

GENERAL PURPOSE STANDING COMMITTEE NO. 5

Friday, 2 September 2016

Examination of proposed expenditure for the portfolio area

PRIMARY INDUSTRIES, LANDS AND WATER

The Committee met at 9:00

UNCORRECTED PROOF

MEMBERS

The Hon. R. Brown (Chair)

Mr J. Buckingham

The Hon. R. Colless

Dr M. Faruqi

Mr S. MacDonald

The Hon. D. Mookhey

The Hon. G. Pearce

The Hon. M. Pearson

The Hon. P. Sharpe

The Hon. M. Veitch

PRESENT

The Hon. N. Blair, *Minister for Primary Industries, and Minister for Lands and Water*

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**

The CHAIR: Welcome to the public hearing for the inquiry into budget estimates 2016-2017. Before I commence, I acknowledge the Gadigal people who are the traditional custodians of this land. I would also like to pay my respects to the elders past and present of the Eora nation, and extend that respect to other Aboriginal people present. I welcome Minister Blair and his accompanying officials to the hearing. Today the Committee will examine the proposed expenditure for the portfolios of Primary Industries, Land and Water. Today's hearing is open to the public and is being broadcast live on the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available.

In accordance with the broadcast guidelines, while members of the media may film Committee members or witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside their evidence at this hearing. So I urge witnesses to be careful about any comments they may make to the media or to others after they complete their evidence, as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could answer only if they had more time or with certain documents at hand. In those circumstances witnesses are advised they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers who are accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. Would everyone please turn off their mobile phones or turn them to silent.

All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of this Parliament. I also remind Mr Simon Smith from the NSW Department of Industry, Skills and Regional Development that he does not need to be sworn, as he has already been sworn in an earlier budget estimate hearing of this Committee. I also understand that he will need to leave to attend another hearing by 11.15 a.m.

JAMES MICHAEL BENTLEY, Managing Director, Hunter Water Corporation, sworn and examined

KEVIN JOHN YOUNG, Managing Director, Sydney Water, sworn and examined

SCOTT ANTHONY HANSEN, Director General, NSW Department of Primary Industries, sworn and examined

ALISON STONE, Deputy Director, Department of Industry Lands, affirmed and examined

NICHOLAS JOHN VAUGHAN ROBERTS, Chief Executive Officer, Forestry Corporation of NSW, sworn and examined

DAVID HARRIS, Chief Executive Officer, Water NSW, sworn and examined

The CHAIR: I declare the proposed expenditure for the portfolios of Primary Industries, Plans and Water open for examination. As there is no provision for a Minister to make an opening statement before the Committee commences questioning, we will begin with questions from Opposition.

The Hon. MICK VEITCH: I have a series of questions here that will probably require short answers, or you can take them on notice. You will see where they are leading as I go. What is the current 2016-17 budget for Cemeteries and Crematoria NSW?

The Hon. NIALL BLAIR: I might ask Ms Stone if she has the exact figure in front of her.

Mr SCOT MACDONALD: Dead end?

The CHAIR: Poor jokes are out of order at all times.

The Hon. MICK VEITCH: You just cannot help being arrogant at times, can you, Scot?

Ms STONE: I will need to give the exact figure as a question on notice, but I will say that it comes from a combination of internal funding and consolidated revenue.

The Hon. MICK VEITCH: What does that provide for?

Ms STONE: That provides for the employment of a number of staff to support the board, and operational, so some contractors and consultant work.

The Hon. MICK VEITCH: You said earlier that the funding is a sort of mix. What is the mix of funding? Is it Treasury funds?

Ms STONE: Treasury funds and also through our Public Reserves Management Fund.

The Hon. MICK VEITCH: Minister, is it true that the budget for Cemeteries and Crematoria NSW has quadrupled under your Government?

The Hon. NIALL BLAIR: Quadrupled? There would have been a change to the way that we manage cemeteries with the previous Minister putting the changes through for Cemeteries and Crematoria. As for the actual figures and whether they have quadrupled or not, I would have to take that on notice.

The Hon. MICK VEITCH: How many potential cemetery sites have been identified and purchased or set aside by your Government? I am not talking about private individual cemeteries or cemetery trusts; I am talking about by the Government since 2011.

The Hon. NIALL BLAIR: Again, I would have to take that on notice, unless Ms Stone has the number of how many have been set aside. One of the things that Cemeteries and Crematoria NSW is tasked with doing, whether it is the trusts that they have or the organisation itself, is planning for future needs, particularly of metropolitan Sydney. Prior to the creation of Cemeteries and Crematoria NSW there was an ad hoc approach to how we moved forward with planning for the future of Sydney. The 2016-17 budget for Cemeteries and Crematoria NSW, including board remuneration, is \$1.31 million. As I said, it is all well and good to have infrastructure built and other planning proposals put in place, but one of the limiting factors that can be stifling is what we do with our cemeteries, and that is one of the things that it is looking at.

The Hon. MICK VEITCH: I am glad you mentioned that, Minister. How many burial plots are left in Sydney?

The Hon. NIALL BLAIR: Again, I will have to come back to you on that—and again there are private cemeteries as well, so I just want to clarify whether you are asking about—

The Hon. MICK VEITCH: If you could break them down into who has the plots, the private ones and the government ones. I am reliably told that there is a shortage of burial plots in Sydney. Is that putting upward pressure on burial prices into the future?

The Hon. NIALL BLAIR: Again there is a range of factors where we look at what is happening for the future, and part of that is the role that private cemeteries may play. Again, the trusts themselves are looking at what they do. I attended the opening of a new plot just recently where the Northern Metropolitan Cemeteries Trust has taken some land, done some remediation works and opened up a new lawn cemetery section. To be honest, this is something that was neglected under the previous Government and something that we are looking at for the future. Part of that will include some of the proposals for some private cemeteries as well.

The Hon. MICK VEITCH: Minister, would you accept that people are now fearful that there will be a shortage of burial plots and that there is a run on burial plots in Sydney at the moment?

The Hon. NIALL BLAIR: No, I am quite confident that the issue is being addressed and the forward planning for burials in the Sydney metropolitan area is something that is being looked at by Cemeteries and Crematoria NSW in conjunction with the relevant trusts and also the private sector. Does Ms Stone have any further information?

Ms STONE: I can confirm that two of the major cemetery trusts are looking at expanding areas. One is at Matraville and the Southern Metropolitan Cemeteries Trust is looking at that. Part of its strategic plan is really to make sure that we understand the future needs and look at the options for making sure that the community is assured that its future needs are catered for.

The Hon. MICK VEITCH: Do Crown cemetery trusts pre-sell burial sites?

Ms STONE: I would have to confirm that.

The Hon. MICK VEITCH: When you confirm it, can you confirm how far in advance they pre-sell them?

Ms STONE: Yes.

The Hon. MICK VEITCH: That would be good. Minister, you have not denied that the budget has quadrupled under your Government.

The Hon. NIALL BLAIR: No, I said I would take it on notice.

The Hon. MICK VEITCH: I am advised, again reliably, that the Treasury is now saying that the unit needs to be self-financing. How would you self-finance the unit?

The Hon. NIALL BLAIR: Again, that is something I said we will take on notice. We will look at it, confirm the numbers that you have asked for and come back to the Committee.

The Hon. MICK VEITCH: Has Treasury asked for it to be self-financed?

Mr SMITH: Not to our knowledge.

The Hon. NIALL BLAIR: Not to our knowledge. This is the creation and the reform that is about looking forward for the planning of Sydney. We know the mess it was in previously, and this is something that needed investment in making sure that we look forward.

The Hon. MICK VEITCH: How many people are employed in the Cemeteries and Crematoria unit?

The Hon. NIALL BLAIR: I would have to ask Ms Stone.

Ms STONE: It sits between seven and eight full-time equivalents.

The Hon. MICK VEITCH: What do they do?

Ms STONE: They assist the board. They are undertaking some of the work around the strategic plan. They are looking into exactly the issue that we have just been talking about, which is understanding the future requirements of burial sites and space within the metropolitan area. They are assisting the board in that future strategic planning work.

The Hon. MICK VEITCH: My sources claim that the Cemeteries and Crematoria unit is seeking a \$2.7 million budget this year. Is that true?

Ms STONE: I will have to confirm that.

The Hon. NIALL BLAIR: To clarify that, and it goes to the line of questioning, the Government currently funds the regulation and governance of the interment industry through a combination of consolidated revenue funding and general levy contributions for some cemetery operators. A limited general levy already exists under the Cemeteries and Crematoria Regulation 2014. That is currently applied only to Crown cemetery trusts. That is the breakdown about how it is funded.

The Hon. MICK VEITCH: Ms Stone, you said earlier that the trust was doing the work that you just said the bureaucrats were doing. I am confused.

Ms STONE: The staff employed by the department assist the board in its work. The trusts are single and separate entities, so they are also then responsible for running the land over which they have management responsibility, including any additions to those sites.

The Hon. MICK VEITCH: Are there additional costs that need to be recovered from the industry by the Government?

The Hon. NIALL BLAIR: What do you mean?

The Hon. MICK VEITCH: Do you impose a levy?

The Hon. NIALL BLAIR: I have explained that a general levy already exists.

The Hon. MICK VEITCH: How much is it?

The Hon. NIALL BLAIR: I will have to take that question on notice.

The Hon. MICK VEITCH: Is the levy struck per burial site or plot?

The Hon. NIALL BLAIR: Again, I will take that question on notice. I can provide a full breakdown of how that levy is applied. However, no change will be made to the current levy arrangements without broad industry and community consultation. If you are asking about future changes—

The Hon. MICK VEITCH: The levy is currently struck on Crown cemetery trusts?

The Hon. NIALL BLAIR: Yes.

The Hon. MICK VEITCH: Is it struck on local government administered cemeteries?

Ms STONE: I would need to confirm that to be absolutely sure.

The Hon. MICK VEITCH: Is it struck on private cemeteries?

Ms STONE: Again, I will need to confirm that.

The Hon. NIALL BLAIR: The information I have here indicates that it applies only to Crown cemetery trusts.

The Hon. MICK VEITCH: If that is the case, can you rule out seeking to strike the levy from private cemeteries and local government cemeteries?

The Hon. NIALL BLAIR: As I said, it is applied only to Crown cemetery trusts. No change will be made to the current levy arrangements without broad industry and community consultation.

The Hon. MICK VEITCH: What is the time frame for that consultation? Is that just for the current financial year or going into the forward estimates?

The Hon. NIALL BLAIR: I am saying that if we were to propose changes we would go through broad community and industry consultation.

The Hon. MICK VEITCH: I am told that the levy is about \$60 or \$70.

The Hon. NIALL BLAIR: Why are you asking these questions if you already have the information?

The Hon. MICK VEITCH: I want to know whether there will be an increase to, say, \$100.

The Hon. NIALL BLAIR: As I said, there will be no change without broad community and industry consultation.

The Hon. MICK VEITCH: Is there any plan to impose additional levies?

The Hon. NIALL BLAIR: All of our plans for cemeteries are in the strategic plans. I point out that the existing levy was introduced by the Labor Government.

The Hon. MICK VEITCH: I know, but it applied only to Crown cemetery trusts. The basis of the question is—

The Hon. NIALL BLAIR: We have put out strategic plans, and any changes that need to be made will go through the consultation process.

The Hon. MICK VEITCH: So you can categorically rule out imposing the levy on private cemeteries or local government cemeteries?

The Hon. NIALL BLAIR: I said that if there were there to be any change it would go through—

The Hon. MICK VEITCH: So there is going to be a change?

The Hon. NIALL BLAIR: I did not say that. I said that if there were to be it would go through the normal consultation process. Would we rule out anything changing in the future? That is why we have Cemeteries and Crematoria NSW, and the strategic plans enable us to examine what will happen in the future. If changes are proposed, they will go through the consultation process.

The Hon. MICK VEITCH: Is the levy passed on to the end user? How is it collected?

Ms STONE: We will need to provide on notice a full explanation of how it is collected and then distributed.

The Hon. MICK VEITCH: What do people get in return for the levy?

The Hon. NIALL BLAIR: Again, we have said that we will take questions in relation to the levy on notice and come back with a full breakdown.

The Hon. MICK VEITCH: It is my understanding that the Bowraville cemetery is a Catholic cemetery.

The Hon. NIALL BLAIR: Yes.

The Hon. MICK VEITCH: What is the Government doing about addressing the shortage of burial plots in the Sydney metropolitan area? I am not referring to the other trusts; I am referring to the government-owned cemeteries.

The Hon. NIALL BLAIR: In 2013, the Government approved in principle the purchase of 113.4 hectares of land at Bowraville, near Campbelltown, by the Catholic Metropolitan Cemeteries Trust for a future cemetery.

The Hon. MICK VEITCH: That is the Catholic cemetery.

The Hon. NIALL BLAIR: That is correct, but you asked what the Government did. Again, this requires some input from Government to give in-principle approval. In October 2013, the Catholic Metropolitan Cemeteries Trust lodged a planning proposal with Campbelltown City Council for amendments to the current local environmental plan to permit the cemetery development. The council requested further specialist reports, which were provided. While the planning proposal is being advanced by the trust, the cemetery will be a general cemetery catering to all denominations.

The proposed cemetery will have sufficient capacity to meet the needs of the region for up to 100 years or longer if sustainable practices are offered and taken up by the community. I also mentioned that the strategic plans are released by Cemeteries and Crematoria NSW. I attended the opening of an expansion of a cemetery recently by the Northern Metropolitan Cemeteries Trust. Again, there has been a missing link when it comes to planning for the future of Sydney. That is now being filled by the department working not only with our own trust boards but also with the private sector.

The Hon. MICK VEITCH: I refer back to the levy. You said there would be consultation about going forward if it were to be expanded. My sources say that the department has had conversations with InvoCare about imposing the levy. What do you say to that?

The Hon. NIALL BLAIR: I will take that question on notice.

The Hon. MICK VEITCH: Has that not happened?

The Hon. NIALL BLAIR: I will take the question on notice.

The Hon. MICK VEITCH: Would someone in the department know?

The Hon. NIALL BLAIR: As I said, I am happy to take questions on notice in relation to the levy and come back with a full breakdown.

The Hon. MICK VEITCH: I put it to you that if InvoCare has been approached by the department, imposing that levy on private cemeteries is akin to imposing a death tax.

The Hon. NIALL BLAIR: As I said, the levy was imposed by the Labor Government—your Government. It was imposed when you were the Parliamentary Secretary.

The Hon. MICK VEITCH: Only on government-owned cemeteries. This question is about transferring it to private operators, not government operators. If you do that it would be akin to imposing a death tax.

The Hon. RICK COLLESS: Point of order: I submit that many of the member's questions are prefaced with the word "if". That would indicate that they are hypothetical questions.

The CHAIR: Hypotheticals are disallowed. However, the Minister and his crew are quite capable of answering them.

The Hon. MICK VEITCH: They do not need interference.

The CHAIR: Thank you, Deputy Chair. I will allow the questioning to continue.

The Hon. MICK VEITCH: Is your department looking at imposing a levy on every burial in New South Wales?

The Hon. NIALL BLAIR: As I said, we will take on notice about the levy. If a change is proposed, we would go through a consultation process. The Catholic Metropolitan Cemeteries Trust is a Crown trust. To be clear, when I said earlier that the levy that was imposed by the Labor Government—

The Hon. MICK VEITCH: We did not impose it on private cemeteries.

The Hon. NIALL BLAIR: This is a Crown trust.

The Hon. MICK VEITCH: Have you had discussions with the department about this?

The Hon. NIALL BLAIR: As I said, we will take questions on notice about the levy on notice.

The Hon. MICK VEITCH: Have you had any discussions with the department about the levy?

The Hon. NIALL BLAIR: I have not had any discussions specifically in relation to that. We will take questions on notice in relation to the levy and provide a full breakdown.

The Hon. MICK VEITCH: Have you been briefed about options?

The Hon. NIALL BLAIR: As I said, we will provide answers on notice in relation to levies. The member may be forgetting that there are other interment arrangements that people can access. For example, people may want to be cremated. The member is trying to focus on a levy that his Government imposed.

The Hon. MICK VEITCH: Are you aware of the Elton report? The reason I flag this is that I want to know why names were left unredacted in the recent inquiry into the management of the general cemeteries trust at Rookwood, which was released on 1 July 2016—the Elton report.

The Hon. NIALL BLAIR: I would have to take on notice the question around names in the report.

The Hon. MICK VEITCH: In this report, which I downloaded as soon as it went up, why has a reference to the chief executive officer as having been "dismissed" subsequently been changed to "suspended" in later versions?

The Hon. NIALL BLAIR: There could have been an alteration to or a correction of the report. Again I will take that on notice.

The Hon. MICK VEITCH: Who changed it?

The Hon. NIALL BLAIR: I might refer that to Ms Stone.

Ms STONE: There was a mistake in that particular wording.

The Hon. MICK VEITCH: And it was allowed to go public.

Ms STONE: That was changed and amended for the record.

The Hon. MICK VEITCH: Who was responsible for allowing it to go public with the names in it?

Ms STONE: The decision was always to put the report up for public disclosure. As the Minister said, we will take that on notice.

The Hon. MICK VEITCH: Minister, the report was changed that very day. It must have been a very senior person within the department, given the time taken for Crown Lands to process the need to change that. It had to be someone senior in the department that changed this report after it went public.

The Hon. NIALL BLAIR: Are you suggesting that if an error was identified that it should not have been redacted and changed?

The Hon. MICK VEITCH: No. I want to know who made the change and when.

The Hon. NIALL BLAIR: We will take that on notice.

The Hon. MICK VEITCH: Are you aware of any legal action being taken against the department because of these errors?

The Hon. NIALL BLAIR: Any action would be a matter for private citizens in relation to that. That would be a question you would need to ask them.

The Hon. MICK VEITCH: Do these mistakes expose the department and the New South Wales taxpayer to claims for damages?

The Hon. NIALL BLAIR: I would have to take that on notice.

The Hon. MICK VEITCH: Who is the current chief executive officer of Cemeteries and Crematoria NSW?

The Hon. NIALL BLAIR: Ms Stone can answer.

Ms STONE: The current chief executive officer is an acting chief executive officer called Nick Milham.

The Hon. MICK VEITCH: Why did the previous chief executive officer leave the position?

Ms STONE: Carl Malmberg—I have asked him to do another role in my structure.

The Hon. MICK VEITCH: Was the chief executive officer mentioned in this report suspended or dismissed?

The Hon. NIALL BLAIR: Neither. Do you mean the chief executive officer at the time?

The Hon. MICK VEITCH: Yes.

The Hon. NIALL BLAIR: You mean the chief executive officer mentioned in the report; I thought you meant the chief executive officer that you were just asking questions about—so I will separate those.

The Hon. MICK VEITCH: To be clear, it is the chief executive officer mentioned in the report. Was that person suspended or dismissed?

The Hon. NIALL BLAIR: The correct version of the report would be the latest version that is on the website.

The Hon. MICK VEITCH: Thank you.

The CHAIR: We move on to The Greens.

Mr JEREMY BUCKINGHAM: Has anybody seen Jock Laurie? Has anybody seen the Land and Water Commissioner? Where is he? Is he still alive? Because no-one has seen him. Are we getting bang for our buck from the Land and Water Commissioner? Are the taxpayers of New South Wales paying for a bloke who just got duded in the Northern Tablelands preselection?

The Hon. NIALL BLAIR: I might ask Mr Smith to talk about the Land and Water Commissioner.

Mr JEREMY BUCKINGHAM: He is still alive?

Mr SMITH: Jock reports to me. I speak to him every Monday morning. He gives me reports of the detailed meetings that he undertakes around the State. I have been working with him on producing new information about coalmining for the community. He has also taken on an additional role as an advisory member of the committee of the resource regulator, which I explained to you at the last meeting has been established to increase the transparency of enforcement action taken on resource issues. So he is a very busy man and we feel very grateful to have his services.

Mr JEREMY BUCKINGHAM: Fair enough. Will the Government give a commitment to the people of Broken Hill that it will make a submission to the Independent Pricing and Regulatory Tribunal [IPART] that

they should not be hit with any increase to their water rates due to the ongoing running costs and maintenance of the proposed Wentworth to Broken Hill pipeline? Will you commit to a submission?

The Hon. NIALL BLAIR: This is the same question we spoke about the other day that you missed in the House. I will repeat what I said then. IPART determination is a process that will be applied for the prices. IPART will take a range of issues into consideration. I welcome anyone, especially you, if you feel the need to make a submission to IPART, to do so. IPART will put out a draft determination. The Government will respond to that and go from there.

Mr JEREMY BUCKINGHAM: But will IPART be considering a government submission?

The Hon. NIALL BLAIR: IPART considers a whole range of—

Mr JEREMY BUCKINGHAM: Are you planning to make a submission?

The Hon. NIALL BLAIR: IPART is an independent process. IPART will put a draft determination. The Government will then put a submission in and IPART will make the final determination.

Mr JEREMY BUCKINGHAM: So you will put a submission in—that is good. Within that will you commit to advocating for the people of Broken Hill that they should not be subsidising the ongoing running and maintenance costs of the Wentworth to Broken Hill pipeline?

Mr SMITH: Clearly the Government has committed to a very large capital investment for the benefit of the people of Broken Hill. The Government has been carefully considering what the appropriate contribution is that needs to be made from the people who will be benefitting from the investment. All sewerage and water infrastructure is in part or in whole paid for by the customers. There is a range of supports that the Government provides across different communities considering their particular circumstances. These matters are under active consideration. The Government is very mindful of not wanting an unreasonable or excessive burden on the customers, but there are also clear national pricing principles that say that customers should be contributing towards the cost of what is provided for them. It is a matter of working through all of the detail, which is something that IPART will carefully consider.

Mr JEREMY BUCKINGHAM: That will do me. Minister, will you commit to publicly releasing the options paper that compared the 19 different options for Broken Hill's long-term water supply? If not, why not?

The Hon. NIALL BLAIR: We are going through the procurement process at the moment. The decision has been made about running the pipeline. It will allow the procurement and construction process to commence and get on with the job.

Mr JEREMY BUCKINGHAM: A lot of people in New South Wales want to make sure that we are getting bang for our buck for the hundreds of millions of dollars. If you are confident in the process, if you are confident that the business case for the pipeline stacks up, why will you not release that information about the assessment of the various options?

The Hon. NIALL BLAIR: To get the bang for the buck that you ask for it would be prudent to make sure that while we are going through the procurement process we do not release that information. We are going through the procurement process to make sure that we have the best market options available. To release a business case with our numbers while we are seeking prices from the market for construction will not give you that best bang for buck.

Mr JEREMY BUCKINGHAM: I would submit that they will be talking about the other options. We are not talking about the pipeline.

The Hon. NIALL BLAIR: You spoke specifically about the business case. You said, "When we need to get the bang for the buck, why will we not release the business case?" My answer is that we are going through the procurement processes. To go and get the best bang for the taxpayer dollar we need to allow that process to continue.

Mr JEREMY BUCKINGHAM: They are separate processes.

Mr HANSEN: Could I just add to that?

Mr JEREMY BUCKINGHAM: No, Mr Hansen. That is okay. I have got limited time. Minister, this is the key question: Why are you allowing the Department of Primary Industries [DPI] to slowly wither on the vine? It is true. Why, since 2013, is there effectively a \$200 million cut to DPI's budget? Year on year there is an inexorable decline in DPI's budget. The budget has been reduced \$200 million since 2013-2014. There was an underspend of \$150 million last year and a \$70 million underspend on grants and subsidies. At a time when agriculture is supposed to be growing, why are you letting DPI die on the vine?

The Hon. NIALL BLAIR: We have a significant contribution to the department. We are performing better, I believe, than any other jurisdiction in this space. I know for a government to be able to continue to do service delivery and also try to be efficient is something that is foreign to you. In relation to the specific questions that you ask, I will hand over to Mr Hansen.

Mr JEREMY BUCKINGHAM: No, that is fine.

The Hon. NIALL BLAIR: You asked some specific questions about specific numbers. I disagree that the DPI is lagging. It is outperforming any other jurisdiction in this country.

Mr JEREMY BUCKINGHAM: Do you disagree that the budget has been cut since 2013?

The Hon. NIALL BLAIR: I will refer the specific numbers to Mr Hansen. Just because the Government is working within its budget or looking for efficiencies it does not mean that service delivery is being compromised.

Mr JEREMY BUCKINGHAM: So you are doing more with less?

The Hon. GREG PEARCE: That is right. He finally got it.

The Hon. NIALL BLAIR: I will pass to Mr Hansen.

Mr HANSEN: So you want more information?

Mr JEREMY BUCKINGHAM: Yes.

The CHAIR: Perhaps you can put any further information on notice.

Mr HANSEN: I am just getting warmed up.

The CHAIR: Mr Buckingham, would you like any further information on notice? Yes or no?

Mr HANSEN: Just quickly.

The CHAIR: I will move on to Mr Pearson's time. We do not want to cut into any member's time.

The Hon. MARK PEARSON: As a result of the recently introduced pest control order it is now illegal to rescue and rehome foxes, even if they are desexed and kept in secure enclosures on private properties. The concern is that, as a declared pest under the Local Land Services Act, it is illegal to transport foxes without a permit. If a member of the public finds an injured fox, or a fox that is diseased and is in urgent need of veterinary care, and transports that fox to a vet he or she is at the risk of being prosecuted or charged for breaching the pest control order—and also a veterinarian providing help in the treatment of an injured or diseased fox. Minister, is it really your intention to require people to leave injured and orphaned animals to suffer and die?

The Hon. NIALL BLAIR: No. If that was the case the fox should be euthanased or dealt with as humanely as possible. It is a pest species. I know that The Greens have advocated that we should keep foxes, which is an interesting sideline for them, but it is a pest species and it should be treated as such.

The Hon. MARK PEARSON: It is still a sentient mammal, equally as capable of suffering as a so-called non-pest animal. The concern is that they are exempt from the usual care and help that any other animal would be able to obtain. Why should they be exempt and allowed to suffer?

The Hon. NIALL BLAIR: They should be euthanased or dealt with as humanely as possible.

The Hon. MARK PEARSON: Often these animals need to be transported to be euthanased or dealt with as humanely as possible, if the equipment to euthanase an animal in situ is not available. This order makes it an offence for people to uplift an injured animal and take it to a vet, and it is an offence for a vet to treat or euthanase an animal humanely. That is the question.

The Hon. NIALL BLAIR: I hope that common sense prevails. I do not want anyone to foster this pest animal—one of the greatest threats to some of our native species. I will not support anyone who is advocating that we should be sympathetic to foxes.

The Hon. MARK PEARSON: I am talking about euthanasing the animal when it is in pain and distress, not necessarily taking it, as was the case before, to a refuge and looking after it. I will move on to my next question.

The Hon. NIALL BLAIR: Mr Hansen can add something quickly.

Mr HANSEN: We have numerous pest control orders to which we apply common sense across the State. We assume that the same would apply here.

The Hon. MARK PEARSON: You are saying that the person would be exempt from prosecution if he or she was to assist in an animal being euthanased?

Mr HANSEN: Common sense would be applied.

The Hon. MARK PEARSON: My next question relates to section 24 under the Prevention of Cruelty to Animals Act. It says you can perform various procedures on animals at a certain age. However, at the end of every clause—and this relates to all mutilations, including mulesing—it states, which the director general put in, "in a manner that inflicted no unnecessary pain upon the animal". Minister, I understand you do not want to support mandating things that will encourage wool growers to change, but I suggest to you that there are two problems. If wool growers do not apply an easily available and relatively cheap analgesia after the mulesing operation, they may not be able to be protected by that section of the Act. They are leaving themselves open to prosecution.

In order to protect the wool grower, it would be in their interests to mandate pain relief so that they would not then be captured by that provision in section 24. Overwhelmingly, it sends a message to the wool industry and to all retailers around the world that they can be assured that all mulesed wool on the bale has come from animals that have received the most analgesia possible. It is a two-pronged issue that I put to you. It is a dilemma and it might be in the interests of those wool growers who are refusing to use pain relief at the moment. If pain relief was mandated it would be in the best interests of the wool industry and retailers would be assured that the wool that was being bought was from animals that received pain relief.

The Hon. NIAL BLAIR: First, thank you for correctly stating my position on this. I know that we have had an opportunity to debate this in the House. I firmly believe it is something that the industry is well and truly moving towards. At the moment I think about 77 per cent of the industry is using pain relief when mulesing. I will hand over to Mr Hansen to fill in some of those technical blanks for you.

Mr HANSEN: We continue to believe that the best path is to work with the industry in seeking their long-term goal of reduction and voluntary take-up, and we have been pleased with the level of take-up. As the Minister said, 77 per cent of lambs have analgesia being used. About 55 per cent of the clip that is being sold is being marketed as unmulesed. There are significant advances as well in the breeding genetics as well as pain relief. Industries are investing a lot of time and effort to ensure that the tools are available, but until those tools are available, the industry has had to take it step by step to minimise pain. At the end of the day, there is no benefit for a wool producer to create pain or to cause pain to those animals. We continue to believe that the best path is a voluntary path by which the industry arrives at the end point destination that its customers are asking for.

The Hon. MARK PEARSON: The concern is that the representative of Hugo Boss came to the Australian Wool Innovation meeting of animal welfare and made it clear to that committee that, "We want no surprises, so we don't want wool mixed with mulesed non-pain relieved wool in China that is sent to our knitters for our suits. If we find that out, we may turn away from Australia." That is the dilemma.

The CHAIR: Minister, I have had representation from an organic producer in the Bellingen Valley concerning the use of herbicides as part of the standard forestry practice. I understand that the Forestry Corporation NSW has changed its methodology after a protest up there against aerial spraying of chemicals. One thing the complainant put to me was that different rules apply in forestry operations for native hardwood forests and for plantation forests. Do different rules apply under the supervision of the Environment Protection Authority [EPA] to the methodologies and the pesticides that are used in those two different areas of forestry?

The Hon. NIAL BLAIR: Thank you, Chair. The short answer is yes. There are different measures for plantations and native forests. It is probably best that I ask Mr Roberts to run through how the organisation operates within those two different areas relating to pesticides.

The CHAIR: If you can do so in five minutes, that would be great.

Mr ROBERTS: In respect of pesticide and herbicide use, that is mainly a product that we are using in our plantation forests. It is not something we would regularly use as part of a re-establishment process in native forests. We use herbicides for weed control in native forests along roadsides. If we have a particular infestation of lantana in a native forest, we may use herbicides in those particular cases. In the use of herbicides on plantations in the area that you are referring to, we go through a fairly detailed process before we apply the herbicide. It really starts with a harvest planning process, so we have a detailed lay down mapping process— a

remote sensing ability to get a clear topographical picture of the land. So we know exactly where the waterways and exactly where the environmental features are that we need to protect.

Once we have harvested the area, having used that map as a starting point, we will make an assessment as to where we will do mechanical land preparation—cultivating the land ready for re-establishment. The bulldozers that do the cultivation have GPS fitted. So they create a GPS map that is overlaid on the harvest planning map, which will determine where the spraying is going to be carried out. After the weeds have regenerated, after a harvesting event, we make an assessment of what weeds are in the particular area and what chemicals may be best suited to controlling those weeds. We make an assessment as to how best to apply the herbicides. There are a number of ways you can do that. You can do it by ground application or aerial application. We look at any particular features—roadways, buffer zones and those kinds of things—in that planning. As we progress to the spray event we monitor the weather conditions—the temperature, humidity and wind—to avoid any spray drift. When the conditions are right we go in and undertake that operation.

The CHAIR: Perhaps Mr Roberts could elucidate why there is a difference between the management methods in native hardwood forests and plantation forests. In other words, what are the conditions that require there to be different methods used—in fact, different legislation applied?

Mr ROBERTS: I think it is just an historical fact that when we are dealing with native forests we are dealing with a wild ecology. So it is an area where there is a lot of sensitivity about how we operate forestry. It is a very controlled environment in terms of prescription, whereas most of our plantations have been established on already cleared land. We are reforestation that land, so it is more akin to an agricultural operation. In fact, the chemicals that we use are standard agricultural chemicals. The forestry industry across Australia uses approximately 1 per cent of the agricultural chemicals used in this country. We are only a very small part of the industry so we use very limited quantities of chemicals in our operations.

The CHAIR: Thank you for that detailed answer. We will now move on to Opposition questions.

The Hon. PENNY SHARPE: Thank you. Minister, has your department undertaken any investigations into the use of greyhounds for animal research?

Mr HANSEN: We do not specify the type of dog in the records that are collected with regard to animals used for scientific research.

The Hon. PENNY SHARPE: Have you been asked to find out how many greyhounds have been used for animal research in this State?

Mr HANSEN: No, and even if we were it would be impossible to go back to ascertain the type of dog that was used.

The Hon. PENNY SHARPE: So you do not know.

Mr HANSEN: No. The records that are collected identify "dog".

The Hon. MICK VEITCH: Minister Goward said that you would know.

The Hon. PENNY SHARPE: That is right. Minister Goward suggested that you would know. She passed that on to you to report, but you do not know.

Mr HANSEN: In the same way that we do not record how many poodles or how many—

The Hon. GREG PEARCE: He knows that they do not know.

The Hon. MICK VEITCH: Minister Goward does not know that they do not know.

The Hon. PENNY SHARPE: Minister Goward does not know very much at all. Sydney Water has had its credit rating downgraded to Aa3 by Moody's. Is that correct?

The Hon. NIAL BLAIR: I would have to check with Mr Young.

Mr YOUNG: I think that was right a year ago. I think it is stable at the present time.

The Hon. PENNY SHARPE: Minister, do you believe that it is sustainable for Sydney Water to be paying 100 of its after-tax profits in dividends to the Government over several years?

The Hon. NIAL BLAIR: Questions in relation to dividends should be directed to the shareholding Minister.

The Hon. PENNY SHARPE: This is money coming out of your department—you do not have a view about that?

The Hon. NIALL BLAIR: As I said, I ask that you put questions in relation to dividends to the shareholding Minister, unless Mr Young wants to add anything in relation to dividends.

The Hon. MICK VEITCH: You answered it last year.

Mr YOUNG: The only thing I would say in relation to credit rating is that according to Government policy we need to make a strongly investment-grade company, which is the benchmark that we set. We stay within that benchmark. The decision about dividends is a matter that is discussed between the board and the shareholding Ministers every year. It is a year-by-year negotiation, but it is set on the basis that it does not impact on services to the community or customers' bills.

The Hon. PENNY SHARPE: How many years would be the maximum that you believe that you can allow NSW Treasury to continue to take 100 per cent of your profits before it has an impact on the credit rating?

The Hon. GREG PEARCE: It is not a decision—

The Hon. PENNY SHARPE: Are you saying that Sydney Water does not have a view and that Sydney Water has not thought through the impact of having 100 per cent of its dividends stripped over time, in relation to the watch that it is on around its credit rating?

Mr YOUNG: As I said before, it is a year-by-year discussion to determine the dividend payment that does not impact on service to the community or bills. I can confirm that dividend payments for this year are set at 70 per cent and they will be for the next three years. Therefore they will not be 100 per cent.

The Hon. PENNY SHARPE: They are 70 per cent, not 100 per cent?

Mr YOUNG: Yes. I can confirm that.

The Hon. NIALL BLAIR: If you want, we can provide the information as to what the dividend was when Labor was in Government. We can also talk about the reduction in water prices.

The Hon. PENNY SHARPE: I am asking about you. You have been in Government now for six years. The Government is a bit long in the tooth to go back now, Minister.

The Hon. NIALL BLAIR: The figure now is what Mr Young has just said.

The Hon. PENNY SHARPE: Are you saying that you do not expect Moody's to revise its negative outlook on Sydney Water's credit rating as a result of these decisions?

Mr YOUNG: I would say that the discussion on Moody's is a year-by-year discussion. It is a discussion between the shareholders and the board of the organisation saying that we must stay at an investment grade. That has to be assessed by Moody's. That is a commitment of the organisation around the owners of the business.

The Hon. PENNY SHARPE: When Moody's Investors Services downgraded the credit rating it said:

The negative outlook reflects the uncertainty as to whether the State will manage Sydney Water's capital structure in a manner consistent with the rating parameters.

Do you accept that judgement?

The Hon. NIALL BLAIR: Again, these are questions that should be directed to the shareholding Minister.

The Hon. PENNY SHARPE: You have just said that the board sits down and talks to—

The Hon. NIALL BLAIR: To the shareholding Minister.

The Hon. PENNY SHARPE: Yes.

The Hon. NIALL BLAIR: That is what Mr Young said. The board sits down and speaks to the shareholding Minister. That is not me; I am the portfolio Minister.

The Hon. PENNY SHARPE: I am very well aware of this. It has a direct impact on your bottom line and you do not have a view about that.

The Hon. NIALL BLAIR: You had the opportunity to ask those questions of the Treasurer yesterday.

The Hon. PENNY SHARPE: Have borrowing costs increased since the credit downgrade?

The Hon. NIALL BLAIR: Again, you would have to ask the shareholding Minister. These are discussions had between the shareholding Minister and Sydney Water. The Treasurer was in front of the estimates hearing yesterday. You should have asked the Treasurer at that stage.

Mr YOUNG: Could I just make a clarification? The Moody's credit rating we currently have is Aa1, not Aa3. I just want to clarify the record on that. It is actually a higher rating.

The Hon. PENNY SHARPE: Minister, in March this year independent monitoring of the health of five swimming spots in Sydney Harbour revealed bacteria five times the safe level for swimming. Will your plan to construct 25 overflow pipes for Sydney waterways make water health in the harbour better or worse?

The Hon. NIALL BLAIR: Sydney Water and the New South Wales Government are committed to protecting public health and the environment. Our rivers, beaches and harbour have never been in better shape. Sydney Water and the New South Wales Government have played a key role in cleaning up our beaches, rivers and harbour, and the office of the Environment and Heritage State of the Beaches report is a testament to this. In Sydney—

The Hon. PENNY SHARPE: I will stop you there. Are you trying to suggest that putting 25 overflow pipes that will put raw water into Sydney Harbour will somehow make the water quality better?

The Hon. NIALL BLAIR: I am going through my response to the question. I am sure Mr Young will have something to add to this as well, once I have gone through it. The waste water and storm water systems are predominantly separate. The waste water system was built to carry this type of water from showers, sinks, kitchens, laundries and toilets from our homes to treatment plants located right across the city. However, during times of heavy rain stormwater can enter the waste water system. Sydney Water's waste water system is designed to cope with four times the amount of dry weather flows. It is not economically viable to build systems so large that they would not overflow.

The Hon. PENNY SHARPE: I will stop you there. Have you considered other options in relation to dealing with this overflow?

The Hon. NIALL BLAIR: During heavy rainfall sometimes the flow may exceed the capacity of the system.

The Hon. PENNY SHARPE: Minister, sorry, that is not what I am asking.

The Hon. NIALL BLAIR: Well, if you actually let me finish—

The Hon. PENNY SHARPE: I am asking whether you—

The Hon. NIALL BLAIR: —my answer, I am not going to take up too much time of the Committee. You may find that I actually address the points and I will also—

The Hon. PENNY SHARPE: Well, just go straight to the answer then.

The Hon. NIALL BLAIR: That is what I am doing. I mean, is there a time limit on how long I am allowed to answer the question?

The Hon. PENNY SHARPE: No, you can try to also accommodate the answer.

The CHAIR: Order! Just to clarify matters—generally speaking, it is not helpful for members to badger a witness, but by the same token witnesses can just use up the time by making long irrelevant answers. It would appear to me that the Minister is trying to be relevant. If the Minister could continue his answer in the most expeditious manner, that would be helpful.

The Hon. NIALL BLAIR: Thank you, Chair. As I was saying, the wastewater system is designed with overflow points so that the excess flows are directed in a controlled way away from areas where they could significantly impact public health or the environment. Between 1996 and 2011 over 170 inflow points were constructed for wet weather overflows. That is something that may be lost on the member—that they constructed 170 of these when Labor was in government. Overflows from smaller sewers—

The Hon. PENNY SHARPE: No, Minister. I am asking about what you are doing.

The Hon. NIALL BLAIR: —can also occur due to blockages caused by tree roots, et cetera. Now, the majority of water that comes out of these overflows—well, it is water; 99 per cent of it is just water. Mr Young may add some further information that may be relevant.

The Hon. PENNY SHARPE: No, that is okay, Minister. Based on that, can you confirm that the decision to build 25 overflow pipes instead of other potential solutions was taken for cost reasons?

The Hon. NIALL BLAIR: The construction of overflow points has been a consistent way to manage overflows. As I said, it was something that was done when Labor was in government. It is something that is done with—

The Hon. PENNY SHARPE: Yes. But, Minister, you would accept that technology has changed and that there are better methods. Are you saying that you have not considered better methods?

The Hon. NIALL BLAIR: I refer the member to the Office of Environment and Heritage "State of the Beaches" report, going back to the start of her question, that clearly articulates that the health of our beaches and even our rivers is something that is constantly improved.

The Hon. PENNY SHARPE: And that is prior to you now putting 25 new overflow pipes into the harbour. My question is: Do you confirm that the decision to do 25 overflow pipes has not considered other technology or other options and it has been done for cost purposes?

The Hon. NIALL BLAIR: I am confirming that it is a standard way to manage these issues. Mr Young may add anything he likes, but that is my answer.

Mr YOUNG: The point I would make is that the issues in the harbour for swimming generally at times when there is significant rainfall occurring and you have stormwater, you have a complete cleansing of the catchment. At those times we are finding in some areas that households have their yards flooded. There is storm water running off the roads and the sewer system gets overloaded.

The Hon. PENNY SHARPE: I do not think anyone is denying that, Mr Young.

Mr YOUNG: Putting in overflows does not increase the amount of sewage that went into the harbour.

The Hon. PENNY SHARPE: I think everyone accepts that, but the point is that we have choices about the way in which we deal with it.

Mr YOUNG: We do have choices.

The Hon. PENNY SHARPE: We are trying to deal with it.

Mr YOUNG: We have looked at it.

The Hon. PENNY SHARPE: I am just trying to get to the point that, basically, you have made a choice that this is the cheapest way to do it, and that is what you are doing. That is simply what I am asking.

Mr YOUNG: These are not cheap options.

The Hon. PENNY SHARPE: There are other options as well.

The Hon. NIALL BLAIR: What is your option? Would you prefer—

Mr YOUNG: There are others, but they are not cheap options.

The Hon. NIALL BLAIR: —the sewage coming up through the sinks in people's households. Is that what you prefer?

The Hon. PENNY SHARPE: No, Minister. I want to ask you about the desalination plant, funnily enough.

The Hon. NIALL BLAIR: Sure.

The Hon. PENNY SHARPE: Minister, have you called in the owners of the desalination plant and asked why they have not yet begun to repair the damage to their facility?

The Hon. NIALL BLAIR: That is a matter for the operators.

The Hon. PENNY SHARPE: So you do not have a view that it is almost 12 months and no work has started on fixing the desalination plant, even though you are handing over around 200 million bucks a year to keep it open?

The Hon. NIALL BLAIR: The issue with the desalination plant is a legacy that was left by a Labor Government. This Government has gone on with the job and made sure that we have the best outcome for, particularly, water users here in Sydney. Currently Warragamba Dam is sitting at around 98 per cent.

The Hon. PENNY SHARPE: An extra 100 bucks a year—

The Hon. NIALL BLAIR: We have seen a reduction—

The Hon. PENNY SHARPE: —for a plant that is not available.

The Hon. NIALL BLAIR: —in water prices here in Sydney. The matter in relation to the operation of the plant is something that the owners are dealing with, with their insurers. I am confident that, with the dam levels sitting where they are at the moment, the legacy that Labor left behind will not need to be used—

The Hon. PENNY SHARPE: I do not think that a storm is our legacy. You have done nothing to see that the operation—

The Hon. NIALL BLAIR: —in the foreseeable future.

The Hon. PENNY SHARPE: —is ready to go, even though it has been sitting there, unavailable, for 12 months.

The Hon. NIALL BLAIR: What would you suggest that we do at the moment when the dam levels—

The Hon. PENNY SHARPE: I am just wanting to know whether you have spoken to the owners.

The Hon. NIALL BLAIR: —are sitting at 98 per cent.

The Hon. PENNY SHARPE: Whether you have actually taken an interest in the facility.

The Hon. NIALL BLAIR: The owners are managing their asset and working with their insurers.

The Hon. PENNY SHARPE: But you have not spoken to them.

The Hon. NIALL BLAIR: At the moment, we have a dam level sitting at 98 per cent.

The Hon. PENNY SHARPE: I am well aware of that.

The Hon. NIALL BLAIR: The Metropolitan Water Plan says that we will only use water out of the desalination plant when the dam level gets to 70 per cent. You left us with a legacy.

The Hon. PENNY SHARPE: Minister, that it is not what I am asking. It is a very simple question: Have you met with the owners—yes, or no? It would appear that the answer is no.

Mr HANSEN: To the second part of that question, with regards to whether work has commenced, we are aware that there are two separate tenders for repair work that have gone out.

The Hon. PENNY SHARPE: Yes, starting next week. I know.

Mr HANSEN: That is being managed directly by Sydney Desalination Plant.

The Hon. NIALL BLAIR: And we are comfortable with the time frames, considering the level of water that we have in particularly the Warragamba Dam at the moment.

The Hon. PENNY SHARPE: So you are happy that Sydneysiders have been paying an extra 100 bucks a year on their water bill for an availability payment that was set up by your Government—you cannot duck this one, Minister—but it actually has not been available. You are okay with that?

The Hon. NIALL BLAIR: Let us be clear. The legacy of the desalination plant was something that was left behind by the Labor Government.

The Hon. PENNY SHARPE: The decision to privatise it and pay availability payments was entirely yours, Minister.

The Hon. GREG PEARCE: It was not his. It was mine, actually.

The Hon. NIALL BLAIR: As we sit here today, this Government has delivered—

The Hon. PENNY SHARPE: We will get to that.

The Hon. NIALL BLAIR: We now have the lowest water prices in Australia right here in the Sydney Water network.

The Hon. PENNY SHARPE: But Sydneysiders are paying an extra 100 bucks a year.

The Hon. NIALL BLAIR: We are seeing a \$100 per year for the next four years reduction in water prices, which is historic. And this is—

The Hon. PENNY SHARPE: But they would be paying an extra 100 bucks less. They would be paying an extra 200 bucks less if you had actually—

The Hon. NIALL BLAIR: This is in comparison to where water prices—

The Hon. PENNY SHARPE: —not been paying an availability payment—

The Hon. NIALL BLAIR: —were, when you guys were in government.

The Hon. PENNY SHARPE: —for something that is not available.

The Hon. NIALL BLAIR: We now have the cheapest water prices here in Sydney. We are seeing a \$100 a year for the next four years reduction for Sydney Water customers as a result of the actions taken by this Government.

The Hon. PENNY SHARPE: Minister, you have given up your chance to do a dixer. I know you are embarrassed about this.

The Hon. NIALL BLAIR: Ha, ha!

The Hon. PENNY SHARPE: Minister, who was responsible for a contract where the taxpayer must pay a \$194 million annual availability fee for 50 years, whether or not the facility is available?

The Hon. GREG PEARCE: It was Bob Carr, actually.

The Hon. NIALL BLAIR: Can you start the question again, sorry?

The Hon. PENNY SHARPE: Who was responsible for the contract where the taxpayer pays the fee for 50 years whether the facility is available or not?

The Hon. NIALL BLAIR: That was a decision made some years ago in 2012.

The Hon. PENNY SHARPE: I am talking about when it is out of service.

The Hon. GREG PEARCE: You should have asked when I was there.

The Hon. PENNY SHARPE: No.

The Hon. GREG PEARCE: Why did you not ask then? You could have read the document.

The Hon. PENNY SHARPE: You are not a Minister anymore. You do not get to ask or answer questions.

The Hon. GREG PEARCE: You should have asked me about it.

The CHAIR: Order!

The Hon. NIALL BLAIR: There was an Independent Pricing and Regulatory Tribunal [IPART] decision made some time ago, and IPART is currently doing a review at the moment.

The Hon. PENNY SHARPE: There is nothing in the contract that you have with the operator that allows you to say, when the facility is out of action for two years, "We are not going to pay the fee because it is not available because you have not fixed it." Is that what you are saying?

The Hon. NIALL BLAIR: We have the best deal for customers in Sydney, particularly with a \$100 per annum for the next four years reduction in water prices. This was a legacy that was left behind by your Government, and this Government in 2012 got the best deal possible for the water users of Sydney.

The Hon. PENNY SHARPE: It is a pretty extraordinary legacy, Minister.

The Hon. NIALL BLAIR: And I repeat: At the moment and for some time now the desalination plant has not needed to be used because the Metropolitan Water Plan talks about it only coming into operation when dam levels reach below 70 per cent. If you have been outside and seen the dam levels at the moment, we are getting the best deal, and we are recycling some of the capital that you locked up in the legacy that you left behind into other projects here in Sydney.

The Hon. PENNY SHARPE: Minister, under the terms of the desalination contract with Sydney Water, are the owners forbidden from moving parts from the facility to another facility owned or managed by the operator?

The Hon. NIALL BLAIR: I will have to take that on notice and check.

The Hon. PENNY SHARPE: Is Mr Young able to tell me this?

The Hon. NIALL BLAIR: He does not operate the desalination plant. Mr Young is just a customer of the desalination plant.

The Hon. PENNY SHARPE: Well, you have a contract with them.

The Hon. NIALL BLAIR: As I said, I have to take it on notice.

Mr YOUNG: I have a process where I pay money as part of an IPART process. That is the relationship I have, and I just put on the record, the question of how pricing for desalination has occurred was all determined as a public, open and transparent process before any leasing occurred. That is true.

The Hon. PENNY SHARPE: What estimates have been made of the additional area of land which will be needed to be added to the Warragamba Dam special area, if the dam wall is lifted?

The Hon. NIALL BLAIR: I might have to ask Mr Harris.

Mr SMITH: The project looking at the possibility of raising the dam wall is something that is being led by Infrastructure NSW. We have been a member of the task force preparing the work and have seconded staff across to Infrastructure NSW to do that work. I think we would be better to take that question on notice, because it is not a project that our department has led.

The Hon. PENNY SHARPE: So you do not know whether any additional land will be required for the extension of the inundation zone or special areas?

Mr SMITH: I am not aware that—

The Hon. NIALL BLAIR: This is not our project.

The Hon. PENNY SHARPE: Surely you have a role in the planning of the dam and the impact that it will have on the surrounding area?

Mr SMITH: The whole project has many separate departments with responsibilities. The purpose of the project is to better protect landowners and residents in Western Sydney from a major flood event. Infrastructure NSW led the whole task force. We looked at what is to be done with emergency services, what is to be done with evacuation routes, what is to be done with engineering works, et cetera. It is being managed as a job lot, essentially, by Infrastructure NSW.

The Hon. PENNY SHARPE: Minister, can I take you back to the desalination plant? You would be aware that IPART released a paper earlier this week in relation to that and potential changes to pricing at the desal plant. In the paper it suggests that it will investigate whether the desal plant can recoup costs from consumers in the event of a catastrophic weather event. Do you believe this is reasonable considering the \$200 million annual fee Sydney Water customers are already paying?

The Hon. NIALL BLAIR: IPART is doing a review at the moment and we will see what it comes up with.

The Hon. PENNY SHARPE: So you do not have a view?

The Hon. NIALL BLAIR: Again, this is part of the process that we have in New South Wales where IPART does the reviews and provides a report. We will wait and see what IPART comes up with through its review. I will say again, though, through a similar IPART process—

The Hon. PENNY SHARPE: No, I have further questions and we are almost out of time, Minister. What is Sydney Water's annual marketing budget?

The Hon. NIALL BLAIR: I will pass the question to Mr Young.

Mr YOUNG: We do not have a marketing budget, but we do sponsorships in different areas. Are you going to the heart of the sponsorship question?

The Hon. PENNY SHARPE: Can you take on notice the list of sponsorships that you have and the amounts and provide that to the Committee?

Mr YOUNG: Sure, it is a small list and it is not that expensive.

The Hon. PENNY SHARPE: Does Sydney Water employ consultants to advise on social media strategies?

Mr YOUNG: I would have to take that on notice.

The Hon. NIALL BLAIR: Can I just add that—and I am sure as shadow Environment spokesman—

The Hon. PENNY SHARPE: Person.

The Hon. NIALL BLAIR: Spokesperson, apologies.

The CHAIR: "Spokespersibling"—be careful.

The Hon. NIALL BLAIR: The number of plastic bottles that end up in our harbour and things like that, if you have ever studied some of the trash-capture units that we have—

The Hon. PENNY SHARPE: Yes, I have stared at them; I have waded through them, Minister. I am very aware of them, but my question is about marketing.

The Hon. NIALL BLAIR: I am getting to the exact point. Some people say, "Why would you want to encourage people to drink tap water?" There are a number of reasons: one, we have a lot of people coming from overseas where they cannot trust the tap water in their own communities—

The Hon. PENNY SHARPE: I get where you are going with this, Minister, which is that it is an education campaign. I am making no judgement about the legitimacy of that, I am simply asking what the budget is and whether you will provide the breakdown of what that is.

The Hon. NIALL BLAIR: I want to reiterate the importance of those programs, in particular to encourage people to drink tap water, one, for the reduction in bottled water as the rubbish component and two, to make sure that people reap the health benefits of having good, reliable tap water to drink.

The Hon. PENNY SHARPE: We all love Sydney tap water.

Mr YOUNG: Can I put on the record that Sydney Water does not pay any money for social media consultants?

Mr JEREMY BUCKINGHAM: Minister, there is a proposal in the community being floated by the National Parks Association for the creation of a great koala national park in the Coffs region that would consider converting, amongst other land tenures, 175,000 hectares of State forest into national park. What is your view on that proposal? Is it something the Government would consider?

The Hon. NIALL BLAIR: That is not government policy.

Mr JEREMY BUCKINGHAM: You would not consider it?

The Hon. NIALL BLAIR: It is not government policy.

Mr JEREMY BUCKINGHAM: Do you think you will stick to that in the future? Would you not revise or review that?

The Hon. NIALL BLAIR: If you are asking whether I think that we should try to get rid of a 100-year-old industry in native forestry in this State, my answer is no, I do not think we should.

Mr JEREMY BUCKINGHAM: Do you think that 175,000 hectares of State forest converted into national park for the protection of koalas would do that?

The Hon. NIALL BLAIR: As I said, it is not government policy, so we are just talking about hypotheticals.

Mr JEREMY BUCKINGHAM: We will see. Minister, is there more money in this year's DPI budget than in the 2013-14 DPI budget? Do you know that?

The Hon. NIALL BLAIR: I am allowed to refer questions to my director.

Mr JEREMY BUCKINGHAM: Is that because you do not know?

The Hon. NIALL BLAIR: No, I just want to make sure. I do not have that figure with me from last year and I want to refer to either the secretary or the director general for a correct response.

Mr JEREMY BUCKINGHAM: I just want a more-or-less answer.

The Hon. NIALL BLAIR: I do not want to mislead the Committee.

Mr SMITH: We would have to take that question on notice.

Mr JEREMY BUCKINGHAM: You cannot tell us?

Mr SMITH: It is because there are so many exceptional items every single year. The DPI budget incorporates, for example, major capital works and external funding—

Mr JEREMY BUCKINGHAM: But according to the budget papers?

The Hon. NIALL BLAIR: Can you let the secretary or the director general answer the question?

Mr HANSEN: You are not comparing apples with apples; you are comparing an apple with an orange. They are two completely different—

Mr JEREMY BUCKINGHAM: Or apples with lemons.

Mr HANSEN: The number recorded in Budget Paper No. 3 will be different and it will be a lesser amount this year.

Mr JEREMY BUCKINGHAM: It will be a lesser amount.

Mr HANSEN: It is not a decrease in net cost of service nor a decrease in the amount of money provided by the New South Wales Government to DPI. What it in fact reflects is a change in accounting principles around trusts and the allocation of trust money that used to come through or be identified in Budget Paper No. 3 as part of DPI's incumbents. It is now recorded elsewhere in the budget papers. Also, a significant amount of money comes from external funders like the Commonwealth Government, and where projects get re-profiled over forward years money gets moved from one year to the next. In terms of actual net cost of service and the amount of money we get from the New South Wales Government, we have not seen a decrease.

Mr JEREMY BUCKINGHAM: Minister, do you agree with the assessment of the Natural Resources Commission that, "The declaration of a species as a pest by the State Government is an effective mechanism for raising community awareness and shifting attitudes towards the management of the species"? At estimates last year, you told the Committee that deer are not declared pests in New South Wales because management of wild deer is largely through ground shooting by individual landholders, recreational hunters and in some cases by contracted shooters.

Since then, the Natural Resources Commission has released a report into pest animal management in New South Wales in which it says that New South Wales deer are currently managed under outdated, restrictive arrangements as a game and livestock animal, yet they are recognised as the most important emerging pest animal threat and recreational hunting is the method used to control deer in 90 per cent of cases, an approach that is both inconsistent and inadequate. Will the Government accept the Natural Resources Commission's recommendation and declare deer a pest in New South Wales so that they can be properly controlled?

The Hon. NIALL BLAIR: We took to the 2015 election a commitment that we would get the NRC to conduct a pest animal review. They have done that and we now have the report from them. The Government is considering its response.

Mr JEREMY BUCKINGHAM: So you will not commit at this stage to implementing the recommendations of the commission?

The Hon. NIALL BLAIR: The Government is considering its response to the report.

Mr JEREMY BUCKINGHAM: Minister, what is the budget for DPI's climate unit and how does this compare to last year's budget?

Mr HANSEN: We do not actually have a standalone climate unit. Within a number of our divisions we have work groups that work on climate-based activities, but we do not have a standalone climate unit within DPI.

Mr JEREMY BUCKINGHAM: Do those groups have an allocated budget?

Mr HANSEN: They obviously have budgets allocated within their particular stream, so within that in agriculture, in water, in biosecurity.

Mr JEREMY BUCKINGHAM: Are they getting more money or less?

Mr HANSEN: I would have to take that on notice. What was the base year?

The Hon. NIALL BLAIR: The question was compared to last year.

Mr JEREMY BUCKINGHAM: Yes. Minister, has the New South Wales Government reduced the funding to the Aboriginal Water Initiative?

Mr HANSEN: Not to my knowledge, but we can check that and take it on notice.

Mr JEREMY BUCKINGHAM: Minister, have you visited the Wilcannia weir? Can you update the Committee on what is going on with the proposal for an new Wilcannia weir?

The Hon. NIALL BLAIR: No, I have not visited the weir.

Mr JEREMY BUCKINGHAM: Did you not commit last year to visit the Wilcannia weir?

The Hon. NIALL BLAIR: I am not sure that I did, but I can take that on notice, if you like.

Mr JEREMY BUCKINGHAM: Good.

The Hon. NIALL BLAIR: The Wilcannia weir issue is being led by the Department of Premier and Cabinet [DPC]. There are a number of issues that need to be taken into consideration with that project, including not only the water supply but also the social aspect that any works or any of those proposals out there would and could have for the community. I know that particularly the Aboriginal community out there see themselves as the water people, or they recognise themselves as the water people. They have a significant connection to that project. The Government is still working through that through agencies led by DPC to see if we can get an outcome. It is something that has taken a long time, there is no doubt, but there are a number of—

Mr JEREMY BUCKINGHAM: Do you think the amount of time it has taken is acceptable?

The Hon. NIALL BLAIR: I think we want to get it right. If you were to look at this solely on economics, you may get one answer, but if you are looking at this—

Mr JEREMY BUCKINGHAM: In that time you have built the Pacific Highway—

The CHAIR: Order! Your time has expired, Mr Buckingham. Minister, we do not want to eat into Mr Pearson's time.

The Hon. MARK PEARSON: Ducks are semiaquatic birds, and in intensive farming they have no access to water apart from for drinking. There is a substantial body of veterinary science that says that these animals suffer a great deal of musculoskeletal and foot problems as a consequence of not being able to access water when naturally they would spend 30 to 40 per cent or more of their time in it. It is a very important part of their wellbeing. They also use the water to keep themselves clean, to remove disease and for other factors. In the intensive duck farming industry there is no provision of water for this purpose. Is the Minister aware of this, and is it not time for the codes of practice and legislation to be amended to ensure that the ducks should have access to a natural part of their wellbeing, behaviour and health—water—to move and swim in?

The Hon. NIALL BLAIR: I might refer to Mr Hansen for this information.

Mr HANSEN: While I am not specifically aware of what the code for intensive duck production includes, all of our codes of practice are built and based on knowledge and a scientific basis. I am happy to take notice of what it includes and what it should include with regard to access to water—

The Hon. MARK PEARSON: I can tell you that it does not allow the ducks to have access to water for those purposes. This is therefore a very serious oversight and it opens the industry up to possible criticism for not providing a fundamental need for this semiaquatic bird.

Mr HANSEN: We will have a look at that.

The Hon. MARK PEARSON: My other question relates to trapping, neutering and returning free-living cats. The Minister received a letter from Alex Greenwich and me suggesting adopting a trap, neuter and release policy for free-living cats and he declined to adopt that on a statewide trial. Will the Minister consider setting up a research operation to look at three trap-neuter-return situations which are happening in vivo at the moment to ascertain whether the trap-neuter-return of free-living cats has the consequence that we all want—that is, a gradual reduction in the number of those animals in a given area, rather than marching in, trapping and killing them?

The Hon. NIALL BLAIR: The problem I have with the trap-neuter-return policy is that it does not address the impact that cats—free-living, feral or whatever you want to call them—have on wildlife populations, particularly native wildlife populations. I am still learning bits and pieces that you and your party, and I still cannot understand how that concept is something that your party can—

The Hon. MARK PEARSON: I can explain.

The Hon. NIALL BLAIR: Please explain, because I do not support it, so the answer is no.

The CHAIR: You have been sucked in there, Mr Pearson.

The Hon. MARK PEARSON: No, I can answer the question. We want to protect the wildlife as well as the cats—equal consideration for all animals. If our end goal is to reduce the impact on wildlife of cats, there is a great deal of evidence to show that if you go in and kill a whole lot of cats in an area, if there is food and water, cats will come from elsewhere. But if you trap, neuter and release and reduce the numbers, no more cats will come to that area and you have reduced the impact on wildlife as well. It is a win-win rather than a kill-kill.

The Hon. NIALL BLAIR: We can probably take this off-line and sit down and talk about it, but I do not support it because of the significant damage that those cats that will be released will have on native species in particular. I do not support it, it is not government policy, and I am not advocating for change.

The Hon. MARK PEARSON: In order to possibly change government policy, one great way to do it would be to have a very robust research program which looks at those three areas where it is already happening to ascertain whether the wildlife has benefited by not having so many cats attacking it in those areas. Then we would know.

The Hon. NIALL BLAIR: There is a legal basis to any trap-neuter-return program, which is also problematic. The release of a domestic animal could be considered abandonment of the animal, which is an offence under section 11 of the Prevention of Cruelty to Animals Act 1979. Release of neutered cats into an area may also constitute an offence under the Companion Animals Act 1998, as this action may compromise the welfare of native birds and animals as a result of potential nuisance.

The Hon. MARK PEARSON: Just as for any other research program, an exemption could be put in place while that program is running for the people involved to be exempt from prosecution under those sections while we look at it.

The Hon. NIALL BLAIR: I do not support it. I think the risk far outweighs any of your potential benefits, and at this stage that is my response. Mr Hansen might wish to add something.

Mr HANSEN: I was just going to add that all these things take resources. At the moment the RSPCA is lobbying us about continuing to put resources towards education and increased community awareness about responsible pet ownership and targeted desexing programs as more effective strategies than a trap-neuter-return strategy.

The Hon. MARK PEARSON: I think both need to be applied because, whether we like it or not, cats are out there and free-living, so they are not owned by anybody but are still relying on people. It is a very interesting situation. In time hopefully we can apply that principle. Do I still have time?

The CHAIR: About four seconds. Minister, in relation to your reform of the commercial fishing industry, there has been a lot of criticism of the length of time that governments have taken to put this right. I see from your latest press release that you are going to undertake some mock trials or trials—

The Hon. NIALL BLAIR: A preview.

The CHAIR: A preview of share trading. In the press release you indicated that you would be assisting the industry members to make the necessary decisions. Given that most of the participants in the industry are what one would call small or very small businesses and may not necessarily have the background, the skills or the funds available to get proper advice, what can you tell us about the Government's intentions or plans to make sure that each and every one of these businesses has proper advice if and when they participate in this preview?

The Hon. NIALL BLAIR: Yes, it has taken a long time. This has been going on for decades. It is something that we need to get right. When I became Minister, one of the first folders sitting on the desk waiting for me was in relation to commercial fishing reforms. It is fair to say that what was in that original folder and where we are today are two very different things. It is something that we have put a lot of effort into. I have travelled the length of the State meeting personally with over 200 fishers. I know that there are people who did not want change at all, and I know that there are people who are embracing what we are doing. It is difficult. We are dealing with businesses that, in many cases, have been going for generations. One of the first things I did was go out and ask the industry how it was going, and a lot of the businesses are struggling to be viable.

We also have an industry in which a lot of people are doing it not to make a lot of money but to have a lifestyle. It is a complex reform and we understand the fractured nature and the individual differences within the industry. You cannot compare exactly what is happening in Tweed Heads to what is happening in Eden. There are different issues along the coast and we are looking at roughly 1,100 different cases because each business is structured differently. The preview that we have announced is designed to fill the gaps that fishers have revealed. First, they want to know how much the shares will be and, secondly, their availability. Engaging fishers in this preview round means they can put in what they want, what they need, or what they would like to sell in the market. That will give them a better understanding of that information and it will enable them to make informed decisions going forward. How will we assist them in that process?

We will have face-to-face training sessions at various locations along the New South Wales coast focusing on how the market will work and how to use it. The preview market will open in October 2017, and it will operate in all respects like a subsidised share-trading market. It will be an exercise only; no money or shares will be exchanged. We have also offered \$1,000 in financial assistance to allow each fishing business to engage someone if they need—

The CHAIR: To every business?

The Hon. NIALL BLAIR: Yes. That \$1,000 will allow them to get advice from their accountant or someone else as they go through this process.

The CHAIR: You and I have had many conversations since we have been in Parliament. I have been critical at times about the quality of the advice that you receive from your departments, particularly Fisheries NSW. Given the types of people in that department, how can you assure the Committee and the industry that you will have people adequately skilled in financial services, share trading and so on? Those skills might not necessarily exist in Fisheries NSW. How will you ensure that this process is clear and understandable? It is okay to have a preview, but the businesses will need to make decisions based on very clear outcomes.

The Hon. NIALL BLAIR: The tool we will be using in the preview round and share-trading round has been designed by the world's best experts in this field. It is not something that the department has developed.

The CHAIR: They are not in Fisheries NSW?

Mr HANSEN: They are from the University of Technology, Sydney.

The Hon. NIALL BLAIR: There will be adequate probity consultants attached to the process as well. However, what comes out the other end depends on what the fishers put in. Governments have previously told fishers what they need and what they should do. That is why we are facing this problem. Over time governments have tried to correct the market by reissuing shares. This process will allow the fishers to put in what they need and to decide what they do not need. That will provide the best available data and it will enable them to make informed decisions.

This is about getting government away from the fishers' inputs. We have managed the fishery using outdated and heavily regulated practices because of the way the shares have been allocated. Rather than saying to a fisher, "You've got your quota, you work out the most efficient and cost-effective way to catch it", we limit them by the way we manage the fishery using outdated practices. They have told us that they do not trust governments to tell them what is available. That is why we have initiated the preview round. It will let them provide information about what they need, and we will make the information available as it comes out the other end so they can make that decision.

The CHAIR: The time for questions has expired.

(Short adjournment)

The CHAIR: We will now move on to the next round of questions. I will hand over to the Opposition.

The Hon. MICK VEITCH: Minister, will you be the lead Minister for the biodiversity conservation Acts when they come through the Parliament?

The Hon. NIALL BLAIR: I will be taking it through the upper House.

The Hon. MICK VEITCH: So you will be the lead in the upper House.

The Hon. NIALL BLAIR: Yes. I am not in the lower House. I am in the upper House.

The Hon. MICK VEITCH: I just want to know who the lead Minister is. So is Speakman the lead Minister?

The Hon. NIALL BLAIR: I would imagine so, but I will be taking it through the upper House I hope.

The Hon. MICK VEITCH: Can you detail which soil conservation depots have closed in the last couple of years and how many staff have been made redundant in the Soil Conservation Service?

The Hon. NIALL BLAIR: I will have to take that on notice.

The Hon. MICK VEITCH: Are there plans to privatise the Soil Conservation Service in New South Wales?

The Hon. NIALL BLAIR: I do not have any plans in front of me.

The Hon. MICK VEITCH: Are you a fan of privatisations? Do you think they have gone far enough or is there more to be done?

The Hon. NIALL BLAIR: I think the Government is doing a very good job in balancing the need for public and private input into a whole range of areas in the State.

The Hon. MICK VEITCH: So you do not agree with Rod Sims, and the Australian Competition and Consumer Commission [ACCC]?

The Hon. NIALL BLAIR: You just asked me whether I am a fan. I have given my answer. I probably disagree with Mr Sims in a range of areas but again that is not a government policy decision.

The Hon. MICK VEITCH: Are there plans to transfer the Soil Conservation Service in New South Wales to Local Land Services [LLS]?

The Hon. NIALL BLAIR: No. At the moment the Soil Conservation Service is a part of the Department of Industry—Lands and that is where it sits.

The Hon. MICK VEITCH: With regard to Local Land Services and the biodiversity conservation Act, has there been any work done—like a skills audit, for instance—to determine what recruitment will be required to implement those reforms if and when they go through the Parliament?

The Hon. NIALL BLAIR: First, we need to finalise and get through the Parliament what the final biodiversity makeup will look like. Obviously if there are requirements for further resources that is something that will be done as part of the process.

The Hon. MICK VEITCH: Has that work commenced?

The Hon. NIALL BLAIR: We have not put the legislation through.

The Hon. MICK VEITCH: So there has been no preparation conducted to date.

The Hon. NIALL BLAIR: That is not what I said. I said we have not put the legislation through. There is always work done in a lot of these processes. It is going through the necessary process of government. You will get to see the work that has been done when we get to Parliament.

The Hon. MICK VEITCH: I am talking about gearing up the LLS.

The Hon. NIALL BLAIR: Already an additional \$7.05 million has been allocated to Local Land Services to employ an additional 26 staff to help develop and implement the reforms. This additional resourcing has been essential to ensure the reforms are implemented effectively. If you want I can go on further about the actual—

The Hon. MICK VEITCH: I am happy for you to provide that on notice if that is possible.

The Hon. NIALL BLAIR: No. I just gave you the figure then.

The Hon. MICK VEITCH: I guess what I am looking at is whether there was work done on skills audits to determine the capacity of LLS and what would be needed to gear up LLS so they are not caught short.

The CHAIR: You have got to teach them to shoot, mate.

Mr HANSEN: That work is under way at the moment.

The Hon. MICK VEITCH: Thank you. Minister, with regard to the budget and the \$19 million asset sales listed for Local Land Services, can you provide us with details around what will make up those asset sales?

The Hon. NIALL BLAIR: I just want to make it quite clear that we do not need to sell properties to fund recurrent expenditure. When Local Land Services was formed, all assets, rights and liabilities of the former organisations including the Livestock Health and Pest Authority [LHPA] were transferred to LLS. In many cases in towns across regional New South Wales there was an LHPA office and a catchment management office. Many of these buildings are not fit for purpose at present. Local Land Services is currently working through this issue and will develop a comprehensive strategy in close consultation with ratepayers, local boards and other key stakeholders for the Government's consideration.

The Hon. MICK VEITCH: There has been a significant ramp-up in the budget from last year to this year in that particular line item around asset sales for Local Land Services. What will make up that significant increase from about \$600,000 to \$19 million?

The Hon. NIALL BLAIR: There is an allocation there in the paper. Local Land Services are working through a strategy but to date that is an allocation only. It has not been exercised.

Mr SMITH: Perhaps I could provide additional background on asset sales. Our department and Local Land Services, which is obviously within the cluster, have been created over many years with bits and pieces of what used to be separate departments. If you go to most regional centres you will find there is one office that used to be the separate departments of lands, water, primary industries and so forth. We are basically going through and identifying how we can get as many of those people as possible working together in suitable premises. Within LLS there are some owned assets which are not what we need. They are either too small or they might belong to just one part of LLS—in Tamworth there is the old Catchment Management Authority [CMA] office and the old—

The Hon. MICK VEITCH: Duplication.

Mr SMITH: Yes. So within LLS the goal is, where there are owned assets and they are not what we need, they will be sold and the funds fully recycled within the LLS work, because there is also a need for capital to upgrade LLS capability.

The Hon. MICK VEITCH: So you are going to meet budget.

Mr SMITH: Those funds will be recycled and used to provide much better services for LLS.

The Hon. PENNY SHARPE: "Recycled" means sold.

Mr SMITH: We do not want them. They are not useful to us.

The Hon. MICK VEITCH: But what I am saying is you are going to make budget for that?

The Hon. NIALL BLAIR: We can acknowledge that some of those buildings were paid for by ratepayers through the old Livestock Health and Pest Authority [LHPA], and that is why the secretary is indicating that the Local Land Services [LLS] will do some work about how that can be recycled within the organisation.

The Hon. MICK VEITCH: Yes, quarantined to the location.

Mr SMITH: Within the LLS region.

The Hon. MICK VEITCH: Minister, I want to move on because the clock is ticking. I want to talk about jobs in the Department of Primary Industries [DPI]. I recently asked the Parliamentary Library to do some research for me and to provide a background paper on jobs within the DPI.

The Hon. NIALL BLAIR: Yes.

The Hon. MICK VEITCH: The library apparently sought information from the department, which indicated that the Minister's office is the place to ask for that information. On that basis, Minister, can you provide me with specific jobs within the DPI since 2011?

The Hon. NIALL BLAIR: I will take it on notice and come back to you.

The Hon. MICK VEITCH: That will come from your office, though?

The Hon. NIALL BLAIR: Well, I am taking the question on notice.

The Hon. MICK VEITCH: I thought it was strange that the research facility in the library said it has to come from the Minister's office.

The Hon. NIALL BLAIR: You have asked me for the information. I said I will take it on notice and I will come back to you.

The Hon. MICK VEITCH: Thank you. Minister, this question relates to employee expenses. The Local Land Services budget indicates a 10 per cent cut in wages. What does that mean? Is that job losses, job cuts, or is it a reduction in employee expenses through other means? Can you detail how you are going to achieve that budget item?

Mr SMITH: LLS is an organisation that has quite variable sources of funding, so about a quarter of its funding comes from rates, a quarter comes from the State, and half of the current level of funding comes from grants from other bodies, and those grants come and go according to the priorities of the funding bodies. You will always find that our labour expenses will go up and down. To the extent that grants come in, which requires us to hire staff, salary expense goes up, and when those grants are terminated and not replaced by others, then they go down.

The Hon. MICK VEITCH: You can see the quandary for people in regional New South Wales. You have just told us you will be putting staff on for the implementation of the biodiversity conservation reforms, but at the same time this Government's budget says there will be a 10 per cent reduction in employee expenses. There is a contradiction here.

Mr SMITH: I do not agree. The LLS has always had a large number of temporary staff because a lot of its funding is for temporary projects that are funded by other people, so that goes up and down. For example, the new money that has been put in in anticipation of the new legislation will be for ongoing staff. That will come out of the fraction that comes from the State, and that is for ongoing work.

The Hon. MICK VEITCH: That is for full-time long-term employees?

Mr SMITH: That is right, yes.

The Hon. NIALL BLAIR: People throughout regional New South Wales understand that this is a different organisation and that it has a number of different funding sources. In fact, we have now got other States looking across the border at the model of Local Land Services and asking questions about how they can apply that in other jurisdictions, which is, to me, a big compliment for the organisation.

The Hon. MICK VEITCH: Minister, I want to move on to egg stamping or egg labelling. Do you consider that egg stamping will be a success in terms of food safety?

The Hon. NIALL BLAIR: This was a change that we went through prior to my becoming a Minister for the single reason of traceability. I have no reason to believe that it will not—I believe that is the best method forward. There are exemptions for smaller producers, which you would be aware of.

The Hon. MICK VEITCH: Yes.

The Hon. NIALL BLAIR: I note that there are some smaller producers who are resisting the egg stamping. I note there has been mention of this by the Productivity Commission, but we believe that is the best policy we have here.

The Hon. MICK VEITCH: Have you seen the report that was prepared by the New South Wales Food Authority on egg stamping?

Mr HANSEN: Yes.

The Hon. NIALL BLAIR: Yes.

The Hon. MICK VEITCH: Can you explain the delays in releasing the report or review of the Food Authority into egg stamping?

Mr HANSEN: I am not aware of the delays.

The Hon. MICK VEITCH: Is it with the Department of Premier and Cabinet [DPC] is what I am asking? Is that where it is held up?

The Hon. NIALL BLAIR: To be honest—

Mr HANSEN: I was not aware it was being held up anywhere.

The Hon. MICK VEITCH: The Food Authority has prepared a review. I want to know where that report on egg labelling or egg stamping is. It has either moved from the Minister's office up to DPC or it has not.

Mr HANSEN: I was not aware it was being held up. We can track that down.

The Hon. MICK VEITCH: Why was the New South Wales Food Authority unable to respond to the Productivity Commission report on egg stamping? This is the report you just mentioned, Mr Hansen.

Mr HANSEN: Sorry?

The Hon. MICK VEITCH: Why was the New South Wales Food Authority unable to respond to the Productivity Commission report that you have just mentioned on egg stamping?

Mr HANSEN: I am not aware as to what the restriction is or what the limitation is in their response.

The Hon. MICK VEITCH: Can someone take it on notice and find out why it was unable to respond or provide input to the Productivity Commission report?

The Hon. NIALL BLAIR: We will find out some further information for you and whether what you are suggesting is true or not will be part of that answer.

The Hon. MICK VEITCH: Minister, have you met with egg producer Joe Damjanovic?

The CHAIR: I have. Does that count?

The Hon. MICK VEITCH: No, I am asking the Minister.

The Hon. NIALL BLAIR: My diary is publicly available—

The Hon. MICK VEITCH: I know.

The Hon. NIALL BLAIR: —and I am sure you have had a look. Yours is not. I cannot Google yours, but you can Google mine.

The Hon. MICK VEITCH: Yes, but we ask the questions.

The Hon. NIALL BLAIR: That is fine. I am proudly saying that my diary is available and I look forward to the day when I can look at yours.

The Hon. MICK VEITCH: Have you met with Mr Damjanovic?

The Hon. NIALL BLAIR: Yes.

The Hon. MICK VEITCH: You have?

The Hon. NIALL BLAIR: Sorry, I am just confirming—yes, you have my diary, so you will know, but I am just confirming the last name.

The Hon. MICK VEITCH: Thank you very much. It took me a while to get around that, too. Minister, are you aware that Mr Damjanovic in the past few years has donated to the Liberal Party?

The Hon. NIALL BLAIR: No, I was not aware of that.

The Hon. MICK VEITCH: Including donations to the Premier? Can you rule out, Minister, that the delays in releasing the information from the New South Wales Food Authority are in any way related to pressure from Mr Joe Damjanovic?

The Hon. NIALL BLAIR: No. I have said I will take the question on notice relating to the report from the Food Authority. Mr Damjanovic is not a fan of egg stamping in New South Wales.

The Hon. MICK VEITCH: He is not a fan, that would be clear to say.

The Hon. NIALL BLAIR: He has been an advocate against it for many, many, many years. This is not an issue that has cropped up overnight. Regarding the status of the report, we will take that on notice and come back to you.

The Hon. MICK VEITCH: Thank you. Minister, earlier you were answering the Chair's question about commercial fishing.

The Hon. NIALL BLAIR: Yes.

The Hon. MICK VEITCH: You spoke about the preview and the use of a probity auditor. Has that probity auditor been engaged or has a consultant been engaged, or are they about to be engaged?

Mr HANSEN: They have been engaged and they have been building the probity plan for the share trading.

The Hon. MICK VEITCH: Can I ask: Who are they?

Mr HANSEN: You can. I will have to take that on notice in respect of the name of the company.

The Hon. MICK VEITCH: Minister, you and I and others in the room would be aware of allegations that are circulating in the commercial fishing sector about persons who have used the information obtained as part of the restructure deliberation process for their own benefit. What have you done to ensure that that is not the case?

The Hon. NIAL BLAIR: If you have any information about any activity that you believe is not aboveboard then I would recommend that you report that to the relevant authorities. This is a market at the moment that operates where the industry itself can trade shares. Someone can buy shares off someone who is willing to sell them. If you have any information, I recommend that you pass that on to the relevant authorities. In relation to when we control our share trading component, that is what the probity adviser will be attached to.

The Hon. MICK VEITCH: Minister, what actions have you taken personally to address the allegations?

The Hon. NIAL BLAIR: Again, I do not have any specific allegations before me about any one particular person. If you have got some information, I suggest you pass it forward. There are a lot of people talking about innuendo.

The Hon. MICK VEITCH: Yes.

The Hon. NIAL BLAIR: Again, if anyone has any specific allegations, they should report that. I repeat that the only people who can buy shares at the moment are buying them off fishers who are willing to sell them.

The Hon. MICK VEITCH: Minister, in light of that—and I did ask you a similar question in the Chamber last week—was an independent probity officer appointed throughout the workings of the Structural Adjustment Review Committee [SARC]?

Mr HANSEN: I would have to take it on notice when they were first engaged. The company is Probity Advisory and Auditing Consultants, and they were appointed following a tender process. The date on which they commenced and when they stepped into this process, I will have to take on notice.

The Hon. MICK VEITCH: I would be happy for you to do that.

The Hon. NIAL BLAIR: The Structural Adjustment Review Committee [SARC] provided recommendations, as well. It did not make any final determinations or decisions. The work that the SARC did was done in consultation with the industry in different parts. There were working groups. A lot of public meetings and open meetings were held.

Mr HANSEN: They were not engaged during the SARC process because the SARC was an independent panel making recommendations.

The Hon. MICK VEITCH: In light of that, Minister, are you confident that all conflicts of interest in this process have been managed—from the SARC process right through? You would appreciate that this is essential for the whole process.

The Hon. NIAL BLAIR: I understand. This is something that we have determined has gone on for decades. We have made no secret at any stage—we took it to the 2011 election—that we would be providing linkages of shares with quotas. The Commonwealth does it. Some fishing businesses based in New South Wales fish in Commonwealth waters, where there are now linkages. We have it in abalone and lobster. It has been going on for decades. If you are insinuating that someone has bought shares because he or she thought that the Government was going to be linking, that would be right, because we took it to the election in 2011. If you have specific allegations about someone having more information than what has been openly discussed at meetings or through SARC1 or SARC2, I suggest that you put those allegations to the relevant authorities.

The CHAIR: This is unparliamentary, but that is called, "Piss or get off the pot."

The Hon. MICK VEITCH: As the Minister are you confident that all the potential conflicts of interest in this process are managed and that the process will be transparent?

The Hon. NIALL BLAIR: The process that we will be running as part of our share trading will have the probity consultants attached to it. What is happening at the moment in the market is the same thing that has happened, where a fisher can trade shares to another fisher. People relying on information that is publicly available may be making decisions about that. As I said, if you have any specific allegations or any information I suggest that you put that forward. We have had over 40,000 shares traded.

The Hon. MICK VEITCH: You would appreciate that—

The Hon. NIALL BLAIR: I appreciate your concern.

The Hon. MICK VEITCH: Under the relevant Acts I cannot say whether I have or have not taken action on this.

The Hon. NIALL BLAIR: You do what you like with my advice.

The Hon. MICK VEITCH: Why did you recommend to Cabinet that a different administrator, Rod Gilmour, be appointed as trust manager of the Wentworth Park Sporting Complex Trust?

The Hon. NIALL BLAIR: I do not talk about Cabinet processes.

The Hon. MICK VEITCH: Why was Mr Masters not reappointed?

The Hon. NIALL BLAIR: Again, I do not talk about Cabinet processes. We had an interim three-month appointment for Wentworth Park. We now have an appointment for a two-year period.

The Hon. MICK VEITCH: During the three-month tenure of Mr Masters, what was he required to do? What was his role?

The Hon. NIALL BLAIR: He was acting as the administrator in place of the trust. The trust's term had expired. The McHugh report had not been handed down so the decision was made to put in a three-month appointment. That three-month term has expired and the Government, in the normal processes, has put in the new administrator for a two-year period.

The Hon. MICK VEITCH: Was he paid from the trust accounts?

Ms STONE: Yes, I can confirm that.

The CHAIR: I will pass the questioning over to Mr Buckingham.

Mr JEREMY BUCKINGHAM: Minister, last year the New South Wales DPI had a climate unit, did it not?

Mr HANSEN: No.

Mr JEREMY BUCKINGHAM: Last year I asked you, "What research is the Department of Primary Industries currently conducting into the impacts and response to climate change for agriculture?" The answer was, "The New South Wales Department of Primary Industries' climate unit assesses that." So was there a unit last year?

Mr HANSEN: As I have said, there is a group of researchers that sit within the area of agriculture, a group within biodiversity and a group within water that work in the area of climate change, but there is no dedicated climate change research unit.

Mr JEREMY BUCKINGHAM: What is New South Wales Department of Primary Industries [DPI] climate unit?

Mr HANSEN: A description of that gathering of people, which is not a budget line item unit, which consists of researchers spread across a whole range of disciplines and fields who look at adaptation and mitigation around climate change across the full spectrum—agricultural research, water utilisation and so on.

Mr JEREMY BUCKINGHAM: But they are all in different areas.

Mr HANSEN: They are. That is why there is no one single budget line item for a climate unit.

The Hon. NIALL BLAIR: You would agree that that is a good way to operate. It is part of a whole range of other units within the organisation.

Mr JEREMY BUCKINGHAM: I might not agree. Maybe you should have a more holistic approach and bring them together occasionally. Minister, is man-made climate change real?

The CHAIR: Can I answer that question?

The Hon. PENNY SHARPE: Do not let the Hon. Rick Colless answer it.

The Hon. NIALL BLAIR: The climate is changing—absolutely. That is why we have the ability within the department to look at the risks relating to climate variability and we have research and programs in place to address it.

Mr JEREMY BUCKINGHAM: Is the climate changing because of anthropogenic factors—man-made factors?

The Hon. NIALL BLAIR: It could be from a whole range of areas. It is not my job to debate where it is coming from. My job is to make sure that the department and the Government are setting policies to address all risks for our producers—

Mr JEREMY BUCKINGHAM: With respect to the climate change that we are talking about, the widely accepted view is that greenhouse gas emissions are causing a change. Do you accept the science that greenhouse gas emissions from the activities of humanity are changing the climate?

The Hon. NIALL BLAIR: As I said to you, I believe that the climate is changing and that it is our job to manage that risk to our producers in a whole range of areas. We have research into being more efficient and being able to rely less on the use of natural resources.

Mr JEREMY BUCKINGHAM: Do you accept that humanity is changing the climate?

The Hon. NIALL BLAIR: As I said to you, I am sure that there are a range of issues that are contributing to this.

Mr JEREMY BUCKINGHAM: Is one of those contributing factors humans burning fossil fuels?

The Hon. NIALL BLAIR: There is no conspiracy here.

Mr JEREMY BUCKINGHAM: Say it, then.

The Hon. NIALL BLAIR: This is what we are working on. We have people designated to make sure—

Mr JEREMY BUCKINGHAM: I know you are working on it, but as a Minister of this State do you accept that the emissions from fossil fuels and human activities are changing the climate?

The Hon. NIALL BLAIR: As I said to you, I am sure that there are a range of factors that are leading to this but it is our job to be responsive, not to be—

Mr JEREMY BUCKINGHAM: That is a different question. There may be a range. Is one of those factors—

The Hon. RICK COLLESS: Point of order: The member should allow the Minister to answer the question. He is continually disrupting.

Mr JEREMY BUCKINGHAM: He is not answering the question.

The Hon. RICK COLLESS: Mr Chairman, do I have your attention?

The CHAIR: Yes.

The Hon. RICK COLLESS: The member is not allowing the Minister to answer the question. He is continually interrupting him with badgering questions. I suggest that the member allow the Minister to answer the question.

The Hon. GREG PEARCE: If he does not have his own views on climate change there is no point asking the Minister.

The CHAIR: Is the Hon. Greg Pearce speaking to the point of order?

The Hon. GREG PEARCE: Yes.

The CHAIR: Minister, I am sure you are capable of answering a question. It is helpful if the Minister is allowed to answer the question. If the Minister answers the question to the best of his capabilities and the member is not satisfied with the answer, the member should ask the question again and get the same answer.

Mr JEREMY BUCKINGHAM: Is human activity, through burning fossil fuels, changing our climate?

The Hon. NIALL BLAIR: I believe that the climate is changing and I believe that there are a number of factors that contribute to that. That is why we are addressing the issue within a number of different areas within the department. We are doing that to make sure that risks—including a change in climate and weather patterns and seasonable variability—can be addressed by our department and give the best options available to primary producers and other communities that rely upon natural resources like water. There is no stop-work moment here. This is something that we are working on. I am not denying it.

Mr JEREMY BUCKINGHAM: When you say that you are not denying it, what is "it"?

The Hon. NIALL BLAIR: Whether climate change is real. That is something that we are addressing as a Government.

Mr JEREMY BUCKINGHAM: Do you accept that one of the factors in climate change is the activity of humanity?

The Hon. NIALL BLAIR: I am sure that there are a range of contributors.

Mr JEREMY BUCKINGHAM: I know you said there is a range.

The Hon. NIALL BLAIR: I am not getting caught up with a lot of the contributing factors. I am making sure that we are able to look at how we can be more efficient and better at producing commodities in New South Wales and better manage our natural resources.

Mr JEREMY BUCKINGHAM: Is human activity one of those contributing factors?

The Hon. NIALL BLAIR: I am sure there is a range of them.

Mr JEREMY BUCKINGHAM: Is human activity—

The Hon. NIALL BLAIR: There are a range of contributing factors to climate change.

Mr JEREMY BUCKINGHAM: But of that range of—

The Hon. NIALL BLAIR: I am happy to chew up all the time by answering the question over and over again.

Mr JEREMY BUCKINGHAM: I will. I am not going to stop, mate, because I would like to know whether or not the Minister for Primary Industries in this State accepts the science that human activity is contributing to climate change.

The Hon. NIALL BLAIR: As I said, there is a range of contributing factors. We look at all of the evidence available and we are making decisions based on how we can help our producers manage the risk in New South Wales.

Mr JEREMY BUCKINGHAM: Do you think there is any evidence available that human activity is contributing to climate change?

The Hon. NIALL BLAIR: There is plenty of evidence available on a whole range of contributing factors to climate change.

Mr JEREMY BUCKINGHAM: But you say that human activity is not one of those?

The Hon. NIALL BLAIR: I did not say that. I said there is plenty of evidence available.

Mr JEREMY BUCKINGHAM: But is it one of those?

The Hon. NIALL BLAIR: I am sure it is.

Mr JEREMY BUCKINGHAM: Thank you. Got there.

The Hon. NIALL BLAIR: Is that it?

Mr JEREMY BUCKINGHAM: That is what we wanted.

The Hon. NIALL BLAIR: Is that what you were looking for—seriously?

Mr JEREMY BUCKINGHAM: It took the Premier just 30 seconds to say it.

The Hon. NIALL BLAIR: This is a good opportunity for me—oh, but time is up.

Mr JEREMY BUCKINGHAM: That is all we wanted, mate. It is a big issue.

The CHAIR: We will begin questions by the Hon. Mark Pearson, but before we do I have a T-shirt that answers that question.

Mr JEREMY BUCKINGHAM: You are on your own, mate.

The CHAIR: It says, "It's the sun, stupid."

Mr JEREMY BUCKINGHAM: Oh, yes—solar flares.

The Hon. MARK PEARSON: Minister, brumbies.

The Hon. NIALL BLAIR: Yes?

The Hon. MARK PEARSON: The King of the Ranges Stockman's Challenge is a brumby wild horse catch event held near Murrurundi and similar events are held elsewhere in New South Wales. It involves newly trapped brumbies, which have been taken from the National Parks and Wildlife Service passive trapping programs and then ridden and chased for entertainment. Considering these are essentially wild animals, has the RSPCA NSW conducted an investigation into these events and reported cruelty, including tormenting and terrifying wild horses and some pregnant mares being ridden, chased, roped, choked as well as being kicked and bitten by other horses. This information has come to my office.

The Hon. NIALL BLAIR: You would have to ask the RSPCA.

The Hon. MARK PEARSON: But you are the Minister.

The Hon. NIALL BLAIR: You asked whether the RSPCA has undertaken—

The Hon. MARK PEARSON: So you are not aware whether the RSPCA has done that?

The Hon. NIALL BLAIR: Again, you would have to ask the RSPCA.

The Hon. MARK PEARSON: Even though they are authorised officers under the Prevention of Cruelty to Animals [POCTA] Act.

The Hon. NIALL BLAIR: They are one of.

The Hon. MARK PEARSON: Yes, of three.

The Hon. NIALL BLAIR: Yes, one of three—that is right. Again, I suggest that you ask the RSPCA.

The Hon. MARK PEARSON: Okay. I will. Given that Professor Donald Broom, who is a world leading expert on pigs, observed vision that was taken of sows in farrowing crates in a New South Wales piggery over a given period and formed the view that a sow in a farrowing crate cannot cope with the environment and as a consequence develops stereotypical behaviours, which means that it is suffering from very poor welfare, and given that Dr Greg Cronin of the Victorian Bureau of Animal Welfare has developed a Werribee farrowing pen that offers a lot more space and movement in which the sow can live and farrow and that its behaviours are much more normal, and given that Australian Pork Limited acknowledged in its annual report 2014 that the Werribee farrowing pen has a better mortality rate for piglets, would the Department of Primary Industries and the Minister encourage proactively the pig industry to move away from farrowing crates and move towards alternatives, such as the Werribee farrowing pen? It is a long question.

The CHAIR: No. It is a short question.

The Hon. NIALL BLAIR: We have addressed this issue on a number of occasions in relation to sow stalls. I think we even spoke about it last year.

The Hon. MARK PEARSON: This is not sow stalls; it is farrowing crates.

The Hon. NIALL BLAIR: Okay. If the industry has put it in its report and that is something it is looking at, it should be congratulated on looking at what is the latest research. I again take the view when it comes to these issues that the industry is well placed to be responsive to the issues that are facing it. If you use sow stalls as one example, industry itself has said that it wants to phase it out. I think it is at a 70 per cent level. I am encouraged that the industry in its report has looked at the latest information. I am sure it is considering it.

The Hon. MARK PEARSON: But given that you are the Minister responsible for the welfare of every animal in this State and we are looking at many thousands of sow farrowing crates at the moment in this State, and that a leading expert has said that welfare is very poor for that sow in that farrowing crate, is it not incumbent upon you, proactively in a sense, to save producers from possibly being prosecuted and therefore proactively encouraging or enticing the industry to move away from farrowing crates sooner rather than later and avoid having to face charges?

Mr HANSEN: I think sooner. The industry has set itself a target of 2017, so we are not going to get it much sooner.

The Hon. MARK PEARSON: That is the sow stalls.

Mr HANSEN: Sow stalls.

The Hon. MARK PEARSON: A sow stall is where a pregnant sow is.

The Hon. NIALL BLAIR: Yes.

The Hon. MARK PEARSON: A farrowing crate is another completely different thing—

The Hon. NIALL BLAIR: That is right.

The Hon. MARK PEARSON: —which is not being addressed in the same way in which sow stalls are. The industry is talking about sow-stall-free piggeries.

The Hon. NIALL BLAIR: Yes.

The Hon. MARK PEARSON: I acknowledge that many of them are moving in that direction, but the farrowing crate remains, and that is an even smaller space for the sow when she has given birth.

Mr HANSEN: But I think the connection here is the fact that we have already seen that this industry is one that is constantly improving and reforming its animal welfare practices, voluntarily and in response to market drivers. I am sure that ongoing research into new technologies to continue to make those advancements will be supported not only by the industry but also by our departmental offices in its work with intensive animal industries within the State. We are constantly looking for new technologies, new infrastructure and new practices to improve animal welfare outcomes. In response to your question about whether we will encourage, yes, we will encourage and we will continue to work with the industry—not only in this technology but also on all types of technologies that continue to improve animal welfare outcomes.

The Hon. MICK VEITCH: I will just go back to the probity auditor for the commercial fishing preview process. Is it Jason Masters, or Jason Masters Governance?

Mr HANSEN: No. I would have to take it on notice. The company name I have here is not that.

The Hon. MICK VEITCH: Thank you. Minister, when was the most recent population assessment for wild deer conducted?

The Hon. NIALL BLAIR: I am just seeing whether I have the number.

The Hon. MICK VEITCH: You can take it on notice, if you want to be accurate.

The Hon. NIALL BLAIR: If you can bear with me—yes, we will take it on notice.

The Hon. MICK VEITCH: Okay—when it was conducted and what the number was.

The Hon. NIALL BLAIR: Yes.

The Hon. MICK VEITCH: Thank you. Minister, can you explain to me what the ministerial corporation does for Crown lands?

Mr SMITH: Is that the water of the land ministerial corporation?

The Hon. MICK VEITCH: The land.

Mr SMITH: Ms Stone will go into more detail, but it is a longstanding entity established to hold assets within the portfolio.

The Hon. MICK VEITCH: Is it a vehicle for processing the sale—the proceeds of sale?

Ms STONE: I was just going to add to what Mr Smith said. All trusts administer land and any proceeds that are raised within that trust administration framework can be spent back into that trust framework, but they are not a precursor to any other proceeds.

The Hon. MICK VEITCH: The 2016-17 budget says that there will be \$143,000 on interest earned on land sales. What modelling was conducted to determine that number?

Ms STONE: Recently, Land Administration—Ministerial Council has been subject to separate auditing processes. There have been some further investigations by the Audit Office into that, and I will continue to follow up with its recommendations. That can include the question that you have just asked.

The Hon. PENNY SHARPE: Minister, as part of implementing water reform for the Murray-Darling Basin National Partnership Agreement, New South Wales received around \$80 million from the Australian Government to assist with that process. Is that correct?

The Hon. NIALL BLAIR: I would have to check the figure.

The Hon. PENNY SHARPE: Yes, but do you think it is about right?

Mr HANSEN: There have been numerous contributions from the Commonwealth for various parts of implementation assistance for that plan.

The Hon. PENNY SHARPE: Would you be able to provide that to the Committee?

Mr HANSEN: Sure.

The Hon. PENNY SHARPE: Was part of that for developing water resource plans?

Mr HANSEN: Yes.

The Hon. PENNY SHARPE: Are the water resource plans progressing?

The Hon. NIALL BLAIR: Yes. We have until 2019 to have those in place and the work is well and truly underway on some of those.

The Hon. PENNY SHARPE: Are you able to provide a breakdown to the Committee of where each of the areas is up to?

Mr HANSEN: Yes. In fact, on our website at the moment is an update of all the revised and new water-sharing plans as well as progress with the water resource.

The Hon. PENNY SHARPE: There is a process through this that is supposed to be improving river policy. As I understand, it is broadly the prerequisite policy measures that deal with water shepherding. In relation to water shepherding, how will this significant New South Wales and Australian government investment in the purchase of water licences from sellers be protected from re-extraction under this arrangement?

Mr HANSEN: I cannot give you an answer at the moment.

The Hon. NIALL BLAIR: We will take that on notice.

The Hon. MICK VEITCH: Minister, in relation to the Yasmar Juvenile Detention Centre and the non-payment of rent by Juvenile Justice, when did the department first contact Juvenile Justice to advise that it had no tenure over the western half of Yasmar and needed to pay a commercial rent?

Ms STONE: We have had a number of conversations with Juvenile Justice. I would have to take your question on notice for an exact answer in terms of the exact date on which we first contacted Juvenile Justice.

The Hon. MICK VEITCH: Was it this financial year, last financial year? Can you give me a ballpark?

Ms STONE: We have had a number of conversations with Juvenile Justice.

The Hon. MICK VEITCH: For three financial years?

Ms STONE: I will need to get the correct information for you.

The Hon. MICK VEITCH: I am advised that Juvenile Justice has refused to sign a lease or to pay rent. Is that the case?

Ms STONE: We continue to have conversations with them, and at this stage we are confirming that answer through the parliamentary inquiry. We have been asked the same question through the parliamentary inquiry.

The Hon. MICK VEITCH: Yes, we have the responses to the questions to the parliamentary inquiry. The reason I am asking this question is that the question to the inquiry was not answered. Has Juvenile Justice refused to sign a lease or to pay rent?

Ms STONE: At this stage they are not paying rent.

The Hon. MICK VEITCH: Do you know how much back rent they owe?

Ms STONE: I will take that on notice.

The Hon. MICK VEITCH: Minister, is it a priority for the department to collect rents?

The Hon. NIALL BLAIR: There are policies in place. I am happy, as part of the question that we have taken on notice, to provide that information as well if we have not already done so to the parliamentary inquiry.

The Hon. MICK VEITCH: I have read through the answers that arrived this week and I cannot find this answer. Minister, do you think that the arrangement with Yasmar and Juvenile Justice is acceptable?

The Hon. NIALL BLAIR: Again, this is a specific case. We have said that we will take your questions on notice. There have been numerous conversations. I am not aware of this, but there may be some extenuating circumstances. In relation to rents in general, there quite often are other considerations that are taken into account in determining rent levels et cetera. It is safer for me to take your question on notice and come back with all that information.

The Hon. MICK VEITCH: I return to the implementation of the SAP software program. I have been told it was a botched implementation.

The Hon. NIALL BLAIR: Can you shed light on what agency you are referring to?

The Hon. MICK VEITCH: The Department of Primary Industries, in particular. Is there a problem with implementation and has that cost your department or departments to correct the implementation issues?

The Hon. NIALL BLAIR: It is a shame that the secretary had to leave, because this is more of a question that should be directed to the secretary.

The Hon. MICK VEITCH: Do you want to take that question on notice, Minister?

The Hon. NIALL BLAIR: Yes, if that is okay.

Mr HANSEN: I could just say that it certainly was not a botched implementation. It was implemented before anyone here at the table started. It has been a system that was provided to us by the Department of Industry as a cluster for the provision of our accounting services and also lands. We are at the point now of reviewing what we do with that going forward.

The Hon. NIALL BLAIR: Mr Veitch, I can remember you and the former secretary having conversations about SAP and the department many years ago.

The Hon. MICK VEITCH: I have prosecuted this case since the commencement.

The Hon. NIALL BLAIR: That is why I said I think it is best that we take your question on notice and allow the secretary to respond.

Mr HANSEN: It is always a big challenge when you are bringing multiple separate accounting systems from the different departments at the time and trying to compress them into one standardised process. Every time there is a machinery change you have an equal challenge of bringing in new accounting systems with new accounting and getting it all into one system that gives you an oversight of financial management.

The Hon. MICK VEITCH: Minister, can you guarantee that now all the accounts are being paid within the Premier's requirements and no-one is going outside that requirement?

The Hon. NIALL BLAIR: I can guarantee that I will get an answer from the secretary in relation to the implementation and the importance of SAP for the cluster.

The Hon. MICK VEITCH: Minister, with regard to the appointment of the first administrator at Wentworth Park and when that term expires, why was the same person who administers the affairs of the sacked Rookwood General Cemeteries Reserve Trust appointed to take over the affairs at the same time of Wentworth Park?

The Hon. NIALL BLAIR: Again, that is part of the Cabinet process. It is a standard process that people go through and they are appointed on merit.

The Hon. MICK VEITCH: Can you take on notice the remuneration for the role?

The Hon. NIALL BLAIR: I think it has been subject to a question previously and that there was third-party concern about the disclosure of that amount. I can just say that these appointments are made consistent with government processes and the remuneration of such roles is standard within that process. Any appointments would be within that process. To be clear, the remuneration of the Wentworth Park administrator is paid by the trust, not the department.

The Hon. MICK VEITCH: Was there an expression of interest process? How do you appoint an administrator to Rookwood cemetery? Was it the same process as was followed for Wentworth Park?

The Hon. NIALL BLAIR: Again, this is a standard practice. It is part of the Cabinet process.

The Hon. MICK VEITCH: Do you have a predetermined panel?

The Hon. NIALL BLAIR: Ms Stone might have some more information.

Ms STONE: We used an executive search company for the recent appointment of the administrator for Wentworth Park. That went through looking for suitably qualified people. They were interviewed and then somebody was selected in that process.

The Hon. MICK VEITCH: Which executive search company?

Ms STONE: I will have to take that on notice.

The Hon. MICK VEITCH: Was there the same process; do you get a panel of executive search companies to determine who we will use as an administrator?

Ms STONE: Yes, we use suitably qualified search companies for a range of recruitments both internally and for administrator positions.

The Hon. MICK VEITCH: I take it that the new administrator has the same or similar remuneration arrangements and the remuneration is paid by the trust. The proceeds from greyhound racing go into that trust, is that correct?

Ms STONE: A number of tenures relate to the Wentworth Park sporting complex. They provide the income to the trust, and that is part of the trust's financials that are able to pay for the operations of the trust including the remuneration of the now administrator.

The Hon. MICK VEITCH: Minister, this is a significant and topical piece of real estate for the Crown land estate. Have you met with Mr Gilmore since his appointment?

The Hon. NIALL BLAIR: Yes. That meeting would not be published just yet.

The Hon. MICK VEITCH: The reason I am asking is that this meeting is not in your ministerial diary because it is not the reporting period.

The Hon. NIALL BLAIR: I make the point again: none of your appointments are disclosed. If transparency is an issue you want to talk about, I am more than happy to have that conversation as to why you are not publishing yours.

The Hon. PENNY SHARPE: Have you talked to the Liberal Party about who their donors are?

The Hon. NIALL BLAIR: Why are you not publishing your diaries? Mine is free to be searched, and I am sure you have done your homework and had a look at all the meetings I have had.

The Hon. MICK VEITCH: I do thoroughly go through your diary.

The Hon. NIALL BLAIR: I am pretty busy, am I not?

The Hon. MICK VEITCH: Minister, what I want to know about the appointment process for the first administrator is that you went through the process to appoint that person for three months and then you appointed someone separately. Why not continue with the same administrator?

The Hon. NIALL BLAIR: I am more than happy for Ms Stone to answer.

Ms STONE: For short-term appointments we will sometimes go direct and for a longer term appointment we will go through a competitive process.

The Hon. MICK VEITCH: A competitive process, as in expressions of interest or advertised—

Ms STONE: Sorry—a process as I have just outlined using an executive search company that contacted a range of suitably qualified people and then selected them on merit.

The Hon. MICK VEITCH: Minister, the previous appointments were for three months. The one for the new administrator is two years, which is quite a significant period of time. Why make this appointment two years? Or why not appoint the original administrator for that entire period?

The Hon. NIALL BLAIR: I have explained that the original appointment for the short term was because there were a lot of unknowns at that time, when the existing trust's term had expired. The decision was to make a short-term appointment. Since that time there has been a lot more information and legislation that has gone through, and it was decided that the next term would be up to two years, or the two-year term that we have appointed, to make sure that the racing component continues at Wentworth Park. Then we can move into the transition within the terms of reference that we have applied consistent with the Government's comments around maintaining the use of Wentworth Park as an open space and public recreation facility.

The Hon. MICK VEITCH: Did the first administrator appointment process go through Cabinet?

The Hon. NIALL BLAIR: Again, I am not going to talk about Cabinet processes.

The Hon. MICK VEITCH: No, I just want to know whether the Cabinet process for appointment was followed.

The Hon. NIALL BLAIR: I will check.

The Hon. MICK VEITCH: So you are not sure whether you went to Cabinet or not?

The Hon. NIALL BLAIR: You have seen my diary. You understand how much I have going on. There are a number of things that I get to take to Cabinet and—

The Hon. MICK VEITCH: I shadow you; I know how much you have going on.

The Hon. NIALL BLAIR: Again, for fear of misleading, I will take it on notice. If that information comes to me in the remaining time, I am happy to clarify that.

The Hon. MICK VEITCH: Can I ask you now about Bogey Hole at Newcastle?

The Hon. NIALL BLAIR: Yes.

The Hon. MICK VEITCH: When will that be opened?

The Hon. NIALL BLAIR: I might ask Ms Stone to shed some light on that.

Ms STONE: Newcastle City Council last year advised us that Bogey Hole was subject to a geotechnical fault and instability with the cliffs around the Newcastle area. We took the precautionary step of fencing that site off. I understand that it does cause a lot of community and public concern because it is a very popular site.

The Hon. MICK VEITCH: Too right!

Ms STONE: I know that you have visited it.

The Hon. MICK VEITCH: More than once.

Ms STONE: We have been working to get a more detailed geotechnical report. We are currently considering that report and looking at the options.

The Hon. MICK VEITCH: So you have that report?

Ms STONE: When we have considered it and as soon as we can understand the implications of what is in the report, it will go live on our website. It is still in draft and we are considering it.

The Hon. NIALL BLAIR: In short, when will it be open? When it is safe. Public safety is the paramount concern here, and when it is safe we will be able to open it.

The Hon. MICK VEITCH: Have you looked at time frames for that to happen?

Ms STONE: We are actively working on this.

The Hon. MICK VEITCH: Minister, I have recently been advised that there is now a land claim over the Pelican Marina site. When were you made aware of that, and when was the department made aware of the land claim?

The Hon. NIALL BLAIR: I might ask Ms Stone.

Ms STONE: I can confirm that there is a land claim over the site. We are usually advised within two to three days of land claims being lodged through our normal processes. We will do the proper investigation for determining that in due course.

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

The Hon. NIALL BLAIR: On 27 May 2016, Aboriginal land claim 40733 lodged over part of the former marina site 1988DP727681— *[Time expired.]*

The CHAIR: Dr Faruqi, you have eight minutes.

Dr MEHREEN FARUQI: Minister, you told the New South Wales Parliament on 11 August this year that the department has renewed the authority of a porpoise pool, also known as Dolphin Marine Magic, to exhibit animals after the operators committed to installing a new seal enclosure in the near future to ensure full

compliance with seal housing standards. But I understand that this is not a condition of the licence. Would I be accurate? Is this a commitment on its behalf but not an actual condition of licence?

The Hon. NIALL BLAIR: As this is a decision that was made by the department, I will ask the secretary to answer that—I mean, the director general. I have just promoted Mr Hansen; Mr Smith leaves the room and we take control!

The Hon. MICK VEITCH: You do not follow Cabinet processes all the time, do you?!

Mr HANSEN: Following the meeting with Dolphin Marine Magic, I wrote to and said providing it could provide to us two undertakings, we would allow it to continue operating with the 10 seals. The first undertaking was a detailed husbandry and animal welfare management plan for the additional four seals. It has 10 seals in total and enclosures that meet all requirements for six. For the additional four, it has all the spatial requirements except for a 5 by 2.5 metre vertical column of water. We said provided it could provide us with a husbandry management plan as to how it was going to make sure those seals had access to that column through rotation through the site and then provide us a second undertaking, a business plan for the modification of that site to build a facility that had such a column, we would allow it to continue operating with the 10 seals.

Dr MEHREEN FARUQI: But it is not a condition of licence; it is just a commitment on its behalf. Why is that the case?

Mr HANSEN: Because we have the opportunity, if it does not meet those requirements, to take action against the licence it holds at the moment.

Dr MEHREEN FARUQI: What is the time frame of the agreement on the condition of this facility?

Mr HANSEN: At the moment the agreement is for it to provide us with its business plan by the end of this month.

Dr MEHREEN FARUQI: So you have not yet asked for a specific time frame to have this facility completed.

Mr HANSEN: No, because that will be largely determined by what option it goes forward with in terms of either purchasing land or utilising the existing site. The one thing we take comfort in at the moment, though, is that the seals that are there, including the four that do not have permanent access to that vertical column of water, are being managed and cared for in a way in which there are no detrimental animal welfare impacts.

Dr MEHREEN FARUQI: But the housing standards are not being met in the mean time.

Mr HANSEN: The standards are being utilised through the management practices it is carrying out. It is carrying out a rotation of those seals to that site. It has asked for a permanent variation of those standards, which we have rejected, but we want to give it time to rebuild or implement new arrangements at the facility so that it is compliant.

Dr MEHREEN FARUQI: I also understand that it was asked to comply with the standards in March 2014. That is more than 2½ years ago. How long will you keep giving it exemptions, and when will you actually cancel its licence if it does not end up meeting standards continuously?

The Hon. NIALL BLAIR: I think the director general has just outlined that we will be in receipt of the plan of management—

Dr MEHREEN FARUQI: Without a time frame, though, Minister.

The Hon. NIALL BLAIR: He has answered that as well: Depending on what it comes up with.

Dr MEHREEN FARUQI: Yes, but there is no time frame at the moment. It has been 2½ years since it has not met standards, so it seems like you will just let it get away with exemptions all the time.

The Hon. NIALL BLAIR: That is not right. We have just answered that.

Mr HANSEN: No. We continue to closely monitor and be engaged with the organisation. Since 2014 it has asked for consideration of a number of variations to the standards. Each of those requests has to be dealt with in a set formula as spelt out under the Act. We do that, we provide our response to and then we work forward with the organisation in terms of what its next options or next steps are.

Dr MEHREEN FARUQI: In October 2015, as you know, a one-year-old dolphin called Ji-Ling died at Dolphin Marine Magic. The young dolphin had swallowed litter and a metal object with his food. The dolphin died when an untrained staff member who was not a vet attempted to manually remove the litter and the metal

object by reaching into the dolphin's stomach through the throat. Does the Minister agree that the treatment of Ji-Ling, in being both kept in conditions where he could actually ingest litter and then subjected to a non-recommended procedure, was unacceptable?

Mr HANSEN: Both the reports we have from the independent vet on autopsy and from the facility suggest that while an untrained animal carer was the one who attempted the procedure, it was under the guidance and direction of a qualified veterinarian on-site. It was a tragic outcome that the young dolphin died, but nothing would suggest that the facilities there have in any way, shape or form been detrimental to the overall welfare of the dolphins there. The fact that it still has in its care a 45-year-old dolphin would suggest that it has actually worked out how to provide adequate husbandry and care for the dolphins that are there and meet the standards—

Dr MEHREEN FARUQI: So you think that the facility did nothing wrong, even if there was litter in the pool.

Mr HANSEN: Leaf litter, yes.

Dr MEHREEN FARUQI: No action is being taken?

Mr HANSEN: Not that I am aware of.

Dr MEHREEN FARUQI: Have any procedures been implemented since then to ensure that the pool is clean and that vets treat dolphins?

Mr HANSEN: Yes.

The Hon. NIALL BLAIR: Clearly, vets have treated and continue to treat the dolphins at the site. That is what the director general clearly outlined.

Dr MEHREEN FARUQI: Not in this case. The treatment was done under the direction of the vet; the vet did not treat the dolphin.

Mr HANSEN: They have come back with measures they intend to implement to minimise those risks of ingestion of leaves and refuse.

Dr MEHREEN FARUQI: What are those measures?

Mr HANSEN: I will provide that information on notice.

Dr MEHREEN FARUQI: It has been almost four years since the New South Wales Companion Animals Taskforce report was handed down and almost a year since the Joint Select Committee on Companion Animal Breeding Practices in New South Wales recommended that the task force's recommendations be implemented as a priority. Why is the Government so resistant to implementing a breeder licensing scheme as recommended by both inquiries?

The Hon. NIALL BLAIR: The Government provided a response to the report in February this year. Of the 34 recommendations, 27 were supported or supported in part by the Government. The intent of the remaining seven will be implemented by alternative means.

Dr MEHREEN FARUQI: But not a breeding licensing scheme. My question is specific: Why is the Government not implementing a breeder licensing scheme as recommended by the two inquiries?

The Hon. NIALL BLAIR: As stated in the Government's response to the inquiry—which was established on my initiative—it feels there are better ways to address that issue than having a breeder licensing scheme.

Dr MEHREEN FARUQI: Once greyhound racing is prohibited in New South Wales, will the Department of Primary Industries be involved in any way in monitoring compliance by greyhound breeders?

The Hon. NIALL BLAIR: The implementation details are still being worked through in Dr Keniry's work.

Dr MEHREEN FARUQI: Do you think that the department should be involved, given its role in animal welfare?

The Hon. NIALL BLAIR: Companion animals fall under the jurisdiction of local government. Dr Keniry is looking at all of these issues.

The Hon. MARK PEARSON: The Minister recently stated in response to a question in Parliament—it was probably the first time a Minister has said the words "sex" and "sexing" so many times in four minutes—

that, "in this case our primary producers are leading the charge and backing up their action with record amounts of money". Do you have a dollar figure for that investment?

The Hon. NIALL BLAIR: I do not have a figure in front of me. Funding is also provided by the CSIRO.

Mr HANSEN: I am not sure how we might pull that together. Obviously we are talking not only about government funding in New South Wales and Australia but also about global efforts by industry, governments and other agencies.

The Hon. MARK PEARSON: Are you aware of any funding being provided by the Department of Primary Industries for this work?

Mr HANSEN: Not directly for this work.

The Hon. MARK PEARSON: The Minister will be aware that about 15 years ago there was a serious issue involving patients in hospitals around Australia being resistant to an antibiotic called vancomycin, a broad-spectrum antibiotic. It was directly related to the use of antibiotics of a similar structure in intensive chicken breeding. The antibiotics were used primarily to promote growth in various ways. A ban was imposed on the use of antibiotics, but since then antibiotics known as coccidiostats have been routinely used. There are three types of coccidiostats. Virtually every intensive broiler-meat chicken production system uses them, and there is no withholding period. Does the Minister accept that the routine use of an antibiotic-type substance in the chicken meat industry is a serious concern, not only because of the implications for the birds' welfare but also because of the possible ramifications for human health?

The Hon. NIALL BLAIR: I am led to believe that the Federal Government has examined this practice and does not have any concerns. I am happy for the director general to provide any technical knowledge he may have.

Mr HANSEN: Describing it as "technical knowledge" would be an oversell. We know that the Federal Government approves the use of veterinary and agricultural chemicals only within a range that ensures there is no detriment to human health.

The Hon. MARK PEARSON: That was the case when there was a serious issue with vancomycin.

Mr HANSEN: But they also do regular routine testing. As you would be aware, an inquiry has recently examined the issue of anti-microbial antibiotic resistance and its potential causes. They have continued to identify, not only globally but also within Australia, very low levels of risk from use within food production systems. The highest risk continues to be related to inappropriate use in regard to patients not completing courses of the drugs. It is about the human health spectrum as opposed to the animal health spectrum.

The Hon. MARK PEARSON: Is it not a concern that as part of its breeding and growing of a particular species an industry must use two to three different types of coccidiostats—an antibiotic-type substance—for the chickens to grow in a particular way? Minister, do you not think that this systematic treatment in the production process is a concern?

Mr HANSEN: The primary reason for its use is obviously the protection of the chickens' health during the growing period.

The Hon. MARK PEARSON: That is not correct. It might prevent an infection of coccidiosis, but that is not the main reason it is used. The main reason is to push them to grow as fast as possible so that at six or seven weeks of age they are fully grown.

Mr HANSEN: That comes back to the key issue that an animal that is experiencing poor welfare or poor health will not grow to its optimum. Those two things are linked: optimum welfare and optimum health lead to optimum growth. That is why I say that the use of these inputs in the production system is designed to maximise both health and welfare and, therefore, production.

The Hon. MARK PEARSON: I put it to you that that is seriously questioned by the veterinary community. The state of welfare of the birds at the point of being taken to be slaughtered is very poor. All they need to be doing is breathing to go to production. I will move on to my next question. Minister, have you or your department done any research into the impact of large-scale, intensive fish farming on the environment of a marine area, a sea area, or a bay? I understand one is proposed for the Port Stephens area. Do you know what the effluent from such a large concentration of fish is likely to do to the environment? I am concerned about not only the water quality but also the impact on sharks and other marine life moving through the area.

The Hon. NIALL BLAIR: I will start by explaining what research I have done, and I will then ask the director general to provide more information. Although I have graduate and masters degrees in science, I have not had the opportunity to undertake any research in my area of expertise for some time. I am too busy fulfilling my portfolio responsibilities. What research have I done? I have not been able to put on a lab coat, to go out into the field to collect samples, and then to study them under the microscope. I will refer the question to the department to provide information about what research, if any, has been done.

Mr HANSEN: That is a good point, because each and every site—whether it be Jervis Bay or Port Stephens, which have lease applications pending—must be subject to rigorous environmental impact statement and draft environmental management plan processes. They are produced and put on display, and comments are invited as part of the planning process. They examine all of the impacts that the member mentioned to ensure that we are adequately mitigating or addressing those risks.

The Hon. MARK PEARSON: You might be pleased to know that we have asked the Parliamentary Library to undertake international research on this question.

Mr HANSEN: Excellent.

The Hon. MARK PEARSON: We will let you know the answer.

The Hon. NIALL BLAIR: I have a response to an earlier question from the Hon. Mick Veitch about the appointment of the short-term administrator at Wentworth Park. Advice was sought from the Department of Premier and Cabinet at the time, which agreed that the short-term appointment did not need to go to Cabinet. It was a direct appointment in that sense.

The Hon. MICK VEITCH: Thank you.

The CHAIR: The hearing is now concluded. Minister, I thank you and your staff for attending. I remind you that answers to any questions taken on notice should be provided within 21 days from the date the questions are received.

The Hon. NIALL BLAIR: I thank Mr Bentley and Mr Harris for suffering through the past few hours without being asked even one question.

(The witnesses withdrew)

The Committee proceeded to deliberate.