



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEES

BUDGET ESTIMATES 2022-2023 Supplementary Questions

Portfolio Committee No. 1 – Premier and Finance

Treasurer, Energy

Hearing: Monday 22 August 2022

Answers due by: Friday 16 September 2022

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Treasurer, Energy

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 EnergyAustralia 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?
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?
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?

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?
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?
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?
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?

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?
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?
10. When do you anticipate the Consumer Trustee 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?
12. What guarantee is there that the firming infrastructure will be made in Australia?
 - (a) What about made from Australian materials?
13. Will the infrastructure be privately owned or owned by EnergyCo?
14. What will the cost be to taxpayers for this infrastructure?
15. What guarantee and enforcement is available to ensure a bid achieves net zero scope 1 emissions by 2035?
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?
17. What funding allocation has the government set aside to assist in the event of the need to decommission stranded renewable assets?

- (a) Is the Government expecting this cost to be absorbed by the community?
- 18. What funding allocation has the government set aside to accommodate under-grounding of transmission options on private land?

Electricity Bills

- 19. What was the average price of electricity in a household bill for the most recent quarter?
- 20. How many consumers asked for extensions on electricity bills for the most recent quarter?
- 21. How many consumers were disconnected from their retail provider in Q1 2021-22?

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

Embedded Networks

- 25. How many electricity consumers participate in embedded networks in NSW?
- 26. How many consumers in embedded networks have accessed retailed competition in the 2021-22?

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

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?
- 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?

31. Given the government's commitment to net zero, will the government adopt Net Zero as a mandate for the National Construction Code?
32. What activity has the Department undertaken to support the Land and Housing Corporation to audit the thermal performance of its social housing stock?
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?
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?
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?
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?

Electric Vehicles

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

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?
40. How many people have claimed the EV rebate of \$3000?
41. Of the \$105 million in fleet incentives from the NSW Net Zero Plan: 2020-2030, how much has been spent?
42. Of the \$20 million in EV charging grants to drive regional tourism, how much has been allocated?
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?

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?

Gas

51. Is the government confident that the Port Kembla Gas Terminal will be delivered ahead of winter 2023?
 - (a) What steps has the government taken to ensure this occurs?
 - (b) What impact will this have if not completed by winter 2023?
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?
 - i. Has the Department done any modelling on gas prices 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?

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?

Climate & Renewable Energy Funds

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

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?
 - i. What modelling has the Department done to acquire this data?

NSW house prices

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

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

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

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?
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?
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?

Disability Employment

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

Treasurer, Energy

Questions from Ms Abigail Boyd MLC

Gambling Tax Revenue

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

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?
76. What was the POC revenue in FY2022?
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?
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?

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?

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?
- (a) Is the Minister aware that natural grass and vegetation is removed in the installation of synthetic surfacing?
 - (b) 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?

Toll Review

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

TAHE

103. Did TAHE make a profit last year?

104. On what date was the submission to the ABS on TAHE regarding its classification as recommended by the Auditor General submitted?
105. On what date was the submission to the ABS on Sydney Trains regarding its classification as recommended by the Auditor General submitted?
106. On what date was the submission to the ABS on NSW Trains regarding its classification as recommended by the Auditor General submitted?
107. On what date was the confirmation from ABS of the current classification of TAHE as a PNFC received?
108. On what date is the response from ABS regarding the submission by Sydney Trains expected?
109. On what date is the response from ABS regarding the submission by NSW Trains expected?
110. What have the Sydney Trains and NSW Trains responses taken longer to confirm?
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?
112. Is it expected that a reform of the relationship between NSW Trains and Sydney Trains and TAHE will be required?

ENERGY

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?

Energy efficiency

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

Treasurer, Energy

Questions from Ms Sue Higginson MLC

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
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?
118. What are you as the Minister for Energy doing to reduce emissions by 50% below 2005 levels sooner than 2030?
119. Why is it not a mandatory requirement that all coal and gas projects use 100% renewable energy?
120. Will you do whatever is required and necessary to make all coal and gas projects only use 100% renewable energy in their operations?

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