



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 5

BUDGET ESTIMATES 2008-2009

QUESTIONS ON NOTICE

General Purpose Standing Committee No. 5

Primary Industries, Mineral Resources

Thursday 16 October 2008

Answers to be lodged by: Tuesday 11 November 2008

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Questions relating to the portfolios of Primary Industries, Mineral Resources

16 OCTOBER 2008, 2.00 pm – 6.30 pm

Questions from Mr Colless

1. Specifically in relation to Exploration Licences;
 - a. When will the Exploration Licence held by Muswellbrook Coal Company on the Castlerock exploration site expire?
 - b. How long has Muswellbrook Coal Company or any predecessor held the exploration licences for the Castlerock site? (*N.B If the Minister doesn't know the answer, prompt him its about 10 years*)
 - c. Don't you think Minister, that a decade of distressed people in the Castlerock exploration licence area is excessive? When will you insist that Muswellbrook Coal Company make a decision to mine or move on?
 - d. If you intend to again grant an extension to the Exploration Licence in the Castlerock area, why and for how long will that Licence be valid?
 - e. Has Muswellbrook Coal Company given any indication to you or your department whether they will proceed to seek a Mining Lease?
 - f. If so over what areas and what has the Minister or your department's response to the request?
 - g. If the company has not indicated any intention to apply for a Mining Lease and after 10 years or more of basic inactivity under the Exploration Licence, will you move to relieve the suffering of the people in the Castlerock Exploration Licence area who have had 10 years of uncertainty and have not been able to dispose of their properties because of the potential of mining operations in the area, by not renewing the Exploration Licence? If not, why not?
 - h. In general terms does the Minister think it fair and reasonable that residents in Exploration Licence areas, whether it be Castlerock or elsewhere, should be subject to a decade or more of angst and uncertainty in relation to their lives and future.
2. In Budget Paper 3 Volume 2 at 19.7 you say there was strategic direction to "*further improve the environmental performance of the NSW mining industry*"; What have you or your department done in that regard?
3. You have attempted to outline the Government environmental performance in the mining sector.
 - a. It is noted that there was the rehabilitation of 30 derelict mine sites last year and 30 to be rehabilitated this year. Obviously this amounts to 60 mines rehabilitated or to be rehabilitated over this year and last year - when one takes into account the 'actual' mine sites rehabilitated for 2005/06 and 2006/07 there is a further 63 sites that have been rehabilitated. Would you or your department please advise of each of the 93 mine sites rehabilitated since 2005/06 and the 30 to be rehabilitated in this financial year? (Budget Paper 3 Vol 2 @ 19.36)
 - b. It is noted at Budget Paper 3 Volume 2 at 19.37 that \$1.863 million has been allocated for remedial work of mined areas. Are remedial work and rehabilitation work synonymous? If not, what is the difference and what will be spent and what has been spent on the rehabilitation of mines as against remediation of mines.
 - c. In any event, whether they are synonymous or not were there any non government funds used or obtained for any remedial and rehabilitation work? If so how much non government money will be used for such work in the 2008/09 year?

4. Specifically, what do you intend to do about the remediation of the abandoned
 - a. asbestos mine site at Barraba that potentially exposes people to a great danger.
 - b. If you don't intend to do anything how does that fit with your strategic direction to *"improve the environmental performance of the NSW mining industry"*
5. Please outline what is being carried out, as described in Budget Paper 3 Volume 2 at 19.6: as *"Progress a demonstration project expected to run to 2013 to facilitate clean coal development."*
6. As part of your *"provision of world class geoscience information"*, as mentioned in Budget Paper 3 Volume 2 at 19.6, has your department either directly or through contractors been entering private property by land and or air and carrying out geo-scientific activities without the permission of the landholder? Why have you allowed this to occur?
7. At Budget Paper 3 Volume 2 at 19.7 you state that your strategic direction is to *"increase the competitiveness of the NSW mining industry"*. How do you propose to do that?
8. The Minister for Ports has knocked back a series of recommendations for improved coal handling at Newcastle Harbour. As part of increasing the competitiveness of the NSW Mining Industry and the fact you are granting new Exploration Licences in the Hunter Valley and Gunnedah areas, will you push the Ports Minister to put in a workable solution for the handling of coal at Newcastle Harbour so that increased tonnage can move through the Harbour in an orderly manner.
9. If the Minister for Ports continues his stubborn attitude to the Greiner Report commissioned by the Minister for Ports on coal loading issues at Newcastle, what will you do to solve the issue in view of the fact that the Newcastle quote system – the capacity balance system – runs out on December 31.
10. In Budget Paper 3, Vol 2 at 19.10 it states that 97 mines operate to agreed operations plans and subsidence plans. How many mines don't operate to agreed operations plans and subsidence plans and what do you intend to do about such mines?
11. Please outline the strategic direction to: *"oversee natural and international mine safety equipment schemes and standards"*.
12. Please outline the *"New Frontiers"* initiative (Budget Paper 3 Volume 2 at 19.4). (NB for increased mineral and petroleum exploration). It is noted at 19.37 that \$5.5 million has been allocated for this initiative. How will this money be spent?
13. In Budget Paper 3, Volume 2 at 19.8 it refers to a 2008/09 budget figure for the Mineral Resources Group of \$52.9 million. At Budget Paper 3 Volume 2 at 19.36 there is a reference to what that group does. At 19.37 there is simply one line for this group of: Total Expenditure excluding losses - \$52.931 million.
 - a. What is the break down of that figure as far as the operation of the group is concerned?
 - b. Specifically, the statement states "excluding losses", what losses are we talking about and now much do they amount to?
 - c. There is a figure of \$24.167 million at 10.37 for 'net cost of services'. Please explain how this figure is arrived at?

14. In Budget Paper 3 Volume 2 at 19.37 there is a Capital Expenditure amount of \$1.586 million. How will those funds be expended?
15. In Budget Paper 3 Volume 2 at 19.6 there is a reference to 'targeted health and safety education programs which address priority areas identified by the NSW Mines Safety Advisory Council.'
 - a. What are the 'targeted safety and education programs' and who are they 'targeted' to?
 - b. What are the priority areas identified by the NSW Mines Safety Advisory Council?
 - c. How are those programs funded?