

GENERAL PURPOSE STANDING COMMITTEE No. 5 BUDGET ESTIMATES 2011/2012

SUPPLEMENTARY QUESTIONS ON NOTICE North Coast

Questions from the Hon Jan Barham MLC

QUESTION

38. Can the minister provide?

- a. An update on the Broadwater and Condong cogeneration plants,
- b. Information on the financial investment the State has made to these plants,
- c. Advice on what Federal Government investment was provided and
- d. What is the future of camphor laurel fuel for the plants?

ANSWER:

- a. Two 30MW biomass cogeneration facilities at Condong and Broadwater developed by the Sunshine Electricity Joint Venture (a partnership between Delta Electricity and the NSW Sugar Milling Cooperative Ltd) experienced financial distress which resulted in a breach of a lending covenant in November 2009.

The financial losses arose from the low prices in the Renewable Energy Certificate market and 30 year low crop volumes in 2009 and 2010. On 28 February 2011 voluntary administrators were appointed and the lending syndicate appointed a Receiver.

The receivers, Ferrier-Hodgson, are now administering the affairs of the joint venture companies and the two plants are now operating intermittently.

- b. No investment was made by the NSW Government other than by Delta Electricity through its subsidiary Delta Electricity Australia Pty Ltd – a partner in the Sunshine Electricity Joint Venture.
- c. No direct investment was made by Federal Government.
- d. Camphor laurel is a declared noxious weed in many areas of the north coast. The joint venture has, in the past, engaged harvesting contractors to supply camphor laurel to the plants as fuel. However, it is understood that camphor laurel is a relatively expensive source of alternative fuel for the plants. It has not comprised a significant proportion of the total amount of fuels purchased to date.

QUESTION

39. Considering the high level of housing unaffordability on the north coast, are there any plans for an increase in social housing stock?

ANSWER:**Social Housing need funded by Ageing and Disability Portfolio:-**

On the Far North Coast there is an estimated \$5 million in 2011-12 for ST2 (incl. accommodation support, respite, post school programs, day programs and family and community support) and an estimated \$2 million in new growth under the Home and Community Care (HACC) Program. This brings the total funding to \$116.4 million, which includes:

- \$82.2 million for disability services (including \$5 million in new growth).
- \$34.2 million for the HACC Program (including the \$2 million in new growth).
- Additionally, \$3.7 million is being provided for capital works in 2011 – 2012 including:
 - \$500,000 for a new five-bed group home in Tweed for people with a disability.
 - \$793,250 for new six-bed villa accommodation in Tweed.
 - \$600,000 for existing six-bed villa accommodation in Tweed.
 - \$513,000 for new five-bed co-located accommodation in Lismore for people with a disability.
 - \$495,500 for new four-bed villa accommodation in the Richmond Valley for people with a disability with high support needs.
 - \$497,750 for development of new villa accommodation in Grafton for two people with a disability with high support needs.
 - \$259,625 for a five bedroom group home in Mullumbimby for people with a disability.

On the Mid North Coast the total funding is an estimated \$5 million in 2011-12 for ST2 (incl. accommodation support, respite, post school programs, day programs and family and community support). There is also an estimated \$2 million in new growth under the Home and Community Care (HACC) Program. This brings the total funding to \$105.2 million, which includes:

- \$67.4 million for disability services (including the \$5 million in new growth).
- \$37.8 million for the HACC Program (including the \$2 million in new growth).

Additionally, \$4 million is being provided for capital works including:

- \$1.2 million for new four-bed group home in Hastings for people with a disability.
- \$400,000 for a five-bed group home in Kempsey for people with a disability.
- \$569,375 for new five-bed villa accommodation in Taree for people with a disability with high support needs.
- \$1.18 million for two new villas for people with a disability comprising 11 beds in Coffs Harbour.
- \$709,625 for new five-bed group home accommodation for people with a disability in Port Macquarie.

Social Housing need funded by Department family and Community Services:-

In 2011/12, the NSW Government will expend over \$18 million on the commencement or completion of 156 new units of social housing accommodation on the North Coast. Once all units are completed the total amount committed will be over \$45 million. In addition, over \$8 million will be expended on maintenance upgrades of social housing homes.

QUESTION

40. What position is the government taking on state planning process like the West Byron development and why isn't this particular project being referred back to the council for determination, in light of the coalition's position on returning planning powers?

ANSWER

Please refer to the transcript of General Purpose Standing Committee No. 5 Thursday 27 October 2011 Examination of proposed expenditure for the portfolio areas Local Government, the North Coast. Pages 12 & 15.

QUESTION

41. Can the minister advise on community concerns regarding Crown Land management on the north coast and in particular recent moves to compulsory acquire council owned lands at Brunswick for commercial purposes?

ANSWER

I have received a number of representations on this matter. I have noted and acknowledged the concerns of those people who have written or emailed and referred the correspondence on to the Minister for Primary Industries the Hon Katrina Hodgkinson for all necessary consideration and response.

QUESTION

42. Can the Minister provide an update on cross border relationships with Queensland? For example, what, if any, discussions have been had between The Bligh and O'Farrell Governments about issues particular to this region?

ANSWER

This initiative is a welcome and long overdue development with particular importance for the North Coast. The Premiers of both NSW and Queensland have had discussions about this matter. I refer the Hon member to the joint media release of the NSW and Qld Premiers titled "Queensland and NSW Governments Sign Historic Cross-Border MoU" issued on Tuesday 30 August 2011.

Recruitment is underway and announcement will be made in due course on the appointment of a Cross Boarder Commissioner.

QUESTION

43. Are there plans to require councils to develop and implement water demand management plans to avoid the construction of new dams?

ANSWER

There are no powers in the current Local Government Act to require councils to develop and implement such plans.

QUESTION

44. Are there any specific plans for job creation opportunities on the North Coast?

ANSWER

The North Coast has received significant extra funding in the NSW State Budget 2011-12 including \$1 billion to fund upgrading the Pacific Highway.

There were also significant funding announcements across various portfolios including Health, Education, Police and Emergency Services, Sport and Recreation and Regional Tourism. This extra funding will provide great economic stimulation for the region and provide not only a direct increase in jobs but a multiplier effect across the North Coast economy.

In addition the cut in payroll tax will provide many additional jobs for the area please refer to my answer on page 10 of the transcript. I expect the review of police numbers on the North Coast will also deliver extra jobs to the area. Also the NSW Government has announced approval of the Coffs Harbour CBD Local Environmental Plan (LEP) which is expected to generate 2,000 jobs and housing for 5,000 residents in the local area.

Regional Kick Start and the Regional Relocation Grants will also encourage jobs growth for the region.

Regional relocation grants are an incentive for people to move to regional areas like the North Coast. The NSW Government is proud to offer a Regional Relocation Grant of \$7,000 to operate for four years as part of our Regional Kick Start package. The program is administered by my colleague the Minister for Finance and Services and questions in relation to administrative details should be directed to him.

For the first quarter of life of the Grant, 49 households have been recipients of the \$7,000. I would use this figure with caution noting that it is too early in the four year scheme for any meaningful figures to be produced and conclusions to be drawn – particularly as there has been no promotional campaign to date. The Regional Relocation Grants are an attractive incentive, particularly for those families already considering a move from metropolitan to regional areas. The program is part of the Regional Kick Start package which also includes:

- 30% of Restart NSW fund for infrastructure
- 40% of 100,000 jobs in Jobs Action Plan

QUESTION

45. Can the minister advise what budget has been allocated for Forest NSW's defence in court proceedings taken by the Office of Environment and Heritage in response to alleged breaches of threatened species licence prescriptions at Doubleduke State Forest?

ANSWER

No. The question is with regard to a Forests NSW operational issue and as such should be referred to the Minister for Primary Industries. My role as Minister for the North Coast is to advocate within cabinet on behalf of the North Coast and to advocate generally for the North Coast. It is not intended or appropriate for me to take over matters which are the concern of individual ministers or local members.

QUESTION

46. Can the minister advise on any initiatives to support the creative sector on the north coast and in particular any funding for job creation as a result of the Regional Creative Industries Strategy?

ANSWER

As I noted during the hearing (Please refer to the transcript of General Purpose Standing Committee No. 5 Thursday 27 October 2011 Examination of proposed expenditure for the portfolio areas Local Government, the North Coast. page 16) this sector is very important on the North Coast with many residents engaged in creative work and tourists attracted because of local artists and crafts people. There is also a great deal of interest in various arts and music festivals, markets and events held on the North Coast.

In addition I direct the Hon. Member to a media release from Minister Souris outlining funding for music on the North Coast entitled *"New Funding Sweet Music to Regional Conservatoriums"* issued on *Monday 7 November 2011*.