



LEGISLATIVE COUNCIL

BUDGET ESTIMATES 2019-2020
Supplementary Questions

Portfolio Committee No. 4
– Industry

**REGIONAL NEW SOUTH WALES, INDUSTRY AND
TRADE**

Hearing: Thursday 31 October 2019

Answers due by:

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Regional New South Wales, Industry and Trade

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

International Trade Posts

1. How many and in what locations do NSW's international trade offices share office space with Austrade?
 - (a) What are the working arrangements in these offices?
 - (b) Do the teams work on trade deals together?
 - i. If so, how are the benefits of the deal attributed to NSW?

ANSWER:

NSW share office space with Austrade in six locations - Singapore, Kuala Lumpur, Jakarta, Seoul, Tokyo and London.

- (a) The working arrangements in these offices are governed by a service level agreement with Austrade which outlines costs, reporting lines and administrative arrangements. NSW team members are embedded within Austrade offices to deliver commercial outcomes for the State
 - (b) Yes.
 - (i) The NSW government representatives in these offices work specifically for NSW on trade and investment deals and initiatives on our behalf, with our direction. Deals won and services delivered by these officers are for NSW companies, and are therefore attributed to both NSW and Austrade (Australia).
2. Please provide a list of the projects that were attracted to the State from each international office and also;
 - (a) The dollar value
 - (b) Number of jobs created

ANSWER:

In the 2018/19 financial year over 25 new projects were directly attracted to the State from our international network. Over the next three years these projects are expected to generate an estimated \$2.2bn of investment into the state, creating over 600 jobs. The investment projects secured involve commercial-in-confidence information from international companies.

3. What reviews or analysis is the Department currently undertaking of the international trade locations and network as mentioned by the Deputy Premier (p.25)?

ANSWER:

A review of NSW's international network is still underway to take advantage of growing trade and investment opportunities.

4. Please provide a list and overview of all the programs run by the Department conducted over the last 12 months that focused on reassuring international businesses that NSW is 'open for business' (p.26)

ANSWER:

All of the Department's programs and activities promote to both domestic and international businesses and governments that NSW is 'open for business'. Program details are available on the department's websites;

- <https://invest.nsw.gov.au/>
- <https://www.study.sydney/>
- <https://www.industry.nsw.gov.au/export-from-nsw>
- <https://www.investregional.nsw.gov.au/>
- <https://www.dpi.nsw.gov.au/agriculture/export-and-investment>

International Trade Missions

5. Please provide a copy of the itinerary for the Deputy Premier's trip to China and Vietnam on 2 November 2019.

ANSWER:

As per M2015-05-Publication of Ministerial Diaries and Release of Overseas Travel Information, Ministers publish information concerning overseas travel undertaken by them or their staff within 28 days of returning, on the appropriate agency website.

6. Were any of the meetings undertaken in this trip recorded?
- (a) If so could you please provide a copy of the recording or transcript?
 - (b) Could you please provide a list of all attendees to these meetings as well.
 - (c) How many staff went on the trip?
 - (d) What was the daily food and beverage allocation?
 - (e) What class of flight did the minister and staff fly on?

ANSWER:

Refer to Question 5.

7. How many trade missions were undertaken last financial year?
- (a) How many are planned for this financial year and where?

ANSWER:

As per M2015-05-Publication of Ministerial Diaries and Release of Overseas Travel Information, overseas travel may be undertaken by Ministers 'to attract investment, trade and businesses opportunities to the State, to learn from the policies and processes of other Governments, and to forge relationships with export markets'.

The Department does not maintain a record of all such travel for Ministers outside its portfolio. Ministers are required to publish on an appropriate agency website, within 28 days of returning, information concerning the travel.

- (a) How many are planned for this financial year and where?

The Department does not maintain a record of all such travel for all Ministers outside its portfolio.

A review of the state's international trade and investment is still underway. Future trade missions will be informed by this review.

8. Can you advise how much the participants total export sales increased by attending the mission?

ANSWER:

Building relationships in international markets and achieving export sales can take a long time to realise, often over many years. Post-mission surveys are sent to participants following a mission, requesting information on outcomes and any immediate sales secured. Typically, the NSW companies participating in such missions may be at a relatively early stage in their market entry strategy and immediate export sales would be unrealistic.

9. Does the Department collect any impact data about trade missions?
(a) What method is used to assess the effect of the trade missions program?
(b) How is the data compared with other objective sources like ABS data?

ANSWER:

Yes

- (a) Surveys and discussions with mission participants. Discussions with overseas partners following each mission are also held.
(b) Data collected is not statistically comparable with large data sets such as ABS.

10. How does the Department confirm that the trade missions aren't merely subsidising businesses that would otherwise export?

ANSWER:

Trade mission participants typically pay their own travel and accommodation costs to participate in the mission and are not subsidised. The Department organises and provides on-ground assistance for missions, and in some cases the Department has engaged Austrade to coordinate a visit program. Many participants would not choose to participate in these programs and events without this kind of assistance.

11. Are participants who don't currently export allowed to be involved in trade mission?
(a) If not, why?

ANSWER:

Yes.

- (a) Not applicable

12. What research is conducted about how non exporters becoming exporters?

ANSWER:

Research is undertaken through Austrade, Department of Foreign Affairs and the Export Council of Australia and universities.

13. Do participants/businesses who have been on more than one mission report higher or lower returns from participating in subsequent years?

ANSWER:

This data is not available.

14. Does the Department collect information as to whether firms or business share information obtained on trade missions with other exporters?

ANSWER:

The Department runs the Export Capability Building Program, a series of workshops and seminars to grow the knowledge and engagement of exporters across NSW. Mission participants are often case study speakers at these events and share their knowledge, experience and insights from participation with new exporters.

Export accelerator - a toolkit for NSW

15. When was the publication “Export Accelerator - a toolkit for NSW Business” last updated?

ANSWER:

In 2018.

Trade Agreements

16. How often are finalised trade agreements and protocols reviewed to understand where and when opportunities might become available?

ANSWER:

Consistent dialogue exists between Australia’s state, territory and federal governments to review and update trade agreements. Austrade, in partnership with NSW Treasury, runs a series of Free Trade Agreement workshops across NSW to help businesses understand the opportunities arising from these agreements. DFAT in partnership with NSW Treasury also undertakes consultations with NSW businesses on new trade agreements under consideration.

Western Sydney Airport MOUs

17. What action is the Minister undertaking to ensure regional businesses have access to the opportunities available at the western Sydney airport development?
- (a) If these opportunities are being presented, how is this being communicated to regional NSW?

ANSWER:

The new Western Sydney Airport will present opportunities and investments that benefit rural and regional New South Wales. For questions related to the Aerotropolis, please refer to The Hon. Stuart Ayres MP.

Forestry Corporation

18. How many kilometres of roads throughout NSW is Forestry Corporation responsible for?

ANSWER:

43,059 kms

19. How many kilometres of roads are owned or the responsibility of the softwoods

division of Forestry Corporation?

ANSWER:

24,198 kms

20. What was the total expenditure on road maintenance, repairs and upgrade by Forestry Corporation in:

- (a) 2010-11
- (b) 2011-12
- (c) 2012-13
- (d) 2013-14
- (e) 2014-15
- (f) 2015-16
- (g) 2016-17
- (h) 2017-18
- (i) 2018-19

ANSWER:

a)	2010-11	\$23,958,306
b)	2011-12	\$21,716,497
c)	2012-13	\$18,746,984
d)	2013-14	\$18,054,859
e)	2014-15	\$18,451,263
f)	2015-16	\$20,356,627
g)	2016-17	\$25,538,497
h)	2017-18	\$23,787,292
i)	2018-19	\$26,910,673

Note these figures represent expenditure on roads for operational purposes. Forestry Corporation also maintains roads for community and recreation purposes, and this is funded through Community Service Obligation (CSO) funding from the NSW Government. The CSO spent for 2016-17, 2017-18 and 2018-19 are \$4,664,174, \$3,015,627 and \$4,523,869 respectively. This detail is not readily available pre 2016-17.

21. What was the total expenditure on road maintenance, repair or upgrade by the softwood division of Forestry Corporation in:

- (a) 2010-11
- (b) 2011-12
- (c) 2012-13
- (d) 2013-14
- (e) 2014-15
- (f) 2015-16
- (g) 2016-17
- (h) 2017-18
- (i) 2018-19

ANSWER:

a)	2010-11	\$14,754,291
b)	2011-12	\$11,034,146
c)	2012-13	\$9,747,596
d)	2013-14	\$10,776,178
e)	2014-15	\$11,293,791
f)	2015-16	\$11,624,065
g)	2016-17	\$15,466,199
h)	2017-18	\$14,729,104
i)	2018-19	\$17,004,324

Note these figures represent expenditure on roads for operational purposes. Forestry Corporation also maintains roads for community and recreation purposes, and this is funded through Community Service Obligation (CSO) funding from the NSW Government. The CSO spent for 2016-17, 2017-18 and 2018-19 are \$1,440,617, \$1,224,360 and \$1,941,133 respectively. This detail is not readily available pre 2016-17.

22. What is the forecast expenditure on road construction, repair, maintenance and upgrades for Forestry Corporation for 2019-20?

ANSWER:

\$25,772,202

23. What is the forecast expenditure on road construction, repair, maintenance and upgrades for the softwood division of Forestry Corporation for 2019-20?

ANSWER:

\$17,576,617

24. How many kilometres of road does Forestry Corporation's softwood division own, maintain and repair in each local government area in NSW?

ANSWER:

Local Government Areas	Km of roads maintained by Forestry Corporation's Softwood Plantations Division
BATHURST REGIONAL	897.3
BEGA VALLEY	716.1
BLAYNEY	62.7
CABONNE	1,317.5
CLARENCE VALLEY	132.3
COOTAMUNDRA-GUNDAGAI REGIONAL	689.6
COWRA	206.8
DUBBO REGIONAL	13.4
GOULBURN MULWAREE	73.7

GREATER HUME SHIRE	1,592.8
KYOGLE	388.4
LITHGOW CITY	1,152.6
MID-COAST	43.7
OBERON	4,195.4
ORANGE	60.1
PORT MACQUARIE-HASTINGS	37.8
QUEANBEYAN-PALERANG REGIONAL	154.5
RICHMOND VALLEY	761.8
SNOWY MONARO REGIONAL	2,478.2
SNOWY VALLEYS	7,364.9
TAMWORTH REGIONAL	729.3
TENTERFIELD	54.1
WAGGA WAGGA	147.0
WALCHA	201.4
WINGECARRIBEE	383.1
YASS VALLEY	343.5
Grand Total	24,197.9

Note: There are also a small number of roads managed and maintained in partnership with local Councils, other land managers or private property owners.

25. Will the scoping study on the future of Forestry Corporation's softwood division be made public? If so, when? If not, why not?

ANSWER:

I refer you to the response of Treasury officials at Supplementary Budget Estimates hearing of 29 October 2019 – the scoping study will be used to inform the Government's decision-making as to whether it will proceed with the long-term lease of the State's commercial softwood plantation business, and the timing and structure of the process if it decides to proceed, and will therefore be Cabinet in confidence.

26. What has been the impact of bushfires in 2019 on forests and plantations owned and managed by Forestry Corporation? Will these fires have any impact on the capacity to meet timber supply agreements?

ANSWER:

The current fires in NSW have impacted on large areas of native forest and some softwood and hardwood plantations on the north coast. The industry has been affected with the loss of the Tarmac mill at Rappville. The current focus remains the immediate firefighting effort, which

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significant numbers of Forestry Corporation staff are deployed to as part of the State's coordinated firefighting response. Operational impacts will be assessed in full when the immediate fire threat has eased.

Coal supply to Mt Piper Power Station

27. Has the Minister for Environment and Energy or the Department had any discussions with the Deputy Premier or the Department in relation to options to secure the coal supply to Mt Piper?
- (a) If so, what has been the nature of those discussions?
 - (b) If so, when did they take place and who was involved in those discussions?

ANSWER:

This is a matter for the Minister for Energy and Environment.

28. Are there any records of those discussions?
- (a) If so, are those records available?
 - (b) If no discussions have yet taken place, when are they expected to take place?

ANSWER:

This is a matter for the Minister for Energy and Environment.

29. Do any of the options discussed require legislative changes?

ANSWER:

This is a matter for the Minister for Energy and Environment.

30. Do any of the options discussed require regulatory change?

ANSWER:

This is a matter for the Minister for Energy and Environment.

31. What will be the nature of the legislative changes required?

ANSWER:

This is a matter for the Minister for Energy and Environment.

32. What legislation will need to be (a) introduced or (b) amended to give effect to the security of coal supply?

ANSWER:

This is a matter for the Minister for Energy and Environment.

33. When will the legislation in (32)(a)-(b) be introduced into the Parliament?

ANSWER:

This is a matter for the Minister for Energy and Environment.

Resources for Regions

34. Fourteen projects submitted under Round 6 of the Resources for Regions program were not recommended for shortlisting as they did not meet one or more of the assessment criteria – can a breakdown of the number of projects by the assessment criteria that they

failed to meet be provided.

ANSWER:

- One project was not located in an eligible mining-related LGA
- One project requested a funding amount below the required minimum of \$1 million
- Two projects were deemed to be delivering private rather than public benefits
- Ten projects did not meet the preliminary economic criteria.

35. How many of the fourteen projects submitted under Round 6 of the Resources of Regions program that were not recommended for shortlisting failed to meet the cost-benefit ratio assessment criteria?

ANSWER:

Ten projects that were not shortlisted in Round 6 did not meet the preliminary economic criteria.

36. How many projects funded under Rounds 1, 2, 3 and 4 of the Resources for Regions program remain incomplete?

ANSWER:

As of 31 October 2019, nine were still active.

37. How many projects funded under Round 5 of the Resources for Regions program remain incomplete?

ANSWER:

As of 31 October 2019, 8 projects were still active. One project was in pre-deed.

38. Will the review of the Resources of Regions program be made public? If so, where and on what date? If not, why not?

ANSWER:

The Strategic Review Report completed by the University of Technology Sydney Institute for Public Policy and Governance was released on 30 October 2019.

Port Kembla Community Investment Fund

39. Will applications be called for a funding round under the Port Kembla Community Investment Fund before 31 December 2019? If so, on what date will new guidelines be released and applications sought? If not, why not?

ANSWER:

The Port Kembla Community Investment Fund is an ongoing Program. The timing of funding rounds is at the discretion of the NSW Government.

MINING ACT 1992 REVIEW

40. What is the completion date for the review into the Mining Act 1992 and its associate regulations?

ANSWER:

NSW Minerals Strategy Action 4.1 (Conduct a targeted review of mining legislation) is scheduled for completion by February 2020. Once the review stage is complete, the Department of Planning,

Industry and Environment will consult with industry and community stakeholders on any potential opportunities for improvement identified by the review.

41. What is the terms of reference for the review?

ANSWER:

To review parts of the Mining Act 1992 and its associated regulations to identify opportunities for improvement in line with best practice legislation. The focus to date has been on opportunities to streamline, clarify, and/or clean-up provisions and reduce red tape, and identifying topics to investigate in more detail over the next few years.

42. What consultations are underway in relation to the review?

(a) If not, when will the consultations start?

ANSWER:

The Department of Planning, Industry and Environment has had preliminary discussions with industry peak groups (the NSW Minerals Council and the Association of Mining and Exploration Companies) on opportunities to streamline, clarify, and/or clean-up provisions and reduce red tape. The Department intends to consult formally with industry and community stakeholders on potential opportunities for improvement identified by the review next year.

43. How many stakeholders have been approached for comments?

ANSWER:

The Department of Planning, Industry and Environment has had preliminary discussions with industry peak groups (the NSW Minerals Council and the Association of Mining and Exploration Companies).

44. On what date were stakeholders approached?

ANSWER:

April 2019

45. How were stakeholders advised of the review?

ANSWER:

The stakeholders were advised of the review via the publication of the NSW Minerals Strategy in February 2019.

46. How many officers in the Department are involved in the review?

ANSWER:

Numerous employees from the Department's Division of Resources of Geoscience are contributing to the review.

47. Will the review undertake rural and regional consultations?

(a) If not, why not?

(b) If so, where are the consultations in (47) to be held?

ANSWER:

The Department of Planning, Industry and Environment will consult formally with industry and

community stakeholders, including rural and regional stakeholders, on any potential opportunities for improvement identified by the review. The Department has not finalised a consultation strategy for the review and has yet to determine what forms the consultation will take. This will occur once the Department determines the topics for further investigation next year.

48. Will submissions to the review be made public?
(a) If not, why not?

ANSWER:

The Department of Planning, Industry and Environment has not finalised a consultation strategy for the review and has yet to determine what forms the consultation will take.

49. When is it expected that the review will be completed?

ANSWER:

NSW Minerals Strategy Action 4.1 (Conduct a targeted review of mining legislation) is scheduled for completion by February 2020.

50. Will an interim report be published?

ANSWER:

The Department of Planning, Industry and Environment has not finalised a communications strategy for the review.

51. Will the review report be publicly available?
(a) If not, why not?

ANSWER:

The Department of Planning, Industry and Environment has not finalised a communications strategy for the review.

NSW EMISSIONS REDUCTION TARGETS

52. Has the Minister for the Environment and Energy discussed with the Deputy Premier the intended interim target for the Government's objective of zero net emissions by 2050?

ANSWER:

I am in constant contact with my ministerial colleagues on a range of different issues. The NSW Government has an aspirational target of net zero emissions by 2050.

53. If so, what is the nature of those discussions?

ANSWER:

Refer to Question 52.

54. If discussions have not yet taken place, when will the Deputy Premier request they take place?

ANSWER:

Refer to Question 52.

55. In those discussions, what will the Deputy Premier expect the nature of those discussions to be?

ANSWER:

Refer to Question 52.

56. Does the Deputy Premier agree that an interim target by 2030 is necessary?

ANSWER:

Australia is a signatory to the Paris Agreement and NSW is on track to meet these targets.

57. If not, what are his reasons for this position?

ANSWER:

Refer to Question 56.

58. What will be the impact of an interim target by 2030 on the mining sector in NSW?

ANSWER:

This is a matter for the Minister for Energy and Environment.

59. Have any discussions with the mining sector in NSW taken place on the proposed interim target by 2030?

ANSWER:

This is a matter for the Minister for Energy and Environment.

60. If so, what have been the nature of those discussions?

ANSWER:

This is a matter for the Minister for Energy and Environment.

61. If not, when is it proposed those discussions will take place?

ANSWER:

This is a matter for the Minister for Energy and Environment.

62. Will this be a formal process of consultation or informal process of consultation with the mining sector?

ANSWER:

This is a matter for the Minister for Energy and Environment.

63. If it will not be a formal process of consultation with the mining industry, why has this course of consultation been chosen by the Government?

ANSWER:

This is a matter for the Minister for Energy and Environment.

COAG WORKING GROUP ON CRITICAL MINERALS

64. How many times does the COAG Working Group on critical minerals meet per year?

ANSWER:

The group does not have a set number of meetings per year.

65. Who are its members?

ANSWER:

The group comprises government agency representatives from federal and state and territory governments.

66. What is the purpose of the Working Group?

ANSWER:

In December 2018, the COAG Energy Council Resources ministers agreed on a Strategic Reform Agenda for Resources. One of the agenda's actions is to establish a critical minerals work plan. Queensland is the lead jurisdiction for this action. It convened the time-limited Critical Minerals Working Group to develop this plan.

67. When was the Working Group established?

ANSWER:

The group started meeting in August 2019.

68. Are its deliberations publicly available?

ANSWER:

No.

69. What issues were considered at its meeting on 26 September 2019?

ANSWER:

The group discussed existing critical minerals projects and initiatives under way in each jurisdiction.

70. To which Minister in NSW does the Working Group report?

ANSWER:

The subject matter falls within my portfolio of Deputy Premier and Minister for Regional NSW, Industry and Trade. I, as the portfolio minister, represent NSW on resources matters considered by the COAG Energy Council. The COAG Energy Council will consider outputs from the working group.

Drought impact on mines

71. Has the Government had discussions with mines in regard to the impact of the drought on their operations?

ANSWER:

Government Ministers are in continuous contact with a range of stakeholders in relation to the impacts of drought.

72. Which mining operations have indicated that the drought may restrict operations if it becomes more severe or extends for a longer period?

ANSWER:

Given the commercial nature of this question, it is best directed to each individual mining company.

73. What restrictions on operations have been indicated by these mine operations in particular, and in general in the mining sector?

ANSWER:

Refer to Question 72.

74. What planning processes has the Government commenced to assist mining operations effected by the impact of the drought?

ANSWER:

Mining operations are being considered alongside other water users. In addition to annual water-sharing plans, the Department of Planning, Industry and Environment is working with WaterNSW and stakeholders to develop 12 regional water strategies across NSW. Stakeholders consulted include mines within the catchments. The strategies are aimed at ensuring infrastructure spending maximises water security benefits and achieves the best economic and community outcomes. The strategies will meet the commitments made by the NSW Government to the NSW State Infrastructure Strategy 2018.

The Greater Hunter Water Strategy, published in 2018, seeks to address near-future risks of water security and manage the region's water needs over the next 30 years. Submissions to the strategy closed in March 2019 and are currently being reviewed by the Department. This strategy draws on improved hydrological modelling and water usage data within the catchment. It proposes:

- infrastructure to connect coastal regions with inland regions to take advantage of differential rainfall and storage capacity.
- investigation of water reuse schemes.
- working with AGL to manage its water requirements as it transitions from coal-fired power stations.
- improving environmental outcomes by reducing stress on rivers and groundwater during drought.

Other plans and strategies include the 20-year infrastructure plan, which proposes a pipeline to improve water transfer efficiency from Keepit Dam to Boggabri and Maules Creek coal mines. Investigations are also under way in the Lachlan and Macquarie catchments, which host coal and mineral mines.

75. Will any of these plans require legislative or regulatory changes?

ANSWER:

This has yet to be determined.

76. If so, when does the Government propose to introduce these measures?

ANSWER:

Projects and strategies are being evaluated as needs arise.

Offshore sand for Stockton

77. Would a legislative change be required to allow offshore sand extraction to address coastal erosion at Stockton?

ANSWER:

Subject to the Minister's invitation and approval, offshore sand extraction can be undertaken under the Offshore Minerals Act 1999. This regime has not been implemented since the Act was created and legislative changes may be required to support or improve the regime before it is used.

78. Considering that the Offshore Minerals Act 1999 No 42 notes that "a reserved block may be put up for tender by the Minister publishing in the Gazette a tender block licence notice", will the Deputy Premier give consideration to calling for tenders for offshore sand dredging for beach nourishment purposes at Stockton?

(a) If not, why not?

ANSWER:

The Government is working closely with the City of Newcastle Council to consider a range of long-term management options to address coastal erosion at Stockton, including the use of offshore sand supplies for beach nourishment.