

**REPORT OF PROCEEDINGS BEFORE**

**GENERAL PURPOSE STANDING COMMITTEE No. 5**

**INQUIRY INTO PUBLIC LAND MANAGEMENT**

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**At Sydney on Friday 14 September 2012**

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**The Committee met at 9.00 a.m.**

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**PRESENT**

The Hon. R. L. Brown (Chair)

The Hon. R. H. Colless  
The Hon. C. M. Faehrmann  
The Hon. L. Foley  
The Hon. S. MacDonald  
The Hon. Dr P. R. Phelps  
The Hon. P. T. Primrose

**CHAIR:** Welcome to the public hearing in Parliament House of the inquiry by General Purpose Standing Committee No. 5 into the management of public land in New South Wales. The inquiry is examining the operational, economic, social and environmental impacts of converting Crown land, State forests and agricultural land in the national parks estate and other matters. Before commencing I acknowledge the Gadigal clan of the Eora nation, who are the traditional custodians of this land. I pay respects to the elders past and present of the Eora nations and extend that respect to other Aboriginal people present.

Today we will hear from a number of key stakeholders, including the Natural Resources Commission, the NSW Forest Products Association and the NSW Famers Association. Other witnesses include Native Title Services; Western Division Councils of NSW; the Australian Wetlands and Rivers Centre; former Minister for Climate Change and the Environment, the Hon. Frank Sartor; and the member for Murray-Darling, Mr John Williams, MP. In addition to today's hearing the Committee will hold other public hearings in Bourke, Coonabarabran, Port Macquarie, Grafton and again at Parliament House. The details of these hearings are on the Committee's website.

Before commencing the taking of evidence I shall briefly explain the procedure for today's hearing. A copy of the Committee's broadcasting guidelines is available from the Committee staff at the side table. Under these guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. Therefore, I urge witnesses to be careful about any comments they may make to the media or to others after completing their evidence or before giving evidence, as such comments would not be protected by parliamentary privilege if another person decided to take an action, for example, for defamation.

Witnesses are advised that any messages should be delivered to Committee members through the Committee staff and if they wish to table documents the Committee staff will come and take them from you. A full transcript of what is said during today's hearing will be prepared by our Hansard reporters. The transcript will be available on the Committee's website in the next few days. Most importantly, all mobile telephones are to be turned off, including those of witnesses, members in the public gallery and Committee members. I welcome the Committee's first witness today, Mr Bryce Wilde.

**BRYCE THOMAS WILDE**, Executive Director, Natural Resources Commission, affirmed and examined:

**CHAIR:** In what capacity are you appearing today, as an individual or representing an organisation?

**Mr WILDE:** Representing an organisation.

**CHAIR:** Before we proceed to questions from the Committee, would you like to make an opening statement?

**Mr WILDE:** Yes.

**CHAIR:** Please proceed.

**Mr WILDE:** Thank you, Chair, and honourable members of the Committee for the opportunity to contribute to this inquiry. The Natural Resources Commission [NRC] was established in 2003 with the object of creating an independent body to provide a sound, scientific basis for managing natural resources. The NRC's work is focussed on informing evidence-based decisions. In providing advice to government it considers all factors objectively to inform the trade-offs, and checks and balances needed to deliver economic, social, cultural and environmental outcomes. I note that the work of the Natural Resources Commission in the Riverina red gum forest assessment has been the subject of comment and submissions to this inquiry. Our terms of reference for the assessment were received from the Government in August 2009. These terms of reference asked the NRC to assess and make recommendations on the management of the Riverina red gum forests to determine a sustainable future for the forests, the forestry industry and the local communities.

In conducting the assessment the NRC had to meet requirements of both New South Wales and Australian Government legislation. The NRC consulted with key stakeholders, constituted an expert panel including Forests and social scientists, visited the region nine times during the assessment and four times after, visited 50 State forests, held public forums and received over 5,500 public submissions, of which 259 were unique. It was clear that the health and persistence of the Riverina red gum forests was driven by water flows and flooding regimes. As such, the assessment focussed on water and the scales at which it could best be managed. The assessment sought also to identify synergies with the outcomes of the Victorian Environmental Assessment Council's forest assessment, linking with reserves in State forests on the Victorian side of the river to maximise both production and conservation benefits through coordinated water management.

A key finding of the assessment was that the Riverina red gum forests and the industries and social systems they support were in decline beyond the particular drought conditions then prevailing. This decline was predicted to worsen in the future. The river flows and flooding regimes that support the health of the forests have changed dramatically due to river regulation and the long-term consequences of historical water diversions. The NRC concluded that even with a run of wet years and extensive water reforms there would not be enough water to restore all the red gum forests to health. The problem was whether to let this decline take its course or act to manage the forests to deliver more sustainable, economic, social, cultural and environmental outcomes.

Floods over the last two years have been great for the forests, but the real impact on timber resources will only be known in decades to come. During the NRC's assessments the immediate need was to balance the available resources with the supply required for a viable timber industry, particularly when an unreliable and generally drying climate had resulted in lower yields of high-grade timber. Historical volumes of quality river red gum timber in the Riverina are low by Australian hardwood standards. The red gum forestry industry reliant on public land contributes less than 1 per cent to the region's economy although six communities have close ties to the river red gum forestry on public land.

The NRC's final advice estimated a sustainable long-term yield of up to 13,600 cubic metres a year, while Forests NSW estimated annual sustainable yields of up to 17,000 cubic metres per year. Both the NRC and Forests NSW estimates represent very significant reductions in yield—reductions in yield of respectively 50 per cent by the NRC's estimations or 40 per cent by Forests NSW. Evidence suggests that maintaining even these volumes might not be achievable. This presented a stark choice for public policy: restructure the red gum timber industry and ensure its long-term viability at a reduced scale or have it continue unchanged and exhaust the resource for the foreseeable future.

The NRC concluded that future management of these floodplain ecosystems need to take account of diverse, economic, social, cultural and environmental values and an increasingly unreliable water scarce future. As a result, the NRC's major assessments recommendations included significant water reform with closer collaboration between jurisdictions; the need to actively manage the forests, whatever the tenure, using thinning, fire management, grazing silviculture and firewood collection; transborder national parks to enhance the status of the forests and help align flooding regimes under the Murray-Darling Basin Plan; diverse institutional and government structures that drive innovation and adaptive learning; participation of local communities in managing forests; and, finally, maintaining and building human and social capital.

The NRC also undertook an assessment of the south-western Cypress State Forest in 2010. For this work the NRC followed a similar process that had been developed for the red gum forests. The evidence for cypress though led the NRC to make different recommendations. Cypress is inherently robust, tolerant of competition and widely geographically distributed. The Natural Resources Commission assessment found wood production to be stable and the trajectory sound. The cypress timber industry had also been recently consolidated and modernised. Based on the available scientific information, the Natural Resources Commission recommended that 168 of the 197 State forests should remain as State forests, that is, the Natural Resources Commission recommended that 85 per cent of those State forests remain as production forests rather than being reserved for conservation. Thank you for your time today; I look forward to any questions.

**The Hon. RICK COLLESS:** Mr Wilde, when you say that the Natural Resources Commission's recommendation was that 85 per cent of those forests remain as production forests, what is the final result?

**Mr WILDE:** In the cypress State forests we recommended 168 of the 197 remain as State forests and I understand that approximately a further 20 were converted to national park.

**The Hon. CATE FAEHRMANN:** Twenty per cent or 20?

**Mr WILDE:** Approximately 20 in number less than what we recommended.

**The Hon. RICK COLLESS:** What was that ratio then in river red gum forests?

**Mr WILDE:** In red gum forests, when you talk about hectares in red gums as opposed to numbers of forests because the forests in red gum are more widely distributed in their size, we recommended that 70 per cent of the red gum forests estate be in conservation in the reserve system in regional parks and national parks. About 23 per cent, from memory, were in State forests and the remaining percentage was in private covenant land or for research and rehabilitation reserves. The reserve system recommendation also included Indigenous protected areas. The Victorian assessment recommended 90 per cent be reserved.

**The Hon. RICK COLLESS:** When you say that one of the terms of reference was I think to retain a viable red gum forestry industry, albeit on a reduced scale—

**Mr WILDE:** Yes.

**The Hon. RICK COLLESS:** Were they the terms of reference from the Government or an assessment that you made yourselves?

**Mr WILDE:** The terms of reference from the Government were for us to assess the values supported by these forests now and into the future, and those values to include economic, social, cultural and environmental values, and to make assessments on how those values could be supported under a range of climate change scenarios which would then inform a government's decision to make a regional forest agreement for the object of achieving conservation outcomes, and sustainable forestry industry and communities. Just to be clear, the terms of reference were about sustainability of the industry and communities, and the forestry, but the terms of reference did not make comment on the size or scale of the forests or the industry—that was for our assessment to investigate.

**The Hon. RICK COLLESS:** When you prepared the recommendations for the report, how were the social and economic impacts taken into account?

**Mr WILDE:** They were taken into account very thoroughly in our assessment. We had engaged a subcontractor, Arch Consulting, to help undertake socioeconomic analysis and they undertook a comprehensive

industry survey of the businesses in the area. In addition to that, we also visited and met with each of the large six mill operators, met many of their workers and toured the region several times, and also met with Indigenous representatives and local community representatives who had significant ties to these forests as well as local councils and other community representatives in our forums.

**The Hon. RICK COLLESS:** Did you give Arch Consulting their terms of reference or their scenario information in relation to the socioeconomic analysis?

**Mr WILDE:** Yes, Arch Consulting worked under the direction of the Natural Resources Commission and worked closely with us. When they were undertaking the confidential industry survey of individual members, that was held in confidence from the Natural Resources Commission, but their key findings and analysis was undertaken in conjunction with the Natural Resources Commission.

**The Hon. RICK COLLESS:** When you read the Arch Consulting report did it identify that, for example, a town like Mathoura would be substantially economically impacted in terms of jobs and lost businesses in the town—shops closing and that sort of thing?

**Mr WILDE:** We had another consultancy that looked at the adaptive capacity of the six key communities—that was Coakes, a separate consultancy. They looked at the vulnerability assessment and the adaptive capacities of each of those communities, looking at their human capital, their financial capital, their social capital—I forget the other capital, sorry. They looked at all those capitals and they took a range of indicators based upon a variety of data, including that of the Australian Bureau of Statistics [ABS], on such things as on-farm income, off-farm income, proportion of the income distributed by the timber industry, which came from Arch; they looked at figures like volunteerism, they looked at how much engagement, school education—a whole range of indicators.

**The Hon. RICK COLLESS:** So what were their findings?

**Mr WILDE:** They found that there were six key communities, including the twin towns of Barham and Koondrook, most affected by timber, river red gum, and of those six key communities Mathoura and Barham were the most reliant upon forestry industry from Riverina public land management. The proportion of the employment in those two towns was approximately 16 to 18 per cent of both of those, compared to Deniliquin where it was 1 per cent. Those two towns had much more significant dependence upon the forestry industry than some of the other towns which were most affected.

**The Hon. RICK COLLESS:** How was that information presented? Were they jobs within the direct industry, like the logging and milling industry, or did they include jobs that were in the value adding component of the industry? I will give you an example. In Barham there was a business there called Glen Gray Furniture, which employed about 20 people. It has since gone out of business altogether. Would that have been included in that assessment or not included in that assessment?

**Mr WILDE:** The figures I just indicated were about those which were directly related to red gum forest management on public land.

**The Hon. RICK COLLESS:** So it did not include the Glen Grays of the world?

**Mr WILDE:** No, so in the survey done by Arch Consulting, 274 people were directly employed from river red gum on public land management. An additional 30 were from Forests NSW and then there were an additional 15 downstream haulage contractors. That survey was based upon 100 per cent return from the six major mills who are major employers, 90 per cent return from the eight ex-quota residue operators and approximately 70 per cent return from the smaller businesses of residue operators, which are largely firewood collectors.

**The Hon. RICK COLLESS:** The bottom line is that the multiplier effect of people employed in the downstream industries, if I can use that expression, in the red gum industry were not considered in those assessments?

**Mr WILDE:** That is not entirely correct, no. When we are talking about direct employment, we were very clear in our assessment about the numbers for direct employment. Arch Consulting in addition looked at the contribution of the timber industry upon the regional economy and also looked at the multiplier effects there,

so in essence the direct contribution of the river red gum timber industry on public land on value added expenditure was \$23 million, which is less than 1 per cent of the total regional economy. When you included the downstream effects, the generator effects, which includes purchasers downstream and which has some quantifiable difficulties in it because there is some double counting, but putting that aside, when you included that total figure that you are referring to, the figure was \$86 million. When that is considered as part of the regional economy, that is 0.2 per cent of the wider regional economy. That is the wider regional economy. As I said before, key towns were significantly reliant upon the red gum timber industry.

**The Hon. SCOT MacDONALD:** I feel like someone who has come on the scene of an accident after everything has been cleaned up and there are only a few bloodstains left, but we shall persist.

**The Hon. LUKE FOLEY:** This is your big chance. You have been bagging them up hill and down dale for two years. Get into them.

**CHAIR:** Order!

**The Hon. SCOT MacDONALD:** You mentioned the number of times you visited and that sort of thing—

**The Hon. LUKE FOLEY:** Do not let fear hold you back. Say to him what you have been saying about them for the last two years.

**The Hon. SCOT MacDONALD:** Are you right?

**The Hon. LUKE FOLEY:** Give it your best shot.

**CHAIR:** Order! Any comments should be made through the Chair, and I will not allow any comments while the member is asking questions. The witness has given his time to be here today. Let us give him a chance to answer the questions that members might like to put to him.

**The Hon. SCOT MacDONALD:** If I am not going to be interrupted again, I will start.

**CHAIR:** Do not respond to interjections.

**The Hon. SCOT MacDONALD:** Looking at the number of times the Natural Resources Commission visited the area before and the number of times it visited after—I am intrigued why the Natural Resources Commission felt it had to visit after the declaration and conversion. Is that not a political thing? Surely if the Government of the day declares the parks then it should go down and explain to the communities. Why did the Natural Resources Commission go down and not Labor and The Greens?

**Mr WILDE:** I will only speak about why the Natural Resources Commission went down. It was because we had engaged with those local communities, we had sat down with those local communities in the forests, mills and public forums and listened to their stories and we felt it was fair and decent to go back and to explain to those local communities why we made our recommendations. It was not about the Government's decision it was about decency and community collaboration and engagement, to close the loop with those local communities on why we made our recommendations.

**The Hon. SCOT MacDONALD:** I think that is commendable and great. It should be acknowledged that you went down there without support. Moving on to water: I have had a look at the submission and the 2009 report and what keeps reoccurring are two themes: Firstly, the lack of acknowledgment for what was happening in the Murray-Darling Basin Plan. There were significant reforms coming through that started in 2007 and it was two or three years into those reforms by then. You are looking at significant reforms and a significant amount of gigalitres coming back into the Murray River system. It is talked about but there does not seem to be the recognition that you were looking at probably a lot more water coming down the system in the future.

Secondly, the rocket system where you get allocation of water: stock and domestic first, then environment and then consumptive water. In some of those years, 2006-07 particularly, people got nothing or close to nothing for consumptive high security and general security water. My point is the system was changing and the allocation was changing. New South Wales water, and I think Victoria water, were making sure that the

environment got the water first before irrigators. We can look at statements saying there has been 54 per cent diversion but it does not reflect that the environment was getting the water and the system was improving. Can I get a response on that?

**Mr WILDE:** Certainly, Mr MacDonald. The Natural Resources Commission's assessment was heavily focused upon river flows, river regulation and future flooding regimes. One of the key factors in our assessment was to consider how to maximise attracting water from the State and from the Australian Government by building or by recommending a transborder or iconic national park which would leverage off what the Victorian Environmental Assessment Council had done on that side of the Murray River. Under the Living Murray program there are six icon sites: One is the Murray River channel itself, one is the Barmah-Millewa Forest, and one is the Gunbower–Koondrook–Perricoota Forest.

If those forests could get water and could be recognised as a key ecological asset we believed that would attract sufficient, or as much water as possible, from the Murray-Darling Basin Plan. We thought that would be the best opportunity for the forest and timber industry that relies on those forests. Of the water which comes from Barmah-Millewa approximately 76 to 80 per cent flows back through to Perricoota-Koondrook which would benefit the timber industry there once the capital works upgrade happened in the cutting there.

On the second point you raised regarding how much environmental water would be received compared to other uses: In 2008 the Murray-Darling Basin Authority, in conjunction with CSIRO, the Bureau of Meteorology and others, completed an extensive and what was considered world's best practice assessment of the Murray-Darling basin and its 16 different sub catchments. The study included what would be happening under different climate change scenarios, climate variability, river regulation and groundwater extraction. It was not just focused on climate change; it looked at all the issues including river regulation.

It found that in the relevant Murray Riverina subregion that under a medium term climate projection, which is less than the then drought being experienced—less extensive and less intensive—that there would be a two per cent loss of allocation to irrigators and others and a 14 per cent loss to the environment. Under those scenarios, looking at groundwater extraction, river regulation, climate variability and climate change the, if you like, least loss was being incurred by irrigators and other users than the environment.

**The Hon. SCOT MacDONALD:** Then we come into 2009 and it was the year of the record inflows. That shows the risk of short term modelling, I guess. There is a discrepancy between Forests NSW and the Natural Resources Commission concerning forest yields. It looked like the Natural Resources Commission started off with very low yield forecasts—4,500 cubic metres—which was wildly different to New South Wales forests that had been there for decades who were looking at more like 16,000 to 17,000 cubic metres: can you make a quick comment on that? Given that the water delivery was looking better and better with the Murray-Darling basin reforms, Living Murray, environmental flows and a whole range of things, why do they talk about such low yield forecasts?

**Mr WILDE:** Both Forests NSW and the Natural Resources Commission came up with final figures which were broadly similar. The Natural Resources Commission projected a reduction of up to 13,600 cubic metres in the central Murray forest. Forests NSW, looking at a wider area, came up with a figure ranging from 14,000 cubic metres to 17,000 cubic metres. Our advice, which was delivered in February 2010, was to take on board further expertise from Forests NSW and their local forestry expertise which found that from our previous assessments water could get into more non-watered areas and you get higher quality wood.

We collaborated and engaged with Forests NSW and found greater commonality but still a difference. The fact of the matter is that both of those figures still require a significant reduction in wood yield. Part of that is due to the historic legacy of previous forest practices and river regulation. While now we have wonderful floods for the forests, the impacts of those floods will not be known for decades to come.

**CHAIR:** In your assessment I understand one of the recommendations was that large-scale thinning would be a requirement. Was there any definition in there of what you meant by "large-scale"?

**Mr WILDE:** No.

**CHAIR:** What would be your interpretation of the Natural Resources Commission's assessment of "large-scale"?

**Mr WILDE:** An interpretation of large-scale would be one which would be representative of the different water management units or forests across the estate; one in which there would be significant scientific veracity so you have control sites and looking at where there would be different water regimes and flood inundation to enable an accurate assessment to be made.

**CHAIR:** Thank you. Mr Foley?

**The Hon. LUKE FOLEY:** Thank you, Mr Chair.

**The Hon. SCOT MacDONALD:** And I will interrupt now, will I?

**The Hon. LUKE FOLEY:** Yes, go your hardest, mate.

**The Hon. SCOT MacDONALD:** Will I talk?

**CHAIR:** I would advise you not to.

**The Hon. LUKE FOLEY:** Mr Wilde, it was put to us repeatedly when we visited Deniliquin, Mathoura and Barham that your report was anything but objective. How would you respond to that?

**Mr WILDE:** That is not true. The NRC prides itself on its independence and its objectivity. We put forward a thorough, scientifically based rigorous analysis, which weighed up all the facts and listened to all parties and stakeholders, and put our advice to government.

**The Hon. LUKE FOLEY:** It was put to our Committee that the NRC was under instructions from the then Labor Government to write a report that would deliver a National Parks outcome, if I can put it that way. How do you respond to that?

**Mr WILDE:** That is not true.

**The Hon. LUKE FOLEY:** What was the future for the forest industry, in the view of the NRC report, without a restructuring?

**Mr WILDE:** Without a restructure our analysis would have been that the profitability of some of the mills, such as those outside the central Murray area—Barmah-Millewa and Koondrook-Perricoota—was questionable and that they would have left the business, because there just was not enough timber in those forests and within what was agreed to be the forest prescriptions. There would have been a consolidation of the industry over time. At the same time there would have been a fastening, a rapid use and depletion of the timber stock which would have denied further regrowth and regeneration in those areas.

**The Hon. RICK COLLESS:** Who gave you that evidence?

**Mr WILDE:** We sat down with members of the timber industry and we also had the individual confidential surveys. I and others sat down and spoke to and met with members of the timber industry and got an understanding of where their future viability may be. Also, there was a confidential survey undertaken. In addition to that, the analysis of where the wood is, the timber yields, was pretty clear. The future depended upon large scale diverse forests and those were in Millewa and Perricoota-Koondrook. There was not the wood in the other areas.

**The Hon. LUKE FOLEY:** It was put to us by critics of your report that your assessment of the forests being stressed was based on a false premise. It was put to us that stressed forests were the result of a 15-year drought and that was the overriding cause of the degradation, if you like, in the quality of the forests and that that was fixed by the floods that then occurred, and the conservation outcomes recommended by the NRC were unnecessary because the only problem for the health of the forests was a 15-year drought. How do you respond to that?

**Mr WILDE:** Firstly, Forests NSW themselves stated that during the drought mortality rates had doubled and regeneration rates had halved. The drought did have a significant impact upon the forests' health. We were charged with also looking to the future, not just what was happening now. In our analysis of a range of climate change scenarios we took a medium-term climate change scenario. That medium-term climate change



scenario had a reduction in yield and forest regeneration less than what was being exacerbated by the current drought. If we had taken an extreme or high climate change scenario—which is where we are actually tracking at the moment, but we did not; we were conservative and took a medium scenario—that would have been in parallel with what was being experienced by drought. In other words the NRC's assessment was a conservative assessment on what was going to happen with future climate variability, climate shift and climate change, and the overriding factor on the health of these forests was the legacy of river regulation and extraction of water. That was the predominant factor which was influencing water going down the system.

**The Hon. LUKE FOLEY:** Thank you, Mr Chair.

**CHAIR:** You have more time if you wish.

**The Hon. LUKE FOLEY:** No, these boys can have it.

**The Hon. PETER PRIMROSE:** With concurrence I will yield my time to Mr Colless.

**The Hon. CATE FAEHRMANN:** You can yield it all to me if you want, Peter.

**The Hon. PETER PRIMROSE:** No, Mr Colless is doing the right thing.

**The Hon. LUKE FOLEY:** I think the critics of the NRC should take their best shot.

**The Hon. CATE FAEHRMANN:** When we were in Deniliquin much was made about the floods that arrived after the decision was made, and Mr MacDonald just said, "That's the risk of short-term modelling, I guess." Can you comment on the modelling and whether that flood basically made everything you said in the report about variability, flooding and climate change not true?

**Mr WILDE:** The modelling that was undertaken when we were talking about the analysis for wood yield was over a 100-year time frame. That 100-year time frame included natural variability. The important point to remember with these forests is that the Murray-Darling system is the most highly variable river system in the world. All of the modelling included that natural variability.

**The Hon. CATE FAEHRMANN:** So just because flooding occurs does not mean that climate change is not happening?

**Mr WILDE:** The important point with planning for future trajectories is to look over the long-term trend, not what happens for one or two years. That is the key factor—to look at long-term trends, what is happening, not at the extremes.

**The Hon. CATE FAEHRMANN:** Have you been kept informed about how the ecological thinning trials are going that the National Parks and Wildlife Service has been undertaking?

**Mr WILDE:** Not in detail. We have been briefed that they are occurring. We have been briefed that they have called for tenders but we have not been briefed in detail about their operation.

**The Hon. CATE FAEHRMANN:** We heard quite a bit from some of the local sawmillers and timber mill operators about their frustration that the National Parks and Wildlife Service were the people undertaking these thinning trials and they suggested that they would be able to undertake those trials because that is the way they have been logging the forests for many years, sustainably. What is your view of the difference between the National Parks and Wildlife Service undertaking that thinning compared to the sawmill operators themselves?

**Mr WILDE:** The important point is to consider what outcome is sought to be achieved. Ecological thinning is being undertaken for a conservation benefit. That conservation benefit is to reduce competition for the trees, particularly around habitat trees, for instance. You might have a large habitat tree with many hollows and the object in a drying climate is to take away competition from around that large tree. You would clear the competition so that that large habitat tree has the maximum chance of getting water and surviving into the future. For a commercial silviculture thinning process the objects are different. The object is not primarily conservation; the object is to take out lower profitability timber and maximise the return on investment on the more profitable trees. There are differences. Another difference, for instance, is habitat. In ecological thinning, once you have cleared the timber you might leave a higher proportion of coarse woody debris—150 tonnes per

hectare—on the ground, again for habitat. If you were running a forest for commercial benefit as well as for sustainable forest management you would want to be able to get a commercial return on that coarse woody debris. There are different management outcomes and different principles. The techniques and expertise that Forests NSW and the local timber industry have are relevant for ecological thinning. But the principles, objects and outcomes are different.

**The Hon. CATE FAEHRMANN:** What was your consultation to ascertain who were the traditional owners of the area?

**Mr WILDE:** We engaged with a variety of groups. We did actually have a principal engagement with Murray Lower Darling Rivers Indigenous Nations [MLDRIN]. We also engaged with traditional owners and Aboriginal land councils and were toured by Aboriginal community groups through the forests, where Aboriginal community members showed us the meaning, identification and cultural heritage values they shared with those forests.

**The Hon. CATE FAEHRMANN:** One of the timber mill operators that we met with and who gave evidence at the hearing spoke about the fact that they took a compensation package as a result of the decision and then put every cent of that compensation package back into their business where they are now employing over 20 people and trying to stay in business. This was Mr Ken O'Brien. He says:

It is a struggle. We would like to see some security over resource, and we would love the opportunity to thin some of these national parks, which obviously National Parks themselves cannot do.

What is your opinion about Mr O'Brien's statement, given that he has received the package to restructure his business? What was the Natural Resources Commission's idea of what the restructuring package should provide to the timber mill operators themselves?

**Mr WILDE:** The restructure package was decided by the New South Wales Government. The decisions were made independent of the Natural Resources Commission.

**The Hon. CATE FAEHRMANN:** Can you explain in a little more detail your statement that you did an assessment, including socioeconomic assessment, of the areas and in your opening statement that social systems were in decline?

**Mr WILDE:** In my opening statement I referred to the river red gum forests themselves and the fact that the industry that were reliant upon them were in decline. I did not mean to indicate that any of the communities themselves were in decline. If you look at the Australian Bureau of Statistics figures for population for the six communities of interest, some had increased populations, others were decreased. We spoke to the relevant local councils about what was happening in their towns, but you cannot come to a homogenous conclusion across those communities.

**CHAIR:** If I may ask a question for clarification. The figure you quoted, which was probably an estimate, of what level of coarse woody trash would be left behind in an environmental clearing procedure was 150 tonnes per hectare. Did you have, at the time when you were assessing those sorts of regimes, or have you since had, any input from people like the Rural Fire Service as to what the risk profile would be for fire at 150 tonnes of coarse woody remnant?

**Mr WILDE:** On the amount of coarse woody debris, the figures are put in the assessment report of what would be a suitable number. I would need to double-check those figures firstly, but—

**CHAIR:** Could you come back to us on notice on that?

**Mr WILDE:** Yes, I will come back on notice. But on the principle, we made principles for fire management and principles in relation to coarse woody debris and habitat, and both those principles with reference to each other; and that the primary objective is public safety, in line with government policy; and that any management of coarse woody debris would have to be in line with that.

**CHAIR:** Could you provide us, on notice, with any documentation or assessments done that took into account the fire regime at those levels of coarse woody residue?

**Mr WILDE:** Yes.

**The Hon. Dr PETER PHELPS:** Mr Wilde, one of the things we have heard is that these are essentially man-made forests; that, prior to the 1850s, there is no evidence for broad-scale river red gums, and that in fact the land on which the river red gums stand could be described as either plain or reedy marshland. Did the Natural Resources Commission make any assessment of the extent of pre-colonisation timber cover?

**Mr WILDE:** Dr Phelps, the pre-European extent of river red gums is a contested area. There is a lot of literature which have differing opinions of the accounts; and we were transparent about that contestation in our assessment report. The New South Wales native vegetation classification system found, from memory, that there were some 700,000 hectares pre-European extent of red gums. Application of the New South Wales and Australian Government JANIS criteria on those hectares, which require 60 per cent reservation, would require in the red gums an additional reservation, at the time of the assessment, of 200,000 hectares. The Natural Resources Commission recommended 100,000 hectares; that is, we did not feel that the application of the JANIS criteria was the relevant application in the red gums, that there was conjecture about what was there before. The future of these forests is not about what happened 200-odd years ago; the future of these forests is meant to be determined by our current values and the future values that can be supported by them. Our assessment was more focussed on current and future values than on what may or may not have happened pre-European.

**The Hon. Dr PETER PHELPS:** But you do acknowledge that there is a significant amount of debate, including primary records from the pre-1850 period, including government maps which indicate a complete absence of river red gums in areas where they currently now exist?

**Mr WILDE:** Yes. This area is contested.

**The Hon. RICK COLLESS:** Are those contested theories referenced? Do you have references to those contestations?

**Mr WILDE:** Yes. They are in the assessment report.

**The Hon. Dr PETER PHELPS:** In any of the climate change scenarios that you modelled, did any of the scenarios posit a state where there is no significant climate change?

**Mr WILDE:** We modelled a continuation of the existing historical climate record; the medium term, which was the best estimate; and the upper range, which was a step change in line with the drought. Those were the three key models. During the analysis we also ran several others, which we reference in our assessment report. But the three key ones were a continuation of the historical, the medium term and the upper range.

**The Hon. Dr PETER PHELPS:** Was the historical based on 150-year records, or on the basis of the 1980s onwards?

**Mr WILDE:** I would have to take the detail of that on notice.

**The Hon. Dr PETER PHELPS:** That is fine.

**Mr WILDE:** But I do not believe it was just from the 1980s.

**The Hon. Dr PETER PHELPS:** Would the Natural Resources Commission have investigated the river red gums without a reference from the Government?

**Mr WILDE:** No.

**The Hon. Dr PETER PHELPS:** Was it the view of the Natural Resources Commission that it was a quality forest which demanded some sort of environmental protection?

**Mr WILDE:** The ecological assessment of the condition of the forest was generally between poor to very poor, and the trajectory was declining or stable.

**The Hon. Dr PETER PHELPS:** Your view was that the commercial management of those forests over many decades was inappropriate and unsustainable?

**Mr WILDE:** We did not have a finding whether the forest management was appropriate or inappropriate. That was not our—

**The Hon. Dr PETER PHELPS:** Considering that it has been administered by them for many decades and your view is that they are in very poor quality, it is either one or two things: it was the climate availability in the latter period of time or it has been poorly managed?

**Mr WILDE:** The health of a forest floodplain ecosystem is complex and dependent upon many factors. Our assessment emphasised that the health of the river red gum floodplains was dependent upon flooding regimes and which were most affected by river regulation, as well as by current forest management prescriptions.

**The Hon. Dr PETER PHELPS:** You started off with an a priori assumption that there is going to be less water in the future and found, unsurprisingly, that it would not be very good for the forests. Is that an accurate assessment?

**Mr WILDE:** No. Our assessment was started from the basis of finding the best available scientific information and that informed our decision-making.

**The Hon. Dr PETER PHELPS:** If there were historical levels of water flows then you would assume that the historical health of the forest would continue into the future. What is the variable in the water?

**Mr WILDE:** If you look at what had happened in the red gum floodplains, there had been a shift from the 1950s, which was a wetter period, up until more recent times which had gone into a drier climate. River regulation and the decisions made mostly occurred during that wetter period. That has left us with a legacy of a reduction of water flowing through to those forests which has impacted upon the timber industry, but that river regulation was for other economic and social decisions which benefitted other communities.

**The Hon. Dr PETER PHELPS:** Was it not also the case that the great drought in the 1890s saw the Murray River literally dry up at that area and yet, after that period of time when the natural climate variability returned to a wetter period, the forests remained commercially viable?

**Mr WILDE:** If you look back in historical records, you will also see that there was extensive ringbarking and grazing at that time. There were a range of factors which were impacting upon the health and extent of those forests. As I said earlier, our assessment was focused upon current uses and future trajectories.

**The Hon. Dr PETER PHELPS:** Ultimately your final conclusion was that the timber industry in that region was unsustainable at its current level, or at its then level?

**Mr WILDE:** Yes.

**The Hon. Dr PETER PHELPS:** You then decided to euthanase them for their own good rather than let them die out through natural economic attrition?

**Mr WILDE:** We provided advice to Government and the Government made decisions based upon that advice.

**The Hon. Dr PETER PHELPS:** Thank you.

**CHAIR:** Will you provide the reasons why your original estimate of sustainable yield of 4,000 cubic metres was so vastly different to your final estimate of 13,000 cubic metres yield? If you cannot provide the answer now, you can provide it on notice.

**Mr WILDE:** I can find that now for you if you would like me to read from a note.

**CHAIR:** Is it something you can table for us?

**Mr WILDE:** I can certainly table it. I have previously tabled it in our supplementary submission to the inquiry.

**CHAIR:** It has already been done, that is fine.

**Mr WILDE:** It is attachment two, which was our final advice—

**CHAIR:** If it has been tabled, that is all I require.

**The Hon. LUKE FOLEY:** Mr Wilde, one of the difficulties we are grappling with is differing evidence on the contribution of the forestry industry in the public forests of the Riverina bioregion to that region's economy prior to the 2010 reforms. What did the Natural Resources Commission find?

**Mr WILDE:** We found that direct expenditure was less than 1 per cent and when you look at multiplier effects, it was 0.2 per cent of the regional economy. To give it some comparison, the red gum direct expenditure was \$23 million. Tourism in the six key local government areas was approximately \$260 million.

**The Hon. SCOT MacDONALD:** I have another question on the water. You have made the comment that it is also about altered flooding regimes. It is not just about volume, is it? It is about the timing of it, whether it is cold water, those sorts of aspects of it. You can respond later, but how much impact does timing have versus volume; if it is coming down in spring versus summer or spring versus autumn? How important is that to the wetland, to forest health?

**Mr WILDE:** Can I take it on notice?

**The Hon. SCOT MacDONALD:** Yes.

**Mr WILDE:** The usual rainfall pattern is for winter rainfall, and that is shifting. If you would like further information, I will take it on notice.

**The Hon. SCOT MacDONALD:** As I said before, it is admirable that the Natural Resources Commission went down after the decision. I think it was Dr John Williams who might have gone down there. Did he advise the Minister or the department that he was going back down there and was there ever any offer to accompany Dr John Williams on those return visits? This goes to the character of the decision-makers, and you are not the decision-maker.

**Mr WILDE:** I cannot comment. I understand Mr Williams is appearing later today. It would be a question best asked to him.

**The Hon. CATE FAEHRMANN:** Given the report's recommendations, do you think that the way the Government's decision has been implemented and the way it is playing out on the ground is fairly aligned with the views and vision that you had of the report and its final recommendations?

**Mr WILDE:** The Natural Resources Commission is an independent adviser to Government. We provide our advice and the Government makes its decision and the members of the Government implement them. We have not had any analysis or terms of reference or job to look into its implementation.

**The Hon. CATE FAEHRMANN:** In terms of the Natural Resources Commission's ambit, you do not monitor or evaluate the decisions once they are implemented by Government?

**Mr WILDE:** There is nothing in our legislation which requires us to monitor what the take-up of our recommendations is or for Government to respond to it. Having said that, in April 2010 the New South Wales Government did publish on the red gums web site a report in response to our recommendations, and I would draw the Committee's attention to that report. That report essentially found that the Government supported the majority of our recommendations and was implementing the majority of them or working towards it.

**The Hon. RICK COLLESS:** Mr Wilde, Premier Rees announced the red gum decision on 3 December 2009. The Natural Resources Commission's recommendation report was not published until 21 December 2009 and the socio economic report was not published until 4 February 2010. How could those socio economic impacts have been taken into account in the recommendations report if it was not produced until a couple of months later?

**Mr WILDE:** The socioeconomic analysis was undertaken by both Coakes and Arche under the direction of the NRC. The key findings analysis was being collaboratively shared and under the supervision of the NRC throughout the assessment. The main findings were in November.

**The Hon. Dr PETER PHELPS:** Was Premier Rees provided with a draft or an early version of your report?

**Mr WILDE:** Yes.

**The Hon. Dr PETER PHELPS:** What date was that?

**Mr WILDE:** The morning of the announcement.

**The Hon. RICK COLLESS:** He saw that report on the morning of 3 December 2009?

**Mr WILDE:** That is correct.

**The Hon. Dr PETER PHELPS:** Was there any change between the draft and the final version that was published? You can take that on notice.

**Mr WILDE:** We supplied agencies, Forests NSW, National Parks, DECW and the Australian Government with a draft of our assessment report on 28 November 2009. That draft was being distributed to verify our findings and our assessment and it is part of normal practice. We also supplied a briefing on the high-level findings to the Premier's office at that time. Subsequent to that, the Premier requested, on 2 December, full copies of our draft reports, which we then supplied on the morning of 3 December. From 3 December to 21 December, when we finalised our report and published it, the NRC continued to fact-check, double-check, proof and edit the report. There were no substantive changes to our findings, but what we were doing in that time was ensuring that our evidence and our analysis were robust.

**CHAIR:** We are out of time now. Thank you very much for agreeing to come and give us your evidence. If committee members have any questions they wish to put on notice would you be able to supply answers within 21 days?

**Mr WILDE:** Certainly.

**CHAIR:** Once again, congratulations on your appointment.

**(The witness withdrew)**

**RICHARD KINGSFORD**, Director, Australian Wetlands, Rivers and Landscape Centre, University of New South Wales, and

**RACHEL VERA BLAKEY**, PhD student, Australian Wetlands, Rivers and Landscape Centre, University of New South Wales, affirmed and examined:

**CHAIR:** I note that you have a presentation, Professor Kingsford. Would you like to make an opening statement before you begin the presentation?

**Professor KINGSFORD:** Just briefly. Our centre comprises about 50 people, including staff, associate researchers and students. We have been working on ecosystems in Australia. I have a role on various government committees including the Commonwealth's Environmental Flows Advisory Panel, RiverBank NSW, the Lake Eyre Basin, the Scientific Advisory Panel and, most relevant for this inquiry, the New South Wales-Victorian Red Gum Adaptive Management Scientific Committee, which is the focus in Barmah-Millewa, and I have had about 25 years of research on rivers and wetlands.

**Ms BLAKEY:** I am currently a PhD student at the centre. I am working on arguably the most important group of mammals in the wetland systems of the Murray-Darling, being bats. I am particularly interested in the role of bats in forest ecosystem health.

**CHAIR:** Professor Kingsford, would you like to proceed with your audiovisual presentation?

**Professor KINGSFORD:** There are about 11 slides. Thank you for the opportunity. In terms of biodiversity in national parks, we have got a number of State national and international commitments, particularly in terms of the Convention on Biological Diversity. A lot of national parks are based on conservation planning, which has four key principles: comprehensiveness, adequacy, representativeness and efficiency. One of the additional values besides conservation is ecosystem services—things like water quality and carbon sequestration.

Australia has a commitment to protect 17 per cent of terrestrial and inland waters under the Biodiversity Convention, halving the loss of natural habitats and restoring 15 per cent of degraded areas by 2020. Currently we have about 8.75 per cent of New South Wales in protected areas. There are obviously a range of different organisms that depend on rivers and wetlands, not just vegetation, and a lot of our work in the centre is looking at the ecology of a lot of these different organisms, including bats, which Rachel is working on. But we are also interested in how the hydrology and ecosystems respond.

In terms of river red gum national parks, you have obviously heard quite a lot about the Natural Resources Commission assessment. There are lots of benefits in terms of nature and cultural conservation. Different organisms depend on these systems. There are management issues, which I realise are a concern in terms of thinning and water management in these forests. Tree hollows is one of the big issues that drives conservation, and woody debris. About 15 per cent of Australia's terrestrial vertebrate species rely on tree hollows. Tree hollows begin to form in eucalypts after about 100 years. The wood debris issue is that a lot of what falls on the ground is very important in terms of carbon processes, nutrients, and microhabitats for different flora and for fauna.

One of the key species that has been a focus is the Superb Parrot. The river red gums are critical in terms of their breeding habitat. They prefer large, living red gums with many hollows, usually near a watercourse. The last compiled survey in 2011 estimated that there are about 300 nests in Australia, and I guess that has been one of the concerns. Yanga National Park is a major water resource challenge; it had large areas of dying red gums when I was doing research through there in the nineties. It is undoubtedly one of Australia's most important wetland systems. As a result of being part of a national park it has improved in terms of water resource management but there are still many issues, like many of our ecosystems. It is one of the most important breeding areas for water birds in Australia.

Toorale is, again I realise, the focus of this inquiry. I have been involved in various surveys of Toorale and one of the major issues has always been that the Warrego ended in this dam on Toorale station and that was a big concern for Queenslanders and New South Wales, and particularly a lot of landholders who lived along the Darling downstream. It was obviously purchased with some water, and the notion that water can now be shepherded down the Darling is an important part of managing this.

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There are still issues in terms of managing this area. Upstream there are some old dams that were built in around the 1900s and they have their own ecology. That is part of the challenge in terms of devising how to manage this system.

I will conclude by talking about strategic adaptive management, which we need to implement more in nature conservation. These are very complex systems and we need to become much more professional in our management and make decisions around probing and testing that management. We also need feedback loops about the way we manage our systems. It is claimed to be widely used, but there are many key aspects missing in terms of adaptive management. It should be a four-step process wherein we design a desired future state. That should be value-laden and influenced by economic, social and political aspects. There should also be good engagement with the local community. From that you should start to develop management options and operationalise them. What we do not do much is evaluation and learning. One of the encouraging things is that in the Barmah-Millewa we are starting to work with the Government in developing some of these processes.

National parks are a very important part of our commitment to conservation. We know that over the past 10 years wetlands were underrepresented in the national estate by about 3 per cent. Conservation of ecosystems also provides various services beyond conservation. I believe that the new protected areas need to go into this strategic adaptive management.

**CHAIR:** Can you provide the Committee with a copy of your presentation?

**Professor KINGSFORD:** Certainly.

**The Hon. CATE FAEHRMANN:** I want to clarify something you said in relation to the last slide. You said that the wetlands have been underrepresented in the past 10 years by about 3 per cent. Is that correct?

**Professor KINGSFORD:** Yes. We did some analysis that was published in 2004, and I can supply the scientific paper. We estimated that in the protected areas we only had 3 per cent of wetlands conserved in New South Wales.

**The Hon. CATE FAEHRMANN:** You have obviously visited Toorale since the purchase. Can you explain a little more about what I am assuming are positive outcomes for floodplain graziers downstream, river water quality, environmental health and ecosystem services associated with that purchase?

**Professor KINGSFORD:** The Warrego went into the large dam on Toorale and then emerged through some pipes. My understanding is that a lot of the water that was bought is now flowing down. Landholders downstream on the Darling towards Wilcannia are benefiting from that in terms of water quality. As people know, this is a highly variable system. We have been lucky enough to have had some big floods recently. However, this will be an important input into the Darling during dry periods. One of the things we have seen in the Darling in recent times is increased blue-green algal blooms and salinity. Having dilution flows like this is important.

**The Hon. CATE FAEHRMANN:** It has been implied during the inquiry that there is no need to be concerned about the future of the river red gum forests because of the good rainfall and the big floods that have occurred. What do you think is the long-term prognosis for the health of the river red gum forests now that we have national parks? I would also like your sense of water availability and flooding regimes in the future as well.

**Professor KINGSFORD:** The issue about river red gum forests is primarily tied into flow regimes and how they might have changed over time. Undoubtedly river regulation has had a major impact on all wetland ecosystems in the Murray-Darling. We have seen a decline in the health of river red gums, largely because they are not as frequently flooded as when they established. The duration does not tend to be as long and the timing changes. The recent flood has been very important for lots of systems along the River Murray. Even though it was a very large flood it has not made it into some river red gum areas, for example, in the lower Murray. Ultimately, we are all waiting for the proposed basin plan to determine what the sustainable diversion limits will be. That will determine the shares for each of the river systems. That will define the flooding regime for each of the forests and how much of the river red gum forest is sustainable in the long term versus what we have now. A lot of these forests were established a long time ago.



**The Hon. LUKE FOLEY:** Thank you for your submission and for appearing today. One of the things our inquiry is grappling with is the proposition advanced by some that public lands in the New South Wales reserve estate should be opened up to a range of uses that are not currently provided for. What in your view would be the impact on wetland protected areas—your area of expertise—if timber harvesting were to be allowed?

**Professor KINGSFORD:** The core of the issue is your objectives. If they are nature conservation, which is primarily what underpins protected areas, then a lot of the other land uses that have been put forward to be done in national parks would be incompatible. However, you need to examine each one. In terms of timber harvesting in particular, the major issue is what is happening to these forests over a long period in relation to managing for timber as opposed to nature conservation. We know that as a result of past management we have long thin poles, very high stem density across river red gum forests and a tendency not to have large old trees that develop hollows. As a result, the scientific evidence indicates that the biodiversity is declining because there are not enough habitats.

That is also related to coarse woody debris and how much falls on the ground. That creates habitat and carbon for different organisms. In particular, it allows nutrients to go into the river system and that supports the health of the river. The difficult issue is that we have a legacy of forests that have been managed for timber production and as a result of that pushing those forests towards conservation means you need to remove some of the timber to ensure there is an opportunity for some of those trees to grow into the large old trees and to develop hollows.

**The Hon. LUKE FOLEY:** Do you have a view about ecological thinning? The Committee is grappling with the question of what role, if any, it has in river red gum forests. The Natural Resources Commission recommended ecological thinning. Where in your view could the line be drawn between ecological thinning and a return to large-scale timber harvesting?

**Professor KINGSFORD:** Ecological thinning is underpinned by an objective to promote nature conservation; that is, how we get a forest that better supports things such as superb parrots, that allows for natural production of timber on the ground and that provides more places for organisms such as bats. To do that you have to manage the forest towards nature conservation. That means you have to thin some areas because the densities are simply too high. If you leave them there it will not deal with your objective to further nature conservation and ultimately you might not even get new river red gum seedlings establishing and coming up. In my view, we need to do ecological thinning of these forests. The big challenge is what it produces. That is what this New South Wales-Victoria joint program is trying to analyse—how to do it, what it costs and what you get in terms of the conservation outcomes.

**The Hon. RICK COLLESS:** Do you have any figures on the average flow in the Warrego River?

**Professor KINGSFORD:** I would have to take that on notice. I think there are three gauges. There is one at Fords Bridge, Barrington and Cunnamulla.

**The Hon. RICK COLLESS:** Obviously we are interested in the lower end of it.

**Professor KINGSFORD:** That would be Fords Bridge. One of the problems with the gauge at Fords Bridge is that in big floods there was a breakout. There are two gauges there. I would have to take that on notice to analyse and get back to you.

**The Hon. RICK COLLESS:** I am particularly interested in the regularity of high flows in the Warrego because that is obviously when those rivers actually get to the Darling, and even before that Toorale dam was built. Can you describe the channel characteristics of the lower Warrego and particularly Fords Bridge itself?

**Professor KINGSFORD:** It is incredibly complex. No doubt you will know that as soon as the Warrego gets over the border of New South Wales and Queensland it starts to develop this very complex distributary pattern.

**The Hon. RICK COLLESS:** It is almost like a braided channel, is it not?

**Professor KINGSFORD:** It is. The main channel is the Warrego River but coming off it are a number of others. Even upstream the Cuttaburra comes off it and takes water to the Paroo. So the measurement of the

water coming down the Warrego is a fraction of the amount of water in there. It tends to decrease as you get down the river system because it is spreading out. Green Creek, for example, is one of the distributaries that comes off it.

**The Hon. RICK COLLESS:** In a natural system prior to Europeans impacting on that environment how often would that water have got into the Darling River? It is a bit like how the Gwydir never gets into the Darling River.

**Professor KINGSFORD:** The Gwydir I think contributes 1 per cent of its flow or something into the Darling. Again I would have to take it on notice. I have done more analysis probably of the Paroo and that gets into the Darling about once every 20 years. I would say the Warrego is more frequent than that. It is probably once in five or once in 10 years that it would get into the Darling. But I would have to look at the flows that come through Fords Bridge. I am not aware that anybody has done any published work to actually identify how often it does come in.

**The Hon. RICK COLLESS:** Is it fair to say it would be very difficult to get an accurate estimation of the flow at Fords Bridge given the nature of the channels there? I have been through there and it is just a series of channels for many kilometres before you get to the village.

**Professor KINGSFORD:** Yes. And if you look at when the gauges were put in, the first gauge was put in and then they suddenly realised that a lot of it was going around the sides so there is now another gauge in there. Like a lot of our water resources gauges, big flows tend to go around them and so actually working out the quantity is quite difficult. I mean we have the techniques to start to look at things using satellite imagery and water balances to work out how much water but I am not aware that any of that work has been done. To answer your question, it is very difficult to work out how much water gets through.

**The Hon. Dr PETER PHELPS:** I want to take you back to Yanga for a moment. We were told by National Parks officials there that basically one-third of the river red gums were dead, one-third were dying or unsustainable and the remaining third were sustainable into the future. Would you agree with that assessment?

**Professor KINGSFORD:** I think that is probably pretty true. I think one of the issues and one of the challenges for managers is to define what we cannot manage for. A lot of it depends on how much water is going to come down that river.

**The Hon. Dr PETER PHELPS:** Does that indicate that most of what was lauded by the previous Government as extensive forests of ancient river red gums were in fact man-made?

**Professor KINGSFORD:** No. They were managed; I would not say that they were man-made. They rely on natural processes of germination of river red gums. There are very large trees there that we know are hundreds of years old. There are similar trees on all river systems that are there for generations. But we know there was timber production in the lower Murrumbidgee.

**The Hon. Dr PETER PHELPS:** Including the creation of channels to allow for extended areas of red gum penetration.

**Professor KINGSFORD:** Correct.

**The Hon. Dr PETER PHELPS:** Especially in the northern part.

**Professor KINGSFORD:** Correct, and so floods were also managed there. You would, no doubt, have heard the history of—

**The Hon. Dr PETER PHELPS:** They are riverine vegetation essentially. They do not go 50 kilometres inland; they have to be close to a river unless there is an artificial channel which they can feed off.

**Professor KINGSFORD:** That is right. River red gums rely primarily on surface water for their livelihood. They will get into groundwater but not very reliably. Groundwater tends to be a bit more saline so they do not do as well on that. Wherever you find dead red gums it is usually because there has not been frequent enough flooding and they are not able to be sustained.

**The Hon. Dr PETER PHELPS:** That is my next question. Have you looked at the historical hydrology of the Murray, especially around the area of Millewa State Forest?

**Professor KINGSFORD:** I have not personally worked on it but I have looked at the hydrology. One of the issues we are currently trying to develop is a relationship between flow and inundation in the Barmah-Millewa. Currently that has not been done. There are various people who have done some work on that but we are not aware of anybody doing some good scientific work relating to it.

**The Hon. Dr PETER PHELPS:** We received evidence that in geological terms it is not that long ago that the Murray that we know as the great river from the mountains to Lake Alexandrina did not exist. We heard that there were in fact large-scale floodplains around there which saw a fairly high degree of perpetual inundation and the area was not river forests but what might be called reedy swamps over a large area of what is now Millewa. Would you like to comment on that?

**Professor KINGSFORD:** I guess I would probably need clarification of the geological time period.

**The Hon. Dr PETER PHELPS:** Well, even a thousand years ago.

**Professor KINGSFORD:** Certainly we had large rivers. The Murray-Darling was a large river system that did not necessarily have some of the big swamps that we currently have. It used to rush through the Macquarie, for example. I think the Macquarie Marshes is about 6,000 years old. What has happened is that as a result of Australia getting more arid the rivers have slowed down and then, if you like, they have emptied and created some of these major marshlands. But remembering also that we were much wetter then and if you went out to Lake Eyre it was rainforest out there and there were vast lakes and so on.

**The Hon. SCOT MacDONALD:** In the years of the algal blooms in the Darling River would Toorale have been getting any allocations from either the Darling or Warrego rivers?

**Professor KINGSFORD:** Probably not. As you would understand, those northern rivers of the Darling can run independently. They are largely influenced by northern climatic patterns. They will run together but occasionally they will run singly. So you could get a dry Darling catchment and the Warrego put water in, but it is probably fairly rare. The issue I think is more a case of the preparedness for blue-green algal blooms. If you have pools with more water in them there is less chance that you are going to get a blue-green algal bloom. One of the major issues around blue-green algal blooms and reduced flows is not so much the big floods but the small to medium floods that top up these systems and push through flows. The blue-green algal blooms really thrive when there is no flow and when there is obviously high nutrients from sheep and cattle and whatever is coming down the system.

**The Hon. SCOT MacDONALD:** What I am trying to get my head around is that in those low-flow years it would have been unlikely that Toorale would have been getting much allocation. It would have been pretty minor.

**Professor KINGSFORD:** That is correct.

**The Hon. SCOT MacDONALD:** When you look at the purchase of Toorale and its water—some of which was area based and some of which was volumetric—do you think it was a good deal for the Commonwealth in terms of bang for its buck? They could have gone to the Murrumbidgee and the Murray and got high security water. Perhaps they would have secured water for 9.5 years out of 10 and they would have been able to do good work with more certainty.

**Professor KINGSFORD:** It is a good question. I think the issue primarily is we have a tendency to think that because most of the water goes down the Murray and the Murrumbidgee that is where we should buy our water. We tend to neglect ecosystems on other river systems. I think the purchase of the water in Toorale was good for the ecology of the Warrego and for the top end of the Darling.

**The Hon. Dr PETER PHELPS:** Was it the best use for that money? I think that is the important point.

**CHAIR:** Never ask a scientist that question.

**Professor KINGSFORD:** It depends. I think there is a certain amount of a political issue there that this whole river system was going into a dam, and Queensland was beating up New South Wales on water reform. So there was an issue there about: How could we allow that to happen if we are trying to rehabilitate the system? From an ecologically point of view I think there was some value locally. It would not go very far down the system but for that end of the Warrego and the bit of the Darling down to Menindee Lakes I think there was value.

**The Hon. Dr PETER PHELPS:** It was largely symbolic so we could not be accused by Queensland—

**Professor KINGSFORD:** It had symbolism around it.

**CHAIR:** I know of your extensive experience in all different classifications of protected areas, particularly wetlands. For example, the Ramsar classification and the mechanisms by which things can happen with a Ramsar classification. It is not absolutely clear from previous evidence from the Natural Resources Commission or the Assessment that options were open to them for consideration of, for example, how the river red gums could have been managed. The evidence that has been presented says two things. First, the yield was unsustainable—questions about whether it was or was not. Second, the water regime needed to be fixed. Do we necessarily need a national park classification to guarantee water from a Commonwealth and State point of view? Would a Ramsar classification require the government water supplies to continue to supply water to an area under that type of reservation?

**Professor KINGSFORD:** Ultimately you need water to get sustainability. How you get that water is the critical issue. I actually believe on a lot of our river systems if you are a protected area you have got a better chance of getting water from the Government.

**CHAIR:** What if you are a Ramsar area?

**Professor KINGSFORD:** Also, if you are a Ramsar site you have got a better chance. I was researching Yanga and the Lowbidgee before Yanga became a national park. I certainly talked to the owner of that station whose belief was that government needed to be a player here because they had been trying for almost 100 years to influence water resource decision-making and, because they were not a part of government, they were not able to exercise as much power. We have seen that in a lot of river systems where, for example, in the Macquarie because government owns land as a nature reserve in the Macquarie, it has tended to favour decision-making towards sustainability and water management. Contrast that to say, the Gwydir, where there was no protected area until relatively recently, and we have seen lots more development upstream in that system and, as a result, declining sustainability in terms of the wetlands downstream.

**The Hon. RICK COLLESS:** Wetlands are a much more recent feature, are they not, as a result of the choking river systems?

**Professor KINGSFORD:** We are talking in the past 100 years, certainly influenced by the raft, particularly in that northern part of the Gwydir where you have a lot of flooding. As you well know, it is a very complex system. It may well have been there were more marshland down the southern half of the Gwydir system.

**The Hon. PETER PRIMROSE:** If we opened our National Parks Estate to logging and grazing, in your view what would be the effect on biodiversity in those areas?

**Ms BLAKEY:** In particular my study group which are insectivorous bats they rely very strongly on tree hollows for their roost sites and for breeding. In fact, in Australia 43 of our approximately 75 bats are reliant on tree hollows. When you open up parks to logging, and where logging occurs mature trees are obviously taken, that reduces the ability of our forest to provide hollows for fauna. So it is not just bats that benefit from hollows, there are approximately 303 animals, including arboreal mammals, reptiles and birds. We do not even know the degree to which invertebrates require those habitat features. In terms of grazing, grazing can have impacts on plant diversity and also the structure of forests. In relation to my group of animals, the different groups of bats require different forest structures for foraging and so creating like a mono-open structure could have consequences there as well.

**CHAIR:** Would you explain your understanding of the regulatory regime surrounding forestry these days, particularly the integrated forestry operations regime? How will that affect the taking of trees that have hollows?

**Ms BLAKEY:** I am not completely up-to-date with the regime but I do understand that there are constraints on forestry, and there is certainly a lot of great science that goes into providing recommendations to conserve biodiversity in forestry.

**The Hon. LUKE FOLEY:** Professor, your submission states that biodiversity conservation plays a role in alleviating global poverty, and you provide a reference of a paper in bioscience with which I am not familiar. Will you summarise the argument for the committee?

**Professor KINGSFORD:** I probably would go back to my specialist area which is rivers. Certainly we are finding on many of the major river systems in the world that there is increased poverty as a result of, if you like, the transfer of wealth upstream. In other words, many of our rivers provided subsistence for communities in terms of fish, reptiles, reeds and a whole range of different things on the ends of river systems. If you go to Africa, China, Aral Sea or any number of different major river systems it is an issue.

**The Hon. CATE FAEHRMANN:** Is it correct that Macquarie Marshes are Ramsar listed?

**Professor KINGSFORD:** That is correct.

**The Hon. CATE FAEHRMANN:** What is your view of the Government's decision to open up Macquarie Marshes to recreational hunting for feral animals? Do you consider there to be any risks to the biodiversity that the Macquarie Marshes is there to protect?

**Professor KINGSFORD:** That is a nice easy one. Let us take it as: what is the objective? The objective of that part of managing a national park is to ensure native biodiversity is retained and not affected by feral animals. So particularly in the Macquarie Marshes we are talking about pigs, cats and foxes. That should be, if you like, the conservation aim. How that occurs, I guess, is the critical question. Is it effective? In terms of shooting by people not within the National Parks and Wildlife Service, my science-conservation question would be: What is the effectiveness of the conservation objective in transferring the role to others? How well is that effected? In other words, is the systematic shooting in national parks that which meets conservation objectives? In other words, are shooters still accessing all the inaccessible areas? A lot of shooting in national parks is done by helicopters and a lot of places in these parks are not accessible on the ground. So it then becomes: Do we have as effective a control method as we had with the National Parks and Wildlife Service doing the feral animal culling program?

**The Hon. RICK COLLESS:** Professor Kingsford, in your research and studies over many years that you have done on inland river systems, the issue that constantly keeps coming back is the issue of Lake Alexandrina and whether or not Lake Alexandrina should have the barrages removed and be returned to its natural ecosystem, which is a saltwater estuary. What is your view on that? Where should we head with that?

**Professor KINGSFORD:** There is a bit of history there. Obviously the barrages went in there in 1939-1940. The reason the barrages went in there was already the flows down to Lake Alexandrina were decreasing. People down there were worried about the sea coming in, if you like. A great bit of research is being done at Adelaide university where in fact they have investigated plant-like things called diatoms, which leave almost a fossil record in the sediment. You can actually go down through the sediment and work out what species was there 7,000 years ago. The critical issue here is that these species are either freshwater or estuarine or they are marine. You can identify those. That work has shown that both Lake Alexandrina and Lake Albert were predominantly fresh water. The reason for that is there was so much water coming down that it used to push out the saltwater.

**The Hon. RICK COLLESS:** What time frame are we talking about?

**Professor KINGSFORD:** About 7,000 years ago.

**The Hon. RICK COLLESS:** So 7,000 years ago, eastern Australia would have been a lot wetter anyway, would it not?

**Professor KINGSFORD:** Correct. Sorry, this is a consistent record, so it is 7,000 back to the present. I guess the critical issue here is, yes, they did become marine sometimes. People talk about sharks. I most recently heard about a seal making its way up to the Barmah-Millewa. This system did dry up, but what you would have every now and then is a big flood, which would push it all down. Predominantly that system was fresh water with the estuarine part around the mouth, which is obviously what you would get in an estuary. In answer to your question, if we took out the barrages, the sea would come in, and it would become saline. We would lose quite a lot of the biodiversity that is there currently because it is just not equipped to do that. We know that where are similar sorts of estuaries in Western Australia, for example, that a lot of the waterbirds disappear and a lot of the vegetation that is freshwater and the turtles and a lot of the irrigation areas would go, obviously because of the saltwater, and there would be issues around fishing.

**The Hon. RICK COLLESS:** They could be better served by piping the water to them now.

**Professor KINGSFORD:** And already that is happening. One of the other major issues that you actually see is a change in terms of the fisheries down there.

**The Hon. RICK COLLESS:** What are the water losses from Lake Alexandrina, the evaporation losses?

**Professor KINGSFORD:** I cannot remember. I have got the figures somewhere.

**The Hon. RICK COLLESS:** It is huge, is it not?

**Professor KINGSFORD:** It is large. Menindee Lakes has very large evaporative loss as well, but in terms of the ecology, these are natural processes. Part of the biodiversity is about the natural ebb and flow that comes with evaporation.

**The Hon. Dr PETER PHELPS:** Professor, why do you think that wetlands have been underrepresented in the system of reserves? Do you think it is simply because politicians find it easier to stand next to a tree than appear in a pair of waders to get their photograph taken?

**Professor KINGSFORD:** It is a good question,, Dr Phelps. I guess we tend not to think of Australia as having rivers. Because we think outback and dry land, and I think because of the growing knowledge of how important rivers are in Australia, which has happened probably in the last 20 years or so, there was a fairly ad hoc process of reservation in the past in terms of national parks. So it was the favourite place that would be put up to government and that would be made.

**The Hon. Dr PETER PHELPS:** And a pretty place.

**Professor KINGSFORD:** A pretty place.

**The Hon. Dr PETER PHELPS:** Pretty places get reserved, do they not?

**Professor KINGSFORD:** If you look at it, you will find that pretty much now places that cannot be farmed are now reserves. So we have lots of sandstone in the Great Dividing Range, the Blue Mountains and so on, but we do not have very much, if you like, national park in the sheep-wheat belt because that is one of the most fertile areas.

**The Hon. Dr PETER PHELPS:** But nonetheless, wetlands do play an important role. Assume for a moment that I am a complete brown and have no conservation desires whatsoever, the role of wetlands from a purely economic and agricultural point of view is quite important still, is it not?

**Professor KINGSFORD:** Critical. One of the great debates about the Murray-Darling Basin is that the floodplain areas are mainly owned by graziers. They rely on floods for those ecosystem services. If you buy a property in the Western Division that is flooded country, you will pay a lot more money for it than if it is not flooded country. One of the big concerns of graziers in particular on these river systems is that they have seen a transfer of wealth upstream because they have lost their floods to the irrigation industry upstream.

**The Hon. SCOT MacDONALD:** I will take you on another course, carp. We have had a couple of representations from former or prospective commercial inland fishers who thought they could conduct their

business and also have good environmental outcomes by reducing the numbers of carp. Do you have a feeling about that?

**Professor KINGSFORD:** I am all for reducing the number of carp.

**The Hon. Dr PETER PHELPS:** I do not think anyone here is not.

**The Hon. SCOT MacDONALD:** Is that a strategy that is worth looking at?

**Professor KINGSFORD:** If we could establish a fantastic fishery—I mean, we turn carp into fertiliser—and if we could actually get people to eat carp, I think that would be fantastic. I am told you need to leave it in a bucket for a while before you actually can use it.

**The Hon. Dr PETER PHELPS:** And then eat the bucket.

**The Hon. SCOT MacDONALD:** I had better clarify that these former or prospective commercial fishers saying they would have licence take of yellow belly, or whatever it is, and at the same time the consequence was that they were also catching a lot of carp.

**Professor KINGSFORD:** Yes.

**The Hon. SCOT MacDONALD:** So they thought they could have a win-win, if you like. Is that likely?

**Professor KINGSFORD:** Anyway that we can remove the biomass of carp, the better. The problem is that they are a bit like cane toads and cockroaches. They breed incredibly fast. One of the big challenges for environmental flow management is: How do you keep the carp numbers down in some of these systems? But I think we are getting a bit smarter about that. There are ways of stopping carp getting into ecosystems, but they are a big challenge. There is no way of getting away from that.

**The Hon. Dr PETER PHELPS:** But at least reducing them to less disastrous levels would be advantageous.

**Professor KINGSFORD:** Yes, absolutely.

**CHAIR:** We are out of time, which is a great pity because I really enjoyed your evidence, Professor Kingsford and Ms Blakey. Thank you very much for agreeing to attend today. If Committee members have any questions they wish to put on notice, would you be able to supply answers to those questions within 21 days?

**Professor KINGSFORD:** Absolutely. No problem.

**Ms BLAKEY:** Yes.

**(The witnesses withdrew)**

**(Short adjournment)**

**FRANK ERNEST SARTOR**, sworn and examined:

**CHAIR:** I welcome Mr Sartor to this hearing. Mr Sartor has been invited to respond to comments made about his actions as the Minister for Climate Change and the Environment during the proceedings of prior hearings. Mr Sartor, are you representing an organisation or appearing as an individual?

**Mr SARTOR:** I am representing truth, justice and the Australian way.

**CHAIR:** Before we move to any questions from the Committee, is there something you would like to put on the record?

**Mr SARTOR:** I have about half an hour's worth, if that is all right. I was horrified to be sent emails with the transcript of what was being said in this place. I wanted to have retired, and I really enjoy my retirement. I really enjoy reading newspapers and seeing ugly stories and being able to turn the page and not have to worry about them. I quite like my anonymity, so I agonised as to whether I should bother to come. But I think it is always good to correct the record and make sure that at least somewhere on the public record we have the accurate reports of what actually happened. The Committee kindly invited me, by letter of 15 August, to respond to the comments made on 1 August in Deniliquin. I am not quite sure what the purpose of the inquiry is—I have looked at the terms of reference but they are very broad. I suppose I am a little disappointed that my name has been raised and some people have sought to misrepresent my role when we declared the Murray and Murrumbidgee national parks, which became effective on 1 July 2010.

For the record, the motivations that led to the declaration of those parks were fourfold. Firstly, there was a policy—which I have here and the Committee can get it off the website—called the New South Wales National Parks Establishment Plans 2008, which talks about the need to pursue goals that have been agreed in an international treaty by Australia and then adopted by all State Governments and the national Government in 1992 to develop a CAR system—that is not a Bob Carr system; it is a comprehensive, adequate representative system of protected areas. Some targets were developed in relation to that, which suggested that you want 15 per cent of all bioregions to be protected—by "protected" they mean protected in perpetuity to completely protect biodiversity.

There is a map in this document—if the Committee wants to get it off the website—that shows areas and percentage of land protected in New South Wales. In some of the east coast areas it is over the 15 per cent target; in other areas it is below that. In western New South Wales, particularly down around the Riverina, it is less than 2 per cent. One of the motivations was to say, "There is a bioregion that is under protected, we need to protect a proportion." From the way you hear some of the debate you would think that we were trying to protect 95 per cent; it was actually trying to get the 15 per cent—some of the east coast was over that. I think the target was increased at the Nagoya conference last year to 17 per cent, but 15 per cent. That was a prime motivation at looking at whether we needed to declare more national park.

The second motivation was the Natural Resources Commission did its investigation and argued that logging had been exceeding a sustainable yield and that the red gum forest should be protected—I think the Committee has already heard evidence from them or it is going to hear evidence from them. The third driver for me to move to declare national parks was basically that Premier Rees had committed the Government to doing it at the time. He got up in Parliament I think in the last week of sittings and said, "Look, we are going to have this national park. This is what we are doing." The Government was pretty much committed. The final issue, which people seem to forget, was that there was a Land and Environment Court case a year earlier where I think the National Parks Association took Forestry NSW to the court and basically the Land and Environment Court came up with a pretty hybrid kind of resolution that said you could keep logging compartments provided the National Parks Association agreed. So you had this absurdity where the National Parks Association had to approve logging when in fact they were against logging.

I remember that particularly was the case around Darlington Point and the mill owner there was very concerned. I even had to negotiate with the National Parks Association for some interim logging to be allowed while we tried to resolve the issue. I can remember having meetings with people about the Darlington Point compartments that were not sufficient. The issue was falling apart, and there had been a long drought as well. They were the four fundamental motivations. By the time I became Minister the die was cast: there were going to be national parks. It was not an issue that, even if I had wanted to, I had discretion to say we were not doing it; it was an issue of how to do it. Micropolitics had zero to do with the decision. Some of the reports about who said what to whom, are totally wide of the mark.



I have now started to realise how the Greek myths emerged. It took two millennia to go from someone doing something a bit extraordinary to becoming a Greek myth. In the modern age we can develop myths a lot quicker than that. In fact, I think some of the media develop a myth in about 24 hours. Every time you retell a story it gets more interesting and you can make it more interesting by adding a bit to it. This notion about preference deals was completely untrue and had nothing to do with anybody. It is just wrong; they were never motivations. It is true that I have probably said, and will continue to say, that national parks matter a lot to people in New South Wales. Over 90 per cent of all the surveys strongly support national parks. It is a mainstream political issue—both political parties understand that. The Greens relied on that a lot to get its vote up to 10 per cent or so, although I think that is slipping a bit now.

**The Hon. Cate Faehrmann:** And I was going to be nice to you, Frank.

**Mr SARTOR:** I am still nice to you. That is because it moved away from national parks and it moved into things that it should not be moving into. That is because Lee Rhiannon is making Green policy. That is why. The conspiracy theory is basically just plain wrong. It was never that complicated: it was simple. We had a policy, we had a Premier who committed us to it, we had a problem with the court and we had to resolve it. That is why we got national parks. As to the reduction in 85 per cent yields let me quickly read some notes that I had at the time—I know we are limited in time—as to what the actual reductions were. In broad terms let me summarise it this way. It was agreed by Forests NSW, as well as the National Resources Commission, that the logging that had occurred in the five years prior to the declaration was probably twice the rate it should have been. In other words, even if you went back to sustainable logging and you did not create a national park you would have had a 50 per cent reduction in wood volumes. Let me read this from my notes at the time:

For the Murray Management Area the sustainable yield of quota and ex-quota—

there is also residue—

sawlogs has been determined using the following estimates. The average of the last five years actual cut for the Murray Management Area is 22,735 cubic metres, based on Forest NSW data. The NRC has estimated a sustainable yield range from 6,300 cubic metres to 13,600 cubic metres—

that is its range, compared to the 22,000—

with a mean of 9,950 cubic metres. Forests NSW has estimated a sustainable yield range from 14,000 to 17,000 cubic metres, with a mean of 15,500 cubic metres.

Given the variability of long-term rainfall predictions and future water regimes, it is reasonable to acknowledge that this broad range of estimates has some validity. As such it has been the best approach is to average the averages from both of these estimates. This approach determines that the sustainable yield remaining in the Murray management area is 12,725 cubic metres. This does not include impact from the creation of National or Regional Parks.

This is what you would do if you went to sustainable yield from what we were actually doing. My notes went on:

This means sustainable yield represents a 44% reduction in the wood supply from the average annual cut of the last five years for the major mills in the Murray Management Area. Applying this reduction factor or to the average annual cut over that of the past five years reduces the current allocation to a notional sustainable yield representing the availability of wood into the future.

The residue does not matter. My notes go on:

The notional sustainable yield is impacted by the creation of the new national parks ... Applying the NRC and Forest NSW estimates, 34.68% of the notional sustainable yield will remain available (i.e. that portion available from the Koondrook-Perricoota and Campbells Island State Forests).

**CHAIR:** That is 34 per cent of 12,000 cubic metres?

**Mr SARTOR:** That is 34 per cent of the 44 per cent. But the misleading component of this is that there was an 85 per cent cut. It had to be cut. It was unsustainable. The industry was acknowledging that privately to me. It was always going to drop by 44 per cent, even if no national parks had been declared. If you say how much would come off that, of course we came off more from there. My notes also say:

It is also worth noting that at the time of the RRG [regional red gum] assessment, the sustainable yield estimates for the Victorian forests, just across the river, was 73% less than the sustainable yield estimates of Forests NSW (0.11 cubic metres per hectare per annum in Vic., 0.42 cubic metres per hectare per annum in NSW).

It is not reasonable to say we slashed 85 per cent. About half of that was gone anyway. It is really what the further reduction was by taking Millewa and saying that has to be a national park. I have a few topics that were covered, and I will deal with them one by one. Who decided the timetable? Let us get some of the facts chronologically here. We talk about the \$97 million. The truth is that after I went down there in the January, I was said to be in a hurry. I went down in the holiday period because I was keen to get on top of the issues and felt that the local community deserved to be able to get into my ear, which they did. I came back and thought we could probably transition it over five years. The green groups did not like it, some of the people in my own caucus did not like it very much, and I got Cabinet approval for \$80 million compensation—an \$80 million package that is—with part of Millewa being transitioned for logging for five more years.

Contrary to what is being implied by some members of the timber industry, the timber industry then approached me and said they wanted certainty, they wanted to be bought out. That is what they said, they did not want a transition. Some argued. Minister Macdonald argued for 10 years and whatever, but they wanted out. At that point—we know that some environment groups did not want any transition—it became obvious to me that the only solution was to raise more money and settle the matter and do so as quickly as I could. I went back to Cabinet and after various robust discussions—some reported in this brilliant book that this fellow wrote called *The Fog on the Hill*—I managed to get—

**The Hon. Dr Peter Phelps:** You can rest assured, we all have copies.

**Mr SARTOR:** I know. I think a few of you have quoted bits of it. What we came up with was \$97 million. Did half of that go to national parks? No. That is not right. I have been able to obtain the most recent information about that. In broad terms, there was a package of \$97 million. If you take out the \$2½ million that was to pay for the cost of the NRC report, it was probably \$95 million or a bit below that. The figures broke down like this: The timber industry structural adjustment was initially \$25 million to the mills and the \$21.5 million for worker redundancies, adding up to \$46.5 million. We later changed that. The mills got more. They got \$28.7 million and the workers got \$17.8 million, because we had overestimated how many people were losing their jobs, which was a good thing to do. The total remained at \$46.5 million.

Parks management: Basically about \$24 million. If you add the \$3½ million for thinning trials, something I insisted, because the community wanted that, you could say that National Parks got to spend \$27.1 million of the \$97 million. Of that number, about \$12 million was capital works. While it was one off, the recurrent spending on management of the parks—the rangers and so on—was only \$12 million over three years. The National Parks take of the money was quite small. The capital works were necessary because we had to improve roads, access, all sorts of things. There was a package of about \$5.3 million, which included the \$3.5 million for adaptive management, which had been recommended by the NRC. I had insisted, I told the department many times, that I wanted a genuine independent scientific committee: Please do not put your mates on it, please do not put Ken O'Brien's mates on it. I had a no friends policy in Parliament. People tell me I did it very well.

**CHAIR:** Everybody agrees with that.

**Mr SARTOR:** You cannot afford to have friends. Look what happened to the people who were very close to each other. They are all going down the road to have a chat about things. It is better not to have friends. It was very wise. I am a very shrewd fellow. Do not have any friends was my first lesson—have family but no friends. I thought you guys needed a bit of light entertainment. It is too dull and boring in this place. You have to lighten it up a bit.

**The Hon. Dr Peter Phelps:** You have not read any of my speeches, then.

**Mr SARTOR:** Send them to me. I have lost my train of thought. The thinning was agreed to. I am told it is being done jointly with Victoria, which is probably a good thing. I had insisted when I was Minister that some devil's advocates be included on the committee to make sure it is a genuine thinning process.

**The Hon. RICK COLLESS:** How much was the thinning, did you say?

**Mr SARTOR:** It was \$3½ million for thinning trials. I wanted them to be extensive but I was assured that was adequate. Ken O'Brien is a lovable fellow. He is very likeable and his wife is lovely too. She will go to heaven for sure. I will go closer to heaven having spent two hours in his jeep with him driving towards Yanga and listening to the science of forestry according to Ken O'Brien. Ken is a good businessman, he has done very

well. In those two hours that I will never forget, which made me forget every dentist appointment I had in my whole life, we went towards Yanga and he took me to this thinning trial he had done. He pulled up the car and said, "We have thinned all those." I looked at them and said, "But, Ken, the ones you have thinned are no better than the others." He had a little conference with his wife and we jumped in the four-wheel-drive and screamed off. I do not think Ken's method is called scientific.

He has a point that, for the purpose of forestry, thinning probably does help and he probably also has a point that a proportion of national parks would benefit from thinning, but if my knowledge of biodiversity—not that it is encyclopaedic—means anything I suspect that in national park you do not want to thin some areas and you want to thin others because it is about having representative biodiversity arrangements. In some areas you do not want to thin at all and nature does what it does, and in other areas you do want to thin because you want bigger trees and whatever else. That is the way you maximise diversity and habitats, and so on. The issue was that we were not against thinning, we just wanted truth, wanted to work out what is going to work. If the department and the Government are not doing enough on that, that is their problem, but I was genuine when I was there about it. I have probably finished my Ken O'Brien stories, but I can think of others if you want.

The other thing was restriction of uses in national parks. Contrary to what had been said, I listened to that problem and I was concerned about it, about wood supply and all sorts of things, firewood. That is why, if you look carefully at the Mulwala and those areas, the regions closest to the river, we made regional parks. Why? Because in regional parks you can do a range of things you cannot do in your standard national parks. You know the hierarchy of national parks. I am sure you are all very well versed with it, but just in case there is anyone in this room who does not know, you start with your wilderness areas, then you have your nature reserves, then you have your national parks, then you have your regional parks. You also have—

**The Hon. Luke Foley:** State conservation areas.

**Mr SARTOR:** No, that is the lowest one. That is the one that still could be mined. But you have the karst areas and the Aboriginal, whatever. There are about six or seven categories. The regional park is near the bottom, just above State conservation areas which could still theoretically be mined. The reason I created a strip of regional parks was to make sure that for those uses there was some doubt the National Parks would stop them, they could do it. I have here a list of all the uses that could happen. If you want, I can table it, but camping, picnicking, all sorts of recreational uses, tourism, bike riding, driving, horse riding, in some places dogs are allowed, collecting firewood, hunting not permitted. Sorry about that, Mr Chair.

**CHAIR:** That has changed now.

**Mr SARTOR:** It will change for a couple of years. When it swings back it will be a lot worse than it was, so you guys are making a problem for yourselves.

**CHAIR:** I do not think so.

**Mr SARTOR:** If you want me as a political adviser I am happy to. I will charge though—

**CHAIR:** No, thanks.

**Mr SARTOR:** A good fee. Just to return a little bit to the \$97 million, I said \$24 million, \$27 million if you include thinning but say \$24 million to National Parks, not half, of which only \$12 million was recurrent. Then there were some compliance costs and transition costs. Regional community development was \$12 million. Murray catchment management programs were \$1.5 million because we were concerned with some of their programs and job creation; forestry programs and structural adjustments. So \$65.8 million of the \$97 million or 68 per cent actually went to the local community, either the timber mills, the workers, the community, whatever.

It is not fair to say half of the national parks have poured it all up against the wall. The recurrent costs for the three years was only about \$12 million if you take out the capital. So they really were not lavish with money compared to everyone else. I was concerned to make sure that we did the job things as well as possible. On jobs, the good news was that we never had to spend all the money on redundancies because there were not as many as we had estimated. How many there ended up being, I am not sure, but I think at the time it was—this is from memory; please do not rely on this—in the order of 170 we thought we would lose. I am advised that National Parks have created about 39 and I am advised that nine or 10 of those were actually redeployed from

forestry. I think forestry might have also lost a net one or two on top of that. So it created a net save of about 30, maybe one or two less.

The first round of programs, which I handed out in December 2010, chaired by a very nice man who turned out to be a National Party member of Parliament in this place and whose father gave his name to Bilbul, a little town near where I lived, where I grew up. What was his son called? Richard Bull. Who chaired the committee? Richard Bull, not Frank Sartor. Some \$9.5 million estimated to support over 100 direct jobs and a further 120 indirect jobs. A further \$2.5 million was granted to 27 projects in early 2012 and these were created to retain a further 90 direct jobs. I am not suggesting for a minute that they are exact numbers. There would have been fall-off of projects and things.

But what we are talking about, before you talk about tourism jobs, the National Parks jobs and these other community development programs and the kick starting of industry, Richard Bull's brief and his committee's brief was to look at those where we could pay for entry costs to businesses that then could create ongoing recurrent jobs. The idea was to try to kick-start some businesses that would provide sustainable jobs, not to throw money into little programs that would fizzle after about a year or two. So when we look at those sorts of numbers, you are talking about the creation of jobs that is about, broadly speaking, the loss of jobs, possibly more than the target but it may not end up more. So yes, there has been an impact, certainly with timber workers and it is difficult and it was one of the things worrying me greatly at the time, which is why I sought to make these adjustments.

But it was not straight devastation, just get rid of all the jobs. We did try and wherever possible use the levers we had available to us to start projects that would create the jobs as well. When reading the transcript and you talk about rice and the boom years, it appears there are a lot more jobs created in that sector anyway. It is not fair to say that we have wiped everybody out. It is fair to say there was an impact, certainly a big impact in the timber industry, no problem, and I have a lot of sympathy for those people. But we did try to accommodate that in other ways. Then there are comments about tourism and nothing has happened, whatever. The way I read it, I think it has been much flooded the last couple of years and I think apart from a few snorkelers and people who like leeches, I suspect that getting the timber industry off and running in that climate would be difficult. But I still think that this is a fantastic icon and in five or 10 years time people will say how fabulous these forests are.

As for the arguments that some of them did not exist before white man, Europeans, came to Australia, well, maybe they did; maybe they did not. The advice I had was that there were trees there that were 500 years old, 300 years old. But even if they did not, the fact is that in our changing world you get the loss of forests, the loss of habitats. If new habitats bring up, we need to make sure we keep those, too. We just have to be a bit careful. It is an overall balance in this world of ours. Those of you, like me, who nostalgically were remembering that day in 1969 when I had the mumps, so I was home from school and I was watching Neil Armstrong land on the moon and watching those wonderful images when they first circled the moon. They were the first people to see the earth as a ball. Thinking about the fabulous planet, you think we just have to be a bit careful about it.

Human beings are the most destructive species on earth. Just go to the Middle East for a few weeks, just go to Africa for a few weeks. We are very destructive people. We have to bring out those civilised angels in us and care for the environment and care for creatures. No creature on earth is as destructive as we are. So we just have to be mindful of that and conservation biodiversity is part of that exercise. Because we are very imperfect, we stuff it up. Sometimes we might go too far but sometimes we do not go far enough. It is not an exact science completely, but we do know that we need to preserve more. Internationally the generally accepted view is that 17 per cent of all bio-regions should be protected. In parts of New South Wales we have met that; in other parts we are down 2 per cent. The red gums probably lifted that area's bio-region to probably 3 per cent or 4 per cent. I do not know the exact number.

This was not an outrageously bad or political or whatever deal. This was done for the best of motives, based on a 2008 policy, which you can have if you want or you can get it off the web. People who are hurt or aggrieved or lost jobs would look for reasons and they latch on to reasons. It is a bit like the conspiracy theorists who say that we did not land on the moon or the planes did not fly into the World Trade Center. But reality says that we felt, on balance, we had to do the right thing. When I became Minister the decision was pretty much made anyway. I was just trying to find the best way to do it. Now that I have proven to you that I am fair, pure and totally reasonable, you have probably let me go. I could still filibuster. So Mr Chair, you now have to change your ways. Do you promise to change your ways?

**CHAIR:** Yes, you probably could sit here for another hour and we would have a lot of fun but we do not have the time. About 14 hands flew off the table, around the table, and there are only six of us. So a lot of people want to ask you questions.

**Mr SARTOR:** Six people have 14 hands. Any from Tasmania?

**CHAIR:** I am being polite and I have not asked. Because we probably will not have time to let everybody ask questions, are you amenable to perhaps taking some questions on notice or do you think you have had your—

**Mr SARTOR:** I suppose so. How much are you going to pay me for it per hour? I come here pro bono. This is a good gift.

**CHAIR:** And we are very grateful for that.

**Mr SARTOR:** Most other people pay a lot of money to get my services these days. I will take questions but I prefer not to have legal questions? Honestly, I have acted genuinely. I do not want, "Did you say boo to bloody Rus Ainley when he was grumpy one day?" I do not want, "Did you punch the wall on both sides of some woman's face?" No, Tony Abbott did that. You got that one wrong. Did you strangle a cat and throw him out the window? No, that was Malcolm Turnbull; that was not me. You have got it wrong. Actually, Malcolm denied that, by the way. I do not want that rubbish. I come from the Riverina. I was down there recently for a reunion for my primary school, which goes back 60 years. It was a lovely reunion; I really enjoyed it. People form views about things and they think in Sydney it is all trickery.

The reality was that there was a genuine agenda. Whether Premier Rees jumped in and announced it without enough research, I do not know. The point is, there was a genuine agenda. I had a genuine job to do. Preference issues that were talked about are just not plausible because I did not believe them. They made no sense. There were no preference deals done anyway. We would not have benefitted from preferences in Marrickville and Balmain; they were our rivals. The way we are talking about The Greens these days, shows you how close we are.

**The Hon. Dr PETER PHELPS:** But you said you were presented with a *fait accompli*. Did Nathan Rees—

**CHAIR:** Order!

**The Hon. Dr PETER PHELPS:** —ever tell you why these forests had to be locked up?

**CHAIR:** Dr Phelps, I am sorry, we are out of time. Mr Sartor, I take it that your answer to my question was yes, you would take some sensible questions on notice?

**Mr SARTOR:** Reasonable questions on notice. Thank you very much.

**CHAIR:** Thank you.

**The Hon. Dr PETER PHELPS:** Did he ever tell you why—

**CHAIR:** Thank you very much for coming here Frank.

**The Hon. Dr PETER PHELPS:** —these had to be locked up?

**Mr SARTOR:** No. He believed in it. Nathan Rees was agreeing. Nathan Rees had an environmental conscience.

**The Hon. Dr PETER PHELPS:** So irrespective of what the NRC said—

**CHAIR:** Order!

**The Hon. Dr PETER PHELPS:** —he was going to lock them up.

**CHAIR:** Order! We are out of time.

**Mr SARTOR:** The NRC—

**CHAIR:** Thank you Mr Sartor.

**Mr SARTOR:** Thank you very much.

**The Hon. Dr PETER PHELPS:** It is a simple yes or no?.

**Mr SARTOR:** You have to control your committees better. That bloke is out of control.

**CHAIR:** No. He can put his question to you on notice.

**The Hon. Dr PETER PHELPS:** But we have been told there are no political questions, given that this was obviously a political decision.

**Mr SARTOR:** No.

**CHAIR:** I call the next witnesses to the table, if I may. We do not want to get behind time.

**The Hon. Dr PETER PHELPS:** It is okay; a simple yes or no.

**The Hon. SCOT MacDONALD:** Write another book.

**The Hon. Dr PETER PHELPS:** Was he going to clear it irrespective of the environmental scientific evidence?

**Mr SARTOR:** No. All I can tell you is that Nathan actually did have an environmental conscience. Look at half a dozen other decisions he made. He actually cared about the environment.

**The Hon. Dr PETER PHELPS:** So in other words it did not matter what the NRC said; they were going to be locked up?

**Mr SARTOR:** What was done was consistent with the NRC report, totally consistent, and consistent with the international agreement.

**The Hon. Dr PETER PHELPS:** Except that there is no—

**Mr SARTOR:** And the national agreement.

**CHAIR:** Order!

**The Hon. Dr PETER PHELPS:** —large scale clearance.

**CHAIR:** Order! Thank you. This witness—

**Mr SARTOR:** Some people are not civilised.

**CHAIR:** This witness's evidence is concluded.

**Mr SARTOR:** Some people are just not civilised.

**CHAIR:** Thank you very much, Frank. Goodbye.

**Mr SARTOR:** Do you want me back another day?

**CHAIR:** If you like, yes.

**(The witness withdrew)**

**VICTORIA EDWARDS**, Senior Solicitor, NTSCORP, and

**JULIA MARTIGNONI**, Paralegal, NTSCORP, affirmed and examined:

**CHAIR:** Thank you for agreeing to appear before the Committee. Are you representing an organisation or are you appearing as an individual?

**Ms EDWARDS:** I am representing an organisation, NTSCORP Limited.

**Ms MARTIGNONI:** I am representing NTSCORP Limited.

**CHAIR:** Prior to proceeding to questions from the Committee, would either or both of you like to make an opening statement?

**Ms EDWARDS:** Certainly I would. Obviously, you have had the benefit of reading NTSCORP's submission. I thought it might be helpful to provide the Committee with some background information as to NTSCORP's statutory function and the role we perform, just to give context to the submissions we have made. NTSCORP is the native title service provider constituted under the Commonwealth Native Title Act. We perform a range of statutory functions, including provision of facilitation and assistance in native title determination matters filed in the Federal court; dispute resolution of indigenous disputes relating to native title matters; notification of future Acts under the Native Title Act; and agreement making between Aboriginal communities in New South Wales and the Australian Capital Territory and a range of State and non-State third parties.

Obviously, as the Committee will be aware, the Commonwealth Native Title Act is a means of allowing for common law recognition of protection of rights and interests that certain Aboriginal people hold in lands and waters, including in New South Wales—these rights arising from their traditional law and custom. Native title obviously differs from the New South Wales land rights regime, with which the Committee might be more familiar. That system being obviously State-based and a means of economic compensation of Aboriginal people through transfer of Crown lands to a network of local Aboriginal land councils. That means compensation for a prior dispossession of land in New South Wales. I guess it is worth noting for the terms of this inquiry that native title and State-based land rights can co-exist on the same land. It may be that a piece of public land that is being dealt with might be subject to both native title rights and interests and also an Aboriginal land rights claim determined or undetermined in New South Wales. It is probably worth noting also that I am aware that the peak body for land rights in New South Wales, the New South Wales Aboriginal Land Council, also has made a submission to the Committee, though I understand it is not appearing today.

**CHAIR:** No, it is not. Have you anything further to add?

**Ms EDWARDS:** Not at this time. I am not anticipating you will have nearly as many questions for us as you had for the former Minister, but we are happy to respond to any.

**CHAIR:** You are aware that in some hearings we have had representations from traditional land owners and from corporations and organisations representing native title.

**The Hon. CATE FAEHRMANN:** Thank you for appearing today and for your submission. What consultation was there regarding the Native Title Act in the conversion of Yanga Station, Toorale or the Riverina red gum forest? Have you heard, or do you feel, that Aboriginal people were consulted well enough during those conversions?

**Ms EDWARDS:** I do not wish to comment specifically on Yanga or Toorale because I am not aware that NTSCORP represented any of the parties involved at that time. I suppose I can give some general comments in relation to our perspective on conversion. With reference to the river red gums, NTSCORP currently represents the traditional owners who filed Barkandji No. 8.

**CHAIR:** Could you identify the geographic area?

**Ms EDWARDS:** I could not give you an exact area off the top of my head, but it is a large area in western New South Wales. It follows the Victorian border.

**The Hon. RICK COLLESS:** It means the river peak, does it not?

**Ms EDWARDS:** It does, in a manner of speaking. It follows the Victorian border down near Mildura and takes in Broken Hill, Dareton and a number of large regional communities. Obviously, part of the Taroo group of forests falls within that determination application. NTSCORP has provided advice and assistance through the consultation process, which is ongoing. Obviously, the Committee is aware that the Office of Environment and Heritage is the agency that has been responsible for undertaking that consultation on behalf of the Commonwealth with a view to converting parts of that area into an indigenous protected area. There has been some effort for that consultation to be broad. From a native title perspective I suppose that NTSCORP would submit that there perhaps could have been more focus on that consultation with traditional owners as the custodians who have the right to make decisions in relation to land management, but at the same time we accept that it is a positive thing that there has been some level of early consultation.

**The Hon. CATE FAEHRMANN:** What is your opinion and knowledge of and involvement with the MLDRIN agreement?

**Ms EDWARDS:** Again, NTSCORP represents a number of groups of traditional owners who have had some involvement with MLDRIN or at the northern end of the basin with NBAN—the Northern Basin Aboriginal Nations. The formation of MLDRIN predates the establishment of our organisation in its current form, but I suppose it has been a formal means of there being consultation. Realistically, NTSCORP accepts that often there are difficulties for Government in knowing who they should be speaking to about certain matters and having a formally constituted group, like Murray Lower Darling Rivers Indigenous Nations [MLDRIN] or Northern Basin Aboriginal Nations [NBAN], is a means of providing them with some level of certainty.

To make general comments in relation to the process of conversion, one of our concerns, which perhaps was not highlighted particularly in our submission, is that under the Native Title Act there is a regime known as the future acts regime. In simple terms, it defines any act that is taking place on land or waters, including things like the amendment of legislation, the granting or renewal of an interest in land or waters—any such act that takes place after 1 January 1994—as a future act. There is a fairly complicated regime for notification by State departments or by third party proponents of such acts, which then, depending on the nature of the act, give rise to certain procedural rights for those who hold or may hold native title rights and interests in the area that is subject to the doing of this act.

Obviously, for the purposes of this inquiry, conversion from one form of landholding to another could itself constitute a future act—by way of example, the creation of the Brigalow and Nandewar community conservation area. NTSCORP is of the view that the act that established that area was in itself a future act and it was not notified as a future act under native title legislation. The impact of that on traditional owners in legal terms is that they are not accorded procedural rights to comment or to be consulted. At a higher level, if it is the kind of act such as mining, it might give them the right to negotiate over a mining tenement and the failure to notify under that regime can give rise to a compensation liability for the State because in native title terms the act is then invalid.

**The Hon. LUKE FOLEY:** I would like to ask about Indigenous protected areas. The Natural Resources Commission in its study of the river red gum forests recommended that some of the forests be managed as Indigenous protected areas. When we were in Deniliquin we heard from representatives of the Yarkuwa Indigenous Knowledge Centre who, in their evidence to us, suggested that the process of consultation regarding how the Indigenous protected area [IPA] would work for the Werai forest has been very slow. What commentary would you have on the development of Indigenous protected areas either in New South Wales or in other parts of Australia?

**Ms EDWARDS:** As the representative body for New South Wales and the Australian Capital Territory, I will confine my comments to New South Wales. I share the concern that the Werai consultation process has been lengthy and, although we do not formally represent any claim that is filed in that area, we have had a certain level of engagement with traditional owners in the Riverine region. Anecdotally there has been a certain feeling amongst traditional owners, and more broadly the Aboriginal community, that the consultation was presented to them as an opportunity to have input into what would happen with that piece of land and then there was some level of disappointment or disillusionment that it seemed as though the Commonwealth were presenting an IPA as a predetermined outcome. To be clear, the disillusionment was not that the outcome was



predetermined but that the consultation had been presented as being something that it was not, and that is an experience that has been shared in the ongoing consultation and negotiations about the Tarro group of forests.

**The Hon. LUKE FOLEY:** A big part of our inquiry is looking at a traditional conservation versus forestry argument. It seems to me that the recommendations of the Natural Resources Commission regarding indigenous protected areas for a small number of forests down there could be a way to overcome or depart from that traditional battle between conservation and forestry. Is there any information you can share with us on how the development of Indigenous protected areas has gone in other forests that has worked to the benefit of not only Indigenous people but to the wider community and to the environment?

**Ms EDWARDS:** There are not, unfortunately, any stories that I could share with you. I guess what I would say to keep my comments general would be that the concern of traditional owners and of NTSCORP is that any form of conversion, whether for noble reasons of environmental protection or not, is going to change the rights that traditional owners have and what they are able to do on land. For that reason we would advocate for any consultation that takes place to be early and to be a true and meaningful consultation, I guess in line with the current Government's stated way of consulting, Two Ways Together, the Ministerial task force. Often there is a feeling that consultation that takes place does not accord with those stated aims.

**CHAIR:** Using the Werai forest as an example and the thoughts and feelings that were expressed to the Committee by the representatives down there, how do groups like that go about forming or prosecuting a case for different management or for their involvement? Do they use your organisation or similar organisations to assist them to put together their case, or how would they go about doing it?

**Ms EDWARDS:** From our perspective it would be as a part of a native title process, so, as I think I said in my introductory remarks, we represent a number of groups of traditional owners around the State who have made native title determination applications through the Federal Court under the Act. A part of that process and I suppose the practice of dealing with such claims in New South Wales is to refer them to mediation and negotiation with the State of New South Wales rather than litigated outcomes, as is the practice in many other parts of the country. As a part of that negotiation process, agencies such as the Office of Environment and Heritage would have discussions with claimants about their aspirations in the process, which most usually include joint management arrangements over national parks, certain levels of joint management—as much as it is possible—in State forests, and similar arrangements more recently with NSW Fisheries.

**CHAIR:** In the case of the Werai forest where it has been classified and the people that came to see us were part of the management process, what they appeared to be saying was that they were not satisfied with the role that had been predetermined for them in that process. How would they go about renegotiating the deal or changing the circumstances? For example, it appeared to me from their evidence that they wanted the greater economic role in the management of that particular area, which had already been defined. Are you saying that the only way they can do that is to go outside and go through the native title process again?

**Ms EDWARDS:** I do not think it is the only way. Confining my comments to our organisation's involvement in situations of that type, we obviously do not represent every native title claim that is filed in New South Wales—we do not receive a level of Federal funding that allows us to do that—but we do provide some assistance or advice outside of the scope of our functions to groups where we feel that matters that are taking place are potentially affecting their future exercise of native title rights and interests.

**CHAIR:** Are you able to then put a case or apply to the Federal Government for funding for specific case studies? For example, let us take the Werai forest. Under your charter, would you have any ability if you were asked by them to go to the Federal Government and say, "We want to look at this, but we are going to need funding for this specific case." Are you able to do that?

**Ms EDWARDS:** We are funded for specific purposes under the Native Title Act, so section 203FE sets out fairly defined purposes and we are able to apply for funding. Families, Housing, Community Services and Indigenous Affairs [FaHCSIA] is the Federal department that we receive our funding from. We are able to apply for funding for anything that is in furtherance of performance of those stated functions.

**CHAIR:** Even though it might not necessarily be a native title claim?

**Ms EDWARDS:** It is not always a native title claim but it is in furtherance of those functions. The scope of what you are asking me—I do not believe we would be able to represent or provide advice in those

cases. That is not to say there are not other community or private legal representation organisations that could provide that advice and assistance, but it would be a matter of that being on a pro bono basis or the particular community members or traditional owners having financial means or resources to fund that.

**The Hon. SCOT MacDONALD:** I have a general question, we keep being told the parks estate in New South Wales will increase to 15 or 17 per cent. Do you see problems or issues with economic opportunity for native title, for the indigenous community?

**Ms EDWARDS:** Can you repeat the beginning of the question?

**The Hon. SCOT MacDONALD:** We are looking at an increase in the parks estate in New South Wales from 9 to 17 per cent. How do we reconcile that with economic opportunity?

**Ms EDWARDS:** There is a concern there is a certain level of loss of economic opportunity for Aboriginal people broadly not just traditional owners in terms of land management activities. A large amount of our clients draw their livelihood and income from participation in land management, pest control, weed control, fire management control—

**CHAIR:** Forestry.

**Ms EDWARDS:** —and forestry. That is obviously testament to their level of skill and experience and traditional knowledge in those areas. I would say that we do have some concerns. I do not know whether it is the appropriate time to make these comments but another concern we have in terms of national parks in New South Wales currently is the passage of the recent Game and Feral Animal Control legislation. It is probably worth drawing to the Committee's attention that hunting for traditional owners is a fairly common native title right and interest to be claimed in determination applications in New South Wales.

The Office of Environment and Heritage, who are usually the lead agency for negotiation of native title outcomes in New South Wales, have long maintained a policy position that hunting with guns in national parks for traditional owners is not a negotiable outcome. NTSCORP has advocated on behalf of traditional owners for a number of years that there are culturally appropriate, safe and sustainable means for hunting in parks to happen. Obviously, as you said, recently State Government policy has somewhat changed and we would ask the Committee to address this as an issue and to call on relevant agencies to readdress this policy in relation to traditional owners. It is very difficult for the Office of Environment and Heritage to maintain a policy position that hunting in national parks is not permissible for any interest holder, including traditional owners.

**The Hon. SCOT MacDONALD:** A supplementary question to that. Are Indigenous communities mobile in their employment? If they are located in a region are they likely to move for employment?

**Ms EDWARDS:** That is a general and difficult question for me to respond to. We represent a range of communities and individuals around the State who have different aspirations. Some of them live on their traditional land and some live, for economic or family reasons, in Sydney or other parts of the State where there are more opportunities. I do not feel comfortable commenting generally.

**The Hon. Dr PETER PHELPS:** Just in relation to the creation of Indigenous Protected Areas [IPA], would it not have better outcomes generally if the land was simply transferred as a freehold title?

**Ms EDWARDS:** Transferred to traditional owners in freehold title?

**The Hon. Dr PETER PHELPS:** Yes.

**Ms EDWARDS:** I suppose that would depend on the specific aspirations of a particular group. As I said in response to the previous question, I do not like to generalise about the aspirations of any of our clients. Different groups file native title determination applications for different reasons. It can range from a desire to make use of traditional land for economic development and wealth creation opportunities in their communities, through to cultural heritage matters and a desire to protect important places, objects and sites. The outcomes being sought would be different from group to group. Certainly in most matters in New South Wales transfer of freehold land for economic development opportunities is one of the primary aspirations of each group.

**The Hon. Dr PETER PHELPS:** It is rather unfair and a bit of a trick on Aboriginal people to give them land and then start to prescribe how they can use it based on a white city world view of what is considered appropriate for the land?

**Ms EDWARDS:** I would share that view and say it is probably the only group of constituents in New South Wales who are dealt with in that way.

**The Hon. Dr PETER PHELPS:** It is almost like the old paternalistic practices of the past are now being applied to the present?

**Ms EDWARDS:** I will not comment on that. I would say in response that there is a place for freehold transfers to take place but there is also a place for formation of partnerships, joint management arrangements, whether that is of national parks or State forests, and I think all of these opportunities should be made available to traditional owners.

**The Hon. Dr PETER PHELPS:** There is an implicit paternalism: You may have managed the land effectively for 40,000 or 60,000 years but now we do not think you are competent enough to do that, we do not think you have the judgement to make an assessment of your needs and capacities.

**Ms EDWARDS:** I certainly do not disagree with that comment.

**The Hon. Dr PETER PHELPS:** If the process for Aboriginal claims on Crown land were to be made quicker and easier what is the primary problem which is holding back Aboriginal—not from an Aboriginal point of view but from an administrative point of view—what is the primary problem holding back the expeditious assessment of claims on Crown lands?

**Ms EDWARDS:** You are talking about native title claims rather than State-based land rights claims? The answer to that question would differ from State to State.

**The Hon. Dr PETER PHELPS:** In New South Wales?

**Ms EDWARDS:** Obviously we are in a situation where claims are filed in the Federal court at a Commonwealth level but then the practical prosecution of those claims in New South Wales is through mediation and negotiation primarily with the State. I would say that the complex tenure system in New South Wales is a cause of a large degree of delay. The State of New South Wales has elected, in many of the matters filed in New South Wales, to do extensive and complex tenure searching as to tenure history on pieces of land under claim. Obviously, that is to determine whether native title might have been extinguished by prior acts on that land.

In a number of geographically relatively small claim areas that process has taken in excess of two or three years. The Committee may be aware, it is on the public record, that NTSCORP represents several claims, two in particular in the western region of New South Wales that have recently been filed are geographically much larger. I think approximately 52 per cent of the State is now under native title claim. Obviously NTSCORP has concerns about the cultural and practical impact of claims that take in excess of several years to be settled. Tenure is one of the primary reasons at the moment.

Also, the intractability of the State of New South Wales in presenting certain policy positions and the period of time that negotiation can take. There are a number of other community and political factors that play into things. I can only speak for the claims that NTSCORP represents in New South Wales. Legally speaking it is a relatively new area of law. A lot of strides have been made in streamlining the process of provision of credible evidence to the State of New South Wales on behalf of traditional owners, assessment of that credible evidence and proceeding to being able to negotiate outcomes.

**The Hon. Dr PETER PHELPS:** If the State Government were to come out tomorrow and say, "As part of full and final settlement, because of the appropriation of land without compensation by white settlement, we are opening up every bit of Crown land for an expeditious freehold claim": Do you think that would be welcomed by the Aboriginal community?

**Ms EDWARDS:** There would be a certain level of welcome. One of your comments sparked something—I think what would be welcome is a discussion in the State of New South Wales, as there has been

in Western Australia and other states, of appropriate funding of settlement of native title outcomes. At present many of the State government departments do not have designated budgets for settlement of native title claims. Even if there might be on the part of their staff goodwill and a desire to provide outcomes for traditional owners, there is no money for this to happen. They are forced to draw money from existing budgets to achieve these outcomes which is not a pragmatic or desirable outcome for any of the parties involved. There needs to be a discussion at a higher level outside departments about appropriate funding for settlement of native title matters in New South Wales. As I mentioned, a number of large claims have been filed in New South Wales so this is not a problem that is going to lessen in the coming years.

**CHAIR:** Because you act across the whole of the Commonwealth—

**Ms EDWARDS:** To be clear, NTSCORP is the native title service provider only for New South Wales and the Australian Capital Territory. There are like bodies in other States.

**CHAIR:** You made a comment that tended to suggest New South Wales was not as efficient in handling these sorts of issues as other jurisdictions. Would you like to expand upon that?

**Ms EDWARDS:** I cannot speak to the efficiency. In terms of funding I am aware that other States have established separate pools of funding specifically for native title matters. You will be aware from public record, from media—

**CHAIR:** So funding is an issue; what about time?

**Ms EDWARDS:** Obviously other States operate in different tenure settings from New South Wales. Because of the timing of settlement on the eastern seaboard there is obviously a lengthier and more complicated tenure history in New South Wales than there is probably in any other part of the country. I will confine my comments to that. I would not wish to comment not having had experience in other States.

**CHAIR:** Primarily your comment was about the fact that the funding base is not available?

**Ms EDWARDS:** Yes.

**The Hon. RICK COLLESS:** I want to refer to the Werai situation as well because we had quite a session with those people in Deniliquin. They gave us the definite impression that the Werai forest is land that did not have a title. They mentioned that the process to create a title to transfer to freehold can be a long and expensive one. Have you had any experience with transferring public land to freehold land for the purposes of Aboriginal people?

**Ms EDWARDS:** I have. Due to the confidentiality of agreements reached between the State and our clients I would not comment on specific examples.

**The Hon. Dr PETER PHELPS:** Give us a hypothetical.

**Ms EDWARDS:** I would say that often the interaction between the State-based land rights system and the native title system can be problematic. The Committee is probably aware that large amounts of Crown land in New South Wales are under State-based land rights claims and that there is a very large backlog of undetermined claims in New South Wales. Often NTSCORP finds itself in a situation where parcels of land that have been identified for transfer to traditional owners under the native title system might be the subject of State-based land rights claims, and that ends up being a negotiation, I suppose, between Aboriginal people as to what the best outcome for that piece of land would be.

**The Hon. Dr PETER PHELPS:** Why is there this delay? Is it competing claims within various Aboriginal communities or is it just inertia on the part of the Government?

**Ms EDWARDS:** I do not think competing claims in communities are the reason for the delay. I think inertia on the part of the Government is a large reason. Grossly inadequate funding of representative bodies such as NTSCORP at a Federal level and on the State side of things in New South Wales grossly inadequate funding of settlement of native title outcomes are large reasons for the delay as well as the tenure matters that I drew the Committee's attention to earlier.

**The Hon. RICK COLLESS:** I presume the Werai forest is not subject to a native title claim?

**Ms EDWARDS:** Not at this time, no.

**The Hon. RICK COLLESS:** Is there any impediment to transferring that land as freehold land to the Aboriginal people?

**Ms EDWARDS:** As I said, we do not currently represent the people involved in the Werai consultation so I would not feel comfortable responding to that.

**The Hon. RICK COLLESS:** As a generic question, is there a problem with transferring Crown land to Aboriginal people as freehold land?

**Ms EDWARDS:** In theory, no.

**The Hon. Dr PETER PHELPS:** So why does it take so long?

**Ms EDWARDS:** As the agency not responsible for effecting those transfers that question could perhaps be better directed to other people appearing before the Committee.

**The Hon. CATE FAEHRMANN:** When we were in Deniliquin we had some hearings particularly about the river red gums down there and we heard from a member of the community, Mr David Joss, who talked to us about his version of the history of the area. He obtained quite a bit of evidence from the white explorers, as he called them, the first settlers, squatters et cetera. He was asked whether he had had any discussions with the traditional owners about their oral history of the forest and its uses. His response was:

None. Quite deliberately because, I do not know how to put this, I think some of their traditional mythology perhaps has changed over the years. I think we are getting a different version today, perhaps, than what we might have got if we had been able to speak to three or four generations.

I think he was maybe challenging the whole storytelling version of Aboriginal history. For the record it would be good if you could give your thoughts on that.

**Ms EDWARDS:** Certainly. Again, I will keep my comments general. In a native title context I would say that the onus on traditional owners to provide information to both the State and the Commonwealth about the content of their traditional law and custom is high. In terms of responding to previous questions about the reasons for delay in settlement of outcomes, the credible evidence process in the past particularly has been one of them. A number of claims that NTSCORP represents have spent in excess of six or eight years in provision of credible evidence to the State. For the Committee's information, that evidence would include statements from traditional owners about their connection to country, the content of their traditional law and custom, what they do on country and the way country is managed, but also that information you referred to: whitefella reports, anthropology, historical reports, primary source information. Any community is always going to have differences in their views of their relationship to country. I do not think it is a fair assessment; I do not know Mr Joss or what his status is in the community or his role in appearing before the inquiry, but I do not think it is a fair representation to say that because information that has been passed down over generations and generations of traditional custodianship is not identical that information is not accurate, or the fact that such information might have evolved over time due to contact with outside communities and changing conceptions of how land is managed and what land means to people. I would strongly refute what he is saying.

**The Hon. LUKE FOLEY:** Can you point to any joint management arrangements involving Indigenous communities that currently exist within New South Wales State forests?

**Ms EDWARDS:** I cannot off the top of my head, no. Joint management arrangements with State forests are certainly an aspiration in a number of claims that we represent at the moment but none of them has been negotiated to a point of finality. Obviously joint management in national parks, because there is a legislative basis under the National Parks and Wildlife Act for that to take place, is a far more common arrangement.

**The Hon. LUKE FOLEY:** It was put to us when we were in Deniliquin and surrounds by opponents of national parks additions down there that the additions to national parks in effect act as the enemy of Indigenous aspiration—additions to the reserves system are barriers to Indigenous aspiration and self-

advancement. Do you accept that analysis or do you hold out any hope that the concept of Indigenous-protected areas can work in reality for Indigenous people?

**Ms EDWARDS:** I think it can work in reality if the creation of an Indigenous-protected area is of the community's own choosing and not an outcome that is imposed on them to achieve furtherance of other agendas. I think joint management of national parks can be a positive thing for communities. The arrangements that are currently being negotiated in New South Wales—obviously the Committee will be aware that under the National Parks and Wildlife Act there are a number of means contemplated for joint management with Aboriginal people to occur. Perhaps the highest level of these would be the addition of certain national parks to schedule 14 of the Act, referred to as a part 4A management arrangement, which has worked fairly well for a number of communities around New South Wales. Again, the State Government's policy position at this time has been to say that they are not contemplating the addition of any new parks to schedule 14 at this time; and NTSCORP in the various guises in various submissions has taken the opportunity to ask them to redress that policy position.

**CHAIR:** That principle could also be applied to the conversion of existing categories of national parks under that section.

**Ms EDWARDS:** I am sorry; which principle are you referring to, Chair?

**CHAIR:** The categorisation that you were just referring to, 14.

**Ms EDWARDS:** Schedule 14.

**CHAIR:** Can that not be applied to other, existing classifications of reserve?

**Ms EDWARDS:** It certainly could be.

**CHAIR:** So they do not have to be new reserves?

**Ms EDWARDS:** No; they could be existing; in fact, more commonly it would be existing reserves, although on occasion part 4A arrangements have worked through the creation of new national parks, so boundaries of new national parks according to more closely traditional boundaries or to an area that has been under native title claim. So in that regard—I will not go into details for reasons of time—I would draw the attention of the Committee to Gaagal Wanggaan National Park, on the north coast of New South Wales.

**The Hon. Dr PETER PHELPS:** Are you aware of any instance where co-ownership has proved to be unsuccessful?

**Ms EDWARDS:** Co-ownership in what sense?

**The Hon. Dr PETER PHELPS:** Co-ownership of national parks.

**Ms EDWARDS:** Joint management?

**The Hon. Dr PETER PHELPS:** Joint management, yes.

**Ms EDWARDS:** I would not deem any arrangement to be wholly unsuccessful. Obviously, there are inherent teething problems in any arrangement where the management of a piece of land transitions from one agency to involving more people.

**The Hon. Dr PETER PHELPS:** I will rephrase the question: where there have been unsatisfactory outcomes for Aboriginal people.

**Ms EDWARDS:** None that I am prepared to comment on to the Committee.

**The Hon. Dr PETER PHELPS:** Thank you.

**CHAIR:** Thank you very much for agreeing to appear. Your expert testimony has been very much appreciated by the Committee.

**Ms EDWARDS:** Thank you.

**CHAIR:** If there are further questions that the Committee would like to put to you on notice, would you be prepared to accept those questions?

**Ms EDWARDS:** Yes, certainly, at any time.

**CHAIR:** Would you agree to return the answers to those questions to the Committee within 21 days of receiving them?

**Ms EDWARDS:** Yes, certainly.

**CHAIR:** I thank you very much, Ms Edwards and Ms Martignoni.

**Ms EDWARDS:** Thank you for the opportunity.

**(The witnesses withdrew)**

**(Short adjournment)**

**JOHN WILLIAMS**, former Commissioner, Natural Resources Commission, sworn and examined:

**CHAIR:** Dr Williams, are you appearing as an individual or are you representing an organisation?

**Dr WILLIAMS:** I am appearing as an individual.

**CHAIR:** Would you like to make an opening statement?

**Dr WILLIAMS:** Yes. I will be as brief as possible.

**CHAIR:** Take your time; there is no time pressure on you.

**Dr WILLIAMS:** Obviously, the Committee has seen the documents the preparation of which I was responsible for in my former role as commissioner. I table them because I think that is the basis on which I am competent to speak before you.

**CHAIR:** Thank you.

#### **Documents tabled.**

**Dr WILLIAMS:** My task was in accordance with the Forestry and National Parks Act 1998. The Natural Resources Commission assessment, I believe, provided independent, credible advice to the New South Wales Government action on forest assessment for two regions. It is important, I think, to see the work in the two regions we assessed: the Riverina bioregional red gums and the woodland forests and, secondly, the South-west Cypress State Forests. In my opinion, the Natural Resources Commission assessment was exemplary in terms of process, particularly in light of the time, the quality of the science, the social science and the economic use. In my opinion, the assessments were examples of world best practice. In both assessments, the Natural Resources Commission used external panels of experts to provide peer review of the science, the economics and the social science.

The Technical Review Panel gave input to the design of the technical studies conducted by consultants and various departmental groups. They reviewed the products of the consultants and departments, ensuring that best knowledge and practice was undertaken because they were able to expose the consultants and the agency people to the best experts in the field, which they did regularly. Then they reviewed the documentation and findings of the Natural Resources Commission team of analysts. The Natural Resources Commission undertook extensive infield consultation with community and industry, Indigenous groups, environmental groups, local government and agents of government; and we invited, and received, a large number of public submissions.

The Natural Resources Commission was required to actively consider the timber resources, particularly with the red gums but also with the cypress; the timber resources; the ecologically sustainable forest management operations; the economic and social value issues; the environment heritage values, and particularly the Indigenous values. In addition, the Natural Resources Commission was, by our terms of reference, to ensure that the assessments met the requirements of the Commonwealth Environment Protection and Biodiversity Conservation Act 1999; and we were to make recommendations on the conservation, protection, economic and ecologically sustainable use of public land in the bioregion. Our recommendations were also to deal with water management and flooding requirements to sustain the forests and identify the value and uses under the range of projected impacts of climate change.

Many of our recommendations of the management of national parks, Indigenous management of forests, including, if they choose, Indigenous protected areas, State forests and regional parks. In my view, we pioneered and broke from the traditional and many of our recommendations are far reaching. You will see that, in my mind, we actually put forward a way of managing all those tenures: the national parks, the regional parks, forest management, Indigenous. All those things were new and difficult, and we laid them on the table. Some of them—perhaps many of them—are yet to be fully implemented.

Our review recognised that in the time period we could conduct this, particularly with respect to Indigenous affairs, we could only open the possibilities because we did not want to predetermine the particular solution, particularly for Indigenous people. Some examples of that are the ecological thinning, which is essential to a forest that has been impacted by our actions over many, many years, particularly the withdrawal of



flooding, but also our practices—the livestock grazing, fire management, collection of firewood across all forest tenures, including national parks—were appropriate. We opened up those issues to be examined and applied in an appropriate manner. We also opened up the issue of improving silviculture in State forests, particularly in the red gums in light of the changed watering regimes that our forests will experience in the future.

The recommendations of a forest and how it might best be used, whether it was reserved as a national park, as a regional park, Indigenous protected area, a State forest were based, in my judgement, on the very best science we could bring to the table. I will give you a couple of examples. How did we determine where the red gum reserves needed to be or whether in fact there needed to be reserves for red gums? When we look at the ecology of red gums, it is a very important habitat tree and the red gum forests on the Riverine Plains, as you well know, are serviced by heterogeneity in the way the flood runners and the water is delivered to the forest. We found that in the case of red gums you needed to have some area of reserve where the heterogeneity of the way flood runners were spaced. We could not see how it was possible to have a sustainable forest process and retain the ecological values that we could identify. There were other parts of the red gum forests, the Perricoota-Koondrook, for example, where you could manage forests sustainably and retain the ecological values in necessary areas under the Commonwealth Acts and the State Acts.

We further illustrated that when you consider our recommendations for the Cypress forests—for red gums we said reserves in certain configurations with geomorphology and flooding are absolutely essential—reserves were usually not required. The ecology is quite different and requires different management. I believe my reports that were delivered showed clearly that we based our analysis on science and showed clearly that one size does not fit all. The Natural Resources Commission's recommendations were based on the best ecological, social and economic knowledge in an open peer reviewed process that was comprehensively documented, and it was world's best practice. It is documentation that you can have confidence in when making the decisions you will need to take forward into the future. Thank you, Mr Chairman.

**CHAIR:** Before we proceed, I will ask a couple of questions to set the scene. Was the Natural Resources Commission involved in the establishment or the writing of the terms of reference for the inquiry, or did you have them handed to you?

**Dr WILLIAMS:** We had a draft provided and we acted to the draft and sent it back again. Some attention was taken and some was not. If memory serves me, we drew attention to the need to consider the part about the water.

**CHAIR:** In evidence given earlier today by the current executive director, Mr Wilde, he distilled his answer as to what were the key elements that affect the river red gum forests: water and yield, if you are taking stuff out. Would you agree those are the two major influences on the forest?

**Dr WILLIAMS:** The management of the forest, in terms of the forestry operation, yes, that is a key one, but the big one that has changed is the way we manage water. That affected the yield and the distribution of estimating yield, because it is not all a uniform scene with regard to irrigation. That was an important factor, and also the heterogeneity, where the clusters of important ecological entities and assets needed to be maintained, which was part of our mandate.

**CHAIR:** As part of your report you made recommendations based on the heterogeneity of the supply of water, as to which particular geographic areas could sustain what type of management regime?

**Dr WILLIAMS:** That is true.

**CHAIR:** Did the Natural Resources Commission consider recommending that the whole or any parts of it be managed under a Ramsar set of proposals?

**Dr WILLIAMS:** We recognise that to satisfy the Commonwealth Biodiversity Act those elements that were Ramsar had to be treated and satisfied by the Biodiversity Act, and that was done in consultation with the Commonwealth.

**CHAIR:** No recommendation was made to—

**Dr WILLIAMS:** Expand or change what was there, no.

**The Hon. RICK COLLESS:** Thank you, Dr Williams, for coming in. It is nice to see you. I have read a lot of your stuff over the years. Recommendation 3 specifically says that the forests should be managed to cover appropriate implementation of ecological thinning, grazing by domesticated animals, time management, silviculture and firewood collection. What sort of grazing management regime did the commission have in mind when it made that recommendation?

**Dr WILLIAMS:** There are some instances where, in fact, well managed grazing can help bring about the biodiversity, particularly if it is well done in terms of the ground flora and mixed grass species and the mix of shrub and herb. These things have been greatly interfered with and the whole thing about this was to manage the system to maximise the biodiversity and the heritage value.

**The Hon. RICK COLLESS:** Do you believe that by simply saying "grazing by domesticated animals" that that has a vision of splitting the park up into 1,000-hectare paddocks and putting two dozen cattle in each compartment?

**Dr WILLIAMS:** We did not envisage that.

**The Hon. RICK COLLESS:** What did you envisage?

**Dr WILLIAMS:** We envisaged that there were some components of it where, in fact, grazing could be managed in a way that would in the end give you the ecological outcomes that you wanted. That is how we left it.

**The Hon. RICK COLLESS:** So it is really about having a vision for what you want that particular forest or park to look like and then applying a range of tools—

**Dr WILLIAMS:** Understanding the actual ecological requirements and the habitat requirements of the diversity of species, then managing it to achieve that heterogeneity of habitat and fauna and species diversity of the flora and the fauna, that is the purpose. You mainly use the tools that are at your disposal to achieve that ecological outcome. In the end it is the ecological outcome that we are managing for.

**The Hon. RICK COLLESS:** In relation to the subheading of "Silviculture", to my understanding silviculture refers to the management of a forest or trees for production purposes. Is that what you had in mind when you—

**Dr WILLIAMS:** In some instances, say in the Koondrook-Perricoota where you have got an active forest enterprise running, you want to manage the silviculture for, obviously, the production of the tree, but you want to retain as much as possible of the biodiversity value of the forest. So we were seeing that the actual silviculture practices that were currently in place, because of the flooding regimes that we had, were not producing regeneration of the red gum forest in a manner that was consistent with a forestry operation or even the ecological value of that. Therefore, when we used silviculture we were certainly looking at making sure that silviculture regenerated the red gums under the watering regimes which will have to develop themselves. We also felt that you wanted to retain the ecological value as well.

**The Hon. Dr PETER PHELPS:** Do you believe that the NRC plays an important role in advising government?

**Dr WILLIAMS:** I think it is a very useful model, yes. I think having a body that collects information, does the consultation and analysis and presents before government the facts of the matter with a set of recommendations is a clean operation that lays before the Parliament data and information upon which they can act.

**The Hon. Dr PETER PHELPS:** It must be disappointing for you to hear, however, that irrespective of what you recommended in your report the then Premier was determined to declare these places national parks come what may, is it not?

**Dr WILLIAMS:** Our documentation that recommended what was in that report was made available to the Premier's. I believe we laid before them as an NRC what needed to be done, and I would rather not comment on the political process.

**The Hon. Dr PETER PHELPS:** Because they still went ahead with the declaration of the south-west cypress areas too, did they not, in contra-distinction to what you recommended in your report?

**Dr WILLIAMS:** Yes. There were aspects where the reserves were actually made in the cypress areas where we saw no ecological basis for doing that. I think, on the other hand, in the red gums there were many of our recommendations that still, to me, it would be very wise to go back to and work through.

**The Hon. Dr PETER PHELPS:** So any pretence by the previous Government that the decisions were based entirely and solely on scientific evidence would be stretching the bow a little, would it not?

**Dr WILLIAMS:** I think the basics that were adopted were essentially, in the end, after deliberations through the democratic process, in the large part aligned to the scientific, economic and social science that we laid before you.

**The Hon. Dr PETER PHELPS:** The reservation of the cypress areas is clearly a political decision.

**Dr WILLIAMS:** I was referring to the red gums when I said that. In the case of the cypress I was surprised that that was not taken up.

**The Hon. SCOT MacDONALD:** Dr Williams, I think we last saw each other in Hobart.

**Dr WILLIAMS:** Yes, that is right, in the coal seam gas debate. I do not know what is wrong with me; I cannot seem to keep out of trouble.

**The Hon. SCOT MacDONALD:** Term of reference 1b is "Operational, economic, social and environmental impacts after conversion, and in particular, impacts upon neighbours of public land and upon Local Government". I think you went down there after conversion or after the announcement four times?

**Dr WILLIAMS:** Yes, I did—twice, I think.

**The Hon. SCOT MacDONALD:** When you went down there did you let the Minister know you were going?

**Dr WILLIAMS:** Most certainly. I accompanied both Ministers because there were two portfolios. But I visited the site on many occasions.

**The Hon. SCOT MacDONALD:** Did the Ministers go with you after the announcement?

**Dr WILLIAMS:** After the announcement and the preliminary report I went down with Frank Sartor again after the announcement. I do not think it was after the final announcement and the deliberations of the House. It was prior to the deliberations in the House that I visited, I think. I might check that, but I think that is right.

**The Hon. SCOT MacDONALD:** You recommended 107,614 hectares to go to the national reserve system or Indigenous protected areas. You consulted a wide range of people. That would have had a big impact on Treasury at a capital level and at an operating level. Was Treasury or Finance brought in to say these parks would cost X amount per annum and what the impact—

**Dr WILLIAMS:** We certainly looked at that. You can see in the documentation the economic outcome of making those reserves. Certainly we did indicate that those reserves and doing that and the cost of compensation and redundancies and all those things. We certainly looked at what that was looking like. But in the end we basically put it down to saying the ecological and social science says we need to do that and that is the cost sitting there, but the cost did not determine the outcome of what we recommended.

**The Hon. SCOT MacDONALD:** Through this report and in a range of other reports we keep referring to environmental services. I do not think anybody disputes how important environmental services are.

**The Hon. Dr PETER PHELPS:** I do.

**The Hon. SCOT MacDONALD:** Except for Peter. Has anybody ever seriously tried to monetarise that? Is it possible to monetarise that?

**Dr WILLIAMS:** There are academic attempts to do that in the literature, to work that out, and it has recently been done for the Murray-Darling Basin. But to give you some indication of the value of the services that a healthy river system in the Murray-Darling would give, it is large numbers. Of course the classic paper was presented 10 or 15 years ago. But I think there have been analyses. The Australian National University and the Crawford School, where I have been an adjunct professor, would certainly be able to do those calculations, given some things. But sometimes how do you determine the value of a duck? You say it is \$12. But the duck is sitting on top of the pond and what the real ecological value is the functionality of that pond and that wetland and the way it provides the carbon storage and energy for the system.

**The Hon. LUKE FOLEY:** Dr Williams, thank you for appearing. I would like to follow up on Dr Phelps' questions about whether the Government followed the recommendations of the Natural Resources Commission. Your assessment recommended that around 107,000 hectares be added to the reserve system.

**Dr WILLIAMS:** That is correct.

**The Hon. LUKE FOLEY:** What was the final outcome? Was it close to that?

**Dr WILLIAMS:** At the end of the democratic process we got to that sort of number. That is what I understand.

**The Hon. LUKE FOLEY:** In fact, it almost completely correlated to what you recommended.

**Dr WILLIAMS:** In the debate I had with the Minister my recommendation was to make sure Millewa was in a reserve. The ecological evidence was that that was important. It was debated for a while whether it would be included, and eventually it was.

**The Hon. LUKE FOLEY:** In the end your recommendation was accepted?

**Dr WILLIAMS:** Yes, but not because I lobbied for it. I put the data out and did not have any further contacts. However, I had to do another calculation and I said it would take me a while to do it. I said that the report is the report and I did a supplementary calculation to assist the Minister.

**The Hon. LUKE FOLEY:** On our visit to Deniliquin and surrounds the harshest criticism was reserved for the quality of your report. It was put to the Committee that your assessment was not objective.

**Dr WILLIAMS:** I see.

**The Hon. LUKE FOLEY:** It was repeatedly put to us that you had an agenda of your own or an agenda dictated to you by the Government to deliver some green outcome. How do you respond to those criticisms?

**Dr WILLIAMS:** That is nonsense; it was not so. You can see from the documentation that the water work done by consultants in water technology in Melbourne as recognised by the Murray-Darling Basin Authority, the CSIRO and others as some of the best work in terms of knowing how that forest was flooded. That work was very well done and the ecological work is very well regarded in the circles in which I move. It is also well regarded in the literature. I believe it is one of the world's best analyses of ecological value, of how we might arrive at maintaining the balance between forestry and ecological values across a region and the maintenance of opportunities for our Indigenous people.

**The Hon. LUKE FOLEY:** It was put to us that you had a cavalier disregard for the social and economic factors at play in the Riverina region. How do you respond to that?

**Dr WILLIAMS:** I do not believe I do. I am very conscious of the impact of the mill closures. We did a very thorough assessment of the economic outcome. I think our figures stand the test of time pretty well. Our predications about the number of jobs that would be lost, the number of people who would take redundancies and so on were pretty much on the money.

**The Hon. CATE FAEHRMANN:** Thank you, Dr Williams. After the decision was made, about six months after the report was released, you would be aware that the area was extensively flooded. It was put to the Committee a number of times by a number of witnesses that because of those floods the modelling and findings in your report were discredited because it suggested a water-scarce future. What is your opinion of that?

**Dr WILLIAMS:** I do not agree with that. Our modelling recognised that there would be some 1974-type years—which we had in 2010 and 2011. They were part of the range of rainfall patterns that were in the modelling task. We expected flooding to occur. Of course, we cannot predict exactly when it will happen, but it has a sequence of around 15 to 20 years. Even with all the flooding we have had, I had occasion to do some casual observation. I would love to see more data. In fact, because the channelisation of the floodplain—that is, the channels which deliver water through the Millewa into the Wakool—has been established to maximise the transfer of water to irrigation it does not wet a lot of the forest.

Even with a big flood like that, I do not think we have seen much evidence that the Black Box Woodlands have actually been flooded. That is what I have observed, but I would like to see more data. I do not think there is any evidence that our data indicating how we expect that forest to grow under current flooding regimes is at all in error. In fact, I think has proven to be on the money. We argued that a large amount of water should be made available so that we have healthy red gums in the national park and red gums that are productive in the State forest, in Koondrook-Perricoota.

Our work clearly shows that the amounts needed were very consistent with the amounts put forward by the authorities, particularly the Murray-Darling Basin Authority. When we put on the table that we needed at least 1,200 gegalitres in environmental flows people said we were nuts. Of course we know the number for the whole basin is probably about 4,000 gegalitres even though the number is 2,750 gegalitres at the moment. We got the order of magnitude pretty right and I am confident of the water analysis. It certainly has not suffered any scientific criticism from any credible scientific basis that I am aware of.

**The Hon. CATE FAEHRMANN:** The Committee heard a lot in Deniliquin from timber mill operators who suggested that they could undertake ecological thinning in national parks just as well as, if not better than, the National Parks and Wildlife Service, which is conducting a trial. It was clear that they wanted to go back into the national parks. Some said that their industry was not viable and they desperately wanted resource. What is your view about the commercial operators undertaking that work?

**Dr WILLIAMS:** They are certainly involved in ecological thinning and a silviculture practice in the Koondrook-Perricoota and they do have lots of skills. However, we expected that we would have larger-scale interventions in the national park in terms of ecological thinning. I agree that we need to learn how to do it. It is a new intervention in a forest to produce the biodiversity that we need. It will be very unpopular in some quarters. However, I think that when we know how to do it there is no reason not to use commercial operators provided it is properly regulated and complied with.

**The Hon. Dr PETER PHELPS:** Are you sorry you asked that question?

**CHAIR:** Unfortunately we are out of time. You are a fascinating witness and you have obviously had a lot tied up in this over the years. Thank you very much for agreeing to appear before the Committee. Would you be prepared to answer questions put on notice?

**Dr WILLIAMS:** Most certainly.

**CHAIR:** Do you agree to return answers within 21 days of receiving those questions?

**Dr WILLIAMS:** Certainly.

**(The witness withdrew)**

**JOHN WILLIAMS**, Member for Murray-Darling, before the Committee:

**CHAIR:** I welcome Mr John Williams, the member for Murray-Darling. Mr Williams, I remind you that you do not need to be sworn because you have sworn an oath of office as a member of Parliament. Would you like to make an opening statement?

**Mr JOHN WILLIAMS:** Obviously, as a member of Parliament and representing an area that was greatly impacted by this decision I have seen the fallout and dealt with it prior, during and post. As happens with all reform, emotions ran high. However, below that emotion there are some issues that I believe remain unresolved. Forests in the southern Riverina have been the subject of a range of environmental impact statements over many years. They were carried out even in the time of conservative governments. When there were complaints, Labor Ministers carried out environmental impact statements and on every occasion they reported that forestry operations were sustainable. Unfortunately, during the negotiations certain elements demanded a full forestry assessment. The Natural Resources Commission [NRC] were called to provide that. There was an amount of time that transpired during the NRC's visits to the red gum area and obviously some draft work was done.

I met with the Minister at the time, John Robertson, along with a member or a stakeholder in the forestry debate and we talked about what sort of impact we could envisage. We were told that we were going to lose a couple of mills. The forestry operation could be retained but we would lose a couple of mills. I guess from my point of view I felt some degree of comfort from that. That was communicated amongst those people in the industry and I guess on that basis they accepted that this might be the outcome. I was quite shocked when Nathan Rees got up one day and made an announcement that he was going to convert these forests to national parks. Knowing what I had known, and obviously knowing that the response from my electorate was going to be pretty strong, I felt that I had let them down in a lot of regards in communicating the direction this might take.

That decision, I believe, was based on emotion. There is absolutely no doubt that the decision that was made and the recommendations that were made to announce these reserves were based on yield figures. The previous speaker highlighted that that was a big challenge. It was hard for those people in the industry to accept those predicted yields. The unfortunate part about it was that I know nothing about it and I guess some of those people making commentary were not experts. But if anything comes out of this finding I think that we really do need to understand whether those figures were in fact true and correct. There is no doubt that is a burning issue for me to deal with and it is a burning issue for a lot of people down there.

We talked about that originally there were 1,200 people in the census that identified that they derived their income from forestry operations. The number is not easily identified. Knowing that we were going to have this situation, I asked people in the industry to try to build a register where we could actually identify those people that were relying on forestry. There were those people that were directly involved, a small proportion of that 1,200, but as time progressed and as it has rolled out I am finding that the 1,200 are present. They are actually there. People are finding that whilst the forestry did not give them the whole of their income, they derived part of their income or a good portion of their income from it. The impact was starting to be felt. It was postponed, obviously there was a fair bit of material in reserve and their work went on.

Most people would like to think that we have had some reform, we would like the problem to go away, but, to compound the problem, local governments that are representing those areas that have been affected now are very disquieted about what they see as a very poor decision. It is not as if the problem is going away; it is probably mounting and this gives me another challenge. National Parks have dragged their feet. It is very clear the NRC recognised that there should be some thinning activity in the forest and there is no doubt the watering regime that we have seen over the past couple of years has probably given an opportunity to start these thinning trials. I believe within past and current forestry people there is enough expertise out there to identify a process that can maintain the forest. That is a problem for me, I need to deal with that with the Minister, but it is also a problem where I think people need to be educated while we are doing it and why it needs to happen.

I very much doubt whether Nathan Rees, who was Premier at the time, actually ever visited those forests. I doubt whether a lot of other people who were making those decisions ever went down and had a look at the forestry operations and had a look at how it worked and formed an opinion that was based on evidence that they could see before them. From my point of view, I really want to see some good outcomes from this Committee. It has got the basis to arm me with some support to go ahead and see that National Parks engage in good forestry practices.

**CHAIR:** You are a politician in this Parliament. You represent the people out there but you work here and you understand the political processes. We know what sort of expectation some of the people in those regions have. They want the legislation repealed and they want to go back to a full forestry regime. That is highly unlikely to happen. What do you see as the realistic expectation of the constituents that you deal with on a daily basis, given your experience?

**Mr JOHN WILLIAMS:** I think there still remains an industry there. Probably never at the size that it was, but I think that we can engage people in some productive activity. The economy has suffered. Those people that were paid out from the forestry operations are now unemployed. They have not found any other employment. I guess some of them have actually never gone to school. They have grown up in the forests and that was their life. It gives them an opportunity to continue their life and engage in the economy and earn a living. Certainly I accept the fact that we are not going to reverse the national park decision but I think that we can work for an outcome that is a win-win.

**The Hon. CATE FAEHRMANN:** Mr Williams, you said that the people who received payments from the structural adjustment package had exited the forest. Is it not right that not everybody who received payments has exited?

**Mr JOHN WILLIAMS:** Well, no, I do not know. There are still people working in the forestry business. I guess it is like any sort of redundancy: people find a way back in, no doubt. This is about a whole economic activity. It is not about those people that are directly employed; it is about what flows from it.

**The Hon. CATE FAEHRMANN:** We heard from Mr Ken O'Brien. He said during the hearing:

We put every cent of that so-called compensation money back into our business because we are not going to lie down ... We have put every cent back in and we are employing over 20 people and we are trying to stay in business. It is a struggle. We would like some security over the resource and we would love the opportunity to thin some of these national parks.

What is your opinion of timber mill operators who receive compensation as a result of a national park declaration who then put the money back into their business and want to stay in and continue logging those national parks?

**Mr JOHN WILLIAMS:** I have put my view forward in the industry and said that those people who have made a decision to remain in the industry and did not seek compensation would absolutely have priority over any other people who want to engage in the thinning activity

**The Hon. CATE FAEHRMANN:** But this particular person did receive compensation.

**Mr JOHN WILLIAMS:** If he made a decision that he wanted to do it that is his choice. But, for me, as a priority I will be supporting those people who decided to stay in and not take the compensation.

**The Hon. CATE FAEHRMANN:** Your figure of 1,200 people in the centres that I think you said derived their income from forestry operations. Is it forestry operations or have they derived their income from the fact that the forests are there? I do not know the answer to this question, it is a genuine question, but are those people associated with things like camping, fishing, caravan parks and tourism?

**Mr JOHN WILLIAMS:** No, I think generally it was industry that they recognised. As I said, I could not get a register of these people but as I go around in my role I find more and more evidence of people that were reliant on that forestry operation. One guy supplied red gum chips into Victoria. He could not get them any more so now he is getting Cypress pine chips and drying them. He is now employing less people than he employed, and the operation is a lot smaller, but he had a fairly robust business when the red gum activities were at their full extent.

**The Hon. LUKE FOLEY:** You are a member of the Government. If the 20 Sept 10 decision was such a bad decision, why will the Government not simply reverse it?

**Mr JOHN WILLIAMS:** Unfortunately, I am only one voice. I guess politics is a pretty evil game. There is no doubt that there are plenty of Coalition politicians who sit in the city and live in areas where the Green vote is substantial, so they will not compromise themselves for one single politician sitting out in the Murray-Darling electorate. I have got to be realistic. I know that I am not going to get the support for that—I

have been told by the Premier—and I guess that is the fact. I can keep advocating for it but I would rather find a compromise somewhere in the middle.

**The Hon. LUKE FOLEY:** What do you want from here?

**Mr JOHN WILLIAMS:** I want to see what was a viable industry have some continuity. There is no doubt that the NRC suggested that can happen. The problem I have got is I am dealing with a bureaucracy called the National Parks and Wildlife Service that seems to have a view of the world that it wants to take and does not want to compromise. That is a problem for me to deal with but the fact is that we are not moving along with this quite at the pace I thought it might have gone.

**The Hon. LUKE FOLEY:** The National Parks and Wildlife Service is a bureaucracy but it has a political master, the Minister for the Environment, who is a member of the joint party room of the Liberals and The Nationals. What does the Minister say when you raise these issues?

**Mr JOHN WILLIAMS:** Maybe she is not my best friend.

**The Hon. LUKE FOLEY:** What representations have you made to members of the Cabinet? What are you seeking from Cabinet in the interests of the people and communities you represent?

**Mr JOHN WILLIAMS:** I have obviously been pushing to see this thinnings program start and get going. I guess I have been supported to some degree by the Minister's chief of staff visiting me on many occasions—probably to keep my mouth shut—but other than that I would say I have told the Minister that I want to see this thing progress and get going. I am frustrated as I think it has gone past a reasonable time. I promised the industry nothing but I would like to be able to say to them "Here's something".

**The Hon. SCOT MacDONALD:** I refer to your comments about politicians visiting the area on announcement. Did the Premier or the ex-Premier visit the region?

**Mr JOHN WILLIAMS:** When?

**The Hon. SCOT MacDONALD:** Premier Rees? In 2010?

**Mr JOHN WILLIAMS:** No, Frank Sartor was about the only Minister that visited down there.

**The Hon. SCOT MacDONALD:** How did the communities feel about that at the time? Do you recall?

**Mr JOHN WILLIAMS:** The unfortunate part about Nathan Rees is he made that announcement in his dying days. I do not know whether it was something to try to save his neck, or it was a favour to Bob Carr—there were all sorts of suppositions why that announcement was made on that day. The disappointing thing for me is that too many people who were engaged in this decision never actually went down there and looked at the area that they were making a life-changing decision about for a lot of people who were engaged in it.

**The Hon. SCOT MacDONALD:** It was okay to make the decision from 800 kilometres away and not bother turning up to talk to the people?

**Mr JOHN WILLIAMS:** Yes, I think that unfortunately is the way it is. I guess the other area was when the protest started to warm up, when we became the target, The Greens dispatched their mob to go down and fill up the forest with ferals and tie gear up. The Greens did not come down. They stayed in the concrete jungle. I think it is disappointing that before you start making decisions about what you are going to do in the environment you had better understand it first, and have a first-hand look.

**The Hon. Dr PETER PHELPS:** Why would they break the habit of a lifetime?

**Mr JOHN WILLIAMS:** Yes.

**The Hon. SCOT MacDONALD:** I heard forecast in the reports leading up to it about aspirations for tourism. When we were there we heard that could not happen because it had been flooded. Do you think those tourism targets are realistic?



**Mr JOHN WILLIAMS:** Down in that particular area around Mathoura there has always been a fairly good tourist activity on those designated areas on the river. The fact is, and I challenge anyone to go and take their family to those red gum forests and say, "We are going to camp here for a couple of days." I think they would find the kids would be ready to get out of there in 10 minutes.

**The Hon. SCOT MacDONALD:** It is not the Gold Coast?

**Mr JOHN WILLIAMS:** No, it is not. In the forest there is little or no under storage. There is a build up of material.

**The Hon. SCOT MacDONALD:** Every time a national park is proposed, from Bob Carr down, it is said that tourism will replace the forestry jobs or the other economic activity and it never, ever seems to happen: it does not happen.

**Mr JOHN WILLIAMS:** I think you will hear from most local government areas that have been affected that they have heard that promise from the National Parks and Wildlife Service. It is one that I constantly face. The fact is that people do not visit national parks in that sort of volume, particularly I speak of the Murray-Darling. None of that has been fulfilled.

**The Hon. Dr PETER PHELPS:** Are you aware of any timber workers who have been retrained as a barrister or a barista rather?

**Mr JOHN WILLIAMS:** Absolutely not.

**The Hon. Dr PETER PHELPS:** Have any taken on jobs as café owners, forest tour guides or opened a new motel for this influx of new tourists?

**Mr JOHN WILLIAMS:** No, I have not heard of any.

**The Hon. Dr PETER PHELPS:** The report has some recommendations about regional development opportunities—the establishment of interpretative and education programs on forest values and history. I do not think it would not be a great employer—maybe two or three people in an interpretative centre?

**Mr JOHN WILLIAMS:** They have actually done a study just recently in trying to set up an interpretative centre in Mathoura. They got a consultant to make some recommendations. The recommendations were that they should not go ahead with it which is unusual for a consultant but I do have that consultancy. So Murray Shire made the decision not to go ahead with that interpretative centre.

**CHAIR:** Can you table that advice?

**Mr JOHN WILLIAMS:** I can certainly table the report.

**The Hon. Dr PETER PHELPS:** Things such as access and visitor facilities, on-line booking, enhanced water management, enhanced bio-management, and support of local Rural Fire Brigade services. Maybe they are thinking that the economic recovery will come through large-scale fire service. Maybe they are hoping for a bushfire-led recovery?

**Mr JOHN WILLIAMS:** Well, I think that is obviously a threat that exists there.

**The Hon. Dr PETER PHELPS:** And it is very significant in an unmanaged forest, is it not?

**Mr JOHN WILLIAMS:** Absolutely.

**The Hon. Dr PETER PHELPS:** Especially a river red gum forest. They also refer to community engagement in the management of parks and reserves, maximising the use of local knowledge and on-ground experience in forest management. If they had done that, they would have turned them into national parks in the first place, would they?

**Mr JOHN WILLIAMS:** No, that is correct.

**The Hon. RICK COLLESS:** Mr Williams, there has been a bit of discussion this morning about Mr Ken O'Brien and his business and the fact that he received compensation but continued his business. What were the components of Mr O'Brien's business prior to the declaration of the parks?

**Mr JOHN WILLIAMS:** Well, I mean, Ken O'Brien was a fairly big player in the forestry industry. He actually bought quota off other forestry people or other millers. He was a fairly significant player in the forestry industry.

**The Hon. RICK COLLESS:** He had a sawlog quota and a firewood quota. Is that correct?

**Mr JOHN WILLIAMS:** Correct.

**The Hon. RICK COLLESS:** When he received the compensation, did he not accept the compensation in respect of his sawlog volume and retain his allocation to the firewood?

**Mr JOHN WILLIAMS:** I am not sure on the way it was mixed, but the fact that these people are still engaging in the industry suggests that they might be doing it under the private native forestry code in some of those areas.

**The Hon. RICK COLLESS:** Are you aware of how other mills structured or restructured their businesses possibly by relinquishing parts of their businesses and continuing other components of it, such as the different components of the forestry industry?

**Mr JOHN WILLIAMS:** I think that probably the thing that hurt most of those people was that Forests NSW were encouraging value-adding. A lot of investment was made to value-add.

**The Hon. RICK COLLESS:** At the encouragement of the previous Government?

**Mr JOHN WILLIAMS:** Absolutely.

**The Hon. RICK COLLESS:** The value-adding businesses that existed down there included one that you and I visited one day, Glen Gray Furniture in Barham. What has happened to that business?

**Mr JOHN WILLIAMS:** He has walked away from the business. Obviously he is limited on what types of logs are best for furniture production. Not everything that comes out of the forest is going to suit that particular business, so he has made a decision to close down.

**The Hon. RICK COLLESS:** How many people did he employ in his factory, do you know?

**Mr JOHN WILLIAMS:** I would say in excess of eight people.

**CHAIR:** Mr Williams, earlier when you were questioned about what sort of support you had in government for doing something such as repealing the legislation, you said that you took a realistic view that it probably was not possible. What was the position of the then Leader of the Opposition, who is the current Premier, prior to the declarations being made, when it was known that the declarations were going to be made, and just after the declarations were made?

**Mr JOHN WILLIAMS:** We did not get into discussion, really, about that. I think the unfortunate thing about it was, as I said, that one single politician was affected by it. I think there was a feeling that it was a fait accompli.

**CHAIR:** At the time I think the Premier made some comment that he did not believe he would have control of the upper House and therefore would not be able to promulgate a bill to repeal the legislation. I said that we would guarantee him the numbers, but he did not seem to want to respond to that. Do you know whether the Premier went to the red gum forests during that time, either prior to or after the declarations?

**Mr JOHN WILLIAMS:** No, he did not.

**CHAIR:** You are sort of out on your own there, are you not?

**Mr JOHN WILLIAMS:** Pretty well.

**CHAIR:** John, we have no more questions. It looks like you have worn us down. We appreciate you giving us your time. If any members have any questions they wish to put to you on notice, would you be prepared to accept those questions?

**Mr JOHN WILLIAMS:** Absolutely.

**CHAIR:** Can you give us answers to those questions within 21 days?

**Mr JOHN WILLIAMS:** Certainly.

**CHAIR:** Thank you very much for appearing.

**Mr JOHN WILLIAMS:** Thanks very much.

**(The witness withdrew)**

**(Luncheon adjournment)**

**GRANT JOHNSON**, Policy Manager, Australian Forest Products Association,

**RUSSELL ALAN AINLEY**, Executive Director, NSW Forest Products Association, and

**WARWICK CHARLES RAGG**, Senior Policy Advisor, NSW Forest Products Association, and Chief Executive, Australian Forest Growers, sworn and examined:

**CHAIR:** Welcome to the afternoon's hearing of the inquiry into public land management. Before we proceed with questions from the Committee would any of you like to make an opening statement?

**Mr AINLEY:** I would like to make a brief statement. We are pleased to be able to participate in this inquiry and to be present at this hearing. We are honoured to be able to represent hardwood timber operations in New South Wales and proudly represent the heritage of 150 years of this industry in rural communities supplying timber for construction and infrastructure throughout New South Wales and Australia. Very few of our products are available from either plantations or as imports. In 2010-11 New South Wales produced about 250,000 cubic metres of sawn hardwood timber, worth about \$153 million. That is about one-third of the total Australian production but it is actually less than half of the production levels of 2002-3. In New South Wales about 19,300 people are employed in timber production. For the year, Australia had a trade deficit of about \$470 million in hardwood timber products as furniture and building timbers. Total trade deficit for all forest products was \$1.93 billion. Forest product industries represent 6 per cent of total manufacturing sales and service income and 0.6 per cent of gross domestic product in Australia.

As an organisation we are pleased to have been able to participate in all of the New South Wales forest agreements and assessments as processes to deliver resource security to our industry and thereby underwrite investment in development and value adding. From that point, over recent years we have been able to develop an internationally viable industry in more resilient rural communities and gain international accreditation for sustainable forest management. We remain at a loss to understand why the New South Wales Government has been unable to deliver timber as it was assessed and legislated in forest agreements and that the agencies are unable to properly report the performance of the forest agreements. We look forward to answering the Committee's questions. Mr Johnson would like to make a statement also.

**Mr JOHNSON:** On behalf of the Australian Forest Products Association [AFPA] I welcome the opportunity to address this inquiry into public land management. The inquiry provides an important opportunity for the Committee to review the direction and consequences of public land management in New South Wales over the past two decades. AFPA believes that land management in New South Wales is at a critical juncture, with the commercial viability of the forest industry at serious risk as a consequence of the policies and decisions of past governments. Regrettably rigorous, scientifically-based land use decision-making processes, such as those embodied in the Regional Forests Agreement [RFA] process, have been overtaken by politically expedient decisions without adequate planning and knowledge of landscape dynamics and the implications of those decisions.

The forests and wood products industries in New South Wales are well established as regionally-based sustainable natural resource management industries under a complex and comprehensive suite of New South Wales legislation that forms the basis of the New South Wales forest agreements, regional forest agreements and private native forest property vegetation plans. However, while the environmental credentials of the New South Wales forest industry have never been better; indeed, they meet or exceed world's best practice in sustainable forest management, over the past 15 years there has been a steady decline in access to forests for timber harvesting, with increasing amounts of multiple-use forest being converted to national parks and other types of conservation areas.

It is both perplexing and frustrating for the forest industry, that the RFA process and the balance it was designed to achieve, in providing for both a comprehensive, adequate and representative base-reserve system and, similarly, a scientifically-based sustainable wood supply, have been compromised through politically expedient decisions to dedicate additional reserves. These actions have been to the detriment of both rural and regional communities, their economies and perversely the forests themselves.

Due to inadequate management national parks have become reservoirs of weeds, feral animals and very high fuel loads, which threaten not only the environmental values for which the forest was originally preserved but also the adjoining multiple-use forest and broader regional landscape values of native forests, which can be

devastated by the catastrophic wildfires emanating from poorly managed conservation reserves and national parks. This situation is perverse as the dedication of these additional reserves has not resulted in improved land management and conservation outcomes. Thus it is an essential point that we believe needs serious consideration by this inquiry.

The increase in conservation reserves and the associated more passive approach to fuel reduction have been the subject of numerous government inquiries at both the State and Commonwealth level, which have all identified inadequacies in fuel reduction management and coordination in national parks and other conservation reserves.

These problems are founded upon a political environment that has promoted the reservation of large tracts of forest land for short-term goals without adequate planning and scientific knowledge of landscape dynamics and the longer term implication of those decisions; the downsizing of commercially-based industries, such as forestry, that can provide ongoing resources, including taxes on revenue and professional expertise for ongoing active and sustainable land management; poor fuel reduction practices arising from the passive management approach adopted by many conservation agencies; and a lack of coordination of land management agencies, often with conflicting objectives.

A whole-of-landscape approach is urgently needed to better manage these risks. This includes the improved management of national parks and the restoring of land to active, sustainable forest management to better maintain essential landscape values. In the United States, for example, active forest management is being reintroduced into forested areas previously set aside for conservation in order to reduce fuel loads and associated costs to government, to maintain environmental values and to utilise the available wood for timber and wood waste for renewable, environmentally safe bioenergy.

Consequently, the management of forested landscapes in New South Wales requires a major rethink, particularly with respect to an integrated land management approach that can produce multiple public safety, economic and environmental benefits. It needs to be explicitly recognised in future land management policy that actively managed, multiple-use forests produce more than just wood. They also provide for recreation, improved biodiversity, carbon sequestration, fire control and water quality outcomes, and regional economic development.

**CHAIR:** Mr Ragg, do you have an opening statement?

**Mr RAGG:** No thank you, chair. I concur with my colleagues' comments.

**The Hon. RICK COLLESS:** Thank you, gentlemen, for coming before us today. In your submission, Mr Johnson, in your list of recommendations you talk about the concept of multiple-use native forests. Do you see there is an option for multiple-use forests which would include meeting the objectives that National Parks currently has?

**Mr JOHNSON:** I would not necessarily see a conflict with those objectives. I think a properly managed and sustainably managed multiple-use forest is able to reach a range of high conservation value outcomes. That must be recognised by the fact that, for instance, in Tasmania and New South Wales a range of forests that were previously managed as sustainable native forest operations were recognised for their high conservation values and subsequently were incorporated into national parks. It would seem that if you can manage the landscape over a long period of years, many decades, and that land is still deemed suitable for preservation because of its high conservation values. It would seem to make sense there does not seem to be too much of a conflict.

**The Hon. RICK COLLESS:** The threats that conservation areas face, particularly from wildfire and feral animals and those sorts of things, do you see that by having a more multiple uses management system put in place that some of those issues would be better able to be controlled?

**Mr JOHNSON:** We believe so. For one, it would alleviate the government of the extra financial burden of doing that. It would see a whole range of people employed in the regional context in the management and sustainable utilisation of those forests, properly managed as well, consistent with ecologically sustainable management principles. You would enhance and maintain the biological and biodiversity outcomes and values of that forest. As I said in my opening statement, the recognition of those multiple, public good outcomes needs to be recognised. They are there. They do not necessarily have to be in conflict with conservation outcomes. Of course, there will be some areas of pristine forest or unique areas of forest that should be preserved.

By the same token, as I understand it, Australia was largely a cultural landscape anyway, subject to frequent burning by Aborigines. Many of the values of the first settlers were the result of burning over the millennia by Aboriginal groups. It was a managed landscape. To take that management out of the landscape and that it somehow revert back to let nature take its course, as I heard said earlier in the inquiry, does not necessarily provide the right outcomes and certainly not the outcomes that were often envisaged.

**The Hon. RICK COLLESS:** With that managed landscape, or the way the Aboriginal people manage the landscape, what has been the change in some of those different forest types between when that happened and what has been currently imposed on them?

**Mr JOHNSON:** If the Committee likes I could arrange for the submission of a Surveyor-General's report from Victoria of when white settlement moved through the Gippsland area—when it was originally surveyed and then 20 or so years later, if I recall accurately—what the change in the forest mix was after white settlement and the enclosure of lands with wooden fences. When it was enclosed with wooden fences, fire management went, because they were afraid of those wooden fences burning down. In that intervening 20 or 25 years there was quite a dramatic change in the landscape. Open forests and meadows were gone, largely, to be replaced by a growing and impenetrable thicket of low-storey vegetation that was never there previously. I can provide that to you. There is a change.

**The Hon. RICK COLLESS:** That would be excellent.

**Mr JOHNSON:** That is noted, so I will make sure.

**The Hon. RICK COLLESS:** Mr Ainley, there was a lot of conjecture about the economic value of the red gum industry. We have heard certain statements this morning about what that was worth. I think you have said that an annual value of \$72 million is the correct figure. How do you reconcile that with some of the statements made by the NRC report?

**Mr AINLEY:** The assessment of red gum forests—not the original environmental impact statement but the one prior to the NRC's assessment done by GHD—sought this information from the industry to try to put this together. I embarked upon an industry survey to put it together on the basis of the whole of the red gum industry as it operated across State forests and private land, western lands leases, all of the products that were produced. We came out to a valuation of a whole of product at \$72 million per year.

**The Hon. RICK COLLESS:** Is that a mill gate value?

**Mr AINLEY:** That was the value of the products produced.

**The Hon. RICK COLLESS:** As the mill gate?

**Mr AINLEY:** Yes. We also estimated that the employment within the whole of the industry was 557 jobs. We produced a substantial report on that for the NRC and provided it, and we provided that to the consultants Aceh Consultants, who did the social and economic work. Aceh agreed with our estimation but their terms of reference, if you like, were to estimate the dependence on the State forest resource. They came out with 336 people employed, which was a little bit different from what we heard earlier today. Their report was 336 and a value of \$48 million. We believe that is entirely consistent with our estimate over the whole lot. Aceh separated the two sectors of resource on the basis that they could represent different sectors of the industry. We did not accept that. We said the resource is coming from two places but it is being processed by the same staff and through the same assets so they were not easily distinguishable. We believe we had comparable or reconcilable valuations.

**The Hon. CATE FAEHRMANN:** On page 6 of your submission you say:

Unfortunately, due to inadequate management, national parks have become reservoirs of weeds, feral animals and very high fuel loads which threaten not only the environmental values for which the forest was originally preserved, they also pose a risk to adjoining multiple use forest and the broader regional landscape values of native forests, which can be devastated by the catastrophic wild fires emanating from poorly managed national parks.

Where is the data behind that statement?

**Mr JOHNSON:** If you refer to page 9 of the Australian Forest Products Association submission, you will see the full list of State and Commonwealth Parliamentary inquiries—I think it is the penultimate paragraph—that have been conducted over the last 10 years, I think it is. There are quite a few of them. That is a summary, if you like, of the findings of those inquiries.

**The Hon. CATE FAEHRMANN:** That includes weeds and feral animals as well?

**Mr JOHNSON:** That is my understanding, yes. If I may say, that quote refers primarily to the findings in relation to the poor management of fuel loads and the emanation of catastrophic wildfires as a result of that.

**The Hon. CATE FAEHRMANN:** I do not know whether you have seen some of the statistics, New South Wales Government figures, that talk about fires on parks, for example. It produces those statistics. I am interested in your views on this. The government figures show that between 2003 and 2004 the fires that were started and controlled on park were 71 per cent of fires.

**Mr JOHNSON:** That is right.

**The Hon. CATE FAEHRMANN:** The ones that started on and moved off park were 5 per cent and the ones that were started off and moved on park were 24 per cent. Are you aware of those figures?

**Mr JOHNSON:** I am not, no. But that quote is consistent with the findings of the committees listed on page 9.

**The Hon. CATE FAEHRMANN:** If you could take that on notice, then, and look at what I have just said, which are the figures from the New South Wales Government about fires on parks, and compare the statement you made in your submission. I would like your view on that, if you need to look into that after the hearing.

**Mr AINLEY:** I can provide a comment on that. I know one of the Deua fires that burnt 110,000 hectares down the South Coast was a fire that was started in the park by lightning strike the evening before and that was a devastating campaign fire, as we refer to them. In that lightning storm 17 fires were started within State forest; they were extinguished the following morning and one of them burnt almost five hectares, I think. That is my recollection of that. So number of fires is one measure. I think the intensity and damage from a fire is probably a much better measure.

**The Hon. CATE FAEHRMANN:** The cause of fires, again New South Wales Government figures from 2003-04 show that quite a lot of the fires that are started on park are not from natural causes; they are suspected arson and arson. Is that correct?

**Mr AINLEY:** I believe that there is a lot of truth in that. Fires start from a lot of causes and arson is certainly a significant cause of fires.

**The Hon. RICK COLLESS:** Across all areas.

**Mr AINLEY:** Across the whole landscape. The important point about that is what happens to the fire after it starts. We have a pretty fast reaction with fires on private land and on forests; we do not have that reaction of fires within parks, and parks openly say that they have a passive management approach and they tend to leave a lot of fires just going.

**The Hon. CATE FAEHRMANN:** Where do they say that they have a passive management approach to fire?

**Mr AINLEY:** In some of their park management plans.

**The Hon. CATE FAEHRMANN:** Can you provide that?

**Mr AINLEY:** Yes.

**The Hon. CATE FAEHRMANN:** Again, the statistics I have before me that are from the Government say that 71 per cent of 186 fires that started on park were controlled on park; only 5 per cent moved off park and

24 per cent started off park and moved in park. So the statistics and the hard data I have before me say something completely different to what you are saying.

**Mr AINLEY:** I go back to my point that not necessarily the number of fires; it is what happens with those fires, the intensity of the burn, the extent of them and whether they reached a campaign fire status.

**The Hon. CATE FAEHRMANN:** What does it matter if they stay on park? According to the hard data that I have before me, the vast majority of the fires stay on park. So why does the intensity matter?

**Mr AINLEY:** What I am trying to say is that the campaign fires are the ones that move off the park.

**The Hon. CATE FAEHRMANN:** The what fires?

**Mr AINLEY:** Large, very large, devastating fires—the fires that end up covering hundreds of thousands of hectares.

**The Hon. RICK COLLESS:** Canberra-wise.

**Mr AINLEY:** Canberra is a double size one, but Deua, Tallaganda, Moreton, Bundjalung, Pilliga—those sorts of fires.

**The Hon. CATE FAEHRMANN:** I appreciate more evidence because I feel it is a sweeping statement. You have just pointed and said that that is a summary of all of those commissions at the Federal level. You said that that statement was a summary.

**Mr RAGG:** These are royal commissions and coronial inquiries on catastrophic fires that all reached the same conclusion: predominantly the fuel load needs to be better managed than it is on all tenures, and specifically public recreational tenures are the biggest burden.

**The Hon. Dr PETER PHELPS:** Do you believe there is an institutionalised cultural bias against forestry within the Department of Environment and Heritage?

**Mr AINLEY:** Yes.

**The Hon. Dr PETER PHELPS:** Can you give examples of where you believe that that has shown itself?

**Mr AINLEY:** As we moved through forest agreements and assessments and agreements to enable our harvesting operations on forests we had to obtain what are referred to as section 120 licences under the National Parks and Wildlife Act to enable operations on a compartment basis. Frequently and invariably approvals for those licences were procrastinated, delayed and conditions that were standard conditions were varied after a while. In the case of red gum operations, at the end of 2009, moving into 2010, following the Land and Environment Court decision which gave the National Parks Association the right of veto on approval, areas were withheld from operations. Special conditions were applied to them that made them unviable. The mill at Darlington Point was brought to a standstill for a period of several months while waiting approvals.

We currently have operations on the North Coast and in Eden where they are waiting for planning approvals to proceed with the operations. At the moment the EPA provides regulatory compliance over operations and they have a staff of about 34 people who do audit compliance on forest operations around the place who have a staff of about 320 people. Audit staff from EPA turn up at harvesting operations anywhere, anytime, unannounced, and they create a significant occupational health and safety issue for the operators in those forests.

**The Hon. Dr PETER PHELPS:** We have heard that the goal for so-called environmentalists is to lock up about 17 per cent of New South Wales land area—

**The Hon. CATE FAEHRMANN:** It is the Government's policy.

**The Hon. Dr PETER PHELPS:** Given that that effectively would mean about doubling the reservation area—and most of that would probably have to come from existing State forests—what would



effectively a doubling of the reservation area, the majority of which coming from State forests, for the forestry industry in New South Wales?

**Mr AINLEY:** I think it would be decimation of it and I think it would put a lot of our timber production plants at levels significantly less than a viable operation. The 15 per cent targets that are recognised in the JANUS criteria for reservation, when they went through the upper and lower north-east areas of New South Wales, were done on a forest typing system which in the upper north-east identified 151 different forest types and in the lower north-east 187 different forest types, mostly indistinguishable around the place. A reservation target of 15 per cent as the minimum of everyone amounted in 57 per cent of those forest types exceeding the 15 per cent and exceeding by almost double the reservation. So the North Coast forests, in seeking the 15 per cent reservation target, ended up almost doubling the reservation of most of those forest types.

**Mr RAGG:** Part of the logic that we challenge is that you need to preserve to protect. There is ample international evidence that you can integrate protection into sustainably managed forest systems. The culture for at least the last decade, particularly in New South Wales, has been to preserve, preserve and preserve. We need to take a different view on how to manage the landscape. I think that is one of the great challenges for a new direction in environmental and production management.

**The Hon. Dr PETER PHELPS:** Finally, why do we need State Forests? We can we not just have them locked up, turned into national parks, timber workers can all be retrained as café owners and then we can import all our timber needs from South-East Asia and the Pacific Islands? Why can we not just do that?

**Mr AINLEY:** I believe you would be taking a significant part of the economy out of operation. I do not believe that the timber supplies around the world are sufficient to supply the world. At the moment we are importing a lot of timber because of the Australian dollar value. I just wonder where all of this timber is coming from. It is certainly coming from less sustainable forest management overseas. Australia does operate world's best forestry practice. At least 10 per cent of the imported timber that is coming in is coming from what we refer to as illegal harvesting operations.

**The Hon. SCOT MacDONALD:** Not our problem.

**Mr JOHNSON:** Could I add to that? It is also counterproductive to greenhouse gas and climate change outcomes. We have lost about a million cubic metres of hardwood forest because of the successive closure of access to native hardwood forests. That product is then sourced from overseas and, as Russ Ainley just said, if it is coming from the likes of Papua New Guinea, Solomon Islands, Indonesia and other such countries, their forest management regimes are nowhere near as rigorous or sustainable. They are not, and that is basically against the widespread degradation and destruction of rainforest.

**The Hon. SCOT MacDONALD:** It is all old growth.

**Mr JOHNSON:** But product is ultimately sourced from that type of logging, which is counterproductive to a whole range of outcomes that we seek. Indeed, that point of view, if you like, is substantiated by the fact that the Commonwealth Government via the Illegal Logging Prohibition Bill 2011, which is currently in the senate, seeks the same outcomes. It recognises that the loss of habitat, the nature and extent of illegal logging is an international concern and Australia needs to play its bit in pulling its weight in that respect. The important part of that would be maximising opportunities for sustainable forest management in this country.

**The Hon. PETER PRIMROSE:** Mr Ainley, based on what you have stated, do you believe that New South Wales should unilaterally withdraw from the comprehensive adequate and representative reserve system agreement—the CAR agreement—that involves locking up, to use the term expressed, at least 17 per cent?

**Mr AINLEY:** No, I do not. Those forest agreements were founded on very good basis on a balance between timber production and conservation through reservation. That was there. What has failed from those agreements is the delivery of the timber to substantiate the balance sought. What I seek is a path to actually restore that balance.

**The Hon. PETER PRIMROSE:** Perhaps you have misunderstood. Are you expressing concern about at least 17 per cent of the agreement of a representative ecosystem being maintained in a reserve system?

**Mr AINLEY:** I am concerned that there has been over-representation above the required criteria in that it is not just forest ecosystems; there are a lot of other values that I believe have been over-reserved. There is old growth, fauna habitat and plant species, endangered ecological ecosystems and all these things that come in and are measured by regulation, which followed the agreements through the integrated forestry operations approvals. Those approvals actually have diminished access to the resource that we are supposed to be getting by about 50 per cent.

**The Hon. PETER PRIMROSE:** I take you back to your point. Are you expressing concern about the 17 per cent?

**Mr AINLEY:** Yes.

**The Hon. PETER PRIMROSE:** Currently, we are at 8 per cent. Do you believe we should proceed to the 17 per cent goal?

**Mr AINLEY:** I will express concern about how we derive a figure of 8 per cent. By my calculations, I found that we have a reservation of about 30 per cent as forest ecosystems. I believe the derivation of the 8 per cent figure comes from application of the criteria to a theoretical modelling of pre-1750 forests. There is a lot of concern about what forests existed over 250 years ago.

**The Hon. PETER PRIMROSE:** Now I am totally confused.

**The Hon. Dr PETER PHELPS:** It is okay. Quit while you are behind, Peter.

**The Hon. PETER PRIMROSE:** No, the gentleman expressed concern. You initially expressed concern about the effects of moving to 17 per cent and now you are suggesting we are already at 30 per cent?

**Mr AINLEY:** As the forest estate has been divided up for the assessment into over 150 different categories, some of those categories are less than 15 per cent, a lot of categories are significantly greater than 15 per cent. Then when we round up the whole lot of the figures across the whole of the landscape, including areas that are not forested and probably never have been, we end up with this other figure of 8 per cent. Yes, I can quite understand your confusion. I just get left scratching my head. When we are supposed to be reserving 15 per cent, we have in a lot of forest types, over 30 per cent reserved, and then we are faced with this figure that we have to reserve more.

**The Hon. PETER PRIMROSE:** But are we not talking about the total land mass?

**Mr AINLEY:** Are we trying to reserve forests on a landscape that never had forests?

**The Hon. PETER PRIMROSE:** No. We are talking about the land mass.

**Mr AINLEY:** Over the whole lot? So 15 per cent of Australia should be reserved as forest that never was?

**The Hon. PETER PRIMROSE:** No.

**The Hon. CATE FAEHRMANN:** It is not forest. It is slightly different.

**The Hon. PETER PRIMROSE:** I am sorry, you do not understand. I refer to the statement that there is an institutionalised bias against forestry in the Government?

**Mr AINLEY:** I believe so.

**The Hon. PETER PRIMROSE:** What was the Premier's when you put that to him?

**Mr AINLEY:** We have not had the opportunity to put that issue to the Premier.

**The Hon. PETER PRIMROSE:** What was the response when you put that to the Minister?

**Mr AINLEY:** We have not had an answer, but we have raised it in a context of issues to try to get that progressed. The Minister has made representations to her colleagues to have those specific issues addressed. We have been patient in waiting a long time for responses. We have had issues raised in July last year about these issues and we are still awaiting a response.

**The Hon. PETER PRIMROSE:** No response from the Minister?

**Mr AINLEY:** No.

**The Hon. Dr PETER PHELPS:** The Minister or the department?

**Mr AINLEY:** The Minister.

**The Hon. PETER PRIMROSE:** The Minister—quit while you are ahead, Pete. At estimates hearings last year the New South Wales Minister for the Environment made a statement that logging protects koalas. Do you agree with that statement?

**The Hon. RICK COLLESS:** That was Luke's question.

**The Hon. Dr PETER PHELPS:** Stop stealing Luke's questions.

**Mr RAGGS:** Can I address that? My understanding of that quote was that an actively managed regrowth forest is a more appealing habitat than a heavily understoreyed forest or an old growth type forest due to a couple of factors: transportability of the koala—

**The Hon. CATE FAEHRMANN:** Oh.

**Mr RAGGS:** You can sigh.

**The Hon. CATE FAEHRMANN:** How can you work out what her statement is when she said one sentence?

**Mr RAGGS:** Everyone else is misquoting.

**The Hon. CATE FAEHRMANN:** Come on Warwick.

**The Hon. PETER PRIMROSE:** Please continue; this is good stuff.

**Mr RAGGS:** Yes it is. It is important to understand that koalas move across the forest and they like to be able to do so with some alacrity, particularly when they are challenged by wild dogs and cats et cetera. It is also useful to understand that regrowing forests are more appetising to eat for koalas.

**The Hon. RICK COLLESS:** They like the leaves.

**Mr RAGGS:** They like the leaves; young, vigorously regrowing forest. I do not know what your issue is.

**Mr AINLEY:** Could I add a little to that response?

**The Hon. PETER PRIMROSE:** Thank you, the gentleman with the axe in his lapel.

**CHAIR:** Do you mean me?

**The Hon. Dr PETER PHELPS:** You cannot ask the chairman questions.

**The Hon. PETER PRIMROSE:** I cannot ask you questions.

**CHAIR:** Mr Ainley?

**Mr AINLEY:** I was particularly otherwise engaged in my daughter's wedding at the time the Minister made that statement. However, I understand, and this came to me from officers of Forests NSW, that the statement followed a release of a report they had at the time that found greater incidence of koalas in managed regrowth forests than in older forests.

**The Hon. SCOT MacDONALD:** Mr Ainley, do you understand what sovereign risk is?

**Mr AINLEY:** Broadly.

**The Hon. SCOT MacDONALD:** In 2009 one of the shining lights was that the Government announced that State forests were in good health and were sustainable, the environmental impact statement was sound and all the rest. Did people in your industry make investment decisions at that time—employment decisions, seeing their banks about overdrafts and that sort of thing?

**Mr AINLEY:** Yes. Investment decisions were made in the period leading up to that. Perhaps we are talking about the initial red gum assessment and the outcome of that. We had been pursuing sustainability of the resource for some years and industry had, with encouragement and support from Forests NSW and from the Government, invested heavily into value-adding activities in red gum operations. Perhaps the most notable, and we have mentioned it here, is Glen Gray Furniture, but that was only a part of a family operation and that was the Barham mill, which embarked on very heavy investment with Commonwealth Government assistance into veneer manufacture, lamination, finger jointing—very highly valued stuff. We call it precision engineering.

**The Hon. SCOT MacDONALD:** So when Minister Macdonald got up and said, "Everything is great", and it was a five-year plan, from my memory of the press release—

**Mr AINLEY:** That is right.

**The Hon. SCOT MacDONALD:** People went out and made investment decisions and employment decisions about their future?

**Mr AINLEY:** Yes, certainly.

**The Hon. SCOT MacDONALD:** What happened a year later?

**Mr AINLEY:** It was within six months that it happened. The Natural Resources Commission assessment came into place. They produced a report in December which said that it was not sustainable, that the level would drop from 23,450 cubic metres down to 4,000.

**The Hon. SCOT MacDONALD:** Was there discussion about investment risks and the sovereign risk element? That must have been pretty horrendous.

**Mr AINLEY:** It was certainly horrendous for those businesses that had made the investment. The operation at Barham has been mothballed for the last two years and the owner has very serious health issues.

**The Hon. SCOT MacDONALD:** If you cannot trust the Government, who can you trust?

**Mr AINLEY:** That is an interesting question. I do not know that I want to answer that.

**CHAIR:** Do you mean the current Government?

**The Hon. PETER PRIMROSE:** They will not talk to them.

**The Hon. SCOT MacDONALD:** The Government of the day. There are often insinuations that the industry is in contravention of the Threatened Species Conservation Act, that somehow particular species are more endangered. Can you comment on that?

**Mr AINLEY:** The operations in State forests by Forests NSW operate under the regulation of the integrated forest operations approvals, and that is the compliance regime that is run by the Environment Protection Authority [EPA] and occasionally there are allegations about breaches around the place. The EPA investigates those, Forests investigates those and the processes follow. Sometimes they end up in the Land and

Environment Court. Outside of those regulations is an operation of the threatened species Act for endangered ecological communities that must be complied with also. They occasionally create some issues for Forests. Recently there was one case where an endangered ecological community, which has a 13-page description and definition, is not mapped, is not distinguishable on the ground, was initiated as a breach by Forests NSW—

**The Hon. Dr PETER PHELPS:** Maybe you need an Ouija board to find it.

**Mr AINLEY:** That would be helpful, but that case by the Environment Protection Authority was withdrawn. They did not make a statement as to why it was withdrawn, but it was withdrawn.

**The Hon. SCOT MacDONALD:** Can you describe the impact on your industry of illegal environmental activism—people who might chain themselves to a logger and that sort of thing?

**The Hon. CATE FAEHRMANN:** Chaining themselves to a logger is a new tactic.

**The Hon. SCOT MacDONALD:** You may think it is funny.

**The Hon. CATE FAEHRMANN:** I did not say it was funny, I am just clarifying that people chain themselves to loggers.

**The Hon. SCOT MacDONALD:** Let us hear from the people who are affected. We have one side that thinks it is funny.

**CHAIR:** Mr MacDonald, you have asked the witness a question. Please allow him to answer.

**Mr AINLEY:** We also operate under occupational health and safety guidelines, so the instant that there is any intrusion or obstruction in any of our harvesting operations, the operations are stopped. That is standard procedure. The operations are stopped, telephones are used to report it and nothing happens then. Operations, which have \$500,000 worth of machinery up to a million dollars worth of machinery, plus trucks that are involved, are just stopped. Those operations can cost us \$4,000 to \$6,000 per day. The men go unemployed for that time.

**The Hon. LUKE FOLEY:** We are looking at public lands. Do you have any views on Forests NSW plantation resource and, particularly, rumours of future privatisation of that resource? What are your views on that prospect?

**Mr AINLEY:** New South Wales forest plantations, hardwood plantations, are already a part of the resource that is committed within the forest agreements. They exist as currently 20 per cent of the hardwood sawlog resource comes from forest plantations. We are extremely disturbed that that plantation area is now diminishing. As plantations are being harvested as final cuts, they are not necessarily being re-established. We have serious concern that the corporatisation of Forests NSW may continue that trend because growing hardwood plantations is not a highly economic activity.

**The Hon. LUKE FOLEY:** If our Committee was to recommend to the Government that no sale of the Forests NSW plantation resource occur, would that be a recommendation that the industry would agree with?

**Mr AINLEY:** I believe it would. We believe that it is important to keep intact the entire business of Forests NSW.

**CHAIR:** There is time for one final question from the Chair. I put a question to Forests NSW in relation to a calculation of the area currently in reserve that would need to be returned to be available for timber extraction in the north coast hardwood areas, that is blackbutt, et cetera. Mr Johnson hypothecated a million cubic metres in his evidence earlier. I am not sure if it related to that particular forest. Would you be able to answer now or provide on notice your industry's idea as to how much area of land, giving the conversion rates, would need to be returned and made available for harvesting in order to meet the contractual obligations and the forecast timber delivery in those RFAs?

**Mr AINLEY:** As to number of hectares, it is a bit of a wild guess. We rely upon Forests NSW, the Government of New South Wales, to determine the yield of timber products that will come from their forests. That is what they have done throughout the forest agreements, that is the Forest Resource and Management

Evaluation System [FRAMES]. That has been done prior to the imposition of forest operations agreement regulations, which further restrict areas. At a guess, I would suggest that we would need a little more than one million hectares to be returned. However, it depends on which hectares, where they are and how the regulations may affect them. There are some fairly clear avenues that we might claim back if given the opportunity. One of those is the plantations that have gone into reserve on the basis that they are old growth.

**CHAIR:** Sorry, plantations being old growth?

**Mr AINLEY:** Plantations have gone into the reserve system as old growth icons.

**The Hon. CATE FAEHRMANN:** Can you clarify where that is, Chair?

**The Hon. RICK COLLESS:** Pine Creek—everybody knows where it is.

**The Hon. CATE FAEHRMANN:** I wanted to clarify it for Hansard.

**Mr AINLEY:** Pine Creek, Queens Lake, Myall River, Wollumbin, Whian Whian, Tuggalo.

**The Hon. Dr PETER PHELPS:** Can you put the rest on notice, please?

**CHAIR:** We are out of time, so perhaps if any further detail is required the members could put those questions on notice. There obviously will be questions that members did not have an opportunity to ask. Are you happy to take those questions on notice?

**Mr AINLEY:** Very pleased to.

**CHAIR:** Would you be able to provide us with your answers within 21 days of receiving the questions?

**Mr AINLEY:** Certainly.

**CHAIR:** Thank you very much for your time, gentlemen; we appreciate it.

**(The witnesses withdrew)**

**WALTER HENRY MITCHELL**, Western Division Councils of New South Wales, and

**PETER ARCHIE LAIRD**, President, Western Division Councils of New South Wales, sworn and examined:

**CHAIR:** Before we begin with questions from the Committee would either or both of you like to make an opening statement?

**Mr LAIRD:** I would like to thank the Committee for allowing us to make this presentation. We put a formal submission in on 25 July. Can I qualify our positions? Wal Mitchell is from Bourke. He has been a shire councillor for 38 years, just retired, a long-time mayor of Bourke and a long time family close to Toorale. For 140 years they have lived close to Toorale. I am a Hillston born fellow. I was born and bred near Willandra National Park. I was not born on it but my father was. For 106 years we have been associated with Willandra, my family made it famous and that is why it officially became a national park. That bit of background will let you know that we should know what we are talking about when we come to national parks.

Can I start with a little background? John Howard put \$10 billion into the Murray-Darling Basin Authority with the concept of bringing about water efficiencies in the Murray-Darling basin. The efficiencies were going to come first and the buy-backs were going to be as a last resort. When Mr Rudd became Prime Minister he did a deal with Nick Xenophon in the upper House to get the votes of the upper House to bring forward the purchasing of water—the buy-backs. This unfortunately has gutted the irrigation system throughout the State and it brought about the purchase of Toorale. The point I am making here is that buying Toorale was a political move, not an environmental move. At one minute to midnight Kristina Keneally purchased Hunthawang in my area as a reserve—it was all about votes not about the environment. What we have to get in our minds is that politicians are making decisions with no consideration for the well-being of the local communities.

We are going to put a case today that shows we are not against national parks—please get that foremost in your mind. We have to have them. They have to be better managed and we are going to suggest how that can be done. When I last looked there were 799 parks in New South Wales. I asked the now Minister, Robyn Parker, to put a moratorium on declaring any more national parks because I believe we have that many now we cannot afford any more. She would not give that undertaking. We had another one declared at Hay. Parks throughout New South Wales are so different. They are vastly different.

Wal and I represent the west of the State. It is unique in the sense that they take huge tracts of land and usually the best land out of our community. That best land, which is an economic driver in our community, is lost forever. Bear in mind that economic driver it is lost forever. Our economies out west are frail and they do not need the sort of impact that losing these big places that generate so much will have on them. When I finish my presentation Wal will give you a rundown on Toorale because he knows all about it.

Hunthawang-Hillston was a magnificent producing property. It was a T. A. Field property. It has iconic environmental areas, no doubt about it. It was a full operating station with managers, overseers, jackaroos, station hands, contractors shearing up to 40,000 sheep, a huge grain production, sheep, cattle, irrigation, and cotton. Our town, Hillston, has really hurt since it has gone out of production. The school bus stopped at the front gate but that is gone and the school has lost pupils. It goes right through the community and whether it is the butcher or the baker it is a huge loss to the community.

**The Hon. Dr PETER PHELPS:** What about all the tourists?

**Mr LAIRD:** I will get to that. Willandra, which was declared a park in the mid 70s, is dear to my heart. It is where my family started in the area. We lost the economic drive of that one years ago. It is not only an economic driver in the community but we lose the shire rates too. Being shire councillors for a number of years it is one of those things that we have had as an evergreen trying to get rates back out of the Government for the park—but we cannot.

**The Hon. RICK COLLESS:** What was the rates loss from Hunthawang-Hillston?

**Mr LAIRD:** Hunthawang was \$20,000 to us and \$50,000 in Bourke. Yanga was something like \$50,000. Yanga was the other one. You have the key stations—Toorale, Hunthawang and Yanga. Mungo is an exception where you have to keep it in its totality: We accept that. We have to look at how we can better

manage the ones we have got. When I did a tour of the southern Riverina from Hillston, to Booligal, to Oxley, to Hay, to Maude, to Balranald, most of the parks were locked up. The reason they are locked up is that parks have not got the resources to manage them. New South Wales has not got the resources. I suggest we get our priorities right. You would never be able to get the resources to manage the parks in the manner that they should be managed.

We have too many other priorities and whether it be the schools, that have been in the public eye in the last few days, or hospitals, they are far more important. We appreciate that we still have to have parks but let us look at how we can do these things better. There has been an explosion of parks, as you will realise, there are now 799. In the 16 years of Labor the number of parks that we have has absolutely exploded.

Is there a way of managing them better? The question was asked: What sort of tourism do we get out there? According to statistics, and I heard statistics quoted earlier about the fires, 96 per cent of tourists go to the eastern parks, whether Kosciusko—I suggest the 38 million they talk about are predominantly skiers not park visitors—Lane Cove or Ku-ring-gai. The other 4 per cent go elsewhere. I suggest that if we are lucky we might get 1 per cent in the western area; we would be battling to get 1 per cent. We have a feral animal problem in parks, weeds and a huge fire build-up. There are no firefighters in our area. You were questioning the previous witnesses about the fires. We normally put them out—

**The Hon. SCOT MacDONALD:** Sorry, can you repeat that? Is there no fire control at Hunthawang and Hillston?

**Mr LAIRD:** At Willandra and some of the other parks there are no firefighters. They are in Griffith, 200 kilometres away. Usually they arrive by the time we have put the fire out; they come trundling in from Griffith at the end of it. They cannot afford to put people on these parks. They just have not got the resources. If you talks to Parks and Wildlife people they just say that they are stretched, they cannot do it physically. They do not have the resources to man these parks. So what do we do with them? I was informed by Parks and Wildlife the other day that they will only travel eight kilometres from the boundary of their park. We travel up to 100 kilometres, sometimes more, to fight fires. As privateers we have to because it is much better fighting out there than having to fight fire on your own place. They are limited by their policy and regulation.

When we did the tour we called in at Willandra. The gates were locked but I know the back way into it and so did some of the neighbours. I asked some of the neighbours to meet with the people I had with me. It was interesting. They were a couple of young fellows, in their 40s and 50s—I call them young—and they said that when Willandra was first gazetted it was very well managed and there were park rangers there at all times. Now there is no-one there and it is going to rack and ruin. Vandals could get in there and smash the place up and you would never know for a week or two. Parks and Wildlife come and go, granted, but there is basically no-one there. These young fellows raised the point of how well it used to be managed. The simple fact that polarised my mind was that when National Parks and Wildlife had only a handful of parks they had the resources to manage them. Now they have so many the State Government does not have the resources or the money to manage them.

We are looking at these parks in the west of the State—keep that in your minds—the big parks of 40,000, 50,000 or 100,000 acres in places. They have been very productive properties in the past. Willandra is a classic example. Out of the 40,000 acres the public are restricted to about 2,000 acres. They are restricted to a bit of a drive around and they can go for a walk down the Willandra Creek and that is it. It seems obvious to me, as Wally will point out with Toorale, that whilst there are iconic environmental parts of Willandra or a point in Willandra that should be retained—our city cousins believe they should have parks all over the country so they can visit, so let us keep them happy—the rest of it could be leased, put back into production and/or sold back to the community.

You will still have a park and you will still retain the iconic area of the park. The State Government is cash strapped and there are some valuable assets out there that could be sold back to the community to be put back into production. You would still retain the park. It would take a huge burden off the State's finances and would result in better management. It would be a win-win situation. It would be a win for the environment, a win for the local community, an absolute win for local government because we would start getting some rates again, and a win for the State Government to get a load off the State coffers. As I said, Mungo National Park is an exception because it is rather unique in itself with the Walls of China. South Australia has a model park that you should look at, at Innamincka. It has all sorts of leasing back for grazing and you can mine and do all sorts of things on it, so there is a model out there—



**CHAIR:** Do you know the name of that park?

**Mr LAIRD:** Innamincka, in South Australia. When you look at the Western Division, which has virtually no fencing and unfenced roads it is one big national park in itself, so why do you need parks within it? Some of the best managers of land and environment are farmers and graziers themselves. To get a good return out of land today you have to manage it properly. Anyone who abuses it is going to go out backwards, so you find that land is managed better than the national parks because we manage the fire, we manage the weeds and we manage the feral animals. We are there all the time and we are doing it. I will hand over to Wal to fill you in about Toorale.

**Mr MITCHELL:** I feel very humble to be here given the list of academic people and the members of the Committee. I have no academic qualifications at all. Five generations of my family have been in the Western Division. We understand the threat of fire. My maternal grandmother was burnt to death in a fire. We know how to manage that country; that is all we know. I have a print-out relating to Toorale which will save some time. I do not believe Toorale has to be seen as a disaster. If you look at the map, the pink area is the part I believe should remain national park. It has the Warrego through it and McCaughey's dams, which were built in the late 1800s with tremendous skill. They have generated wetlands and biodiversity areas which are brilliant for tourism. There is something like 50 to 60 miles of frontage to the Darling River, when you look at the way it winds about, and I think the pink area should remain national park.

There is a scale at the bottom of the map and the blue area on the map would run from Campbelltown to Hornsby. It is a fair bit of country. My country is five kilometres from that blue area on the western side. That is now so heavily loaded with fire fuel that my fire control officer in the Burke area last week told me the average of that area is between 6 and 10 tonnes per hectare but the unstocked part, which is the whole of the blue sector, would be 20 tonnes per hectare. That is an unprecedented level. You could harvest that and bail it at 20 tonnes a hectare. It is an unbelievable figure. The fire risk in that is just so big that we have to negate it. The only way to negate it long term is by restocking it. There are people with the money and skills who can buy those tracts of land and operate them efficiently and leave the national park to continue as it is in the pink zone on my map.

I refer to my written submission and point out that the management of Toorale by National Parks is very sad. The people who are there cannot understand the tremendous risk to themselves and their plant. The tourism factor along the Warrego and the road right through it is great. They have done up the shearers' quarters and there is accommodation and it is all looking good. The rest of it is just open floodplain country where you can see four or five miles without a tree in one or two areas, with no real appeal. The kangaroo you see on the road is the only one that you will get your eye on. So we believe that that can't be a goer. My suggestion I would like to table for you, with the map, to indicate which one.

The return of some 54,385 hectares to grazing production is a big result in that area because of the number of stock it can carry. When Toorale was sold—and quite an event that was—it was late in that major drought, and it was carrying 30,000 sheep and a thousand cows; that's a lot of productivity in a difficult scenario. The shire lost \$50,000 a year in rates straight off; so that had to be picked up by the landholders. And \$250,000 a year in local wages was lost from shearing and crutching operations, and \$70,000 in transport alone off that property, with stock movements and the grain and cotton that did grow on the areas that we now see as that pink national park area. So the loss to the whole area was very, very big.

But I believe that if we were to approach it correctly, we can use the skills of the long-term operators. And I must declare, I'm not in the area of buying that section of country myself, for two good reasons: one, I haven't got the money. But there are people who can handle that successfully, reduce its fire lode and bring it back into productivity. So I would pass my little submission on to you; the spelling isn't all that good. I'd like to be able to answer any queries, if I might.

**CHAIR:** We will move a global resolution later to adopt all of the tabled documents.

**The Hon. CATE FAEHRMANN:** Thank you for your presentation, and for coming today. I would like to clarify the position with Toorale station. That was sold by the owner to the government, is that right? Do you know the history of that?

**Mr MITCHELL:** That is right. I do know the history. Dudley Dunn, who was a returned fighter pilot, set up a thing called Australian Airport Services, did very well, and then bought Toorale. Toorale was in that case the size of that pink area. In the latter years, he purchased all of the properties that made up the blue zone. He was a very successful person. He set up irrigation there with cotton, and had good local management, and he bought all those others. Then he sold the whole lot to a British consortium, the Swire family, who owned Cathay Pacific and a third of the P & O Line, and are not short. They then operated it as a full unit. They spent a lot of money on it. Then, when they decided to sell it, it was coming to auction here in Sydney, with a reserve price, I hear, of \$16 million; and the very next day it was sold to the Federal and State governments, in a move to get the unknown amount of water which was supposedly coming out of the Warrego—whereas we that live there know that, honestly, the Warrego very seldom gets into the Darling River.

**Mr LAIRD:** Three-fifths of five-eighths: very little.

**Mr MITCHELL:** The thing about it, it's an effluent stream—ephemeral stream, sorry. I got that quote out of *Kath & Kim*, I think. Yes, it is an ephemeral stream. And all of the streams west of the Darling are. The only one that is a regular contributor of water is the Culgoa, because it picks up water from the heavier Queensland side, over the border, and down into the Darling just north of Bourke. But all of the other streams—and there are quite a few of them: the Warrego itself, the Kulkynne, Tinchelooka, Green Creek, Cuttaburra, Utah Creek, the Paroo itself, and even the Bulloo overflow—do not run into a river. The Paroo does not get into the Darling. The Darling, in a big flood, pushes out towards it into Butchers Creek and the lakes; and, if the Darling falls quickly, that water comes back. But it is not a Paroo additive—all of those western rivers are ephemeral.

The country is so flat, a major drought will blow dead roly poly and material, and build up with dust, and then you have a new watercourse next time there is sufficient rain to run. It is hard for people to understand, and I suppose we have not been smart enough to go anywhere else, but we have been there long enough to know that that is how it happens. When we are faced with a major drought—and we are looking at a drying off period now—you reduce your stock numbers, and you let the country hang on. It is not a way to make money, but you survive that way. And, if you do not it takes you out. There is no other way for it.

**The Hon. CATE FAEHRMANN:** I have another question. You have said that private landholders are managing feral animals. I was out at Willandra Lakes and Mungo way about two months ago and noticed that there were feral goat control programs in Mungo. I could not help but notice, when I left the boundaries of Mungo, the number of feral goats on private land: they were everywhere. I could not help noticing, as I drove to Broken Hill and beyond, how many feral goats there were: they were everywhere.

**Mr LAIRD:** They are farming them.

**The Hon. CATE FAEHRMANN:** You are saying that private landowners are managing feral goats.

**Mr MITCHELL:** Yes; and they are farming them. I do appreciate your question, because it changes the whole understanding of things. The feral goats have become a major part of the income of the Western Division. Their numbers are now much larger than they ever were. People are selling heavyweight goats. A good, handy billygoat is worth \$30. The village where I live is trucking 1,400 a week to Wodonga to be killed, and that is a good income to the pastoral families in those areas. So yes, you do see goats around, but particularly the lighter ones, and those that are heavy enough to slaughter are taken off.

**The Hon. CATE FAEHRMANN:** And a lot of foxes and cats and things. I must say that you have a lot of feral animals out there.

**Mr LAIRD:** And the dingoes are starting to move in.

**Mr MITCHELL:** We are operating fox baiting campaigns to reduce the losses in lambing; and our wild dog problem is bigger now than it ever was.

**Mr LAIRD:** With the goats, it has been one of the most marvellous things for that rougher country and low-stocking country. The goats, during the long dry periods we had, 10 years, kept the people on their farms. The goats could manage it, where sheep could not, and that gave them their income. It was incredible. And they have come out of it, and seen how well they have done, and they are now farming them.

**The Hon. RICK COLLESS:** Mr Mitchell, I believe you were about to tell us what Toorale eventually sold for, but you did not tell us the figure.

**Mr MITCHELL:** Well, the figure floats about—and I would not like to quote it in a submission—whether it be \$26 million, or whatever. I would not be sure what the figure was.

**The Hon. RICK COLLESS:** What was it worth, did you say?

**Mr MITCHELL:** The reserve price, I believe, was \$16 million.

**Mr LAIRD:** They wanted \$16 million for it, and they got \$24 million. I am prepared to say it: \$16 million walk-in, walk-out; and they got \$24 million just for the land and water; and with the stock and plant, they ended up with \$30 million.

**Mr MITCHELL:** Then shore the 30,000 sheep, and sold them and—

**The Hon. Dr PETER PHELPS:** If the government wants to buy my property, I'm up for it.

**Mr LAIRD:** I will put both hands up. Hunthawang was the same. I asked Michael Field what happened there, and he said, "Well, I won't disclose the price." I said, "You got a golden handshake." He said, "Well, you said it, and I won't disagree with you."

**The Hon. RICK COLLESS:** The National Parks people gave us evidence last week that they only ever paid 10 per cent over the market value. Would you agree with that?

**Mr MITCHELL:** I could not at those figures, no; I couldn't agree. We understand the market value because we have owned different areas of country in the Western Division, and do now. No, that could not be right.

**Mr LAIRD:** I cannot tell you what Michael got for Hunthawang; I just do not know.

**The Hon. RICK COLLESS:** Mr Mitchell, I think you were here this morning when we had the discussion on the Warrego River with Professor Kingsford.

**Mr MITCHELL:** Yes.

**The Hon. RICK COLLESS:** What is your assessment of the flow regimes of the Warrego? How often do those high flows come through, and how often do they get into the Darling?

**Mr MITCHELL:** They have not come into the Darling for many years while Toorale were operating a lower dam. You need a very big river to push water into the Darling out of the Warrego at any time, and at that time you have got a major flood scene in the Darling. So you do not have an incremental gain; it is just part of a massive amount of water. What people do not fully understand is that when the Darling River is flowing past Bourke, some of the levels are so big that they are unbelievable. In 1974 it reached 527,000 megalitres a day, which is just a bit more than Sydney Harbour a day. But when you get the levels from Wilcannia, only 36 per cent of that water went past Wilcannia because it gets out across the floodplain, which is up to 40 miles wide, and of course it soaks in and stays there. People do not understand that that is environmental water; it is refreshing the floodplain, it is leaving billabongs and things for months at a time. The great gain that it creates is not understood.

**The Hon. RICK COLLESS:** So when a big event does come down the Warrego, how wide would it be say at Fords Bridge? And then what happens to that water as it moves down the floodplain towards the Darling?

**Mr MITCHELL:** As it comes through Fords Bridge, as you know, there are two major channels and four smaller ones, and then it floods out into cane grass flats and swamps—the country is so flat. My shire put a new weir in the Darling River on that Toorale stretch in 1974. It was a three-metre weir. The base was 82 metres above sea level and it was 2,000 kilometres from the ocean, by river. The country is just so flat. The movement of sand changes the courses and it is bridged. I have got Warrego water now on the corner of my country where

you cannot take a vehicle. That is water from big floods last September. It soaks into country and it stays there. It has got to be understood: it is not a simple little creek and a line on a map.

**The Hon. LUKE FOLEY:** Gentlemen, thank you for coming all this way. We look forward to visiting you the week after next. We ultimately have got to make some recommendations to the Government. I want to run a few by you and see whether you give them the thumbs up or down. If we were to recommend that the New South Wales Government compensate councils for the loss of revenue that you have suffered when previously rateable lands have been converted to national park, would you support us doing that?

**Mr MITCHELL:** Only if it was not a trade-off to prevent sale to the pastoral community. Certainly for the land which is a peak area, as I suggested. You have lost a lot of rate income; you are still providing roads and services to it and it is costing council, so it is a good proposal. National Parks pay rural lands protection board rates, but they do not have stock, yet they do not pay council rates and they do have roads. There is not a lot of logic in it.

**Mr LAIRD:** I believe on any of the retained park area—we have got about five parks in our council area. The Hunthawang alone is 20,000 that we lost last year—

**The Hon. SCOT MacDONALD:** The year before.

**Mr LAIRD:** The Minister said you should not worry, put just the bills up for everyone else. She did not get a very good reception from me on that suggestion. It just added to everyone else's rates.

**The Hon. LUKE FOLEY:** She would have got an even worse reception from everyone else.

**The Hon. SCOT MacDONALD:** To clarify, that was 2010, not last year.

**The Hon. LUKE FOLEY:** We will look at that one. Secondly, Councillor Laird, would you like us to recommend that some or all of the western parks be revoked as national parks?

**Mr LAIRD:** No, I am talking about some portions of them. We still want to retain the parks. You have got Willandra with 40,000 acres of beautiful grazing country. As I said, it was made famous by its sheep and the country was obviously good to make the sheep famous. There is only about 2,000 acres that they are gainfully allowing the public to use. Whether it is said give it 4,000 or 5,000 acres, or sell the rest off or lease it, it is all western lands lease and that in itself is a unique land title that is lease and perpetuity. It is the only land title like it in Australia. Wally and I were debating it last night. Our land title is unique and why we are so different to most of the other parks, we are just so big an area. They take great big slabs of land, whereas some of the parks are only a few hundred hectares, if you come to the inside country. That is the vast difference. As we pointed out, the economic drive that it takes out of our community is really hurting. The Hunthawang is a classic one, the Yanga, the Toorale. They are the big recent ones. The Willandra one is just as bad but it happened in 1975, not in recent times.

**Mr MITCHELL:** Could I clarify the land title? Forty per cent of New South Wales is Western Division and it has a totally different land title to the rest of Australia. It is lease in perpetuity, which sounds strange. If you lease a flat, when you leave, you are gone; the flat is gone, it is not yours. If you sell a western lands lease to another occupier, you get paid for the property. You can lose that right to be paid if you abuse the conditions of the lease. You have to keep it free of feral animals, you have to sustain its fencing, you have to control the environment of it not to be degraded. While you do that, it is certainly as strong a title as freehold. It has been challenged. When the army wanted to have an exercise area there, they could not do it because they wanted access on demand to 50 properties and lease in perpetuity was too strong to let it happen.

It is very different. It was set up in 1901, following the Federation drought when most people in the Western Division were starving. The property owners have hung on. They were in dire straits. The Royal Commission then decided to give them a lease title which would enable them to get through. That is how it came to be. That drought was so severe. The locks were not in the Murray at that stage. There is a great photograph of western lands Commissioner McMaster standing with one foot in Victoria and one in New South Wales at Wentworth. He had one foot astride the Murray River. That was how serious that drought was. We have had two major 50-year cycle droughts since then. Some of our families have learned how to get through them and a great many have left.

**Mr LAIRD:** The first lease was a 99-year lease and they converted it to a lease in perpetuity.

**The Hon. LUKE FOLEY:** Would you like us to recommend to the Government a moratorium on any more national parks?

**Mr LAIRD:** Yes, please.

**The Hon. Dr PETER PHELPS:** Thanks for coming all this way. As I said, I am looking forward to going out there and enjoying the delights of far western New South Wales. While we are talking about recommendations, how about this for an idea: people could be asked to nominate whether they have got an environmental conscience or not, and we could then apply a poll tax to them to help pay for all these new national parks.

**The Hon. LUKE FOLEY:** Poll tax worked well for Maggie Thatcher.

**The Hon. Dr PETER PHELPS:** Rather than sitting around sipping lattes in Rozelle cafes, they could put their hands into their pockets to help pay for these—

**Mr LAIRD:** No, they think it is their God-given right to have access to a park within easy distance and not have to pay anything. In the rest of the world you normally have to pay.

**Mr MITCHELL:** The poll tax would not bring much money in my area where the properties are normally 20 miles apart. Poll tax would not pay its postage in that area.

**The Hon. Dr PETER PHELPS:** What is the weed problem like from national parks around your area?

**Mr MITCHELL:** They have problems with what we see as a very serious thing such as mesquite. Identification for us is tremendously important. If you buy cattle from Queensland, you have to watch that they do not bring seed and it gets away; it can devastate country. We have a great concern that there is not that urgency in the national parks. The shires employ weeds officers who are very good. We worry that in the national parks there is already a threat of a mesquite problem on the Warrego.

**The Hon. Dr PETER PHELPS:** Are they part of your local weed programs?

**Mr MITCHELL:** They are part of the local weed jurisdiction because of the shire area.

**The Hon. Dr PETER PHELPS:** But there is no-one looking out for them?

**Mr MITCHELL:** There is nobody looking out for them.

**The Hon. Dr PETER PHELPS:** In other words, theoretically they are in the system, but in respect of practical effect, they could run wild and no-one would ever know, or until it is too late.

**Mr MITCHELL:** Put it this way, once it matures and the seed are as hard as shotgun shells, pigs can spread it everywhere—everywhere.

**Mr LAIRD:** We have got a weed problem throughout the State. Let's face it, everyone is fighting it, but at least private landholders try to do something about it.

**The Hon. Dr PETER PHELPS:** Because they have an economic incentive, whereas national parks—

**Mr LAIRD:** Especially the waterways.

**The Hon. SCOT MacDONALD:** I take you to Hunthawang—and that was 2010 under the previous Government—do you recall who the environment Minister was then?

**Mr LAIRD:** Frank was probably still there.

**The Hon. SCOT MacDONALD:** One of the guidelines for conversion is consultation with community, with Indigenous people and with councils. Can you describe to me what sort of consultation the previous Government had with Hunthawang?

**Mr LAIRD:** Nothing, absolutely nothing.

**The Hon. SCOT MacDONALD:** Was that also the case with Toorale?

**Mr LAIRD:** I would imagine. I do not think you would have been consulted.

**Mr MITCHELL:** I was mayor during that period and previous to it and, no, I cannot recall any.

**The Hon. SCOT MacDONALD:** So no consultation with the local council?

**Mr MITCHELL:** No. Across the river, that green area was another national park that was declared in those days and it was another surprise. Property was up for sale and some of it was a national park.

**The Hon. SCOT MacDONALD:** I do not want to challenge you on this but the Western Lands lease in perpetuity, you say it is quite tradeable and it is nearly as good as freehold open markets—

**Mr LAIRD:** It is every bit as good as freehold.

**The Hon. SCOT MacDONALD:** In the *Australian*, I think it was yesterday or the day before, David Foley was questioning that and saying that it is a bit of a brake. I do not know that he is particularly talking about the Western Lands Division but he was making the comment that too much of Australia is under leasehold and he saw it as a bit of a brake on investment and whatever.

**Mr MITCHELL:** All the other leasehold areas of Australia are time leases. Some of them 40 years, some are 99 years, but they are all time leases, and that is a great impediment to its actual value because the clock is ticking over and the pennies are falling out of it every day, whereas this is a lease in perpetuity.

**The Hon. RICK COLLESS:** But it is conditional on you maintaining the management?

**Mr MITCHELL:** Definitely.

**The Hon. Dr PETER PHELPS:** Why could not the same outcome be effected by simply granting freehold but with regulation on the use of the land?

**The Hon. SCOT MacDONALD:** And you have those regulations now in terms of the Native Vegetation Act, the CMA oversight and all that sort of thing.

**The Hon. Dr PETER PHELPS:** As a means of sort of streamlining the administration of land in New South Wales why would we not just move to a system of freehold or Torrens?

**Mr MITCHELL:** As a long-term family operator in the Western Division I see it as valuable because it prevents people coming into that area without the skills to handle it.

**The Hon. SCOT MacDONALD:** But surely you have got the CMA oversight, you have got the Native Vegetation Act, which causes a lot of excitement, you have got a lot of oversight and regulation now. Is the Western Lands Division format not redundant?

**Mr MITCHELL:** No. It comes into more effect because it has the threat of it being taken from you with no money repayment at all if you cannot look after it.

**Mr LAIRD:** They lock people up occasionally—meaning the property, not the people.

**Mr MITCHELL:** One man left his dogs to perish on the chain and they took the block off him. It works, it really works.

**The Hon. PETER PRIMROSE:** I understand, but please correct me if I am wrong, that the current Minister for the Environment, Robyn Parker, was up your way in the last couple of months?

**Mr LAIRD:** She was up at Toorale just recently.

**The Hon. PETER PRIMROSE:** What were her responses to these concerns that you have put up to us?

**Mr MITCHELL:** I put exactly this proposal to her, and in fact that is where I first saw this map—we did not know that it was in two zones until day—and there was no considered response.

**CHAIR:** Thank you, gentlemen. We are out of time. You have come a long way to talk to us and we really deeply appreciate that. We thank you for your views and, importantly, we thank you because you have put forward some recommendations for the committee to consider. There are probably questions that committee members did not get to ask you because of the time constraints. Would you be happy to accept those questions and perhaps give us answers to those questions within 21 days of receiving them?

**Mr MITCHELL:** Yes.

**Mr LAIRD:** Certainly.

**(The witnesses withdrew)**

**(Short adjournment)**

**FIONA SIMSON**, President, NSW Farmers, sworn and examined:

**BRIANNA CASEY**, Environment Policy Director, NSW Farmers, affirmed and examined:

**CHAIR:** Do you wish to make an opening statement?

**Ms SIMSON:** Thank you very much for the opportunity to give evidence to the General Purpose Standing Committee No. 5 inquiry into the Management of Public Land in New South Wales. With so many of our association's members owning land abutting publicly managed land, this inquiry is not only important but also, in our opinion, long overdue. By way of background, NSW Farmers is Australia's largest State farming body, representing the majority of commercial farm businesses in New South Wales. These businesses range from broadacre, meat, dairy, wool and grain producers to more specialised producers in the horticulture, egg, pork, oyster and goat industries.

Responsible management of our land and water resources is fundamental to the success of these farm businesses and the families who own and operate them. As custodians of approximately 72 per cent of the land mass of New South Wales, we take our role as land managers seriously. This requires active management of the landscape, recognising that we exist in a dynamic operating environment often adjacent to publicly managed land. This active management is fundamental to addressing the massive weed and pest animal challenge facing landholders across the country, especially in New South Wales. Our agricultural businesses across the State already invest more than three million person days per year managing their weed, pest, land and soil problems. We have a very real and legitimate concern that locking up parcels of land for purposes of national park estate or other types of conservation areas can lead to weed and pest animal incursions that affect not only the conservation area itself but also the lands adjacent.

This may come as a shock to those who have a picture of environmentalists as being latte sipping Sydneysiders or free spirits from the Northern Rivers. I am here to tell the Committee that the frontline environmentalists are actually our members themselves. We are the ones out there every day managing the weeds, managing the pest animals, improving soil health, improving biodiversity, minimising the bushfire risk and striving for a sustainable balance between productivity, environmental and social drivers. Our members take pride in what we do, and we do it well.

However, given that weeds, pest animals and bushfires do not recognise or respect property fences and boundaries, it does not matter how much effort we invest in these activities if our neighbours do not do the same. Those neighbours include public land managers. Whilst not wishing to downplay the importance of areas of State and national significance, the rush of locking up parcels of formerly productive agricultural land that has taken place in recent decades has resulted at the situation whereby active management has fallen by the wayside in so many areas. We have provided numerous examples of these in our submission. Rather than simply documenting the problem, we were at pains in our submission to suggest solutions.

I would love to say that they are rocket science but they are not. They are inherently practical recommendations that for the most part focus on consistency, collaboration and common sense rather than simply throwing money at the problem. Yes, increased resources are needed, but so is a balanced policy framework. I trust you found our submission helpful. Thank you again for the opportunity to be here today. My colleague Ms Casey and I are happy to answer any questions that you may have about our submission.

**The Hon. RICK COLLESS:** I congratulate you on your submission. What we always look for in these situations are some positive recommendations and you have certainly done that. It is a very comprehensive submission with some very positive recommendations contained in it. Recommendation 15 states:

That consideration be given to the range of activities permitted to be undertaken in National Parks and State Forests, with a view to allowing controlled grazing and selective logging in some areas.

One of the things that the uneducated and the unknowing consider to be a fact when we talk about things such as logging or grazing in national parks, and even shooting in national parks for that matter, is that they automatically consider that it is an open door policy: anybody can march in at any time of the day or night and do whatever they like and there is no control over it. Can you make some comments on how you would see that actually operating in practice in that recommendation?



**Ms CASEY:** From our perspective I guess it goes back to the original recommendations earlier in the document about taking that up-front strategic planning approach. For us it is not about rushing into selective logging or selective grazing; it is about looking at what suits the landscape, what suits the community, and what the environment can tolerate in terms of its thresholds. For us it is about really engaging the locals in what they do best. They know their country better than anyone. We need to take their advice on board. If it is a position or a situation where those activities can be permitted, then putting in place the policy frameworks to allow it to happen responsibly and transparently would be the absolute priority from our perspective.

**Ms SIMSON:** In our document we talk about active management and I think there has been a supposition running through some of the regulations and legislation surrounding national parks in the past that to get good environmental outcomes you need to lock these things away and leave them alone. In actual fact I think that active management of some of these resources not only can help achieve environmental outcomes but can also then achieve outcomes for both the community and economic outcomes as well for the region. I think that it is quite possible to be actively managing some of these assets which would allow some of these activities which will provide a triple bottom-line benefit to the community, to the region, to the environment and to the State.

**The Hon. RICK COLLESS:** Do you think it is about having a concept of a long-term vision for what national parks should look like and then applying a range of different tools as appropriate in order to achieve that vision in 100 years time?

**Ms SIMSON:** To me it is also very important that the management of the national parks takes into account the different locations and the different areas, regions, climates and vegetation that these different parks have. Clearly you cannot manage a national park over on the coast in the same way as you can manage a national park way out west. I think that it is a very poor policy to try to think that you should. Clearly any active management must take into account the needs of that particular bioregion, the needs of the environment and the needs of the catchment. The national parks may well need quite different management according to their size and their locale.

**Ms CASEY:** I agree. It is a very similar philosophy to that which we have been taking with all of our natural resource reforms at present. The Murray-Darling Basin Plan is another good example. For us it is not about identifying a number or a silver bullet. Let us identify the outcomes that we are seeking to achieve and work back from there in terms of the practices that will help us deliver it.

**The Hon. RICK COLLESS:** In recommendation 2 you state:

That a legislative requirement be introduced to require the publication of a Better Regulation Statement prior to the introduction of legislation that will transfer Crown Land, State Forests and agricultural land into National Park estate or other types of conservation areas.

Can you tell us what that would entail and what you mean by a "better regulation statement"?

**Ms CASEY:** Better regulation statements already exist in terms of the policy process. From our perspective and our understanding of some of the more recent transfers of land that have happened they have not actually taken place. From our perspective we actually need to look at a process similar to a regulatory impact statement where we can look at what the projected impacts would be on the community, the environment and the economy before making the decision to present a piece of legislation to Parliament. It is very difficult for us to respond to government processes without understanding the rationale for them.

**The Hon. CATE FAEHRMANN:** Thank you both for appearing and thank you for your submission. I echo Mr Colless's sentiments. It is good to have clear recommendations. Could you talk about the benefits of the hotspots bushfire program? I know of the program from the Nature Conservation Council and I know that you have just talked about cross-tenure cooperation, but could you talk about how the hotspots program works with that?

**Ms SIMSON:** I will talk generally about it but my colleague might have some more detailed information. To me it is a framework in which you can guarantee that cross-tenure work. Sometimes I think it is very difficult for the public. Everyone says that they are quite happy to work together but it is actually quite difficult to get the public land managers working in harmony with the private land managers in harmony with the railways, for example, and the Roads and Traffic Authority and the other authorities. Something like the hotspots program not only involves all the landholders and the stakeholders at the planning stage in terms of how to

go forward and how to handle the problem, but then actually involves them in the implementation. I think by actually having a framework set up such as hot-spots facilitates that communication between all the various stakeholders.

**Ms CASEY:** I think you have covered the hot-spots program well. From my perspective it is about transferring that skills and knowledge that local landholders have but also better informing them about how to mimic what has happened naturally in our eco-systems. I think the concept of having conservation groups, farmers and land managers all in a room together, discussing what the best objectives and outcomes are for a region, has worked wonderfully well. We would like to see more of it.

**The Hon. CATE FAEHRMANN:** Possibly it has highlighted that nobody really takes the leadership role in ensuring that everybody works together.

**Ms CASEY:** That is right.

**The Hon. CATE FAEHRMANN:** Parks, State Forests and obviously private landowners and councils do not do it so everybody is working separately and hot-spots brings everybody together that way, so there is no leadership role in terms of everybody working cross tenure, is there?

**Ms SIMSON:** It is a silo mentality, I think, that exists out there right across our community. But certainly in terms of dealing with natural resource issues, I think each of the departments has a separate funding organisation and separate regimes and frameworks. I think by having the hot-spots program it does provide a framework, it does get everybody together on the same footing, it does enable everybody to own the problem and then the landowners, for example, can see very clearly that the public land managers are not only going to assist them with their problem but they are also going to be working together towards a shared solution. I think in the areas of the State where we have seen it happening so far it has been extraordinarily successful. The landowners get very frustrated if they burn their firebreaks yet they see land on railways, for example, or on public road verges that have not been slashed or properly treated for fires. I think it is very, very important to have a framework whereby all these entities can actually work together.

**The Hon. CATE FAEHRMANN:** In your experience what is the difference between land managed for State Forests' purposes and land managed for National Parks' purposes for landholders that are neighbours? I noted in a number of your recommendations you just say "public lands". Do you differentiate them within your submission particularly?

**Ms SIMSON:** Certainly in the submission we have tried to refer to all public lands, and not necessarily the separate regimes that are happening between State Forests versus other types of conservation areas. For us we have tried to take a high-levelled principled approach to the submission because depending on which part of the State we are dealing with, our members have had different experiences. When we look at that active management they are the sorts of things we need to look at. In areas where there has been forestry or commercial forestry or other activities historically they may have a different perspective because they might see more vehicle traffic or other things happening in terms of the day-to-day management as opposed to a national park where the visitors may traditionally be bushwalkers, cyclists or whatever the case may be. We have tried to look at this holistically by taking that nil tenure approach to bushfire management, weeds, pest animals, et cetera.

**Ms CASEY:** I am not sure all that our members notice a huge difference about whether it is a State park or a national park. If I might refer to the previous question about the better regulation statement, certainly if we look at some of the national park purchases like Toorale station, for example, in the State's west, that was one of the things that was missing in that purchase. That is one of the things that has really made it difficult to manage that land. Yes, I do not think that our members notice a difference about State land or Federal land.

**The Hon. CATE FAEHRMANN:** I refer to recommendation 16 which is that the New South Wales Government works closely with farmers at State and local level to develop safety and access protocols in relation to shooting in national parks. Will you expand on that? What consultation has the NSW Farmers Association had with the New South Wales Government in relation to that policy? What safety and access protocols do you have in mind? Why do you want to be involved in that?

**Ms CASEY:** I will be able to touch on that briefly and may take some of that on notice because one of my colleagues in the office has been handling this on a day-to-day level. Certainly we have had very good

dialogue with the Games Council in terms of progressing what is now government policy. From our perspective our members across the State want clarity around where there are going to be these activities. In an ideal world they would like sufficient notification as well, but I understand the technical and policy reasons where that does vary in different parts of the State. But suffice to say we still have some issues to work through, but we do have a good relationship with the Games Council and other stakeholders to have those forums to take those discussions forward.

**Ms SIMSON:** Our members see the shooting as an integral part of a pest management regime in national parks. Clearly we have to get the protocols right but I am sure we are working through those now.

**The Hon. Dr PETER PHELPS:** The committee has heard of plans to increase the reserve lands in New South Wales up to 17 per cent of the total land area, effectively doubling what it is at the current time. What impact would that have on farming communities?

**Ms SIMSON:** That would have an enormous impact on our farming communities. I would certainly like to see the thinking behind that. I think what we have said very clearly is that we need to fully understand the triple bottom line implications of doing any of that sort of thing, and that is something that perhaps is not currently considered. I think most certainly we would have huge concerns and I think we very clearly need to understand the full implications of that decision. On a community level, for example, suddenly there would be large areas of land that are no longer paying local council rates. There would be public land managers at expense to the Government of looking after all those lands properly which would be enormous—do not even think about taking land out of food production.

**The Hon. Dr PETER PHELPS:** The environmentalists of the city versus the environmentalists of country both might have a great desire to protect the land but in terms of direct and indirect jobs, rates, feral animals and weed control the environmentalists on the land pay all the costs, and the environmentalists of the city sit back and bathe in their own goodness.

**Ms SIMSON:** I like to think that our members really are looking to leave their farms in a better state than they found them. I think that our members view themselves as stewards of the land. I think that most certainly our members can achieve environmental outcomes while at the same time have a productive farm and a productive area of land that produces food. I think it is quite wrong to think that you cannot achieve environmental outcomes while still running and sustainable farm.

**The Hon. Dr PETER PHELPS:** You may need to take the following question on notice. Are you aware of any instance where highly managed Crown lands, for example, State Forests have produced worse outcomes for neighbouring landholders than national parks?

**Ms CASEY:** We will take that question on notice.

**The Hon. Dr PETER PHELPS:** Do you believe that the involvement of local Aboriginal communities as co-operators of national parks, local Aboriginal people being involved in their management, would produce better outcomes for the lands which are currently reserved?

**Ms CASEY:** As we have said right throughout the process, it is critically important to involve all of the community in the management of these areas. Where there are indigenous communities who have local expertise and knowledge, and are active in the community, we would certainly welcome their involvement.

**The Hon. LUKE FOLEY:** I refer to travelling stock routes, travelling stock reserves, which you deal with briefly in your submission. Would you outline the benefits of travelling stock routes? Would you be supportive of this committee making a recommendation to government that travelling stock routes remain with the Livestock Health and Pest Authorities and not be moved to the Department of Primary Industries and/or privatised?

**Ms CASEY:** With respect to the day-to-day management obviously there is a review going on right now into the future of our Livestock Health and Pest Authorities [LHPA] and our Catchment Management Authorities [CMA] as well. So it would be quite presumptive of us to assume where that is going to land—I understand an announcement is imminent. Once we do understand the future direction of the LHPAs and CMAs we will be in a far better position to understand where the travelling stock routes [TSR] fit within that regime. Certainly, as we have indicated in our submission, TSRs play a critically important role during the drought.

What we saw in much of the largest decade was that they are a point of salvation for many communities. We need to look at the ongoing day-to-day management of those areas not only during drought and periods of natural disaster but also beyond.

**Ms SIMSON:** I totally agree, as well as providing very important food for the animals. In an ongoing drought the animals do need those travelling stock reserves to move and people do need to use them for travelling stock—that is the intention of them. It would be very difficult to move large amounts of stock were it not for the travelling stock reserves. We are looking very carefully and closely at what is happening about them.

**The Hon. LUKE FOLEY:** Is there an inconsistency in your recommendations regarding, firstly, a weed management strategy for the State and, secondly, the introduction of grazing to parts of the national park estate? By that I mean is it not the case that hooved animals spread weeds so that if we were to open up significant parts of our national parks estate to grazing there could be an explosion of weeds in those parts of the parks?

**Ms SIMSON:** Weeds are also spread by kangaroos, for example, and other animals and birds and vehicles. I think Parthenium weed is a great example of one of those weeds that is largely brought into the State on headers and other equipment that is travelling through areas. The other thing I might comment on is that goats, for example, are great four-legged weed treaters because they actually eat blackberries and a lot of those sorts of weeds, but as well as that they can be quite destructive. I would not agree with you at all.

**The Hon. LUKE FOLEY:** Is not the notion that you recommend of logging and grazing in national parks as incompatible as coal seam gas extraction in our prime agricultural land?

**Ms CASEY:** Is that a loaded question, Mr Foley?

**Ms SIMSON:** Will you repeat the question, Mr Foley? I think this is an opening but I just want to make sure that I get it right.

**The Hon. LUKE FOLEY:** What I am putting to you is that if coal seam gas extraction is incompatible with agricultural land, is not the extension of logging and grazing activities into the national park estate just as incompatible?

**Ms SIMSON:** It depends on the management of it. With any of these activities we need to fully understand the impacts of the industry and the management of the industry. We need to fully understand the science behind the industry and what is actually going to happen. We need to guarantee some of the sustainability of our resources whether they are very valuable conservation areas, prime agricultural land or very valuable precious aquifer systems. The effects and impacts of a very carefully managed logging program are clearly known; whereas in some instances the coal seam gas industry is still operating in a vacuum of knowledge about what will actually happen if it operates in some of these areas in which it is proposed to operate. For me it is all about active management but it is about understanding the risks and the impacts. I also think it is about forward planning. I think we need to have a forward eye as to what we want in the future and we want to plan to have the developments that we want sustainably. Would you like to add anything?

**Ms CASEY:** No, I think you have covered it well.

**The Hon. LUKE FOLEY:** Is it not the case that governments have to reconcile competing land-use regimes whether we are talking about coal seam gas extraction, agricultural production, timber harvesting, grazing or biodiversity conservation and governments have to make hard decisions? Is it not the case that only 8 per cent of the State is in the national park estate and the legislative basis for the national park estate is biodiversity conservation?

**Ms SIMSON:** I would say, yes, most certainly to the first part of your question. That is for governments to decide, but I believe that they have an obligation to make sustainable decisions and decisions that are going to ensure the sustainability of our resources for the future and to balance the development in the State for the future. Well may there be 6 per cent of our State as park but at the moment we only have 6 per cent of the whole of Australia that is arable. We need to understand what we are dealing with here. As long as we have forward plans, as long as we understand what developments are proposing and as long as we understand the impacts of those—I think it has been quite wrong that in the past there has been an assumption that activities such as farming and logging, for example, are not sustainable activities and are going to be of detriment to the

environment. Our position is that if they are properly managed they are very good management systems of the land; they are very sustainable industries. In actual fact, there is work underway now to study such things as carbon in the soil under fully operational farming systems that actually give the data to assure the community that that is so.

**CHAIR:** In relation to the question about the comparison between coal seam gas exploration and/or coal seam gas mining and the grazing of animals in a national park, if you were a licensee of grazing animals in a national park and it became evident that they were causing the problem—let us say erosion or weeds—what would you do with those animals? How do you fix the problem?

**Ms SIMSON:** You would move the animals on. In actual fact, interestingly enough yesterday I was at a launch of a Soils For Life Program, which is advocating healthy environments and healthy soils. The system they advocate is rotational grazing for the healthiest environment of all, where you actually have a large amount of animals in a very small area for a short time. They eat the area out completely and then you move them on. They actually find that that provides the best carbon for the soils, the best outcomes for the soils, the best outcome for the environment—

**The Hon. RICK COLLESS:** The best biodiversity.

**Ms SIMSON:** —and the best biodiversity as well. It is good now that there is data coming out that is backing up what we farmers have been saying for some time.

**The Hon. Dr PETER PHELPS:** Remarkable. You have only been doing it for 150 years.

**CHAIR:** That was my point. Almost automatically you were able to supply me with an answer. Because of your farming background you know that that is what has happened over the last 150 years. Can you tell me what you do when a drill head busts an aquitard at the bottom of an aquifer and the groundwater level in that aquifer drops two metres? What do you do about that?

**Ms SIMSON:** You would certainly have to move your cattle on because they will not be able to drink anything—that is the farmer in me. But the thing is that you probably would not even know it had broken off unless the aquifer was coming up the top. There is a lot of unknown yet in that industry and that is the problem.

**CHAIR:** But you do not have 150 years of experience in drilling?

**Ms SIMSON:** No, a lot of unknown.

**The Hon. SCOT MacDONALD:** Was there any consultation with NSW Farmers before Yanga, Toorale and Hunthawang was converted, declared, purchased?

**Ms CASEY:** Very limited.

**Ms SIMSON:** None with Toorale I would say.

**The Hon. SCOT MacDONALD:** There was a little bit on Toorale, was there?

**Ms SIMSON:** None.

**The Hon. SCOT MacDONALD:** The document we were given about creation of parks said that there should be extensive consultation with the Indigenous community and the Minerals Council I think but I do not think farmers were on there for whatever reason, yet one would think that would be one of the key economic impacts.

**Ms SIMSON:** It seems extraordinary to me. I would think that farmers should most definitely be consulted. We are the land managers. We are the people, as Mr Brown says, who have the experience in managing the land.

**The Hon. SCOT MacDONALD:** I want to ask about wild dogs. Can you give me any sort of feeling for wild dog pressure from State forest versus national park? We have had a long running State forest and then it is converted. I guess—

**The Hon. Dr PETER PHELPS:** Do you go backwards if you convert?

**The Hon. SCOT MacDONALD:** Thank you, Peter.

**Ms CASEY:** We have been busily collecting data on behalf of our members over the past six months to get a better understanding of what the wild dog impacts have been on New South Wales. Because anecdotally, as a staff member sitting in head office, I have noticed an explosion in phone calls from members with absolute agony and despair in the stories that they are telling me about the sheep losses, the cattle losses, the goat losses and even horse losses. Certainly the data we now have through our survey is backing up what I heard anecdotally that farmers adjacent to publicly managed land are seeing greater and more significant impacts as a result of wild dogs. The concern they have varies across the State. Some LHPA regions are doing an incredibly good job of understanding what the pressures are and moving to aerial baiting or moving to trapping or shooting or whatever is locally appropriate. In other areas the management is leaving a lot to be desired, to say the least.

**The Hon. SCOT MacDONALD:** So if not now, sometime in the future you might be able to, if not quantify give us a better feeling for State forests versus national parks from that dog experience?

**Ms CASEY:** Absolutely. We are still going through that data as we speak. We are hoping this inquiry is going to give us a great deal of information in that area, because we certainly have landholders right across the State who historically have been loath to participate in these sorts of processes, one, out of feeling confronted by the process and not knowing how to pursue it, but we have, as you would have noted, put in place an online submission builder so we have seen a lot of landholders who historically have not participated in these processes start telling their stories.

**The Hon. SCOT MacDONALD:** You just made the comment that your respondents reported that they have made change in stock numbers/patterns as control methods, and I suppose that includes changing from sheep to cattle?

**Ms CASEY:** Or destocking.

**Ms SIMSON:** That is right.

**The Hon. SCOT MacDONALD:** Can you give us a couple of thoughts on what that means economically to a farmer? What sort of restrictions that puts on them, that sort of thing?

**Ms SIMSON:** It may mean changing their complete way of operating and that could be completely different depending on the markets, for example. If you are set up for sheep production, then you have wool sheds, certain sorts of fences. If you then change to cattle production, that is completely different. You have a whole heap of infrastructure you are not using. You have to upgrade your fencing. You have to have quite different fencing, as a matter of fact. Getting back to Ms Faehrmann's question earlier about the silo mentality, our experience across the State is that because there is no framework for the local government authorities to consult with landholders and the different management systems, it can vary quite significantly across the State as to how well the landowners are working with the public authorities and how well they feel the animals—the wild dogs and pigs and the other feral animals—are being controlled. I think in some areas where the public land managers know the local landholders and may have been in the area for some time it works quite well, but because there is no framework in other areas it is extremely bad and with some very large parks in particular with many boundaries and many neighbours we are hearing some very bad stories through our survey about the amount of feral animals that are coming through on to the landowners' lands.

**The Hon. SCOT MacDONALD:** Do you see us getting on top of wild dogs?

**Ms CASEY:** We have to.

**Ms SIMSON:** We have to, but it will take a co-ordinated strategy. It will take baiting and shooting and it will take trappers. It will take a huge variety of methods to control the dogs but it is completely necessary—in fact, essential—that that operate through all types of land tenure, because otherwise it will not work at all.

**The Hon. SCOT MacDONALD:** I will finish by saying that to me it seems the biggest problem. We have weeds and other issues, but am I right in thinking that is our number one problem with parks?

**Ms SIMSON:** It is one of the main problems, I would say. I do not know whether it is number one but it certainly is up there. The scary thing for us is that people tend to think that wild dogs were a problem for the remote areas or the high areas. What we are now seeing is that landowners in quite closely settled areas are now experiencing problems with wild dogs. Of course, they are generally domestic dogs or more closely related to a domestic dog than a native dog, but certainly we have reports of quite closely settled landowners who are also experiencing that problem.

**CHAIR:** In relation to that, would you see the model to be basing all this upon, say, for example, the Brindabella-Wee Jasper Nil Tenure program that was run so successfully? Could that be expanded statewide?

**Ms CASEY:** I think we need to look at what the best options are going to be. We are looking very closely at the wild dog management strategy that was announced by Minister Hodgkinson a couple of weeks ago and looking at whether or not that is going to allow that flexible approach where something that might work in the north-east of the State, is it going to work in the south-west of the State, but do we need different techniques? Those sorts of case studies are absolutely what we need to draw on, because we need working models of what works and learn from it rather than just assume we know the answer sitting here in Sydney.

**CHAIR:** Do you see tenure as being part of the problem?

**Ms CASEY:** Absolutely, unquestionably.

**Ms SIMSON:** Yes, no doubt.

**The Hon. CATE FAEHRMANN:** You are both aware of Australia's commitment to international conventions on biodiversity and that national parks are, I suppose, both State and Federal governments' tools to realise that commitment to protect biodiversity? You are nodding your heads?

**Ms SIMSON:** Yes, we are.

**The Hon. CATE FAEHRMANN:** Given that national parks are there really to conserve nature and to conserve biodiversity—I think that is why governments protect parks and declare parks—where does your multiple-use regime fit in with the purpose behind parks for State governments? I am particularly interested because you have said that selective logging could lead to improved biodiversity. You suggest a couple of parks. Firstly, do you acknowledge that national parks are there for biodiversity, not necessarily multiple use, and where would you see selective logging undertaken and who would undertake it?

**Ms SIMSON:** I will just briefly say something then I am sure Ms Casey will add. What you are saying is quite true, that is one of the reasons that we have national parks but I do think sometimes, not necessarily the whole national park is achieving that purpose for government. I know it is a Federal one, but if you look at Toorale, for example, that part was purchased for his water entitlement rather than anything else and that is for the Murray-Darling Basin Plan, and there is no purpose, in terms of the purchase of that farm, for the biodiversity outcome or the international agreements or any of those Ramsar things or anything like that. My first comment would be, yes, I agree with you but not necessarily that we need the whole park to achieve the outcome that the Government might be seeking.

**Ms CASEY:** As we stated in our submission, we are not questioning the need to protect our most important, most iconic, hot spots in terms of biodiversity, and to meet those international objectives. We are saying we need to constantly look and consider the management of these areas to see whether that biodiversity is being protected. If you think about the native vegetation situation in New South Wales, invasive native species is a good example, where locking it up would lead to a worse biodiversity outcome, and we now have the scientific studies to prove that. So we need to look at what the local landscape needs to embrace those biodiversity principles and making sure the policy frameworks are flexible enough to allow it.

**The Hon. CATE FAEHRMANN:** Sure, but your submission makes the claim, given that this Committee is looking into public land management and we have a fair few interest groups saying to us that our national parks are locked up and we need access, I want to get where selective logging in which national parks—because you do say that should be allowed—and, Ms Simson, you just mentioned Toorale as one

example of a national park that maybe not all it should be protected for biodiversity. So is the recommendation a sweeping statement and do you need to clarify which parks you are referring to?

**Ms CASEY:** If the recommendation you are referring to is recommendation 15, we were very careful in the words that we selected there to consider the range of activities that may be permitted in national parks and State forests. We are not going to dictate from Sydney which State forest, which national parks, what regimes. What we have said throughout the preamble of the submission is that local communities have extraordinary knowledge and we should be tapping into that knowledge. I will leave it there.

**CHAIR:** Do you think it would advance the debate, for example, were the State Government to undertake an independent scientific audit of the types of decisions that have been made, say, in the last 10 or 15 years but certainly recently, in relation to some of those issues of assessing first and then declaring?

**Ms SIMSON:** I certainly think it would be very interesting, particularly if the Government is envisaging having any more parks or any more land set aside, to be understanding completely exactly what was the thinking behind purchasing or setting aside any of those other lands that you are talking about.

**CHAIR:** So that sort of lines up with your recommendation of better regulation.

**Ms CASEY:** The better regulation statement.

**Ms SIMSON:** It is the better regulation statement.

**CHAIR:** Do you believe it would be beneficial if the State Government were to declare a moratorium on the creation of new national parks until such time as that sort of work was completed?

**Ms CASEY:** I will speak from a personal perspective and then perhaps a professional one. From my perspective there are clearly areas of this State that we need to better manage, but as long as we get the policy framework right and we do the leg work first, I am happy to go down that path.

**Ms SIMSON:** I agree.

**The Hon. RICK COLLESS:** Following on from that, if we look at properties like Hunthawang and Toorale, for example, large western properties that have been converted into parks, do you see that there is an opportunity for a completely different model in terms of their management? I will give you an example and you tell me what you think of it. We could use properties like that as training grounds for the local communities, training grounds in achieving biodiversity conservation with appropriate farm management techniques, perhaps have a community management group comprising local farmers, National Parks people, foresters, agronomists, livestock officers and so on, all contributing to that overall management proposal. Do you see that a model like that would help to overcome the concern that people in all areas have with this explosion of national parks?

**Ms SIMSON:** I certainly think that the answer to that lies in the flexibility that we spoke about earlier. I do think that the management of some of those lands—if we have a look at Toorale, Hunthawang or any of those ones—I do not think they are being properly managed at the moment in terms of the best outcomes for the community or for the environment or for the catchment. I do not think that the way they are being managed now as a park is providing those good outcomes that we should see on a triple bottom line basis across the community. So I think that we should be looking at each and every national park or State park and working out the best way to manage that. What you talk about, I think to involve the community in the direction of the management of those parks would be very good and I think essential.

But I think one of the problems the community has is that while it is in State or Federal hands the local community is not receiving any income from it in terms of rates. Again, if we have a look at Toorale, because that is one of the properties that we have been intimately involved with, I know very well that the local government area out there has sorely missed not just the rates but also the people who were involved in that productive enterprise. Certainly, we need to have a look at it with a very broad mind as to the best way of managing these lands to preserve their environmental outcomes and their biodiversity outcomes but also to achieve a very good outcome for the people in that region.

**The Hon. LUKE FOLEY:** Given that you tell us in your introduction that farmers are custodians of 72 per cent of the land mass of New South Wales, why should the New South Wales Government open up the 8 per



cent that is reserved for biodiversity conservation—that is, our national park estate—or some of it to grazing of farmers' animals?

**Ms CASEY:** Just to clarify, we are certainly not advocating opening up the entire reserve system to these activities. We have been at pains to say there are certain circumstances in certain regions that may give rise to that. We want to see the studies, the science, the community input to drive those outcomes. I could not at all support opening up the full 8 per cent of those areas to those activities.

**Ms SIMSON:** I totally agree. We are not advocating that at all. But certainly what we are advocating is good outcomes on all levels that can be achieved from all the parks that we have in New South Wales at the moment.

**CHAIR:** We are out of time. Thank you both for giving us your time. I repeat what a couple of members have said before. Your submission was very detailed and contained recommendations, which are what we need. We thank you for the extensive work that you put into your submission. There are probably questions that some members would like to put on notice. Would you accept those questions?

**Ms SIMSON:** Very happily.

**CHAIR:** Could you respond within 21 days of receiving them?

**Ms SIMSON:** Yes, we will do our best.

**(The witnesses withdrew)**

**(The Committee adjourned at 4.36 p.m.)**