

BUDGET ESTIMATES 2009

QUESTION ON NOTICE

**MINISTER FOR PRIMARY INDUSTRIES
MINISTER FOR MINERAL RESOURCES
MINISTER FOR STATE DEVELOPMENT**

**** to the Minister for Mineral Resources—

QUESTION 1

The Hon. DUNCAN GAY: How much was paid for the exploration licence by Prorata Resources to explore for diamonds near Walcha earlier this year?

The Hon. IAN MACDONALD: For diamonds?

The Hon. DUNCAN GAY: Yes.

The Hon. IAN MACDONALD: I do not have the details to hand.

The Hon. DUNCAN GAY: But you would get me those details, please?

Dr SHELDRAKE: Yes

ANSWER (Q1)

The total application fee paid for the exploration licence was \$1070.

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**MINISTER FOR PRIMARY INDUSTRIES
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**** to the Minister for Primary Industries—

QUESTION 2

The Hon. ROBERT BROWN: In relation to funding specifically for compliance, how much compliance is paid for from the recreational saltwater trust and the recreational freshwater trust?

The Hon. IAN MACDONALD: Seventy-one of the 92 positions are funded by consolidated revenue and 21 by the two recreational fishing trusts. I do not have a dollar figure to hand, but I will get that for you.

The Hon. ROBERT BROWN: Can you advise the Committee on the actual budget of expenditure for 2008-09 for recreational fisheries management in New South Wales, that is, from consolidated revenue, broken down into the following areas: compliance and enforcement, educational awareness, actual fisheries management, and research?

The Hon. IAN MACDONALD: I will take that on notice. I have some information. Trust funding is now up to \$13.5 million.

ANSWER (Q2)

2. In 2008 - 09 \$1.5M was spent on compliance by the Recreational fishing Saltwater Trust Fund and \$0.7M was spent on compliance by the Recreational fishing freshwater Trust Fund. Of the 21 compliance positions funded by the various Trusts, 18 are funded from the two Recreational Fishing Trust Funds and 3 from the Commercial Fishing Trust Fund.

With respect to the second part of the question, please refer to the answer to question 3.

QUESTION 3

The Hon. ROBERT BROWN: I am more interested in what moneys come out of consolidated revenue rather than trust funds. If you take that on notice, I would appreciate it. In relation to licensing or whatever it is called, the general all waters fishing licence in New South Wales, there was an expectation that the consolidated revenue portion of the recreational fisheries management budget would start at \$3.5 million per annum once the licence was implemented—this started when Mr Obeid was the Minister; he did a fantastic job of introducing those licences—and it would be implemented and pegged with an annual consumer price index [CPI] increase. This was apparently allowing for a \$1.5 million annual user pays component subscribed by the trust to a number of key fisheries management areas. In other words, over and above that there was to have been another \$2 million a year indexed to CPI from consolidated revenue. Can you provide the Committee with the relevant historical data for the past financial years since the implementation of this licence with regard to the consolidated revenue budget contribution to recreational fishing licence operations?

The Hon. IAN MACDONALD: I will take that on notice. As I have already pointed out, a lot of staff funded out of consolidated revenue would be doing that sort of activity.

ANSWER (Q3)

It is not possible to collate the detailed information requested in the time available. However, I can assure the Honourable Member, however, (1) that he has over-stated the commitment (the \$1.5M user-pays component comes from the Trusts, not from consolidated revenue) and (2) that the recreational fishing-related expenditure from consolidated revenue on compliance, management, research, and hatchery production greatly exceeds the commitments made. Expenditure on compliance on recreational fishers alone exceeds the \$3.5M commitment.

QUESTION 4

CHAIR: Thanks, that will do. In 2008-09 what percentage of cropping area in New South Wales was sown using reduced tillage technology? What funding support does the Department of Primary Industries [DPI] provide to assist farmers to adopt zero and reduced tillage practices? Has there been an increase in the percentage from 80 per cent?

The Hon. IAN MACDONALD: I do not have the exact percentage at the moment but over the past 10 or 15 years the minimum tillage program has been extremely successful. Most farmers now practice that where appropriate, and that is on most occasions. We have been working on this in the department for about 30 years. I would think the percentage would continue to climb upwards, but I do not have the figure.

CHAIR: Perhaps you can take that on notice.

The Hon. IAN MACDONALD: Yes, I will get you the figures, but we have a lot of extension devoted to this area.

ANSWER (Q4)

I&I NSW estimates that the percentage of crop area sown using minimum tillage technology in 2008/09 was maintained at around 80 percent.

QUESTION 5

CHAIR: Over the past three years there has been a general decline in farmers attending the pro-farm training course. Considering the demand for knowledge on soil and nutrient management and organic farming, what would account for the decline? What measures will the department adopt to encourage greater participation?

The Hon. IAN MACDONALD: I am not aware that there has been any significant decline in attendance at courses. I would imagine over the past couple of years the cumulative impact of the drought upon the farming sector might have had some role if, indeed, there was a dip in numbers attending such course. I will take that question on notice, break it up and get you an appropriate answer.

ANSWER (Q5)

I am advised that the number of people attending PROfarm courses and events was 4,106 in 2005-2006, 8,437 in 2007-2008 and 4,163 in 2008-2009.

I&I NSW is encouraging farmers to undertake training:

- by offering over 100 PROfarm courses and events;
- by subsidising the price of PROfarm courses and events; and
- by gaining approval from the Commonwealth for the price of 26 PROfarm courses to be subsidised under FarmReady.

QUESTION 6

The Hon. RICK COLLESS: I turn to agricultural research centres. What revenue has been raised through commercial agricultural activities on the Condobolin Agricultural Research Station over the past financial year, particularly in relation to grain and livestock sales, et cetera? Are you able to provide a similar line of revenue generated through the past 10 years?

The Hon. IAN MACDONALD: Yes, we can. I will take that question on notice. The Hon. Rick Colless would have been quite pleased with the decision by the Government after review to continue the research centre in Condobolin, I am sure.

ANSWER (Q6)

There are no direct commercial agriculture activities at Condobolin.

QUESTION 7

The Hon. RICK COLLESS: Are you aware that the research station staff are saying that they have been expected to do more with less for a long time?

The Hon. IAN MACDONALD: I think you will find that over the past 20 years all governments have tried to do a bit more with less. That is the very nature of productivity improvement.

The Hon. RICK COLLESS: Are you aware they are now in a situation where they can only do less?

The Hon. IAN MACDONALD: I do not think that is the case. I will take the question on notice and provide some very good words for you.

The Hon. RICK COLLESS: I am sure you will. What proportion of the revenue generated through the commercial agricultural activities of the Condobolin agricultural research centre was returned to fund the ongoing operation of the facility?

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

The Hon. RICK COLLESS: How many scientists are now located at Condobolin, for example?

The Hon. IAN MACDONALD: I will get you that figure. There are a couple of researchers.

The Hon. RICK COLLESS: I am sure the Director General would know.

The Hon. IAN MACDONALD: There are researchers there.

The Hon. RICK COLLESS: How many?

The Hon. IAN MACDONALD: Three or four.

The Hon. RICK COLLESS: I do not think so. How many are there at Glen Innes?

The Hon. IAN MACDONALD: I will get you the figures. I do not have them off the top of my head. Very few.

ANSWER (Q7)

All revenue raised at the Condobolin Research Station is retained to cover the costs of running the Station.

There is one scientist at Condobolin, and a number of researchers based at other research stations run trials at Condobolin.

There is one scientist based at Glen Innes, however, at least three other I&I NSW scientists run important trials at Glen Innes.

QUESTION 8

The Hon. RICK COLLESS: In relation to the review process that occurred, what funds did you and your staff expend in travel and accommodation and other related expenses during the consultation process?

The Hon. IAN MACDONALD: The consultation process with?

The Hon. RICK COLLESS: In relation to the research centres.

The Hon. IAN MACDONALD: Staff and myself and the department, or what?

The Hon. RICK COLLESS: The department's expenditure on that review process.

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

ANSWER (Q8)

Approximately \$26,000.

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**** to the Minister for Mineral Resources —

QUESTION 9

The Hon. DUNCAN GAY: Earlier I asked you a question on Prorata Resources. I want to clarify that you took that on notice to find out the amount that was paid.

The Hon. IAN MACDONALD: Yes, that is correct. I have a bit of an answer here about Prorata Resources. A Mr Joseph Andrews and Raymond Terps paid the standard application fee and standard security deposit for their licence EL 7341.

ANSWER (Q9)

See answer to Question 1.

QUESTION 10

The Hon. DUNCAN GAY: Minister, can you provide the Committee with details of the original mine plan that was attached to EL6505?

The Hon. IAN MACDONALD: The original plan for Caroona? I will have a look at that question.

ANSWER (Q10)

There was no mine plan attached to EL 6505. The exploration licence awarded to BHP Billiton over the Caroona coal exploration area enables the company to explore and carry out environmental studies and other ancillary studies only. It is not an approval to mine.

QUESTION 11

The Hon. DUNCAN GAY: Minister, can you also provide details of the revised mine plan following your announcement on 2 September 2009 that there would be no longwall mining on the floodplain?

The Hon. IAN MACDONALD: I will have a good look at the issues and at that question.

ANSWER (Q11)

See answer to Question 10.

QUESTION 12

The Hon. DUNCAN GAY: Minister, could you also provide details of the mine plan attached to EL7223?

The Hon. IAN MACDONALD: That is the final Caroonna plan?

The Hon. DUNCAN GAY: The watermark.

The Hon. IAN MACDONALD: I will have a look at that.

ANSWER (Q12)

There was no mine plan attached to EL 7223. The exploration licence awarded to China Shenhua Energy Company over the Watermark coal exploration area enables the company to explore and carry out environmental studies and other ancillary studies only. It is not an approval to mine.

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**** to the Minister for Primary Industries—

QUESTION 13

The Hon. ROBERT BROWN: My question relates to Forests NSW. Under a previous question on notice, the Department of Environment and Conservation supplied some information on the mass used by that department of sodium monofluoroacetate, or 1080 poison. Does Forests NSW undertake 1080 baiting on its own lands and, if so, does it either purchase the chemical and mix its own bait or purchase the bait? If so can you tell me or take this question on notice and tell me what was the total amount of sodium monofluoroacetate used by Forests NSW on forestlands in the past 12 months?

The Hon. IAN MACDONALD: We use it for some dog-baiting activity. I do not have the quantities, but I will endeavour to get that for the member.

ANSWER (Q13)

The Wild Dog Control Association and the Livestock Pest Control Authorities take on wild dog control programs across a range of tenures including private lands, State forest and travelling stock routes.

Forests NSW works with the Wild Dog Control Association and with the Livestock Pest Control Authorities on cooperative wild dog control programs, and for the most part, obtains 1080 from the Livestock Pest Control Authorities. Approximately **6323** baits and **273** litres of 1080 were used in State Forests in 2008/09.

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QUESTION 14

CHAIR: Minister, how much has been paid for mineral exploration licences in New South Wales in the past five years?

The Hon. IAN MACDONALD: That is a fairly complex question because a lot of the projects pay standard fees and there have been a number of expressions of interest, which has attracted some interest and has gained the Government some funding. I will come back with an estimation of that for you.

CHAIR: It is similarly for coal exploration? You might take that on notice as well?

The Hon. IAN MACDONALD: Let me be clear, I was talking mainly about coal in relation to that question. I do not think we have had an expression of interest in relation to a non-coal resource. So it would be the standard fees. I will take that on notice.

ANSWER (Q14)

Standard prescribed fees paid for exploration licences applications in NSW over the last five financial years have been as follows:

Coal Exploration Licence Application Fees

2004-05	\$348,186
2005-06	\$358,002
2006-07	\$70,308
2007-08	\$124,458
2008-09	\$233,886

Non Coal Exploration Licence Application Fees

2004-05	\$329,502
2005-06	\$615, 412
2006-07	\$1,026,400
2007-08	\$890,350
2008-09	\$681,245

In addition, two coal areas were released using Expression of Interest processes that generated additional income for NSW.

The first of these was the Carroona Coal Exploration area which was awarded to BHP Billiton and an exploration licence granted on 12 April 2006. As a result of this grant BHP Billiton paid:

- a) an assessment fee of \$100,000 to cover Expression of Interest administration, advertising and evaluation costs.
- b) a one-off, non-refundable payment of \$94.235 million on granting of the exploration licence.
- c) a payment of \$2 million as a contribution towards the Industry & Investment NSW coal development fund for continued coal exploration.
- d) a payment of \$3.665 million for the refund of public expenditure previously incurred by Industry & Investment NSW for exploration and evaluation of the area.

The second of these was the Watermark Coal Exploration area which was awarded to China Shenhua Energy Company on 22 October 2008. As a result of this grant the following payments were made:

- a) an assessment fee of \$100,000 to cover Expression of Interest administration, advertising and evaluation costs.
- b) a one-off, non-refundable payment of \$296.3 million on granting of the exploration licence.
- c) a payment of \$2 million as a contribution towards the Industry & Investment NSW coal development fund for continued coal exploration.
- d) a payment of \$1.5 million for the refund of public expenditure previously incurred by Industry & Investment NSW for exploration and evaluation of the area.

QUESTION 15

CHAIR: How much has been paid in rehabilitation funds in New South Wales in the past five years?

The Hon. IAN MACDONALD: How much has been actually paid? I understand the total amount in the fund at the moment is \$1.17 billion. The actual expenditure figure I do not have. Sorry, it is \$1.08 billion. That is at 30 June. It has probably gone up. That is a substantial increase from \$733 million in 2006-07. I will get you whatever has been actioned out of that fund.

ANSWER (Q15)

Industry & Investment NSW records indicate that as at 30 June 2009 the total security held against rehabilitation forfeiture for current mining and exploration leases in NSW exceeded \$1.08 billion.

QUESTION 16

CHAIR: I understand the residents of Gloucester were informed at a community consultation committee meeting on 3 July 2009 that the proponent of licence EL6523 had already received electronic confirmation that the GRL exploration licence had been renewed, yet on 6 August residents were advised that the approval was still pending. Could you explain this discrepancy?

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

ANSWER (Q16)

A renewal offer was made to the holder of EL 6523 on 26 June 2009. When the formal offer documentation was forwarded to the holder's registered address, a courtesy email was also sent. The information provided to the community consultation meeting on 3 July would have been a reference to the emailed confirmation of the renewal offer.

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QUESTION 17

CHAIR: Could you provide a breakdown of the \$6 million funding for combating exotic pests and diseases?

The Hon. IAN MACDONALD: A breakdown of it?

CHAIR: Yes? You might want to take that on notice?

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

ANSWER (Q17)

Electric Ant program	\$271,000
European House Borer	\$770,000
Red Imported Fire Ant	\$4,981,000

QUESTION 18

CHAIR: Will you provide the names of people who served on the legislative review group for the Game and Feral Animal Control Act 2002?

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

ANSWER (Q18)

Please refer to the Review Report tabled in the NSW Parliament

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QUESTION ON NOTICE – MINERAL RESOURCES

**MINISTER FOR PRIMARY INDUSTRIES
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**** to the Minister for Primary Industries—

QUESTION 19

The Hon. DUNCAN GAY: Minister, are you aware that a large number of key positions were made vacant in DPI, particularly in areas funded by the mines safety levy? What is the Government's position on filling these key DPI positions as a matter of urgency? What assurances can be given that the mines safety levy is being utilised effectively to meet the Government and industry's mines safety goals?

The Hon. IAN MACDONALD: There is quite a bit of material here. To meet the cost of mines safety regulation and improve safety in mines, we introduced a levy in 2006. The levy covers the costs associated with the regulation of mines safety undertaken by Industry & Investment New South Wales. The Mine Safety (Cost Recovery) Act 2005 sets out clearly the levy contributions that must be paid.

The Hon. DUNCAN GAY: Minister, I am getting at the funded positions.

The Hon. IAN MACDONALD: For the financial year, the levy was set at \$21.069 million, being the cost of regulating.

The Hon. DUNCAN GAY: I know that.

The Hon. IAN MACDONALD: This represents 0.927 per cent of industry wages. There is an advisory council that sets this.

The Hon. DUNCAN GAY: We know all that. That is not the question.

The Hon. IAN MACDONALD: In terms of your specific question, the proposed levy ensures—I do not have an answer to your question. I will take it on notice.

The Hon. DUNCAN GAY: Will you take it on notice?

The Hon. IAN MACDONALD: Yes. By the way, we have recently advertised three positions under the program.

The Hon. DUNCAN GAY: But you will take the rest of the question on notice.

The Hon. IAN MACDONALD: Yes.

ANSWER (Q19)

Seven permanent positions within the mine safety inspectorate remain vacant. These vacancies are being managed by staff back filling on a temporary basis or by the recruitment of temporary staff. The vacancies exist due to the difficulty in recruiting suitably qualified and experienced persons for regulatory positions. Strategies to address these issues are currently being examined.

Recruitment of three temporary and one permanent vacancy in relation to policy and administrative support staff funded by the levy has recently been finalised. The Government considers all positions funded by the mine safety levy related to mine safety to be frontline staff and therefore exempt from the current staff freeze.

QUESTION 20

The Hon. RICK COLLESS: Can you explain the business and personal relationships that exist between the consultants that were reviewing the plantation tree improvement group and the CEO and other senior managers of Forests New South Wales?

The Hon. IAN MACDONALD: I will have to take that on notice. I have no idea.

ANSWER (20)

There is only a business relationship between the consultants and Forests NSW senior managers.

QUESTION 21

The Hon. RICK COLLESS: Given the report to Parliament by the Minister for Natural Resources in December 2005 regarding the review of the Plantations and Reafforestation Act 1999, that the Government would be "undertaking further work on some issues of concern, with a view to putting amendments to the Act and the code before Parliament in 2007", can you explain why these amendments have not been produced?

The Hon. IAN MACDONALD: Yes. I answered this question from one of you gentlemen previously. Our aim is to have them dealt with in this session. A lot of consultation has been required on this and it has taken some time.

The Hon. RICK COLLESS: What was the nature of those amendments?

The Hon. IAN MACDONALD: The nature of the intended amendments?

The Hon. RICK COLLESS: Yes.

The Hon. IAN MACDONALD: I think you should await the release of our position, et cetera, but things like roads were issues that had to be canvassed and considered with the various stakeholders.

The Hon. RICK COLLESS: Is it a fact that the Plantations and Reafforestation Act overrides the Native Vegetation Act?

The Hon. IAN MACDONALD: I would not want to get into a legal debate about that. I will get you an answer on that.

The Hon. RICK COLLESS: Given your statement on 22 July 2009 that the delay was due to extensive industry and agency consultation, will you inform the Committee about which industry bodies and agencies were consulted in that process?

The Hon. IAN MACDONALD: I will take that on notice but I would think every important stakeholder, as we always do. Sometimes consultation takes a little longer than you anticipate at the beginning. The Deputy Leader of the Opposition knows that.

ANSWER (Q21)

1. Section 25(n) of the Native Vegetation Act states that the Act does not apply to any clearing of native vegetation that consists of plantation operations within the meaning of the Plantations and Reafforestation Act on an authorised plantation.

2. Agency consultation included, NSW Catchment Management Authorities, the former Department of Primary Industries, the former Department of Natural Resources, the former Department of Environment and Conservation, the former Department of Environment and Climate Change, NSW Rural Fire Service, the Department of Planning, the former Department of State and Regional Development, NSW Treasury, the Roads and Traffic Authority, the former Department of Local Government and the Department of Premier and Cabinet.

In addition, relevant local councils and the Local Government and Shires Association were consulted.

Industry bodies consulted included, Willmott Forests, Forest Enterprises Australia, Great Southern Plantations, Hume Forests, Plantations International, Gunns, CO2 Australia, Visy Pulp and Paper, SE Fibre Exports, Australian Forest Growers (AFG), and the National Association of Forest Industries (NAFI).

QUESTION 22

The Hon. DUNCAN GAY: Can you explain the reasons why Forests New South Wales chose to close the nursery in Forbes? Are you satisfied with the situation where farmers now have to travel to Dubbo, which has the only Forests New South Wales nursery left in the region, to buy plants?

The Hon. IAN MACDONALD: The Forbes and Dubbo nurseries currently compete for business in a 75-kilometre radius. The nursery is staffed by one casual employee during its opening hours of 10.00 a.m. to 3.00 p.m., five days a week. Forbes nursery has the smallest annual revenue of the seven retail nurseries that Forests New South Wales operates. Given the small demand from the Forbes area, there are limited opportunities to increase revenue. Forbes customers could easily be serviced from the Dubbo site. Given the competition between the two nurseries and the small commercial output of the Forbes nursery, Forests New South Wales is consolidating the two nurseries.

The current sole Forbes staff member, while officially classed as a casual employee, has been employed on a full-time permanent basis for more than four years. With the closure of the Forbes nursery, this staff member will be offered alternative employment at the Dubbo site or a severance package consistent with the entitlements of a full-time permanent public servant.

The Hon. DUNCAN GAY: Can you explain why a Forests New South Wales spokesperson told the ABC in an interview on Thursday 11 September that a community consultation process in this matter was unnecessary?

The Hon. IAN MACDONALD: I cannot speak for the 1,100 staff in Forests New South Wales on every basis, but I will get a reply to you. I am not aware of that particular comment.

ANSWER (Q22)

Forests NSW advises that the quote was not what the officer said.

QUESTION 23

The Hon. RICK COLLESS: How many positions in the department are funded from external sources? What is the tenure of those positions?

The Hon. IAN MACDONALD: I will take that question on notice. We have been very successful in entering into partnerships with other agencies, industry and universities, which has meant that our external funding in the last year that I saw—probably a year before this current one—from outside sources was in the order of \$130 million to \$140 million. When I became Minister for Agriculture and Fisheries some years back the total figure was about \$35 million. We have had an active policy of seeking partnerships across the portfolio—I am talking more about agriculture and to some extent fisheries—which has meant that we have an enhanced number of staff that are not on consolidated revenue. Therefore, they are on a contracted basis for a term of three to five years.

The Hon. RICK COLLESS: I do not expect the Minister to have this information to hand but will he provide the committee with details of the funding bodies for those positions?

The Hon. IAN MACDONALD: Yes, we can do that.

ANSWER (Q23)

The former Department of Primary Industries had 477 temporary and 192 permanent Officers funded by external sources (as at August 2009).

These positions are funded by over 50 different major funding programs.

QUESTION 24

The Hon. ROBERT BROWN: Could you give a figure on a dollars-per-hectare basis of what it costs the taxpayers of New South Wales to manage State forests?

The Hon. IAN MACDONALD: I will take that on notice. Do you want it separated, because the native forests and the—

The Hon. ROBERT BROWN: Break it down by whatever means you have, Minister.

ANSWER (24)

There is no cost to the taxpayer because Forests NSW, as a Public Trading Enterprise, meets the land management costs itself.

Forests NSW receives \$9.5 million pa from Treasury as a contribution to its community service obligations.

Forests NSW paid the NSW taxpayer, through Treasury, in 2007-08, income tax of \$4.599M and a dividend of \$16.0M.

QUESTION 25 (A)

CHAIR: What volume of non-declining high-quality quota saw logs does the new river red gum FRAMES model estimate for a 200-year period?

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

ANSWER (Q25a)

Forests NSW has not modeled non-declining high-quality quota sawlogs over a 200 year period using FRAMES.

QUESTION 25 (B)

CHAIR: What account does the model take of rapidly increasing mortality rates in the river red gum, with Forests NSW own EIS showing a 7 per cent increase in mortality in just three years from 2005 to 2008?

The Hon. IAN MACDONALD: I will take that on notice, but it sounds to me that it was right through the drought, does it not?

CHAIR: Certainly there have been major problems, yes. So, does the modelling take into account that situation?

The Hon. IAN MACDONALD: Yes, it has mortality functions in it.

CHAIR: Perhaps you could give information on notice.

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

ANSWER (Q25b)

Recent enhancements in Forests NSW estate modeling process enables mortality impacts to be incorporated into modeling for both the short and long term. This provides the opportunity to use mortality rates based on empirical plot data, or expert opinion, in order to reflect a range of drought, flooding and climate change impact scenarios.

The Natural Resources Commission will be exploring these issues as part of its current Riverina assessment.

QUESTION 26

CHAIR: Regarding woodchipping, does Forests NSW have an estimate of what proportion of the \$14.4 million loss was from, first, the supply of pulp logs and, second, the South Coast southern region, including Eden?

The Hon. IAN MACDONALD: My understanding is the south-east region is one of our most profitable areas, or has a better financial situation than most other areas, and that prices for pulpwood are pretty good. I will take the question on notice and see if we can analyse the figures.

ANSWER (Q26)

The Auditor General identified a \$14.4M cash loss of the Native Forests Operations in 2007-2008, cannot be attributable to pulpwood sales. Southern Region, including Eden and Tumut sub-regions, had a notional cash loss in 2007-2008 of \$2.802M.

It is important to note, though, that FNSW balance sheet statement for 2007/08 indicated an underlying trading profit of \$42.6M.

QUESTION 27

CHAIR: You might want to take this question on notice too as it is a bit detailed. What was the total income received by Forests NSW from royalties in relation to logging compartments 2004 and 2005 of Bermagui State Forest in 2008?

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

ANSWER (Q27)

Royalties for operation completed between October 2008 and April 2009 was \$278,814.

QUESTION 28

CHAIR: How many special permits under sections 37 or 37A of the Fisheries Management Act have been approved or provided to Aboriginal people for the purpose of Aboriginal cultural fishing?

The Hon. IAN MACDONALD: I will take that on notice. You might note that the legislation I have before the House—

CHAIR: I am well aware of it. I have an amendment in this area.

The Hon. IAN MACDONALD: I am sure the Greens would find some amendment to just about anything. The bill canvasses this issue.

CHAIR: I appreciate that. Have any requests for special permits under sections 37 or 37A of the Fisheries Management Act for the purpose of Aboriginal cultural fishing been refused and, if so, why?

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

CHAIR: What is the average application period required prior to obtaining the permit? For example, does the application process take longer than two weeks?

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

CHAIR: Would you provide the costs associated with issuing section 37 and section 37A permits?

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

ANSWER (Q28)

In 2007/08 there were 6 permits issued for Aboriginal cultural fishing. In 2008/09 there were 4 permits issues for Aboriginal cultural fishing.

There have been no permit applications for Aboriginal cultural fishing refused in 2007/08 or 2008/09.

On some occasions, permit applications can take longer than 2 weeks; however, if a permit application is urgent, it is processed as soon as possible.

There is no charge for an Aboriginal cultural fishing permit.

QUESTION 29

CHAIR: What is the fisheries compliance and enforcement budget and how does it compare with previous years?

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

ANSWER (Q29)

In 2008/09 the Fisheries Compliance budget was \$10M which was a 3% increase on the previous year. Additionally, as advised in response to an earlier question, some funds are also received from the various Trust funds for compliance activities.

QUESTION 30

CHAIR: I note there has been a significant decline in prosecutions from 400 in 2007-08 to 195 in 2008-09. What accounts for this drop in prosecutions and is there a link between declining prosecutions and compliance and enforcement?

The Hon. IAN MACDONALD: I think it shows that our great program of education has worked and people are doing the right thing out there. I will take the question on notice and see if we can drill down into whatever figures you have and give you some information.

CHAIR: What is the number of fisheries compliance officers in New South Wales?

The Hon. IAN MACDONALD: Ninety-two.

CHAIR: Has that changed from previous years? Do you consider that to be sufficient for the entire New South Wales coastline and, I presume, also inland river fisheries? It is a difficult task for them to deal with the situation, isn't it?

The Hon. IAN MACDONALD: There is no question there is a fair bit of coast and quite extensive inland fisheries but we are employing a lot of new technology in this area. I think it is adequate. I will provide the figures you are seeking.

CHAIR: Could you comment on the number of compliance officers? Is the figure of 92 an increase?

The Hon. IAN MACDONALD: That is the figure I will get you.

ANSWER (Q30)

In 2007/08 there were 525 individual charges prosecuted, and 1887 infringement notices issued.

In 2008/09 there were 349 individual charges prosecuted, 2198 infringement notices issued.

These changes reflect a range of matters including the impact the drought has had on water levels and therefore fishing activity in inland waters. It also reflects increased use of the infringement notice system to manage non compliant fishers in certain circumstances.

From 1 January 2008 there was a reduction of 2 fisheries officer positions due to a reduction in available industry funding.

QUESTION 31

CHAIR: What are the funding costs of the Fishers Watch hotline? How many prosecutions or infringement notices have been issued resulting from information provided to the hotline?

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

ANSWER (Q31)

The direct telephony cost for the program for 2008/09 was \$5210. The remainder of the costs are incorporated into the overall management of fisheries compliance.

All information obtained is distributed to the local fisheries officer for response and investigation.

QUESTION 32

The Hon. DUNCAN GAY: Given that horticultural farmers have concerns about the fulfilment of Industry and Investment NSW horticultural on-ground research and extension staff, how would the increase in departmental employee-related funding be spent? Will any of that funding be used towards the restaffing of current outstanding Industry and Investment research and the extension of staff positions across horticulture and agriculture?

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

ANSWER (Q32)

I&I NSW will continue to allocate funds to service the needs of both horticulture and agriculture extension and research as appropriate and in line with industry demands.

QUESTION 33

The Hon. DUNCAN GAY: Minister, I again refer to bovine Johne's disease [BJD]. Earlier I asked whether the Government was aware of the growing unease in the animal science community that the BJD testing program is based on poor science and inadequate diagnostic technology. You said in reply that we had both received similar correspondence. Further to that question, is the Government planning to review the use of the inherently inaccurate enzyme-linked immunosorbent assay [ELISA] test for BJD, which is recognised as being notoriously sensitive in latent or early infections? Is the Government planning to explore the existing theory behind the current testing program for BJD in the review to which you referred earlier?

The Hon. IAN MACDONALD: I think it is safe to say that we are concerned about some of the queries relating to the testing regime. The disease is incredibly difficult to detect, so there would be a lot of doubt about a strategy that relies on trying to get some accuracy in the implementation of a policy. We are always trying to find improvements to the testing regime to try to get a more accurate and expeditious result. It is an area in which I am pondering exactly how to go forward, given that there are probably some unlucky purchasers of animals in New South Wales who have been caught up in something that might have happened a long time ago and, therefore, the management process has had enormous consequences on them.

The Hon. DUNCAN GAY: People purchased on the strength of your tests.

The Hon. IAN MACDONALD: That and other things. I will come back to you on this issue. This is an area in which we are trying to establish how to go forward.

ANSWER (Q33)

NSW has committed to maintaining a BJD program that is consistent with the National Johne's Disease Program Standard Definitions and Rules for Cattle (SDR). The ELISA test is the prescribed screening test under the SDR.

QUESTION 34

The Hon. ROBERT BROWN: My question relates to fisheries. Is anybody in the department dedicated to looking after access issues, in particular, access to recreational fishing havens? What formal process do you have for putting Fisheries point of view into Department of Environment and Conservation plans of management? I refer to two examples—Moruya Lake on the South Coast and Nelson Lagoon—which are recreational fishing havens surrounded by national parks.

The Hon. IAN MACDONALD: We have staff that deal with this area and they liaise with the department that you mentioned. I will come back to you with details relating to the specifics of your question.

ANSWER (Q34)

The Department has 2 dedicated recreational fishing access managers, one for freshwater and one for saltwater.

The Department formally reviews all DECCW plans of management (PoM). For example, the Department recently provided a detailed submission to DECCW on the draft Mimosa rocks National Park PoM identifying potential access issues and options for maintaining and enhancing recreational fishing access. The review process included a site visit to the park and consultation with recreational fishing stakeholders including local fishing clubs, local fishers, fisheries officers and the Advisory Council on Recreational Fishing on the proposed access arrangements in the draft plan, especially the impact on access to Nelson Lagoon.

In addition the Department is currently negotiating with DECCW on clarifying and improving existing access arrangements including recreational fishing havens to locations within DECCW reserves. On this point, Moruya Lake is not a recreational fishing haven, however Meroo Lake is a haven surrounded by a National Park.

QUESTION 35

CHAIR: On another matter, what assessments is your department making regarding the logging of camphor laurel trees on the North Coast of New South Wales for green energy production in the cogeneration plants in that area?

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

ANSWER (Q35)

In 2000, Forests NSW investigated harvesting the woody weed camphor laurel, and replacing it with native species. It was expected that harvesting for renewable energy alone was not a viable economic proposition for Forests NSW.

QUESTION 36

CHAIR: Perhaps you might take on notice also to provide figures for real greenhouse savings in regard to the logging, woodchipping and burning of these camphor laurel trees and the release of carbon dioxide as a result of the logging operation and the woodchip burning?

The Hon. IAN MACDONALD: That is a very good question. We will get our National Centre for Rural Greenhouse Gas Research as part of its biomass work to look at that specific species.

ANSWER (Q36)

An energy audit to determine whether the energy inputs into logging, chipping and transporting camphor laurel chips to Broadwater and Condong exceed the energy outputs was sought by Forests NSW and indicated that the energy used in harvesting, chipping and transport of the fuel is equivalent to less than 10% of the energy contained in the delivered fuel. The net energy gain totals at least 90% of the fuel quantity delivered.

In general terms, the net gain in energy generated is principally from offsetting the use of coal in generating electricity. The AGO workbook states that CO₂ emissions from burning wood is “part of the natural cycle of carbon in plants”, and should not be considered as a greenhouse gas emission. Given this, a generic analysis indicates that the full fuel cycle factor for burning wood and wood waste is 1.4 kg CO_{2-e}/GJ compared to 98.1kg CO_{2-e}/GJ for black coal.

**ADDITIONAL (UN-NUMBERED) QUESTION REFERRED TO FORESTS
NSW**

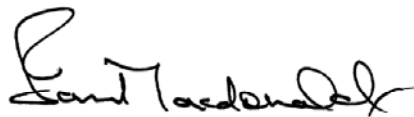
CHAIR: Recommendation 7 of the Auditor-General's report stated that Forests NSW should "investigate the potential for developing commercial markets for forest waste". What plans are there for this and does Forests NSW have a definition of "waste"? If so, what is that definition?

The Hon. IAN MACDONALD: We are very interested in this area. As I said before, a lot of the research we are doing associated with the National Centre for Rural Greenhouse Gas Research is into the usages of non-food fibre for biodiesel and other production. We are always looking at ways to improve the economics and the outcomes associated with forestry activity, whether it be cogeneration-type projects or, in the longer term, the production of fuel. I will take the specifics of the question on notice.

ANSWER

The NSW Government is currently investigating options for developing commercial markets for forest waste.

There is no legislative definition for forest waste.

A handwritten signature in black ink, appearing to read 'Ian Macdonald', with a stylized, cursive script.

IAN MACDONALD MLC

END