

GENERAL PURPOSE STANDING COMMITTEE NO. 5

Friday 4 September 2015

Examination of proposed expenditure for the portfolio areas

PRIMARY INDUSTRIES, LANDS AND WATER

The Committee met at 9.00 a.m.

MEMBERS

The Hon. R. L. Brown (Chair)

Mr. J. Buckingham
The Hon. R. H. Colless
Dr M. Faruqi
Mr. B. C. Franklin
Mr S. MacDonald

The Hon. M. Pearson
The Hon. P. G. Sharpe
Mr D. Shoebridge
The Hon. M. S. Veitch (Deputy Chair)

PRESENT

The Hon. Niall Blair, *Minister for Primary Industries, and Minister for Lands and Water*

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: Welcome to the public hearing for the inquiry into budget estimates 2015-16. Before I commence I acknowledge the Gadigal people, who are the traditional custodians of the land. I also pay respect to elders past and present of the Eora nation and extend that respect to other Aboriginal people present here today. I welcome Minister Blair and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio areas of Primary Industries, Land and Water. Today's hearing is open to the public and is being broadcast live via the Parliament's website.

In accordance with the broadcasting guidelines, whilst members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at this hearing. I urge witnesses to be careful about any comments they may make to the media or to others after they have completed their evidence as such comments would not be protected by parliamentary privilege. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that witnesses could only answer if they had more time or with certain documents to hand. In those circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Chamber and support staff or the Committee secretariat. Minister, I remind you and officers accompanying you that you are free to pass notes and refer directly to your advisers seated behind you. A transcript of this hearing will be available on the website from tomorrow morning.

I remind everybody present—those in the gallery, members and witness—to turn off their mobile phones for the duration of the hearing. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath of office as a member of Parliament. As there are a large number of witnesses we have not been able to accommodate all witnesses at the main table. We will swear all witnesses at the beginning of the hearing, including those seated at the table behind the main table. For those witnesses I ask that if they are called to the table they move forward with their nameplates. All questions will be through the Minister.

SIMON SMITH, Secretary, NSW Department of Industry, on former oath:

GEOFF ALLAN, Deputy Director General, Fisheries NSW, affirmed and examined:

ERIC DE ROOY, Acting Chief Executive Officer, Sydney Water,

SCOTT HANSEN, Director General, Department of Primary Industries,

GAVIN HANLON, Deputy Director General, Department of Primary Industries,

ALISON STONE, Deputy Director General, Land and Natural Resources,

DAVID HARRIS, Chief Executive Officer, Water NSW,

ALEXANDRA ANTHONY, Acting Chair of the Board of Chairs, Local Land Services,

NICK ROBERTS, Chief Executive Officer, Forestry Corporation of NSW, and

JEREMY BATH, Interim Chief Executive Officer, Hunter Water, sworn and examined:

CHAIR: Before we begin, I acknowledge that Mr Smith, Secretary of the NSW Department of Industry, will need to leave the room at 11.00 a.m. as he will be attending another budget estimates hearing. If members have any questions for Mr Smith, through the Minister, they should try to ask those questions before 11 o'clock. I declare the proposed expenditure of the portfolio areas of Primary Industries, Land and Water open for examination. As there is no provision for the Minister to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. MICK VEITCH: Minister, how much did Sydney Water spend in 2014-15 as a result of repairs or compensation payments needed for damaged property as a result of pipe and main breaks?

The Hon. NIALL BLAIR: I think it is important to note that Sydney Water has over 4.5 million customers and a pipe network that is over 21,000 kilometres, so we are talking about a very large network. If you were to lay those pipes end to end you would go from here to Los Angeles and halfway back, so it is a big network and it has a large customer base. Its performance relating to repairs and leaks has been improving. Sydney Water prides itself on its performance. For those specific details and numbers, I will hand over to Mr De Rooy who will give you those facts and figures.

Mr De ROOY: Can I clarify the facts and figures you are after?

The Hon. MICK VEITCH: How much did Sydney Water spend in 2014 as a result of repairs or compensation payments required for damaged property as a result of pipe and main breaks?

Mr De ROOY: I will have to take that question on notice. I do not have those figures with me at the moment.

The Hon. MICK VEITCH: What was the volume of water lost due to pipe breaks and leaks in 2014-15?

Mr De ROOY: The loss was estimated at 97 million litres per day, roughly about 8 per cent of our total system, which puts us in about the top 10 per cent of companies in the world in leakage management.

The Hon. MICK VEITCH: Is 97 million litres per day an increase or a decrease on figures for the previous year?

Mr De ROOY: That is a decrease on the previous year.

The Hon. NIALL BLAIR: I add that the leakage rate has dropped from about 120 megalitres per day in 2012 to the figure that Mr De Rooy has just quoted. So that is definitely a drop.

The Hon. MICK VEITCH: Minister, last week in the upper House, in relation to the York Street leak, Minister Gay said:

an ageing water main burst under York Street near Barrack Street. The rupture caused serious flooding of sections of York and Barrack streets, with heavy flows down to George Street and Martin Place. ... It could have been a disaster—a real "carmageddon". York Street was effectively closed for business.

Was it due to an ageing water main?

The Hon. NIALL BLAIR: I would have to ask Mr De Rooy to answer that specific question. Again, what we are talking about here is a very large network of pipes—

The Hon. MICK VEITCH: I appreciate that, but this is about Minister Gay's comments.

The Hon. NIALL BLAIR: I understand and, as I said, in relation to that particular pipe I will defer to Mr De Rooy. The other thing is that Sydney Water is also increasing the number of front-line staff that are available to address those leaks and breaks. That is something that they recognise and have put extra resources into. But on that specific pipe I will hand over to Mr De Rooy.

The Hon. MICK VEITCH: Mr De Rooy, was the York Street main incident due to ageing infrastructure, as Minister Gay said?

Mr De ROOY: All our pipe networks around the world are vulnerable to breaks and leaks. Many factors cause that; for example, the type of pipe material, how it was installed, the traffic conditions, the weather, the ground moisture content, et cetera. The York Street main was the first fault we had on this section of main that was laid in 1924. So that main is now in our program for renewal. It will take generally 12 to 18 months to renew.

The Hon. MICK VEITCH: Is this something we can expect across the rest of the CBD water main network now? Is the age of that main reflective of the age of the other water mains?

Mr De ROOY: Age is not the main determinant of water main breaks. It depends on a range of factors, as I mentioned.

The Hon. MICK VEITCH: So it was not due to an ageing water main then?

Mr De ROOY: No.

The Hon. MICK VEITCH: So Minister Gay was incorrect.

Mr De ROOY: It is a range of factors dependant on the type of material that was laid, the soil it was laid in, the traffic that goes over it and the pressure inside the main.

The Hon. MICK VEITCH: So it was not due to an ageing water main, therefore Minister Gay was incorrect.

Mr De ROOY: The water mains fail for a variety of reasons. This is a 1924 main and we are in the process of putting it on the water main renewal program at the moment.

The Hon. NIALL BLAIR: Can I add that Sydney Water is very proactive in this area and it has a number of programs in place to reduce breaks and leaks, and that includes the renewal program. As Mr De Rooy has said, this main you are speaking of is now on that program—active leak detection, the pressure management program, and improved response times to leaks and breaks. As I have said, there has been an increase in resources but also improved flow metering throughout the network where we can proactively identify where some of these issues may be.

The Hon. MICK VEITCH: That is really good, Minister. In that scenario, why did the York Street main not get picked up in that program you have spoken about? Why did we have to wait for it to break—

The Hon. NIALL BLAIR: As Mr De Rooy has just said there are a number of factors that go into this. The reassurance is that now that the incident has occurred that main is now programmed for replacement.

The Hon. MICK VEITCH: Is the rest of the central business district [CBD] in the same situation? Are they not yet on that program and are they of the same age? Can we expect this to be a regular thing for people in the CBD?

Mr De ROOY: We manage our water mains in two categories: one is critical mains and one is reticulation mains. The critical mains in the CBD are on a monitoring program. We have spent \$16 million in world-leading research on how to monitor a pipe that is underground in respect of its condition.

The Hon. MICK VEITCH: While you have been the Minister, there has been a mains break, on average, once a week. Are you happy with that? You can thank the Sydney Water Twitter feed for that data. It is a really good feed.

The Hon. NIALL BLAIR: As I said earlier, the network that Sydney Water is responsible for is very large. It has 21,000 kilometres worth of pipes, and since 2002 Sydney Water has reduced the level of breaks and leaks by more than 50 per cent.

The Hon. MICK VEITCH: Are you happy—

The Hon. BEN FRANKLIN: Point of order: The Minister was in the middle of giving his response and the member is interjecting. I think the Minister deserves the right to answer the question in any way he sees fit.

The Hon. MICK VEITCH: He does not need protection.

The Hon. PENNY SHARPE: To the point of order: The Minister is restating an answer that he started with. The Opposition is simply trying to get him to answer the question.

The Hon. BEN FRANKLIN: Further to the point of order: That was not the case at all. I heard "since 2002", which we have not heard about before. It is new information—

CHAIR: Order! Thank you, I have the gist of the point of order. I will not uphold the point of order but I ask members not to interrupt a Minister in the middle of an answer, irrespective of whether they think the Minister is repeating himself. I cannot direct the Minister how to answer a question. Minister, you have the call.

The Hon. NIALL BLAIR: Thank you, Chair.

The Hon. MICK VEITCH: Well, done, Ben. He has time to catch up.

The Hon. NIALL BLAIR: In order for me to illustrate the confidence that I have in Sydney Water, it is important to note that in 2002-03, the level of leakage reduced from 11 per cent to 8 per cent, and that is one of the lowest rates in the world. Under the world-rating system of leak management, Sydney Water has the highest grade of A1. Internationally the preferred indicator for leakage performance is called the Infrastructure Leakage Index. Sydney Water's rating on this index is 1.5, just off the highest possible rating of one.

The Hon. MICK VEITCH: So you are happy to have a mains break every week?

The Hon. NIALL BLAIR: I am happy that Sydney Water is rated among other utilities in the world and has either the highest or very close to the highest rates in that index. Of course we spent \$107 million in 2014-15 on the network, which will continue to underpin that strong performance.

The Hon. MICK VEITCH: Minister, what was the dividend paid by Sydney Water to the Government in 2013-14?

The Hon. NIALL BLAIR: In 2013-14, not 2014-15?

The Hon. MICK VEITCH: No, 2013-14.

The Hon. NIALL BLAIR: I might ask Mr De Rooy if he has that figure. I have 2014-15.

The Hon. MICK VEITCH: If you refer to the dividends and tax equivalent payments tabled from the 2015-16 budget—which for the benefit of Mr Scot MacDonald is on page 6-6 of Budget Paper No. 1—you will find it shows that the revised dividend taken from Sydney Water in the last year financial year was \$720 million, which is an increase of \$3 83 million from the year before. For this year, the dividend is budgeted to be \$652 million, which is \$223 million more than the original forecast. Are those figures correct, Minister?

The Hon. NIALL BLAIR: I would have to check.

The Hon. MICK VEITCH: Once a week we have mains breaking and York Street has flooded. You are the "Minister for Money". You are putting money into the State coffers. Sydney Water is propping up the State budget.

The Hon. BEN FRANKLIN: Point of order—

The Hon. MICK VEITCH: Is that correct?

The Hon. BEN FRANKLIN: This is a forum in which members ask questions of the Minister and his representatives. It is not a forum in which to make political speeches.

The Hon. MICK VEITCH: I ended with "Is that correct?" That would be a question.

The Hon. BEN FRANKLIN: That is a question now, is it?

Mr JEREMY BUCKINGHAM: To the point of order: It clearly was a question to the Minister.

The Hon. BEN FRANKLIN: Making a political speech and ending with "Is that correct" is hardly a question.

The Hon. PENNY SHARPE: It is not making a political speech; it is simply—

CHAIR: Order! If members have a point of order they should make it through the Chair.

The Hon. PENNY SHARPE: To the point of order: There is no point of order. The member is perfectly entitled to give context, to seek information and to provide information to the Minister, given that he does not seem to understand the amount of dividends that are going from his department into general consolidated revenue. It is perfectly reasonable for the Hon. Mick Veitch to ask—

CHAIR: Order! There is no point of order. Ministers are used to robust debate. I am sure the Minister is capable of answering questions. I ask all members to keep the tone of this Committee at the appropriate level.

The Hon. NIALL BLAIR: The question about the dividend is something that is the responsibility of the shareholder Minister, which should be directed to the Treasurer. However, I can say that Sydney Water, in its submission to the Independent Pricing and Regulatory Tribunal [IPART], put a submission forward to reduce water bills for the people throughout the network. I have already illustrated the performance of Sydney Water in reducing its leaks and breaks and its comparison on the world stage shows that we have not only a strong entity that is able to continue in its performance but also a submission was put forward to IPART for a reduction in water bills.

The Hon. MICK VEITCH: That is a really good point. I want to explore that.

The Hon. NIALL BLAIR: The question of dividends has occurred under all other governments, including the Labor Government. A dividend by these corporations, where possible, is paid back to government. That goes, as you clearly indicated, into consolidated revenue. That revenue is used for schools, hospitals and all those other services.

The Hon. MICK VEITCH: Yes, but not infrastructure renewal for Sydney Water?

The Hon. NIALL BLAIR: Again, Sydney Water is performing strongly. More than \$100 million is being spent on the network for upgrades, a reduction in leaks and a reduction in breaks. By world comparison it

is a very strong organisation. The fact that Sydney Water is able to pay a dividend that can go to other services at the same time as—

The Hon. MICK VEITCH: As not doing the infrastructure work.

The Hon. NIALL BLAIR: —putting in a submission to IPART for a reduction in water bills is a good outcome.

The Hon. MICK VEITCH: Minister, you spoke about Sydney Water's submission to IPART. With the proposition for decreased Sydney Water charges, can you guarantee that Sydney Water will not have to borrow to meet that dividend to the State Government? Can you guarantee there are no borrowings going into the payment of that dividend?

The Hon. NIALL BLAIR: I am confident in the operations of Sydney Water and Sydney Water has put in an application to IPART for a reduction in water bills.

The Hon. MICK VEITCH: You cannot guarantee no borrowings from Sydney Water are being used to pay that dividend to the State Government?

The Hon. NIALL BLAIR: I will refer that question to Mr De Rooy for a detailed answer.

Mr De ROOY: The dividends are only available for the Government, the owner, to draw down on after we have carried out all our normal functions. We invest for our assets as we need to, as we see the optimal level, using world's best practice to make sure that we get the right balance in the performance of the assets and the expenditure that customers pay for. After we have done all that allocation and made allowances for all our infrastructure budget there is profit and retained earnings to which the Government has access. The assurance is that we do our outcomes first. Dividends come out of the remaining profit.

The Hon. MICK VEITCH: So no borrowings are being used in any way to pay the dividend to the State Government?

Mr De ROOY: As I said, the dividend comes from profit and retained earnings.

The Hon. MICK VEITCH: Does Sydney Water then recommend to the shareholding Ministers that you are prepared to pay that size of dividend?

The Hon. NIALL BLAIR: That is a question for the shareholding Minister.

The Hon. MICK VEITCH: It is actually to Sydney Water because, with all due respect Minister, in its annual report it makes recommendations to the shareholding Ministers. I am asking whether Sydney Water made that recommendation.

The Hon. NIALL BLAIR: The question has come through me. As I said, that matter is a question for the shareholding Minister.

The Hon. MICK VEITCH: Minister, you do not know whether Sydney Water made a recommendation to the shareholding Ministers to increase its dividend to that level.

The Hon. NIALL BLAIR: As I said, matters relating to the shareholding Minister are questions that should have been put to the Treasurer yesterday.

The Hon. MICK VEITCH: Minister, do you make representations to the shareholding Ministers about the size of the dividend being taken from Sydney this year?

The Hon. NIALL BLAIR: I do not discuss the representations I make, the conversations I have or the correspondence I receive from other Ministers in open forums like this.

The Hon. MICK VEITCH: So you are happy that the size of the dividend being taken out of Sydney Water will not have an impact at all on Sydney Water infrastructure?

The Hon. NIALL BLAIR: As I said, questions relating to the shareholding Minister should be directed to the shareholding Minister.

The Hon. MICK VEITCH: This is a question to you as the portfolio Minister. Are you happy, as the portfolio Minister, that the size of the dividend being taken out of Sydney Water will have no impact at all on the infrastructure of Sydney Water?

The Hon. NIALL BLAIR: Mr De Rooy clearly outlined earlier in his answer how that dividend is paid to the Government after all the other operating expenses are accounted for.

The Hon. MICK VEITCH: The Sydney Water statement of corporate intent for 2013 and 2014-15 reads, "Dividend targets are based on a payout ratio of 70 per cent of net profit after tax." However, the statement reads, "This year dividend targets are based on an average payout ratio of 100 per cent of profit after tax." At what point in the financial year did that change?

The Hon. NIALL BLAIR: I can indicate that in 2005-06, under the Labor Government, the dividend was 158 per cent.

The Hon. MICK VEITCH: That is a decade ago, Minister.

The Hon. BEN FRANKLIN: Point of order: Members have already been advised that they should not interrupt the Minister when he is giving his answer. He was providing appropriate context for this answer and I ask that he be allowed to continue in silence without these rude interjections.

The Hon. PENNY SHARPE: This was from decades ago. Shall we go back to the sixties? We can talk about Neville Wran too, if you want.

CHAIR: Order! I have not yet ruled on the point of order. I ask all members, including witnesses, to remain silent for a minute. I do not uphold the point of order because, as I said before, the Minister is quite capable of giving an answer. I will, however, ask members not to interrupt. Members should allow the Minister and other witnesses to give their answers.

The Hon. NIALL BLAIR: As I said earlier, discussions and decisions around dividends is a matter between Sydney Water and the shareholder Minister. I remind you also that Sydney Water is not a government department; it is a State-owned corporation. Those matters are questions that should have been put to the Treasurer.

The Hon. MICK VEITCH: I am just trying to get to the bottom of whether you are using Sydney Water to top up the State budget for the dividends that you no longer get from the electricity assets. Sydney Water has 1.8 million residential and business customers. Is that close to the number?

The Hon. NIALL BLAIR: I will refer that question to Mr De Rooy.

Mr De ROOY: That is roughly correct.

The Hon. MICK VEITCH: What is the average household annual bill?

The Hon. NIALL BLAIR: The figure I have in front of me reveals that the average household bill, based on a usage of 200 kilolitres per annum, is \$1,130.

The Hon. MICK VEITCH: Using very crude maths—I am an old shearer, so you will have to excuse me—if that extra \$383 million in dividends paid to the Government in 2014 was returned to those customers there would be an average saving of about \$212 per household. Is that right?

The Hon. NIALL BLAIR: As I said, questions relating to the dividend should be put to the Treasurer. I have also indicated that Sydney Water has put a submission to IPART.

The Hon. MICK VEITCH: I am talking about household water bills.

The Hon. NIALL BLAIR: I can also indicate that Sydney Water customers are directly benefiting from the efficiency target in the current prices set by IPART, which are below CPI over the current price path to 2016. As I indicated earlier, dividends support investment in crucial State services such as health and education, along with rebates on pensioners' water bills and other social programs. Further, lower costs will be reflected in the next price resetting commencing 1 July 2015. Additionally, carbon tax rebates totalling \$19 million have been provided to customers in 2014 and 2015. I can give you an update on the figure. In 2014 the average bill was \$1,153 for residential water and wastewater—that is about \$288 a quarter—and under the last four years of the Labor Government, household water bills increased by 8 per cent per annum.

The Hon. MICK VEITCH: We are talking about this.

The Hon. NIALL BLAIR: You started a line of questioning this morning in an attempt to paint a negative picture of Sydney Water.

The Hon. MICK VEITCH: I am trying to figure out whether your Government is topping up the State budget using Sydney Water money. That is what I am saying.

The Hon. NIALL BLAIR: I am clearly illustrating to you Mr Veitch that we are seeing not only a strong performance from Sydney Water but also a trend in that prices are going down and those savings are being passed back to customers and families across the Sydney Water operating network, who are also benefiting from Sydney Water's performance. That clearly needs to be put on the record to illustrate that we have a highly professional and outstanding performance from an organisation that is managing a large network right across the Sydney area.

The Hon. MICK VEITCH: To top up the State coffers.

The Hon. NIALL BLAIR: That is something I will not allow you to talk down.

Mr JEREMY BUCKINGHAM: Minister, in the area of agricultural production, what is the most valuable commodity produced in the Liverpool Plains local government area [LGA]?

The Hon. NIALL BLAIR: When you say valuable, do you mean—

Mr JEREMY BUCKINGHAM: The dollar value.

The Hon. NIALL BLAIR: I can break it down. You asked for dollar value. Are you clarifying total dollar values because of the size of production for that commodity, or are you talking about value per commodity?

Mr JEREMY BUCKINGHAM: Value per commodity.

The Hon. NIALL BLAIR: That would depend on the price for each of those commodities at the time. If you want to talk about the value of cotton versus the value of wheat or sorghum, I can answer the question, but I need you to clarify it. Are you talking about total value? To take in total value you would need to look at total production—

Mr JEREMY BUCKINGHAM: If you do not know that is fine.

The Hon. NIALL BLAIR: No—

Mr JEREMY BUCKINGHAM: I will ask the questions.

The Hon. NIALL BLAIR: Hang on a minute. I am saying that I have a lot of information I can give you and I am more than happy to answer the question but you need to clarify it.

Mr JEREMY BUCKINGHAM: Fair enough. You have not answered so far. I will move on. Minister, according to the DPI submission—

The Hon. NIALL BLAIR: I will guess what you were trying to ask and I will tell you.

The Hon. BEN FRANKLIN: Point of order—

Mr JEREMY BUCKINGHAM: He does not have to guess. He has had plenty of time to answer the question.

CHAIR: Order! A point of order has been taken.

The Hon. BEN FRANKLIN: The Minister was asked a question. He was answering the question and I ask that he be able to do so.

Mr JEREMY BUCKINGHAM: To the point of order: The Minister was debating the question. He had an opportunity to answer it. He debated the question. I will move on to my next question.

CHAIR: Order! I will rule on the point of order. There is no point of order, but I will say that members must not interrupt a Minister once he has started to give his explanation. Probably the best course here, Minister, would be for you to answer the question to the best of your abilities, and as succinctly as you can.

The Hon. NIALL BLAIR: Sure. Absolutely, Chair. Just to clarify—I am more than happy to answer this question. The member asks: What is the greatest value? Let me just put it into perspective. Wheat for grain on the Liverpool Plains, there is 78,963 hectares of production; sorghum for grain, 63,483 hectares; oil poppies for linseed and flax, 39,874 hectares of production; barley for grain, 22,054; canola, 17,084. In order for me to answer what is the largest or the greatest value, you would need to take, obviously, the hectares in production for those commodities and you would need to look at the price. That is why I was clarifying. There is also cotton growing in the area. Is he talking about the price per tonne? Is he talking about the total price? That gives you an idea of the different commodities, if that is helpful for you.

Mr JEREMY BUCKINGHAM: It is not particularly helpful. The answer was sorghum. Anyway, we will move on. According to the Department of Primary Industries [DPI] submission on the Shenhua Watermark environmental impact statement [EIS]—

The Hon. NIALL BLAIR: I think I clearly outlined how much sorghum is growing.

CHAIR: Thank you, Minister. Mr Jeremy Buckingham has the call.

Mr JEREMY BUCKINGHAM: According to the DPI submission on the Shenhua Watermark EIS how many agricultural jobs will be lost due to the project? What is your comment on this?

The Hon. NIALL BLAIR: I can indicate that the Liverpool Plains has some 1,500 jobs in the Gunnedah-Liverpool Plains local government areas. That covers a wide range of areas—around 5,600 hectares that the Shenhua Watermark project may cover of the 1.2 million hectares of the Liverpool Plains catchment. Obviously, there are a large number of jobs that are in agricultural production in that area. As I said, that is something that we are obviously very hopeful to grow as a sector right across the State.

Mr JEREMY BUCKINGHAM: Thank you. Minister, how far from the Shenhua Watermark southern mining area are the mapped biophysical strategic agricultural lands [BSALs]? You can take that question on notice if you like, Minister.

The Hon. NIALL BLAIR: I am happy to answer, if you give me a second.

Mr JEREMY BUCKINGHAM: No, I do not have a lot of time, so if you would like to take that on notice?

The Hon. NIALL BLAIR: No.

Mr JEREMY BUCKINGHAM: Minister, have you toured the Shenhua Watermark—

The Hon. NIALL BLAIR: I am not going to take that on notice.

Mr JEREMY BUCKINGHAM: Minister, have you toured the Shenhua Watermark mine site?

The Hon. BEN FRANKLIN: Point of order: The Minister has made very clear that he does not want to take the question on notice and he is quite happy to answer the question. He should have the ability to do so.

CHAIR: Order! I uphold the point of order. In that case, Mr Buckingham might like to make it clear that he withdraws the question and perhaps will put the question on notice.

Mr JEREMY BUCKINGHAM: Yes, I will. I withdraw the question.

CHAIR: And move on to the next question.

Mr JEREMY BUCKINGHAM: I will move on to the next question. Minister, in your opinion, what characterises vertisol?

The Hon. NIALL BLAIR: In my opinion?

Mr JEREMY BUCKINGHAM: What characterises vertisol?

The Hon. NIALL BLAIR: Are you asking for my opinion, or are you asking for a technical response?

Mr JEREMY BUCKINGHAM: I am just asking the question.

The Hon. NIALL BLAIR: Well, no. You said in my opinion.

Mr JEREMY BUCKINGHAM: I will withdraw that question and I will ask another one. Minister, what characterises vertisol?

The Hon. NIALL BLAIR: I will take that on notice.

Mr JEREMY BUCKINGHAM: Thank you, Minister. He is taking that on notice.

Mr SCOT MacDONALD: Can I take a point of order?

CHAIR: Order! No.

Mr JEREMY BUCKINGHAM: Minister, have you ever toured the Shenhua Watermark mine site?

The Hon. NIALL BLAIR: Mr Buckingham, my diary as a Minister is something that is publicly available. Since becoming Minister I have travelled right around New South Wales. I would be more than happy for you to have a look at those travels when my diary is printed.

Mr JEREMY BUCKINGHAM: I take that as a no.

The Hon. NIALL BLAIR: That is not the answer that I gave you. I said that my diary is a publicly available document and you can have a look.

The Hon. MICK VEITCH: I have got it here. Would you like to read it, Jeremy?

Mr JEREMY BUCKINGHAM: Yes. According to your diary, it says you have not been there. I will just have a quick look. According to your diary, it says you have not been there.

The Hon. NIALL BLAIR: What page did you look at?

Mr JEREMY BUCKINGHAM: I looked at all of the pages. There we go—no Shenhua Watermark.

The Hon. NIALL BLAIR: If my diary is publicly available and you have already looked at it, why are you asking me the question?

Mr JEREMY BUCKINGHAM: I want to confirm that you have not been there.

The Hon. NIALL BLAIR: As I said—

Mr JEREMY BUCKINGHAM: Can you confirm, Minister, that you have never toured the Shenhua Watermark—

The Hon. NIALL BLAIR: I can confirm that my diary is up to date and is publicly available.

Mr JEREMY BUCKINGHAM: Thank you, Minister. Have you ever met with the Carroona Coal Action Group?

The Hon. NIALL BLAIR: My diary is publicly available and it has in it all the meetings of stakeholders that I have attended since becoming the Minister.

Mr JEREMY BUCKINGHAM: So you have not met Carroona, you have never been to Shenhua, and you do not know how far away the Liverpool Plains is from the Shenhua Watermark site.

The Hon. NIALL BLAIR: The actual—

Mr JEREMY BUCKINGHAM: No. This is the question: You cannot give me the number of jobs lost from agriculture. You do not know what vertisol is and you do not know what the value of agricultural production is on the Liverpool Plains.

The Hon. BEN FRANKLIN: Point of order—

Mr JEREMY BUCKINGHAM: You have not answered one of the questions that I have put to you.

CHAIR: Order! A point of order has been taken.

The Hon. BEN FRANKLIN: A number of the questions that the member raised he actually withdrew so the Minister did not have an opportunity to answer those questions. Therefore his question is out of order.

Mr SCOT MacDONALD: If there is a question.

Mr JEREMY BUCKINGHAM: Fair enough. I withdraw the question.

CHAIR: Order! I do not uphold the point of order. But I again remind all members that they are not to badger witnesses, they are not to speak over the top of witnesses, and the witnesses are to be allowed to answer questions. If members can get in fast enough and withdraw a question and have it put on notice that is the correct procedure. Mr Buckingham, you do not have much time left.

The Hon. NIALL BLAIR: If this is a case of the member quickly asking a question, not giving me the opportunity to answer it, and then withdrawing the question, it is going to be a long morning. I am more than happy to answer that.

Mr JEREMY BUCKINGHAM: Point of order—

CHAIR: Order! I will take the point of order.

Mr JEREMY BUCKINGHAM: I was just going to say that the Minister is making a statement. Anyway, Minister—

The Hon. NIALL BLAIR: So in relation to—

CHAIR: Order! Mr Buckingham, you have very little time left. Minister, we have limited time in these hearings because of the nature of Opposition and crossbench questions. Government members have kindly donated their time so that we can ask extra questions. I want to get through this as efficiently as possible. There is an opportunity for members to put questions on notice. If they are not happy with the answer that the Minister has given, I suggest that they ask the question in a different format and allow the witnesses and the Minister at the table to answer those questions to the best of their ability.

Mr JEREMY BUCKINGHAM: Thank you, Chair.

The Hon. NIALL BLAIR: I have clearly outlined the commodities and the scale of those commodities on the plains.

CHAIR: Order! Minister, you have not yet been asked a question.

The Hon. NIALL BLAIR: It was.

CHAIR: No, Minister.

Mr JEREMY BUCKINGHAM: Minister, how successful was the Tiedman's irrigation trial?

The Hon. NIALL BLAIR: I am sorry, can you repeat that question?

Mr JEREMY BUCKINGHAM: How successful was the Tiedman's irrigation trial? Do you know what the Tiedman's irrigation trial was, or is?

Mr SCOT MacDONALD: Point of order: That comes under the portfolio of Minister Anthony Roberts, who has responsibility for the Office of Coal Seam Gas.

CHAIR: Order! As I do not know what it is either, I will not uphold the point of order. I will allow the Minister to answer the question. If the Minister wants to refer to another Minister, that is within his purview. Mr Buckingham, you have an extra five minutes. You have my five minutes. Use it wisely.

Mr JEREMY BUCKINGHAM: Thank you.

The Hon. NIALL BLAIR: Chair, I can respond. The broader Department of Primary Industries is continuing to monitor progress of the Tiedman's trial on the Tiedman's property in Gloucester and is keeping abreast of research and knowledge in New South Wales and other places to ensure the management of produced water does not pose a risk to agriculture. DPI Water currently undertakes independent surface water quality monitoring in the Gloucester Valley and is constructing new groundwater monitoring bores. To date, five or seven groundwater monitoring sites have been constructed. Once these are equipped and operating, they will be available to the public and in real time.

Mr JEREMY BUCKINGHAM: Minister, from your answer you are indicating that the DPI is monitoring that irrigation trial.

The Hon. NIALL BLAIR: The trial has concluded and DPI is monitoring the site where that occurred.

Mr JEREMY BUCKINGHAM: Thank you. Minister, have you ever toured an operational coal seam gas field? If so, which ones have you toured?

The Hon. NIALL BLAIR: You obviously have my diary, which you said you have read, so I refer to my previous answer on that.

Mr JEREMY BUCKINGHAM: Okay. Minister, why can deer not be hunted with a spotlight in New South Wales?

The Hon. NIALL BLAIR: Deer are classified as a game animal in New South Wales and that classification has different restrictions on it.

Mr JEREMY BUCKINGHAM: In terms of those restrictions and that classification, why did the Government determine that deer should not be hunted by spotlight?

The Hon. NIALL BLAIR: In relation to deer, part of the reason is due to safety reasons, with a spotlight for deer, particularly because of the area in which they are found. As I said, ground shooting by landholders, professional contractors and recreational hunters is the main method for suppressing wild deer populations. Liaison through engagement and recreational hunters is facilitated through the Department of Primary Industries [DPI] game licencing unit.

Mr JEREMY BUCKINGHAM: Are fox allowed to be hunted by spotlight?

The Hon. NIALL BLAIR: There is no hunting at night-time for foxes.

Mr JEREMY BUCKINGHAM: Was the decision of whether or not to hunt foxes at night made for the same reasons?

The Hon. NIALL BLAIR: Yes.

Mr JEREMY BUCKINGHAM: When was the last statewide census of deer numbers conducted?

The Hon. NIALL BLAIR: I will take that on notice.

Mr JEREMY BUCKINGHAM: Do you agree with the NSW Office of Environment and Heritage, which has recognised feral deer as the most important emerging pest animal threat in New South Wales?

The Hon. NIALL BLAIR: We know that wild deer pose a significant biosecurity, environmental safety and production threat across New South Wales. A number of agencies are involved in the management of those threats. The DPI game licencing unit is proposing to establish a deer management working group on areas like the South Coast to address growing concerns about the impact of wild deer in that region. Local Land Services regional pest management plans identify invasive species and priorities for each of their regions. Suppression activities for wild deer are determined in accordance with those priorities.

The northern Illawarra wild deer management program is an example that is coordinated by South East Local Land Services. That has been very successful, and has provided a good example of a concerted effort to address wild deer anywhere in Australia. Wild deer have been estimated to cause about \$700,000 worth of damage to southern Sydney and the Illawarra region. Even though you may suggest that the declaration has something to do with it, Local Land Services in each region has the ability to put these management programs into place for wild deer, and where they have done that it has been quite successful.

The Hon. MARK PEARSON: I will set the scene and then ask a question. The question regards the failed investigation and prosecution of animal cruelty charges against Wally and Stephanie Perenc of WLS Investment Ltd trading as Wally's Piggery. It is my understanding that in 2012 the RSPCA commenced investigation into this piggery after viewing footage obtained by activists and were shown horrific acts of animal cruelty. In August 2012 the RSPCA raided Wally's Piggery, along with the Animal Welfare League, police, the NSW Food Authority and the Department of Primary Industries.

The investigation found the piggery to be in a state of filth and disrepair, which led to 53 charges being laid against the owners of the piggery. The charges included 12 counts of aggravated animal cruelty, 12 charges of failure to provide veterinary assistance and 29 charges of failing to adhere to the regulations. Despite this, on 17 November 2014 Magistrate Beattie dismissed the case when the RSPCA, without explanation, withdrew all charges, and it has since stated that there is no chance of reopening the case. Also, the RSPCA stated that the evidence they relied upon for this case—

CHAIR: In budget estimates hearings, generally speaking, fair latitude is given to background a Minister on a question. Do you have a question? Please ask it.

The Hon. MARK PEARSON: I am there. The activist footage was not relied upon. Why did the RSPCA withdraw the charges that resulted in the case being dismissed?

Mr HANSEN: Obviously prosecutions under the Prevention of Cruelty to Animals Act are carried out by the RSPCA, and decisions for proceeding with prosecutions or not is in its bailiwick. In terms of the details as to why it did not move forward with that prosecution in the case of Wally's Piggery, we will take that on notice and come back to you.

The Hon. MARK PEARSON: Given that the RSPCA is an independent, non-government organisation with no legal requirement to provide information to the public about the carriage of its enforcement powers, is it more appropriate in terms of public accountability for the police to be the sole body responsible for the enforcement of animal cruelty offences?

CHAIR: That is a damn fine question.

The Hon. NIALL BLAIR: I should probably start by saying that the RSPCA, particularly in New South Wales, does a good job and has a strong connection not only with stakeholder groups but also in the broader community. The organisation has a very good corporate reputation and does a good job. I am quite comfortable with the role it plays under the Prevention of Cruelty to Animals Act and also the animal welfare staff within DPI. It is well equipped, well trained and probably the best suited to look after those prosecutions or the enforcement of the Act.

The Hon. MARK PEARSON: I have just given you an example of how it has not and also how the police are concerned about this wide gap in accountability, for example, such a serious withdrawal of numerous aggravated cruelty charges. Even the ministry does not know why and that strikes at the issue of accountability. Even the Animal Welfare League—the other prescribed authority in the Act—could not find out why the charges were withdrawn. The public is concerned although the Minister may not be.

The Hon. NIALL BLAIR: To be fair, the director general has indicated that we would take that on notice and come back with that information. To be able to engage fully on the actual follow-up question, we would need to have the answer as to why the RSPCA withdrew that. I am not trying to debate the question but, as I said, from everything I have seen since being Minister in this space I have confidence in the arrangements we have at the moment. I have not seen a need to refer that power to the police.

Mr HANSEN: On Wally's Piggery, in August 2012 Animal Liberation released video footage showing the mistreatment of pigs and illegal slaughter at the piggery in the Southern Highlands. The RSPCA investigated the allegations relating to the treatment and management of the pigs and laid charges under the Act against Wally's Piggery in July 2013. In November 2014 it withdrew the prosecution after consultation with independent counsel based on matters relating to legal evidence. The piggery has been destocked and is no longer operational. I reiterate that while the RSPCA is one of the three enforcements organisations under the Act within the State—the other being the New South Wales police and the Animal Welfare League New South Wales—it continues to have our utmost confidence in the way in which it delivers.

The Hon. MICK VEITCH: Minister, the then Minister for Primary Industries said that the five-year review of the shark-meshing program had commenced on 17 August 2014. What is the status of that review?

The Hon. NIALL BLAIR: For those details I will hand over to Dr Allan.

Dr ALLAN: The shark meshing program operates under a joint management group between the Office of Environment and Heritage [OAH] and the Department of Primary Industries [DPI]. That review has been completed and is being discussed at the interagency to bring it through to draft.

Mr HANSEN: It is due within weeks.

Dr ALLAN: It is sort of finished but it has not been publicly released yet. It will be very soon.

The Hon. MICK VEITCH: Minister, when was the review completed?

Dr ALLAN: It has not been completed, it is still being discussed.

The Hon. MICK VEITCH: It has not been completed?

Dr ALLAN: It is complete and being discussed between the two agencies until they agree that the draft in front of them is complete. It is still a draft at the moment.

The Hon. MICK VEITCH: Minister, has the draft come to you yet?

The Hon. NIALL BLAIR: No.

The Hon. MICK VEITCH: Minister, what happened to the 2011 election commitment to "investigate the use of sonar technology to detect sharks"?

Dr ALLAN: That investigation continues. The Premier, in fact, announced an investigation into alternative technologies to using shark meshing nets and that includes an ongoing investigation into the use of sonar technology.

The Hon. MICK VEITCH: Minister, from 2011 to 2015 how much money was expended investigating the use of sonar technology to detect sharks?

Dr ALLAN: Our scientific investigation will do that. We do not have a separate bucket of money on the sonar investigations of sharks but where shark scientists have a program I review the technology.

The Hon. NIALL BLAIR: You would also be aware of the 2015 election commitment.

The Hon. MICK VEITCH: It is exactly the same and says, "Investigate the use of sonar technology to detect sharks".

The Hon. NIALL BLAIR: You asked about 2011. We have made an extra \$100,000 available for the investigation into those technologies. That has commenced and we will have the shark summit in Sydney this month to look at what trials we can take out of that summit to apply.

The Hon. MICK VEITCH: When was this money spent on the sonar technology investigation?

Mr HANSEN: There are two components. The first is our ongoing research into sharks in terms of behaviour and so forth, which has been ongoing for decades. You will see on our website the huge amount of work in that space. That all feeds into and aligns with the work being done on new technologies to work out how sonar will interact with sharks. There are two components. The first one is the detection, and that was back in 2011 when there was a commitment to increase the focus on how sonar can be used for detection. Obviously, detection is one thing. One of the key features at the moment is not detection but deterrence, so what new technologies can be used for deterrence as well as detection.

The Hon. MICK VEITCH: Minister, your 2011 policy document stated you would "investigate the use of sonar technology to detect sharks".

The Hon. NIALL BLAIR: And that occurred.

The Hon. MICK VEITCH: In 2015 you took to the election a policy stating you were going to "investigate the use of sonar technology to detect sharks". From 2011 to 2015, was any money expended on investigating the use of sonar technology to detect sharks?

The Hon. NIALL BLAIR: The Director General has clearly answered that and can elaborate.

Mr HANSEN: The answer to that is yes. We would have to take on notice trying to unpick the line item for that.

The Hon. MICK VEITCH: Okay. Did the investigation of sonar technology to detect sharks in any way get caught up in the review of shark meshing?

Dr ALLAN: No.

The Hon. MICK VEITCH: When will we find out the results of the shark meshing review?

Dr ALLAN: Shortly; it is due to be released soon. These new technologies are developing really quickly and it would be fair to say that the fact we looked at it in 2011 and again in 2015 is entirely appropriate with rapidly developing technology like sonar. We do not do research within the Department of Primary Industries on sonar technology—that is a physics question, really—but we do take advantage of what is being done elsewhere. We looked at it in 2011 and continue to keep a watching review on that technology development. We are looking at it again now.

The Hon. MICK VEITCH: Will the review into shark meshing programs be made public?

The Hon. NIALL BLAIR: I think we have already answered that.

The Hon. MICK VEITCH: How much did it cost to prepare that review? You might like to take that on notice.

Dr ALLAN: Again, we do not have a line item for every part of our program.

The Hon. MICK VEITCH: Was it conducted within the resources of the two departments?

Dr ALLAN: That is correct.

The Hon. MICK VEITCH: Are you the lead agency?

Dr ALLAN: We are the lead agency, yes.

The Hon. MICK VEITCH: Minister, I turn to the plan of management for Port Macquarie's Plaza car park. I received correspondence from you this week saying that you will not pause the process to look at what has transpired at Port Macquarie with regard to the car park. There was a consultation round with 200-odd submissions to develop a plan of management for the site. That was disregarded and there was a new round of consultation. But the document to seek submissions for the new plan of management removed some words and one of the words was "consultation". Why did that happen?

The Hon. NIALL BLAIR: You made reference to correspondence. To be clear, the process going on at the moment is as a result of the expression of interest [EOI] that was advertised and there is an external probity adviser attached to that process.

The Hon. MICK VEITCH: Who is the probity adviser?

The Hon. NIALL BLAIR: I will step through that and I will refer to Ms Stone for further detail. At the moment we have a process. There has been no sale of the car park and it is appropriate to allow the process to continue because it has been done at arm's length and has been publicly advertised. That covers the correspondence you referred to. In relation to the details of the plan of management and consultation, I will refer to Ms Stone to give some detail.

Ms STONE: Please restate the question.

The Hon. MICK VEITCH: There was a round of consultation to develop a plan of management and it attracted 200-plus submissions. There was a second plan of management but the process removed the word "consultation". I understand that the second iteration is the one upon which the EOI process is being conducted. Why was consultation removed in the second round?

Ms STONE: I will separate the two processes—I think that is where the Minister was going. The plan of management covers a much broader area and the plan of management for the Hastings Regional Crown Reserves area has been on exhibition three times, most recently last year to go into the broader aspirations of the community for the whole area. In relation to the Plaza car park, it has been known for a number of years that the site has been slated for sale. As a result of representations to the former Minister, that was put to an expression of interest process. That was clearly advertised and allowed anyone to engage and respond. At the moment we are in negotiations with the preferred candidate.

The Hon. MICK VEITCH: Justice Sheahan's decision on King Edward Park made commentary on the plan of management for the park. In light of that decision and the concern around the plans of management for Port Macquarie, is the department undertaking a review of plans of management for Crown lands across this State?

The Hon. NIALL BLAIR: It is fair to say that the judgement in relation to King Edward Park is on an isolated and specific issue to that plan of management. You need to understand that there are tens of thousands of agreements in place for Crown lands and many thousands of plans of management. The advice from that judgement is that there was an error in the plan of management for that location. I am confident that the judgement in relation to that is isolated to that parcel.

The Hon. MICK VEITCH: Do you have absolute confidence in that?

The Hon. NIALL BLAIR: We have looked at the judgement and the error has been clearly pointed out. There is nothing to suggest that that would be translated to other plans of management operating as we speak.

The Hon. MICK VEITCH: Last year how much did Crown Lands spend on legal cases.

The Hon. NIALL BLAIR: I will refer that to Ms Stone.

Ms STONE: We would have to take that on notice. We generally seek legal advice through the Crown Solicitor's Office.

The Hon. MICK VEITCH: Will there be an exposure draft of the new Crown lands legislation and will it be made public?

The Hon. NIALL BLAIR: We have released the white paper and more than 620 submissions have been received as part of the process, and we are reviewing them. Acceptance of submissions closed on 20 June 2014.

The Hon. MICK VEITCH: We have them all here. There was a call for papers.

The Hon. NIALL BLAIR: They were received from 1,100 stakeholders and we held 31 stakeholder meetings. We will release a response to those submissions and then engage in the necessary consultations before bringing legislation to the House.

The Hon. MICK VEITCH: I am sure that stakeholders are telling you what they are telling me. They want to see an exposure draft. This will be a paradigm shift in the way that Crown lands will be administered in New South Wales. Will you give an undertaking today that you will look at an exposure draft given the nature of the change?

The Hon. NIALL BLAIR: There is no doubt that this area has not been subject to major reform for a long time. There are many different stakeholders, and we have been engaging and will continue to engage with them about the direction we may take.

The Hon. MICK VEITCH: That is a "no".

The Hon. NIALL BLAIR: That is an absolute commitment to continue what we have been doing in that process. It is an issue that affects the entire community, and we will engage with stakeholders.

The Hon. MICK VEITCH: I note that Mr Bath has been sworn in as the "interim chief executive officer" of Hunter Water. Is that correct?

The Hon. NIALL BLAIR: Yes.

The Hon. MICK VEITCH: Where is Mr Kim Wood? He is still listed as the Chief Executive Officer of Hunter Water.

The Hon. NIALL BLAIR: Yes, he is.

The Hon. MICK VEITCH: So he is still the chief executive officer?

The Hon. NIALL BLAIR: He is. However, he has accepted a job in Queensland and will be finishing as Chief Executive Officer of Hunter Water. That is why it is appropriate that Mr Bath be here today. He will be the interim chief executive officer.

The Hon. MICK VEITCH: Is there a timetable for the appointment of a new Chief Executive Officer of Hunter Water? It is an important position.

The Hon. NIALL BLAIR: This happened only recently. We will not leave the position unoccupied. I am sure that the necessary processes will be followed and that an appointment will be made.

The Hon. MICK VEITCH: Will you engage an external entity to undertake the recruitment?

The Hon. NIALL BLAIR: The board of Hunter Water is responsible for undertaking the recruitment processes and making an appointment. Given its track record, I am sure that it will do another fine job. I wish Mr Wood all the best.

The Hon. MICK VEITCH: What dividend did Hunter Water pay to the New South Wales Government? You may take that question on notice.

The Hon. NIALL BLAIR: I will refer that to Mr Bath.

Mr BATH: I can also answer questions about the recruitment process leading to the appointment of a permanent managing director.

The Hon. MICK VEITCH: I simply want to know what dividend Hunter Water paid.

Mr BATH: The dividend for 2015-16?

The Hon. MICK VEITCH: I would like last year's actual dividend and this year's budgeted dividend.

Mr BATH: The actual dividend for 2014-15 was \$21.3 million, and this year's dividend will be \$29.9 million.

The Hon. MICK VEITCH: Can Hunter Water guarantee that there are no borrowings going towards the payment of that dividend?

Mr BATH: Yes.

The Hon. MICK VEITCH: There are absolutely no borrowings?

Mr BATH: Absolutely, yes.

The Hon. MICK VEITCH: Mr Bath, how long have you been at Hunter Water?

Mr BATH: Two and a half years.

The Hon. MICK VEITCH: We have crossed paths previously. I am trying to work out where.

The Hon. NIALL BLAIR: I do not know where you have been, and I do not know whether that is a reflection on him or you.

The Hon. MICK VEITCH: It was with Clubs NSW.

Mr BATH: Yes, that is correct.

The Hon. MICK VEITCH: You have been at Hunter Water for two years.

Mr BATH: For two and a half years. I started on 31 January 2013.

The Hon. MICK VEITCH: You were sworn in as interim chief executive officer, but your title is group manager, public affairs.

Mr BATH: No, my title is chief customer service officer, but I have responsibility for public affairs.

The Hon. MICK VEITCH: I refer back to Sydney Water. What was Sydney Water's net debt in 2013-14 and 2014-15? You may need to take that question on notice, but Mr de Rooy may have those numbers.

The Hon. NIALL BLAIR: I will take that question on notice.

The Hon. MICK VEITCH: A sewerage incident occurred recently in Botany Bay. You may or may not be aware, but a previous event at Malabar ended up in the Land and Environment Court. A statement dated 13 April 2015 on Sydney Water's website states:

We fully accept the fact that we did not meet our responsibilities to ensure that wastewater was discharged in an appropriate manner.

We have learnt a lot from this incident and have already taken a number of measures to ensure there is no repeat of the 2013 incident.

Then we had the incident at Botany Bay. As the responsible Minister, what have you done to ensure that this will not happen again?

The Hon. NIALL BLAIR: You and I had an exchange about this recently in the House. At that time I outlined the unique circumstances involved in that event; that is, the backup power supply was also interrupted during the outage. I indicated that Sydney Water would be conducting a thorough investigation and would report to me about that incident. Hopefully, that report will contain recommendations about remediation or action that can be taken.

The Hon. MICK VEITCH: The Malabar incident ended up in the Land and Environment Court. How much did that cost and what penalty was imposed on Sydney Water?

The Hon. NIALL BLAIR: The court ordered Sydney Water to pay \$102,500 to the New South Wales Environmental Trust for general environmental purposes. It was also ordered to pay the Environment Protection Authority's legal fees. Since then, Sydney Water is also investing more than \$100 million in reliability improvements to the Malabar wastewater treatment plant. That includes moving the pipe to another location and providing greater access for inspection and maintenance activities. That will ensure that should any leak occur, it will be contained safely within the plant. The two are separate incidents. It is also important to note that every pumping station has a contingency management plan that is tested regularly.

The Hon. MICK VEITCH: Including North Head?

The Hon. NIALL BLAIR: The plan includes a second power feed and a wide array of emergency generators and pumps. A unique Ausgrid power outage affected that backup.

The Hon. MICK VEITCH: Will the Botany Bay incident end up in the Land and Environment Court? Will penalties be imposed on Sydney Water as a result of that incident?

The Hon. NIALL BLAIR: The Environment Protection Authority is the lead agency with regard to that incident.

The Hon. MICK VEITCH: You do not know?

The Hon. NIALL BLAIR: No.

Mr De ROOY: I can clarify that the Environment Protection Authority has started an investigation and has served us with a notice. We have provided information to help it with its inquiries. I understand that the report will be tabled by the Government in due course.

CHAIR: Thank you. Minister, I am going to ask some questions on behalf of the Christian Democratic Party. In regard to the first question, there was an attached comparison document. I have handed that to one or more of your officials at the table to make it a little clearer. It may well be a question that you have to take on notice. Why has the Government failed to correct the anomaly in relation to water allocations for general security irrigators? Present unnecessary regulation has resulted in irrigators being unable to plan for and plant crops even when there is water available in the dams. I hope the document that I presented to the table explains what that question is all about, because I do not have a clue.

Mr SCOT MacDONALD: Chair, I think you need to clarify valley by valley—it is different valley by valley.

CHAIR: Thank you for that, Scot.

The Hon. NIALL BLAIR: As you may or may not be aware, DPI Water announces allocations as and when water becomes available. Water is allocated according to the rules set out in the water sharing plans—as the member indicated, they differ from valley to valley. These plans have been in place for over 10 years and were developed in consultation with local communities. Information to support how each water allocation is determined is made available every two weeks and DPI Water has supporting documentation publicly available through its website. DPI Water staff regularly attend public meetings and water user forums to present water availability information.

Water allocations take into account many factors that make it difficult to assume what allocations will be from water levels in the storages alone. It is important to note that these factors include the amount of water that has been carried over from the previous year, which is part of these plans; the amount of water that is still to be released from the Snowy scheme in the current year, and that obviously affects those lower valleys that rely upon that Snowy scheme; and also the amount of water already delivered so far. Mr Hanlon might be able to add some further information on that.

Mr HANLON: Sure. It is difficult to compare from year to year looking at storages and allocations, but the process is the same. We start with making sure there is water for communities and towns, followed by stock and domestic, then high security, general security and, within that allocation, carryover as well. What is different this year to previous years is the amount of carryover that is in storage. Farmers use that primarily as a risk management ploy. We are going into an El Niño year. A number of water licence holders decided it was smart to use a storage place and to carry over some of their allocation from last year. As water becomes available, it will be allocated. Of the order of 500-odd gigalitres of general security water was carried over this year. Another allocation announcement is due in the next week or so.

CHAIR: I hope that that will satisfy the question. The next question may need to be taken on notice. Minister, you would be aware of the inquiry into the adequacy of water storage in New South Wales. I think the Hon. Rick Colless was in charge of that. That report with 18 recommendations was given to the Government and it responded in January this year. Would you be able to provide the Committee with an indication of when, how and on what timeline those recommendations that were accepted by the Government will be implemented?

The Hon. NIALL BLAIR: I do have some information here. As you would be aware, the Government provided its response to the 19 recommendations in January 2014. That was published on the Legislative Council's website. Most of the recommendations were addressed in the Government's response. However, since January 2014 the following progress has been made in the remaining key recommendations. Infrastructure NSW published the State infrastructure strategy update in 2014. This recommended that New South Wales deliver critical water infrastructure projects in priority catchments, identify and assess options for secure town water supplied for Broken Hill and Cobar, finalise backlog water and sewerage projects in regional towns, undertake catchment assessments to identify future water needs and determine funding sources with respect to the Hawkesbury-Nepean flood review.

We have also committed \$1.25 billion for a water infrastructure fund. About \$1 billion of this will come from the upcoming lease of the electricity assets, which we already know. As part of the water infrastructure fund the Government has already committed \$110 million to 71 unfunded backlog projects. The Government has also allocated significant resources—some \$400 million—to deal, first, with the emergency water supply at Broken Hill and then also investigations into the long-term supply. There is a lot more information that I could also run through, but it is something—

CHAIR: Perhaps if you could provide the remainder of your answer on notice.

The Hon. NIALL BLAIR: Sure.

CHAIR: Thank you. I will now move to questions from Mr Buckingham.

Mr JEREMY BUCKINGHAM: Minister, what sort of condition is the Wilcannia weir in? Have you ever inspected the weir?

The Hon. NIALL BLAIR: As I said to you earlier, my diary, which you have indicated that you have read—

The Hon. MICK VEITCH: No, I have it here.

The Hon. NIALL BLAIR: Well, he indicated that he has read it. It has all of my trips in that. We will take that on notice.

Mr JEREMY BUCKINGHAM: So you do not know what sort of condition the Wilcannia weir is in?

The Hon. NIALL BLAIR: As I said, if you want a detailed update on the current condition, we can get that to you.

Mr JEREMY BUCKINGHAM: What if I told you it was just a pile of rubble in the bottom of the Darling River?

The Hon. NIALL BLAIR: As I said, we have indicated we will take that on notice and come back to you.

Mr JEREMY BUCKINGHAM: Minister, in early November last year the Government announced a \$200,000 feasibility study for a new Wilcannia weir. How is the study progressing?

The Hon. NIALL BLAIR: As I said, we will take the question in relation to the Wilcannia weir on notice.

Mr JEREMY BUCKINGHAM: The question or all questions?

The Hon. NIALL BLAIR: As I said, we have indicated—you wanted a status update and that is what we have said we will take on notice.

Mr JEREMY BUCKINGHAM: Now I am asking you about the feasibility study. Are you taking that on notice as well?

Mr HANSEN: Yes, we will have to take that on notice.

Mr JEREMY BUCKINGHAM: How long in your estimation do you think a feasibility study should take? Do you have benchmarks as to how long a feasibility study should take?

The Hon. NIALL BLAIR: I have just said we will take the question on the Wilcannia weir feasibility study on notice.

Mr JEREMY BUCKINGHAM: Are you aware that the people of Wilcannia are drinking water that in my opinion is not fit to give to livestock?

The Hon. NIALL BLAIR: I honestly cannot answer a question based on your opinion, because I am sure that you and I have differing opinions on a range of areas. So I think it is unfair to put your opinions and value sets into my answers. That is drawing a pretty long bow.

Mr JEREMY BUCKINGHAM: Fair enough. Thank you, Minister. Are the people of Broken Hill being supplied by water from a reverse osmosis facility?

The Hon. NIALL BLAIR: No, not at the moment.

Mr JEREMY BUCKINGHAM: Are there plans to put them onto water that is passed through a reverse osmosis facility?

The Hon. NIALL BLAIR: If needed.

Mr JEREMY BUCKINGHAM: So there are plans in place to supply the people of Broken Hill with water that has been treated by reverse osmosis?

The Hon. NIALL BLAIR: As I said, if needed. You are aware that we expended over \$40 million to test emergency water sources that may be available to the people of Broken Hill. Part of that was also

commissioning a reverse osmosis plant, if it is needed. I remember that at the time you were quite concerned and were raising issues in the House about what was going to happen with those emergency water supplies. That is something to which we contributed money. I am pleased with the efforts of DPI Water and Water NSW in securing that option.

Mr JEREMY BUCKINGHAM: Are you saying, Minister, that you are pleased—

Mr HANSEN: Sorry, could I add—

Mr JEREMY BUCKINGHAM: No, that is fine. That answers my question. Are you saying—

The Hon. NIALL BLAIR: Well—

The Hon. BEN FRANKLIN: Point of order: The Minister was in the middle of his answer and he was indicating that he would like to provide further information through one of his officials. I ask that he be allowed to do that.

CHAIR: Order! I uphold the point of order. Let us move on. In other words, please provide succinct detail to Mr Buckingham's question.

Mr HANSEN: I was going to add to what the Minister said about the fact that obviously we all hope heavy rainfalls in Queensland and the north of the State remove any need for us to ever have to rely on reverse osmosis and a desalination plant in Broken Hill for the provision of water, but we cannot rely purely on nature to provide for the people of Broken Hill, hence the investments have been made. I might just say that there has actually been \$50 million invested so far that has allowed access to shallow groundwater aquifers on the bed. That is providing us access, but they have not been turned on.

Also, there are short-term measures around better access and utilisation of the Menindee Lakes and the water stored within there to extend the time line before we need to move to utilisation of a desalination plant and osmosis. We really hope heavy rains come with the start of summer and that we get some good flows down the Barwon and Darling to provide a solution. We have steps and investments in place to try to not only extend the current water that is there, but in case that that does get down to a level and not run out, but get down to a level where salinity levels in the water are high, we will have back-up and fallback plans in place.

Mr JEREMY BUCKINGHAM: Thank you, Mr Hansen. Minister, have you ever described short-term emergency bores as a long-term solution in any correspondence?

The Hon. NIALL BLAIR: As you clearly indicate, the short-term bores are what Mr Hansen has just referred to.

Mr JEREMY BUCKINGHAM: But have you ever described those bores as a long-term solution in correspondence?

The Hon. NIALL BLAIR: No, the bores that Mr Hansen refers to are the short-term solution.

Mr JEREMY BUCKINGHAM: That is right. To clarify, Minister, my question is: Have you ever described those bores that Mr Hansen described as short term as a long-term solution in correspondence?

The Hon. NIALL BLAIR: The short-term bores and the work that was done to shore up that are used for short-term purposes only. They are shallow bores so they could not be used as a long-term option. Those shallow bores are there for the emergency works, if needed. I suspect that you may be getting a little bit excited about the bore issue and about people going on to bore water. I want to clarify there are more than 200 communities in New South Wales that rely on bore water for their drinking purposes. Let us be clear: Bores are a safe option for those emergency works. I do not want anyone to think that you or any other member is suggesting that bores are not a safe option for drinking water.

Mr JEREMY BUCKINGHAM: That depends if it is treated. There are bores and bores. Minister, my understanding is that work is being undertaken to drill those bores but also to supply them with electricity. My understanding is that those bores, as Mr Hansen has said—and I have seen them—are in the lake bed. If there

are significant inflows to the Darling system, will the Government allow Menindee Lakes and Lake Cawndilla to fill if there is water available?

The Hon. NIALL BLAIR: This goes back to what you asked in the House the other week. You know it will not happen overnight. If there is electricity to those emergency bores, which have not been used yet, you know the issue around power poles will not happen overnight. We will have a bit of time to take the power poles out. You do understand that? I will allow the director general to continue.

Mr HANSEN: I was going to the question will we allow the lakes to fill. Obviously you cannot stop a flow and you cannot stop gravity, so if the rain comes the water will fill the lakes.

Mr JEREMY BUCKINGHAM: But they are regulated lakes.

Mr HANSEN: But those flows will make their way to Menindee.

Mr JEREMY BUCKINGHAM: Yes, but there is a regulator between Pamamaroo and Menindee.

Mr HANSEN: There would be no reason for us to stop those flows from making their way down the rivers into Menindee Lakes.

Mr JEREMY BUCKINGHAM: You will commit that if there is enough water available, you will fill Menindee again?

The Hon. RICK COLLESS: You cannot stop it.

Mr JEREMY BUCKINGHAM: Yes, you can.

The Hon. RICK COLLESS: How?

Mr JEREMY BUCKINGHAM: It is called a regulator.

The Hon. BEN FRANKLIN: I think Mr Hanlon was going to answer the question.

The Hon. RICK COLLESS: Weatherill pushes the water into Pamamaroo. You should know that.

Mr JEREMY BUCKINGHAM: And there is a regulator into Menindee.

The Hon. NIALL BLAIR: Do you want us to come back?

CHAIR: This is budget estimates not a debating session. Mr Buckingham, has your question been answered?

Mr JEREMY BUCKINGHAM: Mr Hanlon was going to give a response.

CHAIR: Please proceed.

Mr HANLON: The short-term options being explored in Menindee for groundwater have been designed in a way that they can be pulled out as water comes through. As Scott has pointed out, the volumes of water that come down the Darling and fill those lakes, the regulators will let them straight through. Weatherill has water in it at the moment. Copi Hollow has water at the moment, and groundwater is the last option we will use for Broken Hill.

The Hon. MARK PEARSON: My question relates to the Government's valid concerns about the importance of biosecurity and the risk of spread of disease in intensive animal farms and elsewhere. Minister, will you advise of any known incursion of animal activists into an intensive animal farm in New South Wales or abattoir that caused a biosecurity risk resulting in an outbreak of disease amongst animals?

The Hon. NIALL BLAIR: No, we do not think we have any documented evidence of a known one, but that does not address the issue of the risk associated with it and that is the reason that anyone who takes it

upon themselves to put any enterprise or animals at risk through biosecurity or a lack of biosecurity measures is doing so and therefore putting the operations and that industry at risk.

The Hon. MARK PEARSON: Minister, are you aware that activists have not taken biosecurity protocols to prevent any risk?

Mr HANSEN: Obviously we would not, unless it was clear through evidence of cameras and so forth. The risk the Minister was referring to, there is evidence of multiple visitations to multiple intensive structures—piggeries or intensive animal structures—over successive nights. In the event that precautions were not taken and, again, we cannot say whether they have or have not been, that kind of multiple presence in multiple locations would breach the biosecurity standards of most of those businesses. For instance, how many days before you visit that place should you have been away from other intensive animal sheds?

The Hon. MARK PEARSON: But you have no evidence that those people who did that did not take those precautions?

Mr HANSEN: No.

The Hon. NIALL BLAIR: Can I put this into context? Just because there is no evidence it does not mean the risk is not reduced and it does not mean that it could not occur in the future. I have not had a serious accident in my car. That does not mean that I should not wear a seatbelt. Number one, it is the law; number two, it reduces the risk of me being injured in the event that that does occur. It is the whole issue around risk management. Just because something has not occurred is no excuse not to mitigate the risk and put measures in place to prevent it happening in the future.

The Hon. MARK PEARSON: Does it not seem rather odd that activists are singled out when in the past 24 years—

The Hon. NIALL BLAIR: Where are they singled out?

The Hon. MARK PEARSON: —the only situations where there have been outbreaks of disease in any biosecurity situation or agribusiness have never been a consequence of activists entering, but rather—

The Hon. NIALL BLAIR: What do you mean they are singled out? Are you talking about the legislation before the House?

The Hon. MARK PEARSON: Your statements in the press that it is a matter of preventing activists from coming on to properties. In fact, what I am saying is that all biosecurity risks that have occurred in the past 25 years have never been sourced from an animal activist but rather agribusiness activity.

The Hon. NIALL BLAIR: Biosecurity is everyone's responsibility and that includes activists. This is what I am saying. In order to address and reduce or eliminate the risks, everyone has a responsibility.

CHAIR: And shooters.

The Hon. NIALL BLAIR: If you are talking about the legislation that is before the House, that also talks about everyone. That does not single out one section and it is quite clear that we recognise that includes other people within industry.

The Hon. MARK PEARSON: I will put a scenario to you. Is not one of the major risks to biosecurity the practice of intensive farming—putting thousands and thousands of animals in a very small space where there is high ammonia and high humidity, the animals are being pushed to grow at extremely high rates and where there are numerous compromises on various levels? Those factors are surely amongst the major risks to biosecurity in Australia and New South Wales.

The Hon. NIALL BLAIR: There are a whole range of potential risks and sources of risk. Things like native bird populations can also pose a risk to some operations as well, so we should not single out one area. As I said, this is a responsibility that everyone has. The Director General might add further comments to that.

CHAIR: Unfortunately, the time has concluded.

The Hon. MARK PEARSON: Can you take that on notice?

CHAIR: If there was a question there. You might be able to put your question again to obtain an answer on notice. We will now move to the Opposition; I do not want to cut into anybody's time.

The Hon. PENNY SHARPE: Minister, this morning a disturbing press release has been issued in relation to the RAAF base at Williamstown, where it has been found that there is perfluorooctane sulphonate and perfluorooctanoic acid in the ground water. I note that the Environment Protection Authority [EPA] release is basically advising people not to drink the bore water out of Tomago and Stockton sand beds, not to eat the fish caught from Tilligerry Creek or Fullerton Cove and not to eat eggs from backyard chickens. It also mentions your department, the Department of Primary Industries [DPI], Hunter Water and the Food Authority, who are all here. Could you tell us, first of all, when you found out about this and, secondly, what action your departments are taking?

The Hon. NIALL BLAIR: Thank you for the question. We will give you a detailed response about what DPI is doing.

The Hon. PENNY SHARPE: Not too long.

The Hon. NIALL BLAIR: Yes, not too long. The EPA is the lead agency on this issue. This event is occurring as we speak. There are DPI staff up there today. It is a new event, although the issue relating to the defence base does date back. They stopped using those chemicals some years ago. The multi-agency response is—

The Hon. PENNY SHARPE: Can I just clarify? I am specifically interested in the timing. Obviously you know about it now. When did you find out about this testing?

The Hon. NIALL BLAIR: If I hand over to Mr Hansen he might be able to give you some detailed information.

The Hon. PENNY SHARPE: Thank you, Mr Hansen.

Mr HANSEN: I think the first we were advised of it was in the last two weeks. More detail was due to come—

The Hon. PENNY SHARPE: You have known for two weeks but it has only been announced to the public today.

Mr HANSEN: That is because since we were notified further testing needed to be done and we needed to get further clarification from the Department of Defence and the Federal Department of the Environment about the area of scope.

The Hon. PENNY SHARPE: I can confirm that these chemicals that have been found. We are talking about not drinking the water, not eating the fish and not eating your backyard chickens' eggs. They are a pretty serious concern. These are known carcinogens. They are known to increase chronic kidney disease. You have waited two weeks before you have told the public.

The Hon. NIALL BLAIR: Mr Hansen can probably put it in context.

Mr HANSEN: As you are aware, we are currently working with the EPA, the Commonwealth Department of Defence, NSW Health and our agencies of Fisheries, the Food Authority and Hunter Water. We are taking a very precautionary, conservative approach to this; hence the advice that went out last night.

The Hon. PENNY SHARPE: Two weeks after you knew about.

Mr HANSEN: That was two weeks after it was first raised by the Department of Defence that there might have been an issue. As you can tell by the timing of the release last night, we did not hold this for any reason. There was a release that was put out by the EPA. I think there was also a Department of Defence press release that went out last night as well.

The Hon. PENNY SHARPE: Yes.

Mr HANSEN: These have both gone out as soon as facts were known in order to give a series of advices to residents without scaring them unnecessarily about the potential impacts. Overnight we have been able to put out a map to inform Williamstown residents of the areas where this warning applies. Our staff at the moment are on the ground in those areas talking to concerned residents. We have a detailed sampling plan in place and we are sampling and taking fish and oysters out of that area at the moment. We are advising that we will be closing the commercial fisheries, recreational fisheries and oyster harvest areas for up to a month in both the Fullerton Cove and upper Tilligerry Creek pending the results of that testing. We are talking to all commercial fishermen in the area and all oyster growers this morning. We have been on the phone since early this morning giving them the heads up and talking through this process with them.

The Hon. PENNY SHARPE: I remain concerned about the two week time frame. Have you been aware of the problems with these chemicals previously? They were phased out in 2008, as I understand it. Are you aware of any testing that was done around the RAAF base at that time in relation to these chemicals?

Mr HANSEN: No, I am not. I am still struggling to pronounce them.

The Hon. NIALL BLAIR: The Secretary can add something to those comments.

Mr SMITH: My understanding is that the RAAF had been using these chemicals at a number of air bases around Australia and has had a program for several years to analyse whether the pollutants had left the site or had contaminated the site. They have been implementing clean-up programs around the site. At Williamstown there has been a program. The local community was advised a couple of years ago—

The Hon. PENNY SHARPE: Would you be able to take on notice when they were advised?

Mr SMITH: Yes. It is actually on their website. It had been thought that the contaminants had been contained within their own land and on their own operations.

The Hon. PENNY SHARPE: They clearly have not.

Mr SMITH: This is brand new information that we first got the heads up on, as Mr Hansen mentioned. The State has made a very active and fast response to make sure that the local community gets the information.

The Hon. MICK VEITCH: When did the Department of Defence know that this had escalated to where it is now? How long have they been sitting on the information?

Mr SMITH: I think that is a question for them. We have been very pushy to try to get the information that we need so that we can be certain as to what action should be taken. We have taken that action very quickly.

The Hon. PENNY SHARPE: You have said that we should not eat the eggs. What about backyard vegetables? That is an issue that is not on the list. Does anyone have a view about that?

Mr HANSEN: We are taking advice from NSW Health in terms of what precautionary principles to put in place. The advice you see in that notice is advice based on NSW Health advice to us.

The Hon. MICK VEITCH: With regard to the oysters, when something like this happens usually the oyster growers are put on notice that there is a shutdown of the waterway. When were they advised that you were shutting down the waterway?

Mr SMITH: That was this morning.

The Hon. MICK VEITCH: So there are oysters in the marketplace at the moment from this waterway?

Dr ALLAN: No.

The Hon. MICK VEITCH: Was there a seasonal shutdown already in place?

Dr ALLAN: There are 26 oyster growers in the Tilligerry Creek area. They are currently subject to a harvesting closure based on freshwater and other indicators not related to this incident.

The Hon. MICK VEITCH: That is often referred to as a seasonal shutdown.

Dr ALLAN: This is not a seasonal shutdown. Every oyster farmer in the State has a water quality management program. They do not harvest unless they meet certain standards. They close when those standards drop. They are currently not harvesting so none of those oysters has been in the market recently.

The Hon. MICK VEITCH: Is there compensation payable to the oyster growers because of this event?

Dr ALLAN: Our first attempt has been to make sure we understand the spread. We do not know whether the chemicals accumulate in oysters. That is why we are testing now. It is too early to talk about compensation until we understand the extent of the problem.

The Hon. MICK VEITCH: Recreational fishers?

Dr ALLAN: Recreational fishers have been advised. Notices have been posted at boat ramps. The peak representative bodies have been notified. That is happening today.

The Hon. MICK VEITCH: What are the next steps in advising the public in a responsible way?

Dr ALLAN: As I said, sampling is occurring today. On the back of the sampling results we will have a better idea as to how long a closure needs to remain in place or how long the notices need to remain in place. Until we get the results back from those samples we are really not in a position to know the extent of time involved in terms of these closures.

The Hon. MICK VEITCH: What about the community consultation processes that you have put in place?

Mr HANSEN: As I said, our staff have been on the phone to all of the commercial operators, talking to the recreational fishing groups. I think the EPA is on the ground in the community at the moment, as well, talking to the local residents. I am sure that whilst we have been sitting here further communication plans have been developed in terms of consultation. I am just not aware of what those are at the moment.

The Hon. NIALL BLAIR: It is a very current issue obviously.

The Hon. MICK VEITCH: It is quite serious.

Mr HANSEN: Potentially.

The Hon. NIALL BLAIR: Potentially, and the response from the Department of Primary Industries has been thorough, as you have just heard.

The Hon. MICK VEITCH: In the past four budgets there have been underspends in the budget of the Department of Primary Industries at the end of each financial year. Where do those underspends go?

CHAIR: You can use the word "grubs" if you are talking about Treasury.

Mr SMITH: No, I think some of the significant underspends have been in areas where external funding has been provided to implement water savings projects, and sometimes those projects slip behind a schedule. In other words, the contractor does not get the work done and therefore cannot be paid so that money is carried over and we negotiate that with Treasury.

Mr HANSEN: Because it is actually external money paid into the accounts for the delivery of a service.

The Hon. MICK VEITCH: That is then carried across in the budget process?

Mr HANSEN: That is correct.

Mr SMITH: And more generally there is a process by which we can approach Treasury to advise, if we can show good reason why a particular program has not kept up with timetable, that there are provisions for carryovers of moneys into the future year.

The Hon. MICK VEITCH: Minister, are you almost a \$1 billion Minister? You have a \$720 million dividend from Sydney Water and a \$300 million underspend from primary industries. You almost have \$100 notes falling out of your pockets. Treasury must love you.

The Hon. NIALL BLAIR: The Primary Industries budget is more than \$1 billion, and it is money well spent.

The Hon. MICK VEITCH: Quite a significant part of the New South Wales economy?

The Hon. NIALL BLAIR: Absolutely.

The Hon. MICK VEITCH: As you would be aware, last week I tabled 12,662 signatures on a petition in the upper House regarding the Plaza car park at Port Macquarie. One of the main concerns of those 12,662 petitioners is the lack of consultation. Previously we spoke about the consultation mechanisms in place. Are you satisfied that community consultation has been adequate?

The Hon. NIALL BLAIR: As we indicated earlier, and you identified the issue around the plans of management on all foreshores in the Port Macquarie-Hastings area, it has gone on significant public exhibition and consultation. There is also a flag group there. The process, which I may add, has not resulted in the sale of the car park—as we sit here at the moment that land is still vested in Crown Lands—was also done through an external expression of interest process. I can ask Ms Stone to reiterate the level of consultation that has occurred on all of the different parcels there but, as I said, it has been extensive.

The Hon. MICK VEITCH: You said earlier there was a probity auditor?

The Hon. NIALL BLAIR: Yes.

The Hon. MICK VEITCH: I asked who it was, but I do not think I got an answer.

Mr HANSEN: No, and we will take it on notice and give you the details.

The Hon. MICK VEITCH: Minister, it would be remiss of me not to talk about Local Land Services. I refer to complaints and grievances that people may wish to lodge with their respective Local Land Services. How many complaints have been received in the last financial year that you are aware of? Is there a mechanism for documenting those complaints and grievances?

The Hon. NIALL BLAIR: I will refer to Ms Anthony in a moment for the specifics of the number of complaints and about the process. One of the pleasures that I have had since being the Minister and travelling to different parts of regional New South Wales is the face-to-face feedback that I have got on the ground about the work of the staff of Local Land Services. I know you want information about complaints, but what we do not do well enough is lodge compliments. Ms Anthony may be able to tell you the number, but I will raise tenfold on any number of complaints that we get of the praise of these hardworking staff across New South Wales also get.

Mr SMITH: Can I clarify the question? Are you asking about complaints from members of the public about services provided?

The Hon. MICK VEITCH: Yes.

Ms ANTHONY: Complaints to Local Land Services are all recorded at regional level in a complaints register. That information is available and is collated both at regional level and State level. I do not have the number of complaints with me but I can take that question notice, but it is a very open and transparent process.

The Hon. MICK VEITCH: I would appreciate it if you would take it on notice. It would be good if I could get the information via Local Land Services. How many staff are dedicated to administering complaints?

Ms ANTHONY: I cannot answer the exact number of staff dedicated to complaints, but it certainly would not be a dedicated position. That is a very small part of the work that we are required to do as complaints do not come very often so there would not be somebody in place to receive them.

The Hon. MICK VEITCH: Is the information I am talking about available on the website?

The Hon. NIALL BLAIR: On the issue of complaints, we will take that question on notice and provide you with as much information as possible as to the number, if that information is available.

The Hon. MICK VEITCH: Will it be available on the website? Will it be included in the annual report? Is there a constructive reporting process? Complaints should be used as a way to improve service, without a doubt, and should be encouraged.

Mr HANSEN: Definitely.

The Hon. NIALL BLAIR: There are other activities that are also underway within Local Land Services to improve those services, part of which is Local Land Services are reviewing their extension or advisory services. We also have the NRC, which has been tasked under the legislation to audit and it is looking at governance structures. Yes, as I said, we will take the question on the number of complaints on notice. I repeat that there are other ways that Local Land Services are continuing to develop.

The Hon. MICK VEITCH: Not long after you became the Minister, the Chair of Local Land Services resigned. Did you meet with him prior to that meeting?

The Hon. NIALL BLAIR: You have my diary, so let us be consistent with what we have said all morning. If it is in the diary there is your answer.

The Hon. MICK VEITCH: How long will it take to replace the Chair of Local Land Services? What is the time frame for the new Chair of Local Land Services?

The Hon. NIALL BLAIR: The process is currently underway.

Mr HANSEN: Obviously we have gone to an external recruitment agency to assist us in identifying the best candidate. We have a short list in front of us at the moment. The next step in the process is really just identifying suitable times for interviews with candidates. We are at the tail end of what has been a thorough process to find a replacement.

The Hon. MICK VEITCH: By December?

Mr HANSEN: In place, yes.

The Hon. MICK VEITCH: In 2014-15 what is the cost of the payroll expenses to Local Land Services?

Mr SMITH: Do you mean the cost of processing the payroll?

The Hon. MICK VEITCH: Yes.

Mr SMITH: Yes, we will take that on notice.

The Hon. MICK VEITCH: Is there an administration fee charged against each Local Land Services by the Department of Primary Industries for services provided?

Mr SMITH: Yes. Within the department we have certain functions that serve the whole department and related entities, and to make sure there is discipline and efficiency in how those services are provided, there is a range of fees-for-service arrangements that we use between entities.

The Hon. MICK VEITCH: Is it the same fee across all of them? Is it a percentage or a dollar amount?

Mr SMITH: It is based on recovery of the efficient cost of providing the service in each case.

The Hon. MICK VEITCH: Will that be available in the annual report for Local Land Services?

Mr SMITH: Probably not, but we are happy to provide it.

The Hon. MICK VEITCH: It would be good if you would take it on notice.

Mr SMITH: There is no secrecy about any of that.

The Hon. MICK VEITCH: Minister, what was the cost of managing invasive nature species on Crown Land in the past financial year?

Mr HANSEN: I do not think I can provide that number now.

The Hon. MICK VEITCH: Will you take that question on notice?

Mr HANSEN: I will take it on notice.

The Hon. MICK VEITCH: How many staff are deployed to manage the invasive native species on Crown land?

Mr HANSEN: It is that part that is—

The Hon. NIAL BLAIR: You have also got to remember that there are other entities that also carry out some of that control on Crown land. That is why some of the Public Reserves Management Fund [PRMF] funding goes towards weed eradication and things like that.

The Hon. MICK VEITCH: I have a series of questions on notice about the PRMF.

The Hon. NIAL BLAIR: What I am trying to say is that the question of just asking how many dedicated staff may be difficult to determine because some of that control is not carried out by our agencies. The director general may have some further information.

Mr HANSEN: This is just information about how much of the PRMF funding has been applied towards 112 feral pests and weed control projects, which is \$1.4 million in this last round. But that is not a direct alignment in regard to the question you asked.

The Hon. MICK VEITCH: If you take it on notice that will be good, thanks.

Mr HANSEN: Yes, we will take that on notice.

The Hon. MICK VEITCH: Minister, can I just go back to the line of questioning by the Hon. Penny Sharpe? We said that information was made public today. Who decided when the information would be made public? Who within your authorities? Was it the Environment Protection Authority [EPA] or any of your organisations? Who made the decision?

Mr SMITH: What would happen in these situations within government is that first of all the agencies who have some form of statutory responsibilities, the leaders, would talk together. Then it would be decided who would be the lead for the purpose of coordination and what the actions of each agency would be. I think as late as last night Mr Hansen was involved in discussions, or his team, with representatives of the EPA. I talked to the Department of Premier and Cabinet about that to make sure the announcement could be made as quickly as possible.

The Hon. MICK VEITCH: But who decided?

Mr SMITH: Well, it is an EPA press release.

The Hon. MICK VEITCH: So the EPA is the lead agency?

Mr SMITH: In this case, yes.

Mr HANSEN: Just if I can, Chair, there was one number we gave during the question about the number of oyster leases. When we walked into here we thought we were dealing with 26, but I have just been advised that due to a narrowing of the area—because obviously we are just getting further data about what it is—it is actually 18 businesses with oyster leases. I just want to put that on the record.

The Hon. NIALL BLAIR: As we have people on the ground, you can imagine that some of these—we are trying to give you as much information as possible. But if we have other information that is coming through, we are more than happy to pass that on.

Mr HANSEN: And if I could seek your indulgence, the probity adviser is O'Connor Marsden in Port Macquarie.

The Hon. MICK VEITCH: Thank you.

Mr JEREMY BUCKINGHAM: Minister, you may or may not be surprised that this morning I consumed cannabis. I broke the law. Why is the New South Wales Government standing in the way of a billion-dollar hemp food industry and refusing to allow hemp seed to be grown, sold and consumed in New South Wales?

CHAIR: Is that hemp food, or hemp food and fibre?

Mr JEREMY BUCKINGHAM: Hemp food and fibre. It is illegal here.

The Hon. NIALL BLAIR: Do you want me to comment on the first part of the question?

Mr JEREMY BUCKINGHAM: Go for it. I knew you would, mate.

The Hon. MICK VEITCH: And draw on experience?

Mr SCOT MacDONALD: It explains a lot.

The Hon. NIALL BLAIR: I am doing everything in my power to avoid the temptation. In January 2015 the Ministerial Forum on Food Regulation agreed that hemp food is safe and nutritious food, but rejected an application to allow the sale of low tetrahydrocannabinol [THC] hemp food products for human consumption. The application was rejected for a range of reasons that do not directly relate to its safety as a food. The application sought to legalise the sale of hemp food provided that the concentration of THC is below specified levels to ensure there are no psychoactive effects. The ministerial forum had a number of concerns that needed to be addressed before it could consider approving hemp foods for human consumption. I guess this is something that is happening at that level with all the other States as well and the Federal Government. Your suggestion directly that this is New South Wales—this is something that is happening across the board with the other States as well.

Mr JEREMY BUCKINGHAM: Is there a time limit?

The Hon. NIALL BLAIR: There is also uncertainty about compliance with international conventions against drug trafficking, to which Australia is a signatory, and the potential for inappropriate marketing and messaging surrounding low THC hemp foods. The forum asked the Food Regulation Standing Committee to address these information gaps over the next 12 to 18 months and to report back to the forum. There is the process there for them to go away and look at those issues and to come back. New South Wales is a member of that forum and part of that discussion.

Mr JEREMY BUCKINGHAM: But the time line on that is at least another 12 to 18 months.

The Hon. NIALL BLAIR: As I said, there are things to which Australia is a signatory—the international convention which I spoke about. It is not that it is not happening; it is the fact that these issues were raised. We are looking into these issues. One of the things in which I am particularly interested in New

South Wales in relation to primary industries is seeing what other markets we can examine and go into. Whether that is the hemp that you are talking about—potentially, if we were to address and overcome those issues, that could have significant economic, trade and employment benefits in New South Wales because of the turnaround. Some of the growing conditions that we have in this State are well and truly suited for crops like that. Whether it is hemp or any other emerging industry, there are those processes. You know yourself, coming from Tasmania, originally the regulations around things like poppies. These are issues that we have also raised at that Federal level. If we think that we can overcome those issues, we would be excited about trying a whole range of other industries in New South Wales.

CHAIR: Private game reserves would be a good one.

The Hon. NIALL BLAIR: Would you like me to answer that, Chair?

CHAIR: That was not a question.

The Hon. NIALL BLAIR: I will take it as a comment.

Mr JEREMY BUCKINGHAM: Minister Roberts is organising that for you.

CHAIR: Wrong Minister.

Mr JEREMY BUCKINGHAM: Minister, thank you for your answer. At the end of last year there was a significant—or I suppose you could categorise it as major—flood event in Central Queensland in the Condamine-Balonne system. The Beardmore Dam in Dirranbandi overflowed. How much of that water in the Condamine and Balonne system made it into the Upper Darling?

The Hon. NIALL BLAIR: I might refer that to Mr Hanlon to provide some information.

Mr JEREMY BUCKINGHAM: Maybe you would like to have a look at it? I will give him some time to answer. Minister, recently you wrote to the Council of Australian Governments [COAG] raising the issue of Cubby Station. My understanding is that you did. You raised the significant allocations.

The Hon. NIALL BLAIR: Water sharing?

Mr JEREMY BUCKINGHAM: Could you just update us on the status of that and give us the Government's view on the sustainability of Cubby Station and those water extractions that are occurring in Queensland?

Mr HANSEN: If I may, I will pass to Mr Hanlon to speak generally because it was not addressing any particular water user; it was addressing a potential amendment to the sharing arrangements and the water-sharing rules between Queensland and New South Wales.

Mr HANLON: We have longstanding agreements with Queensland where we have water shared fifty-fifty out of those northern rivers systems. At the time we were looking into having a discussion about possible restrictions and embargoes. Those fifty-fifty rules would have meant that the irrigators on the other side of the border would have been able to irrigate while our farmers up there would have been effectively embargoed. Earlier this year we wrote asking that those rules be considered; if the Queensland Government, in these times when communities are under dire need, would consider a discussion about those rules.

Mr JEREMY BUCKINGHAM: What was the outcome of those discussions? How receptive to that request were the Queenslanders?

Mr HANSEN: There has been no formal response yet.

Mr HANLON: We have had discussions at an officer level but no formal response.

Mr JEREMY BUCKINGHAM: Minister, will you pursue that issue considering the situation in the Darling River? Is that something you would commit to pursue in the short term?

The Hon. NIALL BLAIR: As Mr Hanlon said, the discussions are continuing at the officer level. I will be guided by how those conversations are progressing.

Mr JEREMY BUCKINGHAM: Minister, do you support the retention of the Western Lands Commission as a well-resourced agency to ensure effective oversight of leases over the western half of our State?

The Hon. NIALL BLAIR: The work that is done by the commission and the commissioner is important to those western lease landholders and at the moment there is no change to that.

Mr JEREMY BUCKINGHAM: Do you see an ongoing role for the Western Lands Commission in the years and decades ahead?

The Hon. NIALL BLAIR: As I answered earlier, we are going through the Crown Lands white paper responses. We will have issues that relate to the Western Division and those leasehold areas as part of that response and we will address that at that time.

Mr JEREMY BUCKINGHAM: I refer to the advice of the previous Minister as part of the Aquifer Interference Policy on the Caroon Coal Project where he said, "There is not sufficient information to allow for a proper assessment of the impacts of the proposal on water resources." Are you satisfied with the Aquifer Interference Policy when this is the complete extent of its application to this important and contentious project?

Mr HANSEN: It is one of our key tools in enabling us to shape the advice that we provide around impacts on aquifers from proposals that come forward. It continues to provide and guide all the evidence that we need to collect. If we have had problems in the past it has been about ensuring that proponents have provided adequate enough modelling and adequate enough data to satisfy us about impacts on aquifers. But the policy as such provides everything we need for that assessment process.

Mr JEREMY BUCKINGHAM: Going forward how will the Government ensure that proponents provide the information that is required to make a proper assessment under the policy?

Mr HANSEN: That is the advantage. We get to recommend through what gaps exist in that modelling, where there are weaknesses in the modelling and where there are weaknesses in the data that has been provided for consideration by planning approvals.

Mr JEREMY BUCKINGHAM: Through you, Minister, is that happening interagency or is there a process for that?

The Hon. NIALL BLAIR: Mr Hansen can give you the detail on that.

Mr HANSEN: Once a gateway application is lodged it gets referred to the Minister for Primary Industries. We then have 70 days to provide advice to that gateway panel. That advice has to take into account the Aquifer Interference Policy.

The Hon. MARK PEARSON: In relation to farm trespass is the Minister aware of the recently published study by Dr Elaine Barclay, Associate Professor in Criminology from the University of New England, which surveyed 3,160 farmers across New South Wales and Queensland to examine the nature and impact of rural crime and farmers' attitudes to rural crime? In the study 58 per cent of farmers surveyed identified trespassers engaging in illegal hunting and fishing on their farms as their greatest concern, followed by stock theft. Farm incursions by animal activists did not rate a mention either as a reality or a fear.

CHAIR: Is there a question?

The Hon. MARK PEARSON: Are you aware of this report?

The Hon. NIALL BLAIR: Just because something does not turn up in a survey does not mean that it should be condoned or allowed. Trespass is trespass. It does not matter who is doing it, if it is against the law it is against the law. It has a significant impact on those people who are going about and operating their businesses and quite often living at the same place as they are operating those businesses in a legal and responsible manner.

If the intent of the question is to somehow exonerate those who are doing that trespass because they have not turned up in a survey, I do not agree. The director general might add something.

Mr HANLON: I am not directly aware of the survey but was it a survey of landholders and primary producers?

The Hon. MARK PEARSON: Farmers.

Mr HANSEN: Given the fact that the vast majority of farmers are extensive croppers and extensive livestock producers for which the biggest trespass risk is likely to be hunters, shooters or theft, it would not surprise me—given the overwhelming numbers that are extensive rather than intensive where the majority of activists trespass activity occurs—that you would see a huge significance in those figures as they come through. But, again, trespass is trespass. It does not matter whether it is Bourke or Bondi, it should be treated the same way.

The Hon. MARK PEARSON: In relation to this trespass Hawkesbury Valley Meat abattoir and several piggeries and turkey abattoirs have been exposed, leading to major investigations and prosecutions. The evidence has come from the fruit of the trespass as opposed to the regulatory authorities. It was put to the former Minister for Primary Industries that mandatory CCTV cameras at critical points of animal welfare would bring a lot of assurances to the community and to activists that wherever there were possible critical animal welfare breaches they would be under constant surveillance and they would be monitored. However, the government of the day did not support mandatory CCTV cameras. Would the Minister consider whether mandatory CCTV cameras should become part of the Biosecurity Bill to alleviate biosecurity issues and animal welfare issues?

The Hon. NIALL BLAIR: Abattoirs in New South Wales are licensed with the Food Authority. Part of that condition is that they have trained animal welfare specialists at those premises. Some of them choose to put in CCTV at those operations as well. But, again, I just make the point that if your argument is that those breaches were identified because of the illegal incursions on those premises that is a dangerous message and precedent to set. I would hate to think that we would get to the point where the only way we can identify illegal ice production on private premises in New South Wales is to have people breaking into their next door neighbour's house to see what is going on in the back shed. To me, there is no difference. We have the Prevention of Cruelty to Animals Act. We have authorities there to investigate and act upon any animal welfare issues. The message is if people suspect that there are problems or if they are concerned about animal welfare issues they should do what the average member of the public does for any other illegal activity that may be a breach and report it to the authorities, who will investigate.

The Hon. MARK PEARSON: That is what happened but it went nowhere, Minister.

Mr HANSEN: Without mandating, CCTVs have been seen by numerous meat processing facilities as an additional advantage in management practices for both audit and verification of process. As a result, we have CCTV cameras installed in all domestic red meat abattoirs throughout New South Wales as well as major poultry abattoirs covering more than 95 per cent of production without the additional burden of the red tape costs of us mandating it.

(Short adjournment)

The Hon. PENNY SHARPE: I have some questions about the integrated forestry operations agreement [IFOA] remake. I thank Mr Roberts for being here. Is it the case that no analysis has been done of the impacts of logging on threatened species and waterways since the IFOA has been in place, since 1999?

The Hon. NIALL BLAIR: I will hand that to Mr Roberts for that level of detail. I have looked at the current trial on the ground, and I found that to be an enlightening and interesting exercise.

Mr ROBERTS: I hope I can answer the level of detail that you are looking for. The Forestry Corporation, and its predecessor Forests NSW, employs DPI as a contractor, if you will, to undertake science and research on its behalf. They have specialists in soil and water areas and in threatened species. They undertake research on our behalf. In addition to that, in terms of the Government, there would obviously be a wide range of different people who would be involved in research into threatened species.

The Hon. PENNY SHARPE: Can I clarify that no analysis has been done?

Mr ROBERTS: No—

The Hon. PENNY SHARPE: What I mean is that these agreements have been in place for 16 years. Has anyone gone back to the areas that have been logged and done any surveys to see if species are still present and whether habitat trees are still there, for example?

Mr ROBERTS: One of the issues we are trying to address through the new IFOA is exactly that issue. A lot of the survey effort that is required through the existing regulatory framework is on pre-harvest survey effort; it is not on post-harvest survey effort. One of the things that we are jointly with the Environment Protection Authority and the Office of Environment and Heritage keen to see in the future is further monitoring across a broader landscape than just within the State forests.

The Hon. PENNY SHARPE: What percentage of the current net harvest area of the forests in the IFOA remake does the Forestry Corporation propose for the intensive logging regrowth treatment?

Mr ROBERTS: That is still a subject of negotiation and discussion with the EPA so that has not been finalised.

The Hon. PENNY SHARPE: What is the time frame for that being finalised?

Mr ROBERTS: The trials are currently underway and they are coming to the end of their term over the next couple of weeks. There will be a process of analysis in terms of looking at the impact of those trials. Then there will be further discussions and negotiations with the EPA with the assistance of the Department of Premier and Cabinet to reach a conclusion.

The Hon. PENNY SHARPE: Do you have a preferred number of hectares that you want to be able to clear fell?

Mr ROBERTS: I would not use the terminology "clear fell". It is a more intensive operation than the traditional Australian grid selection method of harvesting, but it has quite a number of benefits in the regeneration of the next crop. There are requirements for retained trees across the site and those are some of the things being tested at the moment. Again, there is no final determination on what area might be subject to more intensive harvesting than in the past.

The Hon. NIALL BLAIR: I echo the fact that Mr Roberts took exception to the term "clear fell". This trial is being conducted in, I would have to argue, one of the most visible and public areas for a trial like this because it is directly under the flight path of the commercial aircraft landing at Port Macquarie. As a result, it is being examined hourly by members of the public. You used the term—

The Hon. PENNY SHARPE: I do not want to argue; I have 10 minutes and—

The Hon. BEN FRANKLIN: Point of order—

The Hon. PENNY SHARPE: —I have more questions.

The Hon. NIALL BLAIR: I will stop, but I am saying we cannot use terms like "clear fell" because if we were clear-felling, that area is under such public scrutiny, you would have heard about it by now.

The Hon. PENNY SHARPE: Is the logging proposed for the less intensive zone in the IFOA remake more intensive than is allowed by private native forestry?

The Hon. NIALL BLAIR: The chair of the timber task force is in the room, but I will hand the question to Mr Roberts.

Mr ROBERTS: Once again, we have not finalised the arrangements so it is too early to say.

The Hon. PENNY SHARPE: You are aware that in the forests from Woolgoolga to Kempsey there are two significant North Coast koala mega populations?

The Hon. NIALL BLAIR: Is your question heading to the super koala park?

The Hon. PENNY SHARPE: No.

Mr DAVID SHOEBRIDGE: Are you about to announce it?

The Hon. NIALL BLAIR: Absolutely not. I value the timber industry on the North Coast and—

The Hon. PENNY SHARPE: I have a very specific question: Are you aware of the koala population on the North Coast and how significant it is?

Mr ROBERTS: We are aware of where there are koalas located across the landscape and the State forest to the extent that we have surveyed for koalas and we have been doing mapping having a look at preferred koala habitats. Yes, we have records of where the koalas are.

The Hon. PENNY SHARPE: Can you outline your role in relation to protecting koala populations in forests that are scheduled for more intensive logging?

Mr ROBERTS: It would be our objective to try to protect those koalas. We would undertake pre-harvest surveys so that we know where they are—this is for our current proscription that may change depending on where we get to with the integrated forestry operations approval [IFOA]. We undertake intensive pre-harvest surveys where we look for koala scats. If we find scats we institute what is called a star survey, where we walk around 360 degrees and see whether we can find more scats. If we do, depending on the nature of those scat deposits, we will reserve the area for the feed trees of the koalas. We will avoid that area and will not harvest within it.

The Hon. PENNY SHARPE: When is the Koala Habitat Assessment and Mapping Project likely to be complete?

Mr ROBERTS: Should I keep going?

The Hon. NIALL BLAIR: You are doing a wonderful job and might as well keep going.

Mr ROBERTS: I do not have a timescale on that. DPI, through the research facilities that we contract, has done an excellent job in characterising key koala habitat and doing a mapping process, which we have looked at. We have been promulgating that as an idea with the EPA as a way that we can determine the most likely areas for koalas. There is some debate amongst the experts about how that might be taken forward. I do not have a time frame for conclusion of that, but I can tell you that from our perspective we have done quite a bit of work with DPI in that area.

The Hon. PENNY SHARPE: Six months, 12 months, a year, two years?

Mr ROBERTS: I would certainly like to think within six months. The IFOA has to be concluded so there will need to be a process of mapping within it. This is not a time frame I can control or the Forestry Corporation can control, but I would like to think that we would conclude within that time frame.

The Hon. PENNY SHARPE: Can you confirm that you are going to be doing more intensive logging in areas where koalas live?

Mr ROBERTS: No, I did not say that.

The Hon. PENNY SHARPE: Are you saying that none of those compartments you are going to log have koalas in them?

Mr ROBERTS: I do not know whether there will or will not be koalas in any of those compartments. It will be a matter of determining by way of mapping and surveying whether or not there are koalas there.

The Hon. PENNY SHARPE: In relation to the mapping itself, can you take us through what that involves?

Mr ROBERTS: It is a matter basically of having a look at the types of trees spread across the landscape. You are probably aware that eucalypts like microclimates or microenvironments and they grow in very specific areas. You have quite a wide range of different forest types across the North Coast and the South Coast. We have records for where we know koalas will feed because we know their preferred habitat, so the process of mapping is to determine where in that landscape their habitat is and that will then become the koala areas that a proscription would be applied to.

The Hon. PENNY SHARPE: Is the method of koala mapping publicly available? If it is, can you direct me to it?

Mr ROBERTS: I am not sure that DPI has published that work as yet.

The Hon. PENNY SHARPE: Would you be willing to do so?

The Hon. NIALL BLAIR: Mr Roberts is not with the Department of Primary Industries.

Mr HANSEN: All of the research on which we spend taxpayers' dollars is intended to make its way back to the people who can utilise it, whether that is the public, the Forestry Corporation, the Office of Environment and Heritage—

The Hon. PENNY SHARPE: Will it be made public?

Mr HANSEN: Yes.

The Hon. PENNY SHARPE: Will the mapping method also be made public?

Mr HANSEN: Yes.

The Hon. MICK VEITCH: Minister, you may need to take this question on notice. Contract award notice DTIRIS 15/289 indicates that the Department of Primary Industries is spending \$197,000 to construct an accessible kitchen beside an existing classroom, accessibility ramps and various blocks around South Sydney High School. Why is the Department of Primary Industries constructing something for the Department of Education?

Mr HANSEN: That is likely to be for our soil conservation team. We are doing contracts on behalf of a range of local government entities and other departments and agencies that utilise the team's expertise and skills with regard to earthmoving works. That is more than likely the answer; I cannot think of anyone else—

The Hon. MICK VEITCH: Can you take that question on notice, because I have a number of these that look strange.

Mr HANSEN: Yes. That would be the case. There has been a great deal of talk about the Soil Conservation Service recently. Given its expertise and staff, it has done a great deal of work for other departments and agencies, and in the local government area. A number of contracts have been entered into, so it represents the department purchasing those services or using money from other agencies to purchase those services on behalf of the Soil Conservation Service.

CHAIR: Crossbench members can now ask questions. The Greens have nine minutes and the Hon. Mark Pearson can ask one final question.

Dr MEHREEN FARUQI: The recent parliamentary inquiry into companion animal breeding practices repeated some of the recommendations made by the 2015 Companion Animals Taskforce that have never been implemented, including, for example, the establishment of a licensing scheme for breeders. We know that we need to go much further than this to end cruelty and to ban intensive puppy farms and the selling of companion animals in pet shops. We still have a way to go. Minister, can you commit today to implementing that recommendation urgently and to establishing a licensing system for breeders?

The Hon. NIALL BLAIR: As you know, committees hand down their reports and the Government reviews them and responds. This is no different. The fact that I asked the committee to look into this issue is a good indication that we take this issue seriously.

Dr MEHREEN FARUQI: This issue was examined during the Companion Animals Taskforce inquiry. You know that the cruelty continues and you are the Minister. Can you commit to implementing that recommendation urgently?

The Hon. NIALL BLAIR: You are correct, and I am the Minister who asked the committee to examine this issue. I think—

Dr MEHREEN FARUQI: Will you implement the recommendation?

The Hon. BEN FRANKLIN: Point of order: The Minister was in the middle of his answer and he has been interrupted twice. I ask that he be allowed to conclude his comments.

CHAIR: Order! There is no point of order. The Minister is capable of answering or not answering questions. However, I remind members that it is inefficient to speak over a witness.

The Hon. NIALL BLAIR: As I said, I was the Minister who referred this issue to the committee. My actions in this area already demonstrate a commitment to this issue. It has been highlighted through that process that the New South Wales Government has given in-principle support to the establishment of a breeder licensing scheme. It has announced that the current paper-based dog and cat registration system will be replaced by a one-step online register. The committee handed down the report only last week.

Dr MEHREEN FARUQI: Thank you. I understand that you are not willing to commit to this, so I will move on to the next question.

The Hon. NIALL BLAIR: You cannot make that sort of comment. I repeat: I was the Minister who referred that issue to the committee. The Government has already outlined through its agencies and representations to that committee what it is willing to do. The report was handed down last week. It is prudent that we consider the recommendation and come back with a response. For you to suggest that I am not committed to dealing with this issue is wrong; it could not be further from the truth. I referred the issue to the committee for investigation.

Dr MEHREEN FARUQI: I have an answer.

The Hon. NIALL BLAIR: I resent your final comments.

Dr MEHREEN FARUQI: I will move on. I have a copy of the draft New South Wales Farm Trespass Policy, which was released by the former Minister. Can you confirm that that policy has been finalised?

The Hon. NIALL BLAIR: The fact that you just said it is a draft provides the answer.

Dr MEHREEN FARUQI: It was drafted in 2014. Has it been finalised?

Mr HANSEN: Yes.

Dr MEHREEN FARUQI: The press release announcing the policy includes the following statement:

Compliance and enforcement operations, run in conjunction with NSW Police, to target high-risk farms and respond to intelligence.

I am interested in the definition of "high-risk farms". Does that refer to farms with the worst animal welfare outcomes or something else?

Mr HANSEN: It captures a category of farms—everything from farms that are at high risk because they have absentee owners and therefore machinery and equipment without any onsite supervision through to intensive operations which are close to roads or which are likely to be targeted.

The Hon. NIALL BLAIR: You are throwing around terms such as "the biggest animal welfare offenders" and so on. I cannot sit here as a government conduit and look at how we increase primary production in this State and work with legitimate farmers who are doing the right thing throughout New South Wales and not take you to task about that inflammatory commentary.

Dr MEHREEN FARUQI: I did not use the word "offenders".

The Hon. NIALL BLAIR: Yes, you did.

Dr MEHREEN FARUQI: You should look at the transcript. That is not the word I used.

Mr DAVID SHOEBRIDGE: Can you provide a copy of the finalised policy?

The Hon. NIALL BLAIR: Sure.

Mr DAVID SHOEBRIDGE: I assume that data is kept on farm trespass incidents.

Mr HANSEN: No. It is a criminal matter, so records are kept by the NSW Police Force.

Mr DAVID SHOEBRIDGE: Do you know what proportion of incidents and complaints of trespass involve recreational hunters?

The Hon. NIALL BLAIR: You should speak to the Hon. Mark Pearson. He quoted a survey earlier on which he has hung his hat.

Mr HANSEN: Obviously the police have details about the incidents; we do not have them.

Mr DAVID SHOEBRIDGE: I refer to the \$8.55 million buy-back of wood supply contracts from Boral. From where did that funding come?

Mr ROBERTS: From the Forestry Corporation.

Mr DAVID SHOEBRIDGE: Did it come out of the hardwood division or the plantation division?

Mr ROBERTS: It would have come out of the corporation's consolidated revenue.

Mr DAVID SHOEBRIDGE: Did the hardwood division make an overall profit or loss last financial year?

Mr ROBERTS: Last financial year we made positive earnings before interest, taxes, depreciation, and amortisation [EBITDA] of \$2 million.

Mr DAVID SHOEBRIDGE: Was that after interest, tax and other deductions were taken into account?

Mr ROBERTS: That is earnings before interest and tax were deducted.

Mr DAVID SHOEBRIDGE: I asked what was the final profit, not for the EBITDA figure.

Mr ROBERTS: I cannot provide the exact number, but it would be a small loss, of the order of hundreds of thousands of dollars.

Mr DAVID SHOEBRIDGE: For how many years has the hardwood division of the Forestry Corporation and its predecessor run at an end-of-financial-year loss?

Mr ROBERTS: The business has run at a loss for a number of years, which has been a concern to us as its managers. That is why we have spent a great deal of time over the past two years and since corporatisation getting to the point where we are breaking even and are positive at the EBITDA line.

Mr DAVID SHOEBRIDGE: How many wood supply agreements are the subject of negotiation between the Forestry Corporation and the mills or loggers with regard to alleged breaches by the corporation and it is not providing the content of those agreements?

The Hon. NIALL BLAIR: Obviously negotiations like that are commercial matters between two parties and are commercial in-confidence.

Mr DAVID SHOEBRIDGE: I am not asking about the detail; I am asking about the number of wood supply agreements the corporation is alleged to have breached across the State. You must know.

Mr ROBERTS: One.

Mr DAVID SHOEBRIDGE: Can the Forestry Corporation confirm that it is in a position to meet its obligations under the wood supply agreements from the Pilliga?

Mr ROBERTS: Yes, we believe we are. We have extensive modelling and inventory processes to project the wood supply into the future. We believe that with the area of supply for the mills in the cyprus area that there is sufficient wood to meet the wood supply agreements.

Mr DAVID SHOEBRIDGE: Can you provide that modelling and material to this Committee?

The Hon. NIALL BLAIR: You asked the question. They believe they can meet it, so—

Mr DAVID SHOEBRIDGE: Can you provide the details of the modelling to this Committee?

The Hon. BEN FRANKLIN: Point of order—

CHAIR: The time for your questioning has concluded, Mr Shoebridge. I think you should put the second part of your question on notice. We will now move to Mr Pearson. You have one question, Mr Pearson.

The Hon. MARK PEARSON: Noting that this is where the Ministry of Environment and the Department of Primary Industries merge, my question relates to the aerial killing of animals. As a consequence of what happened with the brumbies in Guy Fawkes River National Park and that investigation, along with the fact that Justice John Hamilton of the Supreme Court ruled that the aerial killing of goats "could not assure the court that breaches of the prevention of cruelty to animals would not occur as a consequence", would the Minister consider referring to a committee the whole notion of programs of aerial killing of animals, with terms of reference pertaining to the welfare of those animals, considering the overwhelming concern about the aerial killing of brumbies, goats, pigs—

CHAIR: Deer.

The Hon. MARK PEARSON: and cattle? Thank you.

CHAIR: What an excellent question—a really top, good question.

The Hon. NIALL BLAIR: I will think about it.

CHAIR: Are you saying you will take the question on notice?

The Hon. NIALL BLAIR: No, he asked if I would consider it and I said, "I will think about it."

CHAIR: So you will accept the question and consider it?

The Hon. NIALL BLAIR: I will consider it.

CHAIR: Minister, thank you and your staff very much for attending. Do you wish to table any answers to previous questions?

The Hon. NIALL BLAIR: I do. Firstly I table the consumer response out of the Local Land Services annual report. It relates to complaints. I very briefly update the Committee that Sydney Water's 2013-14 dividend payable was \$252 million. This was actually paid in 2014-15. I also inform the Committee the net debt in 2013-14 is \$6.055 billion. Sydney Water's net debt in 2012-13 was \$5.862 billion. On Wilcannia weir, for Mr Buckingham, the New South Wales Government has committed \$190,000 to a feasibility study to scope the needs of a new structure at Wilcannia. Currently the Department of Premier and Cabinet are running the project

and are partnered by DPI Water, Central Darling Shire and community leaders from Wilcannia. There was a workshop in early August in Broken Hill with a report on the next steps expected at the end of 2015.

CHAIR: Minister, I hate to interrupt you, but would you be able to table the rest of those answers and then we can deliberate as to whether we will accept them?

The Hon. NIALL BLAIR: Yes, and there is the farm incursions policy.

CHAIR: Thank you. We will accept those and then we will deliberate on them. Minister, once again, thank you for attending today. Thank you to your staff. It has been a difficult session having to swap tables and so on. The next time we have budget estimates we might have a great big, long table for your portfolios. We would like answers to questions on notice within 21 days of when you receive them, Minister.

(The witnesses withdrew)

The Committee proceeded to deliberate.
