

Standing Committee on State Development

# **Legacy report 56th Parliament**

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## Committee details

### Committee members<sup>1</sup>

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<b>The Hon Mick Veitch MLC</b>	Australian Labor Party	<i>Deputy Chair</i>
<b>The Hon Rick Colless MLC</b>	The Nationals	
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<sup>1</sup> The Hon Natalie Ward MLC replaced the Hon Greg Pearce MLC as a substantive member of the committee from 30 November 2017.

<sup>2</sup> The Hon Taylor Martin MLC replaced the Hon Natalie Ward MLC as a substantive member of the committee on 13 February 2018. The Hon Taylor Martin MLC replaced the Hon Greg Pearce MLC as Chair of the committee from 13 February 2018.

<sup>3</sup> The Hon Ernest Wong MLC replaced the Hon Sophie Cotsis MLC as a committee member on 7 March 2016. The Hon John Graham MLC then replaced the Hon Ernest Wong MLC on 4 November 2016.

## Chair's foreword

I am pleased to present the second Legacy report of the Standing Committee on State Development.

During the 56th Parliament, the committee conducted six inquiries. The first inquiry on economic development in Aboriginal communities provided the committee with an opportunity to showcase successful Aboriginal organisations and activities and develop a knowledge-base to help encourage economic prosperity in Indigenous communities throughout New South Wales.

The committee's second inquiry on regional planning processes in New South Wales, allowed the committee to examine and explore how regional planning processes could be improved to stimulate regional development and improve the lives of regional communities.

The committee's third inquiry was on regional development and a global Sydney presented the committee with an opportunity to explore new openings for growth across key industry sectors and the ways in which the NSW Government can assist regional communities to leverage off a global Sydney.

The committee for its fourth inquiry looked at the Defence industry in New South Wales. Here the committee investigated how the state could position itself to take advantage of Australian Government defence investment and opportunities for growth and economic development in this sector.

The committee's fifth inquiry on the Provisions of the Forestry Legislation Amendment Bill 2018 was the first bill to be referred from the Legislative Council's trial Selection of Bills Committee. It enabled this committee to scrutinise the provisions of the Forestry Legislation Amendment Bill 2018 in detail and encouraged greater public participation in the making of law.

The sixth and final inquiry for the 56th Parliament was on the Water NSW Amendment (Warragamba Dam) Bill 2018 with the committee welcoming the opportunity to scrutinise the detail of the proposed legislation.

The committee is very grateful to the individuals, organisations and other stakeholders who contributed their time very generously in making submissions, appearing at hearings, and hosting the committee during site visits. Community participation and engagement is vitally important in the inquiry process and is essential in ensuring that the committee's reports and recommendations are relevant and representative of the views of the inquiry's stakeholders.

The members of this committee have worked together cooperatively and collegially and the reports that have been produced are reflective of this.

I trust that the Standing Committee on State Development established in the 57th Parliament will find this report informative and beneficial as they commence their inquiry duties.



Hon Taylor Martin MLC  
**Committee Chair**



# Chapter 1 The committee

This chapter provides a brief overview of the committee and discusses the work of the committee in the current parliament. The chapter also outlines the purpose of this legacy report.

## Committee overview

- 1.1** The NSW Legislative Council's Standing Committee on State Development was first established on 9 June 1988 following the commencement of the 49<sup>th</sup> Parliament.<sup>4</sup> The committee was reappointed in each of the subsequent parliaments, most recently on 6 May 2015 during the 56<sup>th</sup> Parliament.<sup>5</sup>
- 1.2** The committee conducts inquiries into issues concerned with state, local and regional development in New South Wales and in relation to matters concerned with planning, infrastructure, finance, industry, the environment, primary industry, natural resources, science, local government, emergency services and public administration.<sup>6</sup>
- 1.3** The committee consists of six members, comprising three government members, two opposition members, and one cross bench member.<sup>7</sup> The membership of the committee throughout the 56<sup>th</sup> Parliament can be found on p v.
- 1.4** Since the 49<sup>th</sup> Parliament, the committee has tabled 45 reports and produced eight discussion papers on a range of issues, including:
- coastal development in New South Wales (1989)
  - regional business development in New South Wales (1993)
  - fisheries management and resource allocation in New South Wales (1997)
  - use and management of pesticides in New South Wales (1999)
  - road maintenance and competitive road tendering (2000)
  - genetically modified food (2001)
  - skill shortages in rural and regional New South Wales (2006)
  - nanotechnology in New South Wales (2008)
  - wine grape market and prices (2010)
  - economic and social development in central western New South Wales (2012)
  - adequacy of water storages in NSW (2013)
  - regional aviation services (2014)

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<sup>4</sup> *Minutes*, Legislative Council, 9 June 1988, pp 182-186.

<sup>5</sup> *Minutes*, Legislative Council, 6 May 2015, pp 62-65.

<sup>6</sup> *Minutes*, Legislative Council, 9 May 2011, pp 75-76.

<sup>7</sup> *Minutes*, Legislative Council, 9 May 2011, pp 76-77.

## **Inquiries in the 56<sup>th</sup> Parliament**

- 1.5** During the 56<sup>th</sup> Parliament, the committee conducted six inquiries:
- Water NSW Amendment (Warragamba Dam) Bill 2018, October 2018
  - Provisions of the Forestry Legislation Amendment Bill 2018, June 2018
  - Defence industry in New South Wales, June 2018
  - Regional development and a global Sydney, June 2018
  - Regional planning processes in NSW, November 2016
  - Economic development in Aboriginal communities, September 2016.
- 1.6** The next chapter of this legacy report details the key findings and recommendations made by the committee for each of these reports, along with the government's response to those recommendations.
- 1.7** Copies of the committee's reports and government responses to those reports are available on the committee's website [www.parliament.nsw.gov.au/statedevelopment](http://www.parliament.nsw.gov.au/statedevelopment).

## **The purpose of a legacy report**

- 1.8** The purpose of this legacy report is to provide a summary of the committee's work during the 56<sup>th</sup> Parliament in order to inform the successor committee in the 57<sup>th</sup> Parliament of the committee's accomplishments and suggestions for future activity.





*State Development Committee site visit to Grain Corp Calleen, West Wyalong*



*State Development Committee on Economic development in Aboriginal Communities site visit*



## Chapter 2      Inquiries conducted

This chapter comprises a short summary of each inquiry undertaken during the 56th Parliament, including the manner in which the inquiry was referred, a summary of key issues and the key recommendations made by the committee. The chapter also briefly discusses the government response to those recommendations.

### Regional planning processes in New South Wales

- 2.1**      The terms of reference for the inquiry were referred to the committee by the Hon Troy Grant MP, then Deputy Premier, and were adopted by the committee on 13 August 2015.<sup>8</sup>
- 2.2**      The terms of reference required the committee to examine and report on how regional planning processes could be improved to stimulate regional development and improve the lives of regional communities, including:
- opportunities to stimulate regional development under the planning framework including through legislation, policy, strategy and governance
  - constraints to regional development imposed by the planning framework, and opportunities for the framework to better respond to regional planning issues
  - the effectiveness of environmental planning instruments including State Environmental Planning Policies and Local Environmental Plans to stimulate regional development
  - opportunities for strategic planning to assist in responding to challenges faced by communities in regional areas including through Regional Plans
  - pathways to improve decision making processes for regional development proposals.
- 2.3**      The committee received 51 submissions and two supplementary submissions, and held seven public hearings: two at Parliament House in Sydney, and five in regional locations: Dubbo; Tamworth; Narooma, Albury; and Ballina.
- 2.4**      The final report was tabled on 28 November 2016, and included 23 recommendations.

### Report summary

- 2.5**      The planning system in New South Wales involves a complex range of plans and policies which are underpinned by the *Environmental Planning and Assessment Act 1979*. This Act is considered by many to be too complex and difficult to navigate.
- 2.6**      The inquiry was established followed an attempt in 2013 by the NSW Government to overhaul the State's planning system through the introduction of new legislation. This legislation was ultimately not proceeded with by the government after the bills were substantially amended in the Legislation Council.

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<sup>8</sup> Standing Committee on State Development, Minutes no 2, 13 August 2015.

***Barriers to effective regional planning***

- 2.7 Inquiry participants raised the following concerns regarding how the planning system operates in regional New South Wales:
- lack of a whole of government approach to strategic planning
  - regional plans are too generic
  - more effective consultation on regional plans required
  - planning system is restrictive rather than welcoming
  - difficulty to negotiate the planning system
  - complicated State Environmental Planning Policies
  - standard instrument Local Environment Plan template does not suit regional areas
  - environmental impact statements can create significant delays
  - uncertainty surrounding development contributions for both councils and proponents.
- 2.8 The report noted the progress the Department of Planning and Environment had made to improve the planning processes for regional New South Wales. However, the report indicated that there is still much work to be done. In particular, there needs to be improvements to strategic planning through the regional plan process, greater simplification and flexibility of the planning system and a whole of government approach to assist proponents to negotiate the system to benefit regional areas.

***Improving regional strategic planning***

- 2.9 The committee was highly supportive of regional strategic planning as a catalyst for growing and supporting regional communities. However, the report indicated that strategic planning documents are not effectively harmonised and this lack of coordination is an impediment to good strategic planning. Planning at the higher levels should be informed by the local level, where a more flexible approach is required in order to respond to changes in technology, population, land use, economic development and agriculture. The committee therefore recommended that the Department of Planning and Environment, in developing regional plans, align them to broader State strategies, use them to develop or amend local level plans and to identify and capitalise on competitive regional advantages.
- 2.10 The committee also noted concerns that there needs to be a renewed focus on consultation, not just on regional plans, but also at the plan development stage and recommended that the Department of Planning and Environment address these concerns. In addition, the committee recommended that the Minister for Planning consider establishing regional taskforce groups to develop and assess the regional plan making process. These taskforce groups should be made up of stakeholders from State and local government, industry and the community and potentially based on the regional planning committee model in Queensland.

***State Environmental Planning Policies and Local Environmental Plans***

- 2.11 The committee supported the Department of Planning and Environment's review of State Environmental Planning Policies (SEPPs) in order to reduce the number and also to address

inconsistencies between SEPPs. While the committee were not generally supportive of introducing new SEPPs into the planning system, it saw the benefit of introducing a regional development SEPP to help stimulate regional development by encouraging potential developers, and recommended accordingly.

- 2.12** The report was supportive of the Department of Planning and Environment developing an Inland Code for exempt and complying development in order to move away from the Sydney-centric Statewide code that has been in operation. The committee recommended that due to the importance of the Inland Code the department and Minister should prioritise its development and implementation. The committee further recommended that the suitability of implementing a Coastal Code for non-metropolitan coastal regions in New South Wales should also be considered.
- 2.13** In terms of Local Environmental Plans (LEPs) the report acknowledged that many inquiry participants were in favour of the standard template, but indicated that it could be improved by providing more flexibility to regional councils, as it is currently too metro-centric. As New South Wales is a large state and there are great differences between rural, coastal and metropolitan areas the committee recommended that consideration be given to introducing three separate standard instruments for these areas to provide some flexibility to the LEP system.

#### ***Whole of government approach***

- 2.14** The committee considered that it is of vital importance that New South Wales adopts a whole of government approach to regional planning to facilitate investment in regional New South Wales and create opportunities in regional communities. The committee heard a range of initiatives to improve the application and assessment of the regional planning process to ensure that there is a whole of government approach that adequately assists proponents to negotiate the planning framework.
- 2.15** The committee therefore recommended that the NSW Government establish a coordinated whole of government approach to regional planning by considering implementing a one-stop shop or go-to person, consider establishing a Regional Development NSW agency, or formalising a rural flying squad process.

#### **Government response**

- 2.16** The NSW Government response was received on 30 May 2017. The government:
- accepted 15 recommendations
  - accepted in principle five recommendations
  - noted three recommendations.

#### **Committee reflections**

- 2.17** The committee heard a great deal of evidence that the complexity of the planning system impedes the development of regional New South Wales. The committee supports the implementation of a whole of government approach that adequately assists proponents to negotiate the complex planning framework. To that end, the committee recommended that the

government consider implementing a onestop shop or go-to person, consider establishing a Regional Development NSW agency, or formalizing a rural flying squad process.

## **Economic development in Aboriginal communities**

- 2.18** The terms of reference for the inquiry were referred to the committee by the Hon Leslie Williams MP, the then Minister for Minister for Aboriginal Affairs, and were adopted by the committee on 13 August 2015.<sup>9</sup>
- 2.19** The terms of reference required the committee to examine into and report on strategies to support economic development in Aboriginal communities in New South Wales, including:
- options for sustainability and capacity building of New South Wales Aboriginal communities into the future, utilising existing community networks and structures
  - leveraging economic development support, including provided by the Commonwealth Government and the private sector
  - the establishment and sustainability of Aboriginal owned enterprises.
- 2.20** During the initial stage of the inquiry, the committee received 37 submissions and three supplementary submissions, and held four public hearings: one at Parliament House in Sydney, and three in regional locations: Dubbo; Tamworth; and Narooma. The committee also conducted six site visits to the Central Coast, Dubbo, Brewarrina, Tamworth, Guyra and the Far South Coast.
- 2.21** Following this stage, the committee released a discussion paper. The discussion paper provided an overview of the key issues, including:
- the need to drive reform
  - the NSW Government's approach to Aboriginal affairs and economic development
  - building the capacity of individuals
  - building the capacity of Aboriginal organisations
  - land and water.
- 2.22** The discussion paper also sought stakeholders' views on various questions that were developed in response to these key issues. The committee received 13 discussion paper responses, and held a public roundtable at Parliament House following the release of the discussion paper.
- 2.23** The final report was tabled on 30 September 2016, and included 39 recommendations, to encourage economic development in Aboriginal communities.

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<sup>9</sup> Standing Committee on State Development, Minutes no 2, 13 August 2015. The Chair informed the House of the inquiry on 25 August 2015. Minutes, NSW Legislative Council, 25 August 2015, item 19, p 315.

## Report summary

### *Driving reform*

- 2.24** The committee agreed with stakeholders that increasing the economic prosperity of Aboriginal people is crucial to improving social outcomes and sustaining and renewing Indigenous culture and languages. Moreover, it was noted that prosperous Aboriginal communities also have positive effects on the wider economy.
- 2.25** The committee believed that there has never been a more promising time for Aboriginal individuals and communities to take advantage of opportunities to advance their economic potential. The committee made a number of recommendations, including:
- that the NSW Government recalibrate its relationship with Aboriginal communities to empower individuals and encourage economic sustainability and prosperity
  - that the NSW Government adopt a whole-of-government approach to Aboriginal affairs
  - that Aboriginal Affairs be relocated to the Department of Premier and Cabinet
  - that the Premier convene an advisory board on Aboriginal economic development
  - that a high-level public sector interdepartmental committee be established, and that its responsibilities include ensuring that Aboriginal policies are implemented.
- 2.26** The committee noted that the NSW Government has taken positive steps to reform the approach to Indigenous affairs through the development and implementation of the OCHRE framework. However, the committee expressed concern that the Aboriginal Economic Development Framework had not been completed and recommended that Aboriginal Affairs complete the Framework as soon as practicable.
- 2.27** The committee received evidence that procurement policies, particularly those with clear measurable targets, such as the Commonwealth Government's Indigenous Procurement Strategy, appear to be an efficient means of encouraging economic development in Aboriginal communities. The committee recommended that the NSW Government review its procurement policies to support Aboriginal businesses, and incorporate targets, accountability and evaluation frameworks.
- 2.28** The committee noted that there is significant potential for Industry Based Agreements to enhance the capacity of Aboriginal individuals and communities, and to promote employment opportunities across New South Wales, particularly when accompanied by appropriate monitoring and evaluation frameworks.
- 2.29** The committee recognised that the deep and enduring interconnectedness of country, culture, family and social networks is central to the wellbeing of Aboriginal people and recommended that the NSW Government ensure place-based, community-driven approaches are embedded as a key component of the development and implementation of initiatives to drive Aboriginal economic development.

***Building the capacity of individuals***

- 2.30** The highest number of Aboriginal people in Australia reside in New South Wales. The committee recognised that it is essential to build the capacity of these individuals using a holistic approach that nurtures their development throughout their lives to ensure they reach their full potential. Following on, the committee encouraged the NSW Government to continue to promote education opportunities throughout an Indigenous person's life.
- 2.31** The committee received evidence about the four Opportunity Hubs in New South Wales. Opportunity Hubs are operated by non-government providers who broker and coordinate links between schools, employers, training providers, support services and Aboriginal communities. The committee recommended that the NSW Government continue to support this program.
- 2.32** The committee acknowledged the importance of incorporating community-specific culture in school curriculums. It recommended that the Department of Education include community-specific culture in school curriculums.
- 2.33** Stakeholders discussed the importance of role modelling and mentoring for young Aboriginal people. The committee examined successful education programs including those provided by the Clontarf Foundation, which provides support for boys and young men, and Role Models & Leaders Australia, which offers a program for girls and young women.
- 2.34** The committee heard that Aboriginal people are not participating in post-school education, training, or employment at the same rates as non-Aboriginal people. Inquiry participants argued that increasing the participation of Aboriginal students in these areas is vital to promoting economic development in Aboriginal communities. While there are a significant number of initiatives in this sphere, the committee recommended that Training Services NSW ensure programs appropriately target the needs of individuals and their communities.
- 2.35** The committee encouraged the private sector to be more actively involved in capacity building to ensure that training adequately addresses the needs of industry and leads to sustainable and meaningful employment for Aboriginal people.

***Building the capacity of Aboriginal organisations***

- 2.36** The committee acknowledged that previous government funding and delivery models for Aboriginal affairs policies have not supported capacity building opportunities for Aboriginal organisations. The committee encouraged the NSW Government to adopt funding and policy delivery models that are suitably long-term, flexible, place-based, and address capacity at multiple levels. In addition, the committee recommended that the advisory board for Aboriginal economic development investigate and identify the most appropriate government agency or body to be responsible for funding and service delivery of capacity building initiatives for Aboriginal organisations.
- 2.37** The committee also noted that the NSW Aboriginal Land Council had committed \$16 million to give local Aboriginal land councils an opportunity to seek low-interest loans to create businesses in the community and recommended that the NSW Government match this funding dollar-for-dollar to support economic development opportunities for Indigenous enterprises.



- 2.38** The committee accepted that high-performing local Aboriginal land councils had credible concerns regarding the need for greater freedom to pursue investment options as a means of supporting further economic opportunities. The committee recommended that Aboriginal Affairs undertake consultation with local Aboriginal land councils and investigate the possibility of amending the compliance requirements, particularly the investment options, for local Aboriginal land councils with significant funds under management.
- 2.39** The committee noted that the local Aboriginal land council network has certain key elements in place for good governance including clear accountability mechanisms. However, it was suggested that further assistance is required to ensure the boards and members of local Aboriginal land councils understand their responsibilities under the *Aboriginal Land Rights Act 1983*. The committee therefore recommended that the proposed advisory board ensure the appropriate government agency or body facilitate training, skills development, networking opportunities, and other services to enhance the governance capacity of Aboriginal organisations.
- 2.40** The committee acknowledged that despite certain legislative provisions, and policies and procedures within the local land council network, there is community concern about potential conflicts of interest arising from local Aboriginal land council. The committee recommend that the NSW Government commence a review of local Aboriginal land council governance, and as part of this review, investigate how to minimise potential conflicts of interests.
- 2.41** The lack of adequately trained staff was identified as a significant issue for Aboriginal organisations especially local Aboriginal land councils. The committee therefore noted that it is essential to provide tailored capacity building programs to support Aboriginal organisations, and that the NSW Government and other service providers should consult with local Indigenous communities to provide place-based solutions.
- 2.42** The committee applauded the success of Aboriginal enterprises and highlighted the important role these organisations play in building the capacity of Indigenous individuals as well as the employment opportunities they provide. The committee noted the need for a 'coordinating mechanism' targeting Indigenous enterprises that provides wraparound services, such as mentoring, business plans and building business networks, and recommended that the NSW Government ensure resources are targeted at wraparound services for Aboriginal businesses to enhance the development of Indigenous enterprises across the State.

### ***Leveraging economic opportunities from land and water***

- 2.43** The committee acknowledged the economic potential of land owned by local Aboriginal land councils and expressed disappointment that this opportunity is being dampened by the significant backlog in the determination of land claims. To address this backlog, the committee recommended that the:
- Department of Industry-Land promote the use of the Aboriginal Land Agreements
  - NSW Government provide resources for preparation and negotiation, for a period of five years, to ensure the best outcomes for Indigenous participants in the Aboriginal Land Agreements process

- NSW Government amend the processing system for Aboriginal land claims and Aboriginal Land Agreements to allow the prioritisation of sites with significant potential for economic development
- NSW Government allocate additional resources, for at least five years, to reduce the backlog of Aboriginal land claims, and allow private solicitors to prepare and submit land claim applications to the Department of Industry-Lands
- NSW Government establish a 'one-stop-shop' that includes representatives from the appropriate agencies to facilitate the Aboriginal land claims and Aboriginal Land Agreement processes.

- 2.44** There was some discussion about the issuing of land with limited, as opposed to freehold, title. The committee acknowledged that transferring land with limited title may place unfair strain on the resources and capacity of the land council network in certain circumstances. However, argued that limited title may be appropriate in some instances. The committee therefore recommended that the NSW Government explore these issues further with land council representatives with the aim of processing land claims expeditiously.
- 2.45** Stakeholders raised concerns about the zoning of land granted under the *Aboriginal Land Rights Act 1983*. The committee acknowledged that zoning restrictions may unduly impact the strained resources of local Aboriginal land councils, hamper economic development opportunities and fail to adequately address the aspirations of the *Aboriginal Land Rights Act 1983*. Following a proposal by the NSWALC, the committee made recommendations to support capacity building initiatives to educate local councils, planning authorities, and Aboriginal land owners about the *Aboriginal Land Rights Act 1983* and planning processes to address this issue.
- 2.46** The committee heard that there is a 'very strong nexus' between Crown lands and the *Aboriginal Land Rights Act 1983*, through the land rights mechanism. To ensure Aboriginal communities are duly supported in negotiations to transfer Crown land to local councils, the committee recommended that the NSW Government provide resources to local Aboriginal land councils to support their participation in these negotiations.
- 2.47** The committee made recommendations to support leveraging the economic potential of land subject to native title, including that the NSW Government consider adequately funding Prescribed Bodies Corporate, as is the case in other states, to support this work.
- 2.48** The committee recognised that due to a range of shared interests, it is vital for local Aboriginal land councils and local councils to have strong, positive working relationships, and noted that while not appropriate in all situations, the Department of Planning and Environment investigate opportunities to develop a template for joint ventures between local Aboriginal land councils and local government.
- 2.49** The committee noted concerns that the government does not adequately appreciate Aboriginal peoples' connection to water. To overcome this perception, the committee recommend that the NSW Government proclaim section 21AA of the *Fisheries Management Act 1994*. This action may assist individuals to support economic development in their communities.

### NSW Government response

**2.50** The NSW Government response was received on 1 May 2017.<sup>10</sup> In response to the recommendations, the government:

- accepted – 25
- noted – 3
- accepted in principle – 11.

### Committee reflections

**2.51** The committee acknowledged the unacceptable level of disadvantage in Indigenous communities. Notwithstanding this situation, the committee believed that there is widespread commitment to engage to address problems, particularly from Aboriginal communities themselves and the NSW Government. The report sought to showcase successful Aboriginal organisations and activities and develop a knowledge-base to encourage foster economic prosperity in Indigenous communities throughout New South Wales.

## Regional development and a global Sydney

**2.52** The Hon Anthony Roberts MP, Minister for Planning, Minister for Housing, and Special Minister of State, referred this inquiry to the committee on 9 March 2017. The terms of reference required the committee to inquire into and report on how Sydney's growing prominence as a global city enhances regional development in New South Wales, and in particular:

- ensuring the regions benefit from the expansion of international trade, infrastructure, employment, tourism, innovation and research in the greater Sydney region
- identify the sectors of the economy that can provide the greatest opportunities for regional development, including forecasts for jobs growth
- how collaboration between levels of government, non-government and private sectors can assist the regions to benefit from Sydney's global position.<sup>11</sup>

**2.53** The committee received 38 submissions. The committee held six public hearings in Sydney, Nowra, Orange, Tweed Heads, Armidale and Queanbeyan. The committee also conducted three site visits to West Wyalong, Tweed Heads and Armidale.

**2.54** The committee released a discussion paper on 14 November 2017, which provided an overview of the key issues and sought stakeholder views on various questions that had been developed in response to these issues. The committee received 10 discussion paper responses and held a final public roundtable at Parliament House on 27 March 2018. The purpose of the roundtable was

<sup>10</sup> See: Government response - received 1 May 2017, to 'Inquiry into economic development in Aboriginal communities', <https://www.parliament.nsw.gov.au/lcdocs/inquiries/1691/Government%20response%20-%20received%201%20May%202017.pdf>.

<sup>11</sup> Standing Committee on State Development, NSW Legislative Council, *Regional Development and a global Sydney* (2018), p vi.

to identify specific actions for leveraging Sydney's growing prominence as a global city to the benefit of regional New South Wales.

- 2.55 The committee's final report was tabled on 7 June 2018 and included 22 recommendations aimed at growing, improving and supporting regional New South Wales to achieve social and economic growth.
- 2.56 The government response to the inquiry is due 12 December 2018.

### **Report summary**

#### ***Defining 'regional New South Wales'***

- 2.57 The inquiry identified an inconsistency in how various state and Commonwealth governments, and public agencies define regional New South Wales which has far-reaching implications for funding, identity, tourism, and data collection. This variation in definitions was also compounded by a lack of consistency in how regional borders and boundaries are set by different plans, programs and levels of government. This was particularly evident for the regions that immediately border Sydney who struggle with the changeable application of their 'regional' identity – the Blue Mountains, Wollongong/the Illawarra, and Newcastle/ the Hunter.
- 2.58 The committee recommended that the NSW Government work with local government and the Australian Government to consider proposals through which greater consistency in defining the regions could be achieved.

#### ***Funding applications and benefit cost ratios***

- 2.59 The committee found that the NSW Treasury's cost benefit analysis and benefit cost ratio emphasis on population size as a basis for assessment of business cases and applications for funds and grants has led to sub-optimal outcomes for small regional centres and communities and the on-delivery of much needed projects.
- 2.60 The committee recommended that the NSW Treasury consider amending the cost benefit ratio guidelines, particularly the emphasis on population size, in order to provide local government areas with small population bases greater opportunity to compete for funding and deliver projects, taking into account the social and economic benefits.
- 2.61 The allocation of funding and arbitrariness of the geographical boundaries of Destination NSW Networks was also considered to be an area for improvement. The committee recommended that Destination NSW review the geographical boundaries of Destination Networks to ensure regions are appropriately grouped to deliver projects that reflect sheared interests; provide for effective collaboration; and promote effective marketing. The committee also recommended that Destination NSW review the allocation of funding and funding framework for Destination Networks and the Regional Tourism Fund.

#### ***Growing opportunities in regional New South Wales***

- 2.62 The committee examined how more regular and detailed statistical data could be collected about regional New South Wales is fairing and recommended that the NSW Government work with the Australian Government to explore how the Australian Bureau of Statistics data can be

released at more regular intervals to assist with population and employment projections for regional New South Wales.

- 2.63** Improved public transport services to and within regional New South Wales to facilitate greater access and connectivity to tourist destinations was identified as a potential means to help grow regional tourism for both domestic and international tourists. The committee recommended that the NSW Government consider how infrastructure and public transport services can be improved for the purpose of increased access and connectivity in regional New South Wales.
- 2.64** The committee acknowledged the demand for skilled health and support service workers as the population ages, and the challenges faced by the sector in gaining a skilled workforce. The committee recommended that the NSW Government investigate further training and development opportunities to recruit and retain a skilled workforce for the health and support services sector.
- 2.65** Economic regional development in Aboriginal communities was considered an important issue for further review. The committee noted the previous recommendations of the 2016 Standing Committee on State Development report on economic development in Aboriginal communities and as result recommended that the NSW Government, in partnership with Aboriginal peoples and Aboriginal enterprises, invest in developing, delivering and promoting comprehensive Aboriginal tourism strategies.
- 2.66** The committee also recommended that the NSW Government, when developing regional economic strategies for Aboriginal communities, include genuine consultation and involvement of local Aboriginal communities.

### *Connecting the regions to global Sydney*

- 2.67** Ways to improve road and rail freight corridors, access to key ports and air freight were considered by the committee. The committee acknowledged that the Plan by identifying priority action areas to address projected road and rail freight transport growth, may help facilitate regional development and provide for better connections to Sydney.
- 2.68** A lack of incentives for businesses to relocate from Sydney to regional areas was noted by the committee. The committee examined an increase to payroll tax thresholds for businesses as a means to benefit business in the regions as a competitive measure. This was considered to be an important issue considering neighbouring Victoria offers lower tax rates. The committee recommended that the NSW Government review the applicability of all taxes it levies on businesses located in regional areas so as to minimise the competitive disadvantage these businesses face relative to Victorian businesses.
- 2.69** The rollout of the National Broadband Network (NBN) was identified by the committee as providing opportunities to regional areas, including for greater access and connectivity to education and health services, economic growth, and regional development. However, the committee did recognise that for regional areas to take full advantage of the NBN reliable, fast internet speeds would be necessary. The committee recommended that the NSW Government advocate that NBN Co investigate actual internet speeds achieved at different regional locations and consider options for improved service delivery.

- 2.70** The committee noted the promoted benefits of relocation of businesses and people to regional areas as demonstrated by the Evocities campaign. The committee was concerned, however, that smaller regional centres and communities not included in the Evocities campaign did not have an avenue for marketing their communities. The committee recommended that the NSW Government develop a marketing strategy for small regional centres and communities not involved in Evocities to promote the benefits of regional living.
- 2.71** While the benefits of regional relocation were acknowledged by the committee, it also recognised the potential downsides including seasonal evictions and impacts of regional dispersal upon low socio-economic groups. These potential impacts were considered to be worthy of further investigation with the committee recommending that the NSW Government investigate the prevalence of seasonal evictions and if it is appropriate for any response by the Government.

### **Committee reflections**

- 2.72** This inquiry presented the committee with an opportunity to explore new openings for growth across key industry sectors and the ways in which the NSW Government can assist regional communities to leverage off a global Sydney. In doing so, the committee identified a number of ways that that Sydney's profile as a global city can grow, improve and support regional New South Wales. For example, through greater collaboration across all levels of government, and ways in which greater consistency in defining the regions can be achieved.

## **Defence industry in New South Wales**

- 2.73** The Hon Niall Blair MLC, Minister for Primary Industries, Minister for Regional Water, Minister for Trade and Industry referred this inquiry to the committee on 3 May 2017.
- 2.74** The terms of reference required the committee to, with reference to the *New South Wales: Strong, Smart and Connected Defence and Industry Strategy 2017*, inquire into and report on opportunities to incentivise and grow the defence industry in New South Wales to generate economic development and in particular:
- maximise opportunities for NSW-based companies from Defence's growing exports and investment in defence capability – in both acquisition and sustainment
  - encourage defence industry innovation, research and education including developing the future workforce
  - identify targets, programs and projects for defence spending in New South Wales
  - maximise the economic benefits of locating defence force bases and defence industry in the regions
  - how to establish and sustain defence supportive communities
  - further enhance collaboration between the NSW Government and Commonwealth agencies.

- 2.75 The committee received 36 submissions. The committee conducted seven public hearings: one in Sydney, and six in regional locations including Nowra, Orange, Tweed Heads, Armidale, Newcastle and Queanbeyan.
- 2.76 The committee also conducted site visits to Nowra and Wollongong; the Hunter Region; and Adelaide and met with officials from the Department of Defence in Canberra.
- 2.77 The committee released a discussion paper on 14 November 2017, which provided an overview of the key issues identified and sought stakeholder responses on a number of set questions. The committee received 16 responses to the discussion paper. To conclude the committee held a public roundtable at Parliament House on 4 April 2018 with key defence industry stakeholders to discuss possible areas of recommendation for the report.
- 2.78 The committee's final report was tabled on 7 June 2018. The report included 15 recommendations which sought to build on the current program of work undertaken by the NSW Government as outlined within its defence industry strategy: *New South Wales: Strong, Smart and Connected Defence and Industry Strategy 2017*.
- 2.79 Recommendations included: securing the future operations of the Defence Innovation Network; enhancing the accessibility of defence markets for the state's small and medium enterprises; and ensuring that the industry has access to a skilled and sustainable future workforce.
- 2.80 The government response to the inquiry is due 12 December 2018.

## Report summary

### *The Defence industry in New South Wales*

- 2.81 Defence and the industry which supports it, makes a substantial contribution to the New South Wales economy and is an important driver of employment and economic growth in several of the state's regional centres. The committee noted that the Australian Government's commitment to invest over \$195 billion in the Australian Defence capability over the next decade presents considerable opportunity for New South Wales to grow defence related expertise, jobs and innovation.
- 2.82 At the time of conducting this inquiry, the NSW Government had taken recent steps to refresh its approach to the Defence and defence industry. The *New South Wales: Strong, Smart and Connected Defence and Industry Strategy 2017* set out the government's vision and program of work for supporting the Defence and growing defence industries. Defence NSW, a dedicated unit responsible for implementing the strategy, had also recently been established. The committee's recommendations were developed to support this work and are discussed briefly below.

### *Supporting the sector through strong leadership and advocacy*

- 2.83 The committee met with many industry leaders who were developing world class defence capabilities in New South Wales. The message was clear - New South Wales must continue to position itself to take advantage of the economic opportunities provided by Defence.

- 2.84** The committee found that strong and sustained political leadership and advocacy was required to effectively support the industry take advantage of these economic opportunities. The committee therefore endorsed the advocacy commitments outlined within the NSW Government's Defence and Industry Strategy and urged the government to continue to be unapologetically proactive in promoting the significant industrial capabilities that exist within New South Wales, and advocate for the placement of Defence assets in the state.
- 2.85** The committee was also of the view that a bipartisan approach is required in order to effectively engage with the decision makers in Defence. To satisfy this requirement the committee called for the establishment of a Joint Committee on Defence and Space Industries. It is envisaged that the joint committee would provide a point of engagement for Defence NSW to the Parliament of New South Wales which allows a bipartisan, long term, informed discussion across the Parliament with the goal of supporting the state to engage strategically with the Federal defence procurement machinery.

***Supporting industry development through the Defence Innovation Network***

- 2.86** A significant initiative implemented by the NSW Government as part of its defence and defence industry strategy was the establishment of the Defence Innovation Network. This initiative brings together seven of the state's leading universities with the aim of supporting defence related research and development across New South Wales.
- 2.87** The committee commended the establishment of the Defence Innovation Network and considered it an important mechanism to support defence research and development and collaboration across the state. However, the committee noted the challenges arising as a result of the government's short-term funding approach for the network. The committee therefore recommended that the NSW Government take steps to secure the Defence Innovation Network's future funding arrangements to enable it to plan and hire beyond a 12 month period. The committee also recommended that the government examine the possibility of increasing the Defence Innovation Network's resources.

***Enhancing the accessibility of defence markets for New South Wales industry***

- 2.88** The Defence marketplace is diverse and is made up of both large prime contractors and as well many small and medium sized enterprises. The committee met a number of innovative and highly capable small and medium enterprises who identified a number of challenges in accessing the defence market place.
- 2.89** The committee found that initiatives which facilitated and enhanced relationships between small and medium enterprises, and prime contractors and procuring organisations were essential to supporting defence industry growth. The committee was encouraged by existing supports offered through the state and Australian governments.
- 2.90** The committee therefore recommended that the NSW Government continue to invest in providing small and medium sized enterprises with marketing and networking opportunities, to enable them to better engage with prime contractors and take advantage of domestic and international opportunities. The committee also recommended that Defence NSW continue to work with the Australian Government's Centre for Defence Industry Capability and other relevant stakeholders to ensure that commonwealth funded defence industry support opportunities are fully utilised by New South Wales based industry.



*Ensuring a skilled and sustainable future workforce*

- 2.91** New South Wales has the largest number of defence related skilled workers of all the states and territories in Australia, and displays considerable expertise in areas relevant to Defence. Despite this, inquiry participants frequently suggested that the NSW Government could do more to support the defence industry to secure a sustainable, skilled workforce into the future.
- 2.92** The committee therefore recommended that NSW Government look for further opportunities to provide funding for initiatives that seek to: raise student awareness about career opportunities in Defence and the defence industry; and increase the number of students studying Science, Technology, Engineering and Mathematics subjects.

*Providing opportunity through the state's space industry*

- 2.93** The application of increased investment in the Australian space program has both Defence and civilian implications. The committee heard that New South Wales was dominating the space sector in many areas and there was considerable untapped economic opportunity for New South Wales based industry and research organisations.
- 2.94** The committee recommended that the NSW Government continue its advocacy for the state's space industry and efforts to secure the Australian Space Agency for New South Wales. The committee also recommended that steps be taken to support the research sector, including that the government add space to the list of priorities in high tech manufacturing alongside Defence; and that the NSW Government seek an urgent report from the NSW Chief Scientist and Engineer as to opportunities for New South Wales to join the national space effort.

**Committee reflections**

- 2.95** Defence and defence industry makes a substantial contribution to the New South Wales economy. The scale of the Australian Government's investment in the defence sector is unprecedented, providing New South Wales based industry and supporting organisations with considerable opportunity to specialise, expand and innovate. It is therefore vital that New South Wales position itself to take advantage of this opportunity for growth and economic development.
- 2.96** The committee considered the implementation of the NSW Government's Defence and Industry Strategy, and the establishment of Defence NSW as important first steps. The committee is hopeful that the government will continue to build on this momentum through the agreement of its recommendations. In conclusion, the committee makes one final reflection. The importance of a bi-partisan approach to Defence and defence industry cannot be underestimated. The committee believes that in order to maximise potential Defence investment in New South Wales, long term, bipartisan support is required. Such bipartisan support could be pursued through the establishment of the proposed Joint Committee on Defence and Space Industries.

## Provisions of the Forestry Legislation Amendment Bill 2018

- 2.97** The Forestry Legislation Amendment Bill 2018 was the first bill to be referred from the Legislative Council's trial Selection of Bills Committee. The bill was introduced in the Legislative Assembly on 16 May 2018 by the Hon Paul Toole MP, Minister for Lands and Forestry.<sup>12</sup> On 22 May 2018 the bill was referred to the Standing Committee on State Development for inquiry and report.<sup>13</sup>
- 2.98** The committee received 52 submissions and one supplementary submission and held one public hearing in Sydney. At this hearing the committee heard from environmental groups, forestry and farmers associations, the NSW Apiarists' Association and relevant government agencies.
- 2.99** The committee's report was tabled after two weeks on 6 June 2018 and made two recommendations aimed at addressing the concerns raised by the NSW Apiarists' Association and to progress the bill to the Legislative Council.

### Report summary

- 2.100** The inquiry examined the provisions of the Forestry Legislation Amendment Bill 2018, which represented a key component of the first priority pillar of regulatory modernisation under the NSW Government's Forestry Industry Roadmap. The bill sought to formalise the transition of responsibilities for private native forestry (PNF) licensing and the extension of services from the NSW Environment Protection Authority to Local Land Services, and prepare for the new Coastal Integrated Forestry Operations Approvals.
- 2.101** Inquiry participants raised a number of issues regarding the bill. This included the:
- impact of the bill on the environment, namely the increased risk of deforestation and a corresponding decrease in environment protection, the loss of habitat and wildlife and the work of volunteers protecting the habitat being undermined
  - penalties that apply as an offence to contravene a requirement imposed by a PNF plan or applicable PNF codes of practice
  - compliance monitoring and enforcement powers of the NSW Environment Protection Authority in relation to PNF logging
  - lack of provisions in the bill relating to third party enforcement rights
  - amendment of the bill for the Minister for Lands and Forestry, with the concurrence of the Minister for the Environment and the Minister for Primary Industries, to be authorised to make PNF codes of practice to regulate the carrying out of forestry operations
  - provisions of the bill relating to public consultation, namely that consultation relating to forest agreements is undertaken by relevant government websites rather than through publication in newspapers, and that proposed PNF codes of practice are made publicly available for a period of at least four weeks

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<sup>12</sup> *Hansard*, NSW Legislative Assembly, 16 May 2018, pp 1-3 (Paul Toole).

<sup>13</sup> Selection of Bills Committee, NSW Legislative Council, *Report No. 7 – 22 May 2018* (2018), p 2.

- removal of the inclusion of bee-keeping and grazing as part of forestry operations and enabling the regulations to authorise and regulate bee-keeping and the grazing of cattle or other livestock in forestry areas
- consultation with the NSW Apiarists' Association in relation to the proposed amendments to the bill.

- 2.102** The committee acknowledged the concerns raised by all inquiry participants in relation to the proposed amendments to the bill. Regarding the environmental impact, the committee found that the changes to the bill would increase regulatory certainty, enhance transparency and ensure greater enforcement of environmental standards. The committee also found that the changes relating to penalties would bring in to line penalty amounts that are already available for private forestry and other regulated industries across the state.
- 2.103** In regards to compliance, the committee saw merit in the establishment of a public register for PNF plans to enhance transparency and avoid confusion amongst landholders and therefore encouraged the NSW Government to consider this as part of its Review of the PNF Codes of Practice.
- 2.104** The committee believed that the transfer of the PNF Code to the *Local Land Services Act 2013* would enable third parties access to civil compliance mechanisms. Furthermore, the committee noted that the changes to the bill to enable the Minister for Lands and Forestry being authorised to make PNF codes of practice, with the concurrence of the Minister for the Environment and the Minister for Primary Industries, would add an additional layer of approval that did not previously exist.
- 2.105** The committee recognised the concerns from stakeholders regarding the bill's public consultation provisions, however noted that online methods of advertisement would be much more timely and wide reaching. The committee did, however, support the suggestion put forward to create a database of stakeholders to send email alerts to in order to advise of relevant changes to NSW Government policies and processes and encouraged the government to consider this as part of the second reading debate of the bill.
- 2.106** The committee considered the four week timeframe to publicly advertise proposed PNF codes of practice acceptable, given that prior to the bill there were no set requirements in place for public consultation.
- 2.107** The committee acknowledged the concerns raised during the inquiry by the NSW Apiarists' Association regarding the bill and noted the importance of forestry operations on commercial bee-keeping. The committee recommended that the concerns regarding the removal of commercial bee-keeping from forestry operations be addressed by the NSW Government during the second reading debate of the bill.
- 2.108** Overall the committee believed that the Forestry Legislation Amendment Bill would create a more robust framework for regulating the native forestry industry on both public and private land in New South Wales. The committee therefore recommended that the bill proceed to debate in the Legislative Council, and that the NSW Government address the committee comments and recommendations contained in its report during the second reading debate.

**NSW Government response**

- 2.109** The Forestry Legislation Amendment Bill 2018 proceeded to the second reading debate on 20 June 2018. During consideration of the bill in the committee stage, 28 amendments were moved by the Opposition and the Greens. None of these amendments were agreed to. The Government moved two amendments to the bill, relating to the objects of PNF and the preparation and making of PNF codes of practice, both of which were agreed to. The third reading of the bill was agreed to on division (20:16), and the amended bill was returned to the Legislative Assembly for concurrence on 21 June 2018.<sup>14</sup>
- 2.110** The committee resolved that the NSW Government was not required to provide a response to the committee's report. However, in the second reading debate the Hon Rick Colless, MLC, on behalf of the Hon Niall Blair, MLC, Minister for Primary Industries, Regional Water, Trade and Industry, responded to the committee's comments and recommendations contained in its report.<sup>15</sup>

**Committee reflections**

- 2.111** This inquiry commenced a new process for the Legislative Council's committee system, as the first bill to be referred from the Legislative Council's trial Selection of Bills Committee. It enabled this committee to scrutinise the provisions of the Forestry Legislation Amendment Bill 2018 in much more detail and encouraged greater public participation in the making of law.

**Water NSW Amendment (Warragamba Dam) Bill 2018**

- 2.112** The *Water NSW Amendment (Warragamba Dam) Bill 2018* was the third bill referred for inquiry via the Legislative Council's trial Selection of Bills Committee. The bill was introduced in the Legislative Council on 19 September 2018 by the Hon Niall Blair MLC, Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry.<sup>16</sup>
- 2.113** The bill was referred to the Standing Committee on State Development for inquiry and report on 26 September 2018.<sup>17</sup> The committee received 110 submissions and held one public hearing at Parliament House, Sydney. At the hearing the committee heard from Aboriginal representatives, environmental organisations, academics and government agencies.
- 2.114** The committee's report was tabled on 10 October 2018 after a two week inquiry. The report made seven recommendations, including that the Legislative Council proceed with debate on the bill and that the Government address the committee's comments and recommendations.

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<sup>14</sup> *Hansard*, NSW Legislative Council, 20 June 2018, pp 61-68 and 90-127.

<sup>15</sup> *Hansard*, NSW Legislative Council, 20 June 2018, pp 104-107.

<sup>16</sup> Niall Blair, Second Reading Speech: Water NSW Amendment (Warragamba Dam) Bill 2018, 19 September 2018.

<sup>17</sup> *Minutes*, NSW Legislative Council, 26 September 2018, p 2987.

## Report summary

- 2.115** The bill proposed to amend the *Water NSW Act 2014* to remove a legal impediment under the *National Parks and Wildlife Act 1974* preventing the temporary inundation of national park land resulting from the Warragamba Dam project. The Warragamba Dam project refers to the proposed raising of the Warragamba Dam wall and use of the dam for downstream flood mitigation in the Hawkesbury-Nepean Valley. The bill also required Water NSW to prepare a draft environmental management plan regarding the temporary inundation of national park land resulting from the raising of the dam wall.
- 2.116** Inquiry participants raised a number of issues in relation to the bill and the impact of the proposed raising of the Warragamba Dam wall, including:
- the potential impact on the environment and specifically on World Heritage designated land (including possible impacts on threatened species)
  - the potential impact on Aboriginal heritage sites as a result of the temporary inundation of national park land
  - the effectiveness of raising the Warragamba Dam wall as a flood mitigation strategy and to protect residents in the Hawkesbury-Nepean Valley
  - proposals for development on flood prone areas in the Hawkesbury-Nepean Valley
  - the adequacy of the Cost Benefit Analysis (CBA) conducted by Infrastructure NSW regarding the raising of the Warragamba Dam wall
  - possible alternate flood risk mitigation approaches in the Hawkesbury-Nepean Valley
  - the bill's requirement for a draft environmental management plan to be prepared by Water NSW and concerns regarding a potential lack of public consultation for the plan
  - concerns that the Environmental Impact Statement regarding the proposal to raise the Warragamba Dam wall had not been completed and released before the bill was introduced into the Parliament.
- 2.117** The committee acknowledged concerns raised by stakeholders and noted that the concerns largely related to the impacts of the proposal to raise the Warragamba Dam wall and not specifically to the provisions of the bill. The bill itself did not approve the raising of the wall, as a number of other planning and environmental approvals are required before the project can commence.
- 2.118** In relation to concerns that insufficient time had been allocated to survey Aboriginal heritage sites, the committee recommended that adequate time be allowed for mapping of Aboriginal heritage in impacted areas. The committee also recommended that the Government review consultation processes relating to planning approvals for the Warragamba Dam project and the Environmental Impact Statement process.
- 2.119** The committee recommended that in order to inform the debate on the bill, Infrastructure NSW should provide committee members with the documents that sit behind the 'Resilient Valley, Resilient Communities' strategy and the CBA of the alternative measures examined.

- 2.120** Stakeholders had raised concerns that the environmental management plan required under the bill would be less rigorous and transparent compared to a Plan of Management under the *National Parks and Wildlife Act 1974*. The committee recommended that the bill be amended to require the draft Environmental Management Plan to be put on public exhibition for 45 days, noting that this is required for any amendment to a Plan of Management under Part 5 of the *National Parks and Wildlife Act*.
- 2.121** The committee noted that the Warragamba Dam project is intended to save lives through flood mitigation and does not involve permanent increased water storage. The committee recommended that the Legislative Council proceed with debate on the bill and that the Government address the committee's comments and recommendations.

### **NSW Government response**

- 2.122** As the bill had been referred for inquiry at the end of the second reading debate, after the report was tabled the Legislative Council agreed to allow the Hon Mick Veitch MLC to speak again and Minister Blair to speak again in reply. In his subsequent contribution Minister Blair addressed the committee's recommendations.<sup>18</sup>
- 2.123** The Legislative Council then considered a proposal to further refer the bill to Portfolio Committee No. 6 – Planning and Environment for inquiry, which was negatived on division (17:21). The second reading of the bill was then agreed to on division (20:17). During consideration of the bill in the committee stage, The Greens moved six amendments, however no amendments were agreed to. The third reading of the bill was agreed to on the voices, and the bill was forwarded to the Legislative Assembly for concurrence.<sup>19</sup>

### **Committee reflections**

- 2.124** The committee welcomed the opportunity to scrutinise the detail of the Water NSW Amendment (Warragamba Dam) Bill 2018, and to consult with stakeholders regarding the impact of the bill. The committee considered that the inquiry assisted the Legislative Council to effectively scrutinise the proposed legislation.
- 2.125** The committee made two procedural recommendations at the conclusion of the inquiry. In relation to the Selection of Bills Committee trial, the committee recommended that the Legislative Council consider referring bills for inquiry prior to the second reading debate reply in the future.
- 2.126** The committee also recommended that the Legislative Council facilitate amendments to the Standing Orders and to the operation of committees to allow members to submit 'Additional Comments' to a committee report rather than a 'Dissenting statement'. The committee noted that this option is available under Australian Senate practice.

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<sup>18</sup> *Hansard*, NSW Legislative Council, 16 October 2018, pp 9-10 (proof).

<sup>19</sup> *Minutes*, NSW Legislative Council, 16 October 2018, pp 3011-3018.

## Conclusion

- 2.127** The Standing Committee on State Development has fulfilled an important role since its establishment in 1988 through increasing awareness within government of the issues, challenges and needs of communities across New South Wales. As a result, the NSW Government has been better informed when developing policy and making decisions designed to improve planning, infrastructure, resource management, industry growth, and government services across the state.
- 2.128** During the 56th Parliament the committee was able to make sound recommendations to the NSW Government on issues relating to regional planning processes and development; economic development in Aboriginal communities; and opportunities to incentivise and grow the defence industry.
- 2.129** During the 56th Parliament the State Government supported 40 of the committee's 62 recommendations, and gave in principal support to a further 16 recommendations.
- 2.130** The 56th Parliament also witnessed the establishment of a trial Selection of Bills Committee in 2018 which referred to bills to the Standing Committee on State Development for inquiry – Provisions of the Forestry Legislation Amendment Bill 2018 and the Water NSW Amendment (Warragamba Dam) Bill 2018.
- 2.131** This referral process is an exciting development and it is anticipated that more bills will be considered if the Selection of Bills Committee is established in the 57th Parliament.





## Appendix 1 At a glance

This appendix provides key statistics on the work of the committee during the 56th Parliament.

**Table 1 Regional planning processes in New South Wales**

No. of submissions	51
No. of supplementary submissions	2
No. of hearings	7
No. of site visits	-
Tabling date	28 November 2016

**Table 2 Economic development in Aboriginal communities**

No. of submissions	37
No. of supplementary submissions	3
No. of discussion paper responses	13
No. of hearings	5
No. of site visits	6
Tabling date	30 September 2016

**Table 3 Regional development and a global Sydney**

No. of submissions	38
No. of discussion paper responses	10
No. of hearings	7
No. of site visits	3
Tabling date	7 June 2018

**Table 4 Defence industry in New South Wales**

No. of submissions	36
No. of discussion paper responses	16
No. of hearings	8
No. of site visits	3
Tabling date	7 June 2018

**Table 5 Provisions of the Forestry Legislation Amendment Bill 2018**

No. of submissions	52
No. of supplementary submissions	1
No. of hearings	1
No. of site visits	-
Tabling date	5 June 2018

**Table 6 Water NSW Amendment (Warragamba Dam) Bill 2018**

No. of submissions	110
No. of hearings	1
No. of site visits	-
Tabling date	10 October 2018

## Appendix 2 Minutes

### Draft minutes no. 46

Wednesday 21 November 2018  
 Standing Committee on State Development  
 Member's Lounge, Parliament House, 1.05 pm

#### 1. Members present

Mr Martin, *Chair*  
 Mr Colless  
 Mr Graham  
 Mr Mallard (substituting for Mrs Maclaren-Jones)

#### 2. Apologies

Mr Veitch, *Deputy Chair*

#### 3. Previous minutes

Resolved, on the motion of Mr Colless: That draft minutes no. 45 be confirmed.

#### 4. Correspondence

The committee noted the following items of correspondence:

##### *Received*

- 16 November 2018 – Letter from Government Whip to secretariat, advising that Mr Mallard will be substituting for Mrs Maclaren-Jones for the meeting to adopt the Legacy report on 21 November 2018.

#### 5. Standing Committee on State Development Legacy report 56th Parliament

##### 5.1 Consideration of Chair's draft report

The Chair submitted his draft report entitled *Legacy report 56th Parliament*, which, having been previously circulated was taken as being read.

Resolved, on the motion of Mr Graham: That the following new paragraph be inserted after paragraph 2.84:

'The committee was also of the view that a bipartisan approach is required in order to effectively engage with the decision makers in Defence. To satisfy this requirement the committee called for the establishment of a Joint Committee on Defence and Space Industries. It is envisaged that the joint committee would provide a point of engagement for Defence NSW to the Parliament of New South Wales which allows a bipartisan, long term, informed discussion across the Parliament with the goal of supporting the state to engage strategically with the Federal defence procurement machinery.'

Resolved, on the motion of Mr Graham: That paragraph 2.94 be amended by inserting at the end: 'Such bipartisan support could be pursued through the establishment of the proposed Joint Committee on Defence and Space Industries.'

Resolved, on the motion of Mr Colless: That

- a) the draft report, as amended, be the report of the committee

- b) upon receipt of the government responses to the reports on Regional development and a global Sydney and the Defence industry in New South Wales, the committee secretariat be authorised to update the legacy report where necessary.

**6. Adjournment**

The committee adjourned at 1.09 pm, *Sine die*.

Emma Rogerson  
**Committee Clerk**