

# **GENERAL PURPOSE STANDING COMMITTEE NO. 1**

**Monday 24 October 2011**

**Examination of proposed expenditure for the portfolio area**

## **TRADE AND INVESTMENT**

**The Committee met at 2.00 p.m.**

### **MEMBERS**

The Hon. M. J. Pavey (Chair)

The Hon. J. A. Gardiner  
The Hon. C. J. S. Lynn

The Hon. A. R. Fazio  
The Hon. W. Secord  
The Hon. M. Veitch

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### **PRESENT**

**The Hon Andrew Stoner**, *Minister for Trade and Investment*

**Department of Trade and Investment, Regional Infrastructure and Services**  
**Mr Richard Sheldrake**, *Acting Director General*,

**State Regional Development and Tourism**  
**Mr Barry Buffier**, *Deputy Director General*

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## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

**Corrections should be marked on a photocopy of the proof and forwarded to:**

**Budget Estimates secretariat  
Room 812  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000**

**CHAIR:** Welcome to the third public hearing of the General Purpose Standing Committee No 1 inquiry into the portfolio of trade and investment. I am Acting-Chair in the absence of Reverend the Hon. Fred Nile who is attending to his wife's funeral arrangements. The funeral will be held on Wednesday.

In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, the media must take responsibility for what they publish or what interpretation is placed on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door. I remind everyone that any messages for Committee members or witnesses must be delivered through the Chamber and support staff or the Committee clerks. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers whilst at the table.

The transcript of this hearing will be available on the web from tomorrow morning. The House has resolved that answers to questions on notice must be provided within 21 days. I remind everyone to please turn off their mobile phones. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament

**RICHARD SHELDRAKE**, Acting Director General, Department of Trade and Investment, Regional Infrastructure and Services, affirmed and examined:

**BARRY DESMOND BUFFIER**, Deputy Director General, Department of Trade and Investment, Regional Infrastructure and Services, sworn and examined:

**CHAIR:** As discussed, the Government will potentially have just one set of questions and will forego its other questions to shorten the period of the Budget Estimates. I declare the proposed expenditure for the portfolio of Trade and Investment open for examination. As there is no provision for a Minister to make an opening statement before the Committee commences proceedings, we will begin with questions from the Opposition.

**The Hon. WALT SECORD:** As Minister for Trade and Investment responsible for the innovation, policy and renewable energy sector, have you been interviewed by the Independent Commission Against Corruption on your solar panels and the Solar Bonus Scheme?

**Mr ANDREW STONER:** Thanks for that question. I was aware some months ago that the Leader of the Opposition or the Deputy Leader of the Opposition referred allegations made about my participation in the Solar Bonus Scheme to the Independent Commission Against Corruption. At the time I gave comprehensive statements to Parliament about those matters. To this point I have had no contact whatsoever from the Independent Commission Against Corruption. I am aware that an independent review was undertaken by the Office of the Premier involving Mr Keith Mason, QC, into those matters, and that review has been conducted. However, the Independent Commission Against Corruption has not contacted me to this point.

**The Hon. MICK VEITCH:** I would like to ask about trade posts. We currently have four trade posts internationally?

**Mr ANDREW STONER:** Correct.

**The Hon. MICK VEITCH:** The budget papers say the global budget is \$1.9 million. Will you indicate the budget amount for each of the trade posts?

**Mr ANDREW STONER:** Do we have those figures on hand?

**Mr BUFFIER:** No, we do not have the precise figures for each of the trade posts. In very broad terms it works out around \$500,000 per post. The posts vary in size but there are two to three staff so that covers total salary and operating costs.

**The Hon. MICK VEITCH:** The budget is \$500,000 for staffing and rental?

**Mr BUFFIER:** The \$1.9 million is the total operating budget for those four offices. They are roughly equivalent in size in terms of costs, but I will take that on notice. I do not have the precise figures.

**The Hon. MICK VEITCH:** Are there performance measures for each of the trade posts? What do the taxpayers of New South Wales expecting from the trade posts?

**Mr BUFFIER:** Yes, there certainly are. We generally work on trying to get a return of about \$20 of business for every \$1 that we expend on those trade posts. We do operate against those performance measures and we are achieving pretty well against most of them. The Abu Dhabi post, where we had a change of staff, is one where we would be below par and below expectations at the moment.

**The Hon. MICK VEITCH:** Are those performance measures publicly available?

**Mr BUFFIER:** No, we do not make them publicly available. We certainly use them internally as key performance indicators that they need to perform against.

**The Hon. MICK VEITCH:** Are you able to table them for us?

**Mr ANDREW STONER:** I refer the Committee to the NSW 2021 Strategic Plan in which there are a number of goals and strategies around our plan to grow trade and investment between New South Wales and our major trading partners. The plan clearly states that we will enhance trade and export performance by targeting and attracting international investors into priority sectors, and growing the capability of our State's exporter base. We inherited the four trade offices established by the previous Labor Government over its 16 year term in office. They are the two in China—Guangzhou and Shanghai—the one in India at Mumbai and also the one in the Middle East at Abu Dhabi.

Just last week we announced we would be expanding the number of trade offices with an additional office in San Francisco, a decision that had been taken by the previous Government as well. Clearly the past Government through the posts were a good investment of taxpayer dollars. We are continuing with that strategy but we are assessing their performance on an ongoing basis. There will be a report on all our activities around growing our trade and investment performance and our relationships with our major trading partners as part of that NSW 2021 Strategic Plan. You will see some clear performance indicators attached to that plan, of which the trade offices are part.

**The Hon. MICK VEITCH:** How far progressed is the San Francisco office? Have you allocated a budget or identified office space or an arrangement to accommodate?

**Mr ANDREW STONER:** I understand that those investigations are underway; that a serviced office model is the preferred option so that we are not taking out a long-term lease and having all the attendant costs associated with that more fixed presence. A recruitment process is about to get underway. We have chosen San Francisco as the location because of the new emerging and existing industries that are concentrated around venture capital and the information and communication technology hubs in the Silicon Valley with which there is a pretty good fit with some of our key industries in New South Wales, particularly in the areas of biotechnology, creative digital and also film. We think that having that on-ground presence will allow us to better promote and access key corporate and government relationships and match our State's strengths to opportunities in New South Wales.

As I said, that will give us five offices globally. However, through that office we will pursue international investment, trade, tourism and education events in that jurisdiction. You would be well aware that the other States are well represented on the west coast of the United States, particularly Victoria and Queensland, which has appointed former Premier Peter Beattie to that role. We have been very fortunate to have a good relationship with the Consul General in New York to access the considerable investment potential. Despite the global financial crisis, much of the financial activity in the world still occurs in New York. We will be able to access the Austrade office and the Consulate General in New York hopefully to leverage some of those investment dollars into New South Wales.

**The Hon. MICK VEITCH:** In light of the global financial crisis and its impact, if it is about encouraging investment in New South Wales do you have a view about opening further trade posts?

**Mr ANDREW STONER:** They are constantly under review. As the deputy director general mentioned, the rough figure is that for every dollar spent at least \$20 should be generated for New South Wales. The previous Government proposed establishing another New South Wales business office in Europe, particularly in the United Kingdom—it was looking to London. This Government has not yet decided whether that will be a good return on investment for New South Wales taxpayers, given some of the recent world economic conditions, particularly in the Euro zone. We need to decide whether that is the best place to invest in a presence. We must consider the new and emerging economies on the radar. Austrade has recently reviewed its global presence and it is tending to move to emerging opportunities. For example, it is looking to places such as Mongolia, Indonesia, Central America and even Vietnam. It is considering countries whose economies are expected to expand rapidly over the coming decades.

**The Hon. WALT SECORD:** Mr Sheldrake, if New South Wales were to set up new posts, which would be the top three locations?

**Dr SHELDRAKE:** It might be better if Mr Buffier were to respond to that question.

**The Hon. WALT SECORD:** Mr Buffier, if you were to nominate three new locations, which would they be?

**Mr BUFFIER:** That is a very difficult question to answer because there are many competing areas. As the Deputy Premier said, the United Kingdom-Europe is a significant sector in relation to foreign direct investment. We look at it through two lenses: First, where are the trade and export opportunities—

**The Hon. WALT SECORD:** Using that criteria, which three would you pick?

**Mr BUFFIER:** There is a number of criteria. The United States, the United Kingdom and Europe are very significant in relation to foreign direct investment.

**The Hon. WALT SECORD:** What do you think about the Deputy Premier's proposal to set up an office in Mongolia?

**Mr BUFFIER:** I did not hear the Deputy Premier make such a suggestion. He mentioned Mongolia—

**The Hon. WALT SECORD:** He said Mongolia would be a good site.

**Mr ANDREW STONER:** No, I said that Austrade had reviewed its global presence and that it was expanding into some of these emerging markets, such as Mongolia. I did not say that it was on our radar.

**The Hon. MICK VEITCH:** As you are aware, Australia is signatory to a number of United Nations financial sanctions and we have some autonomous financial sanctions. What advice is provided to trade offices about how they should conduct their business in the framework of the sanctions against a number of organisations?

**Mr ANDREW STONER:** Those sanctions generally are dealt with at a national level through the Department of Foreign Affairs and Trade. We get advice from the Federal Government about the implications of any such sanctions, and that advice would be passed to the relevant business office.

**The Hon. MICK VEITCH:** Is it written advice or are there instructions?

**The Hon. WALT SECORD:** Do you provide advice to your representatives overseas on adhering to United Nations sanctions?

**Mr BUFFIER:** Not to my knowledge; we do not do that directly or formally.

**The Hon. WALT SECORD:** What advice do you provide to the New South Wales representatives involved in trade in the Middle East about the Arab boycott of Israel, for example?

**Mr BUFFIER:** We have not provided any specific advice on that issue as far as I am aware.

**The Hon. WALT SECORD:** Do you plan to provide any advice in the future? The Premier has made very strong statements about the Arab boycott of Israel. I thought he had guidelines in place dealing with that issue.

**Mr BUFFIER:** To my knowledge we have not provided any specific advice.

**Mr ANDREW STONER:** If we were to receive advice from the Federal Government through the Department of Foreign Affairs and Trade, with whom we have very close dealings about our overseas activity, of course that would be passed to the relevant trade and business offices.

**The Hon. AMANDA FAZIO:** I refer to the Parliamentary Secretary responsible for trade and investment, the member for Bathurst. Can you provide a list of all his travel-related costs since 1 July this year, including kilometres travelled, accommodation, airfares and meals?

**Mr ANDREW STONER:** I take it that that request relates to his duties as the Parliamentary Secretary responsible for the Asia-Pacific and trade?

**The Hon. AMANDA FAZIO:** Yes.

**Mr ANDREW STONER:** We will obviously have to take that question on notice because it will require compiling a large amount of information. We will need to speak to Mr Toole to get that information.

**The Hon. AMANDA FAZIO:** Can you also table the number of meetings and events he has attended in his capacity as Parliamentary Secretary since 1 July 2011?

**Mr ANDREW STONER:** Again, I will take that question on notice. I am aware that he has attended many cultural and business-related events. In fact, he attended one last week on my behalf involving the Chinese business community. It will take a little time to compile that information.

**The Hon. AMANDA FAZIO:** How often do you meet with your Parliamentary Secretary? Are the meetings documented and who attends them?

**Mr ANDREW STONER:** We do not have a formal process or regular meetings; it tends to be on an exception basis. During the course of most weeks I have an informal discussion with Mr Toole about his activities in his capacity as Parliamentary Secretary. He is a regular visitor to my office in Parliament House and we frequently chat about what he has been doing and any advice he has for me as a result of his contacts with various trade delegations, multicultural business groups and the like. It tends to be done on an exception basis rather than in a formal or regularised sense.

**The Hon. AMANDA FAZIO:** Who provides instructions to your Parliamentary Secretary? Do you do that or is it done by your chief of staff?

**Mr ANDREW STONER:** I generally communicate instructions to him. At the beginning of the term when he was appointed to that role I outlined in writing the duties expected of him and my expectations. In relation to ongoing communications, generally it will be me and occasionally it will be my chief of staff and/or other staff in my ministerial office if I am not available.

**The Hon. AMANDA FAZIO:** How many staff in your office are employed to advise the Parliamentary Secretary?

**Mr ANDREW STONER:** No-one is specifically employed to undertake that role. It would tend to be based on the type of issue and one or more of my ministerial staff might engage with the Parliamentary Secretary. There is no dedicated resource associated with Mr Toole's role.

**The Hon. AMANDA FAZIO:** Has the parliamentary secretary been provided with speech, voice or media training since taking up that role?

**Mr ANDREW STONER:** Not to my knowledge—and when I say "not to my knowledge", it has not been provided by my office or department. He may have undertaken some training at his own initiative. It is possible that The Nationals political party may have provided him with similar training, but I am not aware whether that is the case. Certainly in the area of ministerial or portfolio-related expenditure that has not happened.

**The Hon. AMANDA FAZIO:** And your department has not provided him with any specific training?

**Mr ANDREW STONER:** Not to my knowledge.

**Mr BUFFIER:** And not to my knowledge either.

**The Hon. WALT SECORD:** Dr Sheldrake, in response to a question on notice answered by the Minister on 23 September, the State Government said that it spent \$17,000 recruiting a Small Business Commissioner who is paid \$232,000 a year. Would it be possible to obtain the diary of the last two months of her activity, particularly the month of September? I put to you that she is campaigning for the Government. Her listening tour is visiting only Coalition electorates. Would you be able to provide that material?

**Dr SHELDRAKE:** We might take that question on notice.

**Mr ANDREW STONER:** The Small Business Commissioner does not come under the Trade and Investment portfolio.

**The Hon. WALT SECORD:** The advertisements for the position were placed under your logo.

**Mr ANDREW STONER:** That is the department, but Minister Hodgkinson has Primary Industries, Small Business and a number of other items.

**The Hon. WALT SECORD:** The recruitment and advertisements took place under Trade and Investment.

**Mr ANDREW STONER:** I am advised by Mr Buffier that a whole series of questions regarding the Small Business Commissioner were put to Minister Hodgkinson this morning in the other budget estimates Committee hearing and I indicate that those questions ought to be directed to her as the portfolio Minister.

**The Hon. MICK VEITCH:** Deputy Premier, you may have to take this question on notice, but could you provide a list of the entertainment expenditure of the department since 1 April, where there has been such expenditure by the department and your office?

**Mr ANDREW STONER:** Do we have that information?

**Mr BUFFIER:** We certainly have records of all our expenditure. It depends what you want under "entertainment". We do not do much entertainment in the department.

**The Hon. MICK VEITCH:** Meals and things like that.

**Mr BUFFIER:** If you mean meals and accommodation—

**The Hon. MICK VEITCH:** As I understand the way Trade and Investment works, you do promotions for events and things like that, so maybe you could table those.

**Mr BUFFIER:** We do promotions for events, but we would not class that as entertainment.

**The Hon. AMANDA FAZIO:** What about instances where your senior staff meet with delegations visiting from overseas? We would like to see that sort of expenditure as well. I know they host visitors at dinners and things like that so that they might have a more amenable attitude towards investing in New South Wales.

**Mr BUFFIER:** Yes, we certainly provide for food and sustenance for visiting delegations on different occasions, so we can provide you with that, but for what part of the department?

**The Hon. MICK VEITCH:** For Trade and Investment as it relates to the Deputy Premier's responsibilities.

**Mr ANDREW STONER:** There are various expenditures associated with hosting delegations, sometimes supporting particular events that the department might get behind. For example, an advanced leadership forum is coming up and we are contributing towards a networking function with drinks and canapes for the hopefully global attendees at that function. Occasionally, when you have a visiting dignitary, a gift to that person is normal, so there would be some gift-related expenditure. We will try to break down all those types of events, whether delegations or particular events that the department has sponsored, and to the extent possible break down the various items for you.

**The Hon. WALT SECORD:** I have one quick question, Deputy Premier: Do you provide credit cards to ministerial staff?

**Mr ANDREW STONER:** No, I do not.

**CHAIR:** That was a bit cheeky.

**Mr ANDREW STONER:** It invited another response, but I will not go there.

**CHAIR:** The Opposition's time has expired.



**The Hon. JEREMY BUCKINGHAM:** Deputy Premier, given your role in attracting investment, or not, in coal and renewable energy, are you a climate change sceptic?

**Mr ANDREW STONER:** No, I am on the record as saying that I do believe that climate change is real. In fact, in the geological history of the planet—that which is known—the climate has always been changing for one reason or the other.

**The Hon. JEREMY BUCKINGHAM:** But in the sense of popular science, as the Intergovernmental Panel on Climate Change [IPCC] would put it, as scientists would put it?

**Mr ANDREW STONER:** I am aware that there is a lot of controversy around the science and there are differing points of view. You have one group of scientists saying that—

**The Hon. JEREMY BUCKINGHAM:** So you are a sceptic.

**Mr ANDREW STONER:** No, I am simply saying that there is a lot of debate and controversy around the science.

**The Hon. JEREMY BUCKINGHAM:** So you are a sceptic.

**Mr ANDREW STONER:** You can put whatever spin on it you like.

**The Hon. JEREMY BUCKINGHAM:** Can you explain what role you, or your department, have in the planning system or planning assessment process in New South Wales?

**Mr ANDREW STONER:** I do not have any role in relation to that. We have a robust system with a number of approving authorities from the Department of Planning, Planning Assessment Commission, joint regional planning panels [JRPP] and ultimately the Minister for Planning. I have no delegation or power to approve anything in that planning space.

**The Hon. JEREMY BUCKINGHAM:** Given that you do not have any role in the planning process, as you have said, did you direct your department to prepare a letter to the Minister for Planning asking for the environmental assessment process for the Shenhua Watermark project not to be held up by the Namoi water study?

**Mr ANDREW STONER:** From my recollection, a staff member emailed the department—

**The Hon. JEREMY BUCKINGHAM:** Alex Bruce, your policy director?

**Mr ANDREW STONER:** —to suggest that the planning process for an economically very significant project not be delayed, and I think that is a legitimate role for a Minister for Trade and Investment whose primary role is to get the economy moving again.

**The Hon. JEREMY BUCKINGHAM:** But you said you had no role in planning and assessment.

**Mr ANDREW STONER:** I have no role in deciding any development application, or making any other decision within the planning process. I can talk to one of my colleagues and say that in my view this is important economically to the State. It is up to them whether or not they take that on board.

**The Hon. JEREMY BUCKINGHAM:** Since taking office how many times have you or your representatives met with Shenhua Watermark or its representatives?

**Mr ANDREW STONER:** From my recollection, I have not met with Shenhua Watermark or its representatives since taking office, but I will have to confirm that with my diary secretary and get back to this Committee. I am not aware as to whether any of my staff have met with that company or its representatives. If they have, I would expect they would advise me. Once again, I would have to confirm that with the Committee.

**The Hon. JEREMY BUCKINGHAM:** What about Hansen Bailey, the environmental consultants for Shenhua? How many times have you or your representatives met with Hansen Bailey staff?

**Mr ANDREW STONER:** That is the first time I have ever heard the name of that firm and I was not aware of who its environmental consultants were, hence it is obvious that I have not met with them and to my knowledge my staff have not met with them either.

**The Hon. JEREMY BUCKINGHAM:** Have you directed your office to undertake any work to explore opportunities for Shenhua to access coal resources in the southern coalfields of New South Wales?

**Mr ANDREW STONER:** Again, that is the first time I have been made aware of such a suggestion. No, I have never given any thought to that, let alone been involved in it.

**The Hon. JEREMY BUCKINGHAM:** Have you or your office had any discussions with the Federal Government in relation to funding or planning for the Maldon to Dombarton rail line?

**Mr ANDREW STONER:** I was aware of a proposal around that. In relation to my involvement or the involvement of my staff in it, as far as I am aware there has been zero involvement with that proposal.

**The Hon. JEREMY BUCKINGHAM:** In your role agricultural trade remains fundamental to New South Wales. Do you support Shenhua buying farming land in Gunnedah Basin at the rate that it is?

**Mr ANDREW STONER:** I am unaware of what those rates are.

**The Hon. JEREMY BUCKINGHAM:** To be clear, in dollar terms \$213 million worth of land or 43 farms have been bought so far by Shenhua. It is a considerable amount; I am surprised you do not know that.

**Mr ANDREW STONER:** I was not aware of the rate because this is not a direct portfolio issue for me. I am aware that the foreign review processes are Federal in nature and at this stage a consideration of how much a foreign company wishes to invest, whether in farmland or in any other Australian property or company, is a matter for the Federal Government. I am also aware that community relations with that company have generally been good. We have not had much negative feedback from the local community—there has been much more negative feedback in association with some of the other mining proposals in that part of the world. The decision to grant the exploration lease to Shenhua was a decision made by the former Government and it took a licence fee of some \$300 million for the lease. Hence the proponents of the mining development, which has not yet been decided, would have some sort of expectation, based on giving up such a large fee, that some sort of development would ensue and that some sort of return on their investment would follow.

**The Hon. JEREMY BUCKINGHAM:** Do you agree with that?

**The Hon. JEREMY BUCKINGHAM:** Can I just finish my answer? Since taking office we have taken some very concrete steps to ensure that our prime agricultural lands are not jeopardised, in fact our future agricultural production is not jeopardised, by mining activity. That was not done by the former Government. This is why we have an issue in the Liverpool Plains and in other parts of the State where there is prime farmland. We have put together a strategic lands policy. We have engaged with all stakeholder groups around that, including the agricultural community and the mining sector but also environmental groups, as we seek to put in place proper protections around farmland. That includes agricultural impact statements to be done, aquifer interference regulations to be put in place and a strategic lands mapping process to try to protect our farmlands.

**The Hon. JEREMY BUCKINGHAM:** I am well aware of the Government's policy in that regard. Are you aware that the exploration licence you were just talking about has recently been renewed by your Government? Did your office have any role in recently renewing it?

**Mr ANDREW STONER:** I was aware that that exploration lease was renewed but that was done by the Minister for Resources and Energy.

**The Hon. JEREMY BUCKINGHAM:** Do you support that renewal?

**Mr ANDREW STONER:** That was a decision taken by him. I am unaware of the factors that he took into account in renewing that licence.

**The Hon. JEREMY BUCKINGHAM:** We have just been talking about the Foreign Investment Review Board. Will you be making representations to the Federal Government that the threshold for triggering that review should be lowered, given that there are many who consider it to be a cynical exercise for a mining company to buy up to \$213 million worth of land just below the threshold trigger for that investment review?

**Mr ANDREW STONER:** I think anyone with any concern about that issue ought to be talking to the Federal Government about it. I suppose that you and your Federal colleagues will be making those representations.

**The Hon. JEREMY BUCKINGHAM:** Absolutely. You are pretty good mates with John Anderson. He is a representative of Eastern Star Gas and Santos now. Have you had any meetings with him regarding coal seam gas development in New South Wales?

**Mr ANDREW STONER:** As I understand it, Mr Anderson is on the board of Eastern Star Gas. However, he has no direct association with Santos, which company is in the process of buying out Eastern Star Gas. Any direct connection between Santos and John Anderson—who is a former colleague of mine, a Nationals member of Parliament and a former Deputy Prime Minister, and I have known him for many years—simply does not exist, other than while Eastern Star Gas is in transition to being taken over by Santos. With reference to meetings, when I was in opposition I met with Mr Anderson and the chief executive officer of his company—that would have been at least 12 months ago—and spoke about their proposed activity in the Gunnedah Basin. However, while in government I have not met with Mr Anderson and spoken to him about the proposal.

**The Hon. JEREMY BUCKINGHAM:** Have you had any conversations with him about it?

**Mr ANDREW STONER:** Not specifically about Eastern Star Gas, no. As I said, in this term of government I have not had any direct conversations with Mr Anderson about it.

**The Hon. JEREMY BUCKINGHAM:** Not specifically, but have you discussed coal seam gas with him?

**Mr ANDREW STONER:** Approximately three months ago I ran into him at an airport lounge in between flights—he was there for about five minutes. He said to me, "Have you seen the article in the *Courier Mail* about coal seam gas and the irresponsible scare campaign that is being run by some groups? Read that article. It puts the other side of the story." That was the extent of the conversation we had before one of us had to catch a plane. I must say that he did not make those comments in his role as Chairman of Eastern Star Gas; his comments were made as a colleague and a friend.

**The Hon. JEREMY BUCKINGHAM:** General Purpose Standing Committee No. 5 is currently conducting an inquiry into coal seam gas. It has received representations from one of the largest dairy cooperatives in New South Wales—Norco. That company is very concerned about coal seam gas. It believes that coal seam gas is a massive threat to its industry—a \$300 million plus per year industry that exports a lot of high-value goods. Do you think that it is acceptable that coal seam gas extraction would "put its industry at risk"?

**Mr ANDREW STONER:** We do not think it is acceptable that coal seam gas extraction would put any agricultural industry at risk. As I outlined in an earlier answer, we want to ensure that our prime agricultural production, our prime agricultural lands, are protected from all forms of mineral and energy extraction, and that includes coal seam gas. The New South Wales Government has made a submission to the General Purpose Standing Committee No. 5 inquiry. In that submission we emphasised the need to strike the right balance between resource development, continued agricultural production and environmental protection, while meeting the State's future energy needs. To have sustainable economic growth we need to protect industries going forward, including agriculture and other forms of pre-existing land-use. We will not have coal seam gas or any other form of mineral activity destroy the productive use of our lands. That is why, after 16 years of a process that was not well managed at all in relation to those protections, we are lifting the bar substantially when it comes to those proposals. You will now see in place a very high bar when it comes to any proposed activity in connection with prime agricultural land.

**The Hon. JEREMY BUCKINGHAM:** The Government's submission—which was quite a surprising one in my opinion—stated that the coal seam gas industry was essential to New South Wales. Do you believe that coal seam gas is essential to New South Wales?

**Mr ANDREW STONER:** I believe the gas will be an important source of energy for our State. In fact the Federal Government has indicated—from reading the press today—that it is prepared to ensure that sufficient gas is directed towards domestic demand in the coming years. I am aware that some people in The Greens think we could meet all our energy needs by doing away with all sources of fossil fuels—coal and gas—and switching on a magic switch to go completely renewable. That will not happen. If you want a lower form of carbon emission energy that would have to be gas in the interim. We would all welcome—

**The Hon. JEREMY BUCKINGHAM:** On that point, on what research are you basing your assertion that coal seam gas is a cleaner energy source?

**Mr ANDREW STONER:** That is the advice I have had. Again, we were talking about controversial—

**The Hon. JEREMY BUCKINGHAM:** Who has given you that advice, and what is the research on which you are basing that assertion?

**Mr ANDREW STONER:** There are a number of articles that I have read in various journals and in the media, and I have had advice from the department that there is high demand for gas. Currently we are an importer of gas in New South Wales. There is a high demand for gas. In fact, it is projected that gas prices will climb very steeply unless something is done about supply.

**The Hon. JEREMY BUCKINGHAM:** Can you table that departmental advice? It would be beneficial if you could table the advice that outlines that and the research on which that advice is based.

**Mr ANDREW STONER:** I cannot table that. I do not have that with me. As I said, it has come from a variety of sources. If you want to table the advice that tells me we can put on a magic switch and meet all our energy needs on renewable energy sources, you are welcome to do that. We can have the debate any time.

**The Hon. JEREMY BUCKINGHAM:** We will have that debate. I am happy to table the research that suggests that we could move to base load solar thermal. I just request that you table the departmental advice and the research on which you made those assertions.

**Mr ANDREW STONER:** We will have to take that as a question on notice and come back to you with the department's workings around the demand for gas in New South Wales vis-à-vis the supply of gas.

**The Hon. JEREMY BUCKINGHAM:** I assume that was a yes, you will table it—

**Mr ANDREW STONER:** I said that we will take it on notice.

**Mr ANDREW STONER:** You would be aware of the proposal for an antimony mine at Wild Cattle Creek in northern New South Wales. Do you believe that this proposal represents a major risk to industry and export industries in the Clarence catchment, in the Clarence Valley?

**Mr ANDREW STONER:** I have read in the media that there is such a proposal. Simply put, if there is any real threat to the environment, agricultural lands or water then I doubt that such a proposal would be approved, such is the higher standard and stringency that we have placed around approving all mining applications.

**The Hon. JENNIFER GARDINER:** Early in the life of the previous Labor Government there was quite a bit of emphasis on trying to attract to Sydney and New South Wales the Asia-Pacific headquarters of corporations, including those in the financial sector. Then the Government lost its way and lost focus on things like that, and many others. Can you advise the Committee on how the new Government is boosting New South Wales and the State's reputation as a financial hub?

**Mr ANDREW STONER:** Professional services, particularly financial and insurance services, are extremely important to the New South Wales economy. In fact, finance and insurance accounted for 14 per cent of the New South Wales economy in 2009-10. Over that same period the industry in New South Wales was

valued at more than \$57.9 billion and represented about 46 per cent of that industry in Australia. So without doubt Sydney, New South Wales, is the financial hub not just in Australia but in the Asia-Pacific.

**The Hon. WALT SECORD:** So the answer is no jobs have been created.

**Mr ANDREW STONER:** If you let me finish my answer I will get there.

**The Hon. WALT SECORD:** I am very interested.

**CHAIR:** Order!

**Mr ANDREW STONER:** You will listen then. This important industry has increased its share of the State's economy by almost 6 per cent over the past 15 years. In 2009-10 financial and insurance services and professional, scientific and technical services made the strongest contribution to New South Wales's economic growth. This growth reflects the State's strength in those industries, as well as our recovery from the effects of the global financial crisis, which curtailed economic activity in 2008-09. We are currently putting together industry action plans and forming industry task forces to position key sectors of our State's economy, including the professional services sector, for continued growth, resilience, improved innovation and productivity, global competitiveness and new investment opportunities over the next decade.

The decade to 2021 will present both opportunities and challenges, and our industry action plans will become the road map for key industries in New South Wales up to 2021, ensuring that both government and industry can take advantage of opportunities but also head off those threats to growth. The professional and finance service industries have the potential to develop into the most important exporters for New South Wales and Australia over the coming decade. Unlike some of the other States, which seem to be putting all their eggs in the minerals and resources basket, we are determined in this State to diversify our economy so that when the resource boom comes and goes we will be well positioned with a strong, vibrant and diversified economy.

Our professional services industry action plan will focus on a number of sub-sectors, such as finance and insurance, legal and regulatory, and engineering services, which currently comprise or have strong potential to be a significant part of the New South Wales economy in terms of contribution to gross State product and New South Wales exports. The work done by the professional service industry taskforce will inform how industry and the New South Wales Government, particularly my department, can work together to strategically position the sector for long-term competitiveness through the provision of skills, increased exports and global integration, innovation and productivity.

Our financial services sector is also a key facilitator of economic growth in other sectors. For example, we have seen a strong increase in Indian and Chinese investment into New South Wales in recent years. It is no coincidence that five of China's largest banks and four of India's largest banks have chosen to set up in Sydney to provide financing and support to their native investors, including in manufacturing, resources and telecommunications. As such, the Government continues to support and promote Sydney's role as Australia's financial hub through our international Trade and Investment offices, flagship events and key overseas and inbound visits and missions.

A recent success in this area was the securing by the Government of the new national Centre for International Finance and Regulation. That was confirmed on 8 July, with an announcement that a consortium led by the University of New South Wales will host this new centre and will cement our place as the financial capital of Australia. I made the announcement together with the Federal Assistant Treasurer and Minister for Financial Services and Superannuation, Bill Shorten. The successful University of New South Wales led bid for the Centre for International Finance and Regulation was worth more than \$41 million, including \$12.1 million in funding from the Federal Government, \$6.05 million in funding from the New South Wales Government, a further \$6 million from corporate sources and universities and \$17.5 million of in-kind support. Our bid brought together the top four financial universities in Sydney, together with financial and other corporate partners, New York University and the University of California Los Angeles [UCLA].

**The Hon. AMANDA FAZIO:** When was that bid submitted?

**Mr ANDREW STONER:** That bid was submitted in the term of this Government. It was not submitted by the former Government. It was submitted in June. The former Government had not moved on it. The Victorian Government had started work on it 12 months previously, and we saw an opportunity and we

went for it. I am pleased to say that, with a very short time frame, we were successful in getting that. All credit to the collaboration between the universities, the corporate financial sector and the New South Wales Government to pull that together.

Of course, in our view Sydney is a natural home for the Centre for International Finance and Regulation. I am determined to put Sydney's financial sector on the world stage. I met with New York university representatives, both here and in New York, to advocate for the centre. The New South Wales Innovation and Productivity Council, under the outstanding leadership of its chair, Stephen Harker, played a key role in ensuring that a coordinated approach was taken by all the players here in New South Wales and abroad. Sydney's role as a leading Asia-Pacific finance hub will receive a major boost with the headquarters for the centre being established at the University of New South Wales central business district campus. The securing of this centre signals a new era of cooperation between the New South Wales Government, our universities and the financial sector. The centre will represent a strategic link between academia, financial regulators, government and the financial industry.

The focus of the centre will be to put Australia at the forefront of regional and global examination of financial sector developments and the design of regulatory responses to these developments. Given Australia's success in coming through the global financial crisis with a relatively strong economy that is still growing—the envy of many jurisdictions around the world—the world will be looking for this cutting-edge research and collaboration around the matter of finance and the regulation of finance to prevent future global financial crises from occurring, but also studying the best ways to deal with the hiccups that global economic events suddenly throw our way. So the timing of this initiative really could not be better. The Government will work with the centre to ensure that it engages actively with the finance sector, both here and abroad, and that its research programs therefore reflect the needs of industry.

Australia's economic credibility is really high at the moment and of course New South Wales, and Sydney, is the centre of the financial services industry. Now with this new Centre for International Finance and Regulation we think we can really leverage that credibility and take our place on the world stage. The centre will have collaborative links with the University of California, Los Angeles, Fink Centre for Finance and Investments and the Stern School of Business at New York University, which will strengthen New South Wales and Australia as a financial centre for academic and professional research and study.

**The Hon. JENNIFER GARDINER:** We heard earlier in the hearing about the trade offices—the four that exist and the one in San Francisco that is getting underway. Would you be able to expand for the Committee on how the Government is strengthening the State's international trade and investment relationships?

**Mr ANDREW STONER:** We have made no secret of the priority that we are placing on growing the New South Wales economy, and international markets are absolutely part and parcel of that strategy. To be able to deal with international markets and make the most of the opportunities presented for trade and investment with those markets, it is essential that we build on our relationships with those key players. I mentioned earlier in response to another question just where we have a presence around the globe. We have offices in some of our major trading partners at the moment. Our strategic plan, New South Wales 2021, clearly states we will enhance trade and export performance by targeting and attracting international investors to priority sectors and growing the capability of our export base. We operate in a global economy and that means we have to actively promote our strengths internationally to attract investment, build businesses and create jobs. We must promote New South Wales in our established markets as well as in developing and emerging markets.

The largest of our established markets is the United States, which, as Australia's largest investor, delivers substantial value to the New South Wales economy and opportunities for further growth. Other Australian States are already actively promoting themselves in the United States through a physical presence. Victoria, for example, has three United States offices. I am pleased to tell the Committee that by January next year the New South Wales Government will open an international business office in San Francisco. Its purpose will be to drive investment, promote exports and the research and development capabilities of our key industry sectors. As I outlined earlier, this includes digital services and clean technology where we have a competitive advantage. Assisting our activities in that regard is the fact that we have put together a new Export and Investment Advisory Board and this board pulls together some expertise in business. We have been successful in putting together an advisory board of successful business people based here in New South Wales.

The Export and Investment Advisory Board will provide the Government with high-level strategic and expert advice on economic development and industry issues to drive improved export performance of New

South Wales industry and increase investment in our State. The establishment of the board was an election commitment that reinforced our commitment to rebuilding the economy. The Export and Investment Advisory Board will advise the Government on measures to grow the economy, by increasing the international competitiveness of New South Wales industry, promoting investment in New South Wales, encouraging growth in New South Wales business activity in overseas markets, and engaging with that network of New South Wales government business offices in China, India, the United Arab Emirates, and soon to be in the United States, to help them identify emerging opportunities. The board will also monitor the performance of the State across key economic indicators, with particular attention on international competitiveness. It will have a strong focus on promoting regional New South Wales as an attractive place to do business.

The Government appointed the members of the board in September this year, and I am very pleased that a very highly regarded group of businesspeople has agreed to work with the Government and share their expertise to help boost economic activity in our State. The chair of the board is Warwick Smith, who is chairman, New South Wales and Australian Capital Territory, of the ANZ bank. The other members are: Ken Allen, Senior Advisor, Lexington Partners, founder and chairman emeritus, Advance, and former Australian Consul General in New York; Michael Carapiet, Chairman of the SAS Trustees Corporation Board; John Hartigan, Chairman and Chief Executive Officer of News Ltd; Katie Lahey, Managing Director, Australasia, Korn/Ferry International and former chief executive of the Business Council of Australia; John Mullen, Chief Executive Officer and Managing Director of Asciano Ltd; Peter O'Byrne, former chief executive of Austrade; Steve Vamos, founding President of the Society for Knowledge Economics and non-executive Director of Telstra; and Mark Paterson, Director General of NSW Trade and Investment. An inaugural meeting of the board is planned for next month.

The Export and Investment Advisory Board will work with other New South Wales advisory bodies, including the Multicultural Business Advisory Panel, whose chair will regularly report to the board but also Destination NSW and the Regional Development Advisory Council. The board will assist the Government to position Sydney as a regional centre for international development finance and encourage the headquartering of more global non-government organisations in Sydney. This is a very significant initiative but it is not all we have done in our efforts to improve our international business performance. We have already been talking about the Parliamentary Secretary for Asia-Pacific Trade, Paul Toole, who is working closely with the Premier and me to strengthen our State's relationships with countries in the Asia-Pacific. We have also moved quickly to establish a Multicultural Business Advisory Panel. In New South Wales we have an outstanding asset in our multicultural business community.

Sydney and New South Wales, more than any other jurisdiction, has a well-established, well-functioning and well-performing group of people, originally from other countries, who are doing well in business. Of course, they maintain their networks back in their former country and they do business with their former country. So the Multicultural Business Advisory Panel will be looking to the opportunities identified by the multicultural business sector and pursuing those opportunities in growing our business through this wonderful asset that we have in this State.

We have many foreign language speakers, particularly an abundance of Asian language speakers, here in our State. It is one of the reasons that Sydney has become such an attractive location with global firms wanting to establish regional operations hubs or Asia-Pacific customer service centres here. The links of Australian-based foreign-born business owners to overseas markets can be used, in our view, to increase trade flows. The Multicultural Business Advisory Panel and the Export and Investment Advisory Board play vital roles in stimulating economic activity across New South Wales, and help to position us as a high-growth internationalised and competitive economy.

I should also mention the industry action plans that we have got going. That all dovetails into the other initiatives I have outlined—leveraging our international presence, getting high-level and strategic business advice, and utilising our multicultural business asset. We want to make sure we pick winners. I mentioned earlier diversifying our economy to make sure of the long-term sustainability of the New South Wales economy, resources notwithstanding. That is why we have established a number of industry task forces to develop industry action plans that will position key sectors of the State's economy for growth, resilience, improved innovation and productivity, global competitiveness and new investment opportunities over the next decade.

Our industry action plans will outline a vision and a 10-year development strategy for each of the industries. We started off with five, which I will outline in just a few seconds, with immediate priorities to be addressed in 2012. They will identify drivers for, and barriers to, growth and innovation including those caused

by government practices. Sadly, sometimes government does get in the way of business development. They will encourage a program and mechanisms for government and industry to encourage sector growth competitiveness and innovation. These industry action plans also will have clear performance indicators with timetables and benchmarks to monitor progress.

Those first five sectors for industry action plans, and with industry task forces to drive them, include manufacturing, with a focus on processed food and beverage manufacturing, metal manufacturing, and machinery and equipment manufacturing, including biomedical and medical devices, renewable energy technology—you see, we are going for the renewables, and we will get there one day—and defence equipment and professional services focused on finance and insurance, legal and regulatory services and engineering services; a digital economy, which is focused on the digital content and applications, information services and analytics and smart networks and intelligent technologies; international education research focusing on pursuing education export opportunities from both public and private providers, building international education and research collaborations and pursuing opportunities for innovation and education delivery. The fifth area for industry action plans is tourism and events, focusing on developing a tourism and events strategy to double tourism expenditure to New South Wales by 2020. That sounded as though I was getting the gong, Madam Deputy-Chair.

**CHAIR:** We have 10 minutes left for Opposition questions and 12 minutes left for crossbench questions.

**The Hon. WALT SECORD:** Deputy Premier, how many of the 5,000 public servants to be cut in the State budget will come from your department?

**Mr ANDREW STONER:** Richard, do we have that figure?

**Dr SHELDRAKE:** No, Deputy Premier. We do not have a figure in terms of positions to be cut. The year 5,000 figure was a target figure. So, no, we do not have specifics around numbers for our department.

**The Hon. WALT SECORD:** Dr Sheldrake, do you have a target? Do you have a target with which to comply?

**Dr SHELDRAKE:** No, we do not.

**The Hon. WALT SECORD:** You do not. Have you issued any calls for redundancies within your department—expressions of interest?

**Dr SHELDRAKE:** Yes, we have.

**The Hon. WALT SECORD:** How many expressions of interest have you received?

**Dr SHELDRAKE:** We have received in Forests 11 expressions of interest, and 10 of those have been processed. The eleventh is a woman who is on maternity leave, so that position will be held over until she returns from maternity leave to effect that decision, and there are a further two positions in the Office of Water.

**The Hon. WALT SECORD:** How about in Mr Buffier's area?

**Mr BUFFIER:** In my part of the department we have some small changes occurring because of the transfer of people from investment attraction to resources and energy. I am not at liberty to say what that will be yet.

**The Hon. WALT SECORD:** Why not?

**Mr BUFFIER:** Because the people involved do not know yet.

**The Hon. WALT SECORD:** So this will be a surprise to them?

**Mr BUFFIER:** In terms of the numbers.

**The Hon. WALT SECORD:** This will be a surprise to them today?



**Mr BUFFIER:** No, it will not be a surprise. They know these things are happening and we have some other consequential changes that are yet to play out.

**The Hon. WALT SECORD:** How do you plan to communicate this to the workers who have been made redundant?

**Mr BUFFIER:** As soon as we know what the new structure of that part of the—

**The Hon. WALT SECORD:** Do you have a target, Mr Buffier?

**Mr BUFFIER:** No, I do not have a target.

**The Hon. WALT SECORD:** How about the regional offices? How many regional offices are in your purview?

**Mr BUFFIER:** In my part of the world there are 14 regional offices where I have staff.

**The Hon. WALT SECORD:** How many of those regional offices do you plan to close or amalgamate?

**Mr BUFFIER:** I do not think we have plans to change any.

**The Hon. WALT SECORD:** Minister, can you give an ironclad commitment today that there will be no closures or mergers of those 14 offices?

**Mr ANDREW STONER:** There is nothing planned.

**The Hon. WALT SECORD:** At this stage.

**Mr ANDREW STONER:** There is nothing in the budget to suggest that any of those offices will be closed or merged.

**The Hon. WALT SECORD:** Well, give an ironclad commitment today.

**Mr ANDREW STONER:** Can I give you an ironclad commitment around—

**The Hon. WALT SECORD:** Just give me an answer—yes or no.

**Mr ANDREW STONER:** Can I give you an ironclad commitment around the Government's target of 5,000 voluntary redundancies. This involves people actually voluntarily putting a hand up for a redundancy package.

**The Hon. WALT SECORD:** Then you can voluntarily say that there will be no closures of regional offices.

**CHAIR:** Order! The Deputy Premier will answer the question in the way he sees fit, not the answer you want to get.

**The Hon. WALT SECORD:** I will ask the questions in ways I see fit.

**CHAIR:** And he will answer.

**Mr ANDREW STONER:** I can answer in relation to the current financial year.

**The Hon. WALT SECORD:** Just give me a yes or no.

**Mr ANDREW STONER:** In the current financial year—

**The Hon. WALT SECORD:** Are you planning to close regional offices—yes or no?

**Mr ANDREW STONER:** No. In the current financial year, no, we are not.

**The Hon. WALT SECORD:** In the current financial year?

**Mr ANDREW STONER:** In terms of the budget, which was handed down last month, there are no plans whatsoever in that regard.

**The Hon. WALT SECORD:** Mr Buffier, how many people are actually employed in your area—the total number?

**Mr BUFFIER:** Across various parts of my responsibilities in trade, business and investment there are about 300 staff there, about 250 in tourism, gaming and the arts, and in cultural institutions there are about 1,600.

**The Hon. WALT SECORD:** Can you table the document?

**Mr BUFFIER:** Yes, I can.

**The Hon. WALT SECORD:** Whose name is at the bottom of that document? Who is the author of that document?

**Mr BUFFIER:** These are the budget papers.

**The Hon. WALT SECORD:** The budget papers?

**Mr BUFFIER:** Yes.

**Mr ANDREW STONER:** Can I just add—

**The Hon. WALT SECORD:** I have concluded my questions. The Hon. Mick Veitch would like to ask some questions.

**Mr ANDREW STONER:** Sure.

**The Hon. MICK VEITCH:** Does your department issued grants to non-government organisations?

**Mr ANDREW STONER:** In terms of non-government organisations performing functions that would otherwise be done by government as opposed to corporate or business organisations, not to my knowledge, but I guess I will have to defer to the Director General and the Deputy Director General.

**Mr BUFFIER:** I would like to take that on notice, Deputy Premier. I think there have been some instances in the past when we have provided some levels of support, and what comes to mind is an organisation called Business for Millennium Development. But off the top of my head I cannot say. I will have to take that question on notice.

**The Hon. MICK VEITCH:** I am happy for you to take that on notice and to get back to us.

**Mr ANDREW STONER:** Generally speaking, the grants would be made to an existing business that is seeking to expand, relocate, or may be under the threat of closure or winding back. You know, you could say the Regional Development Australia network is a non-government organisation of sorts, given that it is funded by both the Federal and State governments. We funded them to do essentially the work of government. Some of those people, or most of them, are not employees of the New South Wales Government. They are employed using funds made available to those Regional Development Australia bodies. So I guess in a sense that is a target of a non-government organisation, but the Deputy Director General will come back with additional information.

**The Hon. AMANDA FAZIO:** Has the Minister or Dr Sheldrake met with the Australian Pakistan Business Council?

**Mr ANDREW STONER:** I certainly have not. I have met with many foreign business bodies in my time in this role—you have already asked this question—and the Australian Pakistan Business Council is not one of them. I will ask Dr Sheldrake whether he has.

**Dr SHELDRAKE:** No, I have not.

**The Hon. AMANDA FAZIO:** Are you open to the possibility of exploring trade and investment opportunities in Pakistan?

**Mr ANDREW STONER:** We will take on board any opportunities for the growth and development of the New South Wales economy. We are happy to build on trade relationships with any jurisdiction, subject to those Federal matters possibly involving United Nations sanctions. We are happy to explore with other jurisdictions the opportunities for investment from those nations into New South Wales or the creation of opportunities for our exporters based in New South Wales to export their products into those jurisdictions.

**The Hon. AMANDA FAZIO:** I might contact Dr Sheldrake later with some information about that.

**Mr ANDREW STONER:** Please do.

**The Hon. MICK VEITCH:** What arrangements do you have in place for you and staff to manage meetings with lobbyists, and also regarding informal interactions with lobbyists?

**Mr ANDREW STONER:** We have a process in place where any request for a meeting with me or my staff has a bit of checklist to go through. The checklist includes: Are you a registered lobbyist? Are you a lobbyist who is not registered? We follow at all times the Government's guidelines on meetings with lobbyists and finding out whether they are registered. In terms of meetings outside my office with lobbyists, I am aware, for example, of a recent article in the *Daily Telegraph* regarding my chief of staff having attended the wedding of Michael Photios.

**The Hon. MICK VEITCH:** A wedding.

**The Hon. AMANDA FAZIO:** One of the weddings of Michael Photios.

**The Hon. WALT SECORD:** The current wedding.

**The Hon. MICK VEITCH:** A wedding, not the wedding.

**Mr ANDREW STONER:** He did so as a friend. He has advised me he was not lobbied by Mr Photios at the wedding.

**The Hon. WALT SECORD:** I would not be too sure about that.

**Mr ANDREW STONER:** I guess should we get to the point of saying, "Well, if you are a lobbyist currently or if you have ever lobbied, however you are a friend or an acquaintance, we will have no dealings with you", it is an extreme area to get to. While I advise my staff that we need to follow all the Government's guidelines in terms of dealings with lobbyists, they have to exercise their own discretion when it comes to the people with whom they associate outside work. They are aware that there is a line that should not be crossed and, if it is, that they should advise me.

**The Hon. WALT SECORD:** When will the Cross-Border Commissioner be appointed? Where will the commission be located?

**Mr ANDREW STONER:** We are in the process of interviewing. In fact, I think interviews take place this Thursday. The applications closed on 16 October, so for about a week. Interviews will be conducted soon. In terms of where the person is located, we are dealing with borders to our north, south, east and west, including the Australian Capital Territory, which is to our west but within State boundaries. I guess the Australian Capital Territory is north, south, east and west—we are all around it. In terms of where the person ought to be located, we would have in mind easy access to all those border communities along the Victorian border, the Queensland border—

**The Hon. WALT SECORD:** The Cross-Border Commissioner will be based in Sydney?

**Mr ANDREW STONER:** That is certainly a possibility. In terms of the location of air services to be able to visit those communities easily, which will be a key part of the role, Sydney is the hub of all regional air services.

**The Hon. WALT SECORD:** Do you expect the Cross-Border Commissioner will be supported by a secretariat?

**Mr ANDREW STONER:** From memory—the Directors General might need to refresh my mind—it is to be supported by departmental resources. It has a modest budget.

**The Hon. WALT SECORD:** How much is that modest budget?

**Mr BUFFIER:** What the Deputy Premier has said is correct. It will be supported by departmental resources. At this point we do not have a defined budget for the position because we are not sure how much is going to be involved, how much activity et cetera. Clearly, the remuneration for the position is going to be significant—

**The Hon. WALT SECORD:** Substantial?

**The Hon. AMANDA FAZIO:** What is it?

**Mr BUFFIER:** No, the remuneration for the position is a significant component of the budget. The other resources will come from the department also.

**The Hon. JEREMY BUCKINGHAM:** Earlier the Deputy Premier referred to meetings with Shenhua Watermark. Is the Minister aware of a meeting between Kevin Anderson, the Minister for Resources and Energy, Chris Hartcher, and Mr Sandra Calabro?

**Mr ANDREW STONER:** No, I am not.

**The Hon. JEREMY BUCKINGHAM:** Are you aware that that meeting was held in your office?

**Mr ANDREW STONER:** No.

**The Hon. JEREMY BUCKINGHAM:** That is interesting.

**Mr ANDREW STONER:** It is why your questions around mining activity and Shenhua, in particular—which you do not seem to like very much—would be better directed to the Minister for Resources and Energy.

**The Hon. JEREMY BUCKINGHAM:** Why was that meeting held in your office?

**Mr ANDREW STONER:** I will have to ask my personal assistant.

**The Hon. JEREMY BUCKINGHAM:** Were you at that meeting?

**Mr ANDREW STONER:** No, I was not.

**The Hon. JEREMY BUCKINGHAM:** Were representatives of your office at that meeting?

**Mr ANDREW STONER:** I will have to ask my personal assistant about that. As I said, I was not aware of that meeting.

**The Hon. JEREMY BUCKINGHAM:** Has your department initiated any risk assessment into the impact of genetically modified [GM] canola on the non-GM canola industry in New South Wales? As you would be aware, a bumper canola crop is about to be harvested—if the mice do not get it—and 10 per cent to 20 per cent of the crop is forecast to be GM. What risk assessment, if any, has your department carried out in that regard?

**Mr ANDREW STONER:** That is not a question that I can answer within the Trade and Investment portfolio. However, the Minister for Primary Industries would be able to answer that question.

**The Hon. JEREMY BUCKINGHAM:** Do you think it is a risk to trade?

**Mr ANDREW STONER:** That issue about crop management, the potential for cross-pollination et cetera, is properly a matter for the Department of Primary Industries and the Minister for Primary Industries.

**The Hon. JEREMY BUCKINGHAM:** My question refers specifically to the risk to our export markets, and the premiums that are garnered from being non-GM.

**Mr ANDREW STONER:** With the workings of government, particular issues have to fall in certain portfolios, and that is guided largely by the administrative orders. The issues around GM canola—and indeed all crops, GM and non-GM—are properly placed with the portfolio of Primary Industries.

**The Hon. JEREMY BUCKINGHAM:** I note that earlier you had some reservations about the science of climate change but you are a keen advocate of solar panels—and you have been doing your bit to advance the cause of renewable energy and personal responsibility. What have you been doing to advance the renewable energy sector, specifically manufacturing in the renewable energy sector in New South Wales?

**Mr ANDREW STONER:** My department's Industry, Innovation and Investment division has advised me that it has supported a number of projects related to renewable energy in this State. That includes securing \$306.5 million of Federal Government funding for a \$923 million solar power flagship project at Moree. New South Wales contributed towards that particular project. This plant will be one of the largest of its type in the world. It is expected to generate more than 400 gigawatt hours of electricity a year, which is enough power for 45,000 homes. The New South Wales Government, along with Albury City Council, supported Norske Skog in conducting detailed technical investigations into the development of a biomass/gas co-generation plant at its Albury newsprint mill. This is part of a greenhouse gas reduction strategy that will utilise a number of biomass waste streams to generate processed steam and a significant amount of the mill's electricity.

**The Hon. JEREMY BUCKINGHAM:** Thank you, Deputy Premier.

**Mr ANDREW STONER:** But I have more.

**The Hon. JEREMY BUCKINGHAM:** That is fantastic.

**Mr ANDREW STONER:** You are not interested in what we are doing about renewable energy.

**The Hon. JEREMY BUCKINGHAM:** I refer to your previous statement that The Greens could not come up with the magic switch for renewable energy. Do you accept that given that this renewable energy project will deliver 400 gigawatt hours of electricity and supply 45,000 homes—to use your words—it may be the magic switch?

**Mr ANDREW STONER:** I acknowledge that 45,000 homes is a large number, but we are not quite there to be able to say that we will not use gas in the future. That was the context for that comment. I said that the Government supports renewable energy and that I personally support it. The Mark Group from United Kingdom has established its Australian head office and a solar installation training facility at North Ryde. The growth of that company and others involved in small-scale solar installations suffered a setback due to the discontinuation of the New South Wales solar bonus scheme, which had well and truly over run its budget to the tune of about \$1 billion.

**The Hon. WALT SECORD:** You did not mind.

**CHAIR:** Order! The Deputy Premier is speaking.

**The Hon. WALT SECORD:** If he makes asides like that he is inviting a response.

**Mr ANDREW STONER:** When we opened the till on assuming government things were a little different from what the Labor Treasurer had been telling the world.

**The Hon. WALT SECORD:** You know that is not true.

**The Hon. JEREMY BUCKINGHAM:** Have you or has your department had any meetings with coal seam gas companies about export LNG proposals in New South Wales? It has been suggested that there could be export LNG facilities at Ballina, Port Stephens, Newcastle or Port Kembla. Have representatives of your department had any meetings with coal seam gas companies about export LNG?

**Mr ANDREW STONER:** I have not personally been approached by any company about export LNG.

**The Hon. JEREMY BUCKINGHAM:** Not you personally.

**Mr ANDREW STONER:** As Minister I have not had any meetings with any coal seam gas company about such a proposal. I have met with Santos, which has advised me about the process for its takeover of Eastern Star Gas. It was at that stage assuming that all the necessary approvals were in place, including the vexed issue of pipelines. It had no firm plans about what it might do with the gas if it were able to extract it.

**The Hon. JEREMY BUCKINGHAM:** So the department has been meeting with representatives of coal seam gas companies to discuss export LNG opportunities.

**Mr ANDREW STONER:** I will have to ask Mr Buffier. As I said, I have not met with any coal seam gas company specifically to discuss a proposal about export facilities for LNG.

**Mr BUFFIER:** I do not have that information at my fingertips, but I will take that as a question on notice.

**CHAIR:** The examination of the Trade and Investment portfolio is now concluded. I thank the officers for their participation and the Deputy Premier for his time today.

**Mr ANDREW STONER:** Thank you, Madam Deputy-Chair, and members.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**

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