There is definitely an interplay here. Mr Chaudhary, the 300,000 cubic metres that you were expecting to come from these annuity plantations starting from 2022—according to the 2011 yield forecast—and set to run for 70 years, you do not have any of that anymore. How was that factored into the current contracts that Forestry Corporation has? You were planning to sell that stuff that you no longer have. It is not a small volume.

Mr CHAUDHARY: As I was saying, Mr Field, those contracts have come to an end or we have negotiated out of those agreements.

Mr JUSTIN FIELD: Sorry, Mr Chaudhary. We do not want to go down the wrong path. You would have factored in getting 300,000 cubic metres a year starting in 2022 and running for 70 years. You would have contracts with timber mills to sell that timber, or with biomass plants or pulp purchasers to sell that timber, would you not? You would have factored that supply into the current wood supply agreements that you have with mills and other purchasers.

Mr CHAUDHARY: If I understand your question correctly, our contracted volumes over time have not really changed. The volumes from annuities and joint venture [JV] plantations would be supplementing our native forest supply. The baseload volume comes out of our native forest supply. In the latest sustainable yield that we have carried out this year, obviously those 300,000 cubic metres that you are quoting would not be there because they would have been coming out of those JV plantations. The sustainable yield, as Mr Hansen will say, is based on our public native forests.

Mr JUSTIN FIELD: Are you saying that the supply you were expecting from these annuity and crop-share plantations, you had not already contracted that timber to a purchaser in advance of it being able to be harvested? This was just going to be additional. It was just cream on top.

Mr CHAUDHARY: That is my understanding. We have not substantially changed any wood supply agreements over that period of time. The native forest wood supply agreement has run for 20 years. That has not substantially changed in that period.

Mr JUSTIN FIELD: That is what I mean, Mr Chaudhary. Those wood supply agreements have been running for 20 years. It is 300,000 from 2022 for 70 years, is what you forecast. But it was supposed to be about 30,000 a year in pulp through the thinning operations, starting from about 2011. You clearly have not been getting any of that either. I am wondering if you were then supplementing commitments you had made to meet wood supply agreements from native forests as a result of these annuity plantations absolutely abysmally failing.

Mr CHAUDHARY: No. As I was saying earlier, Mr Field, I think the annuities and joint venture plantations were designed to supplement the volume that was going to come out of our native forests, and the baseload volume comes out of native forests. The impact of not having that many joint venture or annuity plantations has now been accounted for in our latest sustainable yield resource.

Mr JUSTIN FIELD: No worries. We might move on to something else then. What is the status of the current wood supply agreements in terms of the force majeure provisions that were in place after the fires? Is there still force majeure in place on these contracts?

Mr CHAUDHARY: Yes, I believe they are still in place. Just to explain, force majeure is obviously a legal terminology in a contract which is based on a force majeure event. Once the event happens, we notify the customer, but it does not absolve us of not [audio malfunction] or taking reasonable endeavours to meet the contractual obligations.

Mr JUSTIN FIELD: We have heard those legal arguments, and we will all dispute the reasonable measures to a degree—and so does the EPA, I note. In terms of actual timber that is being delivered to wood supply agreement holders—and let us separate it between South Coast and North Coast—can you give us an idea of the percentage of agreements that are being delivered?

Mr CHAUDHARY: Yes. I can tell you that last year—the financial year that just ended—we were supplying in the South Coast and Eden areas combined, I think it was about 30 per cent. I will confirm those figures. If I have them wrong, I will correct that. But it was roughly 30 per cent of pre-fire levels is what we were

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supplying. In the North Coast, immediately after the fires we moved predominantly our operations into the plantations, so we were able to still meet, not the full levels of supply because—the first factor was it was affected by the fires and, secondly, we had other events like floods and so forth. We had rain events last year as well.

Mr JUSTIN FIELD: Has anything changed since the end of the financial year just gone in terms of delivering? Are you still about 30 per cent on the South Coast and near 100 per cent on the North Coast?

Mr CHAUDHARY: I think we might have achieved a higher rate in Eden. South Coast has been unchanged though. The North Coast is pretty much the same.

Mr JUSTIN FIELD: You indicated before that you reached out to wood supply agreement holders to consider extending the existing non-Boral agreements on the North Coast out to 2028 at the same supply level as the current agreements. Given you have sort of still got force majeure in place and there are still some questions around wood supply and yield, are you confident that you could meet those volumes based on the fact that you have gone into plantations, you have hit them hard and, obviously, you do not have this supplementary annuity supply that is available to help fill the gap? What confidence have you got that you can actually meet those levels?

Mr CHAUDHARY: It is a very good question. We take that inventory analysis. Obviously, it is an important part of our process to advise us of what contractual commitments we can make, which is why our yield review is a really important piece of work. It is a long-term horizon. It gives you that 100-year outlook. It is based on the FRAMES methodology, Mr Field, which is quite a well-trusted methodology in the forestry space, plus it gets peer reviewed and independently reviewed. We rely on that information. As you know, and I have mentioned before, the sustainable yield review showed us that the impact from the 2019-20 bushfires on long-term yield was about a 4 per cent decline. That number is quite manageable in terms of our ability to continue to meet supply.

Mr JUSTIN FIELD: Is that the same system methodology for assessing the potential yield that was used when you came up with the 300,000 cubic metres a year in the annuity plantations? Because that was just wrong.

Mr CHAUDHARY: That was a while back, Mr Field. I am not sure exactly what the inventory methodology was [inaudible] for that. I can check.

Mr JUSTIN FIELD: If you could take that on notice, that would be great. Thank you.

The CHAIR: I will just pass to the Opposition for five minutes, unless—

Mr HANSEN: Just one piece—earlier, Mr Field asked a question about were all the DPI staff who attended the Verdant site visit forestry staff. There was two ag staff as well there that I should have said.

Mr JUSTIN FIELD: I appreciate it.

The Hon. MICK VEITCH: Can I just ask, in the couple of minutes I have got before we break for our COVID break, *Budget Paper No. 4* for this financial year, page 6-2, it is regional New South Wales, if you go down to grants and subsidies—and you might have to take it on notice, Mr Barnes—there is a substantial difference between the 2020-21 budget amount of 1.1 billion, I suspect, and the revised amount of 608 million. Then the budget for 2021-22 goes to 1,316,081. It bounces around a bit there. If you could just take it on notice. It is to do with grants and subsidies. So I daresay projected income—a grant did not come in.

Mr BARNES: No. Grants would be money going out. I think I mentioned this when we had our last—but I can provide this on notice.

The Hon. MICK VEITCH: I think you should.

Mr BARNES: But we did a midyear revision with Treasury based on the fact that a lot of our grants go through local government authorities. We had, I think, about well over 40 per cent of all LGAs come to us to ask for an extension in terms of planned expenditure, which would have impacted on when the money was going out. It was just as a result of the fact that they are getting money from everywhere at the moment. Since 2011 the amount of money per year that has on average gone out to LGAs is over double the amount, so they are getting this money. They have had trouble with getting their workforces stood up with COVID and the like and this will be a consequence of the fact that some of the things hitting the ground are happening more slowly than we predicted. We get this data from Infrastructure NSW [INSW], who monitor all programs and grants programs where there is infrastructure involved. But I will get you that. I will take that on notice and I will get you a complete answer back on that one.

The Hon. MICK VEITCH: That would be fantastic. As you are doing that, could you also do the same thing for this next question? It just goes down to the revenue section, investment revenue. So \$1.9 million budget—revised was \$8.8 million.

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Mr BARNES: I will also get you that.

The Hon. MICK VEITCH: You have backed a good horse, that looks like. It is just that that is a good return.

Mr BARNES: It also may be a timing variation about when things—

The Hon. MICK VEITCH: But if you could get that that would be good. Are you also responsible for the Regional Growth NSW Development Corporation? Does that come under you?

Mr BARNES: Yes, it does.

The Hon. MICK VEITCH: So same thing. Under "Other Operating Expenses", it is \$21,948,000. Budget revised was \$1.8 million, so quite a substantial change. Then the 2021-22 budget is \$14.3 million. Again, not a consistent—

Mr BARNES: I will get you an explanation on those things. I think I have just received a draft report from the Auditor-General on all of our various budget parcels and I believe it will be an unqualified support to—

The Hon. MICK VEITCH: It is always good to have unqualified.

Mr BARNES: It is.

The Hon. MICK VEITCH: So if you can take on notice the same thing for the Regional Growth NSW Development Corporation—in the revenue section, grants and contributions, there is quite a substantial fluctuation there as well. Could you provide us the detail?

Mr BARNES: All those on notice for you.

The Hon. MICK VEITCH: That would be good.

Mr BARNES: And for Mr Primrose, the various data sources that we draw down on from the ABS to look at our jobs data—one is based on geography, so that does go to comparing regions versus regions across the country. There are definitions around what constitutes regions and that goes down also to statistical area level 4 [SA4] so that is that. We also look at female labour market data, youth labour market data, and we look at internet vacancy analysis data as well as industry data. We can tell you using the ABS employment categories what the take-up of jobs in a particular sector has been in a particular area, which helps us with all of that planning work that we previously talked about. Likewise we can also predict where things are going to end up being tight because, if there are more vacancies in a particular industry group advertised month on month, we know that it is difficult to get hold of that sort of skilled labour. But all of those datasets come straight out of the ABS. They are updated on a monthly basis using annualised rolling averages and we get that analysis of the previous month's data typically a month after it has happened.

The Hon. PETER PRIMROSE: Thank you, Mr Barnes. I am a subscriber to the ABS datasets.

Mr BARNES: Perfect, yes.

The Hon. PETER PRIMROSE: It is an interesting and good segue for some questions I may have for you about SA4s after we come back.

Mr BARNES: Happy to take those questions.

The CHAIR: That takes us to our next COVID-safe break. We bid farewell to Ms Beattie, Mr Chaudhary and Mr Hansen. I thank you for your time. You took some questions on notice so the Committee secretariat will be in touch about them and you will have 21 days to get back to us. We will have a fresh set of reserves coming in at 3.45 p.m.

(Ms Beattie, Mr Chaudhary and Mr Hansen withdrew.)

(Short adjournment)

The CHAIR: Welcome back to the final afternoon session of budget estimates 2021-22 for Regional New South Wales. We have joining us this afternoon Commissioner Shane Fitzsimmons, Mr Chris Hanger, Ms Fiona Dewar and Ms Rebecca Fox.

The Hon. PETER PRIMROSE: I might direct all of these to Mr Barnes and if you could please refer it to whoever you think may be appropriate—

Mr BARNES: Not a problem, Mr Primrose.

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The Hon. PETER PRIMROSE: Feel free to take any of these on notice. The first question is: Is it correct that \$2.8 billion has been allocated to regional New South Wales in this year's budget?

Mr BARNES: I believe—and I will look at my notes—across the various areas within the cluster that number seems to be correct, yes.

The Hon. PETER PRIMROSE: There was a claim in the media release by the former Deputy Premier on 22 June that this amount would bring with it thousands of new jobs. Can you tell me how many new jobs this \$2.8 billion is expected to create in regional New South Wales?

Mr BARNES: I will take that on notice.

The Hon. PETER PRIMROSE: Given this claim by the Deputy Premier, how is the department expected to count the number of new jobs that will be created?

Mr BARNES: As I previously talked about this morning—and the new Deputy Premier would have mentioned this as well—there are various programs that we administer in partnership, for example, with local government. We regularly go back and check that things like the provision of common user infrastructure through Growing Local Economies and other programs such as Stronger Country Communities actually—that investment materialises into job numbers. That is done for the Regional Growth Fund, for example, with respect to working with Treasury to make sure that those conversions are realised.

Depending on the nature of the programs—and Mr Hanger could talk more about this—I believe the Regional Job Creation Fund will have, within the way in which deeds of agreement are drawn up, a requirement to fulfil various component parts of that infrastructure provision, for example the infrastructure itself. We both measure jobs in two ways, and it is fairly standard across government: The jobs that are created through the provision of capital works and infrastructure and then the jobs that might be there that are new jobs that are ongoing. Typically, the way in which governments characterise jobs is that we are looking for jobs that are not just transferred from one part of New South Wales to another part of New South Wales but in fact have a net overall impact on the number of people.

The Hon. PETER PRIMROSE: Mr Barnes, I am not talking about looking at the past. This is a predictive thing, that it will create X number of jobs. Is there a method that you use to make those predictions? Is there a method that is able to say that this is causative and not a correlation, given the role of the private sector in creating jobs? How do you know? What calculation, what method do you use to say that this piece of government investment will lead to the creation of this number of jobs?

Mr BARNES: As I have just pointed out to you, if you know that there is about to be an X-million-dollar factory constructed—we will take the one at Narromine as an example—you do have an appreciation for the extra work that will be created to complete a piece of capital works. That capex will evidence itself in jobs that were not there previously. The other thing is that with any of these projects that create new business and not business that is transferred from one place to another within the State—this one, for example, is manufacturing that is new manufacturing, and the jobs that are transferred are being transferred out of Western Australia—we can look at what the proponents are telling us, and then most governments anywhere across the OECD have rough figures for looking at what level of government investment would be appropriate to create the new jobs.

The Hon. PETER PRIMROSE: I will be even more specific. Yes, if we are talking about direct jobs then I can appreciate that, but are these figures also suggesting a multiplier is operating in regional New South Wales?

Mr BARNES: Typically there will be a downstream effect if direct jobs, particularly in what we call driver industries—and driver industries do create a downstream effect, so not just population-serving industries—

The Hon. PETER PRIMROSE: Yes, so what multiplier do you use?

Mr BARNES: We do not take that multiplier, typically, into account when we make decisions about allocating government money. That may be a factor in some jobs programs in other jurisdictions. But in the main, the unit that we trade with is direct jobs creation.

The Hon. PETER PRIMROSE: That is interesting. You are saying that you are not using the NSW Treasury Employment Calculator. All the claims in these media releases are for direct jobs, and you are saying they will all be in regional New South Wales.

Mr BARNES: Sorry, which media release are you referring to?

The Hon. PETER PRIMROSE: There are numerous media releases, and one that I have quoted already is from the former Premier dated 22 June 2021. I am trying to get when you make a claim—

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Mr BARNES: Premier Berejiklian?

The Hon. PETER PRIMROSE: No, it is former Deputy Premier Barilaro—I remember him.

The Hon. WES FANG: Good bloke—made great lasagne.

The Hon. PETER PRIMROSE: What I am simply trying to get is: Is it your evidence that when the claims are made about jobs, all those claims relate to direct jobs that are being created?

Mr BARNES: It will be different for different programs. I might just flick to Mr Hanger, who actually runs each of our jobs creation programs or enabling programs, to get his input on this. As I said this morning, not only do we invest money to support jobs creation, through a whole range of things like common user infrastructure provision and the like, but we also then go back and check to see whether these programs work and to see whether the cost the Government has incurred derives a benefit that exceeds the cost. Mr Hanger could talk about the work that he has done with Treasury to prove that the money that has been expended, for example in the Regional Growth Fund, has actually delivered a benefit. Mr Hanger.

The Hon. PETER PRIMROSE: And will you please clarify just two things for me? The first is whether you are using the NSW Treasury Employment Calculator to determine the multiplier. The second is whether all these claims are direct jobs.

Mr HANGER: To deal with the first one, yes, we would be using Treasury's approved multipliers and/or guidelines with regards to cost-benefit analysis of projects. Those multipliers will feed in obviously in terms of the employment benefits generated through those investments. Mr Barnes has described it correctly. For some types of infrastructure clearly you can measure the construction jobs associated with the building of the infrastructure. But for many of the other associated benefits that are going to accrue, you will potentially need to use a multiplier to be able to estimate what they are going to be.

For the programs that we typically run where we are looking at direct job creation, like the Regional Job Creation Fund, they are performance-based agreements with businesses that are based on what the businesses tell us. The funding does not go to the business unless those employment outcomes are met. They go directly to the jobs created by that business as a result of the investment that has occurred through the Regional Job Creation Fund. I think the Deputy Premier earlier today outlined some announcements at the start of this week in regards to that fund. Part of the media release that I think you are referring to, that \$2.8 billion, includes another \$30 million to top up the Regional Job Creation Fund based on the metrics we have seen to date. Assuming that as a maximum we would invest \$20,000 per job created, we would assume that additional \$30 million will lead to another at least 1,500 jobs in regional New South Wales.

The Hon. PETER PRIMROSE: How are you confident that they are actually created in regional New South Wales?

Mr HANGER: Because before we will pay the organisation for the delivery of those jobs they need to provide evidence, and it will typically come in regards to where the facility is located and payroll data to show that those new employees have been employed in the business as that organisation has signed up to under their funding agreement.

The Hon. PETER PRIMROSE: Let's look, if I can now, at the Snowy Hydro Legacy Fund. Is it correct that \$878 million was allocated in this year's budget alone?

Mr BARNES: I might just, for that one, pass to Rebecca Fox. Ms Fox?

Ms FOX: Thanks, Mr Barnes. I have got a figure in front of me that says \$816 million, so I will take that on notice and work out what the discrepancy is.

The Hon. PETER PRIMROSE: Okay, thank you. I am just looking at the media release, so that is my source of it. Given what the former Deputy Premier mentioned, I am trying to get at what this money would be spent on. Excluding \$48 million for an expanded Farms of the Future, \$50 million for the Mobile Coverage Project and \$462 million for the Special Activation Precincts, that leaves, on my calculations, about an extra \$380 million to be allocated. Can you maybe tell us what that was spent on?

Ms FOX: Yes. So I have got just under \$25 million for regional water strategies and some water pipeline business cases, a little bit for freight and fast rail, and then I have—sorry, did you mention the Parkes and Wagga Special Activation Precincts?

The Hon. PETER PRIMROSE: Yes, I mentioned the Special Activation Precincts.

Ms FOX: So if you have covered the digital program and the other initiatives, which were effectively water—

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The Hon. PETER PRIMROSE: The Mobile Coverage Project is \$50 million.

Ms FOX: Yes.

The Hon. PETER PRIMROSE: So I am looking at there still being, as I said, about \$380 million. I am just trying to work out what that would be allocated to.

Ms FOX: I can run through the ones that I have got, approved budget, here. If I start with the digital program, I have got \$10.2 million for digital studies, \$117.4 million for Gig State, \$44.9 million for the mobile—close to \$45 million. Farms of the Future is not funded out of the Snowy Hydro Legacy Fund. I have got a balance there for the Digital Connectivity Fund of \$52 million. I have just been through the water strategies, the pipeline strategies, freight and fast rail. Then I have got some Special Activation Precincts early studies of \$63.5 million. I have got a small amount of money, \$5 million, for the Regional Job Precincts. Then I go to \$185.4 million for Parkes Special Activation Precinct, \$193.2 for the Wagga Special Activation Precinct and there is \$75 million for early delivery of the other Special Activation Precincts—early land acquisition and some pre-delivery work. So that gives me a total of about \$820 million.

Mr BARNES: Why don't we give you that breakdown so that you have got that there?

The Hon. PETER PRIMROSE: Please, I would appreciate that. That would be great. I will compare it to Mr Barilaro's release.

Ms FOX: Some of the discrepancy will relate to depreciation, which is a non-cash expense that cannot be funded out of the Snowy Hydro Legacy Fund. Also there is a little bit of Con Fund money that is included in our budgets, so that is potentially the difference.

The Hon. PETER PRIMROSE: You mentioned the Farms of the Future fund. Where is that actually allocated from?

Ms FOX: I will have to take that on notice. I think it is out of a Con Fund allocation that was given to the department. But I will take that on notice and confirm.

The Hon. PETER PRIMROSE: Thank you.

The CHAIR: Mr Barnes, I might direct my questions through you to Mr Hanger, because they are all—

Mr BARNES: Go directly to Mr Hanger.

The CHAIR: You are happy with that?

Mr BARNES: Yes.

The CHAIR: But feel free to jump in if—

Mr BARNES: I will, yes, Chair.

The CHAIR: Mr Hanger, earlier on today we were asking questions around the Tamworth Intermodal Freight Facility. I have been informed that you might have all the answers for me. Do we have a total figure in terms of how much was funded from the State Government? I cited a \$7.418 million figure that was announced in 2017 and then there was a second tranche of \$27,833,000. Those two combined, is that the total figure or am I missing some funding?

Mr HANGER: No, that is the combined figure. The work, as you may know, is sort of at the final stages but not yet fully complete. Transport for NSW were leading that project and obviously will come in with final project costings once all of the work is done.

The CHAIR: I asked questions around the business case and the Minister did take it on notice to get back to me, but are you able to clarify as to whether the business case included that total expenditure or was it just the \$27 million, noting that if figures are under \$10 million they do not necessarily trigger a business case?

Mr HANGER: This project, I will talk through the time line a bit, which might help to clarify some of these issues. The project that we are talking about is the Barraba spur line reactivation, so it is really a rail line reactivation.

The CHAIR: Yes.

Mr HANGER: The project was submitted initially through the Fixing Country Rail program run by Transport for NSW. They would have put in an application that would have included the required details of a business case, technical details, for that to be assessed. Ultimately that first \$7.4 million or \$7.5 million was funded under Growing Local Economies. But both of those programs are part of the Restart NSW Fund and so

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they will need to meet a range of affordability and deliverability requirements. So a business case has been prepared for the work. The work is now being led by Transport for NSW. The critical thing here is these are public assets. They are going to be part of the country rail network. So the investments that are being made are investments into assets owned by the State. As I indicated, the project is almost complete. I think there is some minor work still to be done but the vast majority of the work—from what I understand of the updates that I received this morning after the questions were initially tabled, the project is getting very close to completion.

The CHAIR: Maybe through you, Mr Barnes, when did your department first become engaged in this process, noting that Transport for NSW largely has the chief role in this?

Mr BARNES: I would have to again defer to Mr Hanger on that but I would imagine, being a good council, as they are, they would have been looking at multiple funding sources for this project. So it would have been about the time that there was an interest or that they brought forward something under Fixing Country Rail, I would imagine, Mr Hanger?

Mr HANGER: Yes.

The CHAIR: But, more specifically, your department, Mr Barnes? So it would have been—

Mr BARNES: Well, my department I do not think existed at the time.

The CHAIR: Yes, exactly.

Mr BARNES: But we would have still been looking at this from maybe a work group called Regional NSW based in the Department of Premier and Cabinet—something like that. So we would have had an awareness of it. Mr Hanger?

Mr HANGER: Just to help with time lines, the first funding announcement was 2017 and there would have been work and awareness of this project before then. Earlier today you heard reference to the Regional Economic Development Strategies and work that is underway in what is now Regional NSW to understand the key projects and programs and investments required to help regional communities continue to grow. It is fair to say that, as Mr Barnes has indicated, this rail spur line as well as the broader work that Tamworth Council is doing around industrial land associated with the rail line is something that has been on our radar and something that we would have been aware of. But that initial funding announcement was November 2017 and then subsequently the additional funding was September 2020.

The CHAIR: Did you have any vision over the EOI that was done through council? I can't imagine you would have.

Mr BARNES: Is this to get an operator engaged?

The CHAIR: Yes.

Mr BARNES: Mr Hanger?

Mr HANGER: No, that was the council's responsibility. Given that this is going to support an intermodal as well as the activation of further industrial land, we had as a requirement that there was an operator and it was the responsibility of council to undertake the process to identify and secure that operator.

The CHAIR: In the morning session—I am not too sure whether it was you, Mr Barnes, or it might have been the Deputy Premier—there was mention of some money being spent at Werris Creek for a flyover. Having spoken to the people at Werris Creek, they want to know where this flyover is because they do not believe it exists.

Mr BARNES: I have actually visited Werris Creek before. It may not be a flyover; it may be a level crossing or smoothing out a road alignment or whatever.

The CHAIR: There was some work done.

Mr BARNES: One of the things that council was particularly concerned about was the safety element of trucks coming in and out of that facility. Mr Hanger, did we do something out there?

Mr HANGER: We did, and I will just dig up the information. I think you are correct. It is more in regard to safety around the rail crossing. It was not a flyover, per se. I will find those details and I will provide those, hopefully before we finish estimates today.

The CHAIR: No problem. Even if it is—

Mr BARNES: That was me confusing it with something that is happening out at the parks precinct.

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The Hon. WES FANG: There is so much going on. That is the problem.

The CHAIR: Thank you for the clarification. I tabled some documents with the Deputy Premier, Mr Hanger, and I believe it has been emailed to you. It goes to the economic viability of this project, given that there is already an intermodal of sorts at Werris Creek, and it looks at the projected forecast of freight going through Port Botany into 2056. Do you have any comments about the potential economic viability, given that for these intermodals to be commercially viable you need at least 60 wagons going through on a train? Given that we have an intermodal 40 kilometres away from this one, how is it going to be economically viable? To me it is sort of like putting two McDonald's next to each other. How are they both going to fill 60 wagons each?

Mr HANGER: I have a couple of observations or comments in regard to that. Firstly, they are private providers who are delivering the intermodal services at both locations. We, as a general rule, would say it is up to the private sector to work out where they should be investing. As you can see, there are two private firms that have done the numbers and worked out that they can run these facilities in those locations. They believe it is viable. The second observation I would make is that the way in which the intermodal, particularly at Tamworth, is going to operate is going to activate significant other industrial land in that location, which makes it a different type of intermodal, in some senses, to what is being delivered out of Werris Creek. We are putting the enabling infrastructure in and the enabling infrastructure will remain a State-owned asset. The private sector has committed to running those facilities. It is generally our view that they will be best placed, given they already operate in the sector—Qube is a very significant operator in the freight and logistics sector. They will have assessed the project at Tamworth and they have committed to that project.

The CHAIR: You mentioned the industrial business park as, sort of, making it a different type of intermodal. Is it your view or the department's view that the industrial business park will essentially provide a lot of what would go on those wagons to be then exported through Botany or elsewhere?

Mr BARNES: You go first, Mr Hanger.

Mr HANGER: That is the vision of the council. The work that we are doing, as it is in many of the projects that we invest in, is to put in that enabling infrastructure. In this case, it is a rail line spur. I will see if I can table it, but you will see the council's plans for developing that industrial precinct that can be activated, obviously, by having intermodal facilities as the starting point. We are aware—I think the Deputy Prime Minister may even have been up in Tamworth recently looking at the demand for industrial land in that location. So there does appear to be strong demand that would underpin this enabling infrastructure that we are investing into. I do not know if you want to add anything else, Mr Barnes.

Mr BARNES: No. I just mentioned earlier today that Qube would have worked closely with Tamworth Regional Council and with existing local businesses that were not taking their freight out of the Werris Creek establishment to determine whether they believed it would be economically viable for them to operate that intermodal. We do not have full visibility—

The CHAIR: I appreciate that.

Mr BARNES: —but as I mentioned this morning, there is a big road freight network that happens out of Tamworth. There is a lot of boxed beef and cold storage that comes out of the three or four different abattoirs, all of which, I believe, are still doing well. There may also have been an assumption that getting things to market on rail for at least some of those might add volume. They certainly would not double handle that sort of product by taking it out to Werris Creek and then getting it away. They would want to do it closer at hand. This is all something that would have been taken into account.

The CHAIR: Finally, picking up on your comments, Mr Hanger, about the ownership, you are putting in the infrastructure and it is up to Qube to run it, but you said it is still owned by the State. My comments this morning that Qube will essentially have it for 15 years and then give it back to the council, is that incorrect or am I may be talking about a lease that Qube might have on the intermodal and then it would have to be renegotiated?

Mr HANGER: This is one of those projects where if we could show diagrams and who is responsible for building what, that would make it a lot easier. That might be the best way for me to table that.

The CHAIR: If you have got diagrams, I am happy for you to table them. Yes, sure. That would be great so we can get a clear picture.

The Hon. MICK VEITCH: Schematics are always good.

Mr HANGER: Essentially, the investment the State Government is making is into an asset that will remain a State asset. Obviously it provides benefits to Qube and to others who may choose to invest there. Qube themselves will need to invest further on their site, but the spur line extension is going to remain a State asset.

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The CHAIR: Has your department done any investigations or research into what this may bring to the economy in economic benefit? Aside from the benefit to Qube, what will it deliver in economic benefit?

Mr BARNES: Because it was a restart, there would have been a benefit-cost ratio above one to receive the initial grant funding.

The CHAIR: Minister Toole indicated this morning that it may or may not have, and to take that into account.

Mr BARNES: Both of the funding streams that they sought money from, and eventually money was provided through Growing Local Economies, has to go through NSW's restart process. Economic viability has to be determined through a benefit-cost ratio. That is at least my understanding that this would have got a benefit-cost ratio of one—that initial grant—Mr Hanger?

Mr HANGER: That is correct. The other thing I would add in—again, this was mentioned this morning in regard to those regional economic development strategies and the broader work that council is doing. We absolutely do look to see what are the economic impacts and, obviously, benefits of projects like this. As Mr Barnes mentioned, the funding source started as Fixing Country Rail and ultimately was funded through Growing Local Economies, both of which are Restart funds and therefore, as Mr Barnes has indicated, they need to achieve a benefit-cost ratio above one. But this is a piece of infrastructure that essentially unlocks a larger industrial and/or economic opportunity in Tamworth that we are working closely with the council on, because we do see potential in that region for further investment. As I have indicated, I might even see if I can get the team to dig up—I understand that the Prime Minister and the Commonwealth are also investing in that industrial precinct up there in Tamworth.

The CHAIR: Perhaps on notice could you give us the figure of what the BCR was for those two fundings, if you have it or you are able to dig it up, on notice.

Mr HANGER: Yes.

Mr BARNES: Yes.

The Hon. MICK VEITCH: My next series of questions are for Commissioner Fitzsimmons. Commissioner, it relates to the COVID outbreak in far western New South Wales and the regional plans—the rescue and emergency management plans and the subsets that are regional plans. What are the lessons we have learned out of the COVID scenario in far western New South Wales. I am really thinking about Wilcannia but I know it is broader than that. What are the lessons we have learned and how we going to upgrade our regional plans to accommodate those lessons?

Commissioner FITZSIMMONS: Thank you for that question. I think it is fair to say the lessons learnt out of COVID broadly, and particularly across remote and rural New South Wales and western New South Wales, are still a work in progress. There is a lot of case study work and a lot of engagement occurring with local communities and local community leaders in that regard. What we have been doing, under the auspices and the connectedness with the State Emergency Operations Controller and the Department of Health, is actually to start doing case studies and modelling examples. So some of the work we did in focus LGA areas and the learnings from there were then rapidly deployed, and enabled and nuanced in a different way to be deployed, in remote communities.

There is no doubt that Wilcannia itself experienced a rapid increase in COVID-19 cases with many positive cases and close contacts. The emergency management [EM] arrangements certainly kicked in under the auspices of the regional emergency management committee [REMC] structure, principally run out of the Dubbo EM facilities but then also engaging with what we call the local emergency operations centres [LEOCs] to get targeted and nuanced needs and priorities identified for deployment in the local communities. For example, in Wilcannia, within the first week there were literally hundreds of hampers being deployed, semi-trailer loads being moved from case suppliers that had been built up with our partner organisations in government and non-government community partner organisations to have them mobilised and deployed.

The good thing about the EM arrangements is that it does pull together the full spectrum of lead or combat agencies as well as the whole-of-government architecture but, importantly, the local council, the local government and non-government partners at that community level and leadership organisations that work together. We established, under those arrangements, resilience and wellbeing groups that focused on the immediacy of the need for relief and support arrangements to complement or augment the effort that was going on in relation to the medical response or the health response around things like testing, around vaccinations and around caring for positive cases and close contacts. Things like interventions around temporary accommodation through resources

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such as campervans and motorhomes and those sorts of things coming in to provide options to local communities were really important.

There was the supply of food and other materials and using a range of local mechanisms to ensure that we got to individual households and individuals themselves to give them the support and the assistance they need. And then more broadly, of course, the EM arrangements worked on targeted strategies to ensure that things like vaccination rates were lifted so that we could get to the people in need, overcome fears and concerns associated with misinformation and be able to get those vaccination rates up in a speedy sense. There is no doubt, like we do after every disaster and after every major event, that local, regional and State lessons will be compiled and worked through—lessons that capture things that worked well and how do we emulate and integrate those arrangements into future operating parameters, but then equally where were the limitations, where were the opportunities to improve and how do we factor those in.

You may be aware that recently out of the royal commission the new organisation Resilience NSW also took on the responsibility, through the State Emergency Management Committee, to formalise and capture a lessons learned methodology after events and incidents and disaster seasons, to compile those lessons, aggregate them and then understand where they best apply and how we change the policy, architecture or indeed the operating parameters at different levels. So it is still a work in progress because we need to be conscious that we are still responding to and dealing with support assistance in relation to the COVID response and the body of work that is going on to see growing and increased rates of vaccination. Albeit that they are remarkably good in many areas, there are still pockets where we need to continue to achieve higher rates.

The Hon. MICK VEITCH: As I understand it, the Far West Regional Emergency Management Plan was signed in February 2021, or the most current one became active in February 2021. I guess I am keen to know essentially the activation triggers in a rapid escalation of something like COVID that occurred Wilcannia, whether or not, when we tested those activation triggers, were they robust enough, was it a timely enough arrangement and did the relatively new plan actually hold up?

Commissioner FITZSIMMONS: I think earlier movement on a number of actions would have been desirable with the benefit of hindsight. The plan itself provides for that flexibility and for those local triggers to be identified and enacted. There is no doubt that we will factor in activations and local assessments and triggers to support that activation up through local emergency management committees [LEMCs] and then to REMCs, depending on the hazard type and depending on the particular circumstances. So that would certainly be factored into the lessons learnt.

The Hon. MICK VEITCH: The escalation triggers—again, let's just look at the Wilcannia scenario. I know there are others in Dubbo, Broken Hill, Bourke et cetera. But the Wilcannia scenario—if you look at the escalation triggers, did we move this from a local emergency plan to the regional level or did we maintain the emergency operation at a local level?

Commissioner FITZSIMMONS: The simple way to answer that question, Mr Veitch, is: Given the scale of COVID, it was never entirely a local, regional or State level, so you have a range of leadership actions. There was a local emergency operations controller [LEOCON] deployed and dedicated to the Wilcannia area. That LEOCON, through the command and control arrangements, tied back into the regional emergency operations controller [REOCON] who was based out of the Dubbo control centre, and there were other LEOCONs reporting into that regional centre. And then, of course, there were multiple regional centres reporting into the State Emergency Operations Centre.

So when those triggers—and depending on the scalability and the level of resourcing and other infrastructure or support systems that might be required, you actually effectively activate and operate all three levels of those emergency management arrangements, because you have got capacity to move and mobilise resources, materials, produce and what have you. So, for example, a lot of our partnerships in providing relief to communities like Wilcannia and plenty of others that were remote, we engage very closely with Aboriginal Affairs and local representative community leaders and bodies. We connected up with Regional NSW, Public Works.

We also partnered with non-government organisations, charity organisations like Foodbank and OzHarvest, where we were packaging up semitrailer-loads of goods and materials and dispatching them and freighting them right around to distribution hubs around New South Wales in support of local emergency management committees and coordinated through regional distribution centres, out to local distribution centres, under REMC and LEMC arrangements. Then they could get out to particular localised communities and then individuals and family members in those local communities. It is an integrated system of operation that, by necessity, as we have seen with the geographic spread, required active work of local, regional and State committees working together, as the arrangements are designed to do, if that makes sense.

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The Hon. MICK VEITCH: It does. Commissioner, the Far West region emergency plan has a test and review process every three years. I know it is a relatively new iteration of their plan. In light of what has occurred with COVID, where this plan was implemented and tested pretty rigorously, I would suggest, are you bringing forward that three-year review in light of these lessons?

Commissioner FITZSIMMONS: We are not necessarily bringing forward the three-year periodic review, which is attached to any of the plans—the local, the lead plans or the supporting plans—that compile the operating policy architecture of emergency management arrangements in the State. I think the simple answer to your question, Mr Veitch, is: Absolutely, as a result of this response effort, this COVID event, there will be lessons learned for local communities, local committees, regional committees and the State effort, as we reflect on the COVID experience, as we did with the bushfires, as we did with the floods, as we do after any major event. There is no reason to wait for the three-year review, for example, of the Far West plan, as you have mentioned, before we would make any amendments or adjustments, if that was considered appropriate.

The Hon. MICK VEITCH: Commissioner, the process for making the adjustments, is it a lengthy bureaucratic process or are we able to make these changes in a commonsense manner?

Commissioner FITZSIMMONS: It is about common sense, absolutely. But local plans are developed by local stakeholders. The lessons-learned process identifies what those lessons are, the solutions or the options to capture good practice and emulate it, what the practices are to identify gaps or limitations and how we might address those. We then work out its best application or its best relevance, whether that be local, State or regional. Then we work with those local committees to ensure that they integrate those lessons as it is applicable to their local circumstances and their local settings and, indeed, their local capacities and capabilities. It really is about the consultation and collaboration, ensuring that we have got the ownership and the buy-in from those local committees or the committees at different levels, to make sure that what is going into those plans, what is being amended in those plans is owned and developed and reviewed by those relative levels and then ultimately signed off through the State system. It should not take too long at all, but we just need to make sure that the lessons are identified and then understood and applied in a way that is beneficial and relevant to each respective area.

The Hon. MICK VEITCH: Commissioner, do the lessons include the impact on personnel? I reflect upon Wilcannia's circumstance and some of the people I spoke to. There was quite clearly an impact on individuals in Wilcannia. Do we look at that at as well?

Commissioner FITZSIMMONS: Yes, we do, not necessarily in the—the plan sense is more about arrangements and the coordinated efforts. There is no doubt, particularly over more recent decades and particularly over the last couple of years, with the compounding and successive nature of disasters that have been impacting particularly rural and regional areas of New South Wales. But COVID has been the leveller that affects everybody, no matter where you are. If you just reflect on the last little while, we have seen the worst droughts in centuries, we have seen that providing the precursor to our worst bushfire season the State has experienced, we then saw storms and floods when the weather broke, we then went into COVID. Let's throw a mouse plague in the middle of there as well. Let's look at increased cyber activity in the intervening period. We turn into '21. We have seen more significant scale flood events around the Sydney Basin and North Coast and then, of course, the Delta variant really getting in and impacting communities.

So the learnings and the lessons and, indeed, the fragility of people, the compounding effects of successive disasters and displacement and uncertainty—it means that we are all, at organisational levels and at community levels, very much advocating. The Government, as part of a lot of the recovery packages, has provided in there workaround supports and assistance to the emotional and psychological wellbeing, the mental health and wellbeing programs that are being targeted into local communities. There is focus work going on right now through organisations like Aboriginal Affairs and others into local community circumstances and what are the best ways of providing the supports and the assistance, particularly around the impact and the toll on people, because it is real. Despite how strong and capable people might appear, a very real aspect of resilience, of recovery, rebuilding and healing is the emotional and psychological toll that has been occasioned, given the enormity and complexity of what we have experienced over the last couple of years particularly. COVID has been no exception to that. So the welfare and interest of workforces, of communities is certainly part of the consideration for review from lessons, but also for recovery, rebuilding and healing.

The Hon. MICK VEITCH: Thanks, Commissioner. I want to move from the Far West of the State to the Far South Coast, if I could, going back to the bushfires and the bushfire recovery. A part of the highway duplication arrangements from the South Coast, and I am thinking from Nowra south, as you would be well aware, a lot of the communities on the coast there have one road in and it is the same road out. The problems with that were really heightened during the bushfire a couple of years ago. Is Resilience NSW involved in any way with

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the road construction authorities around looking at how we can take this opportunity to maybe create more than one way in and the same way out to some of these villages?

Commissioner FITZSIMMONS: In terms of designing those road networks, we do get involved in terms of funding and support assistance, administering and coordinating support assistance that might come for restoration and repair of road networks and what have you. Design of roads is probably best placed with the Transport portfolio. Depending on the road network, it may even be local government. But, yes, there is, at the local committee levels, discussions that often occur around options. But new roads are not necessarily the answer. It could actually be communities that are accessible by one road in, one road out—it might actually be about safer places and safer arrangements in better mitigation and prevention activities in those local communities.

The Hon. MICK VEITCH: Thank you, Commissioner. I am not sure if it is Mr Barnes or it may well be Commissioner Fitzsimmons, but sticking to the Far South Coast and the bushfire recovery there are still people who have not had their houses rebuilt. Recently I had reason to be talking to someone from Bega who was quite frustrated by what it means. Are we on track to be rebuilding all of the dwellings that were lost during that summer on the Far South Coast? If not, what are we doing to try to rectify that? They just want new houses built.

Mr BARNES: This is private residences?

The Hon. MICK VEITCH: Yes.

Mr BARNES: Not within my department's remit. But if you were telling me that destroyed buildings had not been adequately cleared away then that was certainly something through Public Works Advisory that we did. But, Commissioner Fitzsimmons, did you want to make a comment on that?

Commissioner FITZSIMMONS: I am happy to. Thanks, Mr Barnes. This is a very complex area. What I mean by that is the rebuilding of homes is a very personal and circumstantial situation with the individuals affected and their particular circumstances. By way of context, what I mean by that is that for some people—we have had people come forward and, despite our efforts to provide assistance or offer assistance, it may be 12 or 18 months before they are ready to contemplate what support and assistance actually means and how to access it. We have got to be very mindful that people process healing and decision-making in different ways. They are the smaller number or the exception to the rule. There is a significant amount of reconstruction occurring, and we are in regular contact with councils across the State in terms of the processing of development applications [DAs] and rebuild requirements. We put a significant amount of support into place.

The Government embarked on the biggest ever property clean-up program at no cost to the homeowner. We cleared more than 3,600 properties of the debris and damage to give them clean blocks to help them with that decision-making process and the cost of rebuilding. We have also provided a significant amount of temporary accommodation, particularly to those people who wanted to stay attached to their property and to their land and oversee the rebuilding process. We entered into partnerships around the provision of temporary accommodation pods. Off the top of my head, there were about 210 of those temporary accommodation facilities that allowed people stay with their home and rebuild. I have visited families that have rebuilt their homes. It also depends on people's levels of insurance and their access and arrangements with their insurance provider. There is no doubt that there has been some real challenges, some of which have been exacerbated or compounded through the global implications of COVID and supply chains around accessing materials and locally accessing tradespeople and builders to actually get works underway. There has been a range of different examples.

We have also got particular programs in place for the most vulnerable and the most needy in our community that do not have the wherewithal or do not have insurance arrangements, to be supported and assisted with repairs and rebuilding. A considerable amount of work is going on in that area. I would be more than happy to follow up on any example that you might have and chase it up. But I also need to add that, whether it was the northern areas of New South Wales or, indeed, southern areas of New South Wales, some people's homes, as modest as they were, might actually not have been an authorised dwelling in the first place. Sometimes very few people even knew that they were residing in these locations. Some people deliberately chose a life of solitude and isolation away from mainstream. It varies enormously. If there is any example where we are seeing people frustrated with the process, I would be more than happy to hear that and follow up directly with them.

The Hon. MICK VEITCH: Thanks, Commissioner. Mr Barnes, you might help me here with some of my questions. Can I just get a better understanding of or appreciation for the roles of Ms Fiona Dewar and Ms Rebecca Fox? I know what their titles are, but I want to know what the titles mean.

Mr BARNES: They can obviously answer that themselves.

The Hon. MICK VEITCH: Yes. Maybe Ms Dewar can go first.

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Ms DEWAR: I am the Deputy Secretary of Strategy, Delivery and Performance. I look after a couple of primary functions for the Department of Regional NSW, chief of which is the policy and strategy teams. We have a central policy team, which tackles a number of issues that impact our stakeholders, both across the Department of Regional NSW but also across government. For example, there has been a lot of discussion this morning around the mouse plague, the mouse plague advisory committee and the programs that sit within that. I also look after the data and performance team, the regional delivery team—which is driving a lot of the localised responses to housing shortages—as well as a regional insights team.

The Hon. MICK VEITCH: Not a lot of spare time in that effort.

Mr BARNES: One of the things, Mr Veitch, about being classified as a central agency—Ms Dewar also gets to work alongside other delivery agencies and provide regional insights. Ms Dewar has been working carefully with the Ministry of Health in terms of service delivery of health services in the bush and is also actively engaged with education at the moment around issues about school attendance in some Aboriginal communities and converting kids into jobs in some of those regional areas. We get to work alongside other agencies as well as the things that are within our own remit.

The Hon. MICK VEITCH: Thank you. Ms Fox?

Ms FOX: I am the Deputy Secretary of Regional Precincts. I am responsible for everything that is funded by the Snowy Hydro Legacy Fund that the department delivers. That is primarily the Special Activation Precincts program, the Regional Job Precincts program and the Regional Digital Connectivity program. They are the three big programs. And then we play a sort of program sponsor role on the other priorities from the Snowy Hydro Legacy Fund, like water. So we would sit on some of the dam steering committees and we work with the other teams that are delivering that. Could I take this opportunity to correct my earlier answer about Farms of the Future? That program is funded by the Snowy Hydro Legacy Fund, but it is not part of the \$400 million allocation for regional digital connectivity. That was my mistake, sorry.

Mr BARNES: Ms Fox is also the Chief Executive Officer of the Regional Growth NSW Development Corporation, so she wears two hats.

The Hon. MICK VEITCH: That does help. With greater clarity, my next series of questions will be directed towards Ms Fox, on that basis. I am very keen on how the Special Activation Precincts [SAPs] interact with the regional strategies. In response to my colleague Mr Primrose's question, you listed a range of SAPs and the funds allocated to each. I think you have undertaken to provide us with the full list for clarity. That is beneficial for me as well. I understand that there is a SEPP in place. Are all of the SAPs created through that regulatory mechanism—the State Environmental Planning Policy? Is that how it works?

Ms FOX: That is right—with "activation precincts" in brackets at the end of it. Each of the SAPs, as the master planning is approved, has its own schedule, effectively, to that SEPP. The only one that is slightly different is the Snowy Mountains because there are different instruments that govern the different parts of the Snowies—so two different planning approvals, effectively, or pathways through Jindabyne, and that is different from the Kosciuszko National Park. I can [audio malfunction] more detail.

The Hon. MICK VEITCH: How did you navigate that process for that particular SAP? As I understand it, you have got a SEPP in place and the others all work from that. That one had a couple of instruments that you had to navigate across different departments, as I understand it. How does that work?

Ms FOX: That is right. That is done by the Department of Planning, Industry and Environment team, working for us and funded by us. Those discussion papers are still out on exhibition, or they have just been on exhibition, with the master plan. There is still some detail to work through. There is effectively the master plan that gives us the 40-year vision overall for the three different parts. We have got the Jindabyne Catalyst Precinct, which is effectively governed, or the planning control is that activation precinct SEPP. The delivery mechanism for that is the delivery plan. That is a similar delivery plan that we would do, say, for parks.

The second area of precincts is the Jindabyne Growth Precinct. The planning control there is the Snowy River Local Environment Plan [LEP]. The delivery mechanism there will be a development control plan. That is again different from the area in the national park. The Alpine Precinct SEPP remains there. The Alpine Precinct has an Alpine SEPP, and the Kosciuszko plan of management and a development control plan will be the delivery mechanism there. We are running three different streams to deal with the complexity of that SAP. That is much more complicated, obviously, for the reasons—

Mr BARNES: All the other SAPs have just one SEPP.

The Hon. MICK VEITCH: Yes, this one is different.

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Mr BARNES: This one is different because the Government did not feel that it was appropriate to withdraw responsibilities from a local government authority for everything that happened in a town. So we have selectively worked through those parts of Jindabyne that need development as well as things at the resorts and within the park. But for Parkes, for example, or for Moree, for Williamtown, for Wagga—they are usually defined areas that are typically outside of town precincts. And it is much easier to have a SEPP that sits across that unique, contiguous piece of land.

The Hon. MICK VEITCH: The SEPPs in place, other than the Kosciuszko one—let's leave that to one side. For the others—Parkes, whatever, Wagga—you have got a SEPP in place. What consultation takes place around the creation of the SAP in light of the fact that there is already a SEPP in place in New South Wales? Does that make sense?

Ms FOX: Yes. I think I can answer that clearly enough. There is a significant amount of studies and work that goes on for the master planning. We run inquiry-by-design processes with a lot of community consultation and 12 months' worth of studies. There is a significant amount of consultation through the process, and that is approved by the planning Minister and then that becomes a schedule for the next special activation precinct. So we have done that now for Parkes and Wagga. We are doing that for Moree, but that has not been finalised. The step after that special activation precinct is added to the schedule of the SEPP is a delivery plan. Again, that is consulted and worked through with a lot of stakeholders and exhibited again.

The Hon. MICK VEITCH: At what point do we start attributing dollars to this process? Is it at the point of the delivery plan?

Ms FOX: No. We attribute dollars through a business case process, so we have done that for Parkes and Wagga and we are just at the final stages of that business case process for Moree.

The Hon. MICK VEITCH: Let's talk about the one in Wagga, then, just as an example. We can work through that. You have got the delivery plans in place. Is the business case a part of the delivery plan or does it come before the delivery plan?

Ms FOX: It comes before the delivery plan.

Mr BARNES: For all of these, Mr Veitch, because the Government is going to attach public dollars for infrastructure, it goes through the INSW assurance process and there are many gates to get through. All of them require strategic business cases. Then if it gets through that gate, it requires then a final business case to attach the dollars. That process is occurring to determine whether the Government expenditure is going to generate benefit. At the same time that that is happening, typically once we have got through the first gate—so that we know that we are not doing something that will cost us money but not derive benefit in terms of jobs and good outcomes—we start the concurrent planning process. Because one of the biggest things about this approach to strategic planning up-front is that time is money for investors. Some investors who wanted to commit to working or setting up businesses in regional New South Wales—it was a bit hit and miss depending on which local government authority they happened to come across. And depending on if it was a State significant project, it could then take potentially a number of years after that before they could really work out whether they had a going concern.

What the Government has done in these areas—and each of these areas is catalysed by an event. For Parkes, Wagga and Moree, it is inland rail that has really catalysed those precincts. Obviously, Williamtown is a defence play with the joint strike fighters and so forth and so on. But the biggest thing here is that the Government is investing in the strategic planning up-front so that eventually, once the delivery plan is settled after the master plan is settled, an investor comes in and says to the Development Corporation, "I would like to either lease or purchase a block of land." And typically, all things being equal, the Development Corporation, because all of that consultation has happened right up-front, can issue a construction certificate and an environment certificate, again because the planning has been done up-front.

We have been working with the EPA, for example, in each of the precincts and all of the other planning focus—as Ms Fox pointed out, we have got a dedicated team of people within the planning department that work within Ms Fox's team to do this. It is turning the planning system, if you like, for these selected precincts into a much more secure, complying-development type approach to doing business. If someone comes in and reads the master plan and the delivery plan and says, "I have got a project that would fit with that. I am prepared to operate under the rules that have been established", then they can make a decision and typically within a month or two they can get the approvals rather than it taking a protracted and long time with some uncertainty at the end of it. So we are doing the work up-front.

The Hon. MICK VEITCH: I have two questions. Firstly, Ms Fox, we spoke earlier about the benefit of a schematic—the Chair wanted a schematic for whatever his questions were around Werris Creek. Is there a schematic or some sort of a diagram or flowchart that just clearly shows the process from start to finish for the

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SAPs? I acknowledge that would be different for the alpine, so at this point I am not worried about that. The other ones, though—if you could just have a schematic and if you could present it to the Committee at some stage on notice, that would be wonderful.

Mr BARNES: Or, again, we could give you a briefing.

The Hon. MICK VEITCH: It would probably be better for—

Mr BARNES: We are happy to give it to the whole Committee.

The Hon. MICK VEITCH: If we could get a schematic, I think it might actually help all of us get our heads around how this works. The second thing is community consultation on these matters. Most communities want to be consulted, and often after this process they will start coming to members of the crossbench and Opposition saying they have not been consulted. I would like to know, at the very start of this process, when are the community and, particularly, impacted landholders consulted about what is proposed or what is likely to occur?

Ms FOX: I have not been around for any of these right from the very start so Mr Hanger or Mr Barnes may be able to give a better answer, but I do know that—sorry, I am at the start of Narrabri. Narrabri is just starting. So that DPIE planning team starts with the studies and that community engagement starts right up-front as we start thinking about where the SAP might go. There is an investigation area declared and the community is engaged right from the very start. Formal meetings—I think there is one from Narrabri happening in December and it goes from there. It is a very sort of formal program that is quite visible to the community. Mr Barnes can talk knowledgeably about the process that has happened in the Snowy. I think Mr Barnes has been down more than 13 times to meet with the community there—so very structured engagement right from that very first announcement that we are investigating and doing that sort of master planning work up-front.

Mr BARNES: We have encouraged the public to reach out and talk to us, because if the Government is going to spend quite a lot of money, we want to know that it largely balances up all of the relative views that a community holds. It is never going to please every single one. But, for example, when the Parkes master plan went up for a period of public feedback, I think there were probably fewer than 50 applications that were made—maybe even fewer than that.

Ms FOX: Twenty, Mr Barnes, from Parkes.

Mr BARNES: Sorry, 20. If you put other planning applications up—I can think of ones that have gone up recently which are private-sector driven, probably quite close to Parkes, in a smaller community than Parkes. There were maybe 700 responses, which tells me that at least part of the process is working. As Ms Fox said, I will be up there next week on the mountain again. That will be the fourteenth time I have been up there. People are not frightened of coming forward and letting us know what they think. It is a balancing act, but the Government has an opportunity to turn that particular area up there into a year-round economy.

The Hon. SAM FARRAWAY: Very few disgruntled people in Parkes.

The Hon. MICK VEITCH: I am just trying to get my head around the process.

Mr BARNES: We can show you that process and map it out because your advocacy for SAPs would be welcomed.

The Hon. MICK VEITCH: The next part of my question is: How do the SAPs interact with the REZs? Is one of these SAPs not an energy activation precinct? Are we not looking at an activation precinct for energy?

Mr BARNES: No, but energy—

The Hon. SAM FARRAWAY: It is gas, at Narrabri.

Mr BARNES: Yes, gas at Narrabri. They are renewable energy zones. Power for all of the special activation precincts—we will leave the Snowy one aside—

The Hon. MICK VEITCH: Yes, because it is a bit different.

Mr BARNES: For all the rest, what the Government typically will be looking to do is to make sure that the road infrastructure is there, that drainage is taken care of and that there is access to affordable power and water that is fit for purpose for the complying industries that have been identified as having jobs-generation work. We have experts that come in to map out what they believe investors need and the nature of jobs that can be created, given the geographical location and existing infrastructure of the existing SAPs. In Parkes, for example, I think we have identified six general areas of complying development including waste for energy. It also is well placed

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as one of those hubs that could value-add to critical minerals processing onshore, given the close proximity to where some of those prospective mines are. We have got some animal value-add in there as well.

The Hon. SAM FARRAWAY: That is new, is it not, the pet food place?

Mr BARNES: That was one of the very first ones, Masterpet, which is there. We are talking to some very substantial investors at the moment. It is all commercial-in-confidence, but it does make a difference when the Government can say to an investor, "We can find you a faster way to getting the approvals that you need, as long as you are prepared to comply with the master plan and the delivery plan."

The Hon. SAM FARRAWAY: Have you seen it, Mick—the SAPs?

The Hon. MICK VEITCH: Yes, I have seen one in Parkes. I have been out to have a look.

The Hon. SAM FARRAWAY: I was there last week. They are all prepped, all the blocks.

The Hon. MICK VEITCH: You all will probably have noticed that at 5 o'clock the air conditioning just shuts down.

The Hon. PETER PRIMROSE: So COVID is no longer an issue.

The Hon. MICK VEITCH: Yes, COVID is okay now.

The Hon. PETER PRIMROSE: I have three questions, and please feel free to take them on notice.

Mr BARNES: Sure.

The Hon. PETER PRIMROSE: Mr Barnes, Western Sydney International Airport is due to open in December 2026, as you know. The initial expectation is that about 220,000 tonnes of cargo will go through it every year, but there will be no freight rail line for many years. Will that adversely affect jobs, employment and investment in regional New South Wales?

Mr BARNES: It is a question I will take on notice because I am catching up with one of the people that works with both Ms Fox and I—Ian Smith. Mr Smith has done a lot of work in this space around freight forwarding and the like. There are ways to get freight away at the moment, and there are some underutilised existing freight ports. I know that this might be sacrilege but we almost, from a primary producer freight perspective, would see Canberra as a part of New South Wales.

The Hon. MICK VEITCH: Well, it is just a big local government area.

Mr BARNES: It is and I live quite close to it so I need to be careful what I say. But there is a greater capacity to utilise Canberra, particularly in the Riverina, to take freight out of there. At the moment, as you know, the flights have not fully restarted to Singapore. But when they were going, we had started to put both stone fruit as well as crustaceans out of the South Coast—oysters, lobsters and abalone, et cetera—on a daily basis, on those planes to a ready market there. Ian Smith would be able to tell me more, and he will. I know that Western Sydney Airport, that corporation, have some aspirations around what they think that freight volume might be.

I am not sure of the infrastructure going in and out of that and when it is due to be completed. But, certainly, I know this is something that Mr Smith has had discussions about and also people in Ms Fox's team have looked at this. One of the early pieces of work we did was: Did it make sense to have another airport across regional New South Wales that we could open up as a freight-forwarding airport. That study, which was done by KPMG, sort of said that the case for it was not there, given the volumes at the time and the capacity to get freight away. But I will come back to you on that, Mr Primrose, and no doubt Brendon Cook and Ian Smith, who work across Mr Hanger's and Ms Fox's team, will be able to give you their insights.

The Hon. PETER PRIMROSE: Thank you, I appreciate that. Just two others—one is, hopefully, a simple one. Looking at the Regional Job Creation Fund, it says that there will be \$100 million in that but I note on your website it says that \$130 million is available?

Mr BARNES: Just last week, as a package of additional COVID-related stimulus measures, the Deputy Premier and the Premier announced a range of additional things, including some top-ups and there was a \$30 million top-up to that fund to take it from \$100 million to \$130 million. That will be welcome, because we have had good projects that will not be able to fit within the existing envelope. I think that is right, is it not, Mr Hanger?

Mr HANGER: That is correct, Mr Barnes. Yes, there was an additional \$30 million top-up on the original \$100 million for the Regional Job Creation Fund.

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The Hon. PETER PRIMROSE: Thank you. My final question is again relating to the same fund. I am really pleased for the additional \$30 million because, given that the healthcare and social assistance industry is one of the biggest industries creating jobs and growing in regional New South Wales—please feel free to take this on notice—how many aged care, disability support, home care and early childhood businesses have applied for these funds?

Mr BARNES: I will have to take that on notice. We sort of do know. I was actually looking up some of those jobs-related statistics over lunch time. We do know that there is growth in that sector and, in fact, in some of our regional towns like Port Macquarie it has actually become a driver industry not a population-serving industry. Again, Mr Hanger, you can take that on notice and find out how many we have got that have applied?

Mr HANGER: Absolutely.

The Hon. PETER PRIMROSE: And if you would, as part of that same examination on notice, give us any projections as to where you think this growth may occur over the next, say, five years and what you expect that will be?

Mr BARNES: Yes. We will ask our colleagues at DPC that do that work for us and I am sure they have been tracking demand in that space. Yes, we are happy to give that.

The Hon. PETER PRIMROSE: Good, thank you. Thank you, Chair.

The CHAIR: I now look to the Government for questions. Mr Fang? No?

The Hon. WES FANG: I have got plenty.

The CHAIR: You do?

The Hon. WES FANG: Thank you, no.

The Hon. SAM FARRAWAY: The fantastic bureaucrats have done a fantastic job and answered all the questions.

The Hon. WES FANG: Yes.

The CHAIR: Excellent. All right. You have taken some questions on notice this afternoon, so the Committee secretariat will be in touch. But I thank you on behalf of the Committee for your time this afternoon, particularly you, Mr Barnes, for—

The Hon. WES FANG: Toughing it out.

The CHAIR: —lasting with us the whole day. Thank you.

Mr BARNES: That is fine. I just reiterate Mr Hansen's earlier comments that it was good to get some budget questions too. Thank you.

The Hon. MICK VEITCH: That is all right—here to help.

The CHAIR: Thank you.

(The witnesses withdrew.)

The Committee proceeded to deliberate.