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24 OCT 2005

Ms Tanya Bosch
The Director
Budget Estimates
Room 812
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Dear Ms Bosch

QUESTIONS TAKEN ON NOTICE AT BUDGET ESTIMATES ON 15 SEPTEMBER

Please find attached my answers to questions taken on notice at the Budget Estimates Hearing conducted by General Purpose Standing Committee Number 5 on 15th September 2005.

Please arrange for the answers to be published in accordance with the procedures of the Legislative Council.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Ian Macdonald'.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 1

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Jenkins to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

You have allocated \$4 million to buy out the commercial fishing industry in Byron Bay. Will you take steps to ensure that the \$4 million does not end up going back into buying new commercial fishing equipment?

ANSWER

The Department of Primary Industries will use those funds appropriately to compensate those fishers affected by the zoning arrangements for the marine park.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 2

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

Could you provide us with details of the verification of the \$2.4 million owed to sheep producers under the ovine Johne's disease voluntary levy.

ANSWER

Sheep producers with flocks infected by Ovine Johne's Disease were able to receive assistance for eligible activities identified in a Property Disease Management Plan, prepared by an approved veterinarian. Assistance of \$5 per sheep, based on sheep numbers provided by the local Rural Lands Protection Board, to a ceiling amount of \$25,000, was available.

Payments were made upon presentation to the NSW Rural Assistance Authority of receipts for expenditure on the eligible activities. To receive reimbursement all receipts were required to be received by the Authority by 31 December 2004.

Payments to eligible producers were suspended in August 2003 when funds under the previous structural adjustment package were no longer available. The amount still outstanding to producers is \$2,414,419.20.

The NSW Government was the major contributor to the national OJD control and evaluation program which ended on 30 June 2004. The Government contributed \$5.92m of the overall \$9.82m cost of the 6 year program in NSW. This compares with \$1.47m from the NSW Sheep Industry, \$1.39m from the Commonwealth, and \$1.04m from the National Sheep industry.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 3

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Colless to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

How many farmers are owed \$25,000 under the ovine Johne's disease financial assistance scheme?

ANSWER

Nine

IAN MACDONALD MLC

QUESTION TAKEN ON NOTICE: No 4

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

What was the total cost of the locust program during 2004-05?

Does that answer include the money put in by the rural lands protection boards [RLPBs]? Is there a breakdown of what money came from the State Government and what money came from other sources?

ANSWER

\$21.3 million was expended from the Pest Insect Destruction Fund for the locust program during 2004-05.

This fund holds pest insect levy funds collected from landholders by Rural Lands Protection Boards and other money loaned or contributed by Government.

The State Government contributed \$5.25 million to the locust campaign. This includes a \$750,000 grant to the Pest Insect Destruction Fund, \$2.5 million to cover the interest component of the State Government's \$14 million, four-year loan to the industry to replenish the Fund, which effectively makes this an interest-free loan, and \$2.0 million in State Government resources such as staff.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 5

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

How many emergency National Livestock Identification System (NLIS) tags have been sold to New South Wales producers because of delays of up to 10 weeks for the Ailflex NLIS tags.

ANSWER

The term emergency tag implies a 'special identifier' that may be in the form of an NLIS approved ear device or district tail tag.

A special identifier can be used if a transaction or permanent identifier is not readily available, such as where the owner of stock has ordered but has not received sufficient identifiers in time.

Special identifiers are provided for the identification of cattle prior to movement from a property for a variety of reasons. Failure to obtain delivery of devices in a timely manner is only one.

Special identifiers are supplied and records are kept by the 48 individual Rural Lands Protection Boards.

A tally of the total number of special NLIS identifiers that have been sold to NSW producers because of delays of up to 10 weeks in the supply of NLIS devices is not available.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 6

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

QUESTION

CHAIR: Under the Fisheries licensing of Forests NSW operations, Forestry is required to leave riparian filter strips or buffers where there is a likelihood that increased sedimentation from logging will negatively impact on threatened fish species downstream and to protect the capillaries of our water catchment system, gullies and first order streams. Is this another example of your conflict of interest that land clearing operations under the Native Vegetation Act will not have to leave the same filter or buffer strips?

ANSWER

No.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 7

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

How much money from Fisheries licences is spent honouring conservation efforts?

ANSWER

Information about habitat rehabilitation projects is available from the Department of Primary Industries website at www.dpi.nsw.gov.au.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 8

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

Has any work been done to ascertain the impact of such devices on species such as dolphin fish, which grows more than a metre, has a bag limit of 20 and seems to be over represented in the species of fish caught at these locations with the attraction devices?

ANSWER

The Department of Primary Industries conducted a three-year pilot research and monitoring project on species captured around these devices. These devices are not considered to have significant impact on Mahi Mahi, because it is highly fecund and migratory. The growth and movement of Mahi Mahi is currently being researched as part of the Department's Gamefish Tagging Program. Information about fish aggregating devices and Mahi Mahi is available on the Department's website at www.dpi.nsw.gov.au.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 9

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Cohen to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

In the environmental impact statement (EIS) risk assessment for non-commercial species of the ocean trawl fishery, just over 92 per cent are assessed as being at either high or intermediate-high risk from the fishery. The EIS's released so far have failed to include information specifying fishing grounds targeted by each fishery. This information is critical to establishing the impact of commercial fishing on fish populations and on sessile biotic and non-biotic habitats. Does the Department of Primary Industries intend to quantify the current impact of fishing in New South Wales waters by establishing the spatial extent and distribution of fishing grounds and fishing effort?

ANSWER

The Ocean Trawl Fishery Management Strategy includes a management response to map fishing grounds and monitor fishing effort.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 10

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Ms Hale to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

Why has it taken the Department more than two months since the discovery of Topas in Victoria to develop or agree to broad protocols to determine the extent of the Topas contamination?

ANSWER

As I have stated previously, the protocols to test for the distribution of the Topas event were developed by industry as this is an industry decision. We are still unaware of any presence of the Topas event in NSW.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 11

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

How long have you been aware of the GM contamination?

ANSWER

The Victorian Department of Primary Industries confirmed on 24 August that the experimental line 04H998 was contaminated with a Roundup Ready variety. On the 7 September, the Victorian Department of Primary Industries confirmed the further presence of a Roundup Ready variety in two conventional lines being trialled across Australia. I first became aware of Topas contamination in Victorian canola via a statement by the Australian Barley Board in June.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 12

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

Was a particular company doing this or was it uniform to all 19?

ANSWER

Breeder's trials contain lines from a range of sources and differ across sites depending on what characteristics are being tested. National Variety Trials are constructed in such a way that any company may submit lines to be tested.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 13

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES**

Mr Colless to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

Can you explain the procedures that led to this stuff being discovered?

ANSWER

As part of the routine maintenance of breeder's trial sites, plots are defined by spraying the borders and ends of plots with a herbicide. The most commonly used herbicide is glyphosate. Routine spraying with glyphosate of the trials being conducted by the NSW DPI showed some plants of a line submitted to the trial by the Victorian DPI exhibiting tolerance of the herbicide. The Victorian DPI was advised of this and subsequently confirmed that the line had been contaminated with a Roundup Ready variety.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 14

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

- (a) Can you provide the Committee with the cost to industry for environmental impact statements in the following New South Wales fisheries: abalone industry, lobster fishery, ocean prawn trawl fishery, ocean fish trawl, ocean trap and line fishery, and ocean hauling industry?
- (b) How were such costs determined? Can you provide the Committee with a breakdown of the costs involved in putting together environmental impact statements for New South Wales fisheries?

ANSWER

- (a) I am advised that abalone shareholders have contributed approximately \$414,000 toward the cost of their environmental impact statement. Lobster shareholders are contributing about \$400,000 payable over 6 years.

Estuary General, Ocean Hauling, Ocean Trap and Line, Ocean Trawl and Estuary Prawn Trawl fishers have contributed around \$2.5 million. As many fishers operate across these fisheries, one charge was levied to ensure an equitable distribution of costs. These fishers and lobster shareholders have incurred less than half of the total cost of preparing environmental impact statements.

- (b) The costs in preparing environmental impact statements for commercial fisheries are broken down as follows: around 71% of the cost is attributed to staff salaries, on-costs and overheads, around 16% is general operating costs such as printing and postage, around 9% is consultants costs, and around 4% is advisory body operating costs.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 15

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Colless to Minister for Natural Resources, Minister for Primary Industries and Minister for Mineral Resources

QUESTION

- a) The first question I wish to ask relates to opal prospecting. Since 1 January 2005 what revenue has been received from opal miners, who pay a levy of \$20 a year per claim for stage two mining rehabilitation?
- b) Has there been a cost estimate to accurately reflect the expected ongoing environmental and monitoring costs to be incurred by Mineral Resources?
- c) How often do they conduct sweeps, and are the outcomes of such sweeps publicly reported?

ANSWER

- a) For the period 1 January 2005 to 31 August 2005 a total of \$66,040 has been collected in stage two mining rehabilitation fees.
- b) For 2005-06 the Department has budgeted \$225,140 for environmental monitoring and related work. This includes cost of sweeps and inspections, management, derelict mine rehabilitation, flora and fauna impact studies, and the salaries of safety inspectors located at Lightning Ridge who also work on environmental matters and investigations.
- c) Environmental sweeps have been conducted in previous years on a regular basis during the cooler months of the year. During 2005, four sweeps have been conducted covering a total of 398 mineral claim inspections. The outcomes of environmental sweeps are released to the media.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 16

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Colless to Minister for Natural Resources, Minister for Primary Industries and Minister for Mineral Resources.

QUESTION

In the light of recent gazettal of the OPA4 site and proposed new environmental standards for rehabilitating mine sites, will you increase the number of inspectors and the frequency of their inspections in the area to ensure that occurs? I am talking in particular about the 160,000 hectares of land that makes up the Narran-Warrnambool Reserve in the Walgett and Brewarrina shires.

ANSWER

The NSW Government will ensure that adequate staff are available to address enforcement of environmental management conditions. The inspection frequency and areas targeted will take into account the need to ensure compliance with the stronger environmental conditions in OPA4.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 17

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

How many people in your Department have elected redeployment?

ANSWER

The Department does not keep specific records on how many staff have elected redeployment especially if considering matters dating back to a memorandum issued by the Premier in 1995. Each staff member who is entitled to be considered for redeployment is managed on a case by case basis depending upon the specific circumstances of their case.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 18

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

How many displaced surplus to requirement public servants are in your Department who have not elected to be on the Redeployment and Relocation Services Unit (RRSU) list?

ANSWER

None.

IAN MACDONALD MLC

QUESTION 19

The Hon. RICK COLLESS: What will be the annual ongoing cost of pumping 229 gigitalitres of water back up the hill from Lake Menindee into Lake Pamamaroo?

The Hon. IAN MACDONALD: I will get the precise figures for you.

ANSWER

This information is publicly available in the Menindee Lakes EIS.

IAN MACDONALD MLC

QUESTION 20

The Hon. RICK COLLESS: Minister, could I ask you a question on what has been termed "invasive scrub"? Years ago, of course, we used to call them "woody weeds". As part of the native vegetation reforms, a committee has been established by the State Government to develop guidelines and rules to prevent invasive scrub infesting many parts of central and western New South Wales. Has that committee been set up? What has it cost to run, at this stage?

The Hon. IAN MACDONALD: Yes, there is such a committee that was advising the former Minister. I have not actually met with that committee. I will have to take the cost element of your question on notice.

ANSWER

The operating expenses for running the committee, including stakeholder meetings, are in excess of \$50,000.

IAN MACDONALD MLC

QUESTION 21

CHAIR: In answer to questions I put on notice to the previous Minister, Craig Knowles, in June last year it was revealed that a meeting was held at the Loxley property on 29 August 2004. Present were Tom Gavel, Chair of the Central West Catchment Management Authority, Jennifer Westacott, Peter Sutherland, and Peter Cozier. It was advised that there were no minutes kept by the department. I am wondering why not. Is it true that Ms Gabrielle Holmes recorded minutes of that meeting and forwarded a copy to the department? Will the director general make those minutes available?

The Hon. IAN MACDONALD: I will take that question on notice. It is a complex matter. I have quite a detailed summary of events in relation to this matter but I will give it to you in writing.

ANSWER

The Department of Natural Resources has not received a copy of any minutes from Ms Gabrielle Holmes.

IAN MACDONALD MLC

QUESTION 22

CHAIR: Thank you. Is it true that the department received internal or external legal advice concerning the Loxley case, that the actions of the previous director general, Jennifer Westacott, had compromised the ability of the department to prosecute the Holmes for illegal land clearing?

The Hon. IAN MACDONALD: I will take that question on notice.

ANSWER

Any such legal advice would remain subject to legal professional privilege.

IAN MACDONALD MLC

QUESTION 23

CHAIR: Were any of the legal costs incurred by the Holmes' paid in relation to this matter? --

The Hon. IAN MACDONALD: I will take that question on notice.

ANSWER

Following the Department's discontinuance of the Court of Appeal proceedings, the Court made consent orders that the Department pay Holmes' legal costs in those proceedings.

IAN MACDONALD MLC

QUESTION 24

CHAIR: Are you able to provide a copy of that advice?

The Hon. IAN MACDONALD: I will take that question on notice also.

ANSWER

No, any such legal advice would remain subject to legal professional privilege.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 25

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Cohen to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources

QUESTION

Referring specifically to the bell-miner associated dieback, are you aware that this form of dieback is associated with high levels of human disturbance, and that in Ewingar State Forest on the North Coast, dieback is especially linked with intensive logging and fire regimes and has spread tenfold in one year? Considering that this forest dieback is associated with hydrological stresses, how do you justify continued logging in dieback-affected State forests during a drought?

Perhaps you could consider that BMAD, coupled with drought, to be a force majeure that could see wood contracts revised in the future.

ANSWER

Bell Miner Associated Dieback (BMAD) is a form of forest decline observed on all forest tenures, including State forests, national parks and private land. On the north coast, BMAD is apparent on areas which have not been disturbed by human activity for many years. An area's harvesting and grazing history does not appear to be positively correlated with BMAD.

A 2004 study of forest decline in the Richmond Range area was conducted by the BMAD Working Group, which includes representatives of the Department of Primary Industries and the Department of Environment and Conservation. The study found a very significant statistical relationship between Bell miner populations, quality of eucalypt crowns, density of understorey and soil nitrogen levels. It was concluded that lack of grazing and burning is the probable cause of dense understoreys and high soil nitrogen levels which are correlated with the worst dieback areas. Thus, a forest management regime which allows a dense understorey to develop could well be the basic cause of forest decline.

Recent community based mapping of BMAD affected areas in Ewingar State Forest has indicated that the affected area is spreading. This appears to be occurring primarily in riparian buffer zones or areas classified as High Conservation Value Old Growth and therefore excluded from the most recent harvesting operations. Dense understorey development would appear to be the common element in the BMAD-affected areas in Ewingar State Forest.

The hypothesis that BMAD is associated with hydrological stress is neither proven nor supported by observational evidence of BMAD in the forests. For example, generally the first areas to be impacted by BMAD in north east NSW

are eucalypt forest communities close to drainage lines eg forests dominated by Flooded Gum, Dunns White Gum, Forest Red Gum and Sydney Blue Gum species. These areas are the least prone to hydrological stress in the landscape. . .

BMAD affecting 20 - 40 year old stands of regrowth in many areas seems to be correlated with the dense understoreys developing at that stage, not the hydrological stress associated with the regrowth stands. While drought conditions undoubtedly stress trees and other vegetation, there is no justification for ceasing harvesting in BMAD affected forests in times of drought.

Neither the extent of BMAD occurring on the Forests NSW estate on the north coast nor the impact of the drought would constitute grounds to revise the wood supply agreements on the north coast.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 26

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Ms Sylvia Hale to the Minister for Natural Resources, Minister for Primary Industries and Minister for Mineral Resources.

QUESTION

Could you inform the Committee as to the total direct and indirect subsidies provided to coal mining operations in New South Wales on an annual basis? Could you also provide figures for the past five years?

ANSWER

The New South Wales Government does not provide subsidies to coal mining operations.

IAN MACDONALD MLC

QUESTION 27

Ms SYLVIA HALE: How many commercial and domestic bore water licences have been issued by the department, or by any other government departments, in the last three financial years?

The Hon. IAN MACDONALD: This is a rather exploratory question. I will take it on notice. We will probably fill several pages of the transcript with answers.

ANSWER

The Department of Natural Resources is the only department responsible for issuing groundwater licences in NSW. The total number of stock, domestic, commercial and other bore licences issued in the last 3 financial years is about 19,000.

IAN MACDONALD MLC

QUESTION 28

Ms SYLVIA HALE: You may wish to take these questions on notice. How many bores are there in New South Wales? Has the effect of these bores on groundwater been measured? What is the sustainable yield for commercial bores? Is there any plan to limit the number of new bores, whether they be commercial or domestic? Is there any plan to impose a moratorium on the licensing of new bores?

The Hon. IAN MACDONALD: We are doing a lot of work on this through the groundwater structural adjustment program, which is a \$110 million New South Wales Government and Federal Government joint project to implement an amended approach to groundwater entitlement reduction, and financial assistance was announced. The approach aims to assist in minimising the impact on regional communities. Yes, we have been doing a lot of work on groundwater, and I would be happy to give you a few more pages of details so someone in your office can absorb the information and you can ask more questions next year.

ANSWER

How many bores are there in NSW?

The current number of active bore licences in NSW is about 92,000. This includes licenses for yet to be constructed bores.

Has the Effect of these bores been measured?

Groundwater status reporting is carried out on groundwater systems in NSW at regular intervals. These reports analyse the systems in great detail and compare the volume of groundwater pumping with water level trends in the nearby monitoring bores. Any recent water quality information is also analysed and included in these reports.

What is the sustainable yield for commercial bores?

Sustainable yield is calculated for individual groundwater sources, not bores.

Is there any plan to impose a moratorium on the licensing of new bores?

Embargoes are implemented when a groundwater system is fully allocated (ie reached its sustainable limit), to prevent any further entitlements being issued. However, licences for additional bores in order to access existing entitlement may be granted. Landholders will often hold one entitlement, but access this volume through two or more individual licensed bores. Licences also continue to be issued for replacement bores.

Licences may also continue to be issued for low risk systems that are not embargoed and where the total volume of licensed entitlement is less than the sustainable limit. The department monitors the total volume of water entitlements for each system to ensure they are managed within their sustainable yield.

IAN MACDONALD MLC

QUESTION 29

Ms SYLVIA HALE: You may also wish to provide information about several bores that have been sunk at 1575 Bells Line of Road, Kurrajong Heights.

The Hon. IAN MACDONALD: What have they done to the local Greens? Have they upset them?

Ms SYLVIA HALE: Are you aware that there is evidence that the water table in the Kurrajong Heights area is already diminishing and that some domestic bores are drying up?

The Hon. IAN MACDONALD: No, I am not aware of that, but I will have a look at it for you.

ANSWER

The Department of Natural Resources has advised that it has no evidence that would confirm any significant water depletion or unsustainable extraction in the deep Hawkesbury Sandstone aquifer at Kurrajong Heights.

IAN MACDONALD MLC

QUESTION 30

Ms SYLVIA HALE: I gather you would therefore not be aware that fire control officers at Wilberforce and Kurrajong Heights Rural Fire Brigade wrote to the department opposing the commercial bore at 1575 Bells Line of Road because of concerns about depleting groundwater that may affect their ability to fight bushfires?

The Hon. IAN MACDONALD: Tony Kelly raises a lot of things with me, but I do not recall him raising what Kurrajong Heights Fire Brigade said about some bores being established in that area. But I will have a look at that for you.

ANSWER

Hawkesbury City Council is the consent authority for this proposal and is required to consider all matters raised in public submissions. The Department of Natural Resources has no evidence to confirm any significant depletion in the groundwater table at this property.

IAN MACDONALD MLC

QUESTION 31

Ms SYLVIA HALE: You may also not be aware—but presumably you will be now—that the Lithgow Valley Springs Water bore dried up in 2004 and that the company was obliged to issue a media apology to customers because of misleading advertising that its water had been "bottled at the source", when the company was using alternative water from another site. Do you believe that this indicates that groundwater in the area is under threat and diminishing?

The Hon. IAN MACDONALD: Or it might indicate that the company was using incorrect advertising.

Ms SYLVIA HALE: Or possibly both.

The Hon. IAN MACDONALD: I am not aware of that particular problem. Indeed, I have drunk that Lithgow water at various times. I thought it was very nice actually. Wherever they got it, they certainly got that part of it right. I am not sure what the situation is with the water supply there. I will certainly get our expert onto it for you.

ANSWER

As stated earlier, groundwater status reporting is carried out on groundwater systems in NSW at regular intervals. The Department uses this process to determine the health or otherwise of groundwater sources, not media apologies.

IAN MACDONALD MLC

QUESTION 32

Ms SYLVIA HALE: I would be grateful if you could look into the case of a bore at the Bells Line of Road, the licence for which was issued to Russell Jarvie. The commercial bore licence was suspended in June 2004 and then reinstated in September 2004, despite the bore being less than 250 metres from rainforest and glow worm habitat, 800 metres from a minor hanging swamp, and less than 1.5 kilometres from a major hanging swamp.

The Hon. IAN MACDONALD: Obviously the Greens think locally and sometimes act globally. I do not have those details. I suggest you put all these questions on notice and we will deal with them.

ANSWER

There is no approved commercial bore at 1575 Bells Line of Road, Kurrajong Heights.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 33

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources.

QUESTION

Minister, in your answers to these questions could you provide a flow chart of the management of your new portfolio, to assist the Committee in its further deliberations?

ANSWER

Departmental structures and business units are set out in the annual report.

IAN MACDONALD MLC

QUESTION 34

The Hon. DUNCAN GAY: Minister, in your answers to these questions could you provide a flow chart of the management of your new portfolios, to assist the Committee in its further deliberations?

The Hon. IAN MACDONALD: If and when they are complete, yes. At this point we are reasonably close; I am not sure when they will be finalised. I will take the question on notice.

ANSWER

By order dated 26 August 2005 from Her Excellency the Governor, and effective from 29 August 2005, the Department of Natural Resources was established as a Department of the NSW Public Service, responsible to the Minister for Natural Resources. As of that date, the Department has been added to my existing portfolio.

IAN MACDONALD MLC

QUESTION 35

The Hon. DUNCAN GAY: You indicated that there were 17,000 hectares of prime river red-gums on Yanga station. Has NSW Forests mismanaged that area? Has it not overseen proper sustainable harvest? Has it allowed bad environmental practices to take place in that area?

The Hon. IAN MACDONALD: All those questions are misplaced, because the area is under the management of a family called the Black family, as I understand it. It was a private property sold to the Department of Environment and Conservation.

The Hon. DUNCAN GAY: Are you telling me that harvesting—?

The Hon. IAN MACDONALD: There was harvesting on that property; there is no question about that.

The Hon. DUNCAN GAY: But that is not supervised by the department?

The Hon. IAN MACDONALD: It is a private property, owned by the Black family.

The Hon. RICK COLLESS: Have the people who were responsible for developing the harvesting plans for the Yanga forest been doing a good job in that regard, or has there been a problem with the way the forest has been managed?

The Hon. IAN MACDONALD: I will take the question on notice. There are managed leases and all sorts of other arrangements in relation to it—

ANSWER

My advice is that harvesting on Yanga Station, prior to its sale to the Department of Environment and Conservation, was undertaken at a similar level of intensity as that adopted by Forests NSW for management of red gum.

IAN MACDONALD MLC

QUESTION 36

The Hon. RICK COLLESS: It has now been almost three months since the Brigalow belt south bioregion decision was taken and the legislation passed through the Parliament. Can you detail the development assistance that has taken place so far?

The Hon. IAN MACDONALD: I certainly can. I will not do much of it now. Suffice it to say that the program of assistance is well and truly under way. I will shorten my answer a little, rather than read through all these notes. There is a \$41 million assistance program for workers and businesses, which will support positive change to the timber industry. Exit assistance has been approved for the three mills that indicated they were willing to exit the industry prior to the announcement. That assistance totals \$2.9 million, and it has been provided to 38 workers to help them change to new employment. I will take the question on notice.

ANSWER

As at 28 September 2005 four timber mills had decided to exit the Brigalow Belt South and Nandewar timber industry and have full approval for assistance totalling \$7.8 million (this includes exit payments to six principals of businesses). Other applications from businesses are at various stages of processing. In addition, 52 workers had been approved for assistance totalling \$3.9 million. As at 28 September 2005, 11 of these workers had elected to opt for alternate employment, ten with the Department of Environment and Conservation and one with Forests NSW.

The Government has also committed substantial funds for timber industry development assistance. This will be given on a 2 for 1 ratio (government : industry). The guidelines are being finalised, following which applications will be called for. Preliminary discussions have begun with potential applicants. When the new timber contracts are finalised, timber mills will have a sound basis on which to apply.

IAN MACDONALD MLC

QUESTION 37

The Hon. RICK COLLESS: With regard to the \$72,000 that was paid to the mill workers who were exiting the industry, it has been raised with me that the people who work in the offices at those sawmills have not received the \$72,000, that only the mill workers themselves have received the \$72,000. Is that correct?

The Hon. IAN MACDONALD: I will take the question on notice. I find it difficult to believe that they are not going to, being workers in the industry. But I will get an answer for you.

The Hon. DUNCAN GAY: But if it is correct, would you give an undertaking to fix that situation?

The Hon. IAN MACDONALD: I will certainly give an undertaking to look into it. So the question is that there is some sort of separate treatment of the office staff?

The Hon. RICK COLLESS: The people who work in the office preparing the wages and setting out the invoices and those sorts of things. I am informed that those people have not received the \$72,000 where they have exited the industry.

The Hon. IAN MACDONALD: The information I have is that they are eligible and are paid.

The Hon. RICK COLLESS: And if they have not been paid, they will be? That would be in accordance with what you have just said, would it not?

The Hon. IAN MACDONALD: From the material to hand.

The Hon. RICK COLLESS: We have information that suggests that some of them have not been paid.

The Hon. IAN MACDONALD: That is the information I have. I would like if you could supply me with the details. I will certainly have that looked into. I believe that all people should be paid.

ANSWER

Workers employed in office positions with timber mills that have been approved for exit assistance are entitled to assistance on the same basis as the workers in the timber mills themselves, including the option of a \$72,000 Special Redundancy Payment.

IAN MACDONALD MLC

QUESTION 38

The Hon. RICK COLLESS: How many of the displaced workers were offered positions with Forests NSW and the National Parks and Wildlife Service? I would like you to be specific here in relation to Bingara and Gwabegar.

The Hon. IAN MACDONALD: I will take that on notice.

ANSWER

All workers from Bingara Cypress Pine and Gwabegar Sawmill were provided the opportunity to apply for assistance including the option of alternate employment. For these two mills, seven workers have chosen to take up the alternate employment option (one opting for Forests NSW; six for the Department of Environment and Conservation).

IAN MACDONALD MLC

QUESTION 39

The Hon. RICK COLLESS: Were some former mill workers turned away from positions with Forests NSW and the National Parks and Wildlife Service because they were illiterate?

The Hon. IAN MACDONALD: Not to my knowledge.

The Hon. RICK COLLESS: Will you provide us with a full answer on that?

The Hon. IAN MACDONALD: Yes, I will take the question on notice.

ANSWER

No worker has been turned away from positions with Forests NSW. Employment will, however, be dependent on a satisfactory result for health checks (some checks remain to be completed). Questions relating to NPWS are a matter for the Minister for the Environment.

IAN MACDONALD MLC

QUESTION 40

The Hon. RICK COLLESS: I refer to the \$14 million business exit fund. How much of that has been spent to date?

The Hon. IAN MACDONALD: I will have to take that on notice. One of the things about this is that it is constantly under negotiation and discussion. I will answer that on notice and give you the precise figures.

ANSWER

As at 28 September 2005, a total of \$7.8 million had been fully approved and of that \$4.2 million had actually been paid to businesses exiting the industry. These two figures include payments to principals of mills. The balance of payments are underway. In the case of site rectification costs, these will be paid once mills submit documentation confirming the work has been undertaken.

IAN MACDONALD MLC

QUESTION 41

The Hon. RICK COLLESS: What business exit payments did each of the four mill owners receive from the State Government?

The Hon. IAN MACDONALD: This is Insul Timbers, Bingara, Tocal and Gwabegar? I assume you are talking about those four?

The Hon. RICK COLLESS: That is right.

The Hon. IAN MACDONALD: I have seen that figure but I do not have it here now. I will take that on notice.

ANSWER

Bingara Cypress Pine has been approved for \$1,881,250 Exit Assistance and up to \$150,000 for site rectification costs (payment of first 70% instalment of Exit Assistance being processed). In addition, principals of the business have received Special Redundancy Payments totalling \$144,000.

Gallagher Insultimber Partnership has been approved for \$1,750,000 Exit Assistance and up to \$134,546 for site rectification costs (payment of first 80% instalment of Exit Assistance being processed). In addition, a principal of the business has been approved for a Special Redundancy Payment of \$37,894.73.

Logan Cypress has been approved for \$1,250,000 Exit Assistance and up to \$150,000 for site rectification costs (payment of first 80% instalment of Exit Assistance being processed). In addition, principals of the business have received Special Redundancy Payments totalling \$144,000.

Gwabegar Saw Mill has been approved for \$2,062,250 Exit Assistance and up to \$120,000 for site rectification costs (first 80 % instalment of Exit Assistance paid). In addition, the principal of the business has been approved for a Special Redundancy Payment of \$72,000.

IAN MACDONALD MLC

QUESTION ON NOTICE: No 42

THURSDAY 15 SEPTEMBER 2005

**MINISTER FOR NATURAL RESOURCES
MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES**

Mr Gay to the Minister for Natural Resources, Minister for Primary Industries and Minister for Mineral Resources.

QUESTION

I turn to the mining sector. I refer to coal royalties. The total value of Crown royalties collected in 2004-05 was \$370 million.

- (1) Did this amount exceed the expected revenue?
- (2) What percentage of this was made up of coal royalties and other minerals?

ANSWER

- (1) Yes, the crown royalties collected in 2004-05 exceeded the expected revenue. The total amount collected was \$396 million.
- (2) The percentage of the 2004-05 crown royalties collected from coal was 89.4%, while the balance of 10.6% was collected from other minerals.

IAN MACDONALD MLC

QUESTION 43

CHAIR: Looking at the Eden and southern forest areas, for all payments made under the Forest Industry Structural Adjustment Package [FISAP], could you indicate to the Committee what was the amount granted, who was the recipient of the grant and what was the purpose of the grant?

The Hon. IAN MACDONALD: I will take that on notice.

ANSWER

The total amount granted in the Eden and southern forest areas under FISAP was \$12,590,318.00.

Recipients of the grants were Davis & Herbert, Tablelands, SP & HM Pope Logging, South East Timber Association, Romney Park Sawmill, Hardwood Resources, McGuire Logging (Tumut), Whites Lumber Haulage, McKinnells, Adjungbilly, Barttanjill, Cocks Pulp, Eden Logging, Hammond Logging, Jamieson & Brownlie Logging, Kyniner, LW & CK Cocks, Tumbarumba Alpine Hardwoods transferred to Neville Smith Timber Industries, Vin Heffernan, Bruce Mathie & Sons, Hopkins Logging, Owner Operated Power Systems, Cyneve, Desada, Southern Pine, Wilton Logging, Eden Logging Investigation & Team Training Inc. & Sth East Timber Assoc., and R & V Bergin.

The purposes of the grants were for feasibility studies, harvesting and haulage equipment, strategic plans, installation of kilns, refurbishment of sawmills, plant & equipment, drying and milling facilities, kiln drying & sawline, upgrading of mill and plant facilities, a briquette plant and thermal treatment plant, for a kiln & chipper, for a prime mover with CTI, upgrading of haulage, and for a harvesting simulator.

IAN MACDONALD MLC

QUESTION 44

CHAIR: Are there funds remaining for allocation under this scheme?

The Hon. IAN MACDONALD: I will take that on notice.

CHAIR: If there are funds remaining, perhaps you could let the Committee know how much is left and when the grants expected to be finalised?

The Hon. IAN MACDONALD: Yes. The grants have to be in by December 2005.

CHAIR: Perhaps you could take the rest of the question on notice?

The Hon. IAN MACDONALD: Yes.

ANSWER

The Forest Industry Structural Adjustment Package for the coastal timber industry is a joint NSW and Commonwealth Government package comprising a total of \$140 million. The Commonwealth contribution of \$60 million expired on 30 June 2005 and was fully spent. Remaining unallocated funds (NSW contribution) total \$3.8 million as estimated at the end of the 2004/5 financial year.

A recent amendment to the FRANC Act extended the closing date of FISAP by one year (to June 2007) to assist recipients in completing projects. In practice this means submission of final claims by December 2006.

IAN MACDONALD MLC

QUESTION 45

CHAIR: Further to that, what safeguards are in place under FISAP to ensure that logging employees who are in receipt of funds to encourage their exit from the industry do not obtain employment in the logging industry in another State?

The Hon. IAN MACDONALD: I will take that on notice.

ANSWER

One of the objectives of the FISAP was to assist workers into new employment. The Government has not put any mechanisms in place to prevent people from obtaining new employment.

Businesses that exited the NSW timber industry under the FISAP were required to sign Deeds of Release agreeing to exit the NSW timber industry for a period of 3 years. This has been deemed to be a reasonable restriction of trade in light of the assistance such businesses received.

Employees of mills exit the industry because they are made redundant by a decision of their employer, not of their own choosing. Consequently there is no reason or justification to place any restriction on further employment.

IAN MACDONALD MLC

QUESTION 46

CHAIR: Is it also true that there will be no regulation of the logging of rainforest, old growth, riparian areas, et cetera, or any private land, except on protected land, and no process to identify such areas for protection from logging until the Private Native Forestry Code of Practice is implemented?

The Hon. IAN MACDONALD: I will have to take that on notice.

ANSWER

This is not true. Private native forestry will continue to be regulated by the Native Vegetation Conservation Act 1997 (NVCA), until the Native Vegetation Act 2003 commences and a Code of Practice is adopted by regulation under that Act. Consent for clearing is required under the NVCA unless the clearing is covered by an exemption under the Act or excluded from the Act's operation.

There is a range of other Acts, planning policies and instruments administered by the Commonwealth, State agencies and local government that also place regulatory requirements on private native forestry operations.

IAN MACDONALD MLC

QUESTION 47

Ms SYLVIA HALE: What budget has the Department of Natural Resources allocated to the purchasing of water licences for environmental water for inland rivers and coastal rivers?

The Hon. IAN MACDONALD: As I understand it, this has not been allocated at this point. In some of the programs, like Living Murray, \$9 million is available for market-based purchase.

Ms SYLVIA HALE: But it has only been set aside in one or two programs, is that what you are saying?

The Hon. IAN MACDONALD: I think that is the indication. I will get a full answer for you.

ANSWER

The NSW Government's preferred approach is to see funding invested in system infrastructure improvements and strategies that will achieve water delivery efficiencies and savings, thereby recovering water for the environment.

Under the Living Murray Initiative, agreement has already been reached on funding of four water recovery measures submitted by NSW, estimated to recover over 70 gigalitres of water at a cost of some \$72 million. Included in these measures are the Great Darling Anabranch stock and domestic pipeline and the Bungunyah-Koraleigh water supply pipeline.

As well, the NSW Government has allocated \$13.4 million for implementing infrastructure projects and management plans to improve water efficiencies in the Macquarie Marshes and Gwydir Wetlands, as part of the NSW Wetland Recovery Plan. Under the Plan, NSW has also applied for a further \$13.4 million from the Commonwealth's Australian Water Fund. If successful, \$10 million of this is proposed for the purchase of environmental water for these wetlands.

IAN MACDONALD MLC

QUESTION 48

Ms SYLVIA HALE: How much did the Sydney Catchment Authority provide to the Department of Environment and Conservation (DEC) to provide for fire management within special areas?

ANSWER

This is a matter for the Minister for the Environment.

IAN MACDONALD MLC

QUESTION 49

Ms SYLVIA HALE: How much did it [Sydney Catchment Authority] provide to control pest species within special areas?

ANSWER

This is a matter for the Minister for the Environment.

IAN MACDONALD MLC

QUESTION 50

Ms SYLVIA HALE: How much did it [Sydney Catchment Authority] provide for regulating visitor use of reserves within special areas?

ANSWER

This is a matter for the Minister for the Environment.

IAN MACDONALD MLC