

**GENERAL PURPOSE STANDING COMMITTEE NO.5**  
**QUESTION TAKEN ON NOTICE DURING THE HEARING**  
**16 OCTOBER 2008**

**QUESTION 1**

[Minister refers to Climate Change Council]

**The Hon. ROBERT BROWN:** Minister, could you tell me who is on that advisory council?

**Ms CARMEL TEBBUTT:** I certainly could get that information for you. We will make that available for you.

**ANSWER**

Members of the NSW Climate Change Council are:

1. Martijn Wilder (Chair)
2. Maria Atkinson
3. Greg Bourne
4. John Connor
5. Diana Gibbs
6. Brooke Miller
7. Sam Mostyn
8. Paul Orton
9. Andy Pitman
10. Adam Spencer
11. Lorraine Stephenson

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**QUESTION 2**

**The Hon. ROBERT BROWN:** I turn to the National Parks and Wildlife Service and the national parks reserve. I note that the capital expenditure for 2007-08 was \$110.531 million. Could you advise what percentage of that capital expenditure was for the purchase of land? Secondly, there does not appear to be any information available as to what is the land increase in hectares on the 2006-07 figure of 6.7 million hectares. Could you also advise me of that?

**Ms CARMEL TEBBUTT:** We will take the question on notice.

**The Hon. ROBERT BROWN:** I asked the question in light of the fact that historically the capital expenditure components of your budget have been at around \$40 million, \$50 million or \$60 million and suddenly the figure jumped to \$110 million in 2007-08.

**Ms CORBYN:** The bulk of the increase relates to the fact that we have taken over responsibility for a program called The Living Murray, which is under the Murray-Darling Basin Commission. That is about the purchase of environmental water licences, and water licences are historically listed as capital, although I believe that is changing. It is mostly an accounting treatment process.

**The Hon. ROBERT BROWN:** Is that the reason that the capital expenditure budget for 2008-09 has dropped back to about \$49 million?

**Ms CORBYN:** I will have to take that on notice. But, yes, I think that would be the case.

**ANSWER**

The Department of Environment and Climate Change spent \$60.3 million on the purchase of land, which represents 55 per cent of the total capital expenses for 2007-08. This figure includes a one-off payment as the settlement for land acquired for addition to Jervis Bay National Park, which was the subject of a Land and Environment Court settlement determination.

The NSW reserve system increased in 2007-08 by 41,149 hectares.

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**QUESTION 3**

**The Hon. ROBERT BROWN:** The operating costs per hectare, when you take into account all the costs of running the National Parks and Wildlife side of your portfolio, are very high compared with other land management agencies' gross costs of management. I note that in 2006-07 the figure was \$35.89 per hectare, the figure rose last year to \$43.49 per hectare, and the cost in 2000-09 is predicted to go to \$46.02. All these increases seem to remain above the general inflation rate. Can you provide—even if you have to take it on notice—some sort of rationale as to why the costs per hectare are rising above the inflation rate? One could assume that as the land estate increases, perhaps the rate per hectare would decrease—because surely you are not increasing your head office at the same rate.

**Ms CARMEL TEBBUTT:** I will ask the Director General to provide a brief comment, but we will take it on notice.

**The Hon. ROBERT BROWN:** If you could take it on notice.

**Ms CARMEL TEBBUTT:** Certainly.

**ANSWER**

The total cost of managing NSW's national park and reserves system is represented in the Department's budget papers as a 'Net Cost of Services' (NCOS) figure for the Parks and Wildlife Group. This figure includes expenses that are not directly associated with land management activities such as depreciation of assets and Departmental corporate overheads.

If the NCOS figures are divided by the number of hectares under reserve, the per hectare NCOS figure was \$42.21 in 2006-2007, \$43.49 in 2007-2008 and is budgeted to be \$46.02 for 2008-2009. The figure quoted by Mr Brown of \$35.98 per hectare in 2006-2007 does not appear in the budget papers.

The changes in the NCOS figures are consistent with increases in salaries and inflation over this period and when taking into account the increasing area under reserve.

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**QUESTION 4**

**The Hon. MARIE FICARRA:** The Director General, Ms Corbyn, mentioned that you have had some recycling projects in the past. I do not want a long dissertation. Can you provide any information to the Committee on that?

**The Hon. MARIE FICARRA:** You can table that.

**Ms CORBYN:** I cannot table the information today. Certainly we can provide information on the pilot schemes that we do have.

**ANSWER**

The NSW Government recognises that there is a high level of concern in the community about e-waste and a desire to see it recycled.

The first e-waste pilot project undertaken in NSW was the *Recycle IT!* Computer Collection pilot, which was organised and funded by Resource NSW (now the Department of Environment and Climate Change) and the Australian Information Industry Association (AIIA). The pilot took place in Western Sydney and ran from November 2002 until April 2003. 6,383 pieces of equipment were collected, with a total weight of almost 57,000 kg.

The Department has worked with a number of companies, including HP, Dell and Apple, on pilot e-waste collections in NSW. More than 29 local councils across NSW have also initiated pilot collection initiatives, some of which have been partly funded by the Department.

The NSW Government has identified end of life televisions, computers and other electrical and electronic products (collectively known as e-waste) as Wastes of Concern and put industry on notice that it should take greater responsibility for the end of life product management.

The Government also acknowledges that the television and computer industries have invested significantly in developing, in consultation with DECC, product stewardship schemes to collect and recycle their products.

NSW, together with all other states, territories and the Commonwealth Government, is examining options to support these voluntary initiatives with national regulatory safety nets. NSW is co-leading this work with the Commonwealth Government through the Environment Protection and Heritage Council (EPHC).

EPHC is currently developing a Regulatory Impact Statement that will analyse end of life e-waste issues, options for dealing with them and the costs and benefits of doing so.

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**QUESTION 5**

**The Hon. MARIE FICARRA:** Moving on to waste issues, does the Department of Environment and Climate Change still have confidence in the Arrow plant at Macarthur Park being cost efficient in the way it treats mixed waste?

**Ms CARMEL TEBBUTT:** I do not have any information on the Arrow plant and I am not sure that the Director General does. We will take that on notice.

**The Hon. MARIE FICARRA:** I believe the delay has been over half a year and there has been a total cost blow out from the signing of the original contract to final installation. Could you provide information on when you believe that plant will become operational?

**ANSWER**

The Government is committed to achieving higher rates of waste avoidance and resource recovery in NSW.

The market conditions created by the waste and environment levy have seen a steady increase in investment in resource recovery and recycling facilities in NSW. This is inclusive of Alternative Waste Treatment facilities such as the Arrowbio plant at Macarthur Park.

The Macarthur Park facility was launched in July this year and is expected to be fully commissioned by March 2009. Similar technology has been successfully employed overseas. It is the role of the market to determine efficiencies in treating and processing waste. The Government does not support any form of resource recovery technology over another and will not make any comment on the financial viability of individual businesses.

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**QUESTION 6**

**The Hon. MARIE FICARRA:** The Arrow bio-plant does treat it in an alternate way but I think it might be another plant. That particular Arrow bio-plant at Macarthur Park is not operational at this stage. You can come back with information on that. In the 2007 financial year provisions in the Waste Services New South Wales [WSN] accounts for rehabilitation of future maintenance there was a reduction of 35.5 per cent. We believe that this compounds what has been a common practice of WSN raiding its environmental provisions since its corporatisation back in 2001. Does the Minister believe that the environment will be unaffected by this domestic budget decrease of 35.5 per cent?

**Ms CARMEL TEBBUTT:** I have confidence in the way that Waste Services New South Wales is running its operations. Its operations came well above budget in 2007-08 with a before-tax profit of \$18.3 million. It is a 23 per cent better result than 2006-07. The result was 7 per cent above budget and reflects better cost management and increased scope of business. I make the point that I am not actually required to answer questions about Waste Services New South Wales here because of the nature of that organisation. But I will attempt to answer whatever I can and take on notice the rest.

**The Hon. MARIE FICARRA:** If you could take on notice, we would like to have explained how long-term environmental provisions have been reduced by Waste Services New South Wales by over 70 per cent since 2001-02, given that WSN is still the major landfill for putrescible waste and should have long-term obligations to the community for leachate and landfill gas control for the next 40 years, many years after many of its facilities will be closed. Do you believe that that is responsible or can WSN provide to you and to us how it believes that it is fulfilling its environmental responsibilities?

**Ms CARMEL TEBBUTT:** I am certainly happy to take that on notice and provide further advice to the Committee about Waste Services New South Wales and how it is fulfilling its environmental commitments. The Deputy Director General will make a comment as well.

**ANSWER**

WSN has a number of obligations that relate to its landfilling activities. Some of these obligations are completed in advance of landfilling, and some are completed after landfilling occurs.

As at 30 June 2007, the net obligation was \$18.5 million. These are expected to reduce significantly in coming years, now that backlogs have been cleared.

The provision has significantly reduced in recent years due to the large rehabilitation programme being undertaken. This programme has eliminated backlogs and has undertaken significant leachate management works which need to occur in advance of landfilling.

WSN accounts for aftercare and all other obligations in its pricing and measurement of profit.

In order to provide assurance in the adequacy of its provisioning, WSN commissions biennial external reviews of its rehabilitation provision.

The August 2007 review concluded that the allowances made were reasonable and appropriate. WSN's provisions are also audited annually

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**QUESTION 7**

**The Hon. RICK COLLESS:** Minister, could I ask you a couple of questions about the Port Macquarie foreshore development that has been proposed? What investigations have been undertaken by the Department of Environment and Climate Change [DECC] into the impact the Port Macquarie's proposed foreshore development will have on the sustainability of the current population of the Indo-Pacific bottlenose dolphins that live there?

**Ms CARMEL TEBBUTT:** I do not have any detail on the Port Macquarie foreshore development. I am happy to take that on notice. We think it might be a matter for the Department of Lands. But we will take it on notice and come back to you.

**The Hon. RICK COLLESS:** Are you aware of the public comments of an officer of the department at Port Macquarie who told the *Port Macquarie News* that if we did something that really disrupted the dolphins in a substantial way and they were no longer able to survive in this ecosystem that it is possible that that local population might disappear? I am surprised, Minister, you are not aware of that issue.

**Ms CARMEL TEBBUTT:** No, I am not aware in any detail that I could adequately respond to the questions you are asking.

**ANSWER**

The Port Macquarie development referred to is being considered under Part 3A of the *Environmental Planning and Assessment Act 1979* with the Minister for Planning, the Hon Kristina Keneally MP, as the approval authority. The Department of Environment and Climate Change has an advisory role in relation to any environmental concerns, including threatened species, Aboriginal heritage, and air, noise and water quality issues.

Comments about dolphins were made by a National Parks and Wildlife Service Ranger who was asked to speak about dolphins and shorebirds at a community meeting held in late September.

The Ranger is considered an expert on marine mammals and spoke about the impacts of humans on dolphin populations in river systems generally. The Department is not aware of any specific studies undertaken on the Hastings River dolphin population.

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**QUESTION 8**

**The Hon. ROBERT BROWN:** Minister, you mentioned that Yanga Station has 17,000 hectares of river red gum. What areas of Yanga Station have now been sold? The Government spent \$32 million buying the entire station. Has any of it been sold?

**Ms CORBYN:** We have sold a cropping area. We can provide the figures.

**Ms BARNES:** I do not have the figures with me. However, the configuration of Yanga meant that there was some cropping land on the edge that did not have conservation values, so we could sell that land and we have done so. I can get the exact figures later.

**ANSWER**

6,890.9 hectares of cleared cropping land has been sold.



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**QUESTION 9**

**The Hon. ROBERT BROWN:** ...Do you have a breakdown of the number of visitors to each national park?

**Ms CARMEL TEBBUTT:**... We may have to take on notice the question about visitor numbers. The information I have is that there are well over 22 million visits each year. That is probably not useful for you because you want visitation figures for particular parks. Is that correct?

**The Hon. ROBERT BROWN:** Yes. I would like the figures for Yanga, Gundabooka, Nocolèche and Paroo-Darling.

**Ms CARMEL TEBBUTT:** We can provide those figures.

**ANSWER**

The estimated visitor numbers for Yanga, Gundabooka, and Paroo-Darling National Parks, and for Nocolèche Nature Reserve for 2007-2008 are as follows:

1. Yanga National Park - this park is not yet open to the public but a few hundred people have had the opportunity to view the park at community open days. The Park officially opens to the public in 2009;
2. Gundabooka National Park – 8000 visitors;
3. Paroo Darling National Park – 4000 visitors;
4. Nocolèche Nature Reserve – 500-800 visitors;

These figures are based on surveys by park managers who use a variety of sources to estimate visitor numbers including visitor surveys, traffic counters, camping fees, bookings and entries in visitor books.

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**QUESTION 10**

**The Hon. ROBERT BROWN:** I will just shift now to the question of the kangaroo management program. The annual report for the management of kangaroos in New South Wales includes statistics on the non-commercial cull of kangaroos within the commercial harvest zones, but no data on the number of kangaroos culled outside those zones, that is, in the non-commercial zones. Is your department able to provide the Committee with estimates of the numbers of kangaroos taken outside the commercial harvest zones?

**Ms CARMEL TEBBUTT:** I will ask the Deputy Director General to respond to that.

**Mr SMITH:** The commercial zones are managed to ensure that the total harvest of kangaroos is maintained within a sustainable level. That program is itself subject to oversight from the Commonwealth Government. So, the report we do is prepared for that purpose and includes commercial and non-commercial within those zones. Outside the commercial zones it more operates on a decentralised basis because permits are only given where landowners need to control kangaroo numbers because of problems at particular sites. So, we do not readily produce overall statistics for those in the non-commercial zones. But I am happy to take on notice your request and provide whatever data is available.

**ANSWER**

No, the Department of Environment and Climate Change does not currently collate overall statistics for kangaroos culled outside the commercial zones.

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**QUESTION 11**

**CHAIR:** On to another subject, what is this year's budget for the orphaned sites program, which is used to manage contaminated sites in New South Wales where a responsible entity cannot be identified and liable for remediation costs?

**Ms CARMEL TEBBUTT:** I will just see whether we have that information available. If not, we will take it on notice.

**Ms CORBYN:** Normally with the orphaned sites we have two programs, one run under the Environmental Trust, which provides some funding for remediation of sites. They are not really orphaned sites, there are people who own the site, but they are not the polluters.

**CHAIR:** I thought that to be the term that was commonly used to identify that which does not have an identifiable responsible party?

**Ms CORBYN:** We use two different processes. One is an Environmental Trust Fund. I will have to get back to you on notice with the amount budgeted by the Environmental Trust for this year. We use that, as an example, to provide funding for the remediation of local council gasworks sites. There is also an orphaned sites capacity—I think it is \$200,000—for people to be able to do an investigation. It is a separate process we have. I will have to come back to you with the trust dollars.

**CHAIR:** Perhaps you can take some of those details on notice.

**ANSWER**

There are two components to the Environmental Trust's Contaminated Land Management Program - the *Innocent Owners* and *Council Gasworks* programs.

The Innocent Owners program provides funding for site owners where:

- they find themselves legally responsible for remediation but were not responsible for the pollution and would suffer undue financial hardship if made to fund the remediation; and
- the polluter who caused the contamination cannot be found, or is not in a position to fund the remediation.

The Council Gasworks Program assists councils to remediate the pollution effects of former gasworks sites for which they are responsible. The Trust will fund up to \$200,000 to assist with the site investigation and/or development of a Remediation Action Plan, and contribute a maximum of \$500,000 towards the remediation works.

For both programs the sites have to be declared by the Department of Environment and Climate Change as presenting a significant risk of harm under the *Contaminated Land Management Act 1997*.

For administration and budgeting purposes, the programs are run under the umbrella of the Contaminated Land Management Program. The Trust funds the Contaminated Land Management Program at a level of \$6 million over four years from 2007/08 – 2010/11.

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**QUESTION 12**

**CHAIR:** Of the orphaned sites in New South Wales, what percentage have been subject to the Protection of the Environment Operations Act for infringements and licence breaches, or any predecessor Act that might have been in force?

**Ms CORBYN:** I would have to take that on notice. If people who are licensed by us under the Protection of the Environment Operations Act, they would be the owners of the sites and generally they would not be orphaned sites then.

**ANSWER**

Orphan sites are those contaminated sites that:

- require remediation; and
- the person or entity that caused the contamination is either unidentifiable or cannot be made to pay; and
- it would be unfair and cause undue financial hardship for the current owner to fund the remediation.

Such sites come to the attention of the Department of Environment and Climate Change infrequently.

The Department uses the regulatory tools available under the *Contaminated Land Act 1997* to manage orphan sites. This regulatory framework also enables innocent owners to seek access to financial support, such as Environment Trust funding, to address significant contamination issues.

The Department has issued no regulatory instruments under the *Protection of the Environment Operations Act 1997* in relation to orphan sites.

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**QUESTION 13**

**The Hon. RICK COLLESS:** How many kilometres a week would you travel in your ministerial car?

**Ms CARMEL TEBBUTT:** To be honest, I could not give you an accurate answer, but I am happy to take the question on notice and provide the Committee with some detail. I have been a Minister for five weeks.

**ANSWER:**

500-600 kilometres per week.

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**QUESTION 14**

**Mr SMITH:** I suggest that with complex issues like this there is always a range of views. If you would like to explore the science of these views in more detail, we are holding climate change forums for the community in which we have our scientific people and scientists from the Bureau of Meteorology who have had first-hand participation in the United Nations scientific processes. They will be presenting, to everyone who would like to come, an insight into the incredible depth, complexity and rigour of the United Nations scientific processes that have been used to reach this position. These people have a good view of the range of views—it is not like a balance of views; there is this set of views and this set of views—and they will be ready to discuss and debate any of those issues. If you would like to discuss the issues with them, we would be happy to provide the details of where the forums will be held.

**The Hon. RICK COLLESS:** I would like to have a look at the list of speakers, in particular, because that is important.

**Ms CARMEL TEBBUTT:** We will make available the list of forums and speakers.

**ANSWER:**

Forum	Climate Change Action Plan Overview	NSW Government action to reduce emissions	Regional overview of impacts and adaptation (Science)	Climate Change Basics
<b>Armidale 29 September</b>	Simon Smith, Deputy Director General, DECC	James White, Manager, Emissions Reduction, DECC	Peter Smith, Manager, Climate Change Science, DECC	Clinton Rakich, Climatologist, Climate Change Science, DECC
<b>Grafton 2 October</b>	Lisa Corbyn, Director General, DECC	Michelle Cannane, Principal Policy Officer, DECC	Peter Smith, Manager, Climate Change Science, DECC	Clinton Rakich, Climatologist, Climate Change Science, DECC
<b>Newcastle 7 October</b>	Len Banks, Executive Director, Scientific Services, DECC	Jennifer Stace, Team Leader, DECC	Peter Smith, Manager, Climate Change Science, DECC	Clinton Rakich, Climatologist, Climate Change Science, DECC
<b>Gosford 9 October</b>	Tim Entwisle, Executive Director, Botanic Gardens Trust	Jennifer Stace, Team Leader, DECC	Peter Smith, Manager, Climate Change Science, DECC	Perry Wiles Manager, NSW Climate Services Centre, Bureau of Meteorology

<b>Dapto 15 October</b>	Joe Woodward, Deputy Director General, DECC	James White, Manager, Emissions Reduction, DECC	Andrew Rawson, Senior Scientist (Climate Change), DECC	Clinton Rakich, Climatologist, Climate Change Science, DECC
<b>Queanbeyan 16 October</b>	Joe Woodward, Deputy Director General, DECC	Jennifer Stace, Team Leader, DECC	Andrew Rawson, Senior Scientist (Climate Change), DECC	Clinton Rakich, Climatologist, Climate Change Science, DECC
<b>Wagga Wagga 20 October</b>	Simon Smith, Deputy Director General, DECC	Jennifer Stace, Team Leader, DECC	Clinton Rakich, Climatologist, Climate Change Science, DECC	Clinton Rakich, Climatologist, Climate Change Science, DECC
<b>Dubbo 23 October</b>	Jenny McAllister Director, Climate Change Air and Noise, DECC	Jennifer Stace, Team Leader, DECC	Andrew Rawson, Senior Scientist (Climate Change), DECC	Clinton Rakich, Climatologist, Climate Change Science, DECC
<b>Sydney 28 October</b>	Jenny McAllister Director, Climate Change Air and Noise, DECC	Jennifer Stace, Team Leader, DECC	Peter Smith, Manager, Climate Change Science, DECC	Perry Wiles Manager, NSW Climate Services Centre Bureau of Meteorology
<b>Parramatta 30 October</b>	Lisa Corbyn, Director General, DECC	Jennifer Stace, Team Leader, DECC	Peter Smith, Manager, Climate Change Science, DECC	Perry Wiles Manager, NSW Climate Services Centre Bureau of Meteorology
<b>Blue Mountains 4 November</b>	Bob Conroy, Executive Director, Park Management, DECC	Jennifer Stace, Team Leader, DECC	Peter Smith, Manager, Climate Change Science, DECC	Perry Wiles Manager, NSW Climate Services Centre Bureau of Meteorology
<b>Sydney 12 November</b>	To be confirmed	James White, Manager, Emissions Reduction, DECC	Peter Smith, Manager, Climate Change Science, DECC	Clinton Rakich, Climatologist, Climate Change Science, DECC

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**QUESTION 15**

[Referring to provision to feed excess electricity from home solar photovoltaic systems back to electricity supplier]

**The Hon. MARIE FICARRA:** Is the initiative you mentioned before limited to Energy Australia? It is not even available in areas such as the Illawarra? Can you be more specific about the initiative that you were talking about before in terms of feed-in tariffs?

**Ms CARMEL TEBBUTT:** I will take on notice where it is available, but I do make the point that I in no way put this up as an alternative to feed-in tariffs. I was simply commenting about what is available at the moment. I accept that it is not feed-in tariffs and that we want to see movement on this issue.

**ANSWER**

I am advised by my colleague, the Hon Ian Macdonald MLC, Minister for Energy, that the NSW Government-owned retailers EnergyAustralia, Integral Energy and Country Energy, offer retail customers in their network areas a “parity price” arrangement for the purchase of electricity generated from small solar power systems. These differ from retailer to retailer and the current published arrangements are as follows:

- EnergyAustralia customers must install a bi-directional time-of-use (ToU) meter. Net exported electricity is paid at the same ToU rate as the purchase tariff, less GST;
- Integral Energy customers must install a second meter, measuring gross output. Total produced electricity is paid at the same flat rate as the purchase tariff, less GST;
- Country Energy customers must install a bi-directional meter. Net exported electricity is paid at the same flat rate as the purchase tariff, including GST.



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**QUESTION 16**

**CHAIR:** Is the satellite monitoring still occurring in terms of illegal land clearing in New South Wales?

**Mr SMITH:** The satellite imagery is stronger and better than ever because it covers the whole State, not only the hot spots, which used to be monitored in the past. So the old hot spot ones were just where we suspected that there was illegal clearing likely to occur but now we are looking across the whole State so we can know for sure. When we are trying to detect illegal clearing the satellite only shows clearing: it shows extent of native vegetation.

**CHAIR:** It is limited. Once it goes beyond 20 per cent cover it does not pick up. Is that still the situation?

**Mr SMITH:** That is right. It compares the extent of native vegetation in one photograph with that in the previous photograph. So we do the calculations to say okay what has changed, how much has increased and where has it decreased? And that gives you an idea of where clearing has occurred. But of course not all clearing is illegal, so it is very complicated to determine which clearing is illegal simply by the imagery. So what happens is the imagery comes in, we work out what clearing has occurred and that goes into an analysis filter where we then determine where there would be illegal clearing which should be the subject of an on-ground investigation and possibly enforcement action. We publish regular statistics six-monthly on all of the results of that work showing us what changes in the extent of native vegetation there is, and we can provide you with that information.

**CHAIR:** I appreciate you taking that on notice.

**ANSWER**

Yes. Satellite monitoring using medium resolution *Landsat* imagery has been used since 2006 as a basis for annual reporting of the state-wide extent of change to woody vegetation of greater than 20 per cent canopy cover. High resolution SPOT5 imagery is now being collected which will enable us to detect changes in woody vegetation down to about 5 per cent canopy cover (i.e. scattered paddock trees).

Annual monitoring and reporting using medium resolution satellite imagery will continue until the high resolution satellite imagery program can fully replace it. The first reports from the high resolution imagery will be produced at the end of 2009 and the two systems will be run in parallel for at least two years to ensure a reliable transition from one system to the other.

To detect woody vegetation change across NSW, including potential illegal land clearing, the Department of Environment and Climate Change commenced the high resolution component of its NSW Vegetation Extent Monitoring Program on 1 July 2007, utilising SPOT5 satellite imagery.

The four-year program will monitor changes in the extent of woody vegetation canopy cover across the State. The Program incorporates the former "Hotspot Program", which covered only limited areas.

The Department uses both medium and high resolution imagery collected over consecutive years to identify areas of vegetation change. These areas of change are then further examined to help identify the cause of land clearing. This information is then used to support

the Department's regulatory role in response to potential illegal land clearing under the Native Vegetation Act.

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**QUESTION 17**

**CHAIR:** I appreciate you taking that on notice. I have just got one small example. Professor Peter Stutchbury contacted my office complaining about huge tracts of road verge land clearing, which he understands to be on the edge of a major road. I am presuming that it is State government land there—it may be farming land. He says:

I was truly disturbed travelling south from Cobar to Hillston along the Kidman Way. For tens of kilometers up to 60 meters both sides of the road the state government—

It may not be, but I appreciate his understanding of it—

has clear felled mature (200 year old) yellowbox and other assorted eucalypts.

Is that a one-off, unusual situation or is it typical out in that area of the State to see that area of road verge cleared of mature forest? Do you know anything about that at all?

**Ms CARMEL TEBBUTT:** I think we need to take that on notice. Do you know if that has been reported, or has it been reported by you?

**CHAIR:** I think it has been reported by me.

**Ms CARMEL TEBBUTT:** We will take it on notice and come back to you.

**ANSWER**

The *Native Vegetation Act 2003* permits landholders in the Western Division of NSW to clear up to 20 metres either side of a new or existing permanent fence, as a Routine Agricultural Management Activity.

I am advised by the Department of Environment and Climate Change that the clearing and fencing along the Kidman Way, South of Cobar, was undertaken by local landholders in association with Cobar Shire Council. The fencing prevents stock wandering onto the road and the funding also allowed cattle grids to be removed which were a public safety risk.

The Lachlan Catchment Management Authority has advised the Department that the clearing was a Routine Agricultural Management Activity, consistent with the requirements of the *Native Vegetation Act 2003*. This is supported by photographs provided to the Department by Professor Stutchbury.

The Department advises that further investigation is not warranted.

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**QUESTION 18**

**CHAIR:** Under the New South Wales bio-banking scheme, landholders who set up bio-banking sites are to be paid an amount each year from the trust fund to maintain those sites. Are the trust fund payments to landowners discretionary and, if so, under what conditions?

**Mr SMITH:** Yes, they are discretionary in the sense that they may be withheld if the landholder fails to perform the requirements of how the land is to be managed.

**CHAIR:** What protections are there to ensure that the amount in the trust fund will be able to provide enough funding to support the biodiversity of sites severely impacted by drought or climate change?

**Mr SMITH:** We have done detailed actuarial work to calculate the sum of capital required to provide a flow of future funds to landholders to enable them to meet their management obligations.

**CHAIR:** Is there a particular level of capitalisation for the trust and are payments suspended when the trust is undercapitalised?

**Mr SMITH:** That is a matter of extreme detail that I can provide to you out of session.

**Ms CARMEL TEBBUTT:** We will take it on notice.

**ANSWER**

There is no fixed trigger level of capitalisation that has been set for the BioBanking Trust Fund (BTF). Instead, a strategy has been developed to deal with fluctuations in investment return as follows:

- When investment returns are greater than the expected rate, a reserve will be held in the account of up to 30% of the present value of subsequent scheduled management action payments (such that the total balance will be 130% of this amount). Earnings in subsequent years which would take the balance over this 130% may be paid to the biobank site owner as a bonus along with the normal payment.
- When investment returns are lower than expected, the payment to the biobank site owner from the account will continue. If there is no reserve, this means at least temporarily accessing the account investment capital. If the balance falls to a level which may not be sustainable in perpetuity, the biobank site owner may elect to receive a reduced payment or no payment to preserve the capital (they will still need to comply with the biobanking agreement).
- The default position is that payments will be made from each account until exhaustion. The Government will not have an obligation to inject additional capital into the BTF accounts.

**GENERAL PURPOSE STANDING COMMITTEE NO.5**  
**QUESTION TAKEN ON NOTICE DURING THE HEARING**  
**16 OCTOBER 2008**

**QUESTION 19**

**CHAIR:** Minister, are you aware of persistent complaints made to the Department of Environment and Climate Change by west Maitland residents regarding the environmental impact of the Truegrain waste oil refinery, and particularly a foul odour emanating from the refinery? Are you aware that on 1 October 2008 the department's suspension of the company's environmental protection licence was stayed by the Land and Environment Court pending an appeal? What can you commit to in terms of ongoing monitoring of the conditions and the environmental impact of that refinery?

**Ms CARMEL TEBBUTT:** In view of the time, we will take that question on notice.

**ANSWER**

I am advised that on 1 October 2008 the Land and Environment Court granted a temporary stay of the licence suspension issued to Truegrain Pty Ltd. The stay continues until the court determines the merit appeal lodged by the company. The Court has ordered an expedited hearing set down for 17 and 18 December 2008.

Until the merit appeal is heard, Truegrain must continue to comply with the conditions of its environment protection licence, including controlling odours emanating from its premises. The company must also report any significant environmental incidents to the Department of Environment and Climate Change.

The Department will continue to closely monitor Truegrain's compliance with its licence conditions and respond to public complaints.