

Budget Estimates

Portfolio Committee No 1 – Premier and Finance

TREASURY AND ENERGY

Monday, 22 August 2022

PRESENT

The Hon. Matthew Kean, Treasurer

SUPPLEMENTARY QUESTIONS

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Questions from the Hon. Mark Buttigieg MLC (*on behalf of the Opposition*)

Coal fired power stations

1. Is the Minister satisfied that Mt Piper Power Station will have adequate access to a supply of coal after the closure of Springvale mine in 2024?
 - a. Has the Minister or Department met with representatives of Energy Australia regarding the retirement date of Mt Piper Power Station?
 - b. What representation has the Minister made that could allude to Mt Piper Power Station retiring earlier than 2040?
 - c. What impact would the earlier retirement of Mt Piper Power Station have on the Electricity Infrastructure Roadmap?

RESPONSE:

Operators of power stations, including Mt Piper, continue to negotiate with coal suppliers for reliable and long-term coal supplies. Power stations engage each supplier and seek to put supply agreements in place to underpin necessary future coal mine developments. The status of individual coal mines and future planning approvals are matters for the Minister for Planning.

- a. Both the Minister for Energy and the Office of Energy and Climate Change (OECC) frequently meet with representatives of market participants, including Energy Australia.
- b. Power stations are required to advise the Australian Energy Market Operator (AEMO), as the operator of the National Electricity Market, of changes to retirement dates. Additionally, retirement dates are made public on the AEMO website.
- c. The NSW Electricity Infrastructure Roadmap is the Government's plan to transform our electricity system into one that is cheap, clean and reliable. The Roadmap coordinates investment in transmission, generation, storage and firming infrastructure as ageing coal-fired generation plants retire.

The Roadmap is enabled by the *Electricity Infrastructure Investment Act 2020*, which establishes the role of the NSW Consumer Trustee as the independent coordination and planning entity for investments in new generation and storage. In the case of an early retirement of a power station, the Consumer Trustee will account for the change in the modelling of its Infrastructure Investment Objectives report and adjust its optimal Development Pathway for the construction of electricity infrastructure accordingly.

2. Discussions to extend Eraring were so far advanced that the NSW Government appointed a full suite of advisers, including financial, legal, accounting and technical, to come up with a proposal that would cost the State \$239 million. What was the cost of all of those advisers?

RESPONSE:

The Government appointed expert advisors to ensure the Government secured the best outcome for energy consumers and taxpayers, resulting in the decision to develop the Waratah Super Battery and associated transmission. The cost of these advisors was \$3.1 million

3. How much of NSW's coal fleet is directly exposed to international coal pricing, which seems to be a major driver of the increase in electricity futures prices?

RESPONSE:

International coal prices are influencing new supply agreement negotiations for all domestic coal users. The price of coal in coal supply agreements between power stations and coal mines is commercial in confidence.

Electricity Infrastructure Roadmap

4. Based on the current delivery of projects, will the Central West Renewable Energy Zone have 3GW of new generation before 2030?

RESPONSE:

It is expected the Central-West Orana Renewable Energy Zone will have the intended three gigawatts of network capacity under section 23 of the Electricity Infrastructure Investment Act 2020 before 2030.

5. When does the NSW Government expect Snowy 2.0 to come online?
 - a. What representations have the Minister and/or Department made to Snowy Hydro regarding reported delays to the project?
 - b. If Eraring goes offline in 2025 what impact would 18-19 month delays in Snowy Hydro coming online have on the stability of the grid?

RESPONSE:

The NSW Government relies on the reporting requirements for generation exit and entry maintained by the Australian Energy Market Operator (AEMO). AEMO currently reports the commissioning schedule for the Snowy 2.0 project as between 2025-26 and 2026-27. The NSW

Government understands that Snowy Hydro has not communicated to AEMO any adjustment to this commissioning schedule.

- a. Snowy Hydro has advised the Office of Energy and Climate Change that it will provide any updates on the progress of the Snowy 2.0 project in accordance with the requirements of the National Electricity Rules.
- b. The Australian Energy Market Operator (AEMO) has modelled the impacts of a two-year delay to the Snowy 2.0 project as a sensitivity within its 2022 Electricity Statement of Opportunities (ESOO). The ESOO sensitivity demonstrated that potential delays to the Snowy 2.0 project are not expected to have a material impact on reliability.

In its May 2022 Update to 2021 System Security Reports, AEMO has declared system strength shortfalls from 2025 for Newcastle and Sydney West. AEMO considers that there will be a range of potential options to address these issues before 1 July 2025. These options are not dependent on Snowy 2.0.

6. The generation targets for the REZs are location specific with 8GW for the New England REZ and 3GW for the Central West REZ. That leaves 1GW for the remaining REZs. Why?

RESPONSE:

Section 44 of the *Electricity Infrastructure Investment Act 2020* sets out the minimum generation infrastructure investment objectives to be delivered by 31 December 2029. These objectives do not require the generation to be from any particular REZ and could be located outside a REZ, however the vast majority of new generation is expected to connect to REZs given current transmission constraints.

7. How many staff does EnergyCo have?
 - a. How many unfilled positions remain at EnergyCo?
 - b. What steps have been taken to ensure that employees have the requisite skills to deliver this policy?

RESPONSE:

EnergyCo had 42 staff as at July 2022.

- a. EnergyCo had 53 vacant positions as at July 2022 as it continues to expand to deliver its remit.
- b. Staff who are recruited to positions at EnergyCo, as with other Government departments and agencies, must demonstrate they possess the capabilities and essential requirements of the role description.

8. The Integrated System plan expects quite rapid retirement of NSW and VIC coal generators. How many renewable energy projects could we bring forward if there is further slippage?
 - a. What would this represent in GW?

RESPONSE:

The NSW Consumer Trustee, AEMO Services, is responsible for planning for the achievement of the infrastructure investment objectives established by the Electricity Infrastructure Investment Act 2020. This includes minimum objectives for the construction of specified amounts of renewable generation infrastructure and long-duration storage infrastructure by 2030, and an objective to construct additional firming infrastructure as necessary to meet the NSW energy security target and reliability standard.

The NSW Consumer Trustee prepares Infrastructure Investment Objectives reports every two years, unless otherwise directed by the Minister for Energy. These reports set out the NSW Consumer Trustee's 20-year Development Pathway for the construction of electricity infrastructure in NSW to achieve the infrastructure investment objectives. The reports also set out the Consumer Trustee's 10-year plan for conducting competitive tenders for Long-Term Energy Service Agreements to give effect to the Development Pathway.

The Development Pathway seeks to support the entry of new generation and long-duration storage infrastructure as soon as practicable, having regard to supply chain constraints and opportunities, and independent of the timing of coal plant withdrawals. This approach ensures that sufficient energy is available in NSW in advance of any unexpectedly early coal plant withdrawal that may occur and allows for construction to be brought forward if such a withdrawal were to occur.

- a. The Consumer Trustee is responsible for determining the Development Pathway that achieves a minimum target for the construction of generation infrastructure equivalent to at least 12 gigawatts by 31 December 2029.

9. Of the original \$32 billion investment plan as part of the NSW Electricity Infrastructure Roadmap:
 - a. How much money has been spent by the NSW government to unlock the anticipated \$32 billion?
 - i. How much of the \$32 billion in anticipated private investment has been committed?
 - ii. How much of it has already been spent?
 - b. How many jobs have been created so far?
 - c. How many projects have commenced a construction phase?
 - i. If finished tomorrow, how many gigawatts of new renewable energy capacity would these projects add to the grid?

- ii. If finished tomorrow, how many additional gigawatts of storage capacity would be added to the grid?

RESPONSE:

- a. \$102.7 Million from 1 July 2020 to 30 June 2022.
 - i. Projects in NSW that were not committed before November 2019 are potentially eligible to receive a Long-Term Energy Services Agreement. The sum of the private investment in committed and commissioned generation and storage infrastructure projects meeting this definition is estimated to be \$4.5 billion.
 - ii. The data is not available to answer this question.
- b. The data is not yet available to answer this question. LTES operators will be required to provide information about the extent to which the LTES operator is creating employment under section 50 of the Act.
- c. Projects potentially eligible to receive a Long-Term Energy Services Agreement includes four projects that have been commissioned, three projects in commissioning and 16 projects that have commenced construction or have a firm commencement date.
 - i. If all renewable energy projects potentially eligible to receive a Long-Term Energy Services Agreement currently in commissioning, under construction or with a firm commencement date were commissioned tomorrow, this would add approximately 2.7 gigawatts of capacity to the grid. This is in addition to 0.5 gigawatts of capacity that is potentially eligible to receive a Long-Term Energy Services Agreement that has already been commissioned.
 - ii. If all storage projects potentially eligible to receive a Long-Term Energy Services Agreement currently in commissioning, under construction or with a firm commencement date were commissioned tomorrow, this would add approximately 50 megawatts / 75 megawatt hours of capacity to the grid. The Government has recently awarded \$45 million to progress development of a further 5 pumped hydro projects.

- 10.** When do you anticipate the Consumer Trustee determining the size and timing of tenders?

RESPONSE:

The size and timing for tenders for new generation and long-duration storage are included in the NSW Consumer Trustee's 2021 Infrastructure Investment Objectives report.

The Minister for Energy has also directed the Consumer Trustee to tender for Long-Term Energy Service Agreements for firming infrastructure. The

Consumer Trustee is preparing the required firming Infrastructure Investment Objectives Report, expected to be published by November 2022. This report will outline the firming pathway, including determining the size and timing of tenders.

11. What direction has the Minister or Department given for when this firming infrastructure needs to be online by?

RESPONSE:

The Minister for Energy has directed the Consumer Trustee to tender for Long-Term Energy Service Agreements for firming infrastructure

The Consumer Trustee will determine when firming infrastructure is required to meet the energy security target and the reliability standard.

12. What guarantee is there that the firming infrastructure will be made in Australia?
a. What about made from Australian materials?

RESPONSE:

Under the Electricity Infrastructure Investment Act 2020, the Consumer Trustee is required to consider the NSW Renewable Energy Sector Board's plan (Sector Board's plan) in the exercise of functions under the Act, including conducting competitive tenders for Long-Term Energy Services Agreements for firming infrastructure.

In line with the Act, the Sector Board's plan sets out how to cost effectively maximise the use of local content, workers and foster opportunities for apprentices and trainees, in generation, storage and network infrastructure projects under the Roadmap. This includes recommended minimum requirements and stretch goals for local content and jobs in Roadmap projects.

The plan is available on the Office of Energy and Climate Change's website: <https://www.energy.nsw.gov.au/sites/default/files/2022-09/nsw-renewable-energy-sector-board-plan.pdf>.

Australian Energy Market Operator (AEMO) Service will release further information on eligibility requirements for firming infrastructure to participate in the tender in due course.

- a. The Sector Board's recommended minimum requirements and stretch goals for local content and jobs in Roadmap projects cover six themes, including supply chain inputs (goods and services). This includes Australian materials.

13. Will the infrastructure be privately owned or owned by EnergyCo?

RESPONSE:

Firming infrastructure under the *Electricity Infrastructure Investment Act 2020* will be privately owned.

14. What will the cost be to taxpayers for this infrastructure?

RESPONSE:

Payments to Long-Term Energy Service Agreement operators by the Scheme Financial Vehicle will be dependent on several factors including which projects tender and their ability to contribute to reliable supply. Under the *Electricity Infrastructure Investment Act 2020*, these costs are to be contributed by NSW distribution businesses. The Australian Energy Regulator will publish an annual contribution determination, the first is due by 28 February 2023.

15. What guarantee and enforcement is available to ensure a bid achieves net zero scope 1 emissions by 2035?

RESPONSE:

Further information on how firming infrastructure supported by Long-Term Energy Service Agreements will achieve Net Zero Scope 1 emissions by 2035 will be published in due course

16. Long Term Energy Services Agreements will be allocated from competitive bids. For the first round of the reverse auctions what strike price is the Government forecasting for New England wind projects?
a. What is the Government's expectation as to the level of Government underwriting required for such projects?

RESPONSE:

The NSW Government does not set expectation as to the strike price for Long-Term Energy Service Agreements. Under the *Electricity Infrastructure Investment Act 2020* the Consumer Trustee is responsible for acting independently in the long-term financial interests of NSW electricity customers.

17. What funding allocation has the government set aside to assist in the event of the need to decommission stranded renewable assets?
- Is the Government expecting this cost to be absorbed by the community?

RESPONSE:

Rehabilitation and decommissioning of renewable energy projects are matters for the Minister for Planning under the Environmental Planning and Assessment Act 1979.

Not applicable.

18. What funding allocation has the government set aside to accommodate under-grounding of transmission options on private land?

RESPONSE:

Installing underground high-voltage transmission lines costs significantly more than overhead transmission lines, has material technical complexities and limitations and would likely result in increased electricity prices for consumers.

Electricity Bills

19. What was the average price of electricity in a household bill for the most recent quarter?

RESPONSE:

The NSW Independent Pricing and Regulatory Tribunal (IPART) is responsible for reporting on electricity retail price changes in NSW on an annual basis.

IPART does not provide a quarterly breakdown of average household electricity prices. IPART's final report for 2021-22 is expected to be provided to the Minister for Energy by 30 November 2022.

20. How many consumers asked for extensions on electricity bills for the most recent quarter?

RESPONSE:

NSW Government monitoring of customer outcomes in relation to payment difficulties relies on data published by the Australian Energy Regulator (AER). The most recent data AER available is for Q3 of 2021-22.

21. How many consumers were disconnected from their retail provider in Q1 2021-22?

RESPONSE:

The Australian Energy Regulator reported there were 13 residential customers and two small business customers disconnected in the first quarter of 2021-22 in NSW.

Energy Relief Programs

22. How much money was allocated to the Solar for Low Income Households program in 2021-22?

- a. How much money has been allocated to the Solar for Low Income Households program was 2022-23?

RESPONSE:

In 2021-22 \$6 million was allocated to the Solar for Low Income Households program.

- a. In 2022-23, \$23 million has been allocated to the Solar for Low Income Households program.

23. Regarding the Low-Income Household Rebate, how much money was allocated to the program in 2021-22?

- a. How much money was spent on the scheme in 2021-22?
b. How much money was allocated to the scheme in the 2022-23 Budget?

RESPONSE:

In 2021-22, \$232 million was allocated to the Low-Income Household Rebate program.

- a. In 2021-22, \$222 million was spent on the scheme.
b. In 2022-23, \$225 million has been allocated to the scheme.

- 24.** How much money was allocated to the Emerging Energy Program in 2021-22?
- How much was spent?
 - How much money has been allocated to the scheme in the 2022-23 Budget?

RESPONSE:

In 2021-22, \$43.4 million was allocated to the Emerging Energy Program.

- The total spend in the 2021-22 Budget for the Emerging Energy Program was \$11.2 million.
- In the 2022-23 Budget, \$33.4 million has been allocated to the Emerging Energy Program.

Embedded Networks

- 25.** How many electricity consumers participate in embedded networks in NSW?

RESPONSE:

The Australian Energy Market Commission's 'Updating the Regulatory Framework for Embedded Networks' report indicated the number of embedded electricity network customers in the National Electricity Market could have exceeded 500,000 in 2019.

The Energy and Water Ombudsman NSW has estimated that there were 49,025 customers in hot water embedded networks across NSW in 2021.

- 26.** How many consumers in embedded networks have accessed retailed competition in the 2021-22?

RESPONSE:

This data is not available.

Peak Demand Reduction Scheme

27. How does the scheme guarantee that money raised will go directly to discounts for buying or installing equipment that uses less energy during peak times?

RESPONSE:

The Peak Demand Reduction Scheme places an obligation on electricity retailers and large electricity users to surrender certificates to meet a legislated target. Certificates represent peak demand reduction capacity and are created by approved companies, known as Accredited Certificate Providers (ACPs). ACPs pass on a portion of the money received from the sale of certificates to households and businesses who implement peak demand reduction activities, usually in the form of an upfront discount.

The accreditation process to become an ACP is rigorous and is managed by the Scheme Administrator and Regulator, the Independent Pricing and Regulatory Tribunal (IPART).

There are 65 ACPs under the Energy Savings Scheme delivering a range of energy efficiency activities. Competition between these ACPs ensures that consumers can shop around and engage the ACP that provides the energy upgrade at the lowest cost.

Once accreditation under the Peak Demand Reduction Scheme commences, competition between ACPs will result in the customers getting the peak demand savings activity delivered at the lowest cost.

28. How many NSW businesses are expected to pay more on their electricity bills under the scheme?

RESPONSE:

The scheme places a liability on electricity retailers and large electricity users to purchase (or create) certificates to meet legislated targets. It is up to retailers to decide how to pass through the costs of the scheme to customers.

The scheme is designed to improve the affordability of electricity in the long term, by reducing both the wholesale prices during peak periods and the need for future network investment.

Planning & Emissions Reductions

29. Does the Planning Minister's decision to remove a requirement to consider the risks of floods and fires before building new homes?

RESPONSE:

This question is more appropriately directed to the Minister for Planning and Minister for Homes.

30. In the Net Zero Plan Stage 1, the NSW Government committed to improving the BASIX to provide a pathway to deliver cost-effective, low emissions outcomes for residential, commercial and public buildings. Can you please provide an update on work completed to date to improve BASIX?

RESPONSE:

This question is more appropriately directed to the Minister for Planning and Minister for Homes.

31. Given the government's commitment to net zero, will the government adopt Net Zero as a mandate for the National Construction Code?

RESPONSE:

This question is more appropriately directed to the Minister for Planning and Minister for Homes.

32. What activity has the Department undertaken to support the Land and Housing Corporation to audit the thermal performance of its social housing stock?

RESPONSE:

This question is more appropriately directed to the Minister for Planning and Minister for Homes.

33. How does the government propose to plan and appropriately budget for the upgrades that may be required to bring LAHC properties up to a liveable, healthy standard - particularly taking account of commitments the NSW government has made to work on implementing minimum energy efficiency standards in rental homes through the Trajectory for Low Energy Buildings - existing buildings?

RESPONSE:

This question is more appropriately directed to the Minister for Planning and Minister for Homes.

34. What available information/data does the government have access to that would help provide an understanding of the thermal performance of NSW housing stock generally, and in particular housing stock that is currently in the NSW private rental market?

RESPONSE:

The Government has access to energy performance information on homes built after the introduction of minimum energy requirements through the Building Sustainability Index (BASIX) in 2005. The Government does not currently have access to suitable data for homes built prior to the introduction of BASIX.

35. What plans are in place to collect data to allow Government to appropriately plan and assess the need for resourcing (via incentives or other mechanisms) of any required upgrades to existing housing stock in the NSW private rental market to bring it up to standard in line with implementation of the Trajectory to Low Energy Buildings - existing buildings?

RESPONSE:

The Government is currently planning a research project that will collect data from a representative sample of homes built prior to the introduction of the minimum energy requirements through the Building Sustainability Index (BASIX). The data obtained will assist with informing future policy decisions.

36. The Greening Our City program has provided \$25 million in grants to councils to build urban tree canopy across the Sydney region from 2019 – 2021. What support has the government provided to regional urban areas, which face periods of extreme heat that will be exacerbated by climate change and also need tree canopy enhancement, provision of shade, and to mitigate urban heat island impacts?

RESPONSE:

This question is more appropriately directed to the Minister for Planning and Minister for Homes.

Electric Vehicles

37. What is the latest rate of uptake of electric vehicles in NSW?

RESPONSE:

For the first three months of 2022 battery electric vehicles (EVs) made up 2.8 per cent of new light vehicle purchases.

- 38.** How many charging stations are there in NSW?
- a. What is the geographic distribution of these charging stations by region?
 - i. How far off is this from the commitment of 100km intervals in NSW regions and 5km intervals in metro settings?
 - b. Of the \$171 million allocated to charging stations, how much has been spent?
 - c. Of the \$35 million committed towards the installation of 1000 ultra fast charging stations as well as \$20 million towards charging facilities at commuter car parks – how much has been spent?
 - i. How many ultra fast charging stations have been built?
 - ii. How many charging facilities have been delivered at commuter car parks?

RESPONSE:

There are 273 alternating current (AC) destination chargers and 223 direct current (DC) fast chargers across NSW at 256 publicly accessible destination and fast charging locations across NSW.

- a. Existing public charger locations are spread across the State and can be viewed on the NSW Electric vehicle fast charging master plan: <https://www.energysaver.nsw.gov.au/reducing-emissions-nsw/electric-vehicles/electric-vehicle-fast-charging-master-plan>.
 - i. As no NSW-funded stations have been built to date, an analysis of distance between existing public fast chargers has not been undertaken. To track progress towards NSW charger coverage commitments, the Office of Energy and Climate Change (OECC) expects to undertake this analysis once all stations approved in round two of the Fast Charging Grants are contracted. OECC estimates that 250 new fast charging stations need to be supported under the NSW EV Strategy to achieve the NSW charger coverage commitment.
- b and c. Of the original \$171 million allocation to charging under the EV Strategy, \$20 million was allocated to Destination Charging Grants, \$20 million to charging in commuter carparks and other Transport for NSW owned assets, and \$131 million to Fast Charging Grants. While funding rounds and tenders are active across these three initiatives, no chargers have been constructed to date, therefore no grant funding has been disbursed.

Further announcements will be made shortly.

39. The 2021 Electric Vehicle Strategy projected NSW to having the “vast majority” of car sales being EV by 2035. Is this still the government’s projection?

RESPONSE:

Yes

40. How many people have claimed the EV rebate of \$3000?

RESPONSE:

2879 EV rebates have been claimed, as of 31 July 2022.

41. Of the \$105 million in fleet incentives from the NSW Net Zero Plan: 2020-2030, how much has been spent?

RESPONSE:

\$4.5 million has been allocated to support NSW fleets to purchase 851 new battery EVs through the first round of Fleets Incentive funding. As part of this, \$400 per vehicle will be provided to successful applicants (for most of the 851 vehicles) to purchase an EV charger.

42. Of the \$20 million in EV charging grants to drive regional tourism, how much has been allocated?

RESPONSE:

The first funding round of the Destination Charging Grants is open from 23 May 2022 to 11 November 2022. Funding will be provided to successful applicants upon installation of the approved charger(s) and provision of required evidence.

No installations have occurred to date and no grant funding has been allocated.

More information on the EV Destination Charging Grants is available at: <https://www.energysaver.nsw.gov.au/reducing-emissions-nsw/electric-vehicles/electric-vehicle-destination-charging-grants>

43. Given the government is giving full electric and hydrogen fuel cell electric vehicles access to transit T2 and T3 lanes until just 31 October 2022, what similar incentive is in place after that date?

RESPONSE:

Transport for NSW has advised that they are assessing the impact that the Electric and Hydrogen Fuel Cell Vehicle Transit T2 and T3 access has on overall traffic flow and will seek to extend this access for a further 12 months should the impact be acceptable.

Capacity Mechanism

44. Why was the capacity mechanism proposed by the Energy Security Board not suitable?

45. Does the government support the inclusion of gas in a capacity mechanism?

46. Does the government support the inclusion of coal in a capacity mechanism?

47. Does the government support the inclusion of only new-contributing resources being eligible to participate in a capacity mechanism?

48. When does the government now anticipate the Energy Ministers agreeing to a suitable capacity mechanism?

49. How will the government ensure that any capacity mechanism avoids the risk of gold-plating in the pursuit of strict reliability goals?

50. How will the government ensure that any capacity mechanism does not divert investment from new generation and storage?

RESPONSE TO QUESTIONS 44 – 50:

At the Energy Ministers' Meeting on 12 August 2022, Ministers agreed to instruct Government Senior Officials to propose options for a framework that:

- delivers adequate capacity
- ensures an orderly transition to renewable energy, and
- incentivises new investment in firm renewable energy to ensure the system can meet peak demand at all times.

Under the leadership of Energy Ministers, market bodies will collaborate with and contribute to the work of Senior Officials and the Energy Security Board in the development of the framework.

Energy Ministers also agreed to take a more active role in delivering the firming capacity needed as the system transforms and consider the best means to manage the risks of a disorderly exit of coal generation.

The NSW Electricity Infrastructure Roadmap is the Government's plan to support the transition of NSW energy markets to one that is cheap, clean and reliable. The Roadmap will support the private sector to bring 12 gigawatts of renewable energy and two gigawatts of storage, such as pumped hydro and batteries, online by 2030. The NSW Government will be looking to ensure that any framework for capacity aligns with the implementation of the NSW Electricity Infrastructure Roadmap and works in the interests of consumers.

Gas

51. Is the government confident that the Port Kembla Gas Terminal will be delivered ahead of winter 2023?
- What steps has the government taken to ensure this occurs?
 - What impact will this have if not completed by winter 2023?

RESPONSE:

The Port Kembla Gas Terminal has received development approval.

The Australian Competition and Consumer Commission (ACCC) published the 'Gas Inquiry July 2022 interim report' which reported that Australian Industrial Energy advised that the Port Kembla project could potentially commence from late 2023.

There are at least three other gas supply projects that can provide additional gas to NSW consumers: the proposed Newcastle Liquefied Natural Gas (LNG) import terminal, the Narrabri Gas Project and APA Group's expansion of existing transmission pipeline capacity.

- 52.** What contingency measures have the Minister and/or Department considered if there is a further decline in gas producers' forecasts?
- a. The last major southern gas field offering flexible supply is expected to be depleted ahead of winter 2023. Will this reduce gas system resilience?
 - b. Has the Department done any modelling on gas prices after 2023?

RESPONSE:

At the 12 August 2022 Energy Ministers' Meeting, the NSW Government supported a broad package of gas market measures to provide for a more resilient, efficient and transparent east coast gas market.

This will include measures to extend the powers and functions of the Australian Energy Market Operator (AEMO), to allow them to better manage any projected gas supply shortfall risks during winter 2023.

The Australian Government is also taking measures to ensure sufficient gas is supplied to east coast markets, by addressing forecast shortfalls through a renegotiation of the Heads of Agreement with east coast liquefied natural gas exporters, and the renewal and review of the Australian Domestic Gas Security Mechanism.

A decline in gas supply from the southern gas fields would need to be offset by other sources, such as additional gas supplies from the northern fields, and the use of storage.

Treasury, including the Office of Energy and Climate Change, has not conducted any recent modelling of gas prices for after 2023.

- 53.** During the recent energy crisis prompting AEMO's intervention in June, gas generators were accused of 'gaming' the system. Does the government share this assessment?

RESPONSE:

The operation of gas markets is monitored and reviewed by market bodies and relevant agencies. The Australian Energy Regulator (AER) has the role of monitoring, investigating and enforcing compliance with national energy legislation and rules in the wholesale gas market. The AER produces a number of reports covering gas markets and these are available from the AER website at www.aer.gov.au/publications.

The Australian Competition and Consumer Commission (ACCC) role includes market inquiries in relation to the gas sector. The ACCC reported on the competitive conditions in the upstream gas sector in the 'Gas Inquiry July 2022 interim report'.

Kurri Kurri

54. Does the NSW Government support the proposed new Kurri Kurri gas peaking station being built hydrogen ready?
55. What representation has the NSW Government made to the Federal Energy Minister or the Department to ensure the proposed new Kurri Kurri gas peaking station is built hydrogen ready?

RESPONSE TO QUESTIONS 54 – 55:

It is a condition of the planning approval that before the commencement of operations, Snowy Hydro Limited, as the proponent for the Hunter Power Project at Kurri Kurri, must prepare a Net Zero Power Generation Plan to the satisfaction of the NSW Planning Secretary.

This plan must:

investigate opportunities to achieve net zero greenhouse gas emissions from the power station

consider applicable Commonwealth and State greenhouse gas emissions targets and policies, and the latest technology for displacing natural gas or diesel as the fuel supply, such as the use of green hydrogen.

Subject to approval of the plan by the NSW Planning Secretary, Snowy Hydro Limited must implement the plan and report every three years to update the outcomes of requirements imposed by the conditions of the planning approval.

Climate & Renewable Energy Funds

56. What is the current balance of the NSW Climate Change Fund?
- What items were funded from the NSW Climate Change Fund in 2021-22?
 - What items have funding committed from the NSW Climate Change Fund in 2022-23?

RESPONSE:

In 2022–23, the Climate Change Fund (CCF) expected revenue is \$284.5 million and planned expenditure is \$465.7 million. Annual revenue and expenditure equal out over time, even if there is variability year to year. The current difference between revenue and expenditure is due to the budget being carried forward from previous years.

- In 2021–22, preliminary financial reports indicate that CCF expenditure was approximately \$263 million. Auditing of the 2021–22 financials is underway. The confirmed total, including a breakdown of funding to all

programs, will be published in the CCF Annual Report 2021–22 before the end of the 2022 calendar year.

- b. The total budget allocation of the CCF in 2022–23 is \$465.7 million. This includes funding for the following items:
- \$138.4 million on energy efficiency and net zero programs
 - \$93.4 million on clean energy programs
 - \$14.8 million for NSW contributions to national energy regulation
 - \$195.8 million on programs to reduce the impacts of climate change
 - \$23.3 million on other programs, including monitoring, evaluation, administration, and support services.

57. What is the current balance of the Snowy Hydro Legacy Fund?

- a. What items were funded from the Snowy Hydro Legacy Fund in 2021-22?
- b. What items have funding committed from the Snowy Hydro Legacy Fund in 2022-23?

RESPONSE:

The Snowy Hydro Legacy Fund is administered by the Department of Regional NSW. This question is more appropriately directed to the Deputy Premier, Minister for Regional New South Wales, and Minister for Police.

58. How much funding was allocated to the Increasing Resilience to Climate Change Grants program in 2021-22?

- a. How much was spent from this allocation?
- b. How much funding was allocated to the program in 2022-23?

RESPONSE:

Between January 2021 to June 2022 (across the 2020–21 and 2021–22 financial years), \$1,226,470 was allocated to the Increasing Resilience to Climate Change grants (\$611,470 for round three council grants and \$615,000 for the community’s round).

- a. Due to flooding and the impacts of COVID-19, there were delays to the delivery of both grant streams. For community grants, \$553,783, was spent between January 2021 and June 2021 (2020–21 financial year) and \$57,067 was spent in the 2021–22 financial year. For the council stream, \$99,806 was spent from January 2021 to July 2022 across the 2020–21 and 2021–22 financial years.
- b. For the 2022–23 financial year, the remainder of both streams has been committed, including community grants of \$4150 and council grants of \$511,664.

59. How much funding was allocated to the Circular Solar Grants Program in 2021-22?

- a. How much was spent?
- b. How much funding was allocated to the program in 2022-23?

RESPONSE:

This question is more appropriately directed to the Minister for Environment and Heritage, and the Environment Protection Authority.

AEMO's suspension of the electricity spot market

60. During the AEMO suspension of the NEM wholesale market, how much was paid as part of the compensation regime to eligible generators, which made bids into the market during suspension price periods?

- a. What is the average increase NSW consumers will pay in energy bills to fund this compensation regime?
- b. What modelling has the Department done to acquire this data?

RESPONSE:

I am advised the Australian Energy Market Operator's (AEMO) provisional suspension pricing compensation currently amounts to \$7.2 million for the entire National Electricity Market. The market suspension pricing schedule and related compensation payments are not expected to be finalised by AEMO until January 2023.

- a. This data is not available. The final compensation payment amounts remain unknown, and it is at the discretion of energy retailers as to whether and how they pass through any costs incurred.
- b. Not applicable.

NSW house prices

61. What are the current assumptions or forecasts from NSW Treasury for Sydney house prices over the coming four years?

RESPONSE:

The 2022-23 Budget forecast reflected expectations for the Sydney Hedonic Home Value Index for Dwellings to rise by 19.4 per cent in 2021-22 relative to 2020-21, and then to decline by 2.4 per cent in 2022-23, decline by 2.6 per cent in 2023-24, decline by 0.9 per cent in 2024-25 and decline by 3.9 per cent in 2025-26.

62. What are the current assumptions or forecasts from NSW Treasury for Regional NSW house prices over the coming four years?

RESPONSE:

NSW Treasury does not produce specific forecasts for Regional NSW house prices.

63. What are the current assumptions or forecasts from NSW Treasury for NSW house prices over the coming four years?

RESPONSE:

Changes in the average transacted price for residential properties across NSW generally align closely with changes in the Sydney Hedonic Home Value Index for Dwellings.

At the time of 2022-23 Budget, the average residential transacted price across the State was expected to be 22.1 per cent higher in 2021-22 than it was in 2020-21, and then to decline by 2.2 per cent, on average, over the four years to 2025-26.

NSW home buyer demand or purchase volumes

64. What are the current assumptions or forecasts from NSW Treasury for Sydney home buyer demand or purchase volumes over the coming four years?

RESPONSE:

NSW Treasury does not produce separate forecasts for residential property demand or purchase volumes in the Sydney area.

65. What are the current assumptions or forecasts from NSW Treasury for Regional NSW home buyer demand or purchase volumes over the coming four years?

RESPONSE:

NSW Treasury does not produce separate forecasts for residential property demand or purchase volumes for Regional NSW areas.

66. What are the current assumptions or forecasts from NSW Treasury for NSW home buyer demand or purchase volumes over the coming four years?

RESPONSE:

At the time of the 2022-23 Budget, NSW residential transaction volumes were expected to rise by 4.2 per cent to almost 224,000 in 2021-22, before falling by 17.9 per cent and 17.6 per cent, in 2022-23 and 2023-24, respectively. Residential transaction volumes are then expected to recover by 13.7 per cent and 17 per cent in 2024-25 and 2025-26, respectively.

NSW first home buyer demand or purchase volumes

67. What are the current assumptions or forecasts from NSW Treasury for Sydney first home buyer demand or purchase volumes over the coming four years?

RESPONSE:

NSW Treasury does not produce separate forecasts for Sydney first home buyer property demand or purchase volumes in the Sydney area.

68. What are the current assumptions or forecasts from NSW Treasury for Regional NSW first home buyer demand or purchase volumes over the coming four years?

RESPONSE:

NSW Treasury does not produce separate forecasts for Regional NSW first home buyer property demand or purchase volumes across Regional NSW areas.

69. What are the current assumptions or forecasts from NSW Treasury for NSW first home buyer demand or purchase volumes over the coming four years?

RESPONSE:

For first home buyer concessions and exemptions, it is estimated that on average around 30,000 first home buyers would receive a concession or exemption in each of the next four years. Under First Home Buyer Choice, it is estimated that on average around 6,200 first home buyers would opt into property tax in each of the next four years.

Disability Employment

70. What is the percentage and number of employees who currently identify as having a disability employed by:
- NSW Treasury
 - SAS Trustee Corporation
 - Energy NSW
 - Essential Energy

RESPONSE:

Two per cent of Treasury employees (22 staff) identify as having a disability.

Employment arrangements of Statutory Bodies and State-Owned Corporations are an operational matter and NSW Treasury does not have this information.

71. What is the percentage and number of senior managers who currently identify as having a disability employed by:
- NSW Treasury
 - SAS Trustee Corporation
 - Energy NSW
 - Essential Energy

RESPONSE:

2.1 per cent of Treasury senior managers (three staff) identify as having a disability.

Employment arrangements of Statutory Bodies and State-Owned Corporations are an operational matter and NSW Treasury does not have this information.

Gambling Tax Revenue

72. What methodology does the Treasury use to calculate gambling tax revenue for forward estimates?

RESPONSE:

Gambling taxes include various racing taxes, club and hotel gaming machine taxes, lotteries, and casino taxes. Each is forecast separately based on their respective historical growth rates and their relationship to factors such as household consumption or income growth. When forecasting revenues, Treasury also considers the impact of other external factors at play in the macroeconomic environment.

73. What is the basis for the significant increase in the forward estimate for the 2023/2024 financial year in the 2022/2023 papers? For clarity, in the 2020/21 papers, gambling tax revenue for FY 23/24 was forecast as \$3074million, in the 2021/22 papers, the forecast for FY23/24 was amended to \$3149 million (2.4% increase), and in the 22/23 papers, the forecast for FY23/24 was amended again to \$3499 million - 14% higher than 21/22. Why?

RESPONSE:

The significant upgrade in the forecast for total gambling tax revenue in 2023-24 is largely driven by the recent decision to change the Point of Consumption tax and other betting tax rates to 15 per cent, which increased the forecast for gambling revenue in 2023-24 by \$177 million compared to the forecast in the 2021-22 Half-Yearly Review.

Excluding these policy changes, gambling tax forecasts for 2023-24 were upgraded by 8.1 per cent compared to the 2020-21 Budget. This reflects a stronger than expected recovery in gaming machine activity following the easing of COVID restrictions and a faster-than-expected expansion in the online gambling market.

74. The government has a strategic plan to achieve zero harm from gambling (ORG Strategic Plan 2021-2024). It is also clear that gambling taxes relate to gambling losses (POC on turnover, all other taxes on losses (to patrons)/profits (to venues). Losses are related to gambling harm. What plans does the Treasurer have to reduce the trajectory of Treasury's continued projection of increased revenue from increased gambling losses, and bring predicted gambling taxes into line with the zero harm strategy?

RESPONSE:

The 2021-22 budget included an ongoing extension of funding to the Responsible Gambling Fund to support programs and activities that seek to prevent and minimise the harm arising from online betting. The Fund has funded problem gambling counselling, support services for prevention and early intervention, and services that support the wellbeing of a community in areas such as homelessness, family and youth services, and women's safety.

Point of Consumption Tax

75. Why is the Point of Consumption (POC) tax not reported separately from racing tax revenue, given it includes taxes from wagering on sports and non-sporting events? Other states report this tax revenue as a separate line item. Will the Treasurer give a commitment to report POC tax revenue as a separate item in the budget papers from now one?

RESPONSE:

As noted, the 2022-23 Budget does not disaggregate 'Racing' revenue into sub-components. Treasury regularly reviews the presentation of Budget forecasts.

76. What was the POC revenue in FY2022?

RESPONSE:

In the 2022-23 Budget, the Point of Consumption tax was projected to be \$214 million in 2021-22. The final outcome for 2021-22 will be released publicly in the Total State Sector Accounts towards the end of 2022.

77. On the tax itself, in 2020-2021, it raised \$161.6million. 33% was returned to NSW racing. \$5million (which = 3%), as a flat sum, was provided to the Responsible Gambling Fund for harm prevention measures. On what basis is this proportional distribution of revenue made, and if specified in the Act, what modelling lay behind those proportions?

RESPONSE:

As part of the Point of Consumption tax reforms, the NSW Government has provided total funding of \$17.5 million from 2018-19 to 2021-22 to the Responsible Gambling Fund to address, prevent and minimise gambling-related harm associated with online wagering.

In the 2021-22 Budget, the NSW Government announced that \$5 million per year will be allocated to the Responsible Gambling Fund and this allocation will increase in line with inflation from 2023-24.

78. As the POC increased to 15% from July 1 2022, will the amount of money being distributed to the RGF for harm minimisation measures also increase, as the amounts being returned to racing increase by virtue of being a percentage of the total, or will it remain a flat \$5million?

RESPONSE:

The 2021-22 Budget included an extension of funding to the Responsible Gambling Fund of \$5 million per year, and this will increase in line with inflation from 2023-24.

Kamay Ferry Wharf

79. In NSW Treasury Papers for 2021-22, the Kamay Ferry Wharves project was estimated to cost \$24.3 million. In NSW Treasury papers for 2022-23, estimated costs have inexplicably doubled to \$49.3 million. Can the Treasurer explain why the project has doubled in cost in just a year?

80. Was the project reaudited when the new cost was projected, and new cost benefit analysis applied?

a. Please provide a copy of this new cost benefit analysis

81. As the original purpose of the project was to form part of the celebrations for the 250th anniversary of Captain Cook landing in Kurnell, should the Government be proceeding with this project given current budgetary pressures and constraints as a result of COVID?

- 82.** In 2018, the Commonwealth had an agreement with the NSW Government to pay half of the then costs as part of a joint funding agreement for a wider 250th anniversary project to celebrate Captain Cook’s landing at Kurnell. Based on the \$17million projected costs stated in the feasibility study, if the Commonwealth was paying half, this effectively put the cost to the NSW Government to a bargain \$8.5 million. Clearly, \$49.3 million is a very different prospect to \$8.5 million. Has this project has gained unwarranted momentum because of Commonwealth involvement and should proceeding on this basis be reassessed?
- 83.** Last year, the Commonwealth Government allocated an additional \$4.5 million to the NSW Government for the “Kamay 250th Anniversary project”, in addition to the \$25 million awarded in the joint funding agreement back in 2018. Can the Treasurer confirm whether this additional \$4.5million is for the ferry wharves project?
- 84.** Can the Treasurer confirm exactly what it is for and why the Commonwealth are giving it as it records it is “to improve visitor access and safety at Kamay Botany Bay National Park”, what is this “safety” aspect?
- 85.** Could the Treasurer also confirm what office in the Commonwealth allocated the money?
- 86.** The conditions in the Determination Instrument of Approval regarding contamination and threatened species appear to be particularly onerous and potentially costly. Normally, appropriate assessment would have taken place prior to approval and these would not be conditions of approval. Given this fact, have these unknown ‘condition of approval’ costs been appropriately factored in for cost?

RESPONSE TO QUESTIONS 79 - 86:

Questions about the Kamay Ferry Wharf are more appropriately directed to the Minister for Transport.

Synthetic turf

- 87.** Can the Minister please indicate the amount of NSW State Government funding that has been provided to Sporting groups and associations for synthetic turf field upgrades, financial years:
- a. 2018
 - b. 2019
 - c. 2020
 - d. 2021
 - e. 2022

- 88.** Urban Heat Island Effect (UHI) impacts are predicted by the NSW Treasury to cost the NSW State in lost revenue, productivity and human health up to \$12 billion annually. NSW Treasury, 2021 Intergenerational Report Treasury Technical Research Paper Series An indicative assessment of four key areas of climate risk for the 2021 NSW Intergenerational Report, April 2021. Why then is NSW Treasury continuing to fund synthetic and artificial turf fields that contribute to UHI and remove natural green urban landscaping that further increases UHI impacts?
- 89.** Can the Minister provide the reasoning and justification for the continued funding relevant to synthetic surfacing ground covering materials such as artificial grass, soft fall, rubber crumb mulch and synthetic turf fields with the knowledge that these materials increase flooding risks due to their impervious construction, increase urban heating, increase GreenHouse Gas emissions, remove natural turf and its aspiration cooling effects and thus increase the risks of natural disasters occurring?
- 90.** Guide to Urban Cooling, Low Carbon Living, CRC, 2017, states “a combination of tree canopy and natural turfs in urban parks results in 5-10°C cooler radiant temperatures and 1-2°C air temperature reduction in urban parks.” Given this, can the Minister provide reasoning for the continued investment and NSW State Government funding being provided for synthetic surfacing that removes tree canopy and natural turf?
- Is the Minister aware that natural grass and vegetation is removed in the installation of synthetic surfacing?
 - Can the Minister detail why the removal of vegetation cover is being funded by NSW treasury via grant funding for synthetic surfacing?
- 91.** How is the Minister intending to address the continued decrease of evapotranspiration in NSW cities?
- 92.** Why is the Minister and NSW Treasury continuing to provide grant funding for sporting groups, LGAs and education facilities to install and utilise synthetic surfacing ground cover materials given the increased impacts of UHI generated?
- 93.** Can the Minister please detail the reasoning for NSW Treasury spending being utilised on synthetic surfacing in the knowledge that synthetic surfacing further contributes to Urban heating?
- 94.** Can the Minister provide reasoning for why NSW Treasury and Government funding (for example Greater Cities Sporting Fund, Infrastructure Grants and Community Grants) are being utilised to install synthetic surfacing within community open spaces and parklands in the knowledge that synthetic surfacing increases the effects of urban heat and the urban heat island effect?

- 95.** What reasoning can the Minister provide for the justification of NSW Treasury funding being utilised on impervious surfacing such as synthetic turf that compounds impacts to groundwater?
- 96.** Can the Minister please provide the justification or reasoning for why NSW Treasury is utilising over \$100 million, since 2018, on synthetic surfacing, artificial turf and soft fall material that increases greenhouse gas emissions, decreases vegetation and green spaces, increases radiant and ambient temperatures, is non reflective and absorbs heat?
- 97.** Given the vast amount of GHG emissions generated from synthetic turf, what justification can the Minister provide for its continued use?
- 98.** Can the Department or NSW Treasury justify why synthetic surfacing, artificial or astro turf and soft fall materials, that increase the effects of UHI, are being funded by NSW grant funding?
- 99.** Can the Minister or NSW Treasury provide the amount of NSW State Government grant funding provided to install, maintain or upgrade synthetic surfacing through the Greater Cities Sport Facility Fund in the following years:
- a. 2020
 - b. 2021
- 100.** Can the Minister or NSW Treasury provide the NSW Governmental reporting undertaken and utilised by NSW Treasury or the Department that provides financial assistance and guidelines to NSW Local Government Areas (LGAs) with regards to the cost benefits or financial ramifications that apply to the installation, upkeep and maintenance of synthetic turf vs natural grass?
- 101.** Can the Minister detail why NSW Treasury funding, via grants, is provided to LGAs in the knowledge that synthetic fields will generate a cost burden for LGA's when compared to natural turf?

RESPONSE TO QUESTIONS 87 - 101:

Questions about synthetic turf are more appropriately directed to the Minister for Sport.

Toll Review

102. Who in Treasury is leading on the NSW Government Tolling Review?

RESPONSE:

The Tolling Review is led by the Steering Committee with representatives from NSW Treasury and Transport from for NSW. The Chair of the Steering Committee is Sonya Campbell, Acting Deputy Secretary from the Commercial and Procurement division of NSW Treasury.

TAHE

103. Did TAHE make a profit last year?

RESPONSE:

TAHE's 2021-22 financial statement is still subject to audit. The financial statement will be published in TAHE's 2021-22 annual report.

104. On what date was the submission to the ABS on TAHE regarding its classification as recommended by the Auditor General submitted?

RESPONSE:

Monday, 20 June 2022.

105. On what date was the submission to the ABS on Sydney Trains regarding its classification as recommended by the Auditor General submitted?

RESPONSE:

Tuesday, 21 June 2022.

106. On what date was the submission to the ABS on NSW Trains regarding its classification as recommended by the Auditor General submitted?

RESPONSE:

Tuesday, 21 June 2022.

107. On what date was the confirmation from ABS of the current classification of TAHE as a PNFC received?

RESPONSE:

Friday, 22 July 2022.

108. On what date is the response from ABS regarding the submission by Sydney Trains expected?

RESPONSE:

Received Tuesday, 23 August 2022.

109. On what date is the response from ABS regarding the submission by NSW Trains expected?

RESPONSE:

Received Tuesday, 23 August 2022.

110. What have the Sydney Trains and NSW Trains responses taken longer to confirm?

RESPONSE:

Treasury has no information on ABS internal procedures.

111. If confirmation of their status is delayed, does Treasury still expect to get the State Finances signed off with an unqualified opinion by the Auditor General?

RESPONSE:

As noted above in questions 108 and 109, confirmation of status was received on Tuesday, 23 August 2022. These have been shared with the Audit Office.

112. Is it expected that a reform of the relationship between NSW Trains and Sydney Trains and TAHE will be required?

RESPONSE:

No.

Biomass energy

113. With numerous breaches of forestry regulations reported in recent weeks, can you categorically rule out the use of native forest biomass for energy?

RESPONSE:

The regulatory framework for native forest biomass is a matter for the Minister for Environment and Heritage and the Environment Protection Authority.

Energy efficiency

114. What support is being provided to renters to ensure they live in energy efficient homes?

RESPONSE:

The NSW Government provides a suite of measures to support landlords and renters to upgrade their rental properties.

The Energy Security Safeguard provides incentives for a range of energy efficient activities that are relevant to households. Activities include replacing halogen downlights with LED lighting, installing efficient air conditioners, and replacing electric resistance and gas water heaters with heat pump and solar hot water heaters.

The Energy Bill Buster Package supports eligible households that are currently in receipt of the Low Income Household Rebate, and that are unable to install solar, such as renters. These households will receive a free, no obligation energy assessment in order to identify a range of measures that would cut their energy bills. Following the assessment, participants will be able to swap their energy rebate to install energy efficient appliances, or for minor home upgrades, to the value of up to \$4000. The package will soon be extended to cover eligible Land and Housing Corporation tenants, where those tenants will be able to swap their Low Income Household Rebate for a fully installed three kilowatt solar system.

115. What modelling has been done to demonstrate how much it might cost to require pre-existing homes are brought up to level 7 efficiency standards?

RESPONSE:

This question is more appropriately directed to the Minister for Planning and Minister for Homes.

Emissions Targets

- 116.** Is there a direct offset program for coal and gas project greenhouse gas emissions under the Government's plan to reduce emissions by 50% below 2005 levels by 2030?
- a. What direct offsets are in place for the scope 1 and 2 emissions from the nine new or expanded coal and gas projects that have been approved in the last 3 years?
 - b. Will you seek to require that a direct offsets plan is in place for scope 1 and 2 emissions in the event the following projects, currently under consideration, are approved:
 - i. Mount Pleasant Optimisation Project
 - ii. Glendell Continued Operations Project

RESPONSE:

These questions are more appropriately directed to the Minister for Planning and Minister for Homes.

- 117.** What is the earliest year that NSW could reach net zero?
- a. Will thermal coal mines be operating in NSW when we reach net zero?
 - b. Will non-hydrogen gas be in the energy mix when we reach net-zero?

RESPONSE:

This would require making assumptions about what an acceptable rate-of-change looks like in NSW, considering the trade-offs between emission reductions, cost of living, quality of life and the needs of future generations. The Government has committed to achieving net zero emissions by 2050 consistent with the Commonwealth Government's commitment.

- a. Thermal coal mines have a number of options to reduce their Scope 1 and Scope 2 greenhouse gas emissions. However, considering available technologies, they are unlikely to achieve zero emissions. With technological developments and/or offsets, thermal coal mines could potentially be net zero.
- b. There are multiple renewable and low-emissions gases that may contribute to the energy mix of a net-zero NSW economy, including renewable hydrogen, biogas, biomethane or synthetic methane, among other emerging renewable gas types.

The Government will continue to monitor and investigate emerging technologies and their potential role in assisting NSW achieve net-zero.

118. What are you as the Minister for Energy doing to reduce emissions by 50% below 2005 levels sooner than 2030?

RESPONSE:

As the Minister for Energy, I am focused on delivering the Net Zero Plan Stage 1: 2020–2030 and its related policies and programs. I have also set the expectation that the Government will continue to innovate and enhance its existing programs and actions. Since the Net Zero Plan was published, the Government has also updated its emissions reduction target from a 35 per cent reduction from 2005 levels to a 50 per cent reduction. A number of other new initiatives have also been announced, such as the Renewable Manufacturing Fund and Hydrogen Strategy

119. Why is it not a mandatory requirement that all coal and gas projects use 100% renewable energy?

RESPONSE:

This question is more appropriately directed to the Minister for Planning and Minister for Homes.

120. Will you do whatever is required and necessary to make all coal and gas projects only use 100% renewable energy in their operations?

RESPONSE:

This question is more appropriately directed to the Minister for Planning and Minister for Homes.

Energy Infrastructure

121. What role do fossil fuels have in the Electricity Infrastructure Roadmap?
a. Will hydrogen be produced in NSW using fossil fuels?
b. Will fossil fuel infrastructure be repurposed under the Electricity Infrastructure Roadmap?

RESPONSE :

The Long-Term Energy Service Agreement tender for firming infrastructure will be open to all technology types, but projects will be required to have an emissions intensity lower than the most recent NSW grid average and achieve net zero Scope 1 emissions by 2035.

The incentives available under the NSW Hydrogen Strategy are only available for green hydrogen, which is hydrogen produced from renewable energy.

122. Is there an assessment process of fossil fuel infrastructure projects for the risk they pose as stranded assets?

RESPONSE:

It is up to the owners of fossil fuel generators and assets to conduct their own risk assessments in relation to asset stranding. The NSW Government does not own any fossil fuel generators.