



Chris Hartcher MP

Minister for Resources and Energy
Special Minister of State and
Minister for the Central Coast

QUESTIONS RELATING TO THE PORTFOLIO OF RESOURCES & ENERGY

28 OCTOBER 2011, 9.00am – 1.00 pm

Questions from Dr John Kaye MLC

QUESTION 1

What is the current status of the works on the substation at Empire Bay?

ANSWER

I am advised that civil works on the Empire Bay zone substation will be completed by the end of this month (November 2011).

Chris Hartcher MP

QUESTION 2

Does the location of the substation infringe or contradict Land and Environment Court orders?

ANSWER

I am advised no.

Chris Hartcher MP

QUESTION 3

Is the Minister aware that Gosford City Council now believes that the Empire Bay substation does in fact infringe on Land and Environment Court orders?

- a) If not, will the Minister now admit that an alternative site for the substation should have been chosen, and offer his personal apologies to the local community who attempted to highlight the flaws in the location?
- b) Will the Minister conduct an investigation into this matter?
- c) What steps has the Minister taken to identify the mistakes made to prevent similarly environmentally damaging, unnecessary and expensive energy infrastructure from being placed in an inappropriate and illegal position?

ANSWER

(a) – (c)

I am advised that Gosford City Council has been aware of the proposed development since 2008, when plans for a substation at Empire Bay were first discussed.

No issues were raised when the Poole Close site was chosen, and Council's zoning of the area allows utility infrastructure.

Chris Hartcher MP

QUESTION 4

What is the current status of the Avoca-Kincumber-Empire Bay power line?

ANSWER

I am advised:

More than 50% of the Avoca-Empire Bay 66,000 Volt power line has been completed. The power line will be fully constructed by February 2010.

Chris Hartcher MP

QUESTION 5

What is the current estimated cost of the Empire Bay substation and the Avoca-Kincumber-Empire Bay power line?

ANSWER

I am advised the estimated cost is \$50 million.

Chris Hartcher MP

QUESTION 6

Regarding the re-establishment of the Snowy Scientific Committee:

- a) Has the Minister requested two nominations from Victoria, and if so what date was that request made?
- b) Has the Minister received the nominations from Victoria?
- c) Has the Minister requested the four NSW nominations from the relevant NSW authorities and departments?
- d) What is the Minister's timeline for the re-establishment and start of operation for the Snowy Scientific Committee?

ANSWER

- a) Yes, 21 July 2011.
- b) No.
- c) Yes.
- d) This will be determined in consultation with the Minister for Primary Industries and upon receipt of the Victorian Minister's nominations.

Chris Hartcher MP

QUESTION 7

Has your department has developed a concept for introducing a "grandfather clause" in which new rooftop solar panel customers can be guaranteed that they can be rolled over into any new scheme following the completion of the IPART review?

- a) If so, please provide details of this concept.
- b) Has this concept been submitted to the Premier?
- c) If so, what was the Premier's response to this submission?
- d) Will your department be pursuing the "grandfather clause" as a way to keep the rooftop solar industry alive until the outcome of the IPART review is known?

ANSWER

The Independent Pricing and Regulatory Tribunal is conducting an investigation into a fair and reasonable value for electricity generated by small-scale solar photovoltaic units in NSW.

Chris Hartcher MP

QUESTION 8

How many wind farms have been approved since the government came to power?

ANSWER

This question should be directed to the Minister for Planning and Infrastructure.

Details of approved wind farms, including the date they were approved, is available at www.planning.nsw.gov.au.

Chris Hartcher MP

QUESTION 9

Are you concerned that the effective moratorium on new wind farms is deterring investment and the growth of jobs in NSW?

ANSWER

This question should be directed to the Minister for Planning and Infrastructure.

Chris Hartcher MP

QUESTION 10

What evidence do you have of harmful health impacts or otherwise of wind farms. Please provide details of the studies.

ANSWER

This question should be directed to the Minister for Planning and Infrastructure.

Chris Hartcher MP

QUESTION 11

Has the Minister caused there to be an assessment of changes to legislation, regulation or other instrument to allow small generators to access the local distribution network to distribute and trade energy outside of the national energy market?

a) If not, will the Minister consider doing so?

ANSWER

The Division of Resources and Energy within the Department of Trade and Investment, Regional Infrastructure and Services regularly assesses whether changes to legislation or other instruments are needed.

Chris Hartcher MP

Questions from the Hon Amanda Fazio MLC

QUESTION 12

In relation to Resources:

- a. Minister, are you concerned that Ashton Coal has recently had to lay off 16 workers because of delays in granting approval for the continuation of their mining operation?
- b. As Minister for Resources are you concerned about the current delays in planning consideration for major resource projects?

ANSWER

(a) – (b)

These questions should be directed to the Minister for Planning and Infrastructure.

Chris Hartcher MP

QUESTION 13

In relation to Resources:

- a. Is it correct that the Government's moratorium on granting new Petroleum Exploration licences does not apply to the renewal of licences?
- b. Do you expect renewal of these licenses to be considered and decided before they expire?
- c. If no, do you find it acceptable that exploration activity will continue after a license has expired until its future has been determined?

ANSWER

(a) The moratorium period on the grant of new coal and petroleum exploration licences has now expired.

(b) – (c)

Section 20 of the *Petroleum (Onshore) Act 1991* allows petroleum titles, and associated exploration or production, to continue in force until the application for renewal is decided.

Chris Hartcher MP

QUESTION 14

In relation to Resources:

- a. How many Petroleum license applications are currently outstanding with the Department?
- b. What has the moratorium meant for those applicants?
- c. Did all work cease on consideration of the applications or has assessment of the applications continued?

ANSWER

(a) – (c)

A number of applications were unable to be determined prior to the expiry of the moratorium.

Chris Hartcher MP

QUESTION 15

In relation to Resources:

Minister, there appears to be approximately 41 Mining Lease applications awaiting decision –

- i. Has the Government's planning changes delayed the process of considering these applications?
- ii. What is the impact on employment of any delays?

ANSWER

(i) - (ii)

These questions should be directed to the Minister for Planning and Infrastructure.

Chris Hartcher MP

QUESTION 16

In relation to Resources:

- a. Minister, when you are considering renewal of Exploration licenses, will you be requiring an Agricultural Impact Statement?
- b. If so, at what point in the process will these statements be required to be produced?

ANSWER

(a) – (b)

Agricultural Impacts Statements relate to Mining Proposals lodged with the Department of Planning & Infrastructure.

These questions should be directed to the Minister for Planning and Infrastructure.

Chris Hartcher MP

QUESTION 17

In relation to Resources:

- a. Minister, what has been your direct involvement in the development of the Coal and Gas Strategy and the Overarching Coal and Gas Policy?
- b. What has been your direct involvement in the development of the Strategic Regional Land Use Plans?
- c. What has been your Department's direct involvement in the development of the Coal and Gas Strategy and the Overarching Coal and Gas Policy?
- d. What has been your Department's direct involvement in the development of the Strategic Regional Land Use Plans?

ANSWER

(a) – (d)

The Coal and Gas Strategy was an initiative of the former Labor Government.

A number of Ministerial offices and their respective departments – including my own - are involved in the design and implementation of the NSW Government's Strategic Regional Land Use policy.

Chris Hartcher MP

QUESTION 18

In relation to Resources:

- a. Minister, what has been your direct involvement in the development of the Aquifer Interference Policy?
- b. What has been your Department's direct involvement in the development of the Aquifer Interference Policy?

ANSWER

(a) – (b)

A number of Ministerial offices and their respective departments – including my own - are involved in the design and implementation of the NSW Government's Aquifer Interference Policy.

Chris Hartcher MP

QUESTION 20

Since the Government has placed a moratorium on coal seam gas exploration until 31 December 2011, what is the process for dealing with licenses that have already expired since making that decision on 21 July 2011?

ANSWER

There is no moratorium on coal seam gas exploration.

Chris Hartcher MP

QUESTION 21

In relation to Resources:

- a. Minister, are you aware that since coming into Government, 13 Petroleum Exploration licences have expired and another three will expire before the 31 December 2011?
- b. What is the current process for dealing with these expired licences?
- c. Do you intend on approving all these licences on the 1 January 2012?
- d. Do you already have the licences drawn up?
- e. What action will you be taking with respect to the nine licences that will expire in the first quarter of next year?

ANSWER

- (a) Only one petroleum exploration licence has expired this year. This expiry occurred as the licence holder withdrew the application for renewal that was lodged on 21 September 2010.

(b) – (e)

Section 20 of the *Petroleum (Onshore) Act 1991* allows petroleum titles, and associated exploration or production, to continue in force until the application for renewal is decided.

Chris Hartcher MP

QUESTION 22

In relation to Resources:

- a. What social, economic and business infrastructure is being put in place to support the development of resource projects in NSW?

ANSWER

This question should be directed to the Minister for Planning and Infrastructure and the Deputy Premier in his capacity as the Minister for Regional Infrastructure and Services.

Chris Hartcher MP

QUESTION 23

In relation to Resources:

- a. What consultation or discussion did representatives from your Department have with peak mining organisations before the announcement of the increase in State mining royalties in the 2011-12 Budget?
- b. Was any such consultation or discussion held before 6 September 2011?
- c. What consultation or discussion did representatives from your Department have with individual mining companies before the announcement of the increase in State mining royalties in the 2011-12 Budget?
- d. Was any such consultation or discussion held before 6 September 2011?

ANSWER

(a) – (d)

These questions should be directed to the Treasurer.

Chris Hartcher MP

QUESTION 24

In relation to Resources:

- a. What specific amount of money has been allocated in the 2011-12 Budget for conducting or sponsoring scientific research into the geological and water issues associated with coal seam gas mining?
- b. Over the forward estimates what specific amount of money has been allocated for conducting or sponsoring scientific research into the geological and water issues associated with coal seam gas mining?

ANSWER

(a) – (b)

NSW Budget papers 2011-12 are available at <http://www.budget.nsw.gov.au/>

Chris Hartcher MP

QUESTION 25

In relation to Resources:

- a. What specific amount of money has been allocated in the 2011-12 Budget to develop the royalties' regime that will operate for the coal seam gas industry in this State?
- b. Over the forward estimates what specific amount of money has been allocated to develop the royalties' regime that will operate for the coal seam gas industry in this State?

ANSWER

(a) – (b)

Part 7 of the *Petroleum (Onshore) Act 1991* and Part 7 of the *Petroleum (Onshore) Regulation 2007* already prescribe the basis for charging royalty on coal seam gas.

Chris Hartcher MP

QUESTION 26

In relation to Energy:

- a. Can the Minister confirm that the merger taskforce reporting on options for Essential Energy, Endeavour Energy and Ausgrid will release its report to the public by 1 December 2011?

ANSWER

The Terms of Reference for the Electricity Network Review request the Task Force to deliver its Final Report to the Government by 30 November 2011.

Chris Hartcher MP

QUESTION 27

In relation to Energy:

- a. Can the Minister confirm that the merger taskforce reporting on Essential Energy, Endeavour Energy and Ausgrid as part of the proposed \$400 million savings, will not include recommendations for either voluntary or forced redundancies?

ANSWER

The content of the final report is a matter for the Task Force.

Chris Hartcher MP

QUESTION 28

In relation to Energy:

- a. Can the Minister confirm that the merger taskforce reporting on Essential Energy, Endeavour Energy and Ausgrid as part of the proposed \$400 million of savings will not include recommendations for the discontinuation of any contractor services?

ANSWER

The content of the final report is a matter for the Task Force.

Chris Hartcher MP

QUESTION 29

In relation to Energy:

- a. Can the Minister confirm the amount of liquidated damages that have become due payable by Eraring Energy as a result of the fire on 28 October 2011?

ANSWER

I am advised that Eraring Energy has provided a notice of Force Majeure to Origin Energy advising that Eraring Energy considers the Unit 2 generator transformer incident to be an appropriate event under the Generation Trading Agreement (GTA).

Chris Hartcher MP

QUESTION 30

In relation to Energy:

- a. What work is being done inside your Department or by outside consultants engaged by your Department, to examine the issue of nuclear power generation in this State?

ANSWER

None.

Chris Hartcher MP

QUESTION 31

In relation to Energy:

- a. Is it the Minister's preferred position that the "polls and wires" in this State remain in public ownership?

ANSWER

The NSW Government is currently considering the findings of the Special Commission of Inquiry into the electricity industry.

Chris Hartcher MP

QUESTION 32

Phones

- a) How many blackberries does DPC assign to your Ministerial staff and to whom have they been issued?
- b) How many iPads does DPC assign to your Ministerial office and to whom have they been issued?
- c) How many iPads have you purchased for your office and to whom have they been issued?
- d) How many iPhones does DPC assign to your Ministerial office and to whom have they been issued?
- e) How many iPhones have you purchased for your office and to whom have they been issued?
- f) For each phone or device, how much was each bill from April to October?
- g) How many phones or devices have been lost in your office?
- h) What is the cost of replacing those phones or devices?

ANSWER

I am advised:

(a) – (e)

For all Ministerial Offices, there is a total of:

- i. Blackberries – 151
- ii. iPads – 19
- iii iPhones - 3

(f) Ministerial Offices in the NSW Government from April 2011 to October 2011 spent a total of \$88,902. This compares with \$238,567 spent under the previous NSW Government from October 2010 to March 2011.

(g) – (h) For all Ministerial Offices in the NSW Government, there has been one stolen phone, which cost \$577 (ex GST) to replace.

Chris Hartcher MP

QUESTION 33

Media/public relations:

- a) How many media or public relations advisers are employed for each of your portfolio agencies?
- b) What is the forecast for 2011-12 for the number of media or public relations advisers to be employed and their total cost?
- c) How many media or public relations advisers are employed in your ministerial office?

ANSWER

(a) – (b)

Agency staff numbers are in accordance with Government guidelines.

(c) Ministerial staff numbers and salary bands are available on the Department of Premier and Cabinet website.

QUESTION 34

Overseas Trips

- a. Have any of your overseas trips in the past year been paid for in part or in full by using public money?
- b. If so, did any of your relatives or friends accompany you on these trips?

ANSWER

(a) – (b)

Information regarding Ministerial travel is available on the relevant Minister's appropriate agency website, in accordance with Ministerial Memorandum M2009-10 'Release of Overseas Travel Information'.

Chris Hartcher MP

QUESTION 35

Office Costs

- a. What is the annual remuneration package for your chief of staff?
- b. What is the annual remuneration package for your head media advisor?
- c. What is the annual remuneration package for each of your staff?
- d. What is the estimated expenditure for your office budget in 2011-12?
- e. Have any office renovations or fit outs been undertaken in your ministerial office since April?
- f. If so, could you give details of contracted costs?
- g. What is your office budget?
- h. How many political advisors are in your office?
- i. How many administration staff?
- j. How many Department Liaison officers are assigned to your office?
- k. How many staff in the Department are assigned to Ministerial support duties?

ANSWER

(a) – (c) & (h) – (i)

Ministerial staff numbers and salary bands are available on the Department of Premier and Cabinet website.

(d) & (g)

Based on actual expenditure patterns, total forecast expenditures for all Ministerial offices are set out to be \$36,900,000 in 2011/12. This compares to \$47,046,453 spent by the former NSW Government from April 2010 to March 2011.

(e) & (f) Yes. Contracted costs total \$3,006.

(j) I refer the Honourable Member to the answer to the Question on Notice from the Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council representing the Premier, and Minister for Western Sydney – LC 0681—Premier—DEPARTMENTAL LIASION OFFICERS, that details this information as at 7 August 2011.

(k) Each Minister is provided with a Ministerial driver.

Chris Hartcher MP

QUESTION 36

Cabcharge

- a. In terms of your ministerial office, how much did your office spend on taxi fares, including Cabcharge since April?

ANSWER

I am advised:

For all Ministerial offices, the cost of Cabcharge was \$38,806.38 over 6 months from April 2011 to September 2011.

This is compared with the cost of \$78,023.11 in the 6 months of the previous NSW Government from October 2010 to March 2011.

Chris Hartcher MP

QUESTION 37

Restructure

- a) Are any of your portfolio agencies undergoing a restructure?
- b) How many jobs are expected to be cut as a result of that restructure?
- c) How many people are expected to have their wages cut as a result of that restructure?
- d) How many voluntary redundancies are expected to be offered as a result of that restructure?

ANSWER

(a) – (d) No.

Chris Hartcher MP

QUESTION 38

Agency Costs

- a. What is your agency's catering budget?
- b. Since April, has the agency changed its branding?
- c. How much was spent on rebranding the agency?
- d. How much has been spent on stationary?

ANSWER

(a) – (d) All agency costs are in accordance with Government guidelines.

Chris Hartcher MP

QUESTION 39

Correspondence

- a. How long is the average turnaround for responding to correspondence in your agency?
- b. How many pieces of correspondence have been outstanding for more than 60 days?

ANSWER

(a) - (b)

I am advised:

The Department of Premier and Cabinet's recommended time frame for completing responses to correspondence from Ministers, Members of Parliament and members of the public is 20 working days from the Department's receipt of the correspondence.

However, it is not always possible to comply with this time frame for any number of reasons including: the nature and complexity of the matter; stakeholder consultation; or further information required from other Departments and sources.

Chris Hartcher MP

QUESTION 40

Paying bills on time

- a. Since April, on how many occasions has the agency not paid a supplier or contractor for more than 30 days?
- b. How many bills have been outstanding for longer than that period?

ANSWER

All payments are made in accordance with Government guidelines.

Chris Hartcher MP

QUESTION 41

In relation to Grants to Non-Government Organisations

a) Does your department provide recurrent grant funds to non-government organisations? If yes,

- i. What are the names of all organisations in receipt of funding?
- ii. What is the total amount of funding received by each organisation, including goods and services tax?
- iii. On what date was the funding advanced?
- iv. What was the purpose for each grant or funding advance?
- v. Was any funding withheld or returned?
- vi. If so, what were the reasons for withholding or requiring the funding to be returned?

b) What is the indexation rate applied to non-recurrent grant funds in 2011/2012?

ANSWER

(a) – (b)

NSW Government agencies provide grants to local government councils and a range of non-government, non-profit organisations for the purpose of providing a service to the community or to undertake a project of benefit to the community.

Grants administration in New South Wales occurs within the legal and regulatory framework under which the NSW Government operates.

All Government Departments and authorities are required to publish details of grants made to non-government organisations in their annual report. The requirements are set out in Premier's Memorandum 91-34.

This policy has not changed since the change of Government.

Chris Hartcher MP

QUESTION 42

Feasibility studies, audits, taskforces or reviews

- a. Is your department currently undertaking any feasibility studies, audits, taskforces or reviews,
- b. If so;
 - i. What are the terms of reference or details of each study, audit, taskforce or review?
 - ii. Who is conducting the study, audit, taskforce or review?
 - iii. Was each study, audit, taskforce or review was publically advertised seeking expression of interest or competitive tenders?
 - iv. Is there a contract in place detailing terms of engagement for the study, audit, taskforce or review?
 - v. What is the timeline of each study, audit, taskforce or review?
 - vi. What are the details of any costs involved in each study, audit, taskforce or review?

ANSWER

As with previous NSW Governments, the Government undertakes feasibility studies, audits, taskforces and reviews to inform government decision making.

A number of feasibility studies, audits, taskforces and reviews are currently being undertaken across the NSW Government.

Chris Hartcher MP

QUESTION 43

Parliamentary Secretary

- a) Can you please list all travel related costs for your Parliamentary Secretary incurred in their capacity as Parliamentary Secretary since 1 July 2011:
 - i. Kilometres travelled
 - ii. Accommodation,
 - iii. Air fares
 - iv. Meals/entertaining?
- b) Can you please provide details of the following activities undertaken by your Parliamentary Secretary since 1 July 2011:
 - i. Meetings attended in their capacity as Parliamentary Secretary?
 - ii. Functions attended in their capacity as Parliamentary Secretary?
- c) How often do you meet with your Parliamentary Secretary?
 - i. Are these meetings documented?
 - ii. Who attends these meetings?
- d) Who provides instructions and direction to your Parliamentary Secretary, you or your Chief of Staff?
- e) Has the Parliamentary Secretary been provided with Speech, Voice or Media Training since becoming Parliamentary Secretary? If so:
 - i. Who conducted the training?
 - ii. When was it conducted?
 - iii. Where was it conducted?
 - what were the costs of the training?
 - iv. Who paid for the training?

ANSWER

(a) Travel-related costs of my Parliamentary Secretary total \$1,153.81,

(b) – (d)

Parliamentary Secretaries provide assistance to the Premier and other Ministers, including signing correspondence; receiving deputations; officiating at functions; and assisting the Premier and Ministers in some of their duties. The duties to be performed are those allocated by the Minister, or which have the Minister's endorsement.

(e) The Division of Resources and Energy has not incurred any expense for this purpose.

Chris Hartcher MP