



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEES

BUDGET ESTIMATES 2022-2023

Supplementary Questions

Portfolio Committee No. 4 – Customer Service and Natural Resources

AGRICULTURE, WESTERN NEW SOUTH WALES

Hearing: 5 September 2022

Answers due by: 30 September 2022

Budget Estimates secretariat

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Agriculture, Western New South Wales

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

New Plantations

1. Can an update be provided on the State's consideration of this matter (Commonwealth Government's funding announcement to support the establishment of new plantations)?

ANSWER

The Commonwealth Government's funding announcement to support the establishment of new plantations remains under active consideration by the NSW Government.

Registration of Interest Process

2. According to Forest Corporation, 47 providers have registered their interest: "Overwhelmingly, wind power has emerged as the most feasible and the pine plantations near Oberon, Sunny Corner, Bondo, and Laurel Hill have been identified as prime locations for wind turbines, pumped hydro storage and battery storage."
 - (a) Is Forestry Corporation analysing productive land to replace the plantation (as required by the legislation) in a parallel process of "identifying opportunities" for renewable energy development?
 - (b) Has any land owned by Forestry Corporation yet been identified for renewable energy infrastructure under the *Energy Legislation Amendment Act 2021 No 34*.

ANSWER

- (a) Yes
- (b) No

Redirection Program

3. What is the total current cost of the NSW Government's program to redirect 270,000 tonnes of timber exports to the domestic market?
 - (a) How many tonnes have been delivered to local mills under the program to date?
 - (b) Has an extension of the program still not been considered?

ANSWER

Total cost to date is \$1,895,627 which reflects spend on infrastructure to prepare for rail transport of the timber

- (a) The program to deliver 270,000 tonnes to the domestic market via rail has not yet commenced. However, 27,955 tonnes has been delivered via road (as at the end of August 2022) as an interim solution. Deliveries via road are by agreement between the parties outside of the 3 year program however are covered by the rail agreement and will end up as additional volume supplied domestically on top of the 270,000 tonnes.
- (b) The three-year program will commence when the first rail service commences.

NSW Forest Industries Innovation Fund

4. Please provide an update on FIIF including number of projects approved, value of funds expended
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to date, what the projects are (which do not remain in commercial in confidence).

ANSWER

Since launching the FIIF loan scheme in October 2018, 10 applications for 9 projects have been approved totaling \$20.337 million. A further 6 applications are currently being processed, which if approved will exhaust the available funding.

A successful Pentarch Logistics Pty Ltd project proposal involving the design, installation and commissioning of a briquette plant to compress and package high-value wood fiber products from forestry processing residues and waste was publicly announced late in 2019. All other applications and projects remain commercial-in-confidence.

Hume Forest

5. Did Forestry Corporation consult or advise DPI of its intention to acquire Hume Forests, and if so what was DPI's response?
- (a) Will the NSW Government provide a submission to the ACCC? Will there be any increase to NSW's timber supply as a result of this acquisition?
 - (b) Can the NSW Government guarantee timber mills that they will not face reduced log supply as a result of the acquisition?

ANSWER

No, DPI was not consulted

- (a) No, however, while the NSW Government will not be providing a formal submission, Forestry Corporation is assisting the ACCC with its review of the potential acquisition through the provision of information and engagement with ACCC officials, as and when requested by the ACCC.
- (b) The Hume plantations are already established with trees and are part of the industry's existing timber supply. Should Forestry Corporation be successful it will honour any existing contractual arrangements.

NSW Government's \$28 million Private Native Forestry program

6. The 2022-23 NSW Budget allocated \$28 million for a Private Native Forestry. Could you provide a breakdown of this \$28 million program?
- (a) How much additional timber supply is this expected to unlock, and when by?
 - (b) Is plantation forestry included in this program?
 - (c) If not, what is the Government doing to support plantation farm forestry?

ANSWER

The NSW Government has invested \$28 million to Local Land Services' Farm Forestry Program over 5 years. The funding will support landowners to implement new Private Native Forestry Codes of Practice to encourage forest stewardship, diversify on-farm incomes, and improve productivity and environmental outcomes for farm forestry.

- (a) The long-term objectives of forest management, including balancing productivity (which includes timber production), and environmental services provided by private forests, is a decision for landholders. Local Land Services' role is to provide education and training on best practice forest management and the implementation of the environmental standards in the new PNF Codes of Practice
- (b) No, plantation forestry is not included in this program.

- (c) The NSW Government has a range of strategies in place to support plantation farm forestry. This includes encouraging private investment, identifying incentives and impediments to plantation investment, maintenance of a modern and fit-for-purpose regulatory regime under the Plantations and Reafforestation Act and Code, and the provision of advice by DPI Forestry on the suitability of land for plantation authorisation pre and post purchase.

Plantation Estate

- 7. What is the NSW Government doing to grow the state's plantation estate?
 - (a) Is the current softwood plantation state in NSW sufficient to meet our future timber needs?
 - (b) Has the NSW Government done any analysis to determine the supply-demand gap, and is there any plan around how to close it?
 - (c) Does the NSW Government have a goal to grow the softwood plantation estate, and if so, by how much and by when?
 - (d) Is the NSW Government aware of any work done by industry to model the supply/demand gap, and how are you working with industry to address these issues?

ANSWER

The 2019/20 bushfires affected approximately 25 per cent of timber plantations managed by Forestry Corporation and replanting will require substantial investment over many years. Forestry Corporation has commenced an accelerated replanting program and is tracking ahead of its schedule to fully restock fire-affected plantations by 2027. This program will see Forestry Corporation invest around \$41 million a year in replanting.

The NSW Government has supported this investment by injecting \$46 million equity in Forestry Corporation to support fire recovery, with around \$28 million of this allocated to replanting. An additional \$22.6 million, being the remaining balance of the \$24 million four-year fund announced by the NSW Government in FY18 to purchase private land to expand the plantation estate, has also been redirected to replanting efforts.

Forestry Corporation production nurseries in Tumut and Grafton have been expanded and record numbers of seedlings have been planted statewide. This investment will assist plantation growth into the future. Approximately 16 million softwood and hardwood seedlings were planted in the 2021 planting season, well above the target of 14 million and up from around 10 million in a normal year.

Other measures aimed at growing the plantation estate in NSW include fee waivers for new plantation authorisations (for five years from August 2020) as a bushfire recovery measure, along with the maintenance of environmental standards by DPI Forestry through the process of assessment, authorisations, monitoring and audit. DPI Forestry also provides advice on the suitability of land for plantation authorisation pre and post purchase.

In addition, Forestry Corporation's strategic objectives include actively pursuing strategic plantation acquisitions, and acquiring bare land for plantation expansion (including land for renewables offsets).

- (a) Australia is a net importer of wood products. The NSW softwood plantation estate provides a proportion of timber for Australia's needs and is managed to supply a long-term non-declining yield of timber. Timber is also sourced domestically from hardwood plantations, native forests and overseas. Softwood plantations do not meet the need for hardwood products, which have different properties, are used for different products and cannot easily be substituted.
- (b) and (d)

Issues relating to Australia being a net importer of timber and forecasts of increasing domestic demand over coming years have been well ventilated through recent Commonwealth and NSW Parliamentary Inquiries, complemented by research from bodies such as ABARES.

Accordingly, Commonwealth and State Governments, including the NSW Government, have been seeking to address this issue through successive measures directed at expanding the plantation estate, such as the Commonwealth's 'one billion trees' commitment and the NSW Government measures outlined in response to Question 7 above.

- (c) The NSW Government is committed to growing the NSW plantation estate and contributing to the Commonwealth Government's "one billion trees" commitment.

NSW General Regulations

- 8. The General Regulations to Protection of the Environment Administration Act 1991 contains a regulation concerning native forest biomaterials. What section of the Act authorises this regulation?

ANSWER

This legislation is administered by the Minister for Energy and Environment. The provisions of the Protection of the Environment Operations (General) Regulation 2022 relating to the burning of bio-material in electricity generating works have been made pursuant to the regulation-making powers in Schedule 2, clauses 5, 6 and 6A to the Act.

Financial Assistance

- 9. How much financial assistance has been awarded to flood affected forest industry businesses not including the \$60 million awarded to FCNSW?
 - (a) Why is the FCNSW still operating with very onerous site-specific operating conditions three years after the 2019 fires?

ANSWER

The RAA has approved \$550,000 in Category D Natural Disaster Assistance to eight Forestry related industry applicants for the February 2022 flood event. Not all applications for this event have been processed and the program is open until 30 June 2023.

- (a) As at the date of the budget estimates hearing for the Minister for Agriculture and Minister for Western NSW, six applications have been approved totaling \$1.215 million under the Hardwood Timber Haulage Subsidy Program. Forestry Corporation is not currently operating under any site specific operating conditions made under the CIFOA. Forestry Corporation continues to implement voluntary environmental safeguards across the coastal regions that were affected by fire in 2019-20.

Forest Monitoring and Improvement Program

10. Why has the NSW Government terminated the NSW forest monitoring and improvement program?

ANSWER

The NSW Forest Monitoring and Improvement Program will continue through a \$1.5 million investment by the NSW Government over two years to increase independent research and outcomes to maintain healthy forests on private land. The program will be delivered in partnership between the Natural Resources Commission, Local Land Services and the NSW Forest Monitoring Steering Committee and will complement a range of other education, training and incentive initiatives under the \$28M farm forestry package.

Third-party contractors or consultancies

11. For every agency, department, or state-owned corporation within your portfolio, please provide the following:

- (a) A list of all third-party contractor or consultancies engaged in communications services, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (b) A list of all third-party contractor or consultancies engaged in PR services, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (c) A list of all third-party contractor or consultancies engaged in marketing services, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (d) A list of all third-party contractor or consultancies engaged in Government relations or lobbying services, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid

- (e) A list of all third-party contractor or consultancies engaged in industry or peak body membership, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (f) A list of all third-party contractor or consultancies engaged in policy or strategy development, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (g) A list of all third-party contractor or consultancies engaged in project management, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (h) A list of all third-party contractor or consultancies engaged in accounting and audit, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (i) A list of all third-party contractor or consultancies engaged in legal services, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (j) A list of all third-party contractor or consultancies engaged in any other services, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid

ANSWER

Agencies within the Regional NSW Cluster disclose in their Annual Report all consultancy engagements valued at more than \$50,000.

All other third-party contractor engagements where the value is in excess of \$150,000 are disclosed in accordance with the *Government Information (Public Access) Act 2009* on the NSW eTenders website.

Disability Employment

12. How many employees who identify with having a disability are employed by Agriculture NSW?

ANSWER

Fewer than 10 employees employed by Agriculture NSW as at 31 August 2022 identify as having a disability. Regional NSW cannot provide the exact number of people due to privacy and protection of staff anonymity.

13. How many senior managers who identify with having a disability are employed by Agriculture NSW?

ANSWER

Fewer than 10 senior managers employed by Agriculture NSW as at 31 August 2022 identify as having a disability. Regional NSW cannot provide the exact number of people due to privacy and protection of staff anonymity.

Questions from Ms Abigail Boyd MLC

Mulesing

14. Does the Government support the Australian Wool Innovations (AWI) Wool 2030 Strategy?

ANSWER

The NSW Government is supportive of industry-led initiatives to continuously improve animal welfare and protect sheep against flystrike.

15. If yes, how will the Government support Pillar 1 of the Wool 2030 Strategy that states 'growers have the confidence and tools to manage flystrike without mulesing'?

ANSWER

The NSW Government is working in several areas providing support to industry in developing tools and systems to help growers build confidence and capacity to manage flystrike without the need for mulesing. Projects include:

- Genetic improvement - a large focus on long-term solutions based on the development and promotion of breeding values to help growers select rams using fly-strike resistance traits (breeding values) and in the identification of superior genetics to fast-track genetic gain across the industry. Specific collaborative projects include MERINOSELECT, Merino Sire Evaluation, Merino Lifetime Productivity, Genomics evaluation, RamSelect App and Wether trials.
- Biological control - using 'Sterile males' to compete with wild fertile Blowflies. Early work has shown some success in reducing the incidence of flystrike. Trials have been run in the north and are about to start in the south of the state.
- Efficacy of chemicals registered to prevent and control flystrike - In collaboration with AWI, we have evaluated 91 strains of blowflies across a range of regions. Resistance is widespread and data from this study will support work being undertaken by the University of Tasmania to develop toxicology models to assess flystrike risk across regions and the benefits of chemical rotation. The outcomes of this work will be directly incorporated into 'FlyBoss', the sheep industries 'go to' resource for flystrike control and prevention.

16. Would the Government support a review of the Australian Animal Welfare Standards and Guidelines for Sheep to look at specific areas such as the use of pain relief and mulesing?

ANSWER

NSW participates in the national process for development or review of nationally consistent standards and guidelines for production animal welfare. Coordination of standards and guidelines review occurs under a national development framework by the Animal Welfare Task Group (AWTG). The process includes a regulation impact statement and national stakeholder consultation.

17. Would the Government support an update to the Australian Animal Welfare Standards and Guidelines for Sheep which made pain relief for mulesing and other painful husbandry procedures mandatory?

ANSWER

As above.

18. Does the Government consider mulesing without pain relief to meet the objectives of the Prevention of Cruelty to Animals Act?

ANSWER

Under the *Prevention of Cruelty to Animals Act 1979*, husbandry procedures such as mulesing must be carried out within defined age limits in a manner that inflicts no unnecessary pain upon the animal.

Surgical Artificial Insemination

19. Which specific people were consulted on the decision to walk back commitments to ban surgical artificial insemination of dogs? Please provide qualifications and affiliations.

ANSWER

Refer to page 31 and 32 of Transcript

Mr DUGALD SAUNDERS: I think there are seven, eight or maybe nine vets that currently do the surgical insemination. One of them is John Newell, I think his name is, who is based at Orana surgeries in Dubbo. Certainly he is one who I've spoken to. I can't remember the other one. But he is a highly regarded vet who has been working with greyhounds, particularly, for a long, long time.

Companion animals and pounds

20. In light of comments made by senior Office of Local Government staff during the Local Government hearing, and questioning with the Minister during the Agriculture hearing, please provide detailed information about what role the Minister and Department of Primary Industries has in relation to companion animals and council pounds, other than the setting of the Codes of Practice under POCTAA, and how responsibilities regard and oversight is divided up between the Department and the Office of Local Government.

ANSWER

The *Prevention of Cruelty to Animals Act 1979* falls under the portfolio responsibility of the Minister for Agriculture and the Minister for Local Government.

The NSW DPI administer the *Prevention of Cruelty to Animals Act 1979*, Regulation and Codes and Standards. Council pounds must comply with POCTAA, which is enforced by RSPCA NSW, AWL NSW and NSW Police.

The Minister for Local Government and Office of Local Government administer the *Companion Animals Act 1998* and Regulation, which includes dealing with seized or surrendered animals at council pounds. Council pounds include public or private pounds established by a council under the *Impounding Act 1993*. The *Local Government Act 1993* confers functions on councils including companion animal registration and control and impounding of animals. The Office of Local Government Chief Executive may prepare, adopt or vary guidelines relating to the exercise by a council of any of its functions.