



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 1

# **BUDGET ESTIMATES 2010-2011**

## **QUESTIONS ON NOTICE**

### **General Purpose Standing Committee No. 1**

Mineral and Forest Resources

Monday 13 September 2010

Answers to be lodged by: Thursday 7 October 2010

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Hearing date	Portfolio	Answer to be lodged by
13 September 2010	Tourism	7 October 2010 [21 days]
13 September 2010	Hunter	7 October 2010 [21 days]
13 September 2010	Science and Medical Research	7 October 2010 [21 days]
13 September 2010	Women	7 October 2010 [21 days]
13 September 2010	Ports and Waterways	7 October 2010 [21 days]
13 September 2010	Illawarra	7 October 2010 [21 days]
14 September 2010	Treasury	8 October 2010 [21 days]
14 September 2010	Special Minister of State	8 October 2010 [21 days]
14 September 2010	State and Regional Development	8 October 2010 [21 days]
14 September 2010	Premier	8 October 2010 [21 days]
14 September 2010	Redfern Waterloo	8 October 2010 [21 days]

**Questions relating to the portfolio Mineral and Forest Resources**

**13 September 2010, 2:00 pm – 6:00 pm**

**Questions from Mr Mason-Cox**

1. What is the NSW Government doing to ensure that NSW Forests owned plantations will be replanted when harvested?
2. What is the NSW Government's current financial commitment to the replanting of NSW owned plantations?
3. Is there a risk that NSW Forests supply contracts over the next 20 years may be under threat if insufficient replanting occurs?
4. In light of the looming shortfall of fibre as identified by the Pulp and Paper Industry Strategy Groups report of 20<sup>th</sup> April 2010 to Federal Minister Kim Carr, what is the NSW Government's commitment to the expansion of plantation base in NSW to meet this looming shortfall?
5. What is the breakdown of the \$11.3 million "other operating expenses" remaining undisclosed from the Member for Burrinjuck's question 10840?

**Questions from Dr Kaye**

**Forests NSW**

6. Has Forests NSW or the NSW Government purchased timber from private landowners to meet its timber supply agreements?
7. If yes, what volume of timber, and at what total cost?
8. Has Forests NSW or the NSW Government purchased land for the purpose of harvesting timber? If so, please identify the location, size and total purchase cost of the land acquired or purchased?
9. What is present net value of the volume of timber that the Forests NSW or the NSW Government is required to supply under RFA agreements?

**Private Contractors and Non-Compliance**

10. What actions does Forest NSW take when a private contractor is found to have caused non-compliance with Forests NSW's environmental licences?
11. How many private contractors are employed by Forests NSW to work in NSW State Forests?
12. What percentage of the workforce working in NSW State Forests are private contractors?
13. Over the last 2 financial years how many Forest NSW workers have been offered voluntary redundancies or have been made redundant?
14. What training or quality assurance provisions does Forests NSW put in place for private contractors?

**Plantations and Reafforestation**

15. What research has the Department undertaken into the assessing water use – primarily through water inception - by commercial plantations?
16. Does the Department monitor the water use/water inception of any authorised plantations in NSW?

17. Will the Minister provide the results of plantation forest hydrology studies undertaken by the Department?
18. Are South Australian and Western Australia contravening the *National Water Initiative (NWI)* by regulating water inception impacts of plantation forestry to ensure the continued integrity of Water Allocation Plans?

2009 Auditor General Report Follow up

19. The 2009 Auditor General Report on Forests NSW operations found that yield estimates for the South Coast, Eden and Tumut were well overdue for review, and that they should be completed and made publicly available by June 2010. Have these estimates since been reviewed?
20. If so, what are the revised yields? Can you provide us with copies of the review reports?
21. What volume of timber, by product category, did Forests NSW source from freehold land in the last financial year?
22. What did the purchase of this timber cost? How much is this timber as a proportion of the total Forests NSW supply in NSW?
23. The Audit Report recommended a yield review of hardwood plantations by June 2010. Has this review been conducted?
24. If so, what are the revised yields that have been estimated?
25. Can you provide us with copies of this review?
26. Has Forests NSW implemented the Audit Report recommendation to '*simplify and improve timber pricing by introducing a new pricing system by Dec 2009*' that ensures log production costs are recovered and is transparent?
27. Can you provide details of the new pricing system?
28. Did the native forest operations of FNSW run at a loss in 2009-2010 financial year? If so, what was the magnitude of the loss?
29. Did Forests NSW, in accordance with the 2009 Audit General Report recommendations, prior to June 2010, publicly report the results of yield estimates for high quality large sawlogs, high quality small sawlogs, low quality logs and pulpwood for each region?
30. If so, where is this information available?
31. Have Forests NSW commenced the process, as recommended by the Audit Office, of comparing harvest results against yield estimates of five year periods?
32. If yes, did they report the first set of results on June 2010?
33. What are the results and where are they available?

Bell Miner Associated Dieback (BMAD)

34. Has Forests NSW investigated and mapped the prevalence of BMAD in North-East NSW State Forests?
35. How much funding does Forests NSW invest in;
36. Research?
37. Development of risk management guidelines?
38. Deployment of control measures?
39. Does Forests NSW have data on the harvest reduction impact of BMAD?
40. If yes, what does this data demonstrate?

Aboriginal Heritage Management

41. How many aboriginal places and aboriginal objects reside in or on NSW State Forests?
42. How much funding has been allocated to training Forests NSW staff and private contractors to avoid destroying aboriginal objects?
43. How many employees of Forests NSW are of Aboriginal or Torres Strait Islanders background?

### Questions from Mr Gay

44. Minister why has the Government excluded the coal industry from the reforms it introduced to WorkCover?
45. Specifically why has the Government failed to reform Coal Services P/L, continuing to allow it to operate as an unregulated statutory monopoly, thereby prohibiting one of the State's oldest and strongest performing industries from accessing reform benefits available to all other business operating in the State?
46. Minister is there a practical, logical reason for this ongoing reform neglect, or is it simply a case that the Keneally Labor Government is completely beholden to the CFMEU?
47. Minister are you aware that when your predecessor Ian Macdonald introduced the Mine Safety (Cost Recovery) Act into the House he said and I quote;  
*"the estimate will take into account any surplus or deficit from the previous year, and adjustment will be made according to the total to be levied"*.
48. Minister are you aware that in 2008/09 the levy was \$2.6 million over-budgeted and in 2009/10 this has been repeated by \$2.47 million dollars?
49. Minister can you explain why, against the intent of the Act, and against your Government's past promises, your department continues to rollover large amounts of industry money each year?
50. Minister if the Department is determined to maintain a surplus, can you confirm that the unspent funds provided by the industry have been invested, and are thus earning interest, as provided for by section 8 of the Act? If not, why not?
51. Minister can you or someone from the Department explain why the mine safety levy is consistently over-budgeted (by a large amount - \$2.47 million in 2009/10) and over levied each year?
52. Minister are you aware that in a letter to industry then DG Mr Buffier stated and I quote, *'Funds collected under the Mine Safety (Cost Recovery) Act are placed in a special deposit account and can only be used for mine health and safety purposes.'*
53. Minister given this commitment, why then has your department repeatedly failed to provide the mining industry a detailed breakdown of the full financials in the mine safety levy estimate process?
54. Minister are you aware that the mining industry is expected to pay nearly \$2.4 million for corporate services and accommodation and that sum has risen by 8% since last year?
55. Minister can you or the Department provide an assurance that the mine safety levy is not funding the general corporate costs of I&I NSW or those of the other industries within the I&I NSW portfolio?
56. Minister can you provide a guarantee that the entire mine safety levy is spent only on mine safety?

57. Minister will you commit to providing the industry with a detailed breakdown of the full financials in the mine safety levy estimate process in future?
58. Minister are you aware of concerns from industry that an inspectorate, funded entirely by Industry, cannot recruit new staff?
59. Minister can you or someone from your Department confirm how many inspectors could retire today?
60. Minister if you are aware of these concerns why hasn't somebody from your department acted to solve the impending problem?
61. What plans does the Department have to effectively support the industry if it cannot recruit replacements?
62. What plans does the Department have for recruiting new inspectors?
63. Can the Department commit to providing industry with a comprehensive plan for recruiting before the end of 2010?
64. Minister are you aware that a draft policy paper, Aquifer Inference Approvals, was distributed by the then Department of Infrastructure, Planning and Natural Resources in November 2003?
65. Are you aware that a Panel was formed, which reportedly met several times in 2003, however no further progress was made and no final policy paper was issued?
66. Minister are you also aware that in 2005, the issue was resurrected by the same Department, however to this day a policy has not been produced?
67. Minister what are the reasons for such an extensive delay and when can the mining industry expect the Policy to be ready?
68. Minister are you aware that the current New Frontiers program of pre competitive mineral exploration research will expire in 2010-11?
69. Minister will your Government make a long-term financial commitment to the funding of pre-competitive data for minerals exploration and if so, when?
70. According to a response from a question on notice there are currently 244 mining staff, 88 administration staff and 108 field staff.
71. How many staff did you have in each previous year from 2006 up until the current date?
72. According to a response from a question on notice there are currently 751 staff in the department of primary industries' science and research division and 45 of these are in the administration area.
73. How many of these are in the mining department?

74. How does this number compare to each previous year from 2006 up until the current year?
75. What sort of research is being carried out by the science and research division
76. How much involvement did the NSW Mineral Resources department have in the planning and putting together of the federal government's mining super tax?
77. Who was involved?
78. Were any reports or studies put together by NSW I & i?
79. What were your recommendations?
80. How does the mining tax impact future cash flows for NSW in regards to cancelled projects?
81. Did the Minister or department speak to stakeholders in regards the mining tax and its effect on NSW?
82. Minister are you aware that one of the promises originally made by John Maitland, as part of the Doyles Creek 'Training Mine,' was for a Westpac Rescue Helicopter pilot training centre?
83. Are you aware that this has not happened and current MD Glen Lewis has reportedly said he will not go ahead with this?
84. Minister given this was one of the promises that helped sell the mine as a 'training mine', why has this promise been broken?
85. Can you please provide a copy of the independent probity auditor report reviewing the allocation of the exploration license, received on August 30 2010, by O'Connor Marsden and Associates.

### **Questions from Mr Khan**

In relation to the proposed timber mill in Bombala:

86. Please outline the chronology of the Government's involvement in this project?
87. What financial support has been provided to any of the various proponents of the mill?
88. What commitments were made by the government to any of the proponents of the mill?

In relation to jobs cuts within Forests NSW:

89. Given earlier this year NSW Labor called for up to 70 voluntary redundancies from within Forests NSW to address a budget hole of \$14.4 million as identified by the Auditor General in his April 2009 Report, can you detail what roles and which locations will be affected?
90. Will employees at the Forest NSW offices in Dubbo, Parkes and Forbes be affected? If so, how many?
91. If yes, will any frontline positions be effected?
92. Is this latest round of redundancies a case of financial mismanagement on the Government's behalf? If not, can you give reasons to justify this?