



The Hon. John Barilaro MP
Deputy Premier
Minister for Regional New South Wales
Minister for Industry and Trade

Budget Estimates 2019-20 – 31 October 2019

Portfolio Committee No. 4 – Industry

Regional New South Wales, Industry and Trade

Questions Taken on Notice

Question 01 (Page 2 of transcript)

The Hon. MICK VEITCH: Deputy Premier, we heard on Monday from Mr Collins during the Transport supplementary hearings that there have been two instances where water has been trained for mine use - up to about 800,000 litres. Do we envisage that this may be a more regular occurrence, or is that a one-off to assist those mines?

Mr JOHN BARILARO: I cannot answer if water was being carted to a community for mining, I do not have that in front of me, so I have to take your word for that. We will definitely be trucking or training water into communities in relation to water supply for communities, but—

The Hon. MICK VEITCH: This was specifically for mines.

Mr JOHN BARILARO: I cannot answer that because we are cutting allocations right across the board, including mining. There are companies that are going to have to make decisions around that; they are looking at other opportunities to recycle. At this stage I am not aware of it and it is not on my radar, but it may be something that I need to take on notice.

The Hon. MICK VEITCH: If you could take it on notice, that would be good.

Mr JOHN BARILARO: Yes.

ANSWER:

The NSW Government has not funded the carting of water for mining activities. It is possible that further water carting may be undertaken by mining companies under private arrangements however no NSW Government funding support is currently available for these operations.

Question 02 (Page 3 of transcript)

The Hon. MICK VEITCH: Some mines, as we know, have already started downsizing because of issues around the drought and lack of water. What is the process of taking these mines into a care and maintenance process if they have to do that because of lack of water?

Mr JOHN BARILARO: Can I refer to Mr Barnes?

Mr BARNES: I am going to have to take that on notice as well. I would point out that there has been some curtailment of operations in some mines around the State - one in particular is Endeavour out at Cobar.

Mr BARNES: But that was not to do with water; it was to do with the global price of the product that they were mining. There will be particular requirements for putting any mining operation into care and maintenance. We will assist the mines to do that in such a way that they can restart. That was something that the Government did for the millennium drought as well.

The Hon. MICK VEITCH: I am happy for you to take that on notice.

ANSWER:

Under the Mining Act 1992, the holder of a mining lease may only suspend mining operations (which includes going into care and maintenance) with the written consent of the Minister or their delegate. A request to suspend mining operations must be sent to the Department's Division of Resources and Geoscience.

Mining leaseholders are required to operate in accordance with an approved mining operations plan (MOP). Where a mine needs to change its operations, including due to a lack of water, an amended MOP will be required. Proposed amendments to MOPs must be sent to the Department's Resources Regulator.

In the above circumstances, mining leaseholders may also be required to notify or seek approvals from other state and Commonwealth regulators.

Question 03 (Page 4 of transcript)

The Hon. JOHN GRAHAM: Deputy Premier, I want to turn first to the number one land-use conflict in your area—that is, the conflict between coal seam gas and farming, and the key report into it. Last time I asked about it you were not aware of it. Are you now aware of the chief scientist's report into coal seam gas regulation?

Mr JOHN BARILARO: Yes, I am aware of it and of the recommendations from that report. I think I touched on last time that 14 out of the 16 recommendations are either completed or coming.

The Hon. JOHN GRAHAM: Why have the others not been?

Mr JOHN BARILARO: Off the top of my head, recommendation 4 is being worked through as we speak and there is another recommendation the department of the environment - Mr BARNES: Environment Protection Authority [EPA].

Mr JOHN BARILARO: — EPA—is working through as we speak.

The Hon. JOHN GRAHAM: You met with Santos. You did not raise this report. That was what you told us last time.

Mr JOHN BARILARO: Absolutely.

The Hon. JOHN GRAHAM: I would have expected you would have but you did not. Did you have a public servant present in that meeting?

Mr JOHN BARILARO: I have met with Santos, as I meet with all stakeholders across all my responsibilities.

The Hon. JOHN GRAHAM: I am referring to the meeting in your diary.

Mr JOHN BARILARO: Santos met with me in pitching their view of the project at Narrabri.

The Hon. JOHN GRAHAM: Did you have a public servant in that meeting?

Mr JOHN BARILARO: I have to take that question on notice. I cannot remember every single thing.

The Hon. JOHN GRAHAM: The agency says you did not have a public servant present. You did not raise the key regulatory report. You did not have a public servant present. Was that report in your incoming briefs as Minister?

Mr JOHN BARILARO: It is very possible but, again, I will take that question on notice.

ANSWER:

There was no public servant at my meeting with Santos.

The incoming government briefing material prepared by the Division of Resources and Geoscience noted that the Gas Plan sets the direction for the regulatory framework for gas in NSW, and that the Chief Scientist's recommendations inform the plan. Subsequent briefings of the Deputy Premier by the Division have also noted the role of the Gas Plan, and that it was informed by the Chief Scientist's recommendations.

Before my meeting with Santos, my office requested a briefing note from the Department, which was provided. It did not deal with the Gas Plan.

Question 04 (Page 8 of transcript)

The Hon. MICK VEITCH: Deputy Premier, if I could. In answers to supplementary questions from the previous hearing, if I go to question 315, it talks about the then resources Minister established an independent review of the mining and petroleum industry administrative levy. The last sentence is, "the Minister is considering the results of this review." This is the independent review of the mining and petroleum industry administrative levy. To further answer that—"the Minister is considering the results of this review"—what is the timeframe for the response and have you received the review?

Mr JOHN BARILARO: I will have to take that question on notice.

The Hon. MICK VEITCH: Okay. There was a loose minute of time.

ANSWER:

I have received the review report. The government has not set a timeframe for the response and will provide one in due course.

Question 05 (Page 13 of transcript)

The CHAIR: Is there any plan to build a dam in the Hunter area? I know you are considering building a desal plant. You are weighing up options of what is better. A shallow dam might be better than a desal plant, let us be honest. We are tinkering with the environment when we start looking at desal plants.

Mr JOHN BARILARO: I am not the water Minister. Under its strategy, I am sure there are a number of different catchments that have been identified for possible infrastructure and there was no reason why in the Hunter that would not be part of it. I could take that on notice and give you a more firm answer.

ANSWER:

Hunter Water and the NSW Department of Planning, Industry and Environment are presently undertaking a major review of the Lower Hunter Water Plan, originally adopted by Government in 2014.

For further questions, please refer to The Hon. Melinda Pavey MP, Minister for Water.

Question 06 (Page 14 of transcript)

The Hon. MICK VEITCH: Have any of the 11 projects listed in the response to the taken on notice questions actually started yet?

Mr JOHN BARILARO: I cannot answer that question because often these are council projects and we rely on councils to -

The Hon. MICK VEITCH: You can take it on notice.

Mr JOHN BARILARO: Okay. I will find out.

The Hon. MICK VEITCH: The other question going back from that, which you may have to take on notice, is how many have signed their funding agreements?

Mr JOHN BARILARO: I will take that on notice

ANSWER:

Yes. As of 31 October 2019, five of the successful projects from Round 6 were active. Six projects were in the pre-deed stage.

As of 31 October 2019, five of the successful projects from Round 6 had signed funding agreements.

Question 07 (Page 15 of transcript)

The Hon. JOHN GRAHAM: Deputy Premier, I just want to ask about the COAG working group on critical minerals. Are you the lead Minister engaging with this issue with the COAG working group?

Mr JOHN BARILARO: The COAG working group for?

The Hon. JOHN GRAHAM: For critical minerals.

Mr JOHN BARILARO: I will have to take that question on notice

ANSWER:

The subject matter falls within the portfolio of the Deputy Premier and Minister for Regional NSW, Industry and Trade.

Question 08 (Page 19 of transcript)

The Hon. MICK VEITCH: In the time we have left, Deputy Premier, I go to one of the questions on notice that we received from the previous estimates process, related to activities, projects, process, events or other activities proposed for the \$2.4 million allocated to private native forests, which is money going to land services, as a part of their 12 forestry staff—essentially working for Local Land Services [LLS] to implement the private native forest processes. Is there an intention for that \$2.4 million to be cost recovery from LLS at some stage in the future?

Mr JOHN BARILARO: I will have to refer to Mr Hansen.

Mr HANSEN: As it is an LLS issue and not a Department of Industries issue, I would have to take that on notice and get an answer for you.

ANSWER:

There are no plans for cost recovery for the \$2.4 million allocated by Treasury to LLS for private native forestry. LLS will consider the appropriate resourcing for the program as part of the Private Native Forestry Review. Any future cost recovery plans would only ever be implemented after thorough consultation with landholders, industry and relevant stakeholders.

Question 09 (Page 23-24 of transcript)

The Hon. MICK VEITCH: Thank you very much for that. Deputy Premier, in response to one of the questions from the Hon. Emma Hurst, Ms Bell spoke about the emerging food cooperative research centre. Does New South Wales Government contribute to that CRC ? What is the process for our contribution?

Ms BELL: We do provide financial support but in terms of the quantity of that financial support, I would have to come back on notice. We contribute financially to a number of the CRCs when they have State significance to us and we support through connections with our industry and our research institutions in terms of projects, in client support as well.

ANSWER:

The NSW Office of the Chief Scientist & Engineer provides co-investment support for NSW-headquartered Cooperative Research Centres (CRCs) successful in obtaining Commonwealth funding, provided they can demonstrate a benefit to NSW through an application process.

Question 10 (Page 24 of transcript)

Mr BARNES: Mr Wright is very clear that we are renegotiating the lease for the building at Maitland.

The Hon. MICK VEITCH: Minerals House?

Mr BARNES: Yes, in the main drag there. We are renegotiating a long lease. That is where the Division of Resources and Geoscience is going to continue to be housed.

The Hon. MICK VEITCH: When you say "a long lease", is there any indication—three by three by three or -

Mr BARNES: I would need to go to the facilities people.

Mr JOHN BARILARO: Three months by three months by three months—is that the answer you are looking for? Seriously, whatever the appropriate lease arrangements, we can come back to you and confirm it.

ANSWER:

The lease of Minerals House on High Street in Maitland was executed in 2004 and had an initial term of 10 years and 6 months. It also contained two options to renew of 5 years each. The first of these was exercised in 2014 and commenced on 1 January 2015. Earlier this year the Department exercised the second option of 5 years, which will commence on 1 January 2020.

Question 11 (Page 25 of transcript)

The Hon. MICK VEITCH: The talk about drought clearly has the potential to impact upon some of our international markets. What are we doing to ensure that there is no impact on our international markets? The second part of that question is that if there is going to be impact because of the drought, what are we doing to ensure that we do not lose those markets?

Mr JOHN BARILARO: This is really important question because as we keep talking about drought, we have to be careful that we do not talk ourselves out of the market. Even though there is an impact of the drought, we have some great farmers and some produce—food and fibre—that has been produced right across the State. We want to make sure we do not lose those export markets. On Saturday I flagged that I am off to China and Vietnam for a week with some businesses in Shanghai and showcasing the opportunities from Australia and, more importantly, New South Wales. We are very conscious of that. We are also reviewing our network across our footprint in our trade space across the globe and making sure that our presence is greater than what probably has been in the past. It is a piece that we are working on. We are going through the process and, hopefully, we can get that resolved shortly. But in relation to agriculture, which is probably more of the focus, Mr Scott Hansen has an answer.

Mr HANSEN: Just before I get to that answer, the New South Wales Department of Primary Industries is a partner in that CRC for Future Food Systems. I am happy to give you a list of the projects we are involved in with that fund.

The Hon. MICK VEITCH: If you could take it on notice that would be good.

ANSWER:

The Department of Planning, Industry and Environment (DPIE) will play an ongoing role in the CRC and is likely to lead a number of projects during its life. At present a number of foundational projects are being developed.

Currently, DPIE is involved is involved in the following CRC for FFS projects:

- DPIE will lead a Smart Trade project in collaboration with the NT Government and Murdoch University which will optimise electronic trade (e-commerce) of Australian high value agricultural commodities in to key Asian markets: China, Japan and Singapore.
- DPIE will support the University of Western Sydney in a project which will examine and refine high intensity, glasshouse production systems.

Both of these projects will provide support to an Agricultural precinct which will be built in conjunction with the Western Sydney Airport at Badgerys Creek.

Question 12 (Page 26 of transcript)

The Hon. EMMA HURST: How many times have you met with the Minerals Council since August this year?

Mr JOHN BARILARO: I would have to get that question on notice and not mislead the Committee.

ANSWER:

The Deputy Premier's ministerial diary is publically available.