

### Agreement in Principle

**Mr FRANK SARTOR** (Rockdale—Minister for Climate Change and the Environment, and Minister Assisting the Minister for Health (Cancer)) [4.56 p.m.]: I move:

That this bill be now agreed to in principle.

This new bill provides for the most significant forest conservation decision in many years over the river red gum forests of the Riverina. The House will recall that on 22 April this year I introduced a previous version of this bill, which we have now withdrawn. The Government has undertaken this unusual step because, after talking further with the timber industry, local government and conservation groups, we saw an opportunity for a bigger, better and fairer outcome in the river red gum forests. We recognised that, while the previous bill delivered on most of the key recommendations stemming from the Natural Resources Commission assessment, we could go further and give the communities of the Riverina, the timber industry and the river red gum forests a better future.

**ACTING-SPEAKER (Ms Diane Beamer):** Order! The member for Burrinjuck will come to order.

**Mr FRANK SARTOR:** The member for Burrinjuck will have her turn to speak in this debate. This new bill provides for many of the same measures that the original bill provided for, and I do not intend to go into the same detail about those components that have stayed the same. The key changes in the new bill and the overall package are, first, the removal of the transitional logging arrangements in the Millewa forests and the establishment of national and regional park over the full extent of the Millewa group of forests from 1 July 2010; and, secondly, a \$17 million increase in the river red gum structural adjustment package, taking the total for business exit assistance to \$25 million and worker assistance to \$21.5 million, with an additional \$3.5 million for regional and community development and catchment programs, with the component to come out of the Environmental Trust reflected in section 5 of schedule 10 to the bill. This means that the total river red gum package is now \$97 million.

**Mr John Williams:** It's a sell-out, Frank.

**Mr FRANK SARTOR:** The member will get his turn. The Werai and Taroo forests, which are planned to be handed over to Aboriginal communities to be managed for conservation under the Commonwealth's Indigenous Protected Area Program, will be vested in the Minister administering the National Parks and Wildlife Act from 1 July 2010 instead of remaining as State forest. This will prevent commercial logging before they are handed to Aboriginal owners. The third key change in the new bill is that the provision for the collection of firewood for domestic purposes in specified zones within regional parks will be extended to national parks, with a review to be conducted after three years.

The bill therefore sits alongside the tradition of strong and balanced forest conservation decisions made by the Government since 1995. The Government is rightly proud of these decisions and the gift they represent for future generations, and it is proud today to be able to introduce a bill that delivers such an effective response to the challenges for the river red gum forests. And these forests do face significant challenges. As wetland forests that have evolved within a regime of regular extensive flooding, the changes to our rivers and floodplains brought about by regulation and water diversions are a threat to their very future. Last year the Government tasked the Natural Resources Commission with carrying out a regional forest assessment and making recommendations on the use and management of the public forest land in the Riverina. In December the commission submitted its assessment and recommendations to the Government. Their findings very clearly lay out the challenges faced by the forests and the communities reliant upon them. To quote from their report:

The river red gum forests and the industries and social systems they support are in decline due to river regulation, over-allocation of water and drought. This decline is predicted to worsen under climate change".

The Natural Resources Commission made a set of findings and recommendations to attempt to address this decline and meet the needs of the environment and the communities of the Riverina. This bill represents the core of the Government's response to the report and recommendations of the Natural Resources Commission.

The Government endorses and will implement nearly all of the recommendations of the Natural Resources Commission, including the establishment of new national parks and regional parks—including the entirety of the Millewa forest. It will also commence the process of establishing indigenous protected areas for the Werai and Taroo forests. It will provide for harvesting to continue within the Koondrook-Perricoota and Campbells Island State forests under existing environmental controls until an Integrated Forestry Operations Approval is developed by December this year. In addition, the package will ensure that a fair and effective structural adjustment package for the industry, its workers and the communities of the region can be implemented.

As I outlined previously, the Government is strongly supportive of the recommendation of the Natural Resources Commission to ensure environmental watering of the river red gum forests. The Government has a very strong record as a national leader in environmental water reform. However, other processes will drive this outcome. As

the Legislative Assembly will recognise, the Murray-Darling Basin Authority is currently developing the Basin Plan, which will be the driver of the quantum and timing of water recovery across the basin. The prioritisation of water purchase by the Commonwealth Environmental Water Holder will also be key in this regard. These processes will deliver increased environmental water, and they are not matters for this bill.

The cornerstone of this bill is the creation of more than 100,000 hectares of new protected areas, including 65,922 hectares of national park, 15,259 hectares of regional park and 20,684 hectares of land which, when the Aboriginal community is ready, will become indigenous protected area. Included from 1 July 2010 within the new national and regional parks are the entirety of the Millewa and Barooga forests along the Murray, which will be incorporated into the new Murray Valley National Park and Murray Valley Regional Park; the forests of the Murrumbidgee below Narrandera, including the former Yanga National Park, which will be incorporated in the new Murrumbidgee Valley National Park and Regional Park; and a string of forests along the Lachlan, which will become the new Lachlan Valley National Park and Regional Park. In addition a new Euston Regional Park and Kemendok National Park will be created on the lower Murray River. These new national and regional parks will form a magnificent network of conservation reserves for the river red gum forests, and will complement the recently gazetted reserves across the Murray River in Victoria. Part 2 of the bill provides for the land transfers necessary to establish the new reserves from 1 July 2010.

The Government will also ensure that the National Parks and Wildlife Service is adequately resourced to manage the new reserves, and has set aside a total of \$23.52 million for park management over the next three years. This includes \$11.83 million of capital expenditure for the establishment of the new reserves, and another \$9.69 million of recurrent management funding. In addition, the Government has set aside \$2 million to support Aboriginal communities to become involved in the management of the new reserves and for the development of indigenous protected areas for Werai and Taroo. I make it clear that this Government is committed to entering into a joint management agreement with the Yorta Yorta in relation to cooperative care, control and management of the Millewa forests.

The Natural Resources Commission made very clear recommendations about the need for active and adaptive management of the river red gum forests, including a large-scale trial of ecological thinning. The Government has put in place measures, including funding of \$3.532 million beyond the management funds I have already described, to implement adaptive management and a broad-scale trial of ecological thinning within the new national and regional parks and in cooperation with other land managers on other tenures.

Part 2 of the bill also provides for the Werai and Taroo groups of forests to be managed by indigenous communities for the conservation of flora, fauna and cultural sites. The Government is strongly supportive of these lands being handed to an appropriate Aboriginal organisation. Just for clarification the term "Aboriginal land-holding body" in the bill is not necessarily limited to similar terms defined in other legislation, and it may include a traditional owner incorporated body. The Commonwealth Government runs the Indigenous Protected Area Program, and it is not within the power of the New South Wales Government to create an indigenous protected area. Despite this, the New South Wales Government intends to continue to work cooperatively with the Commonwealth so that the lands will be able to be managed under this program. Should this not be possible, another option would be the application of a voluntary conservation agreement.

In contrast to the previous bill, the new bill vests the Werai and Taroo groups of forests in the Minister administering the National Parks and Wildlife Act under part 11 of that Act from 1 July 2010. Following negotiations with the Aboriginal community, they will be vested in an appropriate Aboriginal organisation for conservation management when such an arrangement is possible. The bill makes it clear that these lands can be divested for this purpose. Part 2 of the bill also provides for the revocation of some State forests to be vested in the Crown as Crown land, as I explained for the previous bill.

As I mentioned in the introduction, the Government is intent on providing the river red gum timber industry, and its workers, with a fair and equitable structural adjustment package. This bill amends the Forestry Restructuring and Nature Conservation Act 1995 to allow payments to be made from the Environmental Trust Fund to offset payments made from the Consolidated Fund for the implementation of forestry structural adjustment programs in the Riverina. This is reflected in section 5 of schedule 10 to the bill. The Government has developed the Riverina red gum structural adjustment package based upon what was applied in the Brigalow, but with some differences. The most important of these is that the overall package for the mills is broadly based on paying out the equivalent of two years of sustainable yield. Payments to individual mills will be settled by the steering committee.

In the previous bill the Government had put forward the proposal of a five-year period of transitional logging in part of the Millewa State Forest as another way of assisting the industry and the community adapt to the changes. However, several mills and operators have since indicated their preference for an enhanced exit package rather than the Millewa transitional arrangement—they have had those discussions with me. Once the new reserves are established, no timber supply will be available in the Murrumbidgee and Lachlan forests. In the central Murray, timber will continue to be available from Koondrook-Perricoota and Campbell's Island State forests, providing a sustainable yield of high-quality sawlog of 4,413 cubic metres per annum. In the lower Murray the Western Lands leases will continue to be available for harvest, subject to operational requirements of

Forests NSW.

Were these volumes to be distributed amongst all businesses there would not be sufficient wood available for them to be viable. Inevitably some will close and effectively "sell" their remaining allocation back into the pool for use by those businesses that choose to remain. Following advice on the financial position of the mills, and close discussions with them and the Forest Products Association, the Government will now be allocating up to \$25 million for business exit assistance to support the timber mills and smaller timber operators with a Crown allocation. As I have advised the Legislative Assembly previously, this process has already commenced with the Darlington Point sawmill on the Murrumbidgee having begun shutting down and the first exit payments having been made. All workers who lose their jobs as a result of the changes to Crown allocations and yields, and the full or partial closure of mills with Crown allocations, will be eligible for special worker assistance on top of their statutory payments from their employer. These payments have been set at \$81,360 per worker, plus up to \$10,000 for retraining.

In addition, the Government will provide up to \$5 million for industry development assistance in the Riverina. Any businesses with proposals for industry development either within or outside the timber industry will be eligible to apply for these funds. This allocation will also be available to businesses that can demonstrate they meet the criteria as being dependent on timber businesses with a Crown allocation that have closed as a result of this decision. The river red gum steering committee will advise the Minister for Climate Change and the Environment on the expenditure of these funds. The Government has increased the total funding package for structural adjustment, including business exit assistance, worker assistance and industry structural adjustment, including dependent businesses, to \$51.5 million of the \$97 million package.

The Government has also continued discussions with the representatives of the local communities in the Riverina that will be affected by these necessary changes to the river red gum industry. As a result of these discussions the Government is increasing the allocation under the new Regional Employment and Community Development Fund to \$12 million.

**Mr John Williams:** Try and get your hands on that money. You will block them all the way.

**Mr FRANK SARTOR:** If the member for Murray-Darling listened he would learn something. This fund will seek to support and assist new and alternative business and development opportunities that will be of broad benefit to the community.

**ACTING-SPEAKER (Ms Diane Beamer):** Order! Opposition members will remain silent during the Minister's agreement in principle speech.

**Mr FRANK SARTOR:** The Minister for Climate Change and the Environment will be advised by a committee comprising local representatives, including local government and Regional Development Australia, on the expenditure of this fund. The bill provides for the development of an Integrated Forestry Operations Approval in the remaining production forests, in line with the Forestry and National Parks Estate Act. This will bring logging standards up to those that apply elsewhere in New South Wales. The Government will expedite the development of the Integrated Forestry Operations Approval to ensure it will be ready by the end of this calendar year. This action, together with new wood supply agreements, will provide industry with the certainty it is seeking and, in turn, establish a strong and clear regulatory arrangement. As flagged previously, the bill amends the Forestry and National Parks Estate Act to remove the requirement for a forest agreement. This will permit the preparation of a comprehensive Integrated Forestry Operations Approval to be expedited.

The removal of the Millewa transitional logging arrangements will remove another potential source of domestic firewood collection. As a result the Government has decided to extend the provision in the former bill covering domestic firewood collection within regional parks to national parks as well. The bill will permit firewood to be collected by individuals or not-for-profit organisations that have been issued with annual licences by the department. Firewood can only be collected from off the ground in zones within regional and national parks that have been determined by the department. This measure is intended for locals of the Riverina only. Also, this measure will not permit anyone to cut down any trees for any reason. Wood will only be able to be cut if it is on the ground. The department will ensure sufficient supplies are available and may use wood obtained from ecological thinning undertaken elsewhere and brought into the firewood zones for this purpose. Detailed information will be made available prior to the commencement of the provisions on 1 July 2010.

The Government also has listened to requests for greater accountability in the expenditure of funding allocated in the river red gum package and has extended the reporting provisions in the former bill to cover all expenditure. In addition, at the end of five years there will be an independent assessment of the outcomes achieved in the river red gum forests since the decision. The Government is committed to the long-term future of these beautiful forests. Working with the conservation groups, the timber industry and the communities of the Riverina, the Government has developed an improved river red gum package and an improved bill. Its passage will go a long way toward securing the future of the forests and the communities of the Riverina. I commend the bill to the House.