

GENERAL PURPOSE STANDING COMMITTEE NO. 4

Monday 21 March 2005

Examination of proposed expenditure for the portfolio areas

INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES

The Committee met at 1.00 p.m.

MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. J. C. Burnswoods
The Hon. K. F. Griffin
Ms S. P. Hale

The Hon. D. E. Oldfield
The Hon. G. S. Pearce
The Hon. E. M. Roozendaal

PRESENT

Department of Infrastructure, Planning and Natural Resources
Ms S. Haddad, *Acting Director-General*
Mr P. Lucas, *Chief Financial Officer*

Office of Coastal, Rural and Regional New South Wales
Mr P. Sutherland, *Deputy Director-General*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

CHAIR: This is a further supplementary hearing of General Purpose Standing Committee No. 4 in relation to budget estimates, particularly for the Department of Infrastructure, Planning and Natural Resources. The Opposition Whip has written to inform me that the Hon. Greg Pearce has been nominated to represent the Hon. David Clarke for this hearing, and I have a letter to that effect. The standard procedures for budget estimates hearings apply in respect of today's hearing. I welcome the gentlemen from the Department of Infrastructure, Planning and Natural Resources who are present today.

Today's hearing was set down specifically. Originally the Committee reserved dates last week for this supplementary hearing, settled on a date and invited the director-general, Ms Westacott, to appear. However, the date conflicted with the department's planning day, so the Committee instead set aside today for Ms Westacott's evidence. Notwithstanding that, members of the Committee arrived for today's only to discover that Ms Westacott is now on leave. The Committee was not advised of that fact. Mr Haddad, the acting director-general, is in attendance. Members of the Committee have some questions for Ms Westacott and also some questions for the gentlemen who are present today. Rather than have you return on another day the Committee is happy to proceed but will need to have a deliberative meeting later to establish whether or not we can arrange another opportunity to hear from Ms Westacott.

The Hon. JAN BURNSWOODS: Madam Chair, could I make a comment. I think most of what you have said is correct as far as I know, but I would like to point out that the letter the Committee received from Ms Westacott drew attention to the recent verbal request that the department be available for a further supplementary hearing, and went on to explain that the nominated date would involve all of the department's Executive and other staff members and regional office people. I think it is perhaps a little misleading to personalise it in the way that you have done.

As I understand the letter, Ms Westacott, or someone in the department, received a verbal request that the department attend a supplementary hearing, and the date of 17 March was nominated. Ms Westacott replied that that date did not suit any of the department's senior Executive. I imagine that includes the three gentlemen who are present today. I think, perhaps, that by making it so personal in relation to Ms Westacott you have probably accidentally given a slightly misleading impression about the lead-up to this hearing.

CHAIR: I did not mean to give any misinterpretation of the events. Mr Haddad, you may be able to assist the Committee.

Mr HADDAD: Madam Chair, if I may, Ms Westacott apologises for not being here. She had a longstanding arrangement to be on leave this week and next week, so I am acting for her. I am Acting Director-General, and, on behalf of the department, we will be very pleased to answer the Committee's questions to the best of my ability. I understand that the Committee is particularly interested in questioning Mr Peter Sutherland in relation to natural resources and water issues, and he is here. We will do our best, and if we cannot answer we will take questions on notice if possible. We are here on behalf of the department.

CHAIR: Thank you, Mr Haddad. I intend to divide the time for questions in the usual way, but I have given Government members an undertaking—which I presume has been transmitted to them—that if they do not have questions that time will be deducted from the overall length of the hearing. My first question is to Mr Sutherland. Can you give the Committee an assessment of how staff have coped with the restructure within the Department of Infrastructure, Planning and Natural Resources [DIPNR] to this point?

Mr SUTHERLAND: Mr Haddad may want to comment on this as well, but certainly from the point of view of the Office of Coastal, Rural and Regional New South Wales and the regions, I think the staff have coped remarkably well with the important change process that has occurred over the last 12 to 18 months. This is particularly so in respect of the formation of the catchment management authorities and the need to transfer significant numbers of regional staff in particular areas, for example the landscape management area, to the Catchment Management Authority [CMA] to appropriately equip those new organisations for their role, and also to adjust in relation to resources to the budget requirements for the department in this financial year.

Despite those significant changes in work force numbers and resourcing, the department and its staff have focused on the key tasks and priorities that they have been set, and have made substantial progress in implementing those during the year. Clearly, with the bringing together of a range of organisations into a new organisation there is always a bedding down period in the formation of the new culture. That is to be expected but I think, certainly in terms of the reflections of the board of management at the recent corporate planning days to which you referred, all members of the Executive were very pleased with the way that staff had responded to the challenges and were progressing with their work plans.

Mr HADDAD: Just to complement what Mr Sutherland was saying, I trust the Committee will appreciate that this is a major restructuring. It is an integration of key functions. The community has been calling for better services in those functions and it is for the first time the integration of major key functions in an attempt to provide better service to the community and to the Government. I want to just broadly support what Mr Sutherland has said. I think under all the circumstances the staff have generally coped very well, given the changes in emphasis, people moving from looking at certain areas to a much more strategic outlook to try to encourage more service delivery on the ground. They are major changes and I think a lot has been achieved in over a reasonably short period of time.

CHAIR: Thank you. Mr Sutherland, can you advise the Committee how many jobs have been cut out of Natural Resources in the Hunter region?

Mr SUTHERLAND: I do not have the exact numbers with me but I would be happy to take that question on notice.

CHAIR: I would appreciate that. Are you able to confirm that the Hunter region was given only 90 per cent of its staff budget?

Mr SUTHERLAND: So far as the budget is concerned, perhaps Peter Lucas may wish to comment on that as Chief Finance Officer, but essentially the budget process looks at the draft work force numbers in the work performance plan, and also in matching those with available budget and operating costs. That balance has to be made each year.

Mr LUCAS: In relation to developing the budget for this year, we undertook a process of detailing out all the staff that we anticipated to be within the department, multiplied those out by their staff rates and various allowances for cash on-costs and non-cash on-costs, and then applied a factual 90 per cent to that salary. In relation to operating expenses, however, we actually calculated through all of the operating expenses that were needed to run the department, reviewed those to ensure they were the appropriate and accurate, and then formed the budget on the basis of those calculations.

CHAIR: That was across the board for regions?

Mr LUCAS: For the salaries and wages, yes.

CHAIR: Did that make some redundancies inevitable?

Mr LUCAS: No. It was in light of a voluntary redundancy program that was being undertaken to reduce the head count down, as we have alluded to in previous estimates committees and in this one.

CHAIR: We will get the specific details on the Hunter. Mr Sutherland, are you provided with a taxpayer-funded vehicle?

Mr SUTHERLAND: Yes, I have a vehicle that I lease as part of my contract.

CHAIR: What sort of vehicle is that?

Mr SUTHERLAND: The current vehicle I have is a Fairlane.

CHAIR: Is it true that you racked up a \$400 taxi bill between Sydney and the Hunter to go to a regional meeting last year?

Mr SUTHERLAND: No. I think the instance you are referring to was \$312 for a taxi fare between Homebush and Dooralong. It was the basis of a mistaken understanding of the location of the meeting. I was chairing a meeting in Homebush, the national committee on recycling, during the day, and was required to travel to a business-planning meeting away from the regional office. My office had indicated that it would be near the metropolitan boundary and I mistakenly took a cab thinking that it would be a reasonable fare. Once I was advised of the extent of the fare—it was drawn to my attention—I agreed to reimburse the department in terms of the cost, given the high cost of the taxi fare. The reason I did not use my vehicle on that occasion was that I was due to fly out of Sydney at seven o'clock and I did not want to be driving back myself late by car, having been essentially in meetings all day and having to catch an early flight the following morning.

CHAIR: How did you get back to Sydney?

Mr SUTHERLAND: I returned to Sydney by train and by cab.

CHAIR: Did you have a ticket for the train?

Mr SUTHERLAND: No, I did not.

CHAIR: So why did you not buy a ticket for the train?

Mr SUTHERLAND: As I say, my understanding was that I would be able to return by cab that night. When I realised the distance and the cost involved I went to the train station. It was late, I had no cash, and there was no ATM so that I could actually purchase a ticket.

CHAIR: Did you have to pay a fine for not having a ticket?

Mr SUTHERLAND: Yes, I did.

CHAIR: Who paid the fine?

Mr SUTHERLAND: I paid the fine.

CHAIR: Did you at any time ask the department to pay the fine?

Mr SUTHERLAND: I may have sought advice in terms of the circumstances in which fines would be reimbursed by the department.

CHAIR: Mr Lucas, is that the usual sort of occurrence in relation to large taxi fares being racked up at taxpayers' expense?

Mr LUCAS: Yes, it is. The policy we have would be that any excessive cost is to be reimbursed to the extent that it was excessive. When we look at our cab charges we run up about \$20 per cab trip on average.

CHAIR: Out of what part of the department's budget does the Cabcharge bill come?

Mr LUCAS: In the budget papers it would be under Other Operating Expenses. It is a minor line in a large amount of dollar expenses.

CHAIR: Do you happen to know what Mr Sutherland's taxi bill was for 2003-04?

Mr LUCAS: No, I do not.

CHAIR: Could you provide that?

Mr LUCAS: I will take that on notice.

CHAIR: Are there any other examples in which senior officers of the department have racked up such a large taxi bill and have had to be reimbursed by the department?

Mr LUCAS: Not as far as I am aware.

CHAIR: Does the department take any action against a senior officer who does that?

Mr LUCAS: Yes, the senior officer is counselled about the excessive use of the cab fare.

CHAIR: Has Mr Sutherland been counselled?

Mr LUCAS: I understand he was.

CHAIR: Is that correct, Mr Sutherland?

Mr SUTHERLAND: Yes.

CHAIR: Mr Haddad, can you advise the Committee how many media relations staff are employed by the Department of Infrastructure, Planning and Natural Resources [DIPNR]? I am interested to know what units they work in. For example, I think there is one unit that is attached to the director-general's office. I would like a breakdown of how many media officers there are.

Mr HADDAD: There is a media unit attached to the director-general's office and, to the best of my knowledge, there are about five media officers in that unit. If I am incorrect I will correct it separately, but I think there would be about five.

CHAIR: So there are five media officers at the disposal of the director-general, so to speak?

Mr HADDAD: They undertake a departmental function to the whole of the department, not the director-general only. So they look after all the media functions for the rest of the organisation.

CHAIR: Are there any others operating elsewhere in the department, or are they centralised there?

Mr HADDAD: They are centralised; it is a centralised unit and it is located in the office of the director-general, but, as I said, it is a department-wide function.

CHAIR: Would you be able to provide the Committee, on notice, with the salaries of those media officers right across the department?

Mr HADDAD: Yes, I will.

CHAIR: And advise the Committee where, apart from the unit that we have just referred to in the director-general's office, any others are located?

Mr HADDAD: Yes.

CHAIR: I will put some questions about the property vegetation plan developer, which it might be appropriate for Mr Sutherland to answer. The New South Wales Farmers Association has described the property vegetation plan developer [PVPD] as "a flop" which has led to commonsense being thrown out the window and obvious environmental problems having been ignored. Can you advise what the department is doing to address those criticisms?

Mr SUTHERLAND: The property vegetation plan developer PVPD tool is a computer-based model that has been developed to assist the catchment management authorities [CMAs] in not only assessing applications for clearance control, but also, importantly, in assessing proposals for incentives for the management of vegetation either in terms of improving the value of that vegetation, such as fencing off the vegetation, or actually revegetating farmland either as part of group stands or

as individual farmer schemes. The developer has been the subject of quite extensive trials in relation to over 100 farms, and the information that has come back from those trials has been used to update the developer.

In particular, there is also work being done to include a component of the developer that would deal with the issue of the clearing of invasive scrub where that clearing would in fact lead to an improvement in the overall biodiversity of the landscape, particularly on properties. That component of the developer has not yet been incorporated, but there will be further testing once that information has been incorporated into the PVP developer. It is envisaged that notwithstanding the importance of the PVP developer in terms of giving systematic and consistent information to catchment management authorities, which will have functions under the new native vegetation regulations to come into force later this year, there will be, obviously, a need for catchment management authorities to take into account other local information and local knowledge in terms of a final decision, whether it be in relation to a clearance application or an application for funding for incentives.

What is being looked at at the moment is the conditions under which CMAs would have the flexibility to, in a sense, interpret the PVP developer outputs in making a final decision. It should also be recognised that the newly formed independent Natural Resource Commission will in fact have a role in terms of auditing the processes of the catchment management authorities in relation to native vegetation and administration and management to ensure that insofar as they are required to make interpretations of the outputs of the PVP developer tool, those are consistent with appropriate protocols that will be developed under the regulations.

CHAIR: Who exactly developed the software?

Mr SUTHERLAND: The software has been developed in conjunction with the Department of Environment and Conservation, DIPNR and the DPI, with input from steering committees and reference groups involved in the New South Wales Farmers Federation, the Total Environment Centre and CMAs.

CHAIR: Where did the department obtain the data for the various aspects of the software, for example, threatened species, soil, water and biodiversity?

Mr SUTHERLAND: Basically, the data has been drawn from whole-of-government sources, particularly in terms of threatened species, through data sources from the Department of Environment and Conservation. But there are also significant data sources in relation to salinity, water quality, soil management and soil hazards, which are being sourced from both DIPNR and other agencies.

CHAIR: Are you confident that the data is accurate and up to date?

Mr SUTHERLAND: We are confident that the best available information is being used. There is always a case for better information and more information. That is one of the reasons we are looking at the circumstances in which new information that comes to light will need to be incorporated into the decision-making process through catchment management authorities. Also, the tool will need to be refined as the Natural Resources Commission fully establishes the State standards and targets and they are incorporated into regional standards and targets through catchment action plans by the catchment management authorities.

CHAIR: Has there been any independent peer review of its scientific work?

Mr SUTHERLAND: We have a Science Board, which has a range of eminent scientists. It is chaired by Dr John Williams, who is a former head of the CSIRO Land and Water Division, and also has as a member Mr Peter Cullen, a well-known and respected environmentalist, to name just two of the experts involved with the Science Board. They have been working closely with the departments in reviewing the science behind the PVP developer.

CHAIR: Is the peer review document available to the public?

Mr SUTHERLAND: You need to recognise that this has been an ongoing process and that a range of papers have been prepared and sourced. For example, recently released was the draft paper relating to the treatment of invasive scrub, which will be the basis of incorporating new elements into the PVP developer tool. That involved significant input from the Science Board and qualified members of the Science Board. So there have been a series of interactions and papers produced through the various reference group processes that have gone on as the developer has been built and tested.

CHAIR: Can farmers get access to those papers?

Mr SUTHERLAND: Yes. In fact, the report on invasive scrub has been distributed quite widely and is on the department's web site.

Ms SYLVIA HALE: Mr Sutherland, the bulk of my questions will relate to the Shoalhaven River. Could you inform the Committee how much water Sydney Water currently pumps each day from the Shoalhaven to supplement Sydney's water supply?

Mr SUTHERLAND: I do not have that exact figure with me, but I am happy to take the question on notice.

Ms SYLVIA HALE: Fine. Do you have the figure for the amount of extra water that Sydney Water intends to extract from the Shoalhaven when the new pipeline is in place?

Mr SUTHERLAND: There will be not only an increase in the volumes extracted from the Shoalhaven but also, importantly, an improvement in the timing of those flows. For example, currently, pumping from the Shoalhaven occurs during low-flow conditions during drought periods, for drought relief. The intention of the proposed pumping strategy under the Metropolitan Water Plan is to pump during times of higher flow and to augment Tallawa Dam so that there are opportunities to reduce the impacts of low flows. Investigations are currently going on into potential yields in both run of river releases as well as potentially piping higher flows for Sydney's water supply into the future. Those studies will determine the exact augmentation from the Shoalhaven system.

Ms SYLVIA HALE: Do you have a figure for the proposed volume, or is that still to come?

Mr SUTHERLAND: There are a range of figures, and they will depend on the nature of the scheme, both in terms of augmentation of upstream storages and the method of transfer, whether that be by pipeline or by run of river releases. But, in terms of your earlier question about current extraction, I can indicate in my response to that question the range of figures currently being explored. But there is still quite a lot of investigative work to do.

Ms SYLVIA HALE: You are saying it is impossible at the moment to provide the total extraction figure.

Mr SUTHERLAND: The exact extraction limit.

Ms SYLVIA HALE: Depending upon whether it is by pipeline or by other methods, could you give me some indication of that figure?

Mr SUTHERLAND: We could give you some broad indications.

Ms SYLVIA HALE: Thank you. What does the department consider to be the minimum healthy flow for the river?

Mr SUTHERLAND: You are referring to the Shoalhaven?

Ms SYLVIA HALE: Yes, the Shoalhaven.

Mr SUTHERLAND: We are currently undertaking investigations into the environmental flows for the Shoalhaven system, as distinct from the Hawkesbury-Nepean system, where there has been quite a lot of background scientific investigation in relation to environmental flows, water

quality and other factors. There is more restricted information available for the Shoalhaven. So, one of the priorities of the work program in relation to the Sydney Metropolitan Water Plan is to actually do that investigative work in relation to environmental requirements for the Shoalhaven.

Ms SYLVIA HALE: Do you have any notion as to the size of the flow that is required in the Shoalhaven to prevent the occurrence of algal blooms such as we have seen on the Hawkesbury?

Mr SUTHERLAND: Exactly that sort of question and other matters are being investigated: the dilution flows, modelling of various environmental flows and additional data collection in relation to the biota in the Shoalhaven system.

Ms SYLVIA HALE: Presumably, the department is also investigating the requirements for oyster farmers, who rely upon consistent flows.

Mr SUTHERLAND: The investigations will take into account all uses. There has been commenced a water sharing plan process for the greater metropolitan catchments, including the Hawkesbury-Nepean and Shoalhaven rivers. That water-sharing plan will articulate the balance between consumptive uses, such as Sydney irrigation development, and the environment. So requirements in terms of estuarine uses will be taken into account as well in that process.

Ms SYLVIA HALE: I understand the proposal is to take advantage, as it were, of flooding rains and capturing some of that. Will there be any restriction on the capture of those flooding rains, so that there is a period during which the rivers themselves can be flushed?

Mr SUTHERLAND: Essentially, the environmental flows work will look at what extractions can occur during those high-flow periods, whilst allowing appropriate flushing flows for environmental purposes. That will be an important consideration in terms of the ultimate extraction rules, if you like.

Ms SYLVIA HALE: Is it true that Sydney Water pumps from the Tallawa Dam, on the Shoalhaven River, up to the Wingecarribee catchment during low peak electricity periods, then sends water back down to Tallawa Dam during high peak periods to generate electricity?

Mr SUTHERLAND: That is not a matter in which DIPNR is involved. But I am happy to take the question on notice.

Ms SYLVIA HALE: Would you have any idea of the cost of pumping water up the mountain to the Wingecarribee catchment?

Mr SUTHERLAND: No. That is a matter for Sydney Water, and I would defer on those questions to Sydney Water.

Ms SYLVIA HALE: So the total cost of the proposed water transfers would be a question for Sydney Water. So any question as to any comparison between those costs and the costs of water recycling within the Sydney Basin should be addressed to Sydney Water, rather than to your department?

Mr SUTHERLAND: In terms of the recycling issues, the department is leading the process to evaluate a plan for major recycling of up to, ultimately, 80 gigalitres, based on the greenfields development sites in north-west and south-west Sydney. That work is being led by DIPNR. But, in terms of the day-to-day operations of the Shoalhaven, that is a matter for the Sydney Catchment Authority and Sydney Water.

The Hon. DAVID OLDFIELD: Mr Sutherland, could you clarify a matter for me? I understand that the cab fare was \$312 for essentially a one-way trip.

Mr SUTHERLAND: That is right.

The Hon. DAVID OLDFIELD: I understand that you repaid the fare, but do I understand correctly that essentially this event occurred as the result of a fault of your office misinforming you as to where Dooralong is in New South Wales in relation to Sydney?

Mr SUTHERLAND: I was under the impression that it was just outside the greater metropolitan region, and in my schedule I was not able to confirm the location. So it was a misunderstanding of the location. I accept responsibility for that and I have repaid the fare.

The Hon. DAVID OLDFIELD: So you were under the impression it was not too far away and you just jumped in a cab and said, "Take me to Dooralong"?

Mr SUTHERLAND: At the time, the cab driver did not seem to know where it was either. It was one of those days!

The Hon. DAVID OLDFIELD: I understand. Mr Lucas, you mentioned an average figure being \$20, and you also spoke about what was considered excessive. What actually does constitute excessive as regards taxi fares?

Mr LUCAS: That is a matter of one-by-one examination. For instance, if a number of officers were travelling in a cab for convenience, taking the mere cost of the cab charge itself will not be appropriate because it is to be divided by four people. So it is a function of taking cases one by one, and look at what were the circumstances.

The Hon. DAVID OLDFIELD: But, for example, would there be circumstances in which it would be considered perfectly reasonable for a single DIPNR officer to jump in a cab and go somewhere at a cost of \$60 or \$70?

Mr LUCAS: Depending on the circumstances, yes. For instance, if an officer is going to the airport to catch a plane, from almost anywhere in Sydney these days it is a \$50 or \$60 cab fare.

The Hon. DAVID OLDFIELD: Absolutely. I completely understand that. Who is best placed to answer DIPNR Land Management Branch questions? Would that be Mr Haddad?

Mr SUTHERLAND: Yes.

The Hon. DAVID OLDFIELD: Could you give me an outline of the role of the Land Management Branch of DIPNR?

Mr HADDAD: Essentially, it looks after the management of land as an asset within the department. It oversees broad transactions of land acquisition, corridor acquisition and disposal of lands and it advises the planning division in that regard.

The Hon. DAVID OLDFIELD: What sort of staffing does the department have?

Mr HADDAD: I will have to take that question on notice.

The Hon. DAVID OLDFIELD: Can you tell me about planned expenditure for the remainder of 2004-05?

Mr HADDAD: I will have to take that question on notice.

The Hon. DAVID OLDFIELD: And also planned expenditure for 2005-06.

Mr HADDAD: Yes.

The Hon. DAVID OLDFIELD: Can you tell me what was spent in the last financial year?

Mr LUCAS: We would need to take that question on notice. One point that you should bear in mind is that Land Management Branch staff conduct the activity known as the corporation sole

Minister administering the Environmental Protection and Assessment Act. It is outside DIPNR even though DIPNR staff are working in that facility. So that may put a slightly different slant on it.

The Hon. DAVID OLDFIELD: But it is still on DIPNR's payroll.

Mr LUCAS: It is not on DIPNR's payroll; it is on the corporation sole's payroll.

The Hon. DAVID OLDFIELD: So where does that fit into the scheme of things in relation to DIPNR?

Mr LUCAS: It is under the Minister, the corporation sole. They are DIPNR staff. This may not be 100 per cent legally right, but they are seconded to the corporation sole and they act as the Land Management Branch within that corporation sole.

The Hon. DAVID OLDFIELD: Who fulfils the roles of seconded officers while they are in the Minister's other department?

Mr LUCAS: The use of the word "seconded" may be incorrect.

The Hon. DAVID OLDFIELD: They are your words.

Mr LUCAS: I know they are, but I did say that they might not be legally correct.

The Hon. DAVID OLDFIELD: Could we be given a full explanation of the relationship between the two—where staff come from if they are seconded, or however you may wish to describe it, and who fulfils their role in DIPNR while they are seconded?

Mr LUCAS: We can do that.

The Hon. DAVID OLDFIELD: How many DIPNR staff are currently on leave other than annual leave, such as extended leave, health-related leave, or leave without pay?

Mr HADDAD: Extended leave is another word for long service leave, that is, the entitlement of people. I think there about 20 people on extended leave.

The Hon. DAVID OLDFIELD: Are you saying that those people are on long service leave?

Mr HADDAD: On long service leave, which is what we call extended leave. That is part of their award after spending a deal of time with the department. I think there are about 20. In relation to extended health-related leave, which I think is leave in excess of six weeks, we have about seven people.

The Hon. DAVID OLDFIELD: What about on leave without pay?

Mr HADDAD: On leave without pay I think we have about 14 people.

The Hon. DAVID OLDFIELD: When you say "in excess of six weeks", are staff paid if they have a health problem and they are off for six weeks?

Mr HADDAD: Under their awards, including the time that they have spent in the public service or in the department, they may have an accumulated sick leave provision. They can be sick, provide medical certificates and be paid up to a certain point, and they cease to be paid after that.

The Hon. DAVID OLDFIELD: So you could accumulate your sick leave over many years and then get sick and take it all at once?

Mr HADDAD: If you are sick you have to prove that you are sick through various mechanisms.

The Hon. DAVID OLDFIELD: How many of the staff who were previously employed in the Minister's office are now in DIPNR, either in permanent or consultancy appointments?

Mr HADDAD: To the best of my knowledge there are none in consultancy. I cannot recall. I will have to take that question on notice and come back to you on that issue.

The Hon. DAVID OLDFIELD: We would also like to know how many, if any, of those staff are on some form of extended leave without pay—be it sick leave, long service leave or whatever it may be.

Mr HADDAD: Yes.

The Hon. DAVID OLDFIELD: Have there been any terminations, redundancies or other separation costs associated with the departure from DIPNR of any former ministerial staff?

Mr HADDAD: Not that I am aware of, but we will include that answer with our other answers to questions on notice.

The Hon. DAVID OLDFIELD: Where would Todd Clewett be now, for example?

Mr HADDAD: To the best of my knowledge Todd Clewett has left the department. I think he resigned recently. I will have to confirm that.

The Hon. DAVID OLDFIELD: Could you let us know when he left and what costs were associated with his departure?

Mr HADDAD: Yes, sure.

The Hon. GREG PEARCE: Mr Haddad, I think you said you were appearing as acting director-general of the department, is that correct?

Mr HADDAD: That is correct, yes.

The Hon. GREG PEARCE: Is there a written instrument when you are acting director-general, or is it an automatic thing?

Mr HADDAD: I have not checked on that to establish whether there is a written one. Ms Westacott asked me to act on her behalf. There probably would be a written instrument somewhere. I have not sighted it myself.

The Hon. GREG PEARCE: When did Ms Westacott ask you to do that?

Mr HADDAD: Some time last week.

The Hon. GREG PEARCE: What leave did you say Ms Westacott was on?

Mr HADDAD: On annual leave.

The Hon. GREG PEARCE: On holidays?

Mr HADDAD: On holidays around the Easter break. My advice is that it is a long-standing arrangement that she had to go on leave this week and next week.

The Hon. GREG PEARCE: I was not at the last hearing but I noticed that quite number of questions were taken on notice. Have they been answered yet?

Mr HADDAD: I think they are in the process of being finalised. I think they are due Wednesday, the day after tomorrow. They will be delivered on that day.

The Hon. GREG PEARCE: It seems to me that you have taken a long time to get the answers ready. The last hearing was on 9 February. What is the reason for the delay in responding?

Mr HADDAD: They have been accumulating information from various parts of the department. I have been advised, unless I am wrong, that this coming Wednesday was the due date for the Committee.

CHAIR: I think it was actually tomorrow.

Mr HADDAD: If it is tomorrow we will comply with the due date.

The Hon. GREG PEARCE: Who is responsible for compiling those answers?

Mr HADDAD: Various people throughout the department provide the answers. They come to the director-general's office and then they are forwarded to the Committee.

The Hon. GREG PEARCE: So ultimately the director-general is responsible for them?

Mr HADDAD: The director-general, on behalf of the department, forwards the answers to the Committee, yes.

The Hon. GREG PEARCE: Who was responsible for co-ordinating and getting those answers?

Mr HADDAD: Officers within her office are responsible for co-ordinating and for seeking information from different people.

The Hon. GREG PEARCE: Who specifically was responsible to get ready answers to the questions taken on notice on 9 February?

Mr HADDAD: Are you referring to writing the answers or just co-ordinating the collection of answers?

The Hon. GREG PEARCE: Who is the person responsible for getting the answers and putting them under the nose of the acting director-general to sign the letter sending them to the Committee?

Mr HADDAD: It is Vivian Hanich, one of the officers in the office of the director-general. One of her jobs is to ensure that all questions taken on notice are properly recorded. She sends them to relevant officers within the department, she follows up on getting answers, she collates them and then she forwards all of that to the director-general.

The Hon. GREG PEARCE: Will she take the same responsibility for the questions that are being taken on notice today?

Mr HADDAD: Yes, she will. There is a process that we go through. She will take the transcript, take all the questions on notice, collate them and send them to the relevant officers—the deputy director-general and divisional managers. She will then bring all the answers together.

The Hon. GREG PEARCE: Do they go to the Minister's office for approval or vetting?

Mr HADDAD: No, they do not.

The Hon. GREG PEARCE: I wish to ask you a question about Professor Blakely. What exactly is his position?

Mr HADDAD: He is the chair of a reference group that has been established, in a sense, broadly to advise the Government as part of the metropolitan strategy.

The Hon. GREG PEARCE: Who established that group?

Mr HADDAD: I will have to check on that to establish whether it was by the director-general as part of the preparation of the strategy. It is a peer review function—a function whereby external eminent people in different disciplines advise as part of the formulation of the policy. The idea is that whilst the strategy is being developed it is good to have others providing advice.

The Hon. GREG PEARCE: Who are the other members of the committee?

Mr HADDAD: I can give you a full list of those members, but there are practitioners and others.

The Hon. GREG PEARCE: Perhaps you could table it.

Mr HADDAD: Yes, we will.

The Hon. GREG PEARCE: Are the members and chair of that committee paid?

Mr HADDAD: I think they are paid honorary fees. I will have to check on that.

The Hon. GREG PEARCE: At the last hearing the director-general indicated that the State infrastructure plan was being prepared. She said it was a DIPNR project. Who within DIPNR is responsible for that project?

Mr HADDAD: We have a team, the infrastructure co-ordinating unit, which is part of the planning division. It is co-ordinating the work on this.

The Hon. GREG PEARCE: Who heads up that team?

Mr HADDAD: At the moment it reports to an executive director, Gary Pratt.

The Hon. GREG PEARCE: It reports to Gary Pratt, but who heads it up?

Mr HADDAD: Basically Gary Pratt is in charge of that.

The Hon. GREG PEARCE: So he co-ordinates the work of that group?

Mr HADDAD: He does, yes, for the time being.

The Hon. GREG PEARCE: Do you know whether he was asked to make any contribution to the document that the Premier released on Sunday a week ago entitled "New South Wales Government's Plan for Infrastructure"?

Mr HADDAD: I will have to check on that.

The Hon. GREG PEARCE: So you will take that question on notice. The document that was released is dated March 2005 and it is entitled "New South Wales Government's Plan for Infrastructure." Is that an update of the State Infrastructure Strategic Plan 2002?

Mr HADDAD: It is an update. In a sense it is partly an ongoing monitoring of all the infrastructure projects that have been announced by the Government—the \$30 billion over five years. That is part of an ongoing monitoring of which projects have been implemented, what stage they are at and the allocation of funds. That is basically the input that is being provided by the department.

The Hon. GREG PEARCE: In other words, it is just an update?

Mr HADDAD: As I said, it is an ongoing monitoring of the status of various projects. It represents the current status of government commitments to various infrastructure projects.

The Hon. GREG PEARCE: The State Infrastructure Strategic Plan 2002 said that it would be revised and reviewed each year. Why has that not happened, or is this the monitoring that you are talking about?

Mr HADDAD: It is the monitoring that I am referring to.

The Hon. GREG PEARCE: Who would have been responsible for the fact that the document put out by the Premier on 13 March based its commentary on a suggestion that the New South Wales unemployment rate was 5.1 per cent when the latest figures at that stage showed that the New South Wales unemployment rate had gone up to 5.2 per cent?

Mr HADDAD: I am not sure about the exact source of the documents. I will have to take that question on notice and double check to provide you with the figures.

The Hon. GREG PEARCE: It is fairly embarrassing to have the Premier putting out a document on infrastructure that cannot even get the unemployment rate correct.

Mr HADDAD: As I said, I will have to check the figures.

The Hon. GREG PEARCE: I have a number of other questions that would have been directed to Ms Westacott, following various comments that have been made and information that I have received. I will have to leave those questions for now.

CHAIR: Mr Sutherland, I might return to the native vegetation issue. What has been the cost of developing the PVP developer to date?

Mr SUTHERLAND: I do not have a one-off cost on that. I will have to take that question on notice.

CHAIR: Is a format available for the property vegetation plans as yet?

Mr SUTHERLAND: Yes. The output from the developer effectively is intended to be the certification documentation for the plan. So the concept is that the staff of the catchment management authority would go out and do a farm visit, work through the information that is available with the landholder and then use the PVP developer to produce a plan that will identify treatments in the areas to be cleared and any offsets in the areas involving incentives, such as fencing off land, et cetera. They would all be documented on a plan generated as part of the PVP developer tool and then effectively a certificate would be generated that sets out the obligations of the landholder.

CHAIR: Is that available now?

Mr SUTHERLAND: There is a variation of that information that is provided by the PVP developer tool. The final form of that is yet to be agreed.

CHAIR: Has there been any socioeconomic assessment of the costs to communities and to farmers of the changes to native vegetation management in New South Wales?

Mr SUTHERLAND: There has been a range of socioeconomic studies done on both a national and a State scale as part of programs such as the salinity program and the national land and water audit. They generally indicate very significant costs to the community in terms of further widespread clearing of the environment and document significant costs in terms of lost production and impact on the environment from the impacts of things like salinity in terms of infrastructure costs. There is an annual cost of \$9 million in terms of the impact of salinity on road infrastructure, which is borne by councils. That is a result, by and large, of land clearing. A number of those costs have been documented. It is difficult to get a total socioeconomic cost of implementing clearing controls but a regulatory impact statement is being prepared as part of the regulation process and that is documenting the sorts of costs and benefits as best as information is available.

CHAIR: Would you be able to provide on notice a list of any socioeconomic studies that have been done?

Mr SUTHERLAND: Yes, I am happy to do that.

CHAIR: I would appreciate the full titles and authors' names. In relation to the native vegetation legislation, is there any guarantee to farmers that the legislation now being implemented will not curtail their basic access to and enjoyment of privately funded farm dam infrastructure? Some concern has been expressed about this issue that perhaps dams could be classified as wetlands under the new regime. Are those fears unfounded or is there something to it?

Mr SUTHERLAND: The basic principle is that, while the regulations will bring an end to broad-scale clearing except where it can be shown that there is a net improvement or maintenance of the environmental values—such as, for example, in the clearance of invasive scrub—the situation with dams would depend on the location of the dams and whether, as you say, the dam was to be built in a high-value wetland. There would then be issues in relation to the potential siting of that dam.

CHAIR: That would apply to new dams.

Mr SUTHERLAND: Yes, new dams. But the regulations are based on the principle that clearing in relation to routine agricultural practices would be exempt from the controls in terms of the new vegetation Act. It would depend on the extent to which new dam building involved extensive clearing, the value of that habitat and its sensitivity. But in terms of routine agricultural practices if it could be shown that there were no high-value habitats involved in a relatively small area for clearing for a dam then that would be allowed under the regulations.

CHAIR: Mr Haddad, the director-general told the Committee that the restructure of DIPNR would be completed at the end of last year. Was that timetable correct? Is the restructure now completely in place?

Mr HADDAD: Yes, the restructure is in place. It is mostly in place. Yes, it is.

CHAIR: Mostly?

Mr HADDAD: The restructure is in place.

CHAIR: How many of the 200 employees who were to be relocated to rural and regional offices from Sydney offices are now located in non-metropolitan offices?

Mr HADDAD: I will have to take that question on notice if you do not mind, Madam Chair, because I know that they are the subject of various discussions going on. When I referred to "restructure" I meant that the structure of the various offices and the number of staff within each office had been settled. In terms of moving people, this is the subject of discussions that I am aware of with the unions and others by way of seeking expressions of interest from various staff within the regions, inter regions and between the head office and the regions. If you do not mind I will take the question on notice and come back with more details.

CHAIR: Okay. Could you also advise the Committee how many of them have been relocated and where they have been relocated to?

Mr HADDAD: Yes, we will do that.

CHAIR: So when you say that the restructure is in place you mean that the framework is in place but the actual implementation as to who slots in where is still ongoing.

Mr HADDAD: The implementation is ongoing and is well advanced in that regard. But we had to set up the framework for the different organisations and functions and different offices. As I said, that has been completed, agreed and signed and now it is a matter of allocating the final people within those structures. In some areas it has been completed in others it is still ongoing.

CHAIR: Mr Sutherland, I would like to talk about water issues, particularly water dealings. Some concern has been expressed that there are delays in relation to water dealings under the Water Management Act 2000. Is that a fair statement?

Mr HADDAD: I think in some cases there have been delays as a result of disputes about ownership and in relation to the entitlement to water. But I will explain what has occurred since the passage of the new legislation last July in terms of the amendment to the Water Management Act 2000. There have been 7,000 licences issued since that time and we are in the process of issuing certificates for those licences during April. Those licences are in the regulated systems associated with the 31 water-sharing plans that were not only gazetted but implemented in July last year. They represent 80 per cent of the water use in New South Wales. In terms of the process for dealings, there has been a process arranged with the Department of Lands, which now runs the water entitlement register in a similar way to land titles. I might add that this was one of the key provisions of the national water initiative—that new entitlements have the security of land titles. So they are being managed in very much the same way.

In terms of the sorts of statistics I have, there has been of the order of 316 applications across the various water-sharing plans areas. Of those, 208 have been uploaded onto the titles register and effectively those transactions have gone ahead. Certificates have been issued for 140 of those. In the case of the remaining 140 certificate issues, you will understand that in many cases there are lending institutions—banks and other lending institutions—that have some say in the certification process and a number of those licences are currently going through that process of getting authorisation through the interrogation of the lending institutions. My understanding is that, as of last month, about 38 of the remaining applications were being processed within DIPNR. The remaining had either been cancelled or were the subject of mortgage checks et cetera. So there have been some delays in the process but in most cases they are a result of the need for the licence holder to determine ownership with their lending institutions.

CHAIR: Thank you.

Ms SYLVIA HALE: Mr Haddad, I understand that the department is developing regional strategic plans for the New South Wales coast.

Mr HADDAD: Yes, that is correct.

Ms SYLVIA HALE: Thank you. Presumably the purpose of these plans is to prevent ad hoc development, council-by-council development and rezoning of greenfield sites

Mr HADDAD: That is correct. The experience we have been having—I am sure you will appreciate this—is that when we deal with individual rezonings or individual development applications in isolation we cannot always guarantee the most appropriate outcome. The main reason for having the strategies is essentially to put the broad framework for individual decision making to provide more certainty to everybody and to be able to do what we call an upfront assessment so that when we come to a rezoning or to a particular development application we can do that within a strategic context. That is the aim of doing these strategies.

Ms SYLVIA HALE: So it is important in terms of the long-term provision of infrastructure for land not to have been rezoned for another purpose before the overall strategy is put in place.

Mr HADDAD: There is a bit of a balance in here. I am not sure of particular circumstances. There may be cases where we cannot stop making decisions until all the strategies are ready. There may be other cases where decisions may have to be deferred until the strategies are completed. So I cannot say that we can stop everything pending the finalisation of those strategies, particularly as we are trying to do something that can last the challenge of each individual decision.

Ms SYLVIA HALE: But, as you are no doubt aware, Mr Haddad, 130 peak coastal groups approached the department recently and requested a moratorium on rezonings until the strategic plans were in place. Why was their request refused?

Mr HADDAD: I was not involved in that request but, as I have said, in a sense I suppose we cannot stop making decisions pending the finalisation of those strategies. We have to continue to make decisions on a case-by-case basis as to whether certain rezonings are very critical in terms of the outcome of the strategy or whether certain decisions can be made. But essentially it would be a bit difficult to stop making all decisions on whether to allow land to develop or not to develop pending those strategies.

We still go through a merit assessment to the best of our ability. We still advise on outcomes to the best of our ability. It may be, in some cases, that the advice will be that it is critical not to make a decision because that will pre-empt a bigger picture outcome. In other cases it may be that we can proceed with making those decisions. That is broadly the approach that we have been taking. I note also that in terms of statutory obligations, there are statutory, I suppose, provisions in the Act for us, for the Minister to make decisions. If we stop making those decisions—and I am not hiding behind the statutory stuff; as I said, I was trying to resolve and talk about the broader policy rationale, but there are also some statutory obligations that we needed to meet in terms of decision making.

Ms SYLVIA HALE: One of the concerns that has arisen is the first regional plans that have been progressed. There is a lack of community consultation and involvement in the decision making, and there is a feeling that there is considerable lack of transparency. Another concern has been the lack of adequate funding to the Department of Environment and Conservation [DEC] and adequate time for them to carry out a regional biodiversity assessment. Will the department provide more funding and allow more time for the DEC to complete regional diversity assessments?

Mr HADDAD: Perhaps I can refer this to Mr Sutherland in terms of implementation.

Mr SUTHERLAND: In terms of the data and the mapping information that has been pulled together to assist in developing the plans, \$400,000 has recently been confirmed for the Department of Environment and Conservation to assist in their core activities in terms of mapping conservation values. That is in addition to resources that have been made available under what was called the Comprehensive Coastal Assessment Project, which has produced a lot of information both on mapping and data. But it needs to be kept in mind that the sort of detail required for these regional strategies is not at the level or scale that would be required in terms of a local plan, for example local environment plan. Nevertheless, we believe that the resources that have been committed to the task are adequate in terms of providing a framework for those regional strategic decisions in high conservation values, no-go areas, and determining areas in terms of settlement patterns for consolidating development. We believe the data will be adequate for those sorts of strategic decisions. Clearly, there will always be opportunities for more information, and the strategic planning process is not a static one. It will be an ongoing and dynamic process when new information can be taken into account. But those resources have been made available for those purposes.

Ms SYLVIA HALE: In the interests of transparency and general community consultation, will the department release discussion papers and directions statements to the community?

Mr SUTHERLAND: Yes. The process at the moment has been, essentially, departments pulling together draft documentation that will be released for public consultation in a staged approach. So the answer to your question is yes.

Ms SYLVIA HALE: In relation to the Lower Hunter Regional Strategy a deadline for completion has been set for June 2005. When will the varying documentation be released to the public?

Mr SUTHERLAND: We have had discussions with stakeholder groups in terms of the process, but the deadline you talk about of June—we have indicated we would like to have a draft paper that at least outlines the basic principles in terms of settlement strategy in the shape of development areas and high conservation areas by the middle of the year. What is happening is that a number of focus groups have been organised and additional forums have been proposed for May. We have undertaken to meet with various stakeholder groups, including environment groups, to brief them in preparation for those forums and workshops. A set of workshops is being planned on individual themes as part of the strategy. A lot of consultation is going into preparation of a draft document by the middle of the year. Clearly, we will ensure that the documentation and consultation is adequate

when that document is released to broader consultation, but there is no specific date in June that we are identifying. It is more commitment at this stage to work towards having a reasonable draft document in terms of further consultation by the middle of the year.

Ms SYLVIA HALE: In the material the department is producing regarding the Lower Hunter it is suggesting a population growth of 280,000 over the next 25 years. This seems to be 200,000 more than the official population figures that the department produces elsewhere. Which figure is correct? If you believe the higher figure, a figure that is almost 200,000 greater, will you release the information on which you base those population projections?

Mr SUTHERLAND: The answer is yes. One of the key issues here is to have a range of population and demographic scenarios in developing the plan. Clearly, Newcastle is considered to be one of the key growth areas outside Sydney and there are those who believe the current estimates of the population increase are understated. The strategic planning work will look at a range of scenarios, not just the high-end scenarios, in terms of ultimately coming down with some draft proposals. That information will be quite transparent in terms of the documentation that goes along with the strategy.

Ms SYLVIA HALE: But one would assume that the Australian Bureau of Statistics [ABS], which is focused on population trends, would provide reasonably accurate figures. It would not expect such a huge discrepancy between the two figures that have been bandied around. Do you appreciate that the community believes that this emphasis upon such an excessive population growth is being used to justify the release of far more greenfield sites than otherwise would be necessary?

Mr SUTHERLAND: All I can say is that the department will look at a range of scenarios and whilst, as you say, the ABS determines trends by extrapolation, there are other factors that ought to be looked at in terms of implications for future growth in particular areas. We certainly will look at a range of scenarios before, in a sense, putting out a draft settlement strategy.

Ms SYLVIA HALE: I understand the Total Environment Centre [TEC] and the Nature Conservation Council [NCC] wrote to you recently and asked for the consultation process to be opened up and the whole development of the plan to be slowed down to allow for adequate biodiversity assessments and proper consultation. Is it correct that you refused their request?

Mr SUTHERLAND: No. I and the regional director of the Hunter region have, in fact, met with those groups and we have worked through what we believe is a suitable consultation process with adequate opportunities built into it for their input. Some of the issues to do with timing and this undue focus on the June deadline and, perhaps, not appreciating that there were other steps in the consultation process between then and now we have certainly clarified with those groups. They are working on how to co-ordinate their inputs in terms of the opportunities that would be available over the next few months in terms of input to the strategy document.

Ms SYLVIA HALE: Are you saying that the TEC and the NCC were consulted on the process that you have now adopted, and have agreed to that process?

Mr SUTHERLAND: Since we received the letter we have met with them and we have agreed on a process to ensure that they have adequate opportunities for input to the process.

Ms SYLVIA HALE: When you say, "we have agreed on a process", does that "we" mean the royal plural in terms of the department, or does it mean the department plus the NCC and the TEC?

Mr SUTHERLAND: No, the department plus those groups. We are co-ordinating data through an officer that they have identified as the appropriate contact point in terms of co-ordinating input to workshops and forums.

The Hon. DAVID OLDFIELD: I have one question, because I am curious. I do not want you to think I am harping on the cab fare thing, I am just curious, from a departmental point of view, a senior officer like yourself is actually counselled? What does the department do?

Mr SUTHERLAND: There was a discussion in terms of the magnitude of the cab fare, and I certainly was fully in agreement that the mistake was mine and I agreed to repay the amount.

The Hon. DAVID OLDFIELD: Who counsels you? Does someone come into your office, sit you down and say, "You've been a naughty boy", or do they send you an email explaining what should occur? How does it actually happen?

Mr SUTHERLAND: It was actually a discussion.

The Hon. DAVID OLDFIELD: Who is it that actually counsels you?

Mr SUTHERLAND: I think in this case it was the director-general, in the context of cab fare policy.

The Hon. DAVID OLDFIELD: So the director-general, Jennifer Westacott, gets you in and says, "You spent too much here. This is the policy. Don't do this again". It is pretty much as simple as that, is it?

Mr SUTHERLAND: In this case it was clear that it was the result of a mistake, my mistake in terms of understanding the location, and it is inconsistent with the department's policy in regard to what is reasonable use of cab fare, and I was fully in agreement with that.

The Hon. GREG PEARCE: Mr Haddad, what was the venue for the corporate planning events last week?

Mr HADDAD: It was at the Quarantine Station at Manly.

The Hon. GREG PEARCE: What was the duration? How many days?

Mr HADDAD: It was two days.

The Hon. GREG PEARCE: Could you give us, on notice, the total cost to the department of the event?

Mr HADDAD: Certainly, yes.

Ms SYLVIA HALE: In relation to the resurrection of the F6 motorway, what communication has occurred between the department and the RTA in the past two months?

Mr HADDAD: I am not aware of any communication, but I will take it on notice, if you do not mind. I will have to double check whether there have been formal or informal communications.

Ms SYLVIA HALE: What is the department's position in relation to the construction of the road? Does it support it? If so, under what conditions?

Mr HADDAD: Broadly speaking, we will have to look at it in the context of the work that we are doing in terms of the Metropolitan Strategy, really. That is basically it. We need to make sure that any of the infrastructure proposals, particularly the transport proposals, can fit into the Metropolitan Strategy context.

Ms SYLVIA HALE: Are you aware of any discussions between the Metropolitan Strategy team and the RTA about the F6?

Mr HADDAD: I am not personally aware, no, but as I said, we can clarify that as part of the answer to your previous questions.

Ms SYLVIA HALE: What are the implications for the resurrection of the F6? What are the implications for Cooks Cove development: does this mean it will not proceed?

Mr HADDAD: As I have said, the investigation into the feasibility of an F6 is what I understand has been announced, and what we are doing now is looking at it in the context of the Metropolitan Strategy as to whether it can go or not as part of the next step of the process of integrating transport and land use. So I think it is a bit too early to be able to pre-empt or to judge what are the implications of the potential project, which is at the very early stages of consideration in the context of that metro strategy.

Ms SYLVIA HALE: Turning briefly to the M4 East, I understand that the director-general's requirements for the environmental impact statement [EIS] on the M4 East extension state that the RTA must outline options for how the M4 East will connect to Port Botany. Is it the intention of the department that the M4 East will connect to Port Botany?

Mr HADDAD: The director-general has specifically requested that, as part of the justification for the M4 East and as part of the environmental impact assessment that will be done, this aspect will have to be dealt with as part of the project's justification when the EIS has been completed. What is being requested here is that the project not again be looked at in isolation but in the total context of integrating the projects with land use, including redevelopment of the corridor, and including the implications on the freight strategy generally, which I presume is behind your question of whether we should connect, how we should connect with Port Botany, and whether there is justification for doing so or not.

Ms SYLVIA HALE: Yes.

Mr HADDAD: So part of the environmental impact statement and part of the assessment of that project will have to address this issue.

The Hon. KAYEE GRIFFIN: The Government does not have any questions at this point, but can I clarify—as this is the second 20 minutes the Government has given up—whether the hearing will be 40 minutes shorter?

CHAIR: I propose to do is split the remainder. Do you have any further questions, Ms Hale?

Ms SYLVIA HALE: A couple.

CHAIR: If the Government does not have any further questions, we will finish at three o'clock with a short deliberative meeting for those two items. We will split the remainder of the time between the Opposition and the crossbench. Mr Sutherland, if I could go back to the water issue, I think you probably have given me some specific statistics. However, I put on notice a request that you provide the Committee with the number of outstanding applications and, with respect to DIPNR's fast track facility for the water dealings issue, the longest outstanding application you have. With respect to the Barwon-Darling Catchment Action Plan [CAP], can you advise the Committee whether there has been any socioeconomic work done or whether any such work is planned by the Government in relation to that CAP proposal?

Mr SUTHERLAND: Yes. As part of the proposal for the CAP strategy for the Barwon-Darling to meet the Government's obligations under the Murray-Darling Basin Council agreement to implement the CAP across the basin, the Minister has agreed to undertake a socioeconomic survey of the implications of the CAP proposal, particularly with respect to work that was done previously in relation to an earlier proposal to implement the CAP. In fact, the same independent consultants have been engaged to undertake that work.

CHAIR: So they will be independent consultants who undertake that work?

Mr SUTHERLAND: That is right.

CHAIR: Will the result of that work be publicly released? Will there be a time frame in which affected farmers and affected communities can comment and put their cases?

Mr SUTHERLAND: Yes. The results of the socioeconomic survey will be released and discussed with stakeholders.

CHAIR: So people will have a specific opportunity to put their views to the review, to the assessment?

Mr SUTHERLAND: Yes. We will be working with a group of sort of peak stakeholder organisations and user groups in terms of managing that consultation process.

CHAIR: Do you have an anticipated completion time for that whole process?

Mr SUTHERLAND: We believe that the socioeconomic study will be completed by the end of April or early May, and we have to be in a position to talk to stakeholders about the findings certainly by the end of May.

CHAIR: With respect to the ground water issue, can you advise the Committee of the current status of negotiations with industry and the Commonwealth in relation to ground water requirements?

Mr SUTHERLAND: Yes. As you well know, in implementing the 31 surface water sharing plans, last July the Government deferred consideration of the six major water sharing plans, five plans that had already been gazetted and a further plan in the lower Murray that was under preparation. The Government deferred those to enable reconsideration of the approach to reducing entitlements to bring them in line with sustainable yields by taking into account the history of use and to look at the enhancement of the structural adjustment program. The Government at that stage indicated its preparedness to commit \$55 million toward a joint structural adjustment program with the Commonwealth. That has continued to be the position of the Government.

A formal submission has been submitted to the National Water Commission which was set up post the Federal election. We have had further discussions recently with the officers of the National Water Commission. They have sought some additional information and clarification of the proposal which we are providing. I guess we are awaiting a decision of the Commonwealth Government on the recommendation of the National Water Commission as to whether the Commonwealth will proceed, in partnership with the New South Wales Government, in terms of that structural adjustment initiative.

CHAIR: Are you working to hopefully complete that reform by 1 July?

Mr SUTHERLAND: The situation is that the plans were suspended or deferred for this financial year. You will understand that there is now some urgency in terms of the water users having some clarity about what will happen next year. If there is not agreement to the proposal that is currently before the Commonwealth, then the intention would be to proceed with the existing plans because it would be unacceptable to delay plans for another period and leave uncertainty. If the Commonwealth agrees in the next few weeks to contribute to the structural adjustment program, then we may be able to make some arrangements in terms of the intervening water plan year in terms of putting some interim measures in place. But unless we actually have some concrete commitment, given that it has been some nine months since the original proposal was put to the Commonwealth, unless we have some concrete commitment within the next few weeks, it is the intention of the department to implement the existing water sharing plans and the current structural adjustment arrangements which would clearly be inferior to those proposed in the AWF proposal.

CHAIR: In relation to water sharing plans in general, originally the Government had given an indication to industry that there would be \$5 million allocated to conduct independent socioeconomic reviews of the water sharing plans. That was announced on 1 July last year. Is DIPNR now undertaking such reviews internally? If so, where is the review or assessment up to?

Mr SUTHERLAND: What has been decided is that, rather than engaging consultants to undertake this work, we want to build up the capability in terms of the socioeconomic work within the department. It is a critical area in terms of most of our natural resource management reforms, whether it is vegetation or water. So there is a socioeconomic unit that is being developed. It is partially being staffed up and will be staffed up shortly. It will undertake the work that would have been undertaken by consultants, but we will be seeking to ensure that there is peer review and independent assessment of the work of that group, particularly through the independent NRC. So essentially it is a change of

strategy in terms of how the work will be done, but still a commitment in terms of undertaking that work of evaluating the socioeconomic effects of the water-sharing plans over the next five years.

CHAIR: Will that information, the peer review work and the work of the independent group be made public?

Mr SUTHERLAND: Yes. We would intend that the work would be reviewed by the NRC and that the NRC would in any case need to deliberate on socioeconomic implications of water-sharing plans as part of its charter under the terms of the new amended water legislation as of July last year. So the NRC process would be a public process.

CHAIR: In relation to the local government aspect of the Water Management Act, which obviously separates access to water from the ocean and the land, what role is DIPNR taking, apart from input into a discussion paper, to ensure that the financial basis of local government is not eroded?

Mr SUTHERLAND: As you correctly indicate, this is not directly a policy matter for DIPNR; it is a matter for local government. As you also correctly point out, DIPNR will make an input into that process. I should comment that the issue at hand, the separation of land from water, has been a longstanding Council of Australian Governments [COAG] principle and commitment, and has also been a defining principle under the national water initiative to ensure that water can be traded separately from land. I do not think there is a policy dispute about the actual need to proceed in terms of separation of land from water. The issue is about how best to address the obvious need of local government to obtain its revenue stream. We are looking at a range of options as to how that might be implemented and the department will provide some input to that process, as requested.

CHAIR: Local government would be the lead agency, is that so?

Mr SUTHERLAND: That is correct.

CHAIR: Would you explain for the benefit of the Committee the precise role that the catchment management authorities [CMAs] will play in the development of future water-sharing plans? What role will CMAs play, as distinct from the role of the Department of Infrastructure, Planning and Natural Resources [DIPNR]?

Mr SUTHERLAND: Amendments to the legislation, the Water Act 2000, which were passed last year essentially gave CMAs two key roles in relation to water resource management: firstly, management of what is called adaptive environmental water. That is to say, water above and beyond the water-sharing plan is recovered for the environment either through investment in infrastructure projects or purchase of water on the market. As in the case of the Living Murray initiative, the environmental water licences that would be created as part of the process would be assigned to the catchment management authorities and administered by those authorities. That is one critical function.

With regard to water-sharing plans, the CMAs will take the place of the former water-sharing committees and be responsible for co-ordinating the community engagement processes associated with the development of those plans. Clearly, CMAs do not have all the technical expertise related to development of the underpinning of sites and technical input to the plans, and that would be co-ordinated by DIPNR with other agencies such as the Department of Environment and Conservation and the Department of Primary Industries. So the CMAs will play an important role by way of co-ordinating water-user and stakeholder input to the development of the plans for advice to the Minister, but with significant technical input from the agencies.

Ms SYLVIA HALE: Mr Haddad, the section on strategic transport planning in the document entitled, "Shaping Our Cities" contains specific reference to the need for transport planning to meet air pollution and action for air targets. The discussion paper for the metropolitan strategy was modelled on the "Shaping Our Cities" document—indeed, it has been a cut and paste job in many instances—but in the metropolitan strategy there is absolutely no reference to the action for air targets. Are we to take it from that that air pollution, and specifically the action for air targets, is not now part of the metropolitan strategy?

Mr HADDAD: The metropolitan strategy will address the environmental issues associated with land use and other activities, including air pollution. That is probably going to be a part of, firstly, looking at the impact of transportation in particular and the integration of transportation with various land uses. Specifically, if we look at the new urban release strategies and mechanisms that have been announced there is a lot to be said about how transport infrastructure is integrated into those new release areas in such a way that air pollution is mitigated by improving the integration of transport. This whole exercise has also been the subject of consideration by the Department of Environment and Conservation in the context of air pollution and the contribution of these new urban release areas, and I think this work has been reported.

In summary, I think that will continue to be part of the metropolitan strategy. I think I am just coming to the next part of your question, whether in fact we will be talking about specific targets or whether there will be other mechanisms to address that. The outcome certainly will be the objective of integrating air pollution, recognising that this is a critical aspect of future planning. I would like this to await the outcome of the work that is currently being done, before saying, "Yes, there will be a specific target." There are a number of options in addressing the objectives of mitigating air pollution. Setting targets is one of them and other options may be looked at, but I am not saying that we are not going to use one of the other at this point in time.

Ms SYLVIA HALE: Yes, but would you agree that the absence of targets makes it very difficult to measure how well the department is performing?

Mr HADDAD: There may be other mechanisms of delivering a monitoring of the outcome, and it may be just useful to await the various options and to see what would fit this in the circumstances of the case.

Ms SYLVIA HALE: What you are saying seems to be at odds with the action for air document which state, amongst other things:

The action plan sets specific targets for reducing per capita BKT. To achieve these targets the Government has adopted the following transport initiatives: an integrated transport plan and integrated freight management strategy across road, rail and other transport.

The document then goes on to state:

The BKT target will also be incorporated into the Government's metropolitan and regional planning processes.

That is an undertaking to incorporate those targets.

Mr HADDAD: Yes. I have not said that there will not be targets. Let me just be very clear.

Ms SYLVIA HALE: Nor have you said that there will be.

Mr HADDAD: What I am saying is that, in the context of looking at the integration process of transport and other issues related to air pollution, it may be useful to await the decision as to whether quantified targets or other form of targets will be put forward. There will definitely be in a sense very clear measures as to how we are performing with regard to air pollution and other environmental issues.

Ms SYLVIA HALE: At the last hearing the director-general spoke about the metropolitan strategy being a living document and one certainly got the impression that we were not going to see anything in black and white that would set down specific objectives and targets to be reached. Are you saying that that is not the case; that, in fact, documents will be produced whereby the Government's performance can be measured?

Mr HADDAD: I am saying there will be performance measurements. I am supporting the director-general's previous statements, that the metropolitan strategy, as distinct from previous documentation, will be an ongoing living implementation mechanism and tool. The number of implementation actions—for example, the land release areas, the water plan and the freight strategy—these are basically implementation action plans, the centres policies and the centres strategies; and

within those strategies consideration of various measurements targets or measurements mechanisms by which the performance of those activities, in terms of impact on the environment will be made available. For example, if we look at the freight strategy there is the concept of moving freight from roads to rail. Increasing the share from 21 per cent to 30 per cent will have implications for air pollution and on amenity generally. In implementing those strategies there will be a number of measures whereby we will be able to see whether this action has or has not resulted in a net improvement.

Ms SYLVIA HALE: Are you saying that the public will be able to determine how far along the road we are to reaching those goals that have been set?

Mr HADDAD: In the fine print of the strategy, yes.

Ms SYLVIA HALE: In the fine print of the strategy, all right. Will these performance assessments be made available as an ongoing process? Will it be, say, an annual report on the successes or failures of the strategy? How will the department be undertaking that?

Mr HADDAD: If you do not mind I would prefer to wait and come back to the Committee on this aspect, rather than be precise. That is work under way, in so far as determining what is the most efficient option or combination of options to deliver that. As I said, that would be part of the various implementation actions that will be coming through.

Ms SYLVIA HALE: How long do you anticipate it will be before that material becomes available?

Mr HADDAD: I am again reluctant to suggest a particular time. I think the director-general indicated at the last estimates committee hearing that this is an ongoing process. I am hoping that there will be a number of announcements in the short to mid term but I do not want, really, to put a precise date on all of that, if possible.

Ms SYLVIA HALE: I am only going to be here for another other six years. Will we see something prior that?

Mr HADDAD: You will see that.

CHAIR: I will come back to Mr Sutherland. Are you able to advise the Committee what work has been done to date by DIPNR to benchmark the state of New South Wales rivers in the context of the five-year review that is demanded by the water management plans?

Mr SUTHERLAND: A range of processes is under way. The department is part of a basin-wide sustainable rivers audit in conjunction with the Murray-Darling Basin Commission. We are currently discussing with the catchment management authorities a monitoring and evaluation strategy that will look at all the data requirements of CMAs in relation to reporting against catchment condition targets. That work will in a sense co-ordinates the input of data from all government agencies relevant to that information, such as the Department of Environment and Conservation, the Department of Primary Industries and DIPNR, in providing information to the CMAs in a form that they can report on the condition annually to the NRC. Over the next five years the NRC will start to coordinate that audit of the CMA input.

In relation to the parameters that are being monitored, an audit has been done as part of DIPNR's knowledge strategy. That has been undertaken in conjunction with the Science Board. That will be finalised once the NRC finalises its position with regard to statewide stands and targets, because CMAs will be required under the legislation to adopt those standards and targets at a regional level, or at least develop standards and targets consistent with those NRC standards and targets. There is some more work to be done with regard to finalising the indicators, but work is well under way to identify the relevant data sets and the process of co-ordinating information to the CMAs under this monitoring and evaluation framework.

CHAIR: On behalf of the Committee I thank Mr Haddad, Mr Sutherland and Mr Lucas for appearing today and for assisting the Committee with answers to questions. In due course a list of

questions taken on notice will be provided to you and the Committee looks forward to receiving answers to those questions.

(The witnesses withdrew)

The Committee proceeded to deliberate.
