



The Hon. Andrew Stoner MP

Deputy Premier

Minister for Trade and Investment

Minister for Regional Infrastructure and Services

Minister for Tourism and Major Events, Minister for Small Business

Minister for the North Coast

15 September 2014

The Hon. Natasha Maclaren-Jones MLC
Chair – General Purpose Standing Committee No.3
C/- Budget Estimates Secretariat
Room 812, NSW Parliament House
SYDNEY NSW 2000

Dear Mrs Maclaren-Jones

Please find attached copies of answers to questions taken on notice and supplementary questions provided by the General Purpose Standing Committee No.3, as part of its inquiry into the Budget Estimates 2014-2015, on Thursday 21 August 2014.

Yours sincerely

The Hon. Andrew Stoner MP
Deputy Premier



Trade &
Investment

Transcript Questions

Budget Estimates 2014-2015

Trade and Investment, Regional Infrastructure and Services,
Tourism & Major Events, Small Business and The North Coast

8/21/2014

QUESTION

The Hon. LUKE FOLEY: Deputy Premier, you have met with Mark Vaile, the former Nationals Federal leader, chairman of Whitehaven Coal, and discussed the Maules Creek coal project, have you not?

Mr ANDREW STONER: I have already answered that question. I said that I can certainly recall doing so in opposition; I am not sure whether I have since being in government. I will have to check my diary records and come back to you. I meet with thousands of people over the course of a calendar year and that includes the proponents of large-scale resource projects like Maules Creek. I do so in my role as Minister for Trade and Investment because these represent very significant investments in New South Wales and they also represent the creation of many jobs, which is within my direct portfolio purview. However, in relation to the approval of any development application, the issue of any mining licences or exploration licences, I have absolutely nothing to do with any of those matters.

ANSWER

As Deputy Premier and a Minister I regularly undertake meetings related to my portfolios and Ministerial responsibilities.

I commonly meet with representatives from the business sector, stakeholder groups and community spokespeople, to name a few.

I place great importance in approaching issues in a balanced manner and endeavour to hear the opinions of all those concerned.

Information regarding scheduled meetings held with stakeholders, external organisations and individuals will be published in accordance with Memorandum 2014-07 - Publication of Ministerial Diaries.

QUESTION

The Hon. LUKE FOLEY: Deputy Premier, let us turn now to your period in office. Did you, following your meetings and dinners with Mr Tinkler's executives and the receipt of donations by your party from Mr Tinkler's executives, then participate in discussions inside the Government concerning the approval of Mr Tinkler and Mr Vaile's Maules Creek coal project?

Mr ANDREW STONER: I have already said that, in relation to the approval of any development application, exploration licence or mining licence, I have no direct involvement whatsoever.

The Hon. LUKE FOLEY: Did you participate—

Mr ANDREW STONER: Well, I cannot participate—

The Hon. LUKE FOLEY: in internal Government discussions?

Mr ANDREW STONER: I may have met—and I have told you that I would have to come back to you—with Aston Resources, and I think it is Whitehaven Coal now, in relation to that or other projects. I do not know. I meet with thousands of people in their capacity as significant investors in the State of New South Wales. I have said I would check my diary and come back to you.

ANSWER

As Deputy Premier and a Minister I regularly undertake meetings related to my portfolios and Ministerial responsibilities.

I commonly meet with representatives from the business sector, stakeholder groups and community spokespeople, to name a few.

I place great importance in approaching issues in a balanced manner and endeavour to hear the opinions of all those concerned.

Information regarding scheduled meetings held with stakeholders, external organisations and individuals will be published in accordance with Memorandum 2014-07 - Publication of Ministerial Diaries.

QUESTION

The Hon. LUKE FOLEY: Deputy Premier, will you give us an assurance today that there has been no correspondence from you or anyone in your ministerial office to anyone else in government or industry concerning the Maules Creek coal project since you became a Cabinet Minister? Will you give us that assurance?

Mr ANDREW STONER: I will give you the assurance that I will check my records and come back to this Committee.

The Hon. LUKE FOLEY: And if you find in your records correspondence from you or anyone in your office concerning the Maules Creek coal project, will you reveal that correspondence to this Committee when you come back to us?

Mr ANDREW STONER: I said I would advise the Committee if there had been any correspondence.

ANSWER

A search of correspondence within the Deputy Premier's office has found that the Deputy Premier's office has only received one form of direct correspondence from Whitehaven (Aston Resources) on this matter.

A copy of the email is attached.

E-mail Message

From: [Emma Larkworthy \[SMTP:ELarkworthy@whitehavencoal.com.au\]](mailto:Emma.Larkworthy@whitehavencoal.com.au)
To: [Public Stoner's Office Email \[EX:/O=MIN/OU=EXCHANGE ADMINISTRATIVE GROUP \(FYDIBOHF23SPDLT\)/CN=RECIPIENTS/CN=5AC6AD7B09FE1A48808B23FEDCEF8244-000000045421\]](#)
Cc:
Sent: 4/7/2013 at 3:01 PM
Received: 4/7/2013 at 3:01 PM
Subject: WHC Maules Creek Project Receives Final Approval

Attachments: Maules Creek Project Receives Final Approval.pdf
Maules Creek Project Newsletter July 2013.pdf

Dear Minister Stoner,

Today is an extremely significant day in the history of Whitehaven Coal.

As you may be aware, we have now received all requisite approvals required to commence construction of our world-class \$767 million Maules Creek Project in north west New South Wales.

The project is one of the most significant investments currently underway in regional NSW. It expects to employ 340 full time equivalent employees and contractors in the construction phase and approximately 470 during ongoing operations.

The regional support for this project has been immense and very gratifying. We can now get on with the job of delivering to the community the benefits of this much-anticipated investment

This achievement would not have been possible without the support of various levels of government and government agencies.

You will find attached to this email a copy of the ASX announcement issued today, as well as our most recent Maules Creek Project Newsletter. Please don't hesitate to contact me should you have any questions relating to the project and its development.

Yours sincerely,

Paul Flynn

Managing Director & CEO



WHITEHAVEN COAL

ASX ANNOUNCEMENT

4 JULY 2013

MAULES CREEK PROJECT RECEIVES FINAL APPROVAL

Whitehaven coal Limited (ASX:WHC) is pleased to announce that its \$767 million Maules Creek Project has received all the requisite approvals required to commence construction.

"This is a significant and very welcome milestone for our business, our shareholders, our employees, and the north west New South Wales economy," Whitehaven Coal Managing Director Mr Paul Flynn said.

"The project is one of the most significant investments currently underway in regional NSW. It expects to employ 340 full time equivalent employees and contractors in the construction phase and approximately 470 during ongoing operations," he said.

"The regional support for this project has been immense and very gratifying. We can now get on with the job of delivering to the community the benefits of this much-anticipated investment.

"Throughout the three-year approval phase our project development team has developed an extremely comprehensive project delivery strategy, which has been validated by all levels of government, and we will be commencing construction imminently now that contracts can be executed."

First coal sales are expected to occur in the second half of calendar 2014.

"The project has been through one of the most rigorous planning approvals processes ever undertaken by a mine in New South Wales and has been reviewed by a wide range of highly regarded environmental experts," Mr Flynn said.

For detailed and accurate information and fact sheets relating to the Maules Creek project please visit: www.whitehavencoal.com.au or http://whitehavencoal.com.au/operations/mcem/mc_factsheets.cfm.

Production

The Maules Creek Project is a globally competitive project with a large reserve of high quality coal, a low stripping ratio of 6.4:1, relatively low capital development costs and competitive operating costs.

Maules Creek Mine is approved to extract up to 13 Mt of coal per annum and rail 12.4 Mt of product from the site in any calendar year.

Capital Costs and Funding

As reported previously, following a detailed review of the Maules Creek capital budget, capital expenditure to deliver the full production capability is expected to be approximately \$767 million. Of this amount, approximately \$160 million has been spent to date, (largely related to the CHPP and land purchases) leaving approximately \$607 million to spend (Whitehaven 75% share \$455 million, as previously disclosed).

Whitehaven's share of the capital costs will be funded by existing facilities and ongoing cashflow.



WHITEHAVEN COAL

ASX ANNOUNCEMENT

4 JULY 2013

Construction contracts and timing

Initial site preparation including fencing, storage and access roads will commence next week.

The most critical element of the construction phase is the rail spur and loop. The contract for the design and construction of the rail infrastructure is in the final stages of negotiation prior to execution.

Other material construction contracts are well progressed.

The Maules Creek rail spur and loop comprises a common section of 7.9km to be shared with Boggabri Coal and 11.9km for the Maules Creek section.

The pre-mobilisation phase is underway and construction of the rail spur and loop is expected to commence in August, with an approximate 12-month build time, post mobilisation. All other significant construction packages can be completed within the rail spur/loop timeline.

The Coal Handling and Preparation Plan is largely fabricated and is located close proximity to the site. Negotiations to finalise other related contracts including power supply and bulk earthworks are well advanced.

Maules Creek is working closely with contractors to optimise the scopes of work to ensure that Whitehaven Coal can deliver the project in the most cost effective manner possible.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Paul Flynn - Managing Director

T: 02 8507 9700

Kate Kerrison

T: 0413 946 704

E: KKerrison@whitehavencoal.com.au



WHITEHAVEN COAL

ASX ANNOUNCEMENT

4 JULY 2013

ABOUT THE MAULES CREEK PROJECT

Further information and fact sheets available on our website – www.whitehavencoal.com.au

Ownership

Whitehaven Coal 75%
Itochu 15%
J-Power 10%

Location

Maules Creek Coal Project is located in the heart of the Gunnedah Basin in north west New South Wales. The site is approximately 18km north-east of the town of Boggabri in the Narrabri Shire Council Local Government Area.

Employment and economic benefits

The Maules Creek Coal Project is expected to employ more than 340 full time equivalent employees and contractors in the construction phase and approximately 470 during ongoing operations.

In addition to these jobs, Maules Creek Project is expected to provide the following socio-economic benefits to the regional economy:

- \$1.9 billion in annual direct and indirect business turnover
- \$1.0 billion in annual direct and indirect value added to the gross regional product
- \$54 million in annual household income; and
- 753 direct and indirect jobs

Under the Voluntary Planning Agreement (VPA) with Narrabri Shire Council, more than \$13 million in local funding has been committed including \$6 million towards road and infrastructure upgrades and \$5 million towards the upgrade of the Narrabri airport.

Under the VPA the following amounts have been allocated to the local communities in the vicinity of the project;

Boggabri Community	- \$800,000
Maules Creek Community	- \$275,000
Narrabri Shire Council CBD Upgrade	- \$1.25 million
Environmental Trust	- \$100,000

The agreement is well in excess of the requirements outlined under current planning legislation. The agreement allows for a payment of \$0.075 per saleable tonne to be paid monthly to Narrabri Shire Council.

At full production, the annual payment will be approximately \$800,000 per annum.



WHITEHAVEN COAL

ASX ANNOUNCEMENT

4 JULY 2013

Reserves and Resources

The Maules Creek Project is considered to be one of only a few remaining tier 1 undeveloped coal assets in Australia. It is also one of the largest coal deposits in Australia with 320 Mt of marketable reserves.

Mining Operations

Maules Creek's current resources are expected to support a large open cut operation for in excess of 30. Maules Creek Mine is approved to extract up to 13 Mt of coal per annum and rail 12.4 Mt of product from the site in any calendar year.

First coal sales are expected to occur in the second half of calendar 2014.

Coal Types

High quality, low ash, low sulphur and low phosphorus semi-soft coking coal and low ash, low sulphur, high energy thermal coal.



WHITEHAVEN COAL

MAULES CREEK PROJECT

NEWSLETTER N^o4

JULY 2013

INTRODUCTION

This newsletter is the fourth in a series, designed to provide the local community with updates on the Maules Creek Coal Project.

State and Federal approvals for the project have now been received and construction will commence in the coming months.

All of the relevant documents associated with these approvals are available on our website: www.whitehavencoal.com.au

Initial site preparation including fencing, storage and access roads will commence in the second week of July, and first coal sales are expected in the second half of calendar year 2014.

As detailed throughout the approvals process, the project will see the development of an open cut coal mine and associated infrastructure for the extraction of up to 13 Million tonnes per annum (Mtpa) of Run of Mine (ROM) coal for a period of more than 21 years. The development of surface infrastructure will facilitate the operation of the mine, including a coal handling and preparation plant and a rail spur. The rail link will connect to the neighbouring Boggabri Coal Mine's rail spur.

A general layout of the Project is provided on the following page.

MAULES CREEK PROJECT TO COMMENCE CONSTRUCTION

Message from Whitehaven Managing Director
Paul Flynn

The Maules Creek Project has now received all the requisite approvals required to commence construction.

This is a significant and very welcome milestone for our business, our shareholders, our employees, and the north west New South Wales economy.

The regional support for this project has been significant. We have managed to work with the community, listen to its feedback and address any concerns.

We can now get on with the job of delivering to the community the benefits of this much-anticipated investment. Capital expenditure to bring the project to full production is around \$767 million, with approximately \$160 million already spent.

The project has been through one of the most rigorous planning approvals processes ever undertaken by a mine in New South Wales and has been reviewed by a wide range of highly regarded environmental experts.

First coal sales are expected to occur in the second half of calendar 2014.

Maules Creek Mine is approved to extract up to 13 million tonnes of coal per annum and rail 12.4 million tonnes of product from the site in any calendar year.

A broad range of stakeholders have had input into this process, including local community representatives and interest groups, local government, various NSW Government departments, the NSW Planning Assessment Commission as well as the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development and the Department of Sustainability, Environment, Water, Population and Communities.

How do you contact the mine to ask questions or raise concerns?

The Maules Creek Project is very long-life; we are part of the local economy and part of the community. We have set up a hotline: 1800 MAULES (1800 628 537) through which you can contact the project team.

As we move towards production, more and more information will be made available on our website, including real time monitoring data and blasting information.

Alternatively, you can contact the Community Consultative Committee, details of which are included elsewhere in this letter.

Construction contracts and timing

The most critical element of the construction phase is the rail spur and loop. The contract for the design and construction of the rail infrastructure is in the final stages of negotiation prior to execution.

Other material construction contracts are well progressed.

The pre-mobilisation phase is underway and construction of the rail spur and loop is expected to commence in July, with an approximate 12-month build time, post mobilisation. All other significant construction packages can be completed within the rail spur/loop timeline.

The Coal Handling and Preparation Plant is largely fabricated and is located in close proximity to the site. Negotiations to finalise other related contracts including power supply and bulk earthworks are well advanced.

Maules Creek is working closely with contractors to optimise the scopes of work to ensure that Whitehaven Coal can deliver the project in the most cost effective manner possible.

Thank you

We look forward to working in partnership with the local community around the Maules Creek Project – just as we do with our other operations.

We have already made significant financial contributions to the local community through our Voluntary Planning Agreement which is explained elsewhere in this newsletter. We will continue to support initiatives which benefit the broader community on a long-term basis.

Paul Flynn
Managing Director and Chief Executive Officer



WHITEHAVEN COAL

MANAGEMENT OF THE MAULES CREEK COAL PROJECT

The Maules Creek Project is managed by Whitehaven Coal Limited and the ownership structure of the project is: Whitehaven Coal Limited, 75%; ICRA MC, 15%; and J-Power, 10%.

PRE-CONSTRUCTION APPROVALS

Prior to the commencement of construction activities for the Maules Creek Coal Project, various government post approvals need to be completed and are summarised in the following sections.

Environmental Protection Licence

Under the Protection of the Environment Operations Act 1997 (POEO Act), the Project is required to obtain an Environmental Protection Licence (EPL) from the NSW Environmental Protection Authority (EPA). The purpose of the EPL is to ensure that activities that have a potential to result in pollution are monitored and managed in a way to ensure minimal harm to the environment.

An EPL has now been issued for the Maules Creek Project.

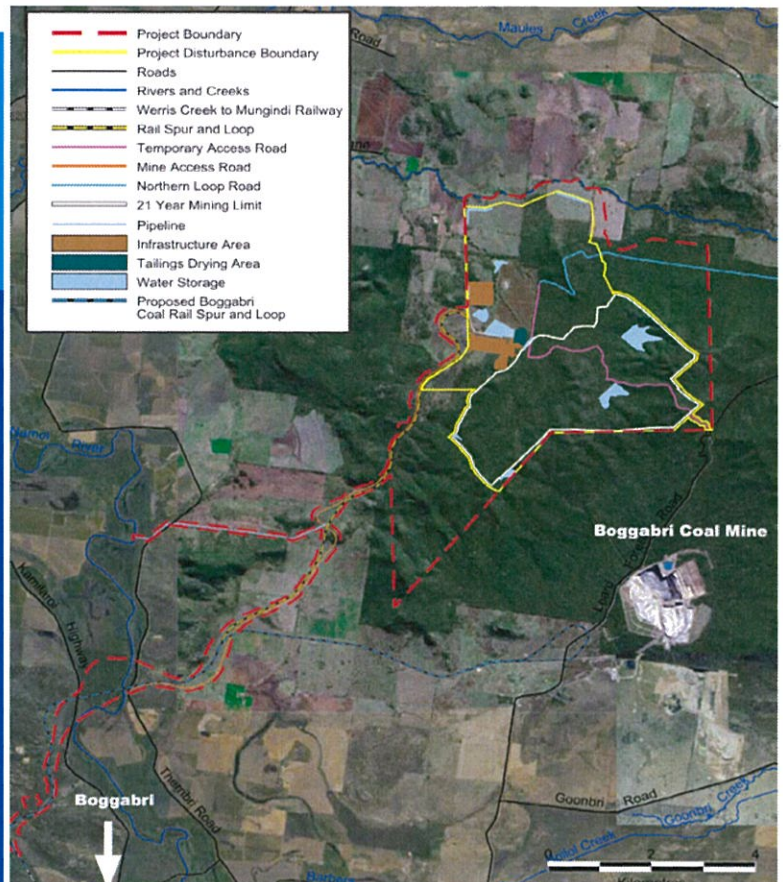
Approval of Various Management Plans

The Maules Creek Project team is committed to leading practice environmental management by maintaining open and honest two-way communication with local landholders and other stakeholders.

Under its approval conditions, Whitehaven has developed a range of Environmental Management Plans (EMPs) which describe management and mitigation methods as those that were presented in the EA. These EMPs will assist the operations in implementing leading practice management and mitigation measures to reduce the impacts of the Maules Creek Mine to the surrounding environment and community. These EMPs will be reviewed on a regular basis as part of the EMS. Once the EMPs have been developed to the satisfaction of the Director-General of the Department of Planning & Infrastructure, they will be made publically available on the Whitehaven website.

The various EMPs deal with:

- Noise
- Blasting
- Air Quality
- Biodiversity
- Aboriginal Archaeology and Cultural Heritage
- Water
- Traffic and Transport, and
- Rehabilitation



APPRENTICESHIPS, TRAINEESHIPS, SCHOLARSHIPS AND CADETSHIPS

Whitehaven currently employs nine full-time apprentices and four school-based apprentices. These apprentices work on site and also at local host employers – a benefit to local business as well as Whitehaven.

Gunnedah High School Student, Brady Eason, and Narrabri High School Luke Bailey have become the latest additions to Whitehaven Coal's Apprentice Program.

We congratulate Brady and Luke on their success in being selected for the program, and welcome them both to the Whitehaven team.

Brady and Luke are both school-based apprentices, which allows them to commence an apprenticeship while carrying out their studies at the same time. This means that when they complete Year 12, not only will they have completed their HSC but they will also have completed the first 12 months of their apprenticeship.

Whitehaven also has three students receiving the Whitehaven Scholarship in the fields of Bachelor of Engineering (Mechanical), Bachelor of Engineering (Civil), Bachelor of Geoscience. All three are from Narrabri.

Young, local people also benefit through Whitehaven's ongoing cadet and traineeship programs.



Brady Eason and Chris Layton



Luke Bailey and Craig Simmons



FACT SHEETS

The Maules Creek Project Fact sheets have been updated and are now available on our website. You will find a link to the factsheets from our home page. We encourage you to view the fact sheets and further familiarise yourself with the project.



http://www.whitehavencoal.com.au/operations/mcem/mc_factsheets.cfm

MAULES CREEK CCC HOLD INAUGURAL MEETING

Whitehaven Coal Limited's Maules Creek Project held the first meeting of its Community Consultative Committee (CCC) in Boggabri on Friday 7 June.

Community Consultative Committees are required under the New South Wales State Government consent conditions for most mining projects in the state.

The purpose of a CCC is to provide a forum for open discussion between representatives of the company, the community, the council and other stakeholders on issues directly relating to the mine's operations, environmental performance and community relations, and to keep the community informed on these matters.

The membership structure of the CCC is set out by the Department of Planning and Infrastructure (DPI), and committee members are approved by the Director-General of the Department.

"We are extremely pleased with the number and caliber of nominations we received for the CCC and look forward to working with the CCC as we continue to update the local community in relation to the Project, its benefits, and how issues are being managed," Whitehaven Coal Limited Managing Director Mr Paul Flynn said.

"Importantly, as part of the management of cumulative impacts in the region, the Maules Creek CCC, Tarrawonga CCC and Boggabri Coal CCC will all share the same Chairman."

Members of the Maules Creek project CCC are:

Name	Representing
Mr John Turner	Independent Chairman
Carolyn Nancarrow	Boggabri resident and business community
Peter Watson	Local landholder
Toni Comber	Red Chief Local Aboriginal Land Council
Cr Lloyd Finlay	Local landholder & Narrabri Shire Council
Jason Davis	Boggabri resident and business community
Rodney Woolford	Local landholder
Chris Andrew	Greening Australia Representative

CCC meeting minutes will also be published on the website:
http://www.whitehavencoal.com.au/community/maulescreek_ccc.cfm

"An effective CCC is an important part of any project's interaction with the local community and local stakeholders. We encourage community members to make themselves aware of the committee members and take advantage of the benefits the CCC brings to interaction with the business," Mr Flynn said.

"In our experience, constructive input via the CCC can and will make a difference and we look forward to this committee getting up and running."

Whitehaven Coal also has CCCs in place for its Narrabri, Tarrawonga, Rocglen, Sunnyside and Werris Creek operations. Details of each of the committees are available on the website.



CONSTRUCTION PROCESS

Figure below shows an indicative timeline for the construction phase of the Project into the commencement of mining activities at the Maules Creek Mine.

INDICATIVE TIMELINE FOR CONSTRUCTION

	2013			2014			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Approvals Process							
Site Preparation							
Bulk Earthworks							
Rail Installation							
CHPP Construction							
MIA Construction							
Construction of Water Retention Infrastructure							
Installation of Power Supply							
Mining Commences							



WHITEHAVEN CONTINUES TO SUPPORT LOCAL EMPLOYMENT

Whitehaven continues to support its locally-based workforce with current workforce statistics showing almost 84% of the company's employees reside locally.

Overall, Whitehaven currently employs more than 600 people in north west NSW and this number is expected to expand to more than 1000 employees in the next five years.

The current number of Whitehaven employees and the council area in which they reside is as follows:

WHITEHAVEN WORKFORCE STATISTICS - MAY 2013

Local Government Area/Region of employee residence	Number*	Overall %
Gunnedah Shire	252	41%
Sydney	23	4%
Newcastle/Hunter region	43	7%
Narrabri Shire	105	17%
Tamworth Shire	91	15%
Queensland	3	0.5%
NSW Other	35	6%
Liverpool Plains Shire	65	11%
TOTAL	617	

*includes Full Time Equivalent (FTE) contractors

"Whitehaven has always stressed its commitment to developing and maintaining, wherever possible, a locally-based workforce," Whitehaven Managing Director Mr Paul Flynn said.

"It is extremely important to Whitehaven that our workers live in, and enjoy being part of, the local communities in which we operate – mainly Narrabri, Gunnedah, Boggabri, Quirindi and Werris Creek.

"We want to ensure that the communities in which we operate gain the benefits of us being there. The most tangible way to do this is through long-term stable employment."

"At times, these large employment numbers will require a fly-in-fly out (FIFO), contractor component – particularly during construction. There is no viable alternative to this combination of employment options," Mr Flynn said.

"But the underlying intent is to maintain and grow our locally-focused workforce through bringing people to the region permanently and providing training to locals."

MAULES CREEK PROJECT VOLUNTARY PLANNING AGREEMENTS

Under the Voluntary Planning Agreement (VPA) with Narrabri Shire Council, more than \$13 million in local funding has been committed including \$6 million towards road and infrastructure upgrades and \$5 million towards the upgrade of the Narrabri airport.

Under the VPA the following amounts have been allocated to the local communities in the vicinity of the project:

Boggabri Community	\$800,000
Maules Creek Community	\$275,000
Narrabri Shire Council CBD Upgrade	\$1.25 million
Environmental Trust	\$100,000

The agreement is well in excess of the requirements outlined under current planning legislation. The agreement allows for a payment of \$0.075 per saleable tonne to be paid monthly to Narrabri Shire Council.

At full production, the annual payment will be approximately \$800,000 per annum.

CONTACT DETAILS

ADDRESS

121 Merton Street, Boggabri NSW 2382

POSTAL

PO Box 56, Boggabri NSW 2382

COMMUNITY HOTLINE

1800 MAULES

1800Maules@whitehavencoal.com.au

WEB SITE

www.whitehavencoal.com.au



QUESTION

Mr JEREMY BUCKINGHAM: Good morning, Minister. Minister, what was your role or your department's role, if any, in the unsolicited proposal bid from Buldev and Hunter Ports to build a new coal terminal in Newcastle?

Mr ANDREW STONER: As I recall, early in the term of our Government there was a request to look at the proposed investment and the economic benefits of that proposal, which I understand had also been considered by the former Treasurer, Eric Roozendaal, and the former Minister for Ports and Waterways, Joe Tripodi. I asked my department to have a look at the proposal. I was advised that it did not meet policy and that it should not go ahead, and the proponent was so advised.

Mr JEREMY BUCKINGHAM: Do you recall when you asked your department to do that?

Mr ANDREW STONER: As I said earlier, it was early in the term of our Government so it was in 2011 at some stage.

Mr JEREMY BUCKINGHAM: Was that a written request that came to you from Buldev and Hunter Ports? Did it come to you directly?

Mr ANDREW STONER: I cannot recall.

Mr JEREMY BUCKINGHAM: Could you look at your records and table a document if it exists?

Mr ANDREW STONER: I will look at my records and advise how the request came about.

ANSWER

The Department of Premier and Cabinet (DPC) received an unsolicited proposal for the development of a new coal terminal on the former BHP site in Mayfield from Hunter Ports Ltd, an entity within the Tinkler Group. DPC wrote to Mr Mark Peterson, Secretary NSW Trade & Investment on 7 December 2011 seeking a representative from the Department to assist with the assessment process.

The assessment of the proposal was conducted by DPC, Newcastle Port Corporation, Hunter Development Corporation, NSW Trade & Investment, Planning and Infrastructure, Treasury and Infrastructure NSW.

Following this assessment process, the NSW Government decided to not progress this project.

QUESTION

The Hon. MICK VEITCH: The next group of questions may well be better answered by Mr Paterson but I will leave it to you to decide that. I have looked at the annual reports for the Department of Trade and Investment for the last two years. What is the provision for bad debt in the department?

Mr PATERSON: We will check that for you.

... [and] ...

The Hon. MICK VEITCH: What is the department's current provision for bad debt?

Ms BIVIANO: I will have to get back to you on that.

The Hon. MICK VEITCH: Will you take it on notice?

Ms BIVIANO: Yes.

The Hon. MICK VEITCH: When you do so, can you do it for the last annual report as well? I have read a few financial statements in my time but one has to admit that the Department of Trade and Investment, after the amalgamation and the creation of the cluster, has a complex financial statement. I would appreciate it if you could do that. Have we sent any dunning letters out in the last 12 months?

Ms BIVIANO: No.

The Hon. MICK VEITCH: No. I have been given advice that the department's provision for bad debt is in the vicinity of \$50 million. Would that be correct?

Ms BIVIANO: I will have to get back to you on that.

The Hon. MICK VEITCH: You do not know?

Ms BIVIANO: Not off the top of my head, sorry.

The Hon. MICK VEITCH: Are you able to tell us how many bad debtors we have for \$50 million that we have not sent the letter out saying, "Please pay"?

Ms BIVIANO: I cannot give you that figure.

The Hon. MICK VEITCH: You cannot tell us that either?

Mr PATERSON: I would make the point that bad debtors may not just be people who owe us money directly; they may well be grant recipients who have failed to meet milestones where a business may have entered financial difficulties or may have not met the milestones they were obligated to meet, in terms of payments. So it will not just be the provider of newspapers or sandwiches.

The Hon. MICK VEITCH: Hence, Mr Paterson, my question: Is it based on a time frame or a dollar amount?

Mr PATERSON: We will need to get the detail in relation to the actual provision for bad debts that is in the annual report. I think you will find there may well be a provision being made—and some of those could be extended over an extended period of time—where there is a grant recipient from one of our strategic investment support arrangements or some of the prior ones that may have existed, where people have entered into multi-year contracts of support and they are supposed to deliver employment investment and other outcomes, where they may not have been met. And because they have entered into financial difficulties, we may not be able to recover moneys that have been paid and a provision would be made in those circumstances. So, it is not just the cut-and-thrust of normal commercial transactions because of the nature of grant programs that we run.

The Hon. MICK VEITCH: It seems to me that, to the taxpayers, \$50 million is a number that should be of interest to us. Will you take on notice when the last dunning letter was sent? How long is it since we actively tried to get some of that money back?

... [and] ...

The Hon. MICK VEITCH: Are you comfortable with the way that bad debt has been handled in your department since you have been Minister?

Mr ANDREW STONER: I will seek further information on the topic as well when the Deputy

Secretary puts that together.

... [and] ...

Mr PATERSON: I make the point that the provision for bad debt is not a write-off. It is a provision under the accounting standards to ensure that we demonstrate that there is a potential risk of not being paid the money that may be owed to us at a point in time. It is another matter to identify what is being written off, which is an irrecoverable identified bad debt. Maybe, for clarity, what we will do is identify both the detail in relation to the provision for bad debts and the second point in relation to the actual write-off of debts, because I think that that will put the question in context.

ANSWER

The following response was provided by the Secretary in the second session of the hearing:

The Hon. Mick Veitch asked some questions in the earlier session in relation to the provision for doubtful debts. The reason we looked a little perplexed at the time was because the numbers he referred to in the question did not ring true with us. The provision for doubtful debts for 2012-13, which was the annual report that has been published, was \$8.3 million, not \$50 million as was suggested in the question. I will provide our unaudited provision for doubtful debts for the 2013-14 financial year. Our annual report has not yet been published and we do not have a final audit signed off in relation to our accounts, but in our draft accounts our provision for doubtful debts is \$20.9 million for debtors over 90 days. The debts written off for 2013-14 in those unaudited accounts are \$7,000 and statements to debtors were last issued on 19 August, which was two days ago, based on time frames. They are not technically dunning letters, which was the nature of the question that was put to me, but the most recent statements to debtors were sent out on 19 August. I repeat: The provision for doubtful debts for 2012-13 was \$8.3 million and our unaudited provision for 2013-14 is \$20.9 million.

QUESTION

The Hon. STEVE WHAN: Before I hand over to Small Business, what work is Destination NSW doing about identifying skills gaps in tourism in New South Wales and planning to meet them? And if you have a lot, you might want to table it. I am hoping there is a lot.

Ms CHIPCHASE: This is an area that has been coordinated by Trade and Investment. We have certainly had a seat at the table. I am more than happy to go through the—

The Hon. STEVE WHAN: Is there an answer you would be able to table for us?

Ms CHIPCHASE: Yes, sure.

The Hon. STEVE WHAN: I will rephrase that: Would you take that question on notice?

Ms CHIPCHASE: Yes.

CHAIR: Order! To clarify it, you are not tabling it, you are taking it on notice?

Ms CHIPCHASE: No, it is a question on notice.

ANSWER

The NSW Government, through NSW Trade & Investment, continues to work with industry and the Federal Government to identify and address labour and skills needs in the NSW visitor economy.

The Sydney Tourism Employment Plan (TEP) (available online at http://www.business.nsw.gov.au/_data/assets/pdf_file/0003/43518/Sydney-tourism-employment-plan.pdf) was developed in partnership with the Commonwealth Government and launched in May 2014.

The Plan outlines targeted and practical measures to address labour and skills issues to support employment in Sydney's visitor economy. Implementation of these strategies over the next 12 months is being led by three industry working groups and is overseen by a Sydney TEP Implementation Group, which includes NSW Trade & Investment. The Plan is one of eight TEPs being developed nationally to provide pilot studies that can be used by other regions to develop their own plans.

The NSW Hospitality Careers Campaign will be delivered by the NSW Government in 2014 as a NSW Economic Development Framework priority. It is also an action in the NSW Visitor Economy Industry Action Plan and aligns with strategies in the Sydney TEP. The campaign will aim to encourage and persuade young people to consider and pursue a career in hospitality, such as restaurant and hotel careers. It will be an online marketing campaign and will feature industry professionals. The campaign will also target career advisors.

Through the Visitor Economy Industry Action Plan, the NSW Government supports increasing the supply of international short-term labour as one of the means of meeting the labour and skills needs of the NSW visitor economy.

The NSW Government advocates to the Federal Government on migration policy and legislation reforms, including extending the Working Holiday Maker program and visa processing.

One of the priorities of the NSW Strategy for Business Migration and Attracting International Students is to increase NSW's share of skilled migrants, including those in visitor economy-related occupations. In 2013, the NSW Government added chefs, cooks and hotel managers to the NSW Skilled Occupations List.

QUESTION

The Hon. ADAM SEARLE: Where were dispute resolution services provided face to face throughout New South Wales? Was it only in Sydney? Was it in the regional and rural areas? Was it in western Sydney?

Ms HOBBS: We provide them wherever the need is. If we need to be out in the country, we go out there.

The Hon. ADAM SEARLE: Can you identify the locations?

Ms HOBBS: Yes. I know that we have been up to Taree, I think there is one in Bathurst coming up and we were in the Southern Highlands recently. Wherever the need is, we will go there.

The Hon. ADAM SEARLE: Can you take it on notice to provide a full list of where you have been?

Ms HOBBS: Absolutely. I am happy to do that.

ANSWER

MEDIATION LOCATIONS 2013/14	
Maitland	
Port Macquarie	
Katoomba	
Tweed Heads	
Lismore	
Port Macquarie	
Newcastle	
Tamworth	
Penrith	
Coffs Harbour	
Wollongong	
Ballina	
Albury	
Gosford	
Campbelltown	
Mittagong	
Brisbane	
Sydney	
MLC	
TOTAL MEDIATIONS 2013/14 <i>(Includes multiple mediations in some locations)</i>	147

QUESTION

Ms JAN BARHAM: Action 6C of that same report referred to the release of Crown lands for tourism visitor purposes. Are you able to advise how many parcels of land have been identified or are proposed for visitor economy?

Mr ANDREW STONER: That is a question that would be better directed to the Minister for Natural Resources, Lands and Water, who has responsibility for Crown lands. I think Trade and Investment has engaged with the Minister for Natural Resources, Lands and Water in relation to that. If Mr Paterson has any further advice, I ask him to give it.

Mr PATERSON: I do not have any detail to hand.

Ms JAN BARHAM: I will submit it.

Mr PATERSON: Crown Lands estimates hearing was on Monday afternoon.

Ms JAN BARHAM: Yes.

Mr PATERSON: We can come back to you on notice.

ANSWER

The Government's response to the Crown Lands Management Review Report 2014 supported in principle a whole of government stocktake of Crown land. The State Lands Stocktake will provide opportunities for agencies such as Destination NSW to be consulted on government land needs. It is anticipated the stocktake will be completed by the end of July 2015.

QUESTION

Ms JAN BARHAM: Thank you. Do you have any updates on how the Aboriginal Tourism Action Plan project is progressing and on its implementation?

Mr ANDREW STONER: I will ask Ms Chipchase to respond to that.

Ms HOBBS: Yes. As you would be aware, the plan was released in August 2013 and it was designed to identify ways that Destination NSW, partner agencies and the tourism industry can help and support the Aboriginal tourism sector and foster opportunities for Aboriginal people to successfully operate tourism businesses and also gain employment in the tourism industry. There were 26 actions in the action plan.

Ms JAN BARHAM: I am particularly interested to know how has it progressed with new businesses or in the training and employment of Aboriginal people.

Ms HOBBS: You may be aware that we ran a workshop for Aboriginal tourism operators to try to upskill and assist them in understanding commission structures—how to work with inbound tour operators. We have had some great success. You may be aware of a product in the Port Stephens area that has quad bikes run by Aboriginal tourism operators. They have now been included in international brochure products, which is a huge success. We are running a second workshop. The first one was run in Redfern. The second one was up in Port Stephens and we have a third one coming up. So this has been an exceptional initiative and it has been very widely accepted.

Ms JAN BARHAM: Do you know how many new products or increased employment have come from it?

Ms HOBBS: I cannot give you employment numbers—

Ms JAN BARHAM: Training?

Ms HOBBS: —but I can take that as a question on notice.

Ms JAN BARHAM: Okay.

ANSWER

(Please note that all references to Ms Hobbs above should be amended to Ms Chipchase.)

The bi-annual Aboriginal tourism operators workshop program focuses on facilitating opportunities for existing and emerging operators including presentations on involvement in programs such as the national Indigenous Tourism Champions Program, which provides access to business development specialists, targeting funding and international and trade marketing for participating Indigenous tourism businesses.

The number of NSW participants in the 2014 Indigenous Tourism Champions Program has increased to 17 participants, up from five participants in 2012.

The second bi-annual workshop was held in April 2014 in Port Stephens. The next workshop is planned to be held in Narooma in September 2014.

QUESTION

The Hon. WALT SECORD: Minister, is it correct that you were sworn in as Minister for the North Coast on 23 April 2014?

Mr ANDREW STONER: I would have to check the exact date, but yes, it was in April.

ANSWER

Yes.

QUESTION

The Hon. WALT SECORD: Minister, have you ever had direct contact with Dart Energy?

Mr ANDREW STONER: No.

The Hon. WALT SECORD: Has your staff ever met with Dart Energy?

Mr ANDREW STONER: Not to my knowledge, but I will seek their advice.

The Hon. WALT SECORD: Can you take that on notice?

Mr ANDREW STONER: Sure.

ANSWER

As Deputy Premier and a Minister I regularly undertake meetings related to my portfolios and Ministerial responsibilities.

I commonly meet with representatives from the business sector, stakeholder groups and community spokespeople, to name a few.

I place great importance in approaching issues in a balanced manner and endeavour to hear the opinions of all those concerned.

Information regarding scheduled meetings held with stakeholders, external organisations and individuals will be published in accordance with Memorandum 2014-07 - Publication of Ministerial Diaries.

QUESTION

Ms JAN BARHAM: Minister, could you answer a specific question about the issues that have been raised—is the rabbit-proof fence an issue that has been raised? And are you able to identify how much funding New South Wales commits to that fence, which appears to be a bit useless in fact?

Mr ANDREW STONER: Ms Jan Barham, I am afraid that we will have to take that question on notice. It is not in my notes. We will come back to you on that.

ANSWER

There are no government funded rabbit fences in NSW.

The Dog Fence is a pest exclusion fence that was built during the 1880s. Although it serves mainly to keep wild dogs out of NSW it also acts to keep out rabbits and other pests. The Wild Dog Destruction Board is the governing body set up to administer and manage the Dog Fence and ensure that is regularly patrolled and maintained. Its annual budget is approximately \$1.9 million. The Government provides \$200,000 per annum toward this and the balance is levied from Western Division landholders whose properties exceed 1,000 ha.

The issue of rabbit proof fences has not been raised with the Cross-Border Commissioner.