



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 5

## **BUDGET ESTIMATES 2009-2010**

### **QUESTIONS ON NOTICE**

#### **General Purpose Standing Committee No. 5**

Primary Industries, Mineral Resources

Thursday 17 September 2009

Answers to be lodged by: Tuesday 13 October 2009

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Hearing date	Portfolio	Answer to be lodged by
17 September 2009	Primary Industries, Mineral Resources	13 October 2009 [21 days]
17 September 2009	Commerce	13 October 2009 [21 days]
17 September 2009	Climate Change and the Environment	13 October 2009 [21 days]
18 September 2009	Energy	14 October 2009 [21 days]
18 September 2009	State Development	14 October 2009 [21 days]
18 September 2009	Water, Regional Development	14 October 2009 [21 days]
18 September 2009	Housing, Western Sydney	14 October 2009 [21 days]

## Questions relating to the portfolios of Primary Industries and Mineral Resources

17 September 2009, 9.15 am – 11.45 am

### Questions from Mr Gay

1. In regards to the restructure of the Tree Plantation Improvement Group:
  - a. Does the Minister believe in the sustainable long-term economic, environmental and social development of NSW?
  - b. Does the Minister believe that Research, Development and Innovation translate directly into economic development to NSW?
  - c. Does the Minister think the States' Research and Development organisations should seek to be world leaders in their fields and enable their staff to achieve this aspiration and hence attract quality personnel and add to the States' economic, environmental and social benefit, or does he feel Research, Development and Innovation is not important and that NSW can be a 'follower' in these aims?
  - d. Can the minister describes the role of Hardwood plantations in NSW?
  - e. Is the minister aware that these hardwood plantations were established to provide a sustainable timber supply for NSW to alleviate logging in native forest?
  - f. Does the government have a long term plan for the sustainable management of NSW's State forests estate?
  - g. Is the minister committed to improving the value to NSW of the hardwood plantation estate?
  - h. Is the minister serious about ensuring a sustainable supply of quality logs for the local industry?
2. In regards to Hardwood plantations in NSW:
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  - c. Does the government have a long term plan for the sustainable management of NSW's State forests estate?
  - d. Is the minister committed to improving the value to NSW of the hardwood plantation estate?
  - e. Is the minister serious about ensuring a sustainable supply of quality logs for the local industry?
  - f. Is it true that Forests NSW, a public trading enterprise owned by the people of NSW, are intending on reducing the area of hardwood plantation estate as well as reducing efforts into improving value and productivity of this resource?
  - g. Can the minister provide an estimate of the value and benefits (financial, social and environmental) of these plantations to NSW?
  - h. Can the minister quantify how many jobs are currently directly or indirectly associated with the hardwood plantation industry in NSW?
3. In regards to Forests NSW:
  - a. Is it true that Forests NSW is currently actively reducing assets?
    - i. Is Forest NSW investing in future development of the estate? If not, why? If so, how?
  - b. Is the government serious about managing NSW's State forests estate by actively investing in the resource to ensure the best long term value for the people of NSW?

- c. Is the minister aware that Forests NSW has currently reduced Research and Development activities into providing improved productivity of priority hardwood species, and that this research also involves activities to improve product quality and hence improved recoveries and economic sustainability to many independent timber processing companies throughout NSW (sawmills, veneer mills)?
  - d. Is the Minister aware independent timber processing companies employ numerous people whose jobs will be at risk if supplies of quality logs are stopped?
  - e. Can the minister assure the people of NSW that Research activities examining production of high quality timber/logs, and hence adding value to regional NSW will continue?
  - f. Why is Forests NSW Senior Managements' direction not in alignment with the needs and wishes of their clients and in the best interests of the people of NSW?
  - g. What has caused the sudden change in direction of Forests NSW Senior Management to have only an interest in the short term and to abandon the long term business interest?
4. In regards to the Grafton Forest Technology Centre (GFTC):
- a. Will the Minister secure the future of research at the GFTC by utilizing the state of the art facility to help secure timber supply for the people of NSW, combat Climate Change and selecting trees to overcome climatic restraints?
  - b. What impact will the potential closure of Grafton Forest Technology Centre have on the Saw Milling Industry on the north coast of NSW as the mill become more reliant on plantation timber?
    - i. What yield improvements will be lost if this work does not continue?
    - ii. What impact will this have on future wood flows and supply agreements to existing mill?
5. In regards to Forest Enterprises Australia:
- a. Can the Minister describe the relationship between Forests NSW and Forest Enterprises Australia, Ltd (FEA), in particular the agreement to provide FEA with 1500 ha per year for 3 years of Forests NSW land for FEA's planting scheme?
  - b. What is response to assertions that this agreement will be at the expense of Forests NSW planting program, and therefore limiting future profits to the people of NSW through sale of logs, and limiting long term wood supply to local mills?
  - c. Is the Minister aware that these 4500 ha will be selected from amongst some of the most productive plantation land that Forests NSW manages?
  - d. Is the Minister aware that this land is second rotation land that would normally be planted with improved material, that is, trees that would supply higher quantity and higher quality logs to the many local independent sawmills and veneer mills for the production of high value solid wood products?
  - e. Is the Minister aware that FEA do not intend planting this land with this type of material?
  - f. Is the Minister aware that the pulp industry as opposed to the solid wood industry is less environmentally friendly and has relatively little value adding, so is less beneficial to the people of NSW?
6. In regards to the selection process of the PTIG:
- a. What competitive contracting process was used to select the consultants reviewing the Plantation and Tree Improvement group?
    - i. What relationship (business / personal) do the two consultants have with the CEO and other senior managers of Forests NSW?

- ii. Was the timing of the first review (Kyle) delayed to allow Glen Kyle to finish his contract with FWPA prior to commencing the review?
  - iii. At the time of the review was Glen Kyle on the selection panel appointing FWPA Directors and was Nick Roberts a candidate, was this potential conflict of interest declared?
- 7. In regards to Hendra Virus:
  - a. Do you share the view of horticulturalists and many people in the wider community that there is a strong connection between fruit bat droppings in horse feed and Hendra virus?
    - i. What steps are in place to look further into the connection?
  - b. What precautions have you got in place for NSW if the disease travels down here from Queensland?
    - i. Do you feel your Department is treating the disease as strictly as it could be?
- 8. In regards to the Fish River Crossing:
  - a. Does the funding commitment from the Department for the removal of the current low level crossing over the Lachlan River on the Fish River/Old Wheeo Rd remain in place? If not, why?
  - b. Can you confirm the amount NSW Fisheries will make available for the project?
  - c. Given a mound of dirt was dumped at the site in late May to prevent access to the crossing, can you confirm when the funding will be made available to enable the reconstruction to take place?
- 9. In regards to Exceptional Circumstances funding:
  - a. Given both Bega and Eurobodalla came out of exceptional services funding last September- and the Government has agreed to renew the relief for the Bega Valley until April 2011, can you now advise what the situation is with Eurobodalla?
  - b. If funding hasn't been extended:
    - i. What are the reasons for not extending EC relief for the Eurobodalla area given drought conditions there are worsening?
    - ii. Will you give a commitment to put pressure on your Federal counterpart to ensure the Eurobodalla region is included in the extensions? If not, why?
    - iii. Do you believe there is a more efficient manner in which to declare "EC or drought declares" areas? If so, can you provide details?
- 10. In regards to Bovine Johne's Disease (BJD):
  - a. Why has the Government not recognised that scientists and veterinarians (eg Dr Ian Lugton LHPA, June 2009) have conclusively found that BJD has regional pathogenicity?
    - i. As a result of these studies, has the Government made a serious attempt to integrate these regional differences in to state policy on BJD? If yes, In what ways? If no, why?
  - b. What liability does the Government have for losses sustained by beef producers in NSW whose herds have been subject to the lack of a structured testing regime for BJD in this state?
    - i. Does the Government agree that there is a clear lack of a cost/benefit analysis to support the current BJD testing program?
  - c. Is the Government satisfied that the risk to the industry and the public presented by BJD justifies the allocation of significant resources to controlling BJD?

- d. Is the Government aware that some beef producers often prevent government veterinarians from going onto farms where producers are afraid of being found to have BJD?
  - e. Does the Government concede that the cost of maintaining the current BJD testing program outweighs the public benefit?
    - i. Does the current suite of diagnostic tests for individual animals produce false results due to the time taken to grow cultures, usually 3 months or so?
    - ii. Accordingly, does the Government concede that this time delay is a serious impediment to any disease control program and thereby defeats its own purpose?
  - f. Will the Government review the "standard diagnostic procedures" document for BJD?
  - g. Is the Government planning to undertake further research into the causes of BJD?
11. In regards to the Macken Review:
- a. Minister do you recall that in response to the recommendations of the Wran Review, the NSW Government established a board of inquiry into mine safety enforcement in February 2007?
  - b. The inquiry chaired by Dr Macken raised specific issues regarding the prosecution and enforcement policy of the Department of Primary Industries (DPI).
    - i. Can you advise when the Macken and Jennings reports will be released?
12. In regards to jobs at the Department of Primary Industries:
- a. Minister, given Horticulture farmers have concerns regarding the fulfilment of Industry and Investment NSW (I&I) Horticulture on-ground research and extension staff, how will the increase in Departmental employee related funding be spent?
  - b. Will any of the funding be used towards the restaffing of current outstanding I&I research and extension staff positions across Horticulture and Agriculture?
13. Where did the \$1.5 million for structural adjustment in the 08-09 Fisheries Commercial Trust Fund come from?
14. Today, in fishery management terms for all NSW commercial fisheries (except Abalone and Lobster) there remains no link between shareholding and the fish or access to the fish as intended in 1995. Why is the government not helping the industry fix this problem with matching funds?
15. Industry is attempting to make a package of proposals known as the Pymont Pact. One of the primary goals of the Pymont Pact is to create a suite of tools to allow for tradable input and output controls linked to shareholdings. At the SIAC meeting of March 2006 SIAC supported a resolution to the minister to link shares to catch or effort at the same time initiate an industry levy to raise funds to support an adjustment process. Why has this reform process been delayed so long?
16. What proportion of the real cost of managing our commercial fisheries is represented by the current \$4.5million spent on managing our commercial fisheries in the 08-09 Commercial Trust Fund budget?
17. When the minister had the support of SIAC and the support of his then DG why did he not in late 2007 push ahead, take a submission to Cabinet and seek the \$20million in funding for an industry adjustment scheme?

18. Will the minister give any commitment to fixing the mess and finally bring about industry structural adjustment over the next 12 months?

**Questions from Mr Brown**

19. Does the NSW Department of Primary Industries annual plan in any way match the NSW Recreational Fishing Salt and Freshwater Trust Investment Plan, which was approved by the Trust Committees and the Advisory Council on Recreational Fishing Members as its plan for investment in recreational fishing for the next five years?
20. How much did the National Parks Association legal action over the River Red Gum Forests in the Riverina in 2007 cost the taxpayer?
21. Are Fisheries Inspectors co-warranted with Marine Parks Authority Officers in Marine Parks?

**Questions from Mr Cohen**

22. Forestry
- a. Assuming that the Natural Resource Commission already had agreement with Forests NSW to undertake environmental and natural resource assessment why would it be a problem to have DECCW staff working with and assisting the Natural Resource Commission staff?
    - i. Couldn't we say the more the merrier?
  - b. When will Forests NSW increase its royalty prices in response to the Auditor General's report?
  - c. Are impacts on tourism and other industries such as oyster farming ever taken into account in decisions on where logging operations will occur?
  - d. What has been the cost of fighting the Gulaga fire on the Far South Coast of NSW?
  - e. Has the Rural Fire Service completed its investigation into the cause of the fire?
    - i. If yes, what was the outcome of the investigation?
  - f. Will Forests NSW bear this cost of this fire given that the fire was lit by Forests NSW as a "fuel reduction burn" in a tinder dry forested area at the windiest time of the year in this region?
  - g. Does Forests NSW have a budget to cover the cost of fighting and extinguishing uncontrolled fires that start as post-logging burns or "fuel reduction burns"?
  - h. Will the Minister ensure that this habitat destroying activity is not subsidised by NSW taxpayers?
23. Fisheries
- a. What was the total income received from recreational fishing licenses in 2008-09?
    - i. Will the Minister provide a breakdown of the expenditure of this income?
  - b. Will the Minister provide a list of the scientific surveys undertaken on fish resources in NSW and the funding cost of each survey?
  - c. Does the DPI provide any funding to the NSW Gamefish Tagging Program?
    - i. If yes, how much is provided for the program each year?
  - d. How much funding does DPI provide to aerial surveillance of beaches during the summer season?
24. Primary Industries and Agriculture/ Food Safety

- a. The New South Wales Rural Assistance Authority has allotted \$18 million for low interest loans under the Special Conservation Scheme. Can the Minister outline any key performance indicators for the program and how the program is integrated into existing environmental grants from the Department of Environment and Climate Change and activities of Catchment Management Authorities?
    - i. Generally, what are the eligibility requirements for the program?
  - b. How much funding has been allocated to the Native Vegetation Assistance package?
  - c. How much funding does DPI provide to the vegetable demonstration block at the University of Western Sydney?
    - i. Are bilingual officers available at this site for training purposes?
      - 1. If yes, how many?
  - d. Does DPI provide educational programs that assist farmers adopt environmental management systems?
    - i. If yes, please specify?
  - e. How many sites in the Murray and Murrumbidgee catchment are DPI monitoring due to high risks posed to listed threatened fish species in the Murray Darling Basin?
    - i. What are the results and findings of the DPI monitoring?
  - f. How many Greenhouse Abatement certificates had Forests NSW as at 30 June 2009?
  - g. How many certificates were sold in 2008-09?
  - h. What is the Minister doing to assist the ailing macadamia industry to move to organic production to take advantage of higher prices for organic macadamias?
  - i. Is it a fact also that the fungicide Carbendazim, which is included in a European Commission list of suspected endocrine disruptors, is also used by the non-organic macadamia growers?
  - j. How will the business plan template for Livestock Health and Pest Authorities take into account the economic benefits of the social and environmental values of travelling stock routes and reserves?
25. Pest and Invasive Species Control and Animal Welfare Issues
- a. Are farm animals intended to be covered by the reference to pursuing 'high standards of animal welfare' at p152 of the NSW DPI's 2007/08 Annual Report?
    - i. If so, how do the 2007-08 NSW DPI Financial Statements demonstrate:
      - 1. The Government's commitment to providing high standards of animal welfare' to farm animals?; and
      - 2. The Government's commitment to simultaneously pursuing sustainable development of the State's Agricultural Industries and high standards of farm animal welfare?
  - b. Is the NSW Government willing to exercise leadership within the Primary Industries Ministerial Council by financially supporting farmers who wish to exit the pig meat industry or transition from intensive pig production to free-range production systems?
  - c. Will the Minister provide a breakdown of funding the NSW government has direct and indirectly expended on supporting or assisting the NSW chicken meat industry? Would the Minister provide a breakdown by area, producers and organisation?
  - d. What is the gross value of the NSW pig meat, chicken meat and the feedlot industries' products to the NSW economy respectively?
  - e. Have these figures increased or decreased over the past five years?
  - f. What percentage of the national pig meat production comes from NSW? What is the monetary value of this production?



- g. What projects did the Government work on in conjunction with farming industry bodies, in particular NSW Farmers Federation, Australian Pork Limited, Australian Chicken Meat Federation and ALFA?
- h. What public consultation was undertaken by Legislative Review Group for the Game and Feral Animal Control Act 2002?
- i. What consultation with stakeholders – including conservation, pest management and animal welfare stakeholders – was undertaken?