



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEES

BUDGET ESTIMATES 2021-2022 Supplementary Questions

Portfolio Committee No. 4 – Industry

REGIONAL NEW SOUTH WALES

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Answers due by: 1 December 2021

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REGIONAL NEW SOUTH WALES

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

Forestry

1. In 2018 the Government announced a \$7.2 M allocation in the Budget to DPI for 'cross tenure forest monitoring'. What has been the outcomes of this work in 2021?
 - (a) Since 2018 what on-ground monitoring data has been collected?
 - (b) Since 2018 how many written reports have been produced?
 - (c) Is DPI still the major agency in the respect to this Budget Allocation?
 - (d) How much money has been spent on cross tenure monitoring compared to IFOA monitoring?
 - (e) How has this budgetary allocation assisted cross tenure forest monitoring?
 - (f) What has been the expenditure split between the monitoring of environmental, social and economic forest values?
 - (g) How does the Government define 'cross tenure' forest monitoring?
 - (h) How many social and economic monitoring projects have been completed?
 - (i) Has the program fed any new data into the five yearly RFA review that finished on 30 June 2021?
 - i. If so, please provide details?
2. Does the wood supply agreements (WSA) owned and operated by Boral contain preference clauses which are not found in any other WSA with any other native forest timber saw miller in NSW?
 - (a) Do any of these preference clauses provide with Boral with a floor on preference marketable tree species and a cap on less marketable tree species?
 - (b) Is it correct that a 2014 variation gave Boral:
 - i. A minimum share of total north coast Blackbutt supply at 85% of timber harvested?
 - ii. The floor for blackbutt is set a fixed cubic metre level?
 - iii. A guaranteed minimum of total supply for spotted gum, brush box, tallow wood and Sydney Blue Gum of 49% of annual harvested?
 - iv. A floor was set for this timbers in the WSA?

- v. A cap was set for New England hardwood species, which reduced Boral's commercial exposure to less favoured species in the retail market?
3. Why does the government continue to include forestry operations and plantation clearing in the land use change statistics termed as land clearing when the Biodiversity Review Panel in 2014 recommended they be removed on the basis that forestry is regenerated or replanted therefore not a land use change?
 - (a) Why does the Government only report on canopy removals and not canopy additions?
 - (b) Did EES use the Review of old growth mapping to look for endangered fauna and flora?
 4. How many direct jobs does the timber industry currently provide?
 - (a) How many indirect jobs does the timber industry currently provide?
 - (b) What is the timber industry's contribution to Gross State Product per annum?
 - (c) What is the timber industry's contribution to Gross State Regional product per region per annum?
 5. How many hectares of commercial timber plantation are there currently in NSW?
 6. How many new hectares of timber plantations have been established in NSW as a result of the Australian Government's "Growing A Better Australia" policy, released in 2018?
 - (a) How is the NSW Government supporting the "Growing A Better Australia" policy?
 7. Was NSW represented at the National Forestry Ministers' meeting on the 30 September 2021?
 - (a) If yes, did the NSW government join other states in imploring the Commonwealth to further reform their Emissions Reduction Fund water rule to ensure that NSW's new forestry plantations can fully benefit from the fund?
 - (b) What is the NSW Government's position on the issue of reforming the Emissions Reduction Fund water rule to ensure that NSW's new forestry plantations can fully benefit from the fund?
 8. What was the rate of harvest and supply of softwood in NSW prior to the 2019/20 bushfires?
 9. What was the rate of harvest and supply of hardwood in NSW prior to the 2019/20 bushfires?
 10. How was softwood harvesting in each NSW region affected by the 2019/20 bushfires?
 11. How was hardwood harvesting in each NSW region affected by the 2019/20 bushfires?
 12. What is the current rate of harvest and supply of softwood in NSW?

13. What is the current rate of harvest and supply of hardwood in NSW?
14. What is the current forecast for softwood harvesting in NSW?
15. What is the current forecast for hardwood harvesting in NSW?
16. What steps has the government taken to ensure coordination and efficiency of timber supply in NSW?
17. What steps have been taken to secure alternate timber supply for NSW in the short term?
18. What steps have been taken to secure alternate timber supply for NSW in the long term?
19. What steps has the government taken to ensure that grants provided via the Bushfire Local Economic Recovery Fund to bushfire impacted timber supply chain businesses, secure permanent jobs?
 - (a) Has there been commitments sought from employer grant recipients to commit to protect local jobs and employment outcomes?
 - i. If not, why not?
 - ii. If yes, provide examples.
20. Has there been an increase in freighting costs in relation to the freighting of salvaged logs from the 2019/20 bushfires to timber mills?
21. Do timber processors bear any costs associated with extra freighting costs under the terms of the delivery of their Forestry Corp contracts?
22. Do haulage operators bear any costs associated with extra freighting costs under the terms of the delivery of their Forestry Corp contracts?
23. The Australian Government recently announced a \$15.1 million federal freight subsidy to transport timber from Kangaroo Island. Is the NSW Government required to equal the Federal Government subsidy for the freighting of salvage logs from Kangaroo Island?
 - (a) Timber mills in Tumut and Tumbarumba are two of the few mills in Australia with the additional processing capacity who could process this wood, is this correct?
24. Will the NSW Government contribute to the costs associated with freighting the timber from Kangaroo Island to NSW processors if it is requested to by NSW processors?
25. On 17 September 2021 it was announced by the former deputy Premier that the NSW Government directed Forestry Corporation to divert selected softwood log exports impacted by the China trade embargo, to domestic markets supplying an additional 270,000 tonnes of timber

enter the domestic supply chain over the next three years. Is this 'direction' a legislative and regulatory right of the NSW government?

- (a) If Forestry Corp was privatised, as the Government had previously planned, would the Government be able to 'direct' Forestry Corp to redirect timber supply?
26. Can you guarantee that the privatisation of Forestry Corp won't be re-considered?
27. When determining, finalising, and allocating contracts for both harvesting and processing, does Forestry Corporation use any formal or non-formal non-price mechanisms?
- (a) What criteria does Forestry Corp use when determining, finalising, and allocating contracts for both harvesting and processing timber?
28. When contracted timber supply can't be met and *force majeure* provisions are available for Forestry Corporation, how is the decision on which businesses get or do not get wood, determined?
29. Does Forestry Corporation require their own staff and/or the staff of their contractors (harvest and haulage, silviculture, and planting etc.) to have any occupational training, including any nationally accredited training?
- (a) If yes, what training for what job roles?
30. A recent report by AFPA and Master Builders Australia released in September this year indicated that NSW will be 50,000 house frames short by 2035. What are the short, medium and long term initiatives to address this issue?
31. Does the Government have any plans to privatise Forestry Corp?

Questions from Ms Abigail Boyd MLC

Strategic Statement on Coal

32. On what day was the Advisory Body for Strategic Release first asked for advice on how to remove the Hawkins-Rumker, Ganguddy-Kelgoola and Wollombi areas from the Strategic Statement as prospective coal mining areas?
33. Will the Strategic Statement be amended to remove the Hawkins-Rumker, Ganguddy-Kelgoola and Wollombi areas as areas for strategic release?
34. Are any further amendments to the Strategic Statement planned or being discussed?
35. Is it the government's position that there will be no new greenfield coal mines in NSW?
36. Will the government commit to ruling out any future greenfield coal exploration and mining?

Amendments to Mining Act and Petroleum (Onshore) Act

37. Is the Department working on a change to the calculation of royalties for gas?
38. Has the Department been in consultation with the gas industry in developing the proposed change?
39. Would the proposed change allow fossil fuel industries to include more costs such as marketing expenses (that they alone can determine) as a deduction from their royalty payments due?
40. What is the timeline for this change?
41. Is the plan to produce an exposure draft of changes to the Mining and Petroleum (Onshore) Acts, or will it go straight into a proposed Bill?

Mine Rehabilitation

42. How much interest was accrued on the cash balance held for mine rehabilitation security deposits?
43. How much interest would have accrued per annum if the full value of rehabilitation security deposits were held in cash rather than as bank guarantees?
44. How many times since its formation has the cross-agency Mine Rehabilitation Steering Committee met?
 - (a) What recommendations for reform have come out of the Committee?
45. What are the rehabilitation obligations on coal mines who decide to change their purpose and therefore their final landform? e.g. Muswellbrook coal mine announced plans to transform into an 'industrial hub' with pumped hydro, solar, battery storage and green hydrogen. Muswellbrook has a rehabilitation bond of over \$50 million, and this plan will significantly alter their proposed final landform.

Northern Rivers Rail Trail

46. At the June 17 meeting of the Tweed Council, the Chair of Destination North Coast and Vice President of the Northern Rivers Rail Trail Mr Cameron Arnold stated that the Government's Rail Trail funding was "only ever awarded for an on-formation construction". He stated that to award an off-formation tender at this stage the Council would risk the funding entirely. This statement completely contradicts the Council Resolution of 2018 where Councillors voted to accept on or off formation tenders. Is it correct that the NSW Government's funding is contingent on the rail trail being constructed on formation?

New England Rail Trail

47. When should we expect legislation for the planned New England rail trail?
48. Will the legislation be available as a consultation draft before it is introduced?
49. Will it be developed in consultation with Glen Innes Severn & Armidale councils?
50. Has the Department undertaken any cost analysis for what it would cost to reinstate the rail line?