

## **Budget Estimates 2021-22 – Wednesday 3 November 2021**

### **Portfolio Committee No. 4 – Regional New South Wales**

#### **Responses to Questions on Notice**

##### **Question 1 (Page 7)**

The Hon. EMMA HURST: I understand Hunter New England and Western NSW local health districts will be the first to trial the new accommodation. Why were these two areas identified for that trial? Were they assessed as being areas most in need?

Mr PAUL TOOLE: I will get Mr Barnes to actually elaborate.

The Hon. EMMA HURST: That is fine.

Mr BARNES: Ms Hurst, again, later on today, I think for the final session, Ms Dewar, who is the deputy secretary who has been working with the Ministry of Health on this, can explain to you exactly why those two were chosen.

#### **ANSWER**

I am advised:

The NSW Government will invest \$30 million into healthcare workers' accommodation, starting in the Hunter New England and Western Local Health Districts. These locations have been selected as 'shovel ready' projects. This means that they can be rolled out quickly as part of the COVID recovery economic stimulus package, delivering health accommodation improvements for critical healthcare workers and a much-needed economic boost in those areas.

**Question 2 (Page 9)**

Mr HANSEN: There are scheduled reviews of that and reruns of those reports using the Forest Resource and Management Evaluation System [FRAMES] model.

Mr JUSTIN FIELD: When is the next one due?

Mr HANSEN: I will take that on notice and come back to you on that date.

**ANSWER**

I am advised:

Mr Hansen provides the answer to this question on page 17 of the Transcript from the Hearing.

### **Question 3 (Page 9)**

The CHAIR: Welcome, Deputy Premier. I want to start by asking some questions about the Tamworth intermodal, noting that this is obviously a project that sort of hovers between portfolios—one of them is yours. But it obviously has some impact on forestry export trade. If there are questions that you cannot answer or they sit in transport, just let me know.

Mr PAUL TOOLE: Sure.

The Hon. WES FANG: He can answer everything. Don't worry.

The CHAIR: I am sure he can. I just want to get some answers around what the total funding figure was from State government. In 2017 I think there was \$7.4 million announced by the local member, and that was about reactivating one of the lines. And then there was a second tranche of about \$27.8 million, which would take us to around \$35 and a bit million. Is that a fair assessment or have I missed some funding somewhere?

Mr PAUL TOOLE: Mr Barnes said that he can help me with this one, so I might go to him.

Mr BARNES: I will help by suggesting that Chris Hanger, who oversights those funds, will be here after 3.30 p.m. He will be able to give you details of the funds that were released and the source of those funds. There was an initial allocation and then a further allocation was made by—I cannot tell you off the top of my head the numbers, but Mr Hanger has those in his notes.

The CHAIR: We will get the definitive figures from Mr Hanger after three. Was there a business case for this project or was it sort of wrapped up in this global gateway case that was put forward by Tamworth council?

Mr BARNES: Again, one for Mr Hanger. I believe there was a business case. The CHAIR: And that was produced prior to the expression of interest?

Mr BARNES: I believe so.

Mr PAUL TOOLE: We will get him to actually provide that information later in the hearing today.

### **ANSWER**

I am advised:

The NSW Government's total investment in the Barraba Spur Line reactivation project is \$35.4 million.

Although linked, the reactivation of the Barraba Spur Line is separate to any works associated with the proposed Tamworth Intermodal and the Global Gateway Park.

**Question 4 (Page 10)**

The CHAIR: Sure. Going to the expression of interest that was conducted or announced on 14 April 2017. Minister, are you aware that that EOI essentially, even before it reached its first anniversary, was halted and the contract was awarded to Qube?

Mr PAUL TOOLE: My memory, if I go back—I understand that Qube were involved in discussions at that point but I would have to take the question on notice.

**ANSWER**

I am advised:

This is a matter for Tamworth Regional Council.

### **Question 5 (Page 10)**

The CHAIR: As a former local government Minister and also having been in local government yourself, is that a common practice: where an EOI is essentially halted midway and it is awarded to somebody? Is that something that is common or uncommon?

Mr PAUL TOOLE: I do not really know the context of the actual program, so it is a bit unfair to talk about the context of this one because I do not really understand what is the pathway here. I would say that expressions of interest—councils do go out to actually see what relevant players are involved in particular projects that have been put forward. That is not uncommon. I do not know the status of whether there were two, five or 10 players that may have been interested in the particular project. Sometimes expressions of interest actually might clearly define that there is only one party that is interested in pursuing it any further. I would have to take on notice the actual question.

### **ANSWER**

I am advised:

This is a matter for Tamworth Regional Council.

**Question 6 (Page 10)**

The CHAIR: Are you aware that your predecessor in the Roads portfolio, the member for Oxley, was made aware of these loss of freight volumes because Crawfords had set up its own, essentially, intermodal at Werris Creek that would severely hinder the commercial viability of this intermodal?

Mr PAUL TOOLE: I will have to take it on notice.

**ANSWER**

I am advised:

The Tamworth Intermodal Rail Line business case was developed by Tamworth Regional Council.

The intermodal facility is being developed, constructed and operated by Qube Logistics, who were selected by Tamworth Regional Council through an Expression of Interest process to operate the facility.

**Question 7 (Page 11)**

The CHAIR: My understanding is that Qube will have the land for 15 years and then the ownership will revert back to council. Has there been any work done by your department in terms of how Tamworth council will benefit from that arrangement? Or will Qube be the major benefactor in that arrangement?

Mr BARNES: One, again, to ask Mr Hanger, but I am aware that, through the various funding programs that are made available, the Government also supported the Werris Creek intermodal by putting a flyover across a rail line because of the dangerous conditions of land transport getting in and out of their site. But, again, as the Deputy Premier said, once business cases have been done and processes have been followed, it goes across to local government to engage in securing or moving forward on those projects. But I am sure that Mr Hanger can come along at 3.30 p.m. and give you all that he knows on that.

**ANSWER**

I am advised:

This is a matter for Tamworth Regional Council.



## **Question 8 (Page 17)**

Mr JUSTIN FIELD: So you have written to wood supply agreement holders. Is it possible—and we have done this before, and I am not after personal information or commercially sensitive information—to get a redacted version of the letters that went out to understand the nature of the parameters that are being put forward in terms of the negotiations?

Mr CHAUDHARY: Sure, Mr Field. Let me take that away on notice and check the commercial-in-confidence issue. I am pretty sure that we should be able to make something available.

## **ANSWER**

I am advised:

Forestry Corporation sent the following letter to relevant hardwood customers on the North Coast:

Dear

### **Publication of the Sustainable Yield Review**

Following the 2019/20 bushfires, Forestry Corporation has undertaken a process to review the Sustainable Yield for the State forest estate.

The review includes a detailed analysis of fire impacts on each of the forestry regions in NSW to determine the scale of impacts on the forests and the available timber resource. Sustainable yield is modelled over a 100 year timeframe, in which the amount of timber harvested and the stocks of timber in the forests remain stable to ensure that current harvesting does not compromise the availability of wood from our forests in the future.

This review has been submitted to the NSW and Australian Government's and has been published on the NSW Department of Primary Industries website at:

<https://www.dpi.nsw.gov.au/forestry/regional-framework>

The review used existing tree measurement data overlaid with fire severity mapping, scientific data and broad field assessments to model the impacts and recovery of different tree species. The updated models and assumptions have been independently reviewed. Field inventory measurements will inform our next periodic review, which will be finalised in 2023-24 in line with the Regional Forest Agreement 5 year review cycle.

The impact on timber volumes available in different areas is varied and some additional work may be required to update or verify these initial outcomes in some areas. Forestry Corporation will discuss the implications of the review with all Wood Supply Agreement (WSA) holders over the coming weeks.

Following representations made to the Deputy Premier and the indications he provided regarding the possible extension through to 2028 of WSAs expiring on the north coast in 2023, we will commence good-faith discussions under the terms of the WSAs. It should be noted that the current regulatory restrictions; pending review by the Natural Resources Commission; and limitations in respect of existing agreements will need to be taken into consideration in these discussions. Due to the number of WSA holders these discussions will take place progressively over the remainder of 2021 and beyond.

Your usual Forestry Corporation local contacts will be in touch to start these discussions with you. In the meantime, if you have any queries regarding the Sustainable Yield, please see our website for further information.

Regards

Daniel Tuan

General Manager Hardwood Forests

**Question 9 (Page 18)**

The CHAIR: Just picking up from where we left, Deputy Premier, you mentioned that you thought there was a business case on this Intermodal—

Mr PAUL TOOLE: No, I never—

The CHAIR: I cannot seem to find it publicly. Maybe on notice you can see whether it is available for us.

Mr PAUL TOOLE: Yes. We will have a look. We will find it.

**ANSWER**

I am advised:

This is a matter for Tamworth Regional Council.

### **Question 10 (Page 18)**

The CHAIR: Yes, sure. Can we talk about the delays in the project? I understand some of this has been under the stewardship of the former Deputy Premier, but in 2017 the council stated that it would be a six- to nine-month build, with trains in and out of the site by 2018. Then the local paper reported that we had an ambitious time line of August 2019, which has then again been pushed back because designs have not been finalised. We are now in the final months of 2021. What are the causes of these delays and do we have a projected date as to when this will be operational?

Mr PAUL TOOLE: Can we get Mr Hanger maybe this afternoon to provide you with that information? We will take the question and provide it to him to come back to you. The

CHAIR: Sure. No problems at all.

### **ANSWER**

I am advised:

The Tamworth Global Gateway Park and associated Intermodal Terminal are matters for Tamworth Regional Council.

In March 2019, Transport for NSW (TfNSW) was requested by Department of Regional NSW (previously Department of Premier and Cabinet and Department of Planning Industry and Environment) to take lead of the project. From June 2019, TfNSW took lead of the project in collaboration with Tamworth Regional Council and intermodal operator, Qube Logistics.

At that time work commenced on an operational plan to consider how the proposed 900-metre long trains would move through the 450-metre long West Tamworth yard. Several iterations were developed to ensure that the key safety and operational impacts to a number of level crossings on both the existing line and future reactivated line were considered.

In May 2020, early enabling works commenced including removal of redundant infrastructure, using the original \$7.4 million funding. In September 2020, Issued for Construction Civil and track design was completed.

In January 2021, the primary rail line construction works commenced. The TfNSW component of the works was commissioned into operation on 26 September 2021.



**Question 11 (Page 18)**

The CHAIR: Underneath the map there is a little table with a bar graph. Presumably that \$10.1 million was under the assumption that Shenhua was still going to be operational. Would that be a fair assumption?

Mr PAUL TOOLE: I would have to ask Mr Hanger to comment.

**ANSWER**

I am advised:

This information is commercial-in-confidence.

**Question 12 (Page 18)**

The CHAIR: Okay. Where are these assumptions on coal volume being drawn from? Because there are significant increases all the way through to 2056. How would they have come to this figure, do you think, Mr Barnes?

Mr BARNES: I would have to go back to Transport for NSW, who would pull this together. They may well have been looking at coal in the Liverpool Plains and the amount of coal that would go through or adjacent to Tamworth to find its way to Newcastle.

The CHAIR: I accept that. If we go to—

Mr PAUL TOOLE: We will take it on notice. It will probably have to be referred to Transport anyway.

**ANSWER**

Transport for NSW did not generate, nor publish, the report containing the assumptions.

The assumptions are drawn from NSW Treasury's Intergenerational Report.

**Question 13 (Page 18)**

The CHAIR: Sure. If we look at the agriculture commodities then, and assuming that includes timber, this year it is at 1.5 million kilotons and then it is projected in 2056 to increase to 2.3, and then you have also got oilseeds going from 170 kilotons to 240 kilotons in that same time period. Given that Crawfords has 50 per cent of the timber contracts, a lot of the oilseeds come from the Liverpool Plains, they have got an operation at Werris Creek that has the capacity to take this in and it is probably more convenient from a geographical perspective. How is this project going to be viable if a lot of these projected increases in freight are probably going to be more sensible to go through Werris Creek?

Mr PAUL TOOLE: I would have to take your question on notice. Otherwise, Mr Hanger might have some information this afternoon for you.

**ANSWER**

I am advised:

This information is commercial-in-confidence.



#### **Question 14 (Page 20)**

The Hon. PETER PRIMROSE: Minister, you are familiar with the Gig State project, aren't you?

Mr PAUL TOOLE: I am a little bit, with the Gig State, yes.

The Hon. PETER PRIMROSE: Can you give us an update on the rollout, please?

Mr PAUL TOOLE: I can. I think it is about a \$100 million project.

The Hon. PETER PRIMROSE: Yes.

Mr PAUL TOOLE: I did remember it. The Gig State is \$100 million. It is actually to bring metro-level internet speeds to regional New South Wales through investment in network infrastructure, including data hubs. So it is replacing the National Broadband Network [NBN]. The department works collaboratively with the Commonwealth and the NBN to ensure no duplication.

The Hon. PETER PRIMROSE: Tenders were asked for in early 2021. Where is it up to?

Mr PAUL TOOLE: I will have to ask Mr Barnes if he can provide some additional information there.

Mr BARNES: Again, Rebecca Fox will be here this afternoon. She looks after all of the Snowy Hydro Legacy fund, including the Gig State. I think, in fairness, Ms Fox will be able to take you through each of the component parts and where things are at in respect to Gig State.

#### **ANSWER**

I am advised:

Since the Expression of Interest for Gig State, there has been significant movement in the telecommunications market in response to our program. The Department is assessing the scope of the market changes to ensure regional areas with the greatest needs are targeted and private sector investment is not being duplicated.

**Question 15 (Page 21)**

The Hon. PETER PRIMROSE: Yes, Mr Barnes, I have read through the briefings and I have read through the request for tender. The initial target locations were Wagga Wagga, Parkes, Dubbo and a corridor west to Cobar. Can you just confirm that they are still the targets?

Mr BARNES: Let's let Ms Fox take those questions this afternoon, but my understanding is that those are still the areas of interest.

**ANSWER**

I am advised:

Since the Expression of Interest for Gig State, there has been significant movement in the telecommunications market in response to our program. The Department is assessing the scope of the market changes to ensure regional areas with the greatest needs are targeted and private sector investment is not being duplicated.

### **Question 16 (Page 26)**

The Hon. EMMA HURST: In regards to your announcement of the \$50 million Community Housing Innovation Fund, which will see social housing built in the Central West—Blayney, Forbes and Parkes—by the end of 2022, you might be aware that we have been doing a lot of work, particularly around the domestic violence and child protection spaces and the link between these forms of violence and animal cruelty. One of the big things that has come out of a lot of psychological research is that many people delay leaving violence to move into any kind of housing system because they cannot take their animals with them. Within our roundtables, it has been constantly pushed on us by all of the stakeholders that any future housing projects built by government are animal friendly. I just wanted to ask if you are aware if this social housing will be built and operated in a manner which will be animal friendly.

Mr PAUL TOOLE: I know there is \$50 million there. There are a couple of components to that. You speak about people moving out of homes. We also had a pretty large package around domestic violence announced a week and a half ago—\$484 million to support those people that are in terrible circumstances where they need to actually move out. There are a couple of components, but even with the \$50 million community housing, that is probably a question that you can ask Ms Dewar this afternoon when she is here at the hearing. She will give you more of an update as to where that particular program and project is up to. I will take on the premise of your question in relation to our concern.

The Hon. EMMA HURST: I suppose I could ask Ms Dewar to take it on notice if she does not know if it is going to be animal friendly either.

### **ANSWER**

I am advised:

The \$52.5 million Community Housing Innovation Fund will deliver around 200 sustainable, social and affordable housing dwellings for women experiencing domestic and family violence, in partnership with the community housing sector.

Questions related to this fund should be referred to the Minister for Water, Property and Housing.

**Question 17 (Page 27)**

The Hon. EMMA HURST: You mentioned nine fatalities. This might be something to take on notice; I do not expect you to have it necessarily on you. I am just wondering if there are statistics on the number of people that have been injured as well as fatalities but also statistics of fatalities for the horses as well.

Mr PAUL TOOLE: Yes, I would have to take it on notice and I would have to refer it to the other Minister—to me in the other portfolio.

**ANSWER**

I am advised:

In the 10 years, 2011 to 2020, there were no fatal crashes and nine casualty crashes involving a horse and rider. There were nine people being injured, including four seriously injured in these causality crashes.

Transport for NSW does not capture information on injuries to animals involved in crashes.

### **Question 18 (Page 28)**

The CHAIR: The Department of Primary Industries [DPI] would have existed. Did DPI have any input in drawing these figures? I am looking at potentially Mr Hansen to help out here.

Mr HANSEN: I would have to take that on notice, Chair. I am not aware if we did. I would have assumed that it would actually be the companies directly that would have been asked to provide forecasts of exports and what they thought might be the volumes, as opposed to coming through us. But I am not sure what conversations we might have had. It is something I am happy to look into. We could even come back in the afternoon session to see what additional details we can provide you.

The CHAIR: Based on these figures—I appreciate that I have just given them to you, Minister, and you probably need to go away and digest—it does not seem like it would be commercially viable and someone like you would have to bear the loss over this across their other projects or their other income streams. Are we forecasting a bailout of this company or a bailout of Tamworth council, who has entered into this contract? I just do not see how such a company could last 34 or 35 years operating on such a potential loss.

Mr PAUL TOOLE: I am not aware of the data that they provided upfront. This is a commercial decision that has been made in relation to what has been put forward.

The CHAIR: I appreciate that. But we are potentially going to hand this asset to a private company and it may or may not be commercially viable. We may end up bearing the cost of bailing this out. Or it might just end up being a white elephant that we have actually spent \$34 million, \$35 million or \$50 million on.

Mr PAUL TOOLE: I think we would have to have a look at the data that has been provided upfront as well. The information that was provided—it might have been the proponent at the end of the day that put all the information forward. There are a number of factors that would need to be looked at in relation to it but government just does not walk up and provide bailouts to any proposal that is not doing well.

Mr BARNES: I think the best thing would be to allow Mr Hanger to come.

### **ANSWER**

I am advised:

The reactivation of a section of the Barraba spur line between West Tamworth and Westdale is part of the Country Rail Network, an asset retained by the State.

Information regarding business decisions are commercial-in-confidence.

The Tamworth Global Gateway Park and associated Intermodal Terminal are matters for Tamworth Regional Council.



### **Question 19 (Page 28)**

The Hon. MICK VEITCH: Minister, I just want to close out our conversation around the Pacific Islander workforce issue. I do not know whether you will be able to provide the details just yet, but if you could take them on notice that would be pretty handy.

Mr PAUL TOOLE: Sure.

The Hon. MICK VEITCH: What I am looking for are the numbers that have come into New South Wales and which sectors they go to because a number of sectors will be looking for these workers. I have no doubt that horticulture—

Mr PAUL TOOLE: Yes and we have asked NSW Farmers to assist us there in trying to work with those farms that need the skilled workforce to be able to then identify the Pacific Islanders that we can match up. Everyone has a part to play here to make this happen. We can pull the levers. We can get the Pacific Islanders here into the country and into the State, but we also then need to make sure they are matched up with the appropriate employer. There are a lot of factors—even looking around schools to be able to send them to, as well.

Mr HANSEN: Just for clarity, the numbers you are looking for are different to the numbers that we gave you on Monday as to arrivals and to—

The Hon. MICK VEITCH: Yes. At the end of the program, where are they?

Mr HANSEN: So going forward?

The Hon. MICK VEITCH: Yes—two different sets of questions.

Mr HANSEN: Yes, okay.

### **ANSWER**

I am advised:

As of 16 November 2021, 2,661 workers had arrived in NSW through the Pacific Australia Labour Mobility (PALM) scheme:

- Meat processing – 1,450
- Horticulture – 1,208
- Apiary - 3

**Question 20 (Page 33)**

The Hon. MICK VEITCH: Can I just ask then, Mr Barnes, how many people from Sydney have subsequently taken up the offer to relocate? Actually, if you take it notice it would probably be better. Mr BARNES: I will take it notice, because it is—

The Hon. MICK VEITCH: And which of the centres they went to?

Mr BARNES: It is a combination, Mr Veitch, of people who may have left their job in Sydney and, as soon as they left their job, any new jobs in the Sydney area were advertised in—

The Hon. MICK VEITCH: One of the centres?

Mr BARNES: —one of those four locations.

The Hon. MICK VEITCH: Okay. Take that on notice.

**ANSWER**

I am advised:

Across the four hubs, more than 200 new or relocated positions have been created.



**Question 21 (Page 38)**

Mr BARNES: They are all publicly available. They are delivered to us on a monthly basis. If you want to talk about how we calculate—

The Hon. PETER PRIMROSE: What is that document called that is delivered to you on a monthly basis?

Mr BARNES: It is an interpretation and it is a standard set of data.

The Hon. PETER PRIMROSE: What is the document called because I would like to have a look at it.

The Hon. SAM FARRAWAY: You have to SO 52 it.

Mr BARNES: I am happy to get you a copy of it.

The Hon. PETER PRIMROSE: I am happy to get one too. I just want to know what it is called.

**ANSWER**

The document is titled: 'Regional Labour Force Brief' and 'Regional Labour Force Snapshot', prepared by Investment NSW.

**Question 22 (Page 41)**

The Hon. MICK VEITCH: The harvest leave program—again I know it is only a few days into this— how many leave applications under that program have we received since Monday?

Mr HANSEN: I will have to take that on notice.

**ANSWER**

I am advised:

In the first week of the operation of the scheme, 11 applications were received.

### **Question 23 (Page 44)**

Mr JUSTIN FIELD: In 2011 there was a yield forecast for hardwood plantations that looked specifically or included annuity and crop share. At that stage it was about 10,000 hectares, so you have walked away from pretty much all of them. The yield assessment at that stage was—from about next year or 2023 you were expecting 300,000 cubic metres a year to come out of those annuity and crop share plantations. I assume that that yield forecast now has virtually dropped to zero but what are you anticipating from the remaining 230 hectares?

Mr CHAUDHARY: Mr Field, I do not have that data on hand. I am happy to get that for you in terms of what the resource output looks like.

### **ANSWER**

I am advised:

Forestry Corporation manages approximately 34,000 hectares of hardwood timber plantations on State forests, approximately 230 hectares of hardwood plantations under annuity agreements and approximately 1700 hectares of hardwood plantations under a range of joint venture and other leasehold arrangements.

Joint venture and annuity plantations are single rotation agreements so the approximately 1900 hectares of hardwood plantations that are managed under annuity, joint venture or other arrangements are only included for a single rotation, which is approximately 40 years, at which point they drop out of the calculation. Long-term timber plantation projections over the 100-year timeframe in the sustainable yield forecasts relate to State forest hardwood timber plantations.

Forestry Corporation's sustainable yield is published on its website and updated every five years or more regularly as required. The expectations around yield from hardwood plantations not on State forest are adjusted at each review.

**Question 24 (Page 44)**

Mr JUSTIN FIELD: What percentage of timber that was harvested from any of the annuity or crop share plantations went to sawlogs?

Mr CHAUDHARY: Sorry, Mr Field. I will have that information. I just do not have it on hand.

Mr JUSTIN FIELD: It is pretty much zero though, isn't it? It has pretty much all gone to pulp?

Mr CHAUDHARY: Like I said, I am not across exactly what the output has been, but I can get that information for you.

**ANSWER**

I am advised:

Hardwood plantations managed under Joint Venture arrangements are not yet at an age where we would expect meaningful yields of sawlog and there are no plans to clearfall any hardwood plantations managed under Joint Ventures or annuities except where we are exiting the agreement.

Thinning operations to enhance sawlog yield have produced small volumes of industrial grade sawlog. These operations intentionally target the smallest and least healthy stems in order to support growth of the remaining trees.

**Question 25 (Page 44)**

Mr JUSTIN FIELD: Did they receive plantation accreditation at that time?

Mr HANSEN: I do not know. That is something I would have to take on notice.

**ANSWER**

I am advised:

Yes

### **Question 26 (Page 45)**

Mr JUSTIN FIELD: In 2011 you forecast, starting from next year, 300,000 cubic metres a year for 70 years. Three years later you walked away from the entire lot and basically are getting no timber at all. I am just trying to understand the evidence basis for the forecasting that Forestry Corporation does. That seems like an extraordinary misunderstanding of the available resource and value of it, if it was essentially worthless to Forestry Corporation and you walked away from it.

Mr CHAUDHARY: Mr Field, yes, I think I might have to take that one away. Obviously, a lot goes into that inventory analysis. As you would appreciate, it is not so much just the tonnes but it is the types of products that come out of those operations, as well. That all would have been evaluated and analysed before decisions were made to come out of those agreements. But I am happy to, as I said, take that away. I just did not want to mislead the Committee with any speculation there.

### **ANSWER**

I am advised:

See question 23.

**Question 27 (Page 50)**

The Hon. Mick Veitch: If you could just take on notice, Mr Chaudhary, how much was spent last year on weed control in the softwood plantations and how much is spent this year, I would really appreciate that.

Mr CHAUDHARY: Sure.

The Hon. MICK VEITCH: The same question also goes to pest control. Again, down my way they will talk about the wild dogs, deer and pigs coming out of Forestry Corp land. The State Government should aim to be a good neighbour of our farming fraternity and farming sector. What are we spending—last year and this year—on pest control? I will leave it at that. If you could take those on notice and get back, that would be very good.

Mr CHAUDHARY: I will do that, Mr Veitch.

**ANSWER**

I am advised:

Expenditure on pest and weed control by each operating division is published in Forestry Corporation's Sustainability Report each year.

### **Question 28 (Page 51)**

The Hon. MICK VEITCH: Mr Barnes, hydrogen is an area of substantial interest to a number of people around this table. I was just wondering whether you have done any work at all in your department with your fleet of vehicles and looked at converting those at some stage towards a hydrogen fleet?

Mr BARNES: Yes. We obviously are very interested in the economic opportunities that green hydrogen presents. In fact, you would have seen Twiggy Forrest standing with the Deputy Premier and the Premier a couple of weeks ago talking about the opportunities that it presents in New South Wales. We have done a lot of work about how hydrogen can be an enabler to economic outcomes, particularly in the Wagga Special Activation Precinct [SAP], but not just that SAP. As far as fleet vehicles go, the Government has a whole-of-government approach to fleet, but we certainly already prioritise green vehicles in our fleet. There are, occasionally, times when those vehicles are not fit for purpose. Mr Hansen had to go outside of regular things to get a Ram truck to tow one of the boats that so importantly monitor the waters on our northern coastline. But we are committed to making sure that we align our fleet to keep in touch with what is happening. Mr Veitch, 214 positions have been created across those four areas. I will get you a breakdown on those.

### **ANSWER**

I am advised:

Across the four hubs, more than 200 new or relocated positions have been created



**Question 29 (Page 52)**

Mr JUSTIN FIELD: Mr Chaudhary, how much money has Forestry Corporation lost in the 25-odd years that this thing ran? It is in the order of millions, right?

Mr CHAUDHARY: When you say "lost", are you saying how much we have spent in the land rentals and [disorder]—

Mr JUSTIN FIELD: When you subtract from the amount of money you made selling whatever timber came off the properties—when you subtract from that the amount that you have spent on harvesting them and maintaining them and entering into agreements and managing disputes and rehabilitating sites, what is left?

Mr CHAUDHARY: I do not have the details in front of me on that one, Mr Field.

Mr JUSTIN FIELD: Could you come back to us on that?

Mr CHAUDHARY: Yes. I have taken that on notice and can give you the relevant information.

**ANSWER**

I am advised:

Forestry Corporation does not record costs and revenue in this manner.

### **Question 30 (Page 55)**

Mr JUSTIN FIELD: Is that the same system methodology for assessing the potential yield that was used when you came up with the 300,000 cubic metres a year in the annuity plantations? Because that was just wrong.

Mr CHAUDHARY: That was a while back, Mr Field. I am not sure exactly what the inventory methodology was [inaudible] for that. I can check.

Mr JUSTIN FIELD: If you could take that on notice, that would be great. Thank you.

### **ANSWER**

I am advised:

Forestry Corporation uses a system known as the Forest Resource and Management Evaluation System (FRAMES). This system has been used for more than a decade and the models have been continually adjusted and improved based on input over this time. FRAMES was independently reviewed by the Auditor General in 2009, with all recommendations subsequently carried out, and has subsequently undergone five separate reviews, including independent reviews. A range of reports, reconciliations and reviews are available on the Forestry Corporation website.

The models are constantly recalibrated and data inputs regularly updated to account for changes in the forest and to ensure that long term growth modelling is accurate. This includes regular measurement of inventory plots as well as assessments of both standing and felled timber to account for the rate of unseen internal defects on high quality timber production. The models also maintain a 10 per cent margin of error.

### **Question 31 (Page 55)**

The Hon. MICK VEITCH: Can I just ask, in the couple of minutes I have got before we break for our COVID break, Budget Paper No. 4 for this financial year, page 6-2, it is regional New South Wales, if you go down to grants and subsidies—and you might have to take it on notice, Mr Barnes—there is a substantial difference between the 2020-21 budget amount of 1.1 billion, I suspect, and the revised amount of 608 million. Then the budget for 2021-22 goes to 1,316,081. It bounces around a bit there. If you could just take it on notice. It is to do with grants and subsidies. So I daresay projected income—a grant did not come in.

Mr BARNES: No. Grants would be money going out. I think I mentioned this when we had our last— but I can provide this on notice.

The Hon. MICK VEITCH: I think you should.

Mr BARNES: But we did a midyear revision with Treasury based on the fact that a lot of our grants go through local government authorities. We had, I think, about well over 40 per cent of all LGAs come to us to ask for an extension in terms of planned expenditure, which would have impacted on when the money was going out. It was just as a result of the fact that they are getting money from everywhere at the moment. Since 2011 the amount of money per year that has on average gone out to LGAs is over double the amount, so they are getting this money. They have had trouble with getting their workforces stood up with COVID and the like and this will be a consequence of the fact that some of the things hitting the ground are happening more slowly than we predicted. We get this data from Infrastructure NSW [INSW], who monitor all programs and grants programs where there is infrastructure involved. But I will get you that. I will take that on notice and I will get you a complete answer back on that one.

The Hon. MICK VEITCH: That would be fantastic. As you are doing that, could you also do the same thing for this next question? It just goes down to the revenue section, investment revenue. So \$1.9 million budget—revised was \$8.8 million.

Mr BARNES: I will also get you that

### **ANSWER**

I am advised:

The FY20-21 Budget included significant provision for a Bushfire Recovery and COVID-19 Response which required Local Government Authorities to spend the money in a timely manner. Due to subsequent capacity constraints, including the March 2021 Storm and Flood event, some of the budget was carried forward from FY20-21 to FY21-22.

Regional NSW was established on 2 April 2020. The Investment revenue amount of \$8.8 million represented the Department's forecasts prepared in late April 2020 whilst the Department's actual end of year result amounted to \$2.460 million compared to the original budget of \$1.947 million, principally because of a change in forecast

assumptions not being realised. NSW Budget papers include the Period 10 forecast and not the actual final result as they are printed before year end actual occurs.

### **Question 32 (Page 56)**

The Hon. MICK VEITCH: But if you could get that that would be good. Are you also responsible for the Regional Growth NSW Development Corporation? Does that come under you?

Mr BARNES: Yes, it does.

The Hon. MICK VEITCH: So same thing. Under "Other Operating Expenses", it is \$21,948,000. Budget revised was \$1.8 million, so quite a substantial change. Then the 2021-22 budget is \$14.3 million. Again, not a consistent—

Mr BARNES: I will get you an explanation on those things. I think I have just received a draft report from the Auditor-General on all of our various budget parcels and I believe it will be an unqualified support to—

The Hon. MICK VEITCH: It is always good to have unqualified.

Mr BARNES: It is.

The Hon. MICK VEITCH: So if you can take on notice the same thing for the Regional Growth NSW Development Corporation—in the revenue section, grants and contributions, there is quite a substantial fluctuation there as well. Could you provide us the detail?

Mr BARNES: All those on notice for you.

### **ANSWER**

I am advised:

Regional Growth NSW Development Corporation (RGDC) is funded from the Snowy Hydro Legacy Fund (SHLF). Revenue receipts into and expense payments out of RGDC are related to the delivery and construction of the Special Activation Precincts (SAPs) throughout regional NSW. The five SAPs are located at Parkes, Wagga Wagga, Moree, Snowy Mountains, and Williamstown.

The budget for RGDC in FY20-21 contained Other Operating Expenses of \$21.9 million. \$20.6 million of this related to funding that has since been reclassified as Capital Expenditure in connection with land acquisition activities and infrastructure construction at Parkes and Wagga Wagga. The revised budget reflects the forecast as at Period 10 submissions (April 2021) and noting that the above revisions were part of these submissions.

The Other Operating Expenses budget of \$14.3 million for FY21-22 is reflective of the Parkes and Wagga SAPs progressing with delivery. The RGDC is forecast to spend this budget in FY21-22, noting that unforeseen but typical delays related to land acquisition and delivery of large-scale infrastructure projects may have an impact



**Question 33 (Page 57)**

The Hon. PETER PRIMROSE: There was a claim in the media release by the former Deputy Premier on 22 June that this amount would bring with it thousands of new jobs. Can you tell me how many new jobs this \$2.8 billion is expected to create in regional New South Wales?

Mr BARNES: I will take that on notice.

**ANSWER**

Despite the impacts of drought, bushfires, floods and the COVID-19 pandemic, job creation results in the regions have remained strong. The Department of Regional NSW administers a range of programs that are focused on employment and job creation. For example, the Regional Job Creation Fund alone is expected to create more than 5,000 new jobs.

**Question 34 (Page 58)**

The Hon. PETER PRIMROSE: Let's look, if I can now, at the Snowy Hydro Legacy Fund. Is it correct that \$878 million was allocated in this year's budget alone?

Mr BARNES: I might just, for that one, pass to Rebecca Fox. Ms Fox?

Ms FOX: Thanks, Mr Barnes. I have got a figure in front of me that says \$816 million, so I will take that on notice and work out what the discrepancy is.

**ANSWER**

I am advised:

No.



### **Question 35 (Page 59)**

The Hon. PETER PRIMROSE: So I am looking at there still being, as I said, about \$380 million. I am just trying to work out what that would be allocated to.

Ms FOX: I can run through the ones that I have got, approved budget, here. If I start with the digital program, I have got \$10.2 million for digital studies, \$117.4 million for Gig State, \$44.9 million for the mobile— close to \$45 million. Farms of the Future is not funded out of the Snowy Hydro Legacy Fund. I have got a balance there for the Digital Connectivity Fund of \$52 million. I have just been through the water strategies, the pipeline strategies, freight and fast rail. Then I have got some Special Activation Precincts early studies of \$63.5 million. I have got a small amount of money, \$5 million, for the Regional Job Precincts. Then I go to \$185.4 million for Parkes Special Activation Precinct, \$193.2 for the Wagga Special Activation Precinct and there is \$75 million for early delivery of the other Special Activation Precincts—early land acquisition and some pre-delivery work. So that gives me a total of about \$820 million.

Mr BARNES: Why don't we give you that breakdown so that you have got that there?

### **ANSWER**

I am advised:

This information is available in the media release dated 22 June distributed from the Office of the former Deputy Premier.

**Question 36 (Page 59)**

The Hon. PETER PRIMROSE: You mentioned the Farms of the Future fund. Where is that actually allocated from?

Ms FOX: I will have to take that on notice. I think it is out of a Con Fund allocation that was given to the department. But I will take that on notice and confirm.

**ANSWER**

I am advised Ms Fox provided the answer to this question on page 66 of the transcript from the Hearing.

### **Question 37 (Page 60)**

The CHAIR: In the morning session—I am not too sure whether it was you, Mr Barnes, or it might have been the Deputy Premier—there was mention of some money being spent at Werris Creek for a flyover. Having spoken to the people at Werris Creek, they want to know where this flyover is because they do not believe it exists.

Mr BARNES: I have actually visited Werris Creek before. It may not be a flyover; it may be a level crossing or smoothing out a road alignment or whatever.

The CHAIR: There was some work done.

Mr BARNES: One of the things that council was particularly concerned about was the safety element of trucks coming in and out of that facility. Mr Hanger, did we do something out there?

Mr HANGER: We did, and I will just dig up the information. I think you are correct. It is more in regard to safety around the rail crossing. It was not a flyover, per se. I will find those details and I will provide those, hopefully before we finish estimates today.

### **ANSWER**

I am advised:

Under the NSW Government's Growing Local Economies Fund, funding was provided to Liverpool Plains Shire Council for the Gap Road Economic Precinct Southern Approach - Stage 1.

This project will facilitate more direct access to the Werris Creek economic precinct for heavy freight vehicles and reduce hazards associated with the current access route.

**Question 38 (Page 61)**

The CHAIR: You mentioned the industrial business park as, sort of, making it a different type of intermodal. Is it your view or the department's view that the industrial business park will essentially provide a lot of what would go on those wagons to be then exported through Botany or elsewhere?

Mr BARNES: You go first, Mr Hanger.

Mr HANGER: That is the vision of the council. The work that we are doing, as it is in many of the projects that we invest in, is to put in that enabling infrastructure. In this case, it is a rail line spur. I will see if I can table it.

**ANSWER**

I am advised:

The development of the Tamworth Global Gateway Park is a matter for Tamworth Regional Council.

The NSW Government is unable to provide any commercial-in-confidence information regarding the proposed Intermodal.

The Business case for the Intermodal is also a matter for Tamworth Regional Council.

### **Question 39 (Page 61)**

The CHAIR: Finally, picking up on your comments, Mr Hanger, about the ownership, you are putting in the infrastructure and it is up to Qube to run it, but you said it is still owned by the State. My comments this morning that Qube will essentially have it for 15 years and then give it back to the council, is that incorrect or am I may be talking about a lease that Qube might have on the intermodal and then it would have to be renegotiated?

Mr HANGER: This is one of those projects where if we could show diagrams and who is responsible for building what, that would make it a lot easier. That might be the best way for me to table that.

The CHAIR: If you have got diagrams, I am happy for you to table them. Yes, sure. That would be great so we can get a clear picture.

### **ANSWER**

I am advised:

The NSW Government is investing in reactivating a section of the Barraba spur line between West Tamworth and Westdale. The rail line is part of the Country Rail Network, an asset retained by the State.

The construction and development of the rail line extension and Intermodal Freight Facility will be undertaken via arrangements between Tamworth Regional Council and Qube. Any questions related to these projects should be directed to Tamworth Regional Council to respond.

Information and images outlining the various components of investment are available at the following URL: <https://haveyoursay.tamworth.nsw.gov.au/tamworth-global-gateway-park/tamworth-intermodal-rail-line>

#### **Question 40 (Page 62)**

Mr HANGER: As Mr Barnes mentioned, the funding source started as Fixing Country Rail and ultimately was funded through Growing Local Economies, both of which are Restart funds and therefore, as Mr Barnes has indicated, they need to achieve a benefit-cost ratio above one. But this is a piece of infrastructure that essentially unlocks a larger industrial and/or economic opportunity in Tamworth that we are working closely with the council on, because we do see potential in that region for further investment. As I have indicated, I might even see if I can get the team to dig up—I understand that the Prime Minister and the Commonwealth are also investing in that industrial precinct up there in Tamworth.

The CHAIR: Perhaps on notice could you give us the figure of what the BCR was for those two fundings, if you have it or you are able to dig it up, on notice.

Mr HANGER: Yes.

Mr BARNES: Yes.

#### **ANSWER**

I am advised:

Projects funded under Restart NSW must meet strict strategic, affordability, deliverability and economic assessment criteria.

Both the Barraba Spur Line Reactivation project and the adjoining Global Gateway Park project received a BCR greater than 1.

### **Question 41 (Page 66)**

The Hon. MICK VEITCH: That does help. With greater clarity, my next series of questions will be directed towards Ms Fox, on that basis. I am very keen on how the Special Activation Precincts [SAPs] interact with the regional strategies. In response to my colleague Mr Primrose's question, you listed a range of SAPs and the funds allocated to each. I think you have undertaken to provide us with the full list for clarity. That is beneficial for me as well. I understand that there is a SEPP in place. Are all of the SAPs created through that regulatory mechanism—the State Environmental Planning Policy? Is that how it works?

Ms FOX: That is right—with "activation precincts" in brackets at the end of it. Each of the SAPs, as the master planning is approved, has its own schedule, effectively, to that SEPP. The only one that is slightly different is the Snowy Mountains because there are different instruments that govern the different parts of the Snowies— so two different planning approvals, effectively, or pathways through Jindabyne, and that is different from the Kosciuszko National Park. I can [audio malfunction] more detail.

### **ANSWER**

The *State Environmental Planning Policy (Activation Precincts) 2020* sets out the policy framework for Special Activation Precincts (SAPs).

Please refer to the Snowy Mountains Special Activation Precinct draft Master Plan for further information on the Snowy SAP.

**Question 42 (Page 67)**

The Hon. MICK VEITCH: I have two questions. Firstly, Ms Fox, we spoke earlier about the benefit of a schematic—the Chair wanted a schematic for whatever his questions were around Werris Creek. Is there a schematic or some sort of a diagram or flowchart that just clearly shows the process from start to finish for the SAPs? I acknowledge that would be different for the alpine, so at this point I am not worried about that. The other ones, though—if you could just have a schematic and if you could present it to the Committee at some stage on notice, that would be wonderful.

Mr BARNES: Or, again, we could give you a briefing.

The Hon. MICK VEITCH: It would probably be better for—

Mr BARNES: We are happy to give it to the whole Committee.

The Hon. MICK VEITCH: If we could get a schematic, I think it might actually help all of us get our heads around how this works.

**ANSWER**

Please see infographic and flow chart attached.



**Question 43 (Page 69)**

The Hon. PETER PRIMROSE: Mr Barnes, Western Sydney International Airport is due to open in December 2026, as you know. The initial expectation is that about 220,000 tonnes of cargo will go through it every year, but there will be no freight rail line for many years. Will that adversely affect jobs, employment and investment in regional New South Wales?

Mr BARNES: It is a question I will take on notice because I am catching up with one of the people that works with both Ms Fox and I—Ian Smith.

**ANSWER**

Regional NSW is well connected to export markets through road, rail, shipping and air corridors.

The 24/7 operations at the new Western Sydney International Airport Cargo Precinct, with 220,000 tonnes per annum of cargo-handling capacity at opening serviced by high quality road freight routes, will provide an unrivalled catalyst for NSW producers and manufacturers to capture expanded global opportunities.

Western Parkland City Authority is working with industry to determine detailed cargo networks, operations and freight industry information that will inform future investment.

#### **Question 44 (Page 70)**

The Hon. PETER PRIMROSE: Thank you. My final question is again relating to the same fund. I am really pleased for the additional \$30 million because, given that the healthcare and social assistance industry is one of the biggest industries creating jobs and growing in regional New South Wales—please feel free to take this on notice—how many aged care, disability support, home care and early childhood businesses have applied for these funds?

Mr BARNES: I will have to take that on notice. We sort of do know. I was actually looking up some of those jobs-related statistics over lunch time. We do know that there is growth in that sector and, in fact, in some of our regional towns like Port Macquarie it has actually become a driver industry not a population-serving industry. Again, Mr Hanger, you can take that on notice and find out how many we have got that have applied?

Mr HANGER: Absolutely.

The Hon. PETER PRIMROSE: And if you would, as part of that same examination on notice, give us any projections as to where you think this growth may occur over the next, say, five years and what you expect that will be?

Mr BARNES: Yes. We will ask our colleagues at DPC that do that work for us and I am sure they have been tracking demand in that space. Yes, we are happy to give that.

#### **ANSWER**

I am advised:

Under Round One of the Regional Job Creation Fund, five (5) applications were received from businesses in the disability support sector. No applications were received from aged care, home care or early childhood businesses.

Data regarding employment growth projects are publicly available online.



# Parkes

## SPECIAL ACTIVATION PRECINCT PROJECT STAGES



Identification of Special Activation Precinct



Technical studies to inform the master plan



Development of the precinct design and start of environmental assessment



Prepare draft master plan and discussion paper



Public exhibition of draft master plan



Finalise master plan and amendment to the Activation Precincts SEPP



Detailed infrastructure design



Construction tender process



Construction

BUSINESS CASE PROCESS

ONGOING COMMUNITY ENGAGEMENT

BUSINESS ATTRACTION, ENGAGEMENT AND SUPPORT

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Detailed infrastructure design



Construction tender process



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# Moree

## SPECIAL ACTIVATION PRECINCT PROJECT STAGES



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Detailed infrastructure design



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# Snowy Mountains

SPECIAL ACTIVATION PRECINCT PROJECT STAGES



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Detailed infrastructure design



Construction tender process



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SPECIAL ACTIVATION PRECINCT PROJECT STAGES



Identification of Special Activation Precinct



Technical studies to inform the master plan



Development of the precinct design and start of environmental assessment



Prepare draft master plan and discussion paper



Public exhibition of draft master plan



Finalise master plan and amendment to the Activation Precincts SEPP



Detailed infrastructure design



Construction tender process



Construction





# Special Activation Precincts



Department of Regional NSW  
Department of Planning, Industry and Environment



Regional Growth  
Development Corporation

## 1 Identification

1

Regional economic enablers

Market failures



## 2 Preliminary Review

2

Strategic planning alignment

Community benefit

Land suitability assessment



## 3 Master Planning

3

Master Plan

Business case



## 4 Delivery

4

Special Activation Precinct

Delivery Plan

Business concierge

