

GENERAL PURPOSE STANDING COMMITTEE No. 5

Thursday 15 September 2005

Examination of proposed expenditure for the portfolio areas

NATURAL RESOURCES, PRIMARY INDUSTRIES, MINERAL RESOURCES

The Committee met at 8.00 p.m.

MEMBERS

Mr I. Cohen (Chair)

The Hon. A. Catanzariti
The Hon. R. H. Colless
The Hon. G. J. Donnelly
The Hon. A. R. Fazio

The Hon. D. J. Gay
Ms S. P. Hale
The Hon. J. Jenkins

PRESENT

The Hon. I. M. Macdonald, *Minister for Natural Resources, Minister for Primary Industries and Minister for Mineral Resources*

Department of Natural Resources
Dr R. Sheldrake, *Acting Director General*
Mr P. Sutherland, *Deputy Director General*

Department of Primary Industries
Mr B. Buffier, *Director General*
Mr A. Coutts, *Deputy Director General, Mineral Resources*
Mr P. Duncan, *Chief Executive Officer, Forests NSW*
Mr A. Gleeson, *Executive Director Corporate Services*
Mr R. Martin, *Senior Liaison Officer*
Mr J. Gibson, *Departmental Liaison Officer, NSW Fisheries*

CHAIR: I welcome the Minister, the departmental staff and the public to this public hearing of General Purpose Standing Committee No. 5. First I thank the Minister and the departmental officers for attending this evening. At this meeting the Committee will examine the proposed expenditure for the portfolio areas of Natural Resources, Primary Industries, and Mineral Resources.

Before questions commence, some procedural matters need to be dealt with. First I point out that in accordance with the Legislative Council's guidelines the broadcast of the proceedings is available from the attendants and clerks. Only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. There is no provision for members to refer directly to their staff while at the table. Members and their staff are advised that any messages should be delivered through the attendant on duty or the Committee clerks.

The Committee has deliberated and agreed to deal first with Fisheries, Primary Industries, and Agriculture for one hour, and then to deal with Forestry, Mineral Resources, and Natural Resources for the following hour. I declare the proposed expenditure open for examination. Minister, do you wish to make a brief opening statement?

The Hon. IAN MACDONALD: No.

CHAIR: We will now proceed to questions on Primary Industries.

The Hon. JON JENKINS: Minister, recently you introduced new bag limits and announced a reassessment of fish sizes. Several leaked letters from the Advisory Council on Recreational Fishing [ACORF] indicate that the council has not seen any of the new recommendations with regard to bag limits and fish sizes. Why was the ACORF bypassed, and what is the point of funding the ACORF if it is to be bypassed?

The Hon. IAN MACDONALD: That is not my understanding. My understanding is that there were discussions. You have to remember that these are proposals for discussion; they are not decisions. I have extended the period for public consultation a further three weeks to give all groups ample opportunity to reply. I understand that discussions were held in relation to that. That is the advice I have received, and that is my understanding.

The Hon. JON JENKINS: I will provide you with letters from one of the ACORF members stating that he has not seen any of the new recommendations.

The Hon. IAN MACDONALD: Which member is that?

The Hon. JON JENKINS: I will provide you with the letters. There is no representation on the ACORF of people who live on the North Coast of New South Wales, or who work in the industry, or have anything to do with the industry, north of Newcastle. In other words, for the entire North Coast of New South Wales, that is, north of Newcastle, there is no regional representation on the ACORF regarding Fisheries issues. Probably the major recreational fishing industry and at least half of the State's commercial fishing industry are effectively unrepresented on the ACORF.

The Hon. IAN MACDONALD: I am happy to look at that. I have received further advice in relation to the matter that the ACORF was not bypassed. The management planning committees set up by the ACORF reviewed the documents.

The Hon. JON JENKINS: They did not pass them on to the ACORF before they were released?

The Hon. IAN MACDONALD: According to the information I received, the management committees reviewed the documents.

The Hon. JON JENKINS: With regard to the marine parks and buy-outs, earlier this year I asked you a question about what are known as old licences, whereby people in the industry who are bought out immediately repurchase one of the old licences and start fishing again. Do you intend

doing anything to prevent this? The problem is that an enormous amount of money is paid out, the fishermen then simply buy an old licence, use the extra money to buy a new boat, and start fishing again the next day. Is this an effective use of funds?

The Hon. IAN MACDONALD: I am aware of recent reports about commercial fishers re-entering the fishing industry after being bought out, to create the State's 38 recreational havens. I think around \$20 million was set aside by the Recreational Fishing Trust to achieve this. Previous buy-outs have reduced the overall number of commercial fishers in New South Wales and reduced the commercial fishing effort in the havens, as you would be aware. We emphasise that the recreational fishing havens remain protected from commercial fishing, regardless of whether a small number of commercial fishers re-enter the industry and fish elsewhere.

The Hon. JON JENKINS: You have allocated \$4 million to buy out the commercial fishing industry in Byron Bay. Will you take steps to ensure that that \$4 million does not end up going back into buying new commercial fishing equipment?

The Hon. IAN MACDONALD: I think you have to be very careful. Under the law we have a lot of difficulty preventing people from entering a business down the track. I do not think we should be legislating to prevent people re-entering the industry. You have to remember that licences in the State are capped, so there is no increase in effort; they have to buy someone else's licence to get back in.

The Hon. JON JENKINS: The problem is that they are old-style fishing licences.

The Hon. IAN MACDONALD: Latent licences.

The Hon. JON JENKINS: Yes. I think you said 115 of those licences were still current.

The Hon. IAN MACDONALD: It is a difficult issue, and I think it would require substantial legislation. But I will take the remainder of the question on notice and provide you with further information.

The Hon. JON JENKINS: The Byron Bay buy-out was \$4 million. What do you expect the commercial buy-out to be for the Manning Marine Park?

The Hon. IAN MACDONALD: No decision has been taken in relation to the funding of any proposal to buy the Manning Shelf Marine Park. Consideration of the bioregion assessment is still being conducted by the Government. [*Time expired.*]

The Hon. DUNCAN GAY: Minister, you indicated in the House, in a joint press release and in the *Land* newspaper that \$2.4 million is owed to sheep producers under the ovine Johne's disease voluntary levy. Can you tell me how you arrived at that figure?

The Hon. IAN MACDONALD: I understand that that is an assessment done by the Rural Assistance Authority. It will be dealt with in detail by the advisory committee that we have, under the chairmanship of Mr Garry West.

The Hon. DUNCAN GAY: Could you provide us with details of the verification of that figure?

The Hon. IAN MACDONALD: Of the whole \$2.4 million?

The Hon. DUNCAN GAY: Yes.

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

The Hon. DUNCAN GAY: How many farmers are involved in that?

The Hon. IAN MACDONALD: I think the figure I have is 444, or thereabouts.

The Hon. DUNCAN GAY: Over what sort of period has that debt been outstanding?

The Hon. IAN MACDONALD: At least two years, and sometimes three or so years. It is debts arising from the previous scheme, which collapsed with the end of the previous levy situation that was in the State early in the 2000-01 period.

The Hon. DUNCAN GAY: You indicated that you are going to advance \$725,000.

The Hon. IAN MACDONALD: That is correct.

The Hon. DUNCAN GAY: Why are you making that advance?

The Hon. IAN MACDONALD: We are making that advance because we want to help the scheme work. We want to assist the 444 producers in the area start to get some payment back. It was negotiated between the New South Wales Farmers Association and myself. I think it is a terrific gesture by the Government to help those farmers and get the scheme working. It means that around 30 per cent of the debt can be paid off pretty quickly for those farmers. You have to remember that this was a producer scheme that ran into all those difficulties a few years ago, and the Government has stepped in to help those farmers hopefully receive some recompense for that debt prior to Christmas.

The Hon. DUNCAN GAY: Why did you decide on 30 per cent?

The Hon. IAN MACDONALD: That was the figure negotiated between us and the New South Wales Farmers Association.

The Hon. DUNCAN GAY: Can you give me some idea of how the figure was negotiated between 100 per cent and zero? Did you say you were not going to provide any advance, but they wanted you to provide something?

The Hon. IAN MACDONALD: No. I think we had a discussion with the New South Wales Farmers Association—which, unlike you, has been very positive in getting the scheme up and running and assisting in its development. We had a discussion about the sorts of things we may do to help the scheme work, as we did with the stock and station agents, who had some concerns. Those concerns have been satisfactorily worked through in a co-operative way so that their association is now satisfied.

I am sorry that the National party, after having run such a heavy campaign on this issue, feels the pain of having both the New South Wales Farmers Association and the *Land*, through the agency of its president, support the scheme in such glowing terms. If you like, I will quote them to you shortly. But the stock and station agents also support the scheme. So it is a bit of a pity that National party members have put themselves out on a limb so much and are being so negative about it, when all the way along we said would find a way to make this system work—and we have done that.

The Hon. DUNCAN GAY: Two things, one by way of statement. Can I indicate that we have got a lot of work to get through. Political statements will not help; it will only mean that you and your staff will have to come back later.

The Hon. IAN MACDONALD: Do not worry, I am very happy to come back.

The Hon. DUNCAN GAY: We appreciate that and we will certainly be inviting you back. The second thing is, may I remind you that we voted for this legislation on the condition that these farmers were going to be paid. My concern is that you breached the commitment to Parliament that you gave in the third reading speech, in that these farmers have not been paid. You have now decided to make a one-third payment upfront but these farmers who have been out of pocket, some of them up to four years, through a drought period, are still wearing two thirds of it. Do you acknowledge that you have let the farmers down in this situation?

The Hon. IAN MACDONALD: Certainly not. The commitment was honoured. It was never agreed to pay the farmers upfront in that debate, and that is a total fabrication by you. They will be paid. The levy is in place to have them paid; the \$725,000 will assist them.

The Hon. DUNCAN GAY: When will they be paid?

The Hon. IAN MACDONALD: They will get \$725,000 fairly shortly. The 20¢ levy on sheep and the 10¢ levy on lambs will be collected—hopefully as quick as possible. I do not know how many sheep are being sold next week or next month and I do not know how many lambs are going to be sold next month or the month after. We will collect that amount through the stock and station agents, who have been very, very co-operative on this issue; they will collect the funds, they will forward them in, and they will then be forwarded to the farmers in batches until they are paid. That is the commitment, and they will be paid.

The Hon. DUNCAN GAY: What is the time span?

The Hon. IAN MACDONALD: I do not have the answer to that question.

The Hon. DUNCAN GAY: Five years? Ten years?

The Hon. IAN MACDONALD: You can have all the guesses you like. I am not going to guess; I am here to give facts.

The Hon. DUNCAN GAY: These farmers have money that is outstanding to them; they made a commitment on a guarantee from the State Government. You realised that you had a commitment; you would not have paid a third upfront if you did not realise you had a commitment. My question to you is: Why are you not paying the other two thirds, and if you are, when are you going to pay it?

The Hon. IAN MACDONALD: It is an industry debt.

The Hon. DUNCAN GAY: It is a debt to these farmers.

The Hon. IAN MACDONALD: Yes, but it is an industry debt. You will have to go back to the original formula and you will see that it is an industry debt. We are doing the right thing; we are helping industry recover these funds so that farmers can be paid.

The Hon. DUNCAN GAY: So you are saying you are not going to pay these farmers?

The Hon. IAN MACDONALD: The farmers will be paid out of the fund.

The Hon. DUNCAN GAY: When?

The Hon. IAN MACDONALD: We would hope within a couple of years—fully paid off.

The Hon. DUNCAN GAY: Why not in the first year?

The Hon. IAN MACDONALD: We are paying according to that arrangement and that is it. You can turn this into a political scramble all you like, but you are not going to get me to commit to things that have never been committed to.

The Hon. RICK COLLESS: What sort of money are some of these farmers owed?

The Hon. IAN MACDONALD: It varies up to \$25,000.

The Hon. RICK COLLESS: So individuals are owed \$25,000?

The Hon. IAN MACDONALD: Some, but it varies.

The Hon. RICK COLLESS: How many would be owed that sort of amount?

The Hon. IAN MACDONALD: I am going to give you some details in due course by way of answer. I do not have the precise number of how many are owed \$25,000 or \$15,000 or \$17,000 or whatever.

The Hon. RICK COLLESS: Let us assume there is only one that is owed \$25,000. Can you give a commitment to that farmer about when he will get some of that money back?

The Hon. IAN MACDONALD: I assume he will get a bonus before Christmas in the order of a third of that, and then he will be paid off over time.

The Hon. DUNCAN GAY: What about interest? We are up to 18 per cent in compound interest.

The Hon. IAN MACDONALD: We have not at this point considered interest as part of the arrangement.

The Hon. DUNCAN GAY: Will you?

The Hon. IAN MACDONALD: I will have a think about that, but that is not part of the arrangement. You have got to remember it is an industry debt. It is the industry. We have stepped in to try and help industry meet its commitments.

The Hon. DUNCAN GAY: On 14 July 2005 the Government, in conjunction with the New South Wales Farmers Association, announced the First Farmer program. The program has been budgeted for \$1 million per year, allowing just 10 people to obtain a short-term loan and 40 young people a long-term loan. Can you detail on what basis it was determined that only 10 people and 40 young people would receive short and long-term loans respectively?

The Hon. IAN MACDONALD: I think you should save that question for Natural Resources. It is actually a Natural Resources policy.

The Hon. DUNCAN GAY: It was announced by you—

The Hon. IAN MACDONALD: No, it was not.

The Hon. DUNCAN GAY: Yes, it was. Before the change of portfolios.

The Hon. IAN MACDONALD: No, it was announced by Craig Knowles on 14 July. It is a Natural Resources funding arrangement, and I suggest you keep your question for when we deal with Natural Resources.

The Hon. DUNCAN GAY: We will delay it half an hour. What steps has the department taken to address concern that there is a lack of publicly available information about PROfarm?

The Hon. IAN MACDONALD: We have made a lot of information available on PROfarm. PROfarm represents the Department of Primary Industries' [DPI] accredited short-course program focusing on better risk management for farmers. PROfarm courses have replaced the previous FarmBis program in New South Wales. While FarmBis has been popular in the past, the Federal Government's insistence that it become increasingly narrow in its focus has ensured that its focus has led to it becoming too inflexible to adequately meet the ever-changing education needs of farmers. In contrast, PROfarm short courses cover all areas of management, including production, business, natural resources, quality assurance, drought, pests and diseases, and other enterprise-specific activities.

The Federal Government has tried in vain to gloss over the FarmBis shortcomings by claiming that FarmBis offered more courses and was more flexible than PROfarm. These assertions are wrong. The Commonwealth-State FarmBis program for 2001 to 2004 clearly excluded most regulatory and statutory training obligations, including occupational health and safety, and chemical accreditation training. It must be noted that statutory training obligations only apply to areas of knowledge and expertise that are critically important for the community as well as the individual

undertaking the training. These are obviously some of the most vital training requirements for both individuals and communities.

The Federal Government acknowledges that FarmBis does not cover this training, even though it was previously covered in the first FarmBis program, and only excluded after 2001. Training in noxious weed identification and eradication is also excluded under these same inflexible provisions. The Federal Government also seems to think the volume of courses under FarmBis, many of which are non-accredited, and access to a broad-range training provider equates to flexibility. This ignores the fact that PROfarm concentrates on courses that farmers need—

The Hon. DUNCAN GAY: Minister, you can answer how you wish, but you do realise you are not answering the question I have asked?

The Hon. IAN MACDONALD: I am dealing with all the issues around the question.

The Hon. DUNCAN GAY: It is your time. You will be back. It is going to cost you and your department time and money for your staff because you want to continue along this way.

CHAIR: I think it is appreciated that we could well be back, but the Minister does have a right to answer as he sees fit.

The Hon. DUNCAN GAY: Of course he does, but I am just letting him know that he is not answering the question.

The Hon. IAN MACDONALD: I have already indicated I am quite happy to come and talk to you in this format at any time you wish.

CHAIR: Could you continue, Minister?

The Hon. IAN MACDONALD: This ignores the fact that PROfarm concentrates on courses that farmers need and that PROfarm offers nationally accredited training through New South Wales Government authorised training procedures. It is simply irrelevant to claim that offering lots of lower-quality courses through FarmBis means that FarmBis is more flexible. The only thing it is actually saying is that FarmBis provided access to lots of lower-quality courses. I will curtail this answer. I will answer further questions on notice in relation to that. I might point out that both colleges, Yanco and Tocal, are providing PROfarm courses, as they do with all courses.

The New South Wales Department of Primary Industries proposes to subsidise many PROfarm courses up to 50 per cent. This is based on the considerable public good benefits associated with natural resource management, sustainability and capacity building.

The Hon. DUNCAN GAY: Did you accidentally lose the Federal FarmBis funding?

The Hon. IAN MACDONALD: No.

The Hon. DUNCAN GAY: Is it a fact that the \$5.8 million is just being used to rebadge the existing programs?

The Hon. IAN MACDONALD: That is incorrect.

The Hon. DUNCAN GAY: What was the price of the land from the Wollongbar Research Station and where has the money been invested?

The Hon. IAN MACDONALD: \$955,000, and it is going into our 20/20 program, as I announced last year at New South Wales Farmers, which was very popular. I will be making similar announcements in relation to the 20/20 program over the course of the next 18 months.

The Hon. DUNCAN GAY: What was the total cost of the locust program during 2004-05?

The Hon. IAN MACDONALD: The total cost?

The Hon. DUNCAN GAY: Yes.

The Hon. IAN MACDONALD: I will take this on notice. It is quite a detailed answer and I will give it to you in writing.

The Hon. DUNCAN GAY: Does that answer include the money put in by the rural lands protection boards [RLPBs]? Is there a breakdown on what money came from the State Government and what money came from other sources?

The Hon. IAN MACDONALD: We will provide that. The total cost, I am advised, was \$21.3 million. I can give you a breakdown on that.

The Hon. DUNCAN GAY: How many emergency National Livestock Identification Scheme [NLIS] tags have been sold to New South Wales producers because of delays of up to 10 weeks for the Allflex NLIS tags?

The Hon. IAN MACDONALD: I will take that very detailed question on notice and provide you with the answer. If I might just add: this part of the scheme is administered by the RLPBs and I am advised that it is the RLPBs that set the figures that they want to impose in terms of the emergency tags. The honourable member might have noticed that in very few instances was that figure of \$14.85 imposed. I think, if my memory serves me correctly, it was over 17 animals and three producers. The situation, as I understand it and how I have been advised, was that those individuals have not even bothered to apply for tags and turned up to sell cattle. So those figures were implied in those situations. There might be other situations that occurred but that is the one I am appraised of; and some of the RLPB interest in this is directed towards the compliance aspect.

The Hon. DUNCAN GAY: Have you indicated that there is a difference of price for these emergency tags?

The Hon. IAN MACDONALD: I have not set a uniform price for emergency tags. The program is administered at that level by the RLPBs themselves, and they set the prices.

The Hon. DUNCAN GAY: And it varies between \$10 and \$15?

The Hon. IAN MACDONALD: No.

The Hon. DUNCAN GAY: That is wrong? Can you tell me how it is wrong?

The Hon. IAN MACDONALD: I will give you the information on that. I cannot say that it varies between \$10 and \$14.85; it could be less in some instances.

The Hon. DUNCAN GAY: Why did you choose the sum of \$14.85 then?

The Hon. IAN MACDONALD: I was looking at the figure in your own press release, so I thought I would check it out.

The Hon. DUNCAN GAY: Obviously you would have found out by now.

The Hon. IAN MACDONALD: No. Your figure, I found out, in fact came from the *Land* that I had read a month earlier. But that is all right. I am not being ingenuous in saying that, but I looked at that particular instance and have given you the appropriate information.

The Hon. DUNCAN GAY: Whether it is \$10 or \$15, the normal tags are \$3 to \$4. That means that these farmers are out of pocket up to \$10 per tag. Do you find that acceptable?

The Hon. IAN MACDONALD: I will have a discussion with the specific RLPB about their charging policy.

The Hon. DUNCAN GAY: That was not what I asked you.

The Hon. IAN MACDONALD: I think it goes to the heart of the \$14.85, or whatever figure. I am saying I will have a discussion with them to work out why they were charged \$14.85.

The Hon. DUNCAN GAY: So you are happy with that figure?

The Hon. IAN MACDONALD: I did not say that I was happy with that figure.

The Hon. DUNCAN GAY: You did not say you were not?

The Hon. IAN MACDONALD: I did not say I was happy with that figure. I said that I would have a discussion with the rural lands protection board in that instance. I understand that the vast majority of boards are not charging anywhere near that figure.

CHAIR: Under the Fisheries licensing of Forests NSW operations, Forestry is required to leave riparian filter strips or buffers where there is a likelihood that increased sedimentation from logging will negatively impact on threatened fish species downstream and to protect the capillaries of our water catchment system, gullies and first order streams. Is this another example of your conflict of interest that land clearing operations under the Native Vegetation Act will not have to leave the same filter or buffer strips?

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

CHAIR: How much money from Fisheries licences is spent honouring conservation efforts?

The Hon. IAN MACDONALD: You are talking about the recreational fishing licences?

CHAIR: Yes?

The Hon. IAN MACDONALD: In the last year a considerable amount was spent on restoring some habitat in the Clarence River, in the order of 34 hectares, as I understand. There are a large number of projects funded under the trust for marine conservation. I am quite happy to detail that for you.

CHAIR: I would appreciate if you would take the detail of that on notice. Is any of this licence money spent deploying fish attracting devices on the New South Wales coast?

The Hon. IAN MACDONALD: Yes, I have announced that on many occasions. I think we are up to about 15 devices, and there are few more to come in the near future. These devices are very popular for fishers in those areas. I note there is one near where you reside at Byron Bay. I have been out to have a look at it. They are very popular and we believe they have no environmental downsides but we will be monitoring them.

CHAIR: How can attracting fish to an area so that they can be more easily caught have no downside or be an example of marine conservation?

The Hon. IAN MACDONALD: We are monitoring the situation. We do not believe that there are environmental downsides in it. If there were, we would certainly take action to stop it.

CHAIR: What work is being done to ascertain the impact of such devices?

The Hon. IAN MACDONALD: You must remember that some of the better fishing areas around Byron Bay currently, around Gillian Rocks and also under the proposals contained in the draft plan of management for the region, exclude some of the more popular fishing spots, so I guess fishers up there regard this as some compensation for those areas that are excluded currently or would be excluded under the proposals.

CHAIR: But you would agree there is a contradiction; that you cannot describe fish attraction devices as a conservation measure?

The Hon. IAN MACDONALD: I was not describing them as a conservation measure; I was describing the mangrove restoration on the Clarence as a conservation measure and they do have other conservation measures. It is having an area that would be popular and where they would have a chance to catch some decent fish, some of which may be difficult for them to catch in the future under the plan of management.

CHAIR: Has any work been done to ascertain the impact of such devices on species such as dolphin fish, which grows more than a metre, has a bag limit of 20 and seems to be overrepresented in the species of fish caught at these locations with the attraction devices?

The Hon. IAN MACDONALD: The research section is undertaking surveys and I will provide further information by taking the question on notice.

CHAIR: Regarding the artificial breeding program for grey nurse sharks, how are embryos harvested from female sharks and are the females harmed in any way to obtain these embryos?

The Hon. IAN MACDONALD: I have spent a lot of time considering this issue. I will say a few words on it and give you further material later. As you would be aware, we have low numbers of grey nurse sharks, which is an isolated population off the coast here. On the advice given to me, even with a series of measures, it is believed that we would have difficulty maintaining the population into the future. We are seeing some instances of deformity and there is a question as to the strength of the gene pool.

Part of the problem with grey nurse sharks is that not only do they tend to inhabit close to the shoreline of our coast, and move up and down it, they have particular difficulty in terms of their reproductive system. The grey nurse shark produces low numbers of sharks in any period of time. We are trying to work on this problem latterly. Many species have been brought back from the brink by artificial breeding. A lot of terrestrial animals have been revived through artificial breeding techniques and a number of fish, including the eastern cod—

CHAIR: I appreciate that. I was interested in whether the females are harmed in any way to obtain the embryos?

The Hon. IAN MACDONALD: I do not think our scientists would do something they thought would be harmful to the shark population. They believe it is possible to harvest the eggs and currently we have shark reproductive scientists working on the project under the direction of Dr Nick Otway to set the program up. We have interest from Western Australia and South Africa.

CHAIR: You mentioned in your opinion that it does not harm the population. Does extracting the eggs from the female sharks harm them or does the harvesting of embryos have the potential to cause the death of females?

The Hon. IAN MACDONALD: I am advised that it will not harm them. It is done properly by very skilled scientists. Clearly, if it were going to cause harm, we would not be doing it, but the various animal ethics committees will monitor the situation.

CHAIR: In the environmental impact statement [EIS] risk assessment for non-commercial species of the ocean trawl fishery, just over 92 per cent are assessed as being at either high or intermediate-high risk from the fishery. The EISs released so far have failed to include information specifying fishing grounds targeted by each fishery. This information is critical to establishing the impact of commercial fishing on fish populations and on sessile biotic and non-biotic habitats. Does the Department of Primary Industries intend to quantify the current impact of fishing in New South Wales waters by establishing the spatial extent and distribution of fishing grounds and fishing effort?

The Hon. IAN MACDONALD: I think you will find that the Department of Primary Industries' fishing sector runs a very skilled and well-resourced research division, which has a lot excellent scientists. They would be considering these issues, but I will take the question on notice.

CHAIR: I turn now to zero tolerance and the moratorium legislation. If Topas contamination were found in New South Wales, would the department fully enforce the moratorium? Would that

include removal of any crops that are contaminated and would that include compensation for farmers whose crops are contaminated with Topas?

The Hon. IAN MACDONALD: As you are probably aware from some media and radio commentary that I have done today, the department has already eradicated in the order of nine research plots. These were non-genetically modified [GM] trials of new varieties—one, in particular, which was found to be beneficial for the future of conventional GM in New South Wales. They found some evidence of GM presence in those plots and the department acted expeditiously to rip those crops out prior to any flowering, so any risk of cross-contamination was eliminated.

I am seeking advice on the broader ramification of the questions that this raises. There is a very difficult chain involved. There are farmers who unknowingly planted perhaps small quantities of GM material that was in material they believed to have been non-GM. There were companies that had, in fact, sold the seed. Whether they knew that there was a small proportion of GM seed in them is another question. The decision of whether to take action is not a simple one. I point out that in Western Australia and other States where Topas was found in some crop varieties, the level was in the order of 0.01 per cent—in other words, one seed in 10,000 seeds. This was right at the very limit of our current technology with the PCR test.

The Minister from Western Australia has put out a statement on this issue and he has raised some matters that he will want to be placed before the other State and Commonwealth Ministers. The Primary Industries Standing Committee is considering the matter and we will consider the matter at the next meeting of the Primary Industries Ministerial Council. In the meantime, in relation to all the issues of this very low level trace contamination that has been found in some trial plots, I am seeking advice from the Crown Solicitor in relation to matters in our Act. I have sought the advice also of our Gene Technology Committee under the moratorium Act.

CHAIR: If farmers were to approach the Minister or the director-general under section 21 of the Act indicating that they had reasonable grounds to suspect that their canola is contaminated with GE Topas and they want it to remain GE-free in compliance with the legislation, would you, as Minister, commit to testing that farmer's crop?

The Hon. IAN MACDONALD: The interesting thing about this is that we grow about 236,000 hectares of canola crop in New South Wales. There must be several thousand farmers involved.

CHAIR: I am saying if they have reasonable grounds to suspect?

The Hon. IAN MACDONALD: GrainCorp has the marketing rights for canola. In this instance I believe it should be an industry responsibility to verify that. If we were to take charge in relation to our Government effort, it would involve a considerable sum to test a large number of plots across the State.

CHAIR: Given that the Government has given the go-ahead for effort in GE-trials, surely the Government has the responsibility to protect farmers by testing?

The Hon. IAN MACDONALD: In relation to the trials that I am talking about, they were non-GM trials in New South Wales in which there was some GE suspected contamination of them, which was then destroyed. They were not GE trials. They were non-GM trials in this instance. Let us not get it confused. These were not GE trials.

The Hon. RICK COLLESS: But that is even worse. If there was contamination in a non-GM trial, that makes the issue a lot more serious, I would have thought?

The Hon. IAN MACDONALD: As I understand it, these were seeds from overseas for a new program in which they were testing non-GM product. It was a Victorian program run by the Victorian Department of Primary Industries, and the Department of Primary Industries agreed to do some work on its behalf. It was in those small trial plots that some plants exhibited GE characteristics.

CHAIR: Thank you, Minister. I wish we had more time. Ms Sylvia Hale?

Ms SYLVIA HALE: Does the Department endorse the Australian Oilseeds Federation's protocols for testing for the presence of Topas in Australia?

The Hon. IAN MACDONALD: It is not for me to say whether we approve or not, but the trials so far that I have seen have been very effective in identifying trace elements in the order of 0.01 per cent.

Ms SYLVIA HALE: So you are saying that the protocols were acceptable to the department?

The Hon. IAN MACDONALD: The protocols, as far as I have seen, appear to be pretty good, but it is an industry decision about that testing.

Ms SYLVIA HALE: Is the department aware that the Oilseeds Federation has a policy in favour of GM?

The Hon. IAN MACDONALD: Yes, I am aware that the Oilseeds Federation has a policy in favour of the release of GM canola.

Ms SYLVIA HALE: Were the protocols endorsed by the advisory committee at its most recent meeting?

The Hon. IAN MACDONALD: Of the?

Ms SYLVIA HALE: Advisory committee.

The Hon. IAN MACDONALD: The gene tech?

Ms SYLVIA HALE: Yes.

The Hon. IAN MACDONALD: Not to my knowledge.

Ms SYLVIA HALE: Why has it taken the department more than two months since the discovery of Topas in Victoria to develop or agree to broad protocols to determine the extent of the Topas contamination?

The Hon. IAN MACDONALD: We have not been aware of Topas in plants in New South Wales. I will have to take the full question on notice. Suffice it to say that it was an industry decision to do that testing, and we proceeded on that basis.

Ms SYLVIA HALE: Turning now to fisheries management, are you committed to completing an environmental impact statement and fisheries management strategy for recreational fishing as required under the Fisheries Management Act?

The Hon. IAN MACDONALD: We are discussing that at the moment. In other words, we have not made a decision.

Ms SYLVIA HALE: But if it is required under the Act, surely you should be setting about—

The Hon. IAN MACDONALD: Our advice is that it is not required necessarily under the Act. There is some debate and discussion about that.

Ms SYLVIA HALE: Has any budget been set aside for this work? Has there been any budgetary allocation?

The Hon. IAN MACDONALD: No. The licence fees go into a pool in the trust fund, and I presume that any decision to go ahead with that would be funded out of that.

Ms SYLVIA HALE: Do you acknowledge that the pressure on fish stocks by leisure fishers is now of sufficient magnitude to warrant total fishing bans on specified dates during the year as an education and public awareness measure?

The Hon. IAN MACDONALD: No. We have bag and size limits. We have all sorts of requirements and rules for certain types of fish species. We believe that that is the way to proceed to ensure the survival of the stock, rather than to ban fishing on—what was it again?

Ms SYLVIA HALE: On specified dates, when you have non-fishing days.

The Hon. IAN MACDONALD: No snapper on Sundays.

Ms SYLVIA HALE: I turn now to the question of intensive dairying and feedlots. Can you tell me how a determination is made as to whether something is an intensive dairy or a feedlot?

The Hon. IAN MACDONALD: A dairy or a feedlot?

Ms SYLVIA HALE: Yes.

The Hon. IAN MACDONALD: They are usually two separate things to me. Dairy is for cows and milk, and a feedlot is for beef cattle and beef.

Ms SYLVIA HALE: But under intensive dairying cows are kept in a restricted area and imported food is fed to them as it would be fed in a feedlot.

The Hon. IAN MACDONALD: I am not aware of that. Certainly in the dairy industry in Europe some dairies would have a large amount of animals confined. Although you can run dairy cattle under a feeding regime at fairly good stocking rates, generally speaking they are not run similar to a feedlot, as I understand a feedlot. Clearly, this is a planning issue, so if there was some sort of intensive proposal for livestock in an area it would have to face the planning requirements of this State.

Ms SYLVIA HALE: You will aware of Wirong, an intensive dairying operation owned by Colin Thompson of Forbes Road, Cowra?

The Hon. IAN MACDONALD: No, I am not aware of that specific example, but I do know of some large dairies, particularly in the Lachlan area. If you would like to write to me about the details, I shall have a look at it for you.

The Hon. DUNCAN GAY: How long have you been aware of the GM contamination?

The Hon. IAN MACDONALD: In the past few weeks, maximum. I heard reports that some contamination was discovered in other States. In relation to the plots in New South Wales, that was discovered only relatively recently.

The Hon. DUNCAN GAY: What is "relatively recently"?

The Hon. IAN MACDONALD: Two weeks maybe, something of that order. I do not have a diary here that states when it was.

The Hon. DUNCAN GAY: Can you come back to us with a date on that?

The Hon. IAN MACDONALD: Yes, certainly.

The Hon. DUNCAN GAY: Was it before you made the announcement to extend the moratorium?

The Hon. IAN MACDONALD: No. Let me make it clear: some time ago I had determined that we would extend the moratorium on the basis that fundamentally there had been virtually no research on GM in New South Wales over the past 2½ years. The decision was that if we were to do

the sort of marketing and segregation-type research that is required—and I thought by New South Wales Farmers in particular—it would need more time for those trials to be conducted. Some time ago I prepared a Cabinet minute to extend the moratorium, which has been approved. But that is totally unrelated to these issues.

The Hon. DUNCAN GAY: But it was before the announcement was made.

The Hon. IAN MACDONALD: Which announcement? My announcement?

The Hon. DUNCAN GAY: Yes, on the moratorium.

The Hon. IAN MACDONALD: Yes.

The Hon. DUNCAN GAY: How was the contamination detected? What alerted your department to look at non-GM canola in New South Wales?

The Hon. IAN MACDONALD: Let us get clear which one you are talking about. Are you talking about the ABB test results in relation to GM canola such as Topas, or are you talking about the non-GM trial plots in New South Wales?

The Hon. DUNCAN GAY: Yes, the trial plots in New South Wales.

The Hon. IAN MACDONALD: Right. It was discovered by our staff during regular monitoring of these projects. They were designed to provide greater options for our growers of conventional canola. We discovered that a number of plants in the trial plots were behaving like non-GM crops after spraying.

The Hon. DUNCAN GAY: You indicated that the contamination was "low level". What do you call "low level"?

The Hon. IAN MACDONALD: I am not sure of the level. I will take advice on that.

The Hon. DUNCAN GAY: Why did you call it "low level"?

The Hon. IAN MACDONALD: It was a few plants in a plot. It did not get to seed level. It was eradicated before it reached the flowering stage. You cannot get a percentage of the amount in it but I understand that it was small.

The Hon. DUNCAN GAY: What was the variety in which you found the contamination?

The Hon. IAN MACDONALD: We found a Roundup ready variety in it.

The Hon. DUNCAN GAY: In which variety?

The Hon. IAN MACDONALD: It was an experimental line. I am advised that experimental lines are not named.

The Hon. DUNCAN GAY: Was a particular company doing this or was it uniform to all 19?

The Hon. IAN MACDONALD: As your question is getting down to some detail, I will take it on notice and give you a written reply.

The Hon. RICK COLLESS: How was the contamination discovered? Was the crop sprayed?

The Hon. IAN MACDONALD: Correct. That is what I said.

The Hon. RICK COLLESS: Can you explain the procedures that led to this stuff being discovered?

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

The Hon. DUNCAN GAY: Did you find it only because Victoria alerted you that there might be some here?

The Hon. IAN MACDONALD: I understand that Victoria alerted us that it may be there. We sprayed and that eradicated the problem.

The Hon. DUNCAN GAY: Had you not received that alert you probably would not have found it.

The Hon. IAN MACDONALD: I do not think you can come to that conclusion. In due course we would have sprayed it for one thing or another, and we would have found it.

The Hon. DUNCAN GAY: I turn now to fishing. What is the current situation with the Manning Shelf Bioregion Marine Park? When will you be making an announcement on the boundaries of the proposed park?

The Hon. IAN MACDONALD: The Manning bioregion assessment is under consideration by the Government. A socioeconomic study is being done at the moment. At this stage there are no plans to make an announcement in relation to the park.

The Hon. DUNCAN GAY: What about community consultation?

The Hon. IAN MACDONALD: There will be massive community consultation. If you had consulted the Chair you would be aware that there was overwhelming public consultation in relation to other marine parks.

The Hon. DUNCAN GAY: Can you provide an estimated time frame for the duration of the community consultation regarding the proposed marine park?

The Hon. IAN MACDONALD: No.

The Hon. DUNCAN GAY: Why not? Do you not think the public needs to know that?

The Hon. IAN MACDONALD: Eventually when we make a decision—and if and when we make that decision—then clearly we would indicate the community consultation program.

The Hon. DUNCAN GAY: Are you proposing to declare the Great Lakes in the Port Stephens area to be a marine park or nature reserve?

The Hon. IAN MACDONALD: The Great Lakes?

The Hon. DUNCAN GAY: In the Port Stephens area.

The Hon. IAN MACDONALD: I cannot inform you greatly on that. At this point we have not made a decision, so being able to answer that specific question is a moot point.

The Hon. DUNCAN GAY: So you do not have an answer for the recreation and commercial fishers on that whole section of the coast. They simply do not know what will happen.

The Hon. IAN MACDONALD: In due course, after the Government considers the bioregion assessment and the socioeconomic study of the impact of a park on the area that is being done at the moment we will be in a position to consider the next step, but that decision has not been taken.

The Hon. DUNCAN GAY: You may wish to take this on notice. Can you provide the Committee with the cost to industry for environmental impact statements in the following New South Wales fisheries: abalone industry, lobster fishery, ocean prawn trawl fishery, ocean fish trawl, ocean trap and line fishery, and ocean hauling industry?

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

The Hon. DUNCAN GAY: Will you also take on notice how such costs were determined? Can you provide the Committee with a breakdown of the costs involved in putting together environmental impact statements for New South Wales fisheries?

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

The Hon. DUNCAN GAY: I ask the Director General how many displaced public servants are in the department?

Mr BUFFIER: There is one.

The Hon. DUNCAN GAY: How many non self-nominated displaced public servants are in the department?

Mr BUFFIER: I do not understand the question, I am sorry?

The Hon. IAN MACDONALD: How many what?

The Hon. DUNCAN GAY: Non-self-nominated displaced public servants?

Mr BUFFIER: Can you help me with that; I do not understand the description?

Mr GLEESON: Displacement comes about when we declare somebody displaced because their position has gone or whatever. But self-nominated—

The Hon. DUNCAN GAY: No, non self-nominated. Compulsory.

Mr GLEESON: In that circumstance, the only displaced people would be non-self-nominated. It is a sort of redundant description, I suppose you could say.

Mr BUFFIER: We have one such person in the department.

The Hon. DUNCAN GAY: Could you the identify what position that is?

Mr BUFFIER: I think it is a minerals position in Maitland, but I am not sure exactly where that is.

Mr GLEESON: It is a clerical position at Maitland.

The Hon. DUNCAN GAY: To be on a displaced public servants list you have to self-nominate?

Mr GLEESON: No.

The Hon. DUNCAN GAY: We will come back to that.

CHAIR: Minister, you might be aware of the Brooklyn area sewerage treatment plant proposal, which will create the first estuarine sewage outfall—

The Hon. IAN MACDONALD: Is this on Natural Resources?

CHAIR: No, from my perspective this is Fisheries. The Brooklyn area sewerage treatment plant proposal will create the first estuarine sewage outfall on the Hawkesbury River. Are you aware of the many issues of concern that have been raised by the fishers of the lower Hawkesbury, including a total lack of research by Sydney Water Corporation on the short- and long-term impacts of this new sewage discharge point on the valuable commercial and recreational fisheries of the lower Hawkesbury River?

The Hon. IAN MACDONALD: Yes, there is no doubt that we are interested in this issue. We manage two substantial recreational and commercial fisheries in the region and, therefore, we would ensure that it is of the highest standard—world's best practice. The matter is before the Minister for Planning. But our interest would be that it be best practice and would not harm the environment in that area, of course.

CHAIR: Minister, can you reassure the commercial and recreational fishing community of the lower Hawkesbury that the future of these industries will not be under threat despite confirmation that the New South Wales Food Authority will implement a closure on the processing of seafood and the taking of fish in the vicinity of this new sewage discharge point?

The Hon. IAN MACDONALD: The advice I have is that it will improve water quality in that area.

CHAIR: Are you denying that the New South Wales Food Authority will implement a closure? Are you not aware of that?

The Hon. IAN MACDONALD: Am I not aware of what?

CHAIR: That the New South Wales Food Authority will implement a closure on the processing of seafood and the taking of fish in the vicinity of that discharge point?

The Hon. IAN MACDONALD: It is the law that where there is a discharge point there is an exclusion zone around it.

CHAIR: So, are you not concerned that that exclusion zone will impact on the recreational and professional fishing industries in that area?

The Hon. IAN MACDONALD: As I said to you before—

CHAIR: Surely you cannot have it both ways. You say it will improve the area yet the New South Wales Food Authority will close that area off to fishing. Despite that you say that it will not have a negative impact on the fishing industry in that area?

The Hon. IAN MACDONALD: It is my understanding that it will improve the water quality in the general area. But, I repeat, where there is an outfall there must be, under the law, a closure of the area to fishing. I think you should direct the question to the Minister for Planning, who is in charge of this matter.

CHAIR: But you do have an interest in terms of taking responsibility?

The Hon. IAN MACDONALD: There would have to be an overall improvement in the water quality in that area. That would be our interest.

CHAIR: The exhibition period for the ocean trawl fishery EIS closed a year ago but the management strategy has yet to be released. Why has it taken so long to complete the assessment and management strategy process for the ocean trawl fishery? Will the department meet the December deadline for the completion of the strategy?

The Hon. IAN MACDONALD: Yes. At the moment some very deep dark consultation is continuing on that matter. We would be hopeful of meeting the deadline but we will not act before the appropriate consultation has been conducted. As I say, I am confident we will meet that deadline.

CHAIR: Is the department intending to apply for approval from the Federal Department of Environment and Heritage for a third extension of the deadline for the completion of the fisheries assessments in order to produce an EIS for the ocean trap and line fishery?

The Hon. IAN MACDONALD: No.

CHAIR: If I may return to the GE issue, Minister: I am wondering whether the Act will have to be amended in order to set tolerance levels?

The Hon. IAN MACDONALD: As I pointed out in my opening contribution in relation to this, I sought the Crown Solicitor's advice in relation to the Act. I guess we will have to consider the conclusions that may arise in that process. Clearly, there will be discussions at a Federal level about this issue, involving all the States. I cannot say at this point what conclusions that body will reach, but it would be my intention to try to work on a co-ordinated national basis to handle the matter. Given that there is so much trade in seed between our States, and the resultant crops, I think a national approach is important. So, I will be considering all these issues in the near future as we prepare for the primary industries ministerial council.

CHAIR: Has your department provided any advice on tolerance levels and have you been approached by any industry body arguing that contamination levels should be allowed in New South Wales?

The Hon. IAN MACDONALD: I am not aware of any industry body that has approached us. They certainly have not approached me. I have not had discussions with any industry body on that point.

CHAIR: Has the department assessed the impact of setting tolerance levels on Australia's GE-free status?

The Hon. IAN MACDONALD: As I say, I am getting Crown Solicitor's advice. I might add that the most stringent GE tolerance level in the world is 0.9 per cent, and that is in Europe. Some countries have a much higher level than that. If my memory serves me correctly, the particular shipment that caused the problem in terms of trace elements having been found was destined for Japan, and I understand that that shipment, even after testing positive to a certain level, went off to Japan. But, let us remember that the levels that were found in the tests were in the order of 0.01 per cent. There was a subsequent test that I read about—it was in Mr Chance's document yesterday—and it was of the order of 0.04 per cent, which is about four seeds in 10,000.

CHAIR: How is the issue of liability covered?

The Hon. IAN MACDONALD: That is an issue that Mr Chance has put up for discussion nationally, and we will be considering that in due course in the context of this national discussion that we will be having.

Ms SYLVIA HALE: Last year the Government allocated \$400,000 for the establishment of a comprehensive, adequate and representative reserve system for the Manning shelf bioregion, but the money was not spent. The same amount has been earmarked for this year. Considering that the Government's timeline was to have completed all the New South Wales marine bioregions by the end of 2007, does the Government plan to spend this money as a matter of urgency?

The Hon. IAN MACDONALD: Capital funding for the Manning was allocated for the construction of an office to house Marine Park and Fisheries officers in the event that the Government decided to declare a marine park in the area. The allocation of resources for infrastructure is an essential prerequisite in planning the establishment of a candidate marine park. Capital funds were not fully expended as no decision has been made on any new marine park at this time. The Government has decided, prior to making any decision on a marine park in the Manning, to investigate and consider potential socioeconomic factors associated with the marine park, particularly impacts on commercial fishers.

Ms SYLVIA HALE: Has any side scan mapping of the sea floor been undertaken for the Manning shelf bioregion?

The Hon. IAN MACDONALD: We believe the answer is yes.

Ms SYLVIA HALE: Has it been completed or is it under way?

The Hon. IAN MACDONALD: You might look at the report; it is on the web site of the Marine Park Authority. I am not totally sure that it has all been completed but work has been done.

CHAIR: The Committee will now deal with matter relating to Forestry, Minerals and Natural Resources.

The Hon. RICK COLLESS: The first question I wish to ask relates to opal prospecting. Since 1 January 2005 what revenue has been received from opal miners, who pay a levy of \$20 a year per claim for stage two mining rehabilitation?

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

The Hon. RICK COLLESS: How is that \$20 levy determined?

The Hon. IAN MACDONALD: It is determined by the Lightning Ridge Miners Board after consultation with stakeholders. It represents all the stakeholders.

The Hon. RICK COLLESS: Has there been a cost estimate to accurately reflect the expected ongoing environmental and monitoring costs to be incurred by Mineral Resources?

The Hon. IAN MACDONALD: The answer, broadly speaking, is yes.

The Hon. RICK COLLESS: Could you furnish a copy of that to the Committee?

The Hon. IAN MACDONALD: Certainly.

The Hon. RICK COLLESS: How many mining inspectors are employed in New South Wales in mine work rehabilitation and operations standards in the opal fields?

The Hon. IAN MACDONALD: In Lightning Ridge?

The Hon. RICK COLLESS: Yes.

The Hon. IAN MACDONALD: Four field staff.

The Hon. RICK COLLESS: How often do they conduct sweeps, and are the outcomes of such sweeps publicly reported?

The Hon. IAN MACDONALD: I will take that question on notice and give you a comprehensive Lightning Ridge answer.

The Hon. RICK COLLESS: In the light of the recent gazettal of the OPA4 site and proposed new environmental standards for rehabilitating mine sites, will you increase the number of inspectors and the frequency of their inspections in the area to ensure that occurs? I am talking in particular about the 160,000 hectares of land that makes up the Narran-Warrnambool Reserve in the Walgett and Brewarrina shires.

The Hon. IAN MACDONALD: There is no doubt this is an issue of concern to me. I will be dealing with it in due course. I have some information that is relevant to your questions. Given the brevity of time, I will supply it to you in writing.

The Hon. RICK COLLESS: Thank you.

The Hon. DUNCAN GAY: Minister, you indicated you would give us details on the basis of the determination that only 10 to 40 young people would successfully apply for the short- and long-term loans under Farmers First. I also indicate that I have further questions for the Director General.

The Hon. IAN MACDONALD: The Farmers First scheme was announced by Craig Knowles on 14 July. Discussions are currently being held with the New South Wales Farmers Association. It will be administered through the Rural Assistance Authority [RAA]. Farmers will have

to participate in training programs on sustainable practices. The assistance will be via a discount on interest repayments. There will be a call for expressions of interest and will be assessed in partnership with the New South Wales Farmers Association.

The Hon. DUNCAN GAY: When will that call be made?

The Hon. IAN MACDONALD: After the finalisation of discussions with the New South Wales Farmers Association.

The Hon. DUNCAN GAY: Despite it being announced some time ago, there are no documents for farmers to apply now?

The Hon. IAN MACDONALD: The situation is that a general announcement was made. We believe in consulting farmers in relation to the actual scheme. At that time there was no flesh on the bones. The money is being allocated and we are in discussions with the—

The Hon. DUNCAN GAY: Nothing then, nothing now.

The Hon. IAN MACDONALD: The money is there and we are in discussions with the Farmers Association. We are working out the details so that the scheme will work. It will be administered by the RAA. When those discussions are concluded we will make an announcement in relation to it. It happens often that we announce a scheme and then we enter into some discussions to finalise it. That is what happened with OJD—we had to finalise many of the details on how the program would work. But we announced that we were going to do it, and then we delivered it. It is not unusual.

The Hon. DUNCAN GAY: Then you work out how you will do it.

The Hon. IAN MACDONALD: There is nothing unusual about working through the details in consultation with stakeholders.

The Hon. DUNCAN GAY: Minister, I have a question for the Director-General.

The Hon. IAN MACDONALD: Which one?

The Hon. DUNCAN GAY: There is only one Director-General for the Department of Primary Industries. The Director-General of your entire portfolio.

The Hon. IAN MACDONALD: I thought we were dealing with Natural Resources.

The Hon. DUNCAN GAY: He is the Director-General of the whole lot, is he not.

The Hon. IAN MACDONALD: No, he is not. These are two stand-alone departments. I was confused earlier about the way things were organised. We have two separate departments.

The Hon. DUNCAN GAY: We are just trying to help.

The Hon. IAN MACDONALD: And I am trying to help you, Duncan. We do not have an overall Director-General. I have three Directors-General: Richard Sheldrake, Director-General of Natural Resources; Barry Buffier, Director-General of the Department of Primary Industries; and George Davey, Director-General of the Food Authority. Which Director-General would you like to talk to?

The Hon. DUNCAN GAY: Mr Buffier, I refer you to memorandum 96/5 from Premier Carr dated 1 November 1995, which states: "CEOs to notify the workforce management centre of employees who elect redeployment". Director-General, how many people in your department have elected redeployment?

Mr BUFFIER: As far as I am aware we have one person who is classified as a displaced officer.

The Hon. DUNCAN GAY: I was quite specific in my question. How many people in your department have elected redeployment?

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

The Hon. DUNCAN GAY: How many displaced surplus-to-requirement public servants are in your department who have not elected to be on the Redeployment and Relocation Services Unit [RRSU] list?

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

The Hon. DUNCAN GAY: Have you or has anyone in your department received instructions or directives from Col Gellatly or Michael Gadiel that public servants on the displaced list had to be given permanent or new positions prior to 30 August 2005?

Mr BUFFIER: No, we were asked to make sure that we went through the due process for displaced people.

The Hon. DUNCAN GAY: Which was?

Mr BUFFIER: Normally with someone who is displaced we find them another job in the department.

The Hon. DUNCAN GAY: Then the answer to my question is "yes"?

Mr BUFFIER: The answer to your question is that we were asked to make sure that we went through the due process with displaced people.

The Hon. RICK COLLESS: Minister, I turn now to Natural Resources. We apologise for the confusion earlier. There has been some confusion about the structure of these departments generally since the reshuffle.

The Hon. IAN MACDONALD: It is a totally separate department.

The Hon. RICK COLLESS: I understand that now. Of the \$436 million that is going to the Catchment Management Authorities, how much is the New South Wales government contributing?

The Hon. IAN MACDONALD: The Catchment Management Authorities [CMAs] have been allocated \$436.5 million in investment funding from the Commonwealth and New South Wales governments over a four-year period. An additional \$148 million has been allocated to the CMAs over four years in staff and resources transferred from the Department of Natural Resources. Both Governments have approved three year—2004-05, 2006-07—investment strategies for all 13 CMAs. These investment strategies total \$328.3 million. The CMAs are now actively building partnerships with landholders to deliver at least 80 per cent of these funds to on-ground projects. Fifteen per cent of the funds will be used to build the capacity of farmers and community groups while 5 per cent will be used to monitor and report on our efforts. At least \$120 million of investments by CMAs will be spent on improving native vegetation outcomes in New South Wales.

The Hon. RICK COLLESS: You mentioned Commonwealth and State funds going into that area. How much of the \$436 million is Commonwealth funding and how much is State funding? I do not need a complete break-up. I just need to know how much comes from the Commonwealth and how much comes from the State.

The Hon. IAN MACDONALD: It is roughly half.

The Hon. RICK COLLESS: Fifty-fifty. Where is the \$54 million for the Darling Anabranch pipeline coming from?

The Hon. IAN MACDONALD: That is part of the Living Murray initiative.

The Hon. RICK COLLESS: All of that \$54 million is coming from the Federal Government?

The Hon. IAN MACDONALD: The answer to that is that the \$54 million is currently from us, and it is up to the Commonwealth under the arrangements to then make a contribution towards it.

The Hon. RICK COLLESS: The total cost is \$54 million?

The Hon. IAN MACDONALD: Correct.

The Hon. RICK COLLESS: At this point in time the State Government is funding that 100 per cent but you are hoping to get a contribution from the Federal Government?

The Hon. IAN MACDONALD: Unless the Commonwealth contributes to that specific project, and we are hopeful that it will do so.

The Hon. RICK COLLESS: What about the \$30 million for the Barren Box Swamp project?

The Hon. IAN MACDONALD: The \$30 million for Barren Box is in fact out of the Water From Rivers Program. I suspect that is probably all of ours too. I think that is right. Victoria would not be contributing to that. Yes, it is from us. There is another \$75 million in there from the Commonwealth but that is for River Murray environmental releases. That \$30 million is paid for by New South Wales funding through the Water From Rivers Program.

The Hon. RICK COLLESS: While we are talking about water in the western areas, I would like to ask a couple of questions about the Menindee Lakes scheme, with which I am sure you are familiar.

The Hon. IAN MACDONALD: Getting familiar.

The Hon. RICK COLLESS: Do you support all the recommendations in the environmental impact statement [EIS] that has recently been commented on?

The Hon. IAN MACDONALD: That is a good question. The Department of Natural Resources [DNR] is the proponent of the Menindee Lakes structural works project, which aims to improve the efficiency of the Menindee Lakes operations. Continued drought conditions have increased pressure to improve the efficiency of the lake operations, which provide town water supply the Broken Hill as well as irrigation supply. Silt deposition has impacted the ability to draw water from Menindee Lakes at lower lake levels. Required structural works had to be reassessed to take silt dynamics and water savings into account. The revised structural works to be assessed in the EIS have now been finalised. The project has shifted from a water saving focus to now include drought security and operational flexibility, including Living Murray flows as primary objectives. The structural works considered in the EIS are—

The Hon. RICK COLLESS: We know all of that.

The Hon. IAN MACDONALD: I will just deal with them. They are enlarging the Menindee outlet regulator, a pump station at the Menindee inlet at Kinchega—that is the Lake Cawndilla to the Darling River channel—a regulator between Menindee and Cawndilla Lake, a pump station at Penalco channel and provision for fish passage through the Menindee main weir. I am looking at that very issue at the moment.

The Hon. RICK COLLESS: What is the cost comparison between installing the residual flow pumping station and channel and excavating a residual drain to the main outlet regulator in Lake Menindee? Has that been considered?

The Hon. IAN MACDONALD: I am looking at those very issues at the moment.

The Hon. RICK COLLESS: What will be the annual ongoing cost of pumping 229 gegalitres of water back up the hill from Lake Menindee into Lake Pamamaroo?

The Hon. IAN MACDONALD: It is not a great hill, I am told.

The Hon. RICK COLLESS: It is not a great hill but it is a lot of water to lift.

The Hon. IAN MACDONALD: I will get the precise figures for you.

The Hon. RICK COLLESS: You mentioned the Kinchega channel a minute ago. As you would be aware, the Kinchega channel was not considered in the EIS on environmental grounds. Would you agree that the consideration of Kinchega channel should be back on the agenda because it is the most efficient method of fast draining Lake Cawndilla?

The Hon. IAN MACDONALD: I am looking at all issues relevant to the Menindee Lakes improvements at the moment.

The Hon. RICK COLLESS: Is it not a fact that the honourable member for Murray-Darling has called on you to put the Kinchega channel back on the list of preferred options?

The Hon. IAN MACDONALD: The honourable member for Murray-Darling calls on me on a very regular basis on a very large range of issues.

The Hon. DUNCAN GAY: I did not think he called on you. I saw his Christmas card!

The Hon. IAN MACDONALD: There has been an outbreak of love and peace, Duncan. Now he is one of my best friends. In fact, when I was in Broken Hill very recently we celebrated our union of minds at Silverton Hotel. I walked straight past the Mad Max car too. It brought back memories.

The Hon. RICK COLLESS: Thank you for undertaking to give us a comprehensive answer on all those issues. I turn now to native vegetation. The Government promised to release the regulations needed to implement the Native Vegetation Act 2003—which is now almost two years old—in January this year. It is now September. Can you tell the Committee when we will see those new regulations?

The Hon. IAN MACDONALD: In due course.

The Hon. RICK COLLESS: Is that a month that I am not aware of?

The Hon. IAN MACDONALD: In due course.

The Hon. RICK COLLESS: I would appreciate it if you were more specific.

The Hon. IAN MACDONALD: I bet you would, but I do not have to be.

The Hon. RICK COLLESS: You have been saying "in due course" now for at least six to eight months.

The Hon. IAN MACDONALD: No, No. I only took over the portfolio early in August and I need time to consider these vast issues. I will be making the appropriate announcement in the not too distant future.

The Hon. RICK COLLESS: Why has it taken so long?

The Hon. IAN MACDONALD: I was not party to the discussions that have been conducted between all of the stakeholders, including the environment movement, farmers and everyone else that has an interest in this issue. I have come into it right at the end. I am appraising myself of the various points in relation to it at the moment and I will be making the decision in the not too distant future.

The Hon. RICK COLLESS: Given that the Sinclair report into native vegetation stated quite clearly that CMAs should have discretion to determine land-clearing applications, why have you refused to grant that power to the CMAs at this point in time?

The Hon. IAN MACDONALD: I do not think you can draw that conclusion. I have not announced the regulations. I will be announcing them in the near future. I know you would like me to lift the profile of the Committee by announcing the policy now, but I will not be; I will be making it when I am ready. That will not be very long.

The Hon. DUNCAN GAY: Minister, my question is directed to your director general. Dr Sheldrake, I refer you also to memorandum 96/5 from former Premier Carr, dated 1 November 1995, that chief executive officers notify the workforce management centre of employees who elect redeployment. How many people in your department have elected redeployment?

Dr SHELDRAKE: At this stage the departments have only just been established so the staff are still within the old DIPNR structure and have not been separated into the new departments of Natural Resources and Planning.

The Hon. DUNCAN GAY: So, is the answer none?

Dr SHELDRAKE: The answer is I cannot answer that question, because the staff at this stage are still in the old structure of the former department and have not yet been located to the Department of Natural Resources or the Department of Planning.

The Hon. IAN MACDONALD: Mind you, that is very close to conclusion.

The Hon. RICK COLLESS: Minister, could I ask you a question on what has been termed "invasive scrub"? Years ago, of course, we used to call them "woody weeds". As part of the native vegetation reforms, a committee has been established by the State Government to develop guidelines and rules to prevent invasive scrub infesting many parts of central and western New South Wales. Has that committee been set up? What has it cost to run, at this stage?

The Hon. IAN MACDONALD: Yes, there is such a committee that was advising the former Minister. I have not actually met with that committee. I will have to take the cost element of your question on notice.

CHAIR: Do you acknowledge the crisis in the State's river red gum forests? Do you acknowledge the need for a comprehensive assessment of these forests, as has happened for the coastal and Brigalow forests? Are you prepared to allow Department of Environment and Conservation [DEC] staff to undertake field surveys in river red gum forests this spring? Are you aware that Forests New South Wales has so far denied access to DEC to undertake such surveys? Will you explain to the Committee why that is the case?

The Hon. IAN MACDONALD: I do not have information on the last part of your question as such. I would point out to the honourable member that the Government just recently bought Yanga station for dedication as a national park. That station has just about the largest private holding of river red gum in the State, of the order of 17,000 hectares, which has made a considerable stab at ensuring that a very large area of river red gum is preserved. In relation to the latter part of your question, Forests New South Wales has offered to work in conjunction with DEC as a whole-of-government process. That refers to the latter part of your question, the survey I think you were talking about.

CHAIR: I understand that they have denied access to DEC to this point to undertake such surveys.

The Hon. IAN MACDONALD: I can only offer you the advice I have received, that we have offered to work in conjunction with DEC.

CHAIR: Thank you for that, Minister. In October 2003 Premier Carr announced a \$400 million package as part of the Government's announcement that it had stopped land clearing. What is the status of that package?

The Hon. IAN MACDONALD: Are you talking about the \$436 million for the CMAs for their program, or are you talking about a component of that?

CHAIR: There was an announcement by the then Premier, Mr Carr, in October 2003.

The Hon. IAN MACDONALD: You will have noted from my previous answer that at least \$120 million of investments by CMAs will be spent to improve native vegetation outcomes for New South Wales. That is the figure I have given here today in relation to that.

CHAIR: In the view of that department, has illegal clearing in New South Wales been stopped?

The Hon. IAN MACDONALD: Illegal clearing? Well, let us just look at this issue a little. My understanding is that we have had, in the last year or so, just about the lowest rates of land clearing in this State for a long time. Land-clearing approval rates for 2,047 were 49,700 hectares. The approvals figure comprises 31,450 for land clearing involving cropping, grazing, horticulture, irrigation and infrastructure, mainly in the central and western part of the State; and some 14,000 hectares of sustainable forests, mainly on the North Coast and Hunter, with approximately 3,900 for exotic and native weed control, mainly in the far west of New South Wales; plus, the land-clearing approval rate equates to about 2,600 hectares a month. This is, as I said, the lowest rate in a number of years.

During this same period, the Department of Natural Resources conserved or regenerated some 50,000 hectares, including 22,000 hectares conserved through the Native Vegetation Management Fund, or retained under conditions of approval; and 28,000 hectares revegetation through the establishment of plantations or under conditions of approval. So, in fact, taking the two figures together, there was a slight increase in revegetation of our native forests and native scrubs. One of the principal tools for overseeing native vegetation management is the use of six-monthly spot-fine satellite mapping for clearing hot spots, that is, areas of high clearing activity. The new images have a resolution of 2.5 square metres, enough to map every tree, every river and every dam in New South Wales.

The use of satellite imagery will revolutionise on-ground farm and catchment planning. As part of the vegetation reforms, every farmer in New South Wales will have access to high-quality satellite images of their properties. These images will also help to assist clients with the legislation. The department has completed the first round of satellite monitoring, involving 35 illegal clearing hot spots. From the analysis of the hot spots, most of the change in vegetation is associated with expansion of grazing or cultivation, cumulative activities in rural residential subdivisions, farm roads or fence construction. A number of these sites remain under active investigation. The Government will continue to purchase satellite data for use in both property vegetation plans and for compliance purposes.

CHAIR: Just to continue on that note, Minister, there were 866 alleged breach notifications of illegal clearing between 1 July 2003 and 1 July 2005. Of the 866 alleged breach notifications, 310 were finalised without further action. What were the reasons that no further action was taken?

The Hon. IAN MACDONALD: There are a number of reasons for the consideration of these issues. The Department has investigated 730 alleged land clearing breaches since commencement of the Native Vegetation and Conservation Act in January 1998. These have resulted in 12 prosecution actions, 20 stop-work orders, 67 remediation notices, 57 remediation agreements—negotiated through remediation actions—and 350 warning letters, generally for minor technical breaches. The majority of the remainder of the cases were found to either be exempt from the need to obtain consent, or excluded from the operations of the Act. I am informed that the most significant cause of suboptimal delivery of compliance solutions lies with difficulties in the current legislation and the previous lack of a systematic means of detecting illegal clearing.

It is of note that both these issues have already been addressed through the introduction of the Native Vegetation Act. The current Native Vegetation and Conservation Act is highly complex and, given the evidentiary standards required, is also very difficult to enforce. Once finalised, the new Act

will assist greatly in the area of enforcement. Under the old Act the department would have been required to prove that landholders undertook or directed clearing of native vegetation in contravention of the law. Under the new Act landholders will be deemed to be responsible for clearing that occurs on their land. In other words, the burden of proof has been reversed. By the same token, the new Act will provide landholders with much more certainty and flexibility surrounding their operations. As I say, spot-fine technology will be utilised to ensure that we do not have, or that we radically reduce, illegal clearing in New South Wales.

CHAIR: In answer to questions I put on notice to the previous Minister, Craig Knowles, in June last year it was revealed that a meeting was held at the Loxley property on 29 August 2004. Present were the Tom Gavel, Chair of the Central West Catchment Management Authority, Jennifer Westacott, Peter Sutherland, and Peter Cozier. It was advised that there were no minutes kept by the department. I am wondering why not. Is it true that Ms Gabrielle Holmes recorded minutes of that meeting and forwarded a copy to the department? Will the director general make those minutes available?

The Hon. IAN MACDONALD: I will take that question on notice. It is a complex matter. I have quite a detailed summary of events in relation to this matter but I will give it to you in writing.

CHAIR: Thank you. Is it true that the department received internal or external legal advice concerning the Loxley case, that the actions of the previous director general, Jennifer Westacott, had compromised the ability of the department to prosecute the Holmes for illegal land clearing?

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

CHAIR: Were any of the legal costs incurred by the Holmes' paid in relation to this matter?

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

CHAIR: Are you able to provide a copy of that advice?

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

CHAIR: Thank you, Minister. On another matter, 1,000,000 hectares of eastern seaboard eucalypt hardwood forests are estimated to be at risk from bell-miner associated dieback. How do you account for the lack of first-cut mapping dieback in State Forests lands?

The Hon. IAN MACDONALD: I am aware that many forested areas throughout temperate Australia are showing symptoms of forest decline. Such areas include forests in a number of tenures on private lands and national parks, as well as State forests.

CHAIR: I am referring specifically to dieback.

The Hon. IAN MACDONALD: Yes, but they are in national parks as well. I am advised that in the south it is estimated that around 100,000 hectares of forests, or about 20 per cent, in the Eden region show these effects, and a similar proportion in the Bateman's Bay region. In the North, at least 20,000 hectares of forest with these symptoms have been identified in the Kyogle-Urbanville area. I am advised that the problem throughout temperate Australia is particularly prevalent in reserves that have not been maintained in an open condition by prescribed burning and/or grazing. Forests New South Wales is developing a forest health management strategy in consultation with other forest owners, such as the New South Wales Parks and Wildlife Service and independent scientific advisers, to address eucalypt forest decline.

Forests New South Wales is leading forest management agencies in Australia in assessing and reporting forest health. A number of recent forums in northern and southern New South Wales have recognised the need for adaptive management and co-ordinated research to tackle the problem across all land tenures. I welcome the efforts being made to address and improve our understanding of forest decline, and to deal with this problem more effectively and efficiently across all land tenures.

CHAIR: Referring specifically to the bell-miner associated dieback, are you aware that this form of dieback is associated with high levels of human disturbance, and that in Ewingar State Forest on the North Coast, dieback is especially linked with intensive logging and fire regimes and has spread tenfold in one year? Considering that this forest dieback is associated with hydrological stresses, how do you justify continued logging in dieback-affected State forests during a drought?

The Hon. IAN MACDONALD: I will have a comprehensive analysis of that statement prepared and forwarded to you on notice.

CHAIR: Thank you, Minister. Perhaps you could consider that BMAD, coupled with drought, to be a force majeure that could see wood contracts revised in the future.

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

Ms SYLVIA HALE: Minister, I understand that a review of the Mining Act has been taking place.

The Hon. IAN MACDONALD: That is certainly the case.

Ms SYLVIA HALE: Will non-government groups, who have to date been to some extent involved in the review, be able to have input into the drafting of any amendments to the Act?

The Hon. IAN MACDONALD: A green paper and white paper have been circulated on this issue, and many non-government agencies' advice on it has been sought.

Ms SYLVIA HALE: Will another workshop or briefing be held to outline the Government's intentions?

The Hon. IAN MACDONALD: Not to my knowledge. The position paper was on public exhibition and a number of presentations were given to key stakeholders explaining the changes. The closing date for submissions was 9 September.

Ms SYLVIA HALE: But there will be no ongoing involvement of non-government groups?

The Hon. IAN MACDONALD: No, I do not think so.

Ms SYLVIA HALE: When you look at amendments to the Act, will you take into consideration the cumulative impact of mining and the heavy water usage that is involved in mining?

The Hon. IAN MACDONALD: Indeed. The key proposed changes to the Act include incorporating the principles of ecologically sustainable development; adopting a broader definition of the environment to ensure that protection facts are fully identified; ensuring that environmental management provisions which are currently applied through policy arrangements are adopted as statutory requirements; strengthening the enforcement provisions to be consistent with provisions in other legislation; ensuring that open mines comply with the same environmental provisions required by other mines; and extending the scope of the Act to include off-title impacts.

Ms SYLVIA HALE: Could you inform the Committee as to the total direct and indirect subsidies provided to coalmining operations in New South Wales on an annual basis? You may need to take this on notice. Could you also provide figures for the past five years?

The Hon. IAN MACDONALD: We do not think we subsidise. However, I will give you a comprehensive answer to that question.

Ms SYLVIA HALE: What is the price paid by the New South Wales State-owned corporations for the coal they use in their coal-fired power stations? Is that a commercial rate?

The Hon. IAN MACDONALD: It would be the commercial contract rate.

Ms SYLVIA HALE: I gather the Department of Natural Resources is responsible for monitoring bores throughout the State and issuing licences to sink them?

The Hon. IAN MACDONALD: Yes.

Ms SYLVIA HALE: How many commercial and domestic bore water licences have been issued by the department, or by any other government departments, in the last three financial years?

The Hon. IAN MACDONALD: This is a rather exploratory question. I will take it on notice. We will probably fill several pages of the transcript with answers.

Ms SYLVIA HALE: You may wish to take these questions on notice. How many bores are there in New South Wales? Has the effect of these bores on groundwater been measured? What is the sustainable yield for commercial bores? Is there any plan to limit the number of new bores, whether they be commercial or domestic? Is there any plan to impose a moratorium on the licensing of new bores?

The Hon. IAN MACDONALD: We are doing a lot of work on this through the groundwater structural adjustment program, which is a \$110 million New South Wales Government and Federal Government joint project to implement an amended approach to groundwater entitlement reduction, and financial assistance was announced. The approach aims to assist in minimising the impact on regional communities. Yes, we have been doing a lot of work on groundwater, and I would be happy to give you a few more pages of details so someone in your office can absorb the information and you can ask more questions next year.

Ms SYLVIA HALE: You may also wish to provide information about several bores that have been sunk at 1575 Bells Line of Road, Kurrajong Heights.

The Hon. IAN MACDONALD: What have they done to the local Greens? Have they upset them?

Ms SYLVIA HALE: Are you aware that there is evidence that the water table in the Kurrajong Heights area is already diminishing and that some domestic bores are drying up?

The Hon. IAN MACDONALD: No, I am not aware of that, but I will have a look at it for you.

Ms SYLVIA HALE: I gather you would therefore not be aware that fire control officers at Wilberforce and Kurrajong Heights Rural Fire Brigade wrote to the department opposing the commercial bore at 1575 Bells Line of Road because of concerns about depleting groundwater that may affect their ability to fight bushfires?

The Hon. IAN MACDONALD: Tony Kelly raises a lot of things with me, but I do not recall him raising what Kurrajong Heights Fire Brigade said about some bores being established in that area. But I will have a look at that for you.

Ms SYLVIA HALE: You may also not be aware—but presumably you will be now—that the Lithgow Valley Springs Water bore dried up in 2004 and that the company was obliged to issue a media apology to customers because of misleading advertising that its water had been "bottled at the source", when the company was using alternative water from another site. Do you believe that this indicates that groundwater in the area is under threat and diminishing?

The Hon. IAN MACDONALD: Or it might indicate that the company was using incorrect advertising.

Ms SYLVIA HALE: Or possibly both.

The Hon. IAN MACDONALD: I am not aware of that particular problem. Indeed, I have drunk that Lithgow water at various times. I thought it was very nice actually. Wherever they got it,

they certainly got that part of it right. I am not sure what the situation is with the water supply there. I will certainly get our expert onto it for you.

Ms SYLVIA HALE: I would be grateful if you could look into the case of a bore at the Bells Line of Road, the licence for which was issued to Russell Jarvie. The commercial bore licence was suspended in June 2004 and then reinstated in September 2004, despite the bore being less than 250 metres from rainforest and glow worm habitat, 800 metres from a minor hanging swamp, and less than 1.5 kilometres from a major hanging swamp.

The Hon. IAN MACDONALD: Obviously the Greens think locally and sometimes act globally. I do not have those details. I suggest you put all these questions on notice and we will deal with them.

Ms SYLVIA HALE: What are the State's obligations under the National Water Initiative?

The Hon. IAN MACDONALD: Perhaps I should not take the time to deliver this; the information is available on the web site. Perhaps we could ring you in the morning and give you the web site address.

The Hon. DUNCAN GAY: Minister, in your answers to these questions could you provide a flow chart of the management of your new portfolios, to assist the Committee in its further deliberations?

The Hon. IAN MACDONALD: If and when they are complete, yes. At this point we are reasonably close; I am not sure when they will be finalised. I will take the question on notice.

The Hon. DUNCAN GAY: You mentioned Yanga station. How much did it cost?

The Hon. IAN MACDONALD: I am not aware of the cost. It is not my department.

The Hon. RICK COLLESS: I will bet you are aware.

CHAIR: The Minister has answered the question as he sees fit.

The Hon. IAN MACDONALD: That is a question that should be asked of the relevant Minister.

The Hon. DUNCAN GAY: You indicated that there were 17,000 hectares of prime river red gums on Yanga station. Has NSW Forests mismanaged that area? Has it not overseen proper sustainable harvest? Has it allowed bad environmental practices to take place in that area?

The Hon. IAN MACDONALD: All those questions are misplaced, because the area is under the management of a family called the Black family, as I understand it. It was a private property sold to the Department of Environment and Conservation.

The Hon. DUNCAN GAY: Are you telling me that harvesting—?

The Hon. IAN MACDONALD: There was harvesting on that property; there is no question about that.

The Hon. DUNCAN GAY: But that is not supervised by the department?

The Hon. IAN MACDONALD: It is a private property, owned by the Black family.

The Hon. RICK COLLESS: Have the people who were responsible for developing the harvesting plans for the Yanga forest been doing a good job in that regard, or has there been a problem with the way the forest has been managed?

The Hon. IAN MACDONALD: I will take the question on notice. There are managed leases and all sorts of other arrangements in relation to it—

The Hon. RICK COLLESS: Is it a good quality forest?

The Hon. IAN MACDONALD: I believe it is a very good quality forest.

The Hon. RICK COLLESS: So it has been managed well, in that case?

The Hon. IAN MACDONALD: I would assume that if it was a very good quality forest, it has not been damaged in any way.

The Hon. RICK COLLESS: So it has been managed properly. That is a fair assumption to make, is it not?

The Hon. IAN MACDONALD: Based on the information to hand, the answer is yes. But you should ask those questions of the Minister responsible, that is, the Minister for the Environment.

The Hon. RICK COLLESS: Can you rule out the sale of Forests NSW?

The Hon. IAN MACDONALD: There is no plan to sell Forests NSW.

The Hon. DUNCAN GAY: That was not the question.

The Hon. IAN MACDONALD: I have answered that question the way I wish to answer it.

The Hon. RICK COLLESS: Are there any future plans for changes to Forests NSW ownership or operations?

The Hon. IAN MACDONALD: Not to my knowledge.

The Hon. RICK COLLESS: It has now been almost three months since the Brigalow belt south bioregion decision was taken and the legislation passed through the Parliament. Can you detail the development assistance that has taken place so far?

The Hon. IAN MACDONALD: I certainly can. I will not do much of it now. Suffice it to say that the program of assistance is well and truly under way. I will shorten my answer a little, rather than read through all these notes. There is a \$41 million assistance program for workers and businesses, which will support positive change to the timber industry. Exit assistance has been approved for the three mills that indicated they were willing to exit the industry prior to the announcement. That assistance totals \$2.9 million, and it has been provided to 38 workers to help them change to new employment. I will take the question on notice.

The Hon. RICK COLLESS: With regard to the \$72,000 that was paid to the mill workers who were exiting the industry, it has been raised with me that the people who work in the offices at those sawmills have not received the \$72,000, that only the mill workers themselves have received the \$72,000. Is that correct?

The Hon. IAN MACDONALD: I will take the question on notice. I find it difficult to believe that they are not going to, being workers in the industry. But I will get an answer for you.

The Hon. DUNCAN GAY: But if it is correct, would you give an undertaking to fix that situation?

The Hon. IAN MACDONALD: I will certainly give an undertaking to look into it. So the question is that there is some sort of separate treatment of the office staff?

The Hon. RICK COLLESS: The people who work in the office preparing the wages and setting out the invoices and those sorts of things. I am informed that those people have not received the \$72,000 where they have exited the industry.

The Hon. IAN MACDONALD: The information I have is that they are eligible and are paid.

The Hon. RICK COLLESS: And if they have not been paid, they will be? That would be in accordance with what you have just said, would it not?

The Hon. IAN MACDONALD: From the material to hand.

The Hon. RICK COLLESS: We have information that suggests that some of them have not been paid.

The Hon. IAN MACDONALD: That is the information I have. I would like if you could supply me with the details. I will certainly have that looked into. I believe that all people should be paid.

The Hon. RICK COLLESS: How many of the displaced workers were offered positions with Forests NSW and the National Parks and Wildlife Service? I would like you to be specific here in relation to Bingara and Gwabegar.

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

The Hon. RICK COLLESS: Were some former mill workers turned away from positions with Forests NSW and the National Parks and Wildlife Service because they were illiterate?

The Hon. IAN MACDONALD: Not to my knowledge.

The Hon. RICK COLLESS: Will you provide us with a full answer on that?

The Hon. IAN MACDONALD: Yes, I will take the question on notice.

The Hon. RICK COLLESS: I refer to the \$14 million business exit fund. How much of that has been spent to date?

The Hon. IAN MACDONALD: I will have to take that on notice. One of the things about this is that it is constantly under negotiation and discussion. I will answer that on notice and give you the precise figures.

The Hon. RICK COLLESS: Was any of that money available to businesses other than the mills that were affected by the mill closures?

The Hon. IAN MACDONALD: Yes, that is correct—haulage companies and other companies that were directly related, yes. And there is quite a list of them.

The Hon. RICK COLLESS: What business exit payments did each of the four mill owners receive from the State Government?

The Hon. IAN MACDONALD: This is Insultimbers, Bingara, Logans and Gwabegar? I assume you are talking about those four?

The Hon. RICK COLLESS: That is right.

The Hon. IAN MACDONALD: I have seen that figure but I do not have it here now. I will take that on notice.

The Hon. DUNCAN GAY: I turn to the mining sector. I refer to coal royalties. The total value of Crown royalties collected in 2004-05 was \$370 million. Did this amount exceed the expected revenue, and what percentage of this was made up of coal royalties and other minerals?

The Hon. IAN MACDONALD: I will take that on notice. I think \$396 million is the total figure.

Mr COUTTS: Of which coal was about \$354 million.

The Hon. DUNCAN GAY: The budget papers indicated that you expected to receive \$370 million—

Mr COUTTS: We received \$396 million, of which \$354 million was coal.

The Hon. DUNCAN GAY: That answers the question I was going to ask but did not ask.

CHAIR: Looking at the Eden and southern forest areas, for all payments made under the Forest Industry Structural Adjustment Package [FISAP], could you indicate to the Committee what was the amount granted, who was the recipient of the grant and what was the purpose of the grant?

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

CHAIR: Are there funds remaining for allocation under this scheme?

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

CHAIR: If there are funds remaining, perhaps you could let the Committee know how much is left and when the grants expected to be finalised?

The Hon. IAN MACDONALD: Yes. The grants have to be in by December 2005.

CHAIR: Perhaps you could take the rest of the question on notice?

The Hon. IAN MACDONALD: Yes.

CHAIR: Further to that, what safeguards are in place under FISAP to ensure that logging employees who are in receipt of funds to encourage their exit from the industry do not obtain employment in the logging industry in another State?

The Hon. IAN MACDONALD: I will take that on notice. It will be pretty hard to track that far, I would say.

CHAIR: Is it true that there are plans to defer implementation of the Private Native Forestry Code of Practice for a further five years after the Native Vegetation Act is turned on?

The Hon. IAN MACDONALD: My answer is that that is incorrect. It is not planned to— what was it—to switch it off or not have it implemented in five years or something?

CHAIR: Defer implementation of the Private Native Forestry Code of Practice for a further five years after the Native Vegetation Act is turned on.

The Hon. IAN MACDONALD: That is not my understanding.

CHAIR: When would the Private Native Forestry Code of Practice become mandatory?

The Hon. IAN MACDONALD: I would be looking at that. That is a matter we are considering at the moment. But my priority is to have the native vegetation regulations in place.

CHAIR: Would you not agree that senior bureaucrats in the department had acknowledged it could be implemented within six months?

The Hon. IAN MACDONALD: It would be my intention to have it operational as soon as possible after the appropriate negotiations and discussions.

CHAIR: Is it also true that there will be no regulation of the logging of rainforest, old growth, riparian areas, et cetera, or any private land, except on protected land, and no process to

identify such areas for protection from logging until the Private Native Forestry Code of Practice is implemented?

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

CHAIR: I will also let you take this question on notice. I think this is an interesting question to think about. Is this an example of one of the many conflicts of interest that you as the new Minister for Natural Resources have in that with your forestry hat on you want to see as much private forest logging to prop up the logging industry and that with your natural resources hat on you are prepared to forego regulation of land clearing when it comes to forestry, which was one of the significant loopholes identified under the current Native Vegetation and Conservation Act?

The Hon. IAN MACDONALD: Let us make it very clear that for some time I have had both regulatory and production roles in the Department of Primary Industries, as you may be aware. Agriculture and Fisheries had considerable both regulatory and production roles. I have a separate department—Natural Resources. It will make recommendations on key issues such as some of these areas. I will be taking them to my colleagues in a Cabinet situation. So the sort of inference that there is some big conflict is completely false.

Ms SYLVIA HALE: What budget has the Department of Natural Resources allocated to the purchasing of water licences for environmental water for inland rivers and coastal rivers?

The Hon. IAN MACDONALD: As I understand it, this has not been allocated at this point. In some of the programs, like Living Murray, \$9 million is available for market-based purchase.

Ms SYLVIA HALE: But it has only been set aside in one or two programs, is that what you are saying?

The Hon. IAN MACDONALD: I think that is the indication. I will get a full answer for you.

Ms SYLVIA HALE: Could you indicate the mechanisms that are in place to protect coastal rivers from water extraction for urban usage?

The Hon. IAN MACDONALD: A lot of that is dealt with through the macro-planning process, which is under way. I will be making an announcement about that in the not too distant future.

Ms SYLVIA HALE: I refer briefly to the National Water Initiative. When is the New South Wales National Water Initiative Implementation Plan due to be finalised? When is it due to be implemented?

The Hon. IAN MACDONALD: It has been submitted to the Commonwealth Government and we await its advice.

Ms SYLVIA HALE: So you have no idea?

The Hon. IAN MACDONALD: We do not have a timeframe on that. It is up to the Commonwealth Government to make the decision and give us its comments.

Ms SYLVIA HALE: How much did the Sydney Catchment Authority provide to the Department of Environment and Conservation [DEC] to provide for fire management within special areas?

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

Ms SYLVIA HALE: How much did it provide to control pest species within special areas?

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

Ms SYLVIA HALE: How much did it provide for regulating visitor use of reserves within special areas?

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

Ms SYLVIA HALE: Did the Sydney Catchment Authority provide additional funds to DEC to provide for more effective control of unauthorised trail bike activities within the special areas?

The Hon. IAN MACDONALD: That is a question for the Minister for the Environment.

Ms SYLVIA HALE: If the Sydney Catchment Authority did not provide funds for compliance monitoring by DEC, how much does DEC spend on these requirements—

The Hon. IAN MACDONALD: You will have to ask Mr Debus.

CHAIR: That is it for the night. I advise that the Committee has resolved to seek return of answers to questions taken on notice at the hearing tonight within 35 calendar days. Minister, are you and your departmental officers available if further hearings are required?

The Hon. IAN MACDONALD: Yes, but not next week.

CHAIR: We will have to get a mutually agreeable date. We will try to make the hearing relevant to the various departments in your ministerial portfolio so that departmental heads and officers do not have to travel distances to be here at the same time. I think it is reasonable to say that quite a bit of material that we would like to cover has not been covered tonight. Minister, I thank you and your departments for attending tonight's hearing.

The Committee proceeded to deliberate.
