

GENERAL PURPOSE STANDING COMMITTEE No. 5

Thursday 16 October 2008

Examination of proposed expenditure for the portfolio areas

CLIMATE CHANGE, ENVIRONMENT

The Committee met at 9.15 a.m.

MEMBERS

Mr I. Cohen (Chair)

The Hon. R. L. Brown
The Hon. A. Catanzariti
The Hon. R. H. Colless

The Hon. Marie Ficarra
The Hon. Eddie Obeid
The Hon. H. M. Westwood

PRESENT

The Hon. C. Tebbutt, *Deputy Premier, Minister for Climate Change and the Environment, and Minister for Commerce*

Department of Environment and Climate Change

Ms L. Corbyn, *Director General*

Ms S. Barnes, *Deputy Director General, Parks and Wildlife Group*

Mr S. Smith, *Deputy Director General, Climate Change, Policy and Programs Group*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I declare this hearing of the inquiry into the Budget Estimates of 2008-09 open to the public. I welcome Minister Tebbutt and accompanying officials to this hearing. The Committee will examine the proposed expenditure for the portfolio of Climate Change and the Environment.

In accordance with the Legislative Council's guidelines covering the broadcasting of proceedings, only committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this committee, you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the chamber and support staff to the committee clerks. Minister, I remind you and the officers accompanying you that you are free to pass notes and to refer directly to your advisers while at the table. I remind everyone to turn off their mobile phones. I have not been in a committee yet in which everyone has, but I am asking.

The Committee has agreed to 20 minutes for each section of questions. We will take a 15-minute break at 10.30 a.m. and shave that time off at the end. The House has resolved that questions on notice are to be provided within 21 days, or as otherwise determined by the Committee. The Committee has determined that it will be 21 days, if that is agreeable. The transcript of this hearing will be available on the web from tomorrow morning. Minister, you have already taken an oath as a Minister. I ask the departmental officials to take an oath or to make an affirmation.

CORBYN, Elizabeth, Director General, Department of Environment and Climate Change;

SMITH, Simon, Deputy Director General, Climate Change, Policy and Programs Group; and

BARNES, Sally, Deputy Director General, Parks and Wildlife Group; affirmed and examined:

The Hon. RICK COLLESS: Minister, in light of the current world economic crisis, do you consider it necessary to further delay regulations and legislation that might be necessary to reduce the carbon footprint of New South Wales until economic confidence is regained?

Ms CARMEL TEBBUTT: While I note that I do not get the opportunity to make an opening statement, this is a good chance to address some of the key issues confronting the Environment portfolio. Of course, we are in extremely challenging economic times in Australia, and obviously more so internationally. Nonetheless, as I heard Professor Garnaut say about a week ago when asked a similar question, the reality is that the economic and financial crisis we are confronting will pass. A range of initiatives is being implemented in Australia and internationally. There is some scepticism about how effective some of those initiatives will be. However, we know the reality of economic of boom-and-bust cycles. We are in a particularly bad situation at the moment, but it will pass.

On the other hand, climate change is a structural adjustment that we must address. We must keep moving forward with the measures that we are taking in New South Wales to reduce greenhouse gas emissions. The Commonwealth must also keep moving forward with the measures that it is putting in place, particularly the development of the Carbon Pollution Reduction Scheme. The Commonwealth Government is obviously cognizant of the economic impacts of that scheme, and was so prior to the latest financial crisis and will be even more so. However, we also know that the economic costs of not addressing climate change are greater than the economic costs of addressing it.

We will continue to move forward with the initiatives we have in place. In particular, this Government is focusing on energy efficiency and adaptation. The Commonwealth Government will also move forward with its commitment to the Carbon Pollution Reduction Scheme, and we will work with it. We believe that we have some experience and expertise with the Greenhouse Gas Reduction Scheme and that that will be useful to the Commonwealth. However, we are also clear that, in working with the Commonwealth, we will be representing the interests of the New South Wales community and industries. We will ensure that that voice is heard as we participate in the development of the Carbon Pollution Reduction Scheme.

The Hon. RICK COLLESS: Have you done any assessment of the cost imposts on businesses and, in particular, working families over the next two, three or perhaps four years until we get through this economic crisis?

Ms CARMEL TEBBUTT: Are you talking about the cost impost of the introduction of the Carbon Pollution Reduction Scheme?

The Hon. RICK COLLESS: I am talking about the cost impost of the regulations and legislation that the New South Wales Government wants to introduce supposedly to fix this carbon footprint problem we are facing.

Ms CARMEL TEBBUTT: The Government's focus with both the Climate Change Fund and the recently announced Energy Efficiency Fund is twofold. First, we recognise that the price of electricity and carbon will increase. One of the most useful things that the Government can do to support the community in making a transition to that environment is to encourage people to use less energy and to assist people to put appropriate infrastructure arrangements in place in their homes and businesses. In that way the government is making its contribution to reducing greenhouse gases and also assisting in lowering energy bills for individuals.

The Hon. RICK COLLESS: Which will be offset by the increased cost of electricity as a result of all this.

Ms CARMEL TEBBUTT: There is no doubt that the cost of electricity will increase. This Government is trying to put people in a situation where they are better able to cope with increased costs with its new energy efficiency measures.

The Hon. RICK COLLESS: Where is the balance? Will there be a net increase in the cost of electricity for working families?

Ms CARMEL TEBBUTT: I think until the carbon pollution reduction scheme is finalised it is difficult to answer your question definitively. We know electricity is going to go up in price; all electricity is going to go up in price.

The Hon. RICK COLLESS: Surely that sends a bad message to the people out there in Western Sydney and western New South Wales and everywhere else in Australia that the cost of electricity is going up but you are not sure where the balance is going to be, so people will end up paying more for their electricity?

Ms CARMEL TEBBUTT: I will ask the Director General to outline in a bit more detail exactly what the department is doing to try to assist the community to transition to an environment where electricity is going to cost more, but before I do that one of the things I would say, in my experience in the short time since I have become the Minister for Climate Change and the Environment, but also prior to that as a local member, people want to do their bit to address climate change. People understand that. We are confronting one of the most significant challenges of our time. It is not a New South Wales issue; it is not an Australian issue, it is an international issue. Numerous surveys have shown that people want to do their bit; people want to take action to reduce greenhouse gases. I think the role of government is to assist people to be able to do that and to be able to assist people to do that in the most cost-effective way possible.

That is why, for example, we are focusing on things like rebates so people can install more energy-efficient hot water systems, and so people can put insulation in their houses. The amount of energy that is lost through poorly insulated houses is extraordinary. That is why we do things like assist people to install more water-efficient devices in their houses. All of these things are about helping people reduce their carbon footprint, but they also have the benefit that they reduce people's energy and water bills. In that way, we are supporting our community for what we know will happen when the carbon pollution reduction scheme comes in. I might ask Ms Corbyn to talk in a bit more detail about some of the initiatives we have in place with the Climate Change Fund and the Energy Efficiency Fund.

Ms CORBYN: There are two things I would like to mention and then I will get Mr Smith to provide some of the economic information that we have. We have two programs in particular that are worthy of note in relation to your question have we done any costings. We have energy savings plans that businesses have developed that show the sorts of savings they could make by bringing in cost-effective strategies. The financial analysis shows that they can save significant amounts of money as well as, then, energy.

The Hon. RICK COLLESS: At today's electricity prices we are talking about in that respect?

Ms CORBYN: We have done the analysis based on today's electricity prices, and Mr Smith can talk about what the dollar figures are, but it shows it is very worthwhile to bring these cost-effective strategies forward now. The second area, as an example, is proposals through the energy efficiency strategy for low-income householders, and the Government has identified the importance of bringing forward programs that will help people reduce their energy costs, as the Minister said. We have done analyses about the number of householders who would be affected and what sort of program we might be able to bring forward. I will ask Mr Smith to give you the dollar figures, because I know he knows those.

Mr SMITH: The figures Ms Corbyn refers to for the large energy users are extraordinary, because the textbook would say that a large user of energy will always be implementing cost-effective measures to reduce energy consumption. So you would think that someone who is paying millions of dollars in electricity bills is not going to be wasting any. But the Government's program required the State's 200 largest users to conduct audits to determine whether there were any cost-effective savings measures available. The textbook says there should not have been anything. The results that came back said in total that group could save \$40 million per annum ongoing in their energy bills.

The Hon. RICK COLLESS: Tell that to a low-income earner, though, who has doubled the energy prices and is not able to cook their meals at night.

Mr SMITH: I will just finish this and turn to your question as well. The point is it shows that all across the economy, home users, small business, medium business, large business are wasting already large amounts of energy, and there are solutions that are cost-effective that would save them money if implemented. The situation on electricity prices for homeowners is the same as it is for large business in the sense that the Commonwealth Government will make a decision as to the extent of the incentive provided by the carbon pollution reduction scheme. That will in turn have an effect on electricity prices for everyone who uses it. New South Wales is essentially a receiver of that price impact.

We are not in control of what that price impact will be. That is why the New South Wales Government is adopting a policy of assisting New South Wales electricity users to avoid the worst of that cost increase by becoming more efficient. Every year, the population grows in New South Wales. Current trends are that each person on average uses more electricity. Each year we face the challenge of meeting energy supply of a larger amount than the previous year. We have two ways to meet that challenge. One is to invest in new energy supply infrastructure.

The Hon. RICK COLLESS: I think you are going into areas that I was not questioning, but I thank you for the information. If we can move on, I have other questions I would like to ask of the Minister. Minister, the current financial crisis is placing considerable strain on the New South Wales housing market, as you would be aware. Many consumers are struggling to meet the cost of purchasing a new home. The Property Council has identified extremely stringent BASIX regulations as one source of home construction costs. Do you believe the current stringent BASIX requirements place unnecessary and upward pressure on house prices in New South Wales?

Ms CARMEL TEBBUTT: I am not directly responsible for BASIX. You could probably get a more comprehensive answer to that question from the Minister for Planning. Again, the point I would make is the source of initiatives that get embedded in a house when it is built for BASIX means that there are energy savings down the track. I know you cut the Deputy Director General off but the reality is a lot of research demonstrates that over time you far recoup the cost of embedding energy savings measures in infrastructure, buildings, homes, whatever. Without taking too much time, if I can briefly talk about the Californian experience. What they did demonstrates how critical this issue is. Thirty years ago they recognised that they had a major air pollution problem and they were facing limited energy supplies.

They really focused on addressing their efforts to energy efficiency. They put investment in energy saving on the same 14 as investing in more supply infrastructure. Effectively, if it cost the same to get people to use less electricity than to build new plants, that is what they did. They have managed while the rest of the United States electricity consumption has grown by 50 per cent, over 25 years Californian per capita electricity consumption has risen by 11 per cent. They have used far less electricity per capita than what other people in the United States have, purely by investing in energy efficiency. I just make the point that it is not flaky science. The reality is that this is part of the answer to moving into an environment where electricity and carbon are going to cost more.

The Hon. RICK COLLESS: But surely in terms of housing affordability in New South Wales, particularly when compared with Queensland and Victoria, it is much more expensive in Sydney to buy and build a house than it is in Queensland and Victoria. Is it reasonable to continue to pursue that, given that those policies in themselves are forcing people out of New South Wales?

Ms CARMEL TEBBUTT: Housing affordability is impacted on by many factors and I think your claim that BASIX is forcing people out of New South Wales is inaccurate. Nonetheless, I will ask the Deputy Director General to comment a little bit more on BASIX. We have no choice but to change the way we operate, to change the way we build houses, to change the way we use electricity and energy, because if we do not change, then the economic cost is going to be far greater. We have to change, and the role of this Government is to try to assist the community to make those changes in the most equitable and the most efficient way possible. The question of not changing is simply not an option.

Mr SMITH: I wanted to add that it is very easy to knock up a cheap house that serves its future occupants poorly, that leaves the future occupants with high ongoing energy bills.

The Hon. RICK COLLESS: Are you suggesting that the building codes in Queensland and Victoria are doing that, compared to New South Wales?

Mr SMITH: I can say that being involved in Council of Australian Governments working groups with people from the other jurisdictions, the BASIX system is the envy of what the jurisdictions are doing and is the model that the others are seeking to pursue. The BASIX assessment was undertaken. All around the world, the United Kingdom, Europe, all the leading jurisdictions recognise that if you build it right the first time, it is much cheaper over the life cycle of the property and it is extremely false economy and setting people up for unaffordable and uncomfortable housing if you do not build it right the first time.

The Hon. RICK COLLESS: But in the middle of this world economic crisis, with property trusts and jobs in Australia at risk, are you still prepared to pursue that line until such time as the world economic climate improves?

Ms CARMEL TEBBUTT: I want to make it clear that we are not going to pursue these measures in an economically irresponsible way. This Government has been a leader in terms of implementing measures to address greenhouse gases long before other States and Territories or the national Government were taking action. But at the same time we have always recognised that it has to be done in an economically responsible way. We do not have any choice but to change, but if we manage it properly, based on evidence and if we work in conjunction with the Federal Government, which is now committed to addressing greenhouse gases, we can do it in a way that does make that transition to an environment where carbon will cost more but without a fundamental disruption to our way of life. We understand the importance of economic responsibility, but to do nothing is not an option. It will cost us more to do nothing. We need to find ways to transition to the environment where electricity will cost more and to do that in a way where we take the community with us. That is what we are committed to doing.

The Hon. RICK COLLESS: So is the Government committed to any form of assistance to home buyers and the industry to assist with mitigating the cost of those BASIX compliances over the next however long it takes, couple of years?

Ms CARMEL TEBBUTT: We have a range of rebate measures available that the Deputy Director General and the Director General have already spoken about for people to install water tanks, more energy efficient hot water systems and to put insulation in houses. We have those measures available. With regards to support the homebuyers, a range of measures is available from the Government for first homebuyers, but linking them to BASIX, you really have to direct that question to the Minister for Planning.

The Hon. MARIE FICARRA: E-waste, approximately 1.6 million old computers are dumped into landfill every year and less than 2 per cent of computers are recycled. This number is currently on the rise. Does the Minister consider this to be an issue for the environment and for our landfill?

Ms CARMEL TEBBUTT: Yes I definitely do consider it to be an issue and I will ask the Director General to talk a little bit more about what the department is doing. There has been a lot of national discussion about how we address e-waste. I am particularly familiar with it because there is a very good organisation in my electorate based at the Addison Road Community Centre, which is involved in recycling old computers. They

do a fantastic job. They recycle old computers and make them available very cheaply to low-income families and others in my electorate and beyond in order to assist them to access information technology. There are lots of good things we can do, but it certainly is an issue that has bedevilled—

The Hon. MARIE FICARRA: Thank you Minister, I actually want to know what the Government is doing rather than what a community group is doing.

Ms CARMEL TEBBUTT: I am telling you that. It is an issue that governments have found very confronting and challenging to address. There has been a lot of discussion at the national level. We do see a national approach as being one of the ways to move forward on this issue. I will ask Lisa to talk in more detail about what is happening about e-waste.

Ms CORBYN: New South Wales does co-chair a national working group on the electrical sector that covers televisions, computers and other electrical goods. It is quite clear that one of the best things for companies and people is for us to have a national approach rather than different jurisdictions actually bringing in different schemes. That is the reason we are approaching it at the national level, and that is through the Environment Protection and Heritage Ministerial Council. We have been going through an extensive process of negotiation with industry and community groups to develop a scheme particularly dealing with televisions, as there is a big changeover coming with plasma televisions and others where people will change their home entertainment systems.

We have been able to develop, with the television industry, a scheme that is coming forward into the national arena to be considered at the next ministerial council meeting. We have also been working very strongly with the computer industry and their industry association. It is much more difficult with computers, in particular, because you can work with very big computer companies but particularly in Australia there are unbranded computer equipment that is brought in, and that covers about 50 per cent of the market, and as a result, it is quite hard to get a scheme in place to deal with all those small companies. We have been trying to work out regulatory options at the national level, and we call that having a regulatory safety net because if you bring in a voluntary scheme—

The Hon. MARIE FICARRA: In other words, you are waiting for a national coordinated response rather than New South Wales doing something, as Victoria has done already with its buyback program where it has been recycling?

Ms CORBYN: We have actually run programs like that in New South Wales as well. We are not waiting that the national scheme. We are developing, co-hosting and chairing the working group that is actually bringing forward the program so that we actually get it at a national level, but New South Wales has had a recycling scheme as well that we have progressed on recycling. It is very good to have pilot schemes but getting a national scheme makes much more economic sense.

CHAIR: Your time is up. Mr Brown.

The Hon. ROBERT BROWN: Good morning, Minister and staff. I have some questions related to the National Parks and Wildlife portfolio within Climate Change. Just to follow on from a question of my colleague the Hon. Rick Colless, my personal belief and the belief of a lot of other Australians is that on a daily basis current wisdom on anthropogenic climate change is losing ground to a different argument. I realised that the Federal Government and the State Government have set their course on all this. Can you tell me what you are doing in so far as protecting the interests of New South Wales economically to avail yourselves of other points of view on climate change and to check and recheck as we go forward that the policies that you are doing, perhaps under a national umbrella, remain valid; in other words, the people you are talking to with views other than the carbon tax proponents?

Ms CARMEL TEBBUTT: What I would say first and foremost is that, while I accept that some people are sceptical of climate change as a result of human activity, that is not where I place myself and that is not where the Government places itself. We are absolutely convinced of the science. I am not going to pretend that I have anywhere near the understanding that is needed to be able to unpick some of the very important work that is being done internationally with regard to the science around climate change. But I am certainly absolutely convinced that it is real and that the very important fundamental research that has been done by people like the Intergovernmental Panel on Climate Change, Professor Garnaut, and the Stern report in the United Kingdom all inform our views.

Having said that, obviously this is a challenging time and therefore we need to be constantly checking what we are proposing as a Government and as a government agency against the views of people in business, against the views of people in the community, and against the science. And we are involved in that process. We have set up a climate change council. I cannot take credit for that; it was done by my predecessor. It is an opportunity for a range of people to provide expertise and input to the Government. Also, the department itself has many people who are experts in this area. At the same time, I am constantly in contact with business groups who are involved in the broader energy efficiency arena with the range of people who represent land users and people who are involved in the various environmental groups. I am open to discussion and input from everyone. Having said that, however, there is no question that climate change is real and that we need to be working as hard as we can in order to be able to address the impacts of it.

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.

The Hon. ROBERT BROWN: Perhaps also when you provide that advice, could you let me know whether any of the people on that panel have a different view from the current view, or whether they, having accepted the Government's position, will then advise you on how to implement the Government's position?

Ms CARMEL TEBBUTT: I think we can provide you with the list of names. I do not think we can give a running commentary on the views of those individuals; I think you will have to make that assessment yourself. I do not think there is one piece of wisdom about the way forward to address climate change; I think it takes many and varied actions. That is what we are trying to achieve by listening to a whole range of people who have something to offer with regard to this issue.

The Hon. ROBERT BROWN: But what you are telling me is that you are assuring me that you are listening and you are continuing to re-evaluate? Is that what you are telling me?

Ms CARMEL TEBBUTT: I am continuing to re-evaluate the best way for us to be able to address climate change. I am not saying that I am continuing to re-evaluate whether I think it is real or not.

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: I will check whether we have that information here or we need to take that on notice.

Ms CORBYN: Broadly, a very small proportion of that capital figure you have mentioned is for any land acquisition. But we need to take the exact figures on notice. Sally may have a bit of that. But it is a very small proportion 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.

The Hon. ROBERT BROWN: With regard to Toorale Station, you bought out the lessee of the Western Lands lease. What was the break-up of the moneys provided by the New South Wales Government and the two Federal sub-bureaucracies from which those chunks of money came? I understand the overall purchase price was in the \$23 million to \$25 million range.

Ms CARMEL TEBBUTT: The New South Wales contribution was \$4.13 million and the Commonwealth Government provided the rest.

The Hon. ROBERT BROWN: I asked this question last year of your predecessor's predecessor. 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.

CHAIR: Ms Corbyn, arising from an earlier question I want to ask you if the department is using the 2007 EPR Priority Statement to deal with e-waste? And if not, why not?

Ms CORBYN: We are using the priority statement to progress a number of programs in New South Wales but in particular on e-waste, we felt that it was most appropriate to tackle e-waste at a national level. That was the reason why we put up our hand to co-chair the national task force on e-waste because it really is the most with effective way to have companies, many of which—as you would appreciate—are computer companies and other electronic companies that operate at a national level.

CHAIR: Is that not a backward step from using the priority statement put forward in 2007?

Ms CORBYN: We think it is better to approach it at a national level because you get the coverage for it.

CHAIR: I understand the concept. I understand the advantage of approaching it at a national level, and I do not doubt the concerns there, but it is a step backwards in terms of the guidelines and the strict effect, is it not?

Ms CORBYN: I do not think so. The way that our legislation is framed is that it acknowledges that we should not be bringing forward programs at the State level if there is a voluntary program in place or if there is the opportunity for a national program in place. That is the reason we have approached it from a national perspective.

CHAIR: There was earlier questioning from the Opposition about electricity usage and, Minister, you clearly summed up the efforts in the community and a lot of the development energy savings. But when we are dealing with, for example, the aluminium industry in New South Wales that is using approximately 24 per cent of the State's electricity—obviously all coal-fired—at significantly cut-rate fees, what are you doing about what is effectively a quarter of the energy usage in the State by the aluminium smelter industry? Does that not make a bit of a mockery of all the good efforts of the general people in the community who really are trying to pull their weight?

Ms CARMEL TEBBUTT: I think that we have always been consistent in New South Wales that we have seen a national approach to carbon pollution reduction as the way to go. Prior to the current Federal

Government, when there was an unwillingness to pursue a national approach, we were pushing to have a national approach. I think that the idea that some of the really big issues such as the aluminium industry can be managed within State borders is very difficult.

CHAIR: Why is it so difficult? They are supplying aluminium globally competitively—

The Hon. EDDIE OBEID: It provides jobs too.

CHAIR: It is a very low level of jobs in terms of the size of the industry—noting the interjection. On a global basis Australian aluminium is cheap because of the subsidised electricity. What is such a big industry being pressured to do to pull their weight, just like all the people across the border are being clearly pressured to do, with the potential for electricity prices for ordinary consumers to be going up in the future?

Ms CARMEL TEBBUTT: The point I am making is that we do a range of things within New South Wales with regards to encouraging industry to be more energy-efficient, but if we are going to be genuinely able to address the big energy users, the aluminium users and others, then it has to be as part of a national approach where there is a price set for carbon. There is no other economical and equitable way to address that issue. With regards to what sort of subsidies or support they might be getting about the amount of electricity they buy, the Minister for Energy is coming this afternoon and that may well be something that you could more appropriately address to him. I would simply make the point that we have always seen the way forward on this issue as a national approach that puts a price on carbon. Assistance will obviously need to be provided to both trade-exposed industries and to the big energy users, but the reality is that for many years in New South Wales we have had cheap and abundant electricity and our industrial base reflects that. That has to change but it has to change is part of a national scheme.

I will ask the Deputy Director General if he wants to add to that but I think you really need to address some of your questions to the Minister for Energy.

CHAIR: I appreciate that but it was still brought up in the earlier part of questioning.

Mr SMITH: I think it is worthwhile emphasising the view of the Minister that with a sub-national jurisdiction operating in a national electricity market in relation to a global industry there is very little that we can do that would have a directly positive environmental outcome that would not have very significant economic downsides without any particular environmental benefit.

CHAIR: That is an interesting way to say it. You do not think that an industry using 24 per cent of the State's power could be gently massaged into looking at alternative power generation and other schemes as part of their process?

Mr SMITH: That will happen because of the measures being put in place to change the characteristics of the grid of electricity supply through the renewable mandate that the States and, now, the Commonwealth are going to implement; by 2020 in fact 20 per cent of all electricity is going to be coming from a renewable source and through the measures of the carbon pollution reduction scheme which puts a price on carbon.

CHAIR: Minister, you did mention the Living Murray Scheme before and it is certainly to be commended but part of that—I would suggest a vital part of that—is the river red gum forests. They are the most sensitive and most threatened forests in the State and the only forests not thoroughly assessed for environmental values through the Western Regional Assessment. Would you comment on what you intend to do in terms of the budget to address this major problem?

Ms CARMEL TEBBUTT: Do you mean the budget period that we are actually examining for the past financial year?

CHAIR: Yes, what have you done?

Ms CARMEL TEBBUTT: It is an important issue that you have raised and I am pleased you did. I am well aware that every one of the environmental groups that I have met with since becoming the Minister for Climate Change and the Environment has raised the issue of the river red gums and their concern about the plight of the river red gums, both due to forestry activities and the lack of water. You would be well aware that there is the environmental impact assessment being conducted under the Environmental Planning and

Assessment Act by Forests New South Wales. That was a result of the negotiated settlement to the case in the Land and Environment Court. I understand that there is some anxiety about whether that process is in fact a comprehensive enough process to do the assessment of the river red gums that needs to be done. Nonetheless, that was the negotiated settlement that came out of the court decision. The Department of Environment and Conservation is working with the Department of Planning and is assisting them with advice on the preparation of an environmental impact statement.

We have also done a number of other things such as the purchase of the Yanga Station in July 2005, which included some 17,000 hectares of river red gums and more than double the area of the river redgum forests and other ecosystems protected in the Riverina. Through the Living Murray initiative, as you have mentioned, we have also put water back into the Murray to assist the river red gums. My view is that this is one of the most significant challenges that we will confront environmentally into the future and that is the last area, as I understand it that has not been subject to a comprehensive assessment. While there is a process that is under way at the moment as a result of the court outcome, I am very conscious that that may well not provide the sort of information, or the detail, that we need to be able to move forward on what happens in that part of the world.

CHAIR: That is a real concern and I am glad you appreciate that. I am wondering would you now urgently undertake a rapid regional assessment of the river redgum State forests of south-western New South Wales?

Ms CARMEL TEBBUTT: I went down and had a look of the river red gums last week. This issue has been raised in all of the consultations I have had with a range of environmental groups but not when I went to look at them. I wanted to go and have a look for myself so that I had a better appreciation of the issues that were being raised. It is hard to fully understand the significance and the magnitude of the issues confronting river red gums sitting in an office in Sydney. The assessment that is under way at the moment is as a result of a negotiated outcome through a court process that was started by the National Parks Association. There has been an agreement about that assessment process but I do understand the way it has progressed as not been as the National Parks Association thought it was going to progress—they have some concerns about the process. I am going to be talking with my counterpart, the Minister for Forests, about this issue, and about whether we can use that assessment process to better address the concerns that people are raising, and that the assessment is adequate in order to take us to the next step of working out how we can try to save the river red gums.

CHAIR: I will come back to that when I get the opportunity. Now it is time for Opposition questions.

The Hon. MARIE FICARRA: Returning to e-waste, I can understand the department talking about a national approach. However, if the environment Ministers representing all the States around the country cannot come to an agreement on something as simple as plastic bags, how are you ever going to expect quick action on e-waste? I am asking you to be realistic. The national environment protection measure cannot get product stewardship in the last four years. Are you going to continually use this excuse of a national approach before you move on doing something?

Ms CARMEL TEBBUTT: I think we have spent as much time on this as we can to usefully provide the Committee with information. We support a national approach. I am very conscious that this is an area where more needs to be done. I think probably it is a little bit rich to take that from the Liberal Party who sat in Federal Government for years and did very little on this issue.

The Hon. MARIE FICARRA: You have been in office for 13 years.

Ms CARMEL TEBBUTT: Nonetheless, I am very conscious that this is an issue where more needs to be done. We support a national approach, but with some of these issues getting progress at a national level is difficult. If we can do more at a State level, then we will.

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?

Ms CORBYN: Two things: One is to your concern about the national approach. One of the differences with e-waste particularly in dealing with the TV community is that the industry is on side and they too are arguing for a scheme to come forward. There are some regulatory impact statement hurdles that have to be got through both at a national and a State level. You would understand that there is a requirement that we look at the

regulatory impact of any regulatory program that is brought forward. That is the process that we are undergoing now. As to information on the recycling pilot schemes, there was a New South Wales recycle IT pilot scheme that was brought forward.

The Hon. MARIE FICARRA: You can table that. I do not want to spend a lot of the Committee's time.

The Hon. EDDIE OBEID: Point of order: It is not up to a Committee member to tell a Minister or a departmental officer how they should answer a question or the time they should take to do so. It is not up to a Committee member to cut across an answer.

CHAIR: The request made was in the interest of putting more questions. The Minister and her advisers can answer as they see fit, but the member's comment was not unreasonable in the circumstances. I ask that we keep questions and answers as succinct as possible.

Ms CORBYN: I just thought you wanted more detail on the pilot scheme.

The Hon. MARIE FICARRA: To the point of order: I specifically asked for the material to be tabled.

The Hon. EDDIE OBEID: It is up to them how they answer the question.

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

The Hon. MARIE FICARRA: Thank you. I believe that the television industry has offered to fully fund a recycling program in return for a very minor regulatory change. As you have mentioned, they have been keen to cooperate. Why have you not moved forward on that offer?

Ms CORBYN: There is a requirement at the Federal level that the national scheme is to have a regulatory impact statement that meets the Commonwealth guidelines from their Office of Best Practice Regulation. That is what we are going through now. We are working very closely with the industry to try to have a regulatory impact statement that does comply with the Commonwealth requirements.

The Hon. MARIE FICARRA: Do you have a time frame when this may eventuate?

Ms CORBYN: We have actually made a submission on a regulatory impact statement, but that is really up to the Commonwealth Government to decide whether it meets their hurdles or not.

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?

Ms CORBYN: If I could ask a question? Is that the new alternative waste technology facility, the Macarthur Resource Recovery Park, that you are talking about?

The Hon. MARIE FICARRA: Yes, the Arrow park.

Ms CORBYN: My understanding is that that commenced operation in July 2008.

The Hon. MARIE FICARRA: Our information is that the Arrow plant is not operational.

Ms CORBYN: If it is the new alternative waste technology facility at the Macarthur Resource Recovery Park, my information is that it did start in July.

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.

Mr SMITH: The issue of the accounting treatment within WSN's books of its future provisions is something that, as the Minister said, we will provide on notice. The key thing is that the department, acting as the Environment Protection Authority, is the regulator of WSN's landfill facilities and of all other large landfill facilities in New South Wales. We have requirements on all those large landfills that provide secure, enduring implementation of the kind of controls that you mentioned—leachate, methane gas and so forth. All of those things are controlled through a system of security deposits, which are applied uniformly across publicly and privately owned landfills and also very strong regulatory controls through the Protection of the Environment Operations Act to ensure those environmental outcomes will be met.

The Hon. MARIE FICARRA: It is a government agency. When you say you are not obliged to answer any questions on WSN, I would have thought it came under your responsibility.

Ms CARMEL TEBBUTT: It is a State-owned corporation.

The Hon. MARIE FICARRA: Does that mean it does not come under your department?

Ms CARMEL TEBBUTT: It is not in the budget papers. It falls outside the jurisdiction of the estimates Committee. The previous Minister, as I understand, attempted to answer questions and I have indicated the same approach. But it is not actually within the remit of the estimates Committee. It is not in the budget papers.

The Hon. MARIE FICARRA: Can we put questions on notice in writing to you?

Ms CARMEL TEBBUTT: Yes.

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: It would be a matter for the Department of Environment, I would have thought, if there was a development there that was going to impact on the bottlenose dolphins that live there.

Ms CARMEL TEBBUTT: Our expertise and advice would be sought during the assessment process. But I do not have any detail on the development that you are talking about. I will take it on notice.

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.

The Hon. MARIE FICARRA: The former Iemma Government made a commitment for this State to be entirely carbon neutral by the year 2020. I am assuming that the current Government is still adhering to that commitment?

Ms CARMEL TEBBUTT: What is the commitment you are referring to?

The Hon. MARIE FICARRA: The commitment to be carbon neutral by 2020.

Ms CARMEL TEBBUTT: Yes, the Government is committed to the sustainability policy, which outlines how the Government is going to lead by example in sustainable water use, reducing greenhouse gas emissions, waste and fleet management and also sustainable purchasing. The Department of Environment and Climate Change is the lead agency and will be reporting on the Government's performance.

The Hon. MARIE FICARRA: Does wind generation play any part in this plan?

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

Mr SMITH: The commitment is full carbon neutrality of government operations. So the first step, of course, is to complete an inventory in detail of the carbon impacts of all of those operations—that is underway. The second step is then to reduce those impacts at the source, so by continuing our whole work on cleaning up our vehicle fleet by purchasing smaller and less polluting vehicles and by having more efficient buildings that consume less energy. So we go through the emission reduction stage and then we look at the question of where do we buy our energy from? Do we make any changes there? If so, that could involve the increasing purchase of green power where we already purchase green power. Then it could involve offsetting potentially through State Forest sequestration to achieve the goals. But it is a substantial commitment and we are working through the analysis to put our plans in place for all of that.

The Hon. MARIE FICARRA: Do you think with only 12 more years to go that you are going to achieve the target?

Mr SMITH: Undoubtedly.

Ms CORBYN: Could I just comment there? Just from a DECC perspective, on green power we have actually brought in 100 per cent green power at the new Lane Cove tourist park and we have also got our two big office buildings where we are at 25 per cent green power for both our Sydney and our Hurstville offices. So we are working very hard to actually achieve it.

The Hon. MARIE FICARRA: Wind generation seems to be a divisive issue out in the community. Is that one of the reasons why the Government has not really addressed the issue of wind generation and the positive aspects of it?

Ms CARMEL TEBBUTT: I am happy to ask the department if they can provide you with more detail, but I think in a sense you are really asking questions that would better be directed to the Minister for Energy. We have a commitment to renewable energy. We embraced targets for wind generation, which have now, of course, been wrapped into the Federal Government's targets. We have announced some funding that will be available for renewable energy and we are currently going through a process of assessing those grants as we speak and we will be able to announce some quite significant funding support for renewable energy technologies. So we are committed to renewable energy technologies. I will just see if the Deputy Director General wants to comment further. But perhaps in terms of specifics about wind you might also want to ask the Minister for Energy.

Mr SMITH: I think it is all go for wind in New South Wales. Strong incentives have been there for many years. The Government is committed to ramping up dramatically the renewable energy target and the good news is the Commonwealth Government was elected with a similar commitment; so we work with them to make that all happen.

The Hon. MARIE FICARRA: In other words, is a wind generation rebate scheme a serious aspect that has been looked at—a serious offer?

Mr SMITH: It is not necessary. The strongest incentive for wind generation is the mandatory renewable energy scheme being implemented by the Commonwealth. That is what has driven the wind we have got now, and it is going to be much bigger and wind will be the dominant source of a new energy generating capacity to meet that target.

The Hon. MARIE FICARRA: Given that the government agencies themselves have stopped reporting on their own energy reduction targets how can we possibly believe that you are still on track or you still think that carbon neutrality is so important when your government energy management plan is being abandoned and government agencies are not reporting on achieving targets? How can the Government be taken seriously?

Ms CARMEL TEBBUTT: I will get the Director General to respond to that.

Ms CORBYN: The sustainability policy that the Minister talked about actually wrapped up the energy management program as well as then broadening it for fleet and water conservation, et cetera, et cetera. So it is not that programs have been abandoned it is actually that they have been brought together in an integrated program, which does also cover energy, and we do have an expectation that agencies will report. It is good that they report through their annual reports so that we actually streamline the process. But we do have an expectation that the sustainability policy will cover energy.

Mr SMITH: It is probably worth adding that the sustainability policy covers energy, water procurement and waste and the part that our department has been responsible for the longest is the waste and procurement part of it. We have recently had an audit conducted by the Audit Office of our performance and the State agencies' performance of that and the audit gave an unambiguous endorsement for the achievements that have been achieved in that particular program. So we are very confident that as we include that and apply the methodologies we have used in the waste and procurement aspects that we will have similar success to report.

The Hon. MARIE FICARRA: Could you comment on the fact that there have been no further approvals for wind turbines for quite some time—in particular, the one at Lake Bungendore, where they have been attempting to get this approved? What is the hold-up?

Ms CARMEL TEBBUTT: It is really a planning question. You will have to direct that to the Minister for Planning.

The Hon. MARIE FICARRA: A significant issue is that farmers have indicated their desire to build wind farms on their properties to provide often an additional source of income during periods of extended drought. Many of them have been unable to sustain farming practices and have been looking for additional income streams. Will the Minister consider providing an incentive to these farmers so that they can get an alternative income stream and we can generate more energy from these wind turbines?

Ms CARMEL TEBBUTT: As I outlined, we have a renewable energy scheme in which grants are made available for the whole range of renewable energy technologies. But you really are now, I think, straying

much more into what is the planning process or individual decisions of individual farmers. I will just ask the Deputy Director General if he has any more detail about whether we have provided grants for wind—

Mr SMITH: Wind is an established technology. The Renewable Energy Development Fund that the Government has in place is there to help commercialise the roll-out of emerging renewable technologies. But it is simply not necessary to give grants for people to build wind farms. There are a large number of wind farms that have already been approved and the owners of those proposals are waiting just to see the detail of the pace of rollout and the rules in the national renewable scheme and then they will build. And there are other proposals in the pipeline that will be approved, and matters about the approval of the particular projects are for the Planning portfolio to respond to.

Ms CARMEL TEBBUTT: You are directing questions to me that should really be directed to the Minister for Planning. Clearly, when governments provide subsidies or support, we need to be conscious that we are doing that in a way which is cost effective and which provides the most benefit. It is not the role of government to provide subsidies to a well-established industry. Therefore, this Government is focusing its support for renewables on new and emerging technologies. We know that we have a lot more to do with regard to renewable energy and in providing the opportunity for them to take their place, because they are obviously so much a part of using less energy. However, the matters you are raising with regard to wind should be directed to the Minister for Planning.

The Hon. ROBERT BROWN: Minister, you said you had recently been down to the Southern Riverina to look for yourself. Where did you go specifically?

Ms CARMEL TEBBUTT: I was escorted by officers from the National Parks and Wildlife Service and Forests NSW. They took us into a couple of compartments that they are harvesting at the moment. I was provided with a comprehensive briefing by Forests NSW and the National Parks and Wildlife Service. We also had a helicopter flight over the area as a whole.

The Hon. ROBERT BROWN: For comparison, did you look at any of the forests on the Victorian side of the border?

Ms CARMEL TEBBUTT: No, only from the air.

The Hon. ROBERT BROWN: When you say that you have been consulting with some of the environment groups on this issue, have you met with the Rivers and Red Gum Environment Alliance?

Ms CARMEL TEBBUTT: No, I have not. I would not say I have been specifically consulting with environmental groups on the river red gum issue. I spoke with many environmental groups and others in the course of meeting with stakeholders when I first took over this portfolio. All of them raised the river red gums as a concern. However, I have not started any consultation process on that specific issue. It came up among a range of issues that they raised.

The Hon. ROBERT BROWN: According to my quick calculations at the table, there are roughly 530,000 hectares of red gum forest in New South Wales and Victoria. I would like to be corrected about that if I am wrong. Of that, about 18 per cent is in national parks and conservation reserves. The Victorian Government, in all its stupidity, is likely to follow the recommendations of the Victorian Environment Assessment Commission and largely ignore the protests of thousands of people who feel they will be affected. It is likely to declare national parks on probably something in excess of another 100,000 hectares to 150,000 hectares. If that is added to the 18 per cent that is already declared or in reserves, that will bring the amount well over the recommended 25 per cent of biodiversity groups that the Federal Government seems to be relying upon. That may mean that in New South Wales, because our river red gum forests are so well managed compared to Victoria's, nothing may need to be done. What is your comment on that?

Ms CARMEL TEBBUTT: We will watch the Victorian process with interest. This issue was raised on my visit last week. The Victorian Government has not responded to the report. So we will await that response. Clearly, if the Victorian Government makes the decisions you are suggesting, that will provide some opportunities for cooperation between the two governments. I understand what the member is saying. The gist of the question is that if Victoria does all of this there is no need for the New South Wales Government to do anything. The other side of that equation is probably that, if the Victorian Government does make those sorts of decisions, it opens up real opportunities to do things across the border.

Obviously the Victorian Government is much further advanced. This is a significant issue and a great deal of concern has been expressed. I also fully appreciate the impacts on forestry operations and the concerns of local communities. I will be discussing all of these issues with the Minister for Forests. I simply make the point that it is the last area that has not been subjected to a comprehensive assessment. That is a gap in our environmental record.

The Hon. ROBERT BROWN: The Victorian Government has not made any announcements yet, but I understand that it has achieved a bit of a split in some of the opposition forces. It intends to leave the State game reserves intact and declare another large State game reserve, which will take care of the Victorian hunters. It will also make some access arrangements for fishermen and recreationalists. Of course, the grazing and timber harvesting people are out the door. Talking about consultation and consulting broadly, I hope that you ensure you consult widely, even with people who do not necessarily agree with what the department is thinking will be of benefit.

Ms CARMEL TEBBUTT: Absolutely. The point is taken.

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.

The Hon. ROBERT BROWN: That would be appreciated. I now move to the broader issue of visitations and, for want of a better word, commercialisation of national parks. A report on tourism is being prepared for the Government. I think it is called the O'Neill report. The so-called conservation groups seem to have some problems with the report and feel that perhaps the Government will hand over national parks to the dark forces of commercialism. That report makes a great deal of the number of visits to national parks estate during any one year. Do you have a breakdown of the number of visitors to each national park?

Ms CARMEL TEBBUTT: The O'Neill report was a three-part, wide-ranging report looking at tourism. It encouraged up the opening up of national parks and greater visitation. As you are aware, increasing visitation to national parks was already part of the Government's State Plan. Another task force is specifically looking at tourism and national parks. It is being chaired by Brian Gilligan. It has yet to report, but I expect that to happen in the very near future. That process has involved some discussion and debate about the role of tourism in national parks. 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, Nocoleche and Paroo-Darling.

Ms CARMEL TEBBUTT: We can provide those figures.

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.**

[Short adjournment]

CHAIR: Mr Smith, you mentioned before carbon neutrality and State Government operations through State forests carbon sequestration, if I understood you earlier. What carbon profiling and quantification has been undertaken of New South Wales State forests that would allow you to make a statement like that?

Mr SMITH: I was referring to what we do when we get to the end of every reduction in emissions that we can make and we need to offset residual emissions in order to achieve neutrality. I was suggesting that we would be most likely to use—although no decision has been taken—sequestration credits as the type of mechanism for offset. Seeing as how the State is the owner of considerable areas of State forest where new vegetation can be established and maintained over at least 100 years, that is where we would go to achieve that.

CHAIR: Have you done specific profiling and quantification?

Mr SMITH: We already have a very detailed set of methodology that calculates the amount of carbon that can reliably be sequestered in new vegetation in New South Wales. That is what we would use. That methodology and system is already established through the existing greenhouse gas abatement system. When the time comes for us to do it, by that time that will all be part of the national carbon pollution reduction scheme methodology that we would use.

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. Is this program able to provide funding for remediation of all contaminated sites? If not, what level of funding is required to achieve this?

Ms CORBYN: We have not done an estimate, because you do not know what contaminated sites you might find into the future.

CHAIR: Well, obviously, all identified to this point in history?

Ms CORBYN: Normally for contaminated sites, the way the legislation works there is a hierarchy, so we would not necessarily know which are the orphaned sites into the future, but we have a hierarchy that would be the polluter pays first for the remediation of the sites and then the owner and then we have orphaned sites.

CHAIR: I am looking at the orphaned sites specifically here. I appreciate the other situation.

Ms CORBYN: I am not aware of calls on the Environmental Trust Fund in addition to those we already have. It is a routine program that is funded through the Environmental Trust. I am not aware of the orphaned sites where people have come forward to us seeking additional funding at this point.

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.

CHAIR: How much funding does the New South Wales Environment Protection Authority receive for enforcement and compliance programs, specifically the Protection of the Environment Operations Act and contaminated land programs? Under those two regimes.

Ms CORBYN: Currently we have a division, a group, within the department that deals with our regulation. They do more than just the Protection of the Environment Operations Act, so we would not be able to divide it out by particular pieces of legislation. But environment protection and regulation expenditure is about \$94 million for that group, but that is not just for the Protection of the Environment Operations Act. That covers other regulatory activities that we do.

CHAIR: Just back to river red gums for a moment, there is something I forgot to ask, Minister. Would you acknowledge that the credibility of the New South Wales Government in wetland protection has been substantially undermined by Forests New South Wales logging an estimated 5,000 hectares of Ramsar wetlands each year without any assessment or approval under the Federal Environmental Protection and Biodiversity Conservation Act 1999?

Ms CARMEL TEBBUTT: No, I would not acknowledge that our record has been tarnished. As I mentioned with regards to the river red gum, there has not been a comprehensive assessment. There is now a process underway and I will await the outcome of that process but also have discussions with the relevant Minister about whether there are ways to ensure that that process addresses some of the concerns that have been raised with me on whether it is comprehensive enough.

CHAIR: Well, are you aware that 5,000 hectares of Ramsay wetlands is being undertaken in those areas each year and, on behalf of your department, how do you feel about logging in those Ramsay wetland areas?

Ms CARMEL TEBBUTT: I might ask the Deputy Director General of National Parks to comment on that. I would say that in this area, all sorts of figures are put forward. It is not possible for me to confirm whether or not they are accurate or correct.

CHAIR: If they were accurate or correct, would that not be a cause for concern for your department?

Ms CARMEL TEBBUTT: I will ask the Deputy Director General to comment further.

CHAIR: I believe it is correct. That is information I have. If that is the case, is that not a cause for concern, from your department's perspective?

Ms CARMEL TEBBUTT: If forestry operations are done in accordance with the appropriate regulations, then it is not up to me to be critical of that. The role of government is that if we believe that forestry operations are damaging the conservation values of an area and those conservation values are of such a high standard that they need to be protected, then it is incumbent on government to put a regime in place that does that. We cannot simply expect individual agencies to manage that without being part of a comprehensive framework. If you are saying that forestry is doing inappropriate things in terms of the regulations that govern the operation, then that is a different matter. I am not sure of the accusation you are making, but I will ask the Deputy Director General to comment.

Ms BARNES: I will comment on the way we manage Ramsar wetlands in national parks. They are a key focus for us and in fact the Government has some major programs to improve the health of wetlands across the State.

CHAIR: I appreciate that, but I am asking about Ramsar wetlands still under the purview of State Forests. I am not asking about wetlands in national parks but protection of wetlands external to national parks that I believe, to the best of my knowledge from good information, to be under threat?

Ms CARMEL TEBBUTT: The Director General will respond.

Ms CORBYN: One of the things I can comment on is that we have actually set up a Ramsar managers network, which does include Ramsar wetlands in the Barmah-Millewah forest. We are working very closely with all of the Ramsar manager owners, which does include NSW Forests in the case that you have identified, to get ecological characterisations of those forests so that we actually do understand the ecological values and that we get good management practices as well around those.

CHAIR: With the concurrence of the Government members, the Opposition members will ask questions.

The Hon. RICK COLLESS: Minister, can you tell the Committee how many cars you have available in your household and what activities you take to offset their emissions?

Ms CARMEL TEBBUTT: In my personal household?

The Hon. RICK COLLESS: Yes. You have your ministerial car, plus I assume your husband's ministerial car. What other vehicles do you have in your household?

Ms CARMEL TEBBUTT: My ministerial car is a Prius and my personal vehicle is a Honda Accord. I do not intend to comment on my husband's activities.

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.

The Hon. RICK COLLESS: Do you ever catch public transport to and from work?

Ms CARMEL TEBBUTT: I, in fact, caught the train yesterday.

The Hon. RICK COLLESS: Did you?

Ms CARMEL TEBBUTT: I did.

The Hon. RICK COLLESS: Can you give us an estimate of how many times a week you would use public transport?

Ms CARMEL TEBBUTT: I would use public transport probably three or four times a week. I make it a priority to get the train to work regularly each week, but obviously as a Minister many of my activities are not necessarily in the city but out and about and clearly the ministerial car is used in those circumstances.

The Hon. RICK COLLESS: What other activities do you undertake to neutralise the emissions that you create through your transport?

Ms CARMEL TEBBUTT: Could you repeat that?

The Hon. RICK COLLESS: What activities have you implemented in order to neutralise the emissions that you create through your work and personal travelling?

Ms CARMEL TEBBUTT: I have already indicated that the Government as a whole has taken a policy of carbon neutrality for the Cabinet, which I believe is by mid-2009, and for all government agencies to be

carbon neutral by 2020. With regards to my own personal activity, I try in my personal life and my work life to be conscious of my environmental footprint, hence having a Prius as my ministerial vehicle and having a range of initiatives in place in my house that allow me to reduce my carbon footprint. I am not quite sure what other information you seek.

The Hon. RICK COLLESS: So you have the triple-A rated showerheads and energy-saving light bulbs?

Ms CARMEL TEBBUTT: That is right, and water tanks.

The Hon. RICK COLLESS: Are your offices also fitted out with that sort of equipment?

Ms CARMEL TEBBUTT: I have arranged for an audit to be undertaken of my offices in Governor Macquarie Tower to see how we can improve their environmental efficiency.

The Hon. RICK COLLESS: What about all the other departmental offices throughout the State?

Ms CARMEL TEBBUTT: The Department of Environment and Climate Change [DECC] has long had an approach that has reduced its environmental footprint. The Director General can speak in more detail about some of the significant achievements of DECC in that regard.

Ms CORBYN: As I mentioned, we have green power, 25 per cent, in our two major offices; 100 per cent in the Lane Cove Tourist Park; and in our Queanbeyan office I think we are at a high ratio. We work very hard within the department to reduce our vehicle emissions. Of course, we have fire fighting vehicles, and we have to make sure we have all-terrain vehicles to be able to deal with remote areas. We have 34 Prius vehicles within the department, and we have a vehicle fleet management plan to make sure we reduce our carbon footprint.

Recently the department signed up to a program called Sustainability Advantage, which is taking us through all our activities across the State. We have a number of facilities, particularly in remote areas, that have solar energy, which is fantastic for us. Not only is it better environmentally but also it saves us money. We have the development of a Sustainability Advantage program across the whole of the department. We are also working hard on water savings. Recently the Botanic Gardens has reduced its water usage by half. We also extend that into waste, making sure we have the right kind of waste programs in place. Our record is that 97 per cent of the copy paper that is purchased has recycle content. We have a comprehensive program in place.

The Hon. RICK COLLESS: Minister, I turn to carbon sequestration. Earlier you mentioned the Federal Government's Carbon Reduction Pollution Scheme. Do you concur that carbon is a pollutant, given that carbon is a precursor to all life on this planet and the carbon cycle is also known as the cycle of life?

Ms CARMEL TEBBUTT: Yes, but carbon is also a pollutant. What we are talking about, obviously, is the impact of human activity and there been so much carbon in the atmosphere that we have the greenhouse effect.

The Hon. RICK COLLESS: What is the relationship between anthropogenic carbon dioxide production and geologic carbon dioxide production?

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

Ms BARNES: As you say, there is an extensive carbon cycle of the release of carbon from vegetation and other sources into the atmosphere, and then a cycle where it returns into the oceans and into vegetation. That is all normal. What makes carbon a pollutant in this context is that there is too much carbon being released too fast through human activity, and this upsets the balance and increases the temperature of the atmosphere.

The Hon. RICK COLLESS: But as you would know, Mr Smith, I am sure, there are plenty of scientific arguments that are counter to that point of view?

Ms BARNES: I would contest that statement.

The Hon. RICK COLLESS: Minister, are you aware of the carbon dioxide temperature forcing curve, which clearly shows that temperature increases diminish with increasing carbon dioxide levels in the atmosphere?

Ms CARMEL TEBBUTT: I accept that the premise you are coming from is that you are sceptical about the science with regard to climate change and the impact of greenhouse gases on increasing our climate temperatures. As I said at the beginning, I am not a scientist. I am very comfortable with relying on the advice of the experts, and I think there is absolutely no question that the science is in. I know there are people who look at temperatures over a period of time and say that that demonstrates that the planet is not warming. But, in fact, my understanding of the science is that if you look at this comprehensively and over a significant period of time, that just cannot be sustained.

I am not going to pretend that I am a scientist and I am going to trade science with you on this issue. I am very, very confident of the scientists who have done work, as I mentioned before, on a whole range of reports—the Intergovernmental Panel on Climate Change, the Stern review, Professor Garnaut, the Wentworth group of scientists, and many others—

The Hon. RICK COLLESS: Professor Garnaut is not a scientist, he is an economist.

Ms CARMEL TEBBUTT: Yes, that is right, but much of the work he relied on in order to put his comprehensive report together was done by scientists. I would simply say that I am absolutely confident that the science is in. The planet is warming at unacceptable levels. We have been doing a series of regional forums about climate change with communities. We have the University of New South Wales doing some work on looking at what the regional variations will be of increasing temperatures. And we accept that the variations will be different in different regions, and some variations may well be of benefit to a particular region. But the feeling we are getting from the regions across New South Wales—I attended one of the forums in Armidale; we are holding them all over the State—is that people are very aware that this will mean that they have to make significant changes now and in the future. We have to make significant lifestyle changes, significant industrial changes, and significant farming practice changes. As I said, I think a debate about whether climate change is real is simply not useful. We have long moved on from that.

The Hon. RICK COLLESS: I am not questioning that climate change is occurring—the one thing constant about climate change is the change. It is always changing; it has always changed over the millennium. The reason I am critical of some of the statements that are made is that both sides of the scientific argument are not always properly assessed. I have had the opportunity to look at both sides of the scientific argument and there are serious questions about the reality of what is happening. In particular, what is the rate of temperature increase over the last 10 years? Are you aware of that?

Ms CARMEL TEBBUTT: I am happy to ask the Deputy Director General to comment in detail. As I said, with these issues it is sometimes easy for people—and I am not suggesting you are doing this, Rick—to take statistics for particular periods that prove their point. Unless we are going to look at it in a more holistic way, I do not think that is going to be terribly useful in advancing how we respond to damage by climate change. I will ask the Deputy Director General to respond.

Ms BARNES: 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. It is all very well to say we will have forums. If you have an invited list of speakers who are to present only one side of the argument, it is not really presenting a balanced argument to the community.

Ms BARNES: The intergovernmental panel—which I think has 600 scientists on it and thousands of reviewing scientists—has done its level best to produce what it considers to be the balanced perspective.

Because it is such a comprehensive process, it is quite slow, so its data is already somewhat out of date and its predictions are somewhat conservative compared with what we are observing happening around the world in terms of sea level rise and temperature change already. We have a separate specific session available, as well as workshops for those who are particularly interested in the science issues, and it is available to members of Parliament and members of the public if you would like to participate.

The Hon. RICK COLLESS: I would like to look at the list.

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

The Hon. MARIE FICARRA: Does the department know where you currently sit in the achievement of your renewable energy targets, including who is monitoring them and whether you are going to achieve them?

Ms CARMEL Tebbutt: I will ask the Director General to respond but also noting, obviously, that we are wrapping up our renewable energy targets in the national scheme, which has not yet started.

Ms CORBYN: As I have mentioned, we have what is called a Sustainability Advantage Program that is actually taking us through all of the measurement and monitoring of that. We do monitor our energy use and other activities. I have a particular figure for the Department of Climate Change and the Environment energy use. We have reduced our overall energy consumption in 2006-07 by 9 per cent from the previous year.

The Hon. MARIE FICARRA: When you say "we"?

Ms CORBYN: We, as the Department of Climate Change and the Environment.

The Hon. MARIE FICARRA: That is being regularly monitored and reported on?

Ms CORBYN: Yes, and we are taking ourselves through a more rigorous process now. We have also had a number of amalgamations within the department—we have had different departments coming together over the last year. So we are setting a program called the Sustainability Advantage Program that will have us do that for the department as a whole, but sometimes it is a bit difficult to get the records from previous departments because there have been mergers.

The Hon. MARIE FICARRA: Just moving to feed-in tariffs. The Government has repeatedly affirmed its opposition to any form of feed-in tariff yet with other States such as Victoria, South Australia, Queensland, soon to be the Australian Capital Territory, plus at least 45 other overseas countries implementing a similar scheme, why does the Government not take this seriously in terms of reducing greenhouse gas emissions?

Ms CARMEL Tebbutt: I think you have characterised the Government's position on this inaccurately. In fact the Government's position has been that we support feed-in tariffs through a national approach if they can be applied and administered in a fair and responsible manner. We believe that the Council of Australian Governments [COAG] is a process that can best try and develop feed-in tariffs at a national level. It is a national electricity market and it makes sense to have feed-in tariffs on a national level. But having said that, my view is that the likelihood of achieving a national approach to feed-in tariffs is not very likely. If that is the case, and we need to confirm that is the case, we will go it alone in New South Wales and I will be talking to the Minister for Energy about that. We would prefer a national approach and I am not going to pretend otherwise; it makes sense. Feed-in tariffs are going to work more effectively if you have some uniformity across the States and Territories national electricity market but we will not wait forever for a national approach.

I want to make the point that homeowners with existing solar photovoltaic systems can already arrange a net metering tariff, where they can export excess electricity from the house back to their electricity supplier. The rate varies between retailers. My understanding is that the rate paid is often the same as the homeowner's electricity purchase price. We accept that is not feed-in tariffs but—

CHAIR: Minister, on that one I am personally affected. You get the basic rate, or the dirty coal-fired power rate, in New South Wales so if you are feeding back in solar power from your own dwellings surely it is reasonable that wherever people are prepared to put panels on their roofs and feed back into the grid they should be getting a Green rate for it and they are not.

Ms CARMEL TEBBUTT: I accept that what is on offer at the moment is not a feed-in tariff and is not going far enough. I am not trying to defend that this is acceptable or satisfactory. I am simply making the point that we have to date wanted a national approach to this issue and we have pursued that through COAG. We are not going to wait forever and I will be having discussions with the Minister for Energy about what the next steps are because we are not getting the sort of response nationally that would give us confidence that they are going to move quickly on this issue.

The Hon. MARIE FICARRA: If you support this national approach on feed-in tariffs, why did you not raise it at the COAG meeting last week?

Ms CARMEL TEBBUTT: I was not at the COAG meeting last week.

The Hon. MARIE FICARRA: Why have you not raised it personally since you have been the Minister for Climate Change and the Environment if you see it as such an important issue?

Ms CARMEL TEBBUTT: I will ask the Deputy Director General to respond. He represents New South Wales on the COAG working group.

Mr SMITH: COAG has set up a number of working groups, one of which is climate change and water. Senator Penny Wong chairs that particular working group and I am the participant representative from New South Wales on that. Feed-in tariffs have been on that group's agenda as one of the most important items since its establishment, and a set of recommendations are expected to go to the next COAG meeting for endorsement. The last COAG meeting was full of other issues and it was not possible for that matter to be considered.

The Hon. MARIE FICARRA: This very vital incentive to households, individuals and businesses, which has been adopted in nearly every other State apart from New South Wales, is not that important that you should make a big issue of it?

Ms CARMEL TEBBUTT: That is quite clearly not what the Deputy Director General said. He made it very clear that there is a working group that is looking at this issue. I am sure the honourable member is aware that we do not determine the COAG agenda and that there are many issues that are part of that agenda. You would be aware at the last COAG meeting there was a discussion about energy efficiency and the desire for there to be a national approach to energy efficiency. As I have said, we would prefer a national approach but if that is not forthcoming then we are prepared to look at other ways to achieve feed-in tariffs.

Mr SMITH: I just might mention that there has been quite a bit of complaint from people in other States about a different approach everywhere they go. The companies that want to install the units and offer it as a package to householders who might want to put panels on the roof, are saying it is different here and different there, it is all a bewildering arrangement that needs to be tidied up. It is quite sensible for the New South Wales Government to say we do not want to add to the complexity at this point; what we want to do is cleanup and have a consistent approach. That is what we are doing.

The Hon. MARIE FICARRA: It sounds like lagging behind the rest of the country to me. I do not think it is very proactive.

Ms CARMEL TEBBUTT: You have got such a good record on environmental initiatives, have you not?

CHAIR: Order. We are running out of time.

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.

The Hon. ROBERT BROWN: Minister, this question relates to the management of conservation lands. In Budget Paper No. 3, page 6-6, you state that you have expanded the reserve area by 600,00 hectares since 2005-06 and during the preceding period of 2004-05 a bit more than a third of that, or 225,00 hectares of the area, of private land was also put under formal conservation agreements. Obviously the State Government has, as part of its State Plan, the support of conversation by landholders on private land.

You may be aware that not last Sunday but the Sunday before there was a program aired on the land, which talked about private conservation initiatives in Victoria. It talked about the purchase by the Field and Game Association and others of the Heart Morass and other areas protected for conservation. All this is in regard to a statement that was made—I assume it was a statement or a press release of some sort—by your Federal colleague, the junior Minister Garrett, pretty much putting a shot across the bow of the New South Wales Government about the management of Toorale. He said over his dead body was it going to be managed as anything other than a conservation area, in other words a National Parks and Wildlife estate. That is 92,000 hectares. You have previously told me that the New South Wales Government put up \$4 million. Minister Garrett's budget, which was the conservation part of it, put up \$4 million—roughly about the same as you or a little bit less?

Ms CARMEL TEBBUTT: I have not got that figure in front of me.

The Hon. ROBERT BROWN: And from Miss Wong's area, the rest of the money was pretty much the purchase of water. I am also aware that you have had discussions with the immediate past Mayor of Bourke in relation to the future management of Toorale?

Ms CARMEL TEBBUTT: Yes.

The Hon. ROBERT BROWN: Have you had any pressure collectively put on you by Minister Garrett to try and stop you from considering our management paradigms for Toorale?

Ms CARMEL TEBBUTT: I need to make clear that when we purchased the land it was a partnership with the Commonwealth Government and there were elements to that partnership. The Commonwealth Government's contribution to the cost of Toorale was contingent upon New South Wales retaining the property as a whole and as a protected area and agreeing to manage the land in perpetuity as a component of the national reserve system and the permanent cessation of the property's use for irrigation purposes following the harvesting of the current crops. So there are requirements that we need to meet that govern the Commonwealth contribution to the purchase of the property. I have met with the previous mayor of Bourke and we have had discussions. I am very conscious of the concerns of the Bourke community about the impact that the purchase of Toorale and its moving into the national reserve system will have on their local community and local economy. I think what we are seeing, nonetheless, right across Australia is a real shift in some of our regional parts of the country with regard to how land and water is used. That is going to continue to happen in the future.

Obviously the purchase of Toorale provides the opportunity to put water into the stressed rivers, the Warrego and Darling rivers. It also provides the opportunity to have in the national reserve system, in our national parks or reserves, underrepresented Western Division land, those lands we know are underrepresented in the reserve system. The commitment that I gave to the mayor of Bourke was that we would continue talking about how we can try to address the concerns that he has about the impact of the change in ownership on the local community. I would make a couple of points. First of all, the Department of Environment and Climate Change always gives a commitment to buy locally when they can. So that has a positive effect on the local community.

The Hon. ROBERT BROWN: Yes, I understand all of that.

Ms CARMEL TEBBUTT: We are talking with the current employees of Toorale about employment opportunities. Obviously there will be some park management employment opportunities. A committee has been established to manage the transition process. We are very conscious of the concerns of the local Bourke community. We are working with the Bourke community, but we are also working with the Commonwealth as we transition the property to its new uses. I undertook that I would look at the proposals put forward by the mayor of Bourke. He has given me some material and I think some further material will be forthcoming.

The Hon. ROBERT BROWN: My question really is at that point in time, as you say, that you said to the mayor of Bourke that you were prepared to consider his proposals—

Ms CARMEL TEBBUTT: I said I would look at the proposals he put forward, yes. I made it clear to him that there were requirements that needed to be met as a result of the agreement with the Commonwealth but I would look at any concerns that he had and see how we are able to address those concerns.

The Hon. ROBERT BROWN: For example—and I am not trying to ambush you—would you agree that those conditions that you agreed to with the Commonwealth could be met by having that land vested other than as a traditional national park? For example, what about the properties that are managed by the Department of Soil Conservation for conservation purposes, where alternative sustainable uses are possible, provided they do not conflict with conservation outcomes? When it becomes a national park, generally speaking, you cannot have any of those potential uses.

Ms CARMEL TEBBUTT: It has to be managed as a component of the national reserve system.

The Hon. ROBERT BROWN: Does the national reserve system mean national parks in New South Wales?

Ms CARMEL TEBBUTT: It means one of those categories that are under the National Parks and Wildlife Act. That is my understanding. I will get Sally to comment a little bit more.

Ms BARNES: The agreement with the Commonwealth was to have the land managed under the national reserve system. That means it has to be managed for conservation in perpetuity. The other lands you are talking about do not fit with that particular notion.

The Hon. ROBERT BROWN: Whose interpretation is it that "national reserve system" means at a State level national parks and wildlife conservation areas? Is it your interpretation or the Federal Government's interpretation?

Ms BARNES: The Federal Government has made the national reserve system a priority over the next three years. They are not saying all the national reserve system is necessarily in public land. There are opportunities for other groups to manage land under the national reserve system, groups like the Australian Wildlife Conservancy group. To meet those requirements they must be managed in perpetuity for conservation. The lands you are talking about are not protected in perpetuity for conservation, I do not think.

The Hon. ROBERT BROWN: I recall the Chair's previous question to you about practices within the forestry portfolio in a Ramsar wetland. Minister, I take it you are aware that the Ramsar convention not only allows for but encourages management under the sustainable utilisation paradigm, as does the IUCN. I am critical of this State Government and the Federal Government and State governments all over the country, with very few exceptions, who seem to be still locked into the lock it up and leave it paradigm. At international forums we mouth off that we are supportive of the IUCN and the resolutions of various conventions, yet we do not seem to practice what we preach. Within your own budget papers you have already demonstrated that you are pushing the concept of private management of conservation values. It seems to me that if you go down the path of turning Toorale Station into a 92,000 hectares national park you will not necessarily achieve the objectives. There may very well be better ways to have it protected in perpetuity to protect the biodiversity of that property.

For example, if you locked it up and did nothing else, what rangeland of fauna is there now? It is primarily grasses. The only way to go would be into invasive native scrub. I am not an ecologist but that is my best guess. You cannot manage invasive native scrub to prevent large-scale erosion without some sort of intervention. The only intervention that was available before we got here was by indigenous persons burning and after we got here by either thinning or taking some of the vegetation out or by grazing. Those types of rangelands are open woodlands and they require certain intervention to manage them. If you lock up 92,000 hectares, how do we manage it to protect the biodiversity? It will be a very expensive operation.

Ms CARMEL TEBBUTT: The first thing I would say is that with regards to our desire and capacity and our actual record of working with private lands for conservation, I think that is there to be seen.

The Hon. ROBERT BROWN: I agree.

Ms CARMEL TEBBUTT: The reserve system only covers about 8.3 per cent of the State. If we are serious about conservation we have to work with private landholders. We understand that. There are challenges and we have some issues that we need to work through. We are committed to doing that and I think we have put in place some really good initiatives that allow us to do that more effectively. With regards to Toorale, it did present a unique opportunity because of the water and because of the opportunity to put under-represented land back into the reserve system, the Western Division land. As you know, most of our national parks are up and down the coast. One of the difficulties with the grazing issue is that the Commonwealth obviously requires all of the water to be returned to the river. That is why they put a significant chunk of money in, which came from their water program, their water grants. That makes grazing very difficult. The ponded water, the Commonwealth is expecting that to return too. So it does not provide a lot of opportunities for grazing, irrespective of the issue about having it in the reserve system. Having said that, we are still in the process of transitioning to the changed ownership. I will keep working with the Bourke council—

The Hon. ROBERT BROWN: That is really what I want to hear.

Ms CARMEL TEBBUTT: —about how we can try to address the concerns that they have got.

CHAIR: Will there be any budget allocation for the continuation of the hot spot satellite monitoring system program run by the department, as indicated by the then environment Minister in June this year?

Ms CARMEL TEBBUTT: We have given a budget allocation for that. Are you asking is that going to continue?

CHAIR: Yes.

Ms CARMEL TEBBUTT: I do not want to pre-empt future budget processes. Yes, we made an election commitment and we are committed to implementing that. I will ask the Director General to comment.

Ms CORBYN: I think that is for the native vegetation monitoring and the satellite spot 5. There is a difference between that and the hot spot program that was undertaken previously. We have a strong commitment and are progressing very strongly with the commitment to spend the funds for the satellite monitoring program. That is progressing and it will give us a large-scale annual purchase of high-resolution imagery that will allow us to look much more in a broader way across the whole of the State. That feeds not only the biodiversity work and native vegetation work that we might be doing but also the compliance programs that we have underway. And we have a new native vegetation compliance strategy as well that this is linked to.

Ms CARMEL TEBBUTT: So I think what we pledged to in February 2007 was the \$24 million over four years to support the move to the high-resolution satellite imagery to monitor changes in native vegetation cover.

CHAIR: Would you know how much illegal land clearing is perpetrated in New South Wales since the usage of satellite monitoring?

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

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. 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.

CHAIR: I appreciate that. I am just interested if that is something that is one-off, is it local council, is it State government, is it private land?

Ms CARMEL TEBBUTT: We do not know that it is a State government agency.

CHAIR: I appreciate that, but I would be very interested to hear if that is typical of some sort of road maintenance in that part of the State that has been occurring that sometimes crosses over different areas of responsibility that the State Government, understandably, may not be aware of.

Mr SMITH: Potentially it sounds like a serious incident; it does not sound like a normal incident to me. So you should pass across the information so that it can be investigated.

CHAIR: I certainly will. Thank you very much.

Ms CORBYN: When people refer incidents to us we investigate those and then work out an appropriate strategy to try to deal with the information that we have got. So it is quite difficult to understand what is happening until we have actually been able to look to see what the circumstances are.

CHAIR: Minister, could you assure me that the development of a new Private Native Forest Act will not result in even weaker environmental outcomes than the current regime?

Ms CARMEL TEBBUTT: Yes. I can assure it will not.

CHAIR: Can you guarantee that any new private native forestry will be administered by the conservation agency, the Department of Environment and Climate Change?

Ms CORBYN: We are in the process right now of developing that with the Department of Primary Industries and working with an advisory committee called the Natural Resources Advisory Council. What the new piece of private native forestry legislation might look like and what the provisions are have not come forward to Government yet, so that has not actually been considered.

CHAIR: Minister, are you aware that the private native forestry code of practice produced by your department last year allows unfettered logging of habitat for the nationally listed Superb Parrot and does not contain any condition to even prevent its nest trees from being logged?

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

Mr SMITH: The code introduces regulation into logging of native forests on private land pretty much for the first time. In the past only a small proportion of private land where forestry took place was regulated at all. So the code brings in a set of requirements to begin the process of moving that industry into a sustainable level. It contains prescriptions that prevent activities that will impact on key features like rainforest, old-growth forest, rocky outcrops, wetland areas, and also prescriptions to prevent impacts on known habitat of threatened species.

CHAIR: Is that reflecting the private native forestry code of practice?

Mr SMITH: That is the private native forestry code of practice.

CHAIR: Could you comment on it specifically in terms of the nationally listed Superb Parrot?

Mr SMITH: The Superb Parrot is a very wide-ranging species that visits enormous areas of New South Wales as it moves across the continent. The way the code works is that it says that if we have a record and know that a threatened species occupies a particular place, there is a prescription that kicks in that ensures that damage will not occur to that. But if we do not have the specific data that points to a particular place in the landscape where we said yes, we know a particular threatened species is dependent upon that part of the landscape, we rely in the code on its general protections that specify the avoidance of all known habitat features that are important and it controls the total amount of timber that can be taken that ensures that it remains a sustainable forest.

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.

CHAIR: Minister, would you consider finally putting an end to the outdated and enormously damaging practice of old-growth forest logging in New South Wales by urgently amending both private and public forestry regulations to protect them?

Ms CARMEL TEBBUTT: I think we have already discussed some of our activities. We have got the regional forest agreements; we have this process now for forests on private lands; and we are working with forestry with regard to legislation. These things have to be done in a way that gives due process to everyone and I think that is the way we have tried to pursue forest issues. The regional forest agreements are subject to review and there is a review process that will occur between the State and the Commonwealth.

CHAIR: Would you similarly put an end to rainforest logging, harking back to the era of Premier Wran and his promises, by improving private forestry regulations to protect them?

Ms CARMEL TEBBUTT: We have covered that with what the Deputy Director General already spoke about.

The Hon. RICK COLLESS: Can you please provide the number of positions at the senior executive service level in the department and how many of these are currently unfilled?

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

Ms CORBYN: We have an allocation of 28 senior executive service positions in the department, which has about 3,500 personnel, and 26 positions are filled.

The Hon. RICK COLLESS: What redundancy is the department considering to comply with the Premier's determination to reduce the senior executive service by 10 per cent?

Ms CARMEL TEBBUTT: I think the Premier's commitment was 20 per cent. The Premier has asked the Director General of the Department of Premier and Cabinet to write to all government agencies about his commitment. My understanding is that there will be an overall reduction of about 171 positions. He has asked the Director General in setting the savings targets to taken into consideration the relative numbers of senior executives in each agency. Obviously the Department of Environment and Climate Change will comply with the Government's requirements. However, at this stage Director General of the Department of Premier and Cabinet is working out the scan of the senior executive service positions and how best to meet that 20 per cent overall commitment.

The Hon. RICK COLLESS: Is that 20 per cent in total numbers or in monetary value?

Ms CARMEL TEBBUTT: I understand that it is numbers. There will be a reduction of 171 positions.

The Hon. RICK COLLESS: So your department will have to lose five and a half or six positions.

Ms CARMEL TEBBUTT: No.

The Hon. RICK COLLESS: You have 28 SES positions and you will have to lose 20 per cent.

Ms CARMEL TEBBUTT: However, as I said, the commitment is across the government sector. Therefore, we are not in a position to be categorical about the impact on the Department of Environment and Climate Change. However, we will comply with the Government's commitment.

The Hon. ROBERT BROWN: Minister, your predecessor was openly critical in Parliament of Professor Rob Kearney of the Australian National University and his views on the lack of rigour in the science applied to the determination of marine protected areas. I understand that an advisory panel has been set up to discuss these issues. I also understand that Professor Kearney has been told that he can address that panel. Would it not be better to have someone with expertise who has a slightly different view from that of the government scientists on that panel rather than as a witness? Would you put him on that panel if you could?

Ms CARMEL TEBBUTT: I do not know Professor Kearney, so I cannot comment on whether he would be a satisfactory person to be appointed to the panel. The idea of his addressing the panel will obviously be pursued.

Ms CORBYN: We do have an advisory committee and its membership includes independent scientists and other industry people. It was the previous Minister's commitment to establish a subcommittee of the advisory committee, which has already been established, and to ask Professor Kearney to address it.

The Hon. ROBERT BROWN: I suppose that is better than nothing.

CHAIR: Considering a multitude of models for container deposit schemes demonstrate that collection centres and scheme administration will not require any government funding, will you, as Deputy Premier, commit New South Wales to taking a leadership position in driving a national system of container deposits if it is proven that the National Packaging Covenant is failing? Are you not now in a strong position to implement a

scheme in New South Wales similar to the very successful scheme established in South Australia? I have been asking this question for years.

Ms CARMEL TEBBUTT: I am almost embarrassed to answer it because you have been asking it for years. I think you know that the Government has been working with the other States and Territories with regard to packaging. The review of the covenant is to be delivered by the end of this year. However, I understand that the Environment Ministers agreed in April 2008 to look at other packaging management options, including a national scheme involving deposits for bottles and cans. That is not the progress that the member would like, but it is a little more than the last time he asked this question.

CHAIR: A little bit. Surely the example in South Australia means you could personally move ahead?

Ms CARMEL TEBBUTT: The first meeting of 2009 will be considering that report.

CHAIR: Will the potential value of the whole travelling stock route network as corridors, stepping stones and refuges for species attempting to adapt to and survive climate change be maximised and, if so, how and with what resources?

Ms CARMEL TEBBUTT: This is a difficult issue.

CHAIR: Not really.

Ms CARMEL TEBBUTT: Travelling stock routes have both environmental and cultural values. Representatives of the Wilderness Society pointed out the routes' value as a network precisely because of the way in which they link pieces of land. I will be having discussions with Minister Macdonald and Minister Kelly about this issue because it clearly cuts across all our responsibilities.

The Hon. ROBERT BROWN: I am sure Peter Garrett will tell you what to do with them.

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 that question on notice.

Ms CORBYN: As you know, we are in a court process because our notice to suspend the licence was appealed. We are working with both the community and the company involved to ensure that we get very strong measures in place to reduce any odours. It is an industrial estate and other facilities also emit odours. We are working with them to try to reduce those odours.

CHAIR: Minister, I thank you and your staff for appearing and for your cooperation here today. I declare this hearing closed.

Ms CARMEL TEBBUTT: Thank you, Chair, and thank members of the Committee.

(The witnesses withdrew)

The Committee proceeded to deliberate.