

GENERAL PURPOSE STANDING COMMITTEE No.

2

Monday 24 June 2002

Examination of proposed expenditure for the portfolio area

MINERAL RESOURCES AND FISHERIES

The Committee met at 9.30 a.m.

MEMBERS

The Hon. Dr Arthur Chesterfield-Evans (Deputy-Chair)

The Hon. Ron Dyer
The Hon. Janelle Saffin
The Hon. Duncan Gay
The Hon. Amanda Fazio
The Hon. Jennifer Gardiner

PRESENT

The Hon. Eddie Obeid, *Minister for Mineral Resources, and Minister for Fisheries*

Department of Mineral Resources

Mr A. Coutts, *Director General*

Ms M. Campbell, *Director, Strategic Planning and Policy*

Mr T. Galligan, *Director, Resource Planning and Development*

Department of Fisheries

Mr S. Dunn, *Director*

Mr P. O'Connor, *Deputy Director*

DEPUTY-CHAIR: I welcome you to this public hearing of General Purpose Standing Committee No. 2. I thank the Minister and his departmental officers for attending. The Committee has resolved that questions should be lodged within two days of this hearing and that the answers should be received within 21 days of their lodgment with the department.

The Hon. EDDIE OBEID: I understood that we had 35 days.

DEPUTY-CHAIR: This Committee has decided on 21 days because 35 days is too long to wait.

The Hon. EDDIE OBEID: I am not sure of the ruling for all Committees, but I understood it was 35 days.

The Hon. RON DYER: Mr Chairman, I suggest that if the Minister finds that time frame inconvenient he could request an extension prior to the expiration of the 21-day period.

The Hon. EDDIE OBEID: We would prefer 35 days. The Clerk advises that it should be 35 days.

DEPUTY-CHAIR: Most Ministers can do it in 21 days if requested. Perhaps you could ask for an extension if it cannot be done within 21 days.

The Hon. EDDIE OBEID: We will do our best.

DEPUTY-CHAIR: Paragraph 4 of the resolution referring the budget estimates to the Committee requires evidence to be heard in public. The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. In accordance with Legislative Council guidelines on the broadcast of proceedings, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee.

There is no provision for members to refer directly to their own staff while at the table. Witnesses, members and their staff are advised that any messages should be delivered through the attendant on duty or the Committee clerks. For the benefit of members and Hansard could departmental officers identify themselves by name, position and department or agency before answering any question. We will hear from the Department of Mineral Resources before we hear from NSW Fisheries. I declare the proposed expenditure open for examination. Do you wish to tender any documents?

The Hon. EDDIE OBEID: No.

The Hon. DUNCAN GAY: I refer to Budget Paper No. 3, volume 2, page 13-1. The Department of Mineral Resources has budgeted to spend an additional \$900,000 in 2002-03 on asset acquisition. What is the purpose of this additional expense?

The Hon. EDDIE OBEID: I refer that question to the Director-General, Alan Coutts.

Mr COUTTS: The additional funding for asset acquisitions in the 2002-03 financial year relates to the upgrade of the computer management information systems.

The Hon. DUNCAN GAY: At the same time as your asset acquisition program was increasing, total expenses for the department were forecast to fall by almost \$2 million. Why is that?

The Hon. EDDIE OBEID: I am advised that the expenses have been reduced from 2001-02 to 2002-03 due to the completion of a number of one-off projects, such as the environmental trust projects.

The Hon. DUNCAN GAY: Is that mine rehabilitation?

The Hon. EDDIE OBEID: The allocation of \$2.8 million for derelict mines, which we did not have funding for, came from the environmental trust. That is a one-off project.

The Hon. DUNCAN GAY: I will come back to the derelict mines. Minister, at what stage is planning for the relocation of 200 departmental staff to Maitland?

The Hon. EDDIE OBEID: Last October the Premier announced that 160 jobs will be moving to Maitland. We now anticipate that 200 departmental jobs will be relocated. This builds on the 40 jobs that are already there. The move will occur at the end of 2004 and will coincide with the expiry of the existing lease on the premises at St Leonards. We allocated \$320,000 in last year's budget to assist with the initial planning for that move. At this point we are not sure of the total cost of the move. I hope that that will be part of the forward planning in the next budget.

The Hon. DUNCAN GAY: What sections will move and what sections will remain in the Sydney metropolitan area?

The Hon. EDDIE OBEID: I will ask Mr Coutts to answer that question.

Mr COUTTS: Essentially, those parts of the organisation that provide service directly to me will remain in Sydney. The bulk of the operating parts of the department will move to Maitland. Some geological survey land use positions will remain in Sydney. Those positions have a direct relationship with land use matters relating to the central business district.

The Hon. DUNCAN GAY: How many people will be staying with you?

Mr COUTTS: Up to 50 positions will remain in Sydney.

The Hon. DUNCAN GAY: Will the core library remain in Sydney?

Mr COUTTS: The core library is currently located at Londonderry and will remain at Londonderry.

The Hon. DUNCAN GAY: Has work commenced to secure suitable premises in Maitland for the relocation? Are you constructing a new building or will you locate with other public service departments?

Mr COUTTS: As is the case with the location of all government departments, whether they are within the CBD or elsewhere, we have engaged the Department of Public Works and Services to assist us in this process. We are currently going through a series of planning steps to determine what we will require at Maitland. Once that process is finalised we would expect to go to the market and seek broad expressions of interest. Depending on those expressions of interest, subject to the advice of the Department of Public Works and Services, we will probably come up with a short list and move from there.

The Hon. DUNCAN GAY: Can you give us an idea of the cost?

Mr COUTTS: No, it is too early. We have decided to move. We think it is a good idea. We do not know what it will cost.

The Hon. EDDIE OBEID: It is obvious that rentals in Maitland would be more competitive than rentals in St Leonards. However, we are not able to say what the cost of the move would be or what rental will be charged for the premises.

The Hon. DUNCAN GAY: Minister, the Director-General said that 50 staff will be staying in Sydney. You indicated that the lease will be up at St Leonards. Where will those 50 staff be relocated?

The Hon. EDDIE OBEID: That has yet to be determined. I understand that the Director-General is consulting with the Department of Public Works and Services to assess where that number of staff can fit, in either an existing government-leased premises or somewhere else, if appropriate.

Obviously, I would want those staff to be located central to the business sector. Miners throughout the country who deal with the State would want access to the Director-General and his support staff. We want to make sure that they are located in reasonable proximity to the Sydney CBD.

The Hon. DUNCAN GAY: Are you going to be leasing premises for 50 people in the high-expense Sydney CBD?

The Hon. EDDIE OBEID: No, they are your words. I said it would be advisable for the key staff of the department, with whom future investors or mining companies want to do business, to be centrally placed for easy access. They should be in close proximity to the main business sector that is dealing with mining—whether it is North Sydney, St Leonards or somewhere around the CBD. We want clients to be able to fly into Sydney and for the department to be in close proximity to the CBD. I have not put a figure on it and I have not said where because it is early days. As I said, the move will not occur until the end of 2004 and the lease does not expire at St Leonards until then. There is time to look at it.

The Hon. DUNCAN GAY: Minister, you mentioned that people flying into Sydney need access to the department. Miners in the Hunter will be able to have terrific access at Maitland. A lot of mining is carried out south and south-west of Sydney. What happens to the people who fly into Sydney and need access to the department?

The Hon. EDDIE OBEID: Mr Chairman, I am quite surprised by the line of questioning of the Hon. Duncan Gay. It is Coalition policy to move jobs to the regions. That is what the Government is doing. The Hunter is a well-known coal producing sector—it is one of the most important sectors in the country, not only in New South Wales.

The Hon. DUNCAN GAY: Minister, what is the answer to the question?

The Hon. EDDIE OBEID: Let me finish my answer and then you can follow on with whatever questions you want to ask. The honourable member should be aware that we have the most up to date technology in the world. Our DIGS system—

The Hon. DUNCAN GAY: What is the web site address for DIGS?

The Hon. EDDIE OBEID: Do not question me on the detail of that; all you have to do is look up Mineral Resources on the Internet. If you want to ask relevant questions, let me answer them. Any miner in the world can access information via the Internet with respect to our geological surveys, studies, reports, who currently holds exploration licenses or mining rights, et cetera. We have been able to get the most modern and up-to-date technology. Business people can access information on the Internet. At the same time, the Director-General and his support staff should not only be close to the CBD so that they can receive and meet at short notice anyone arriving from outside of Sydney, they need to have access to their Minister. I am located at Governor Macquarie Tower. They also need to be close to Parliament House. For those reasons, the Director-General and his support staff will be located in close proximity to the city.

The Hon. DUNCAN GAY: Minister, have surveys been conducted among departmental staff to ascertain the number of staff that is prepared to move to the Hunter?

The Hon. EDDIE OBEID: There has been an ongoing effort to assess that. A number of site visits have occurred. Staff have been able to assess housing, schooling and other services before they decide to make the move. This has been an ongoing process. Perhaps the Director-General could elaborate on that.

The Hon. DUNCAN GAY: Before the Director-General answers, what options will be offered to staff who do not wish to relocate?

The Hon. EDDIE OBEID: There was a redundancy package available to the Department of Mineral Resources. I am not aware of the details. I will refer that question to the Director-General.

Mr COUTTS: The department is going through a fairly extensive planning process as part of this move. We have put in place a range of mechanisms as part of consulting staff. We have conducted a preliminary survey of staff to help us gauge their views on some of the issues that we need to deal with. During the course of the next two years or more leading up to the move, we will undertake further surveys to help us in that planning process. The options available to staff who choose not to relocate to Maitland are available under the Public Sector Management Act and general rules set down by the Office of Public Management. They are the same options available to staff of other departments that might be relocated, either elsewhere in Sydney or to regional centres.

The Hon. DUNCAN GAY: Occupational health and safety legislation was introduced into Parliament last week and will most likely have cost implications. Do you have any idea what it will cost to implement the legislation and educate the industry about it?

The Hon. EDDIE OBEID: As you are aware, one of the Government's priorities is the health and safety of mine workers throughout the State. We have had an ongoing allocation of \$14 million, which is over a five-year period. We have been able to secure an extra \$1 million, which has been allocated for next year's budget.

The Hon. DUNCAN GAY: Is that the answer?

The Hon. EDDIE OBEID: As I said, \$14 million has been allocated for mine safety. That is an ongoing plan from 1998 until 2003. We have now secured \$1 million above that \$14 million. I believe that we have the best mine safety standards in the world. Mine safety is a priority for this Government. We have a great system. The peak advisory body is the Mine Safety Advisory Council, which consists of miners—

The Hon. DUNCAN GAY: Yes, Minister, but what is the cost?

The Hon. EDDIE OBEID: I am answering the question.

The Hon. DUNCAN GAY: You are not, Minister.

The Hon. EDDIE OBEID: I am answering the question—we have provided \$14 million and this year there will be an extra \$1 million in the budget.

The Hon. DUNCAN GAY: Is it \$14 million or is it \$1 million?

The Hon. EDDIE OBEID: No, it is \$14 million—that has been a five-year program.

The Hon. DUNCAN GAY: For education?

The Hon. EDDIE OBEID: If you listened to what I said, the five-year program costs \$14 million and we have asked for \$1 million extra this year, which means over five years we are spending \$15 million. The health and safety of mine workers is a priority for this Government and, as I said, will continue to be a priority for this Government.

The Hon. DUNCAN GAY: I refer to Budget Paper No. 3, volume 2, page 13-9. The line item Other expenses forecasts a fall from \$3.496 million in 2001-02 to \$2.197 million in 2002-03. Why is that?

Mr COUTTS: Sorry, are you referring to Other expenses, where the figure is \$4.001 million down to \$2.197 million?

The Hon. DUNCAN GAY: Yes.

Mr COUTTS: That is a consequence of funding that the department received from the funding for the environmental trust projects. A number of those projects have carried forward into the following year and remain uncompleted. That is the reason for the variation in that funding.

The Hon. DUNCAN GAY: Minister, I again refer you to Budget Paper No. 3, volume 2, page 13-9. Revenue from the sale of goods and services is forecast to total \$2.02 million for 2002-03, which is down from \$2.176 million in 2001-02, which is down from the \$2.75 million forecast for 2001-02. What is the department doing differently to cause the drop in those figures?

The Hon. EDDIE OBEID: I will refer that question to Alan Coutts.

Mr COUTTS: The main reason for that variation in funding relates to the service contract the department had with the Ministry for Energy and Utilities. The Ministry for Energy and Utilities has engaged another service provider to provide a number of the functions that the department provided to it. That is the reason for a significant part of that reduction. In addition, the introduction of more of our services on the Internet has had an impact on our revenue from across-the-counter sales. As a consequence, there has been a reduction in revenue from certain publication activities.

The Hon. DUNCAN GAY: I refer you to Budget Paper No. 3, volume 2, page 13-9 and the line item Investment income. The department received more than double the estimated income for 2001-02. Where did that additional income come from?

Mr COUTTS: The line item Investment income relates to money that the department has in its bank accounts that is earning interest. As I mentioned earlier, the department received funding from a number of initiatives—the main one being the environmental trust. As a consequence of that money being in our bank account whilst those projects were being undertaken, we have increased our investment income.

The Hon. DUNCAN GAY: So it is basically income from interest?

Mr COUTTS: Essentially, yes.

The Hon. DUNCAN GAY: Why was it not accurate on the budget forecast at the time? Why is it double the budget forecast?

The Hon. EDDIE OBEID: Would you repeat that?

The Hon. DUNCAN GAY: I am referring to the money that is coming that you got interest on. Surely you would know what money is coming in?

The Hon. EDDIE OBEID: If you are allocated a certain amount of money and that money is not expended on a project-by-project basis as quickly as it should, obviously it will earn interest. You do not allocate for that, you do not expect that.

The Hon. DUNCAN GAY: I understand the principles of banking.

The Hon. EDDIE OBEID: We did not expect the interest because we felt that once we allocated the money it would be expended in a certain time. If the project is delayed, the money will not be paid out and we will earn interest on it.

The Hon. DUNCAN GAY: So your answer to my question is that you got the extra money because you delayed putting it in?

The Hon. EDDIE OBEID: No.

The Hon. DUNCAN GAY: That is what you just said.

The Hon. EDDIE OBEID: You fail to understand how your shadow portfolio should operate. When we go to a derelict mine—

The Hon. DUNCAN GAY: Minister, this is a—

The Hon. EDDIE OBEID: You have asked the question so listen to the answer. You do not listen too often. When moneys are allocated to work on a derelict mine the department does not do it

itself, it gets subcontractors to do it. Subcontractors tender for the work through the appropriate process. If they fail to carry out their job on schedule or to the specifications of the department, for example, they do not get paid. If for any other reason the job is not completed, they do not get paid. That money stays in that account and it earns interest.

The Hon. DUNCAN GAY: You would make a great Treasurer.

The Hon. EDDIE OBEID: Thank you.

DEPUTY-CHAIR: In last year's estimates committee questions, you noted that there was an internal review of environmental aspects of the Mining Act. Is that review complete and is it publicly available?

Mr COUTTS: Under the auspices of this Government, the department has been undertaking an ongoing review of the Mining Act and, where necessary, putting up proposals to the Minister for changes on aspects of the Act relating to environmental management of mining. As a consequence of advice that the department has put forward to the Government, amendments to the Mining Act have strengthened the provisions for environmental sanctions related to mining. The department, at the Minister's direction, is increasing its review and the rigour with which it polices breaches of environmental arrangements under the legislation. We will continue to look at opportunities to improve the legislation under which we govern the environmental aspects of mining. Where appropriate, we will continue to make suggestions to the Government as to where that might be improved.

DEPUTY-CHAIR: Is that review publicly available? If not, when will it be available?

Mr COUTTS: We consult with stakeholders when we undertake reviews. There is not a review document as such available for public distribution.

DEPUTY-CHAIR: Are you saying that such a document does not exist? Or it is some sort of diffuse set of concepts within the department?

Mr COUTTS: I am saying such a document that might be available for public release does not exist.

DEPUTY-CHAIR: Is there a plan to make a public document available so that there can be public input to that review?

Mr COUTTS: Not at this stage. Depending on how we progress with our considerations of any changes, if it is seen as appropriate to have such a document that would be something we would consider at that time.

DEPUTY-CHAIR: Is it not just a tad paternalistic to say, "If it is considered appropriate we will get public input at the time"? Surely the public has a right to have input?

The Hon. EDDIE OBEID: There is no doubt that the public is paramount in its input, and that is done at the initial planing stage. There are public consultations when the exploration is occurring. We have forums in which the public is involved. These two issues involve separate pieces of legislation that have been passed by Parliament. It is about strengthening the environmental provisions of the Mining Act, which is there now. We are mindful of public participation, but it has to be done at the appropriate level. The department is under clear instructions to continue to be vigilant and to talk to the stakeholders—in particular, the mining companies—to ensure that environmental issues are adhered to.

DEPUTY-CHAIR: Surely if you were talking about environmental aspects you would talk to environmental groups and to members of the public who might have quite strong opinions about that?

The Hon. EDDIE OBEID: There is no doubt that environmental groups have a big say when we go through the planning process, which is carried through the Department of Planning. Most mines have commissions of inquiry, a stringent sort of inquiry. Once the agreement is set, once the mine has

approval, the stakeholders and the department are the most important in making sure that the environmental issues are adhered to. There is a level.

DEPUTY-CHAIR: This is the Mining Act, not each individual mine. If the Mining Act is being reviewed is there a forum in which working parties can suggest changes and those changes can be discussed, or does the legislation lob into Parliament and then the groups scratch together the amendments as best they can?

The Hon. EDDIE OBEID: Every piece of legislation involves consultation. When we are introducing legislation I am more than happy to receive any group that has an issue and discuss it with them. We discuss issues with stakeholder groups before we introduce legislation. Environmentalists are more than welcome to put in their two bob's worth.

DEPUTY-CHAIR: If you are internally reviewing legislation surely you must have a statement of the faults or improvements you might find with it. Surely you run that past people? That process should involve public discussion, such as a white paper.

The Hon. EDDIE OBEID: Are you suggesting that a Minister should have a public inquiry before he introduces legislation? Not much legislation would get through Parliament. The consultation is open to the Opposition, the crossbenchers, to any sector interested in that particular legislation. Their contribution will be factored in. When the legislation goes before Parliament it is debated, so nothing can be open more than that. I am suggesting to you that there is always the possibility for open discussion with interested parties with respect to any piece of legislation. You represent some people for whom the environment is very important. I welcome you and anyone else to put your contribution. You have the opportunity to debate it in Parliament and convince your colleagues about the positives and negatives of whatever legislation is going through. I am not suggesting that the system is going to change every time a minor piece of legislation goes through Parliament; I am not suggesting that there will be a public inquiry before we introduce legislation.

DEPUTY-CHAIR: Will there be a regional impact statement or a family support statement?

The Hon. EDDIE OBEID: That is a provision the Government has adopted. I am sure it will be decided. If there are any issues that should be raised, they will be.

DEPUTY-CHAIR: You are not planning to have an open process where you say, "This is what we suggest, can we have comments"?

The Hon. EDDIE OBEID: That is what you are here for. When you see that a piece of legislation is to go before Parliament, you are supposed to go and talk to the Minister and his advisers, and make your contribution. You can do that privately. If you are not satisfied, you can do that publicly in Parliament. That is what Parliament for: it is open, it is transparent, it is about consulting.

DEPUTY-CHAIR: It does not sound like it. We did not know where it was up to. There has not been any publication.

The Hon. EDDIE OBEID: Anyone interested in the portfolio would have known the progress. Anyone in contact with the stakeholders—whether they be employees, employers or the department—would have told you instantly. When the legislation comes in, it is there for you to discuss. We timed it in such a way there has been open consultation, open discussion and everyone has been able to contribute. Whilst the Deputy Leader of the Opposition and I have our tiffs now and then, generally we agree on major legislation. This is about supporting an industry that is fundamental to our export market, that is fundamental to creating jobs in the regions.

DEPUTY-CHAIR: The fact that we are supporting the industry has nothing to do with the fact that we might like to discuss the Act.

The Hon. EDDIE OBEID: It has. You are suggesting that we should have a public inquiry for every piece of legislation. I suggest that it would not work in practice. That is what Parliament is for: to openly debate legislation, rigorously if necessary.

DEPUTY-CHAIR: I refer to the Ulan coalmine. Do the mining activities of exploration, public auction of resources and management of licence conditions occur separately to the planning processes, such as catchment, vegetation and river management planning?

The Hon. EDDIE OBEID: I refer that question to the Director, Resource Planning and Development, Mr Tony Galligan.

Mr GALLIGAN: I am not sure what the specific issue is. Normally exploration is an early stage activity and follows on from the grant of an exploration licence, giving that company the right to explore. It does not give the company the right to mine. If the exploration activities have more than a minor impact, a Part 5 review would need to be carried out. Some exploration activities have little impact; some activities have potential for others. The Ulan area has not been put out for tender. I am not certain what you are referring to. Normally if a tender is put out for an exploration area it is after the Government has done exploration and we have enough information for companies to make reasonable tenders. The award of a tender does not imply that the company is guaranteed to get its development consent under the planning legislation, which it has to do before the Minister can grant a mining lease. The sequence is: the department normally does some exploration and if there is a tender the tender follows on from that; then that company is required to go through the planning process to get any development approvals necessary.

DEPUTY-CHAIR: Have community consultative committees been established for new mining development in the State? Are there representatives from the Department of Mineral Resources on those committees?

Mr GALLIGAN: Once the projects have development consent issued by the Minister for Urban Affairs and Planning, PlanningNSW runs the community consultative process. In recent years virtually every project has had a community consultative committee formed. More often than not it is chaired by a local councillor and the Department of Mineral Resources is represented. Community consultative committees are established for a number of exploration projects where there is some community concern or potential for community concern. The Minister for Mineral Resources appoints an independent chair. The department is represented on those committees.

DEPUTY-CHAIR: What are the staffing arrangements for overseeing compliance with mining development conditions?

Mr GALLIGAN: The Director-General may like to comment on this issue. The groups within the department that cover regulation of the mining activities involve the environmental group. I will take on notice the specific numbers in that group. There is input from a number of our mine safety officers who, to some degree, wear a dual hat in some areas.

DEPUTY-CHAIR: What are the Department of Mineral Resources staffing arrangements for involvement, in view of environmental factors, in exploration licenses, development of the mining environmental impact statements and liaising with community organisations?

Mr GALLIGAN: The three issues you have raised overlap a number of areas in the department, so it is hard to be specific and say that there are a certain number of people for any one of those activities. When a project is put forward, the normal process is that a resource development group is convened; a specialist panel from the department—comprising representatives from the safety and engineering area, environmental area and the titles area—looks at all aspects of the project. Before the department supports a project it has to be satisfied on those major areas of mining: that there is good utilisation of the resource, and that safety aspects and major environmental aspects are covered. When it is recommended the project proceed along the formal planning, development and consent process stage, PlanningNSW takes over.

DEPUTY-CHAIR: Ten companies are involved in extensive exploration to identify the Murray region as being rich in mineral sands. What funding does the Government intend to allocate for a comprehensive assessment?

The Hon. EDDIE OBEID: Some major mineral sands discoveries in the Murray Basin offer significant potential for future development and job growth in western New South Wales. The New

South Wales part of the basin contains more than 56 million tonnes of coarse grain mineral sands worth about \$17 billion. BMAX has several major deposits in the Pooncarie West area, including Gingko, Schnapper and Winchester. The Premier recently announced development approval for a mineral separation plant in Broken Hill to treat mineral concentrate from the Murray Basin. Construction will generate 180 jobs, and there will be 60 permanent jobs when it is operational. The Government is working with industry and other levels of government to develop the mineral sands industry and to meet infrastructure needs, including transport.

The Government has been spending significant money—particularly around Broken Hill, the Murray Basin and the Cobar region in the west—to locate new minerals and deposits. The bulk of the mineral sands industry is in the Murray Basin on the New South Wales side. A whole-of-government approach is making provisions for the improvement of roads and availability of electricity. A development application has been approved for a separation plant in Broken Hill. There is a joint government effort to make sure that we give every opportunity for this industry to be established. The first cab off the rank is a company called BMAX with a Gingko deposit. We are hoping that separation will take place in Broken Hill. We have approved the development application for that separation plant, and we will continue to support that particular area because it has a tremendous future not only with respect to investment but with respect to creating much-needed employment in Broken Hill.

DEPUTY-CHAIR: How will you handle the adverse effects on ground water in the region, possible contamination of waste water, tailings and extraction of ground water?

The Hon. EDDIE OBEID: I refer that question to Mr Galligan.

Mr GALLIGAN: In respect of any of the environmental issues, such as the impact of saline water, none of those projects gets approval unless it has gone through comprehensive environmental impact statements. Those environmental impact statements, as I mentioned earlier, are operated by PlanningNSW and have the full input of technical expertise of every government agency, including in the Department of Land and Water Conservation, and the National Parks and Wildlife Service. It is a comprehensive process. In regard to the Willandra world heritage area the Commonwealth Government has been consulted and has agreed to accept the State process as a comprehensive process that meets its requirements.

DEPUTY-CHAIR: Is that site specific or does it take the whole region into account?

Mr GALLIGAN: The Commonwealth Government has been approached in respect of specific projects.

DEPUTY-CHAIR: Two of the proposed mining projects, Twelve Mile and Prungle, are near the Willandra world heritage area. I understand that Murray Basin Titanium has notified the Commonwealth Government of the proximity of these projects. It has indicated that the protected mallee fowl could be an issue in the Prungle project.

The Hon. EDDIE OBEID: Both projects have been referred to the Commonwealth Government as regulated actions under the premise of environmental protection and biodiversity. The Commonwealth Government officers were invited to the Prungle planning focus meeting on 12 September 2001. For both projects the Commonwealth Government has decided to accredit the New South Wales Government's environmental impact assessment process. No specific objections were made by conservation groups when the Gingko environmental impact statement was put on public display. PlanningNSW is the lead agency in this process. However, as I said, it is a whole-of-government approach to ensure that we provide every opportunity for this important industry to be established on the New South Wales side of the Murray Basin and to acquire as many jobs as we can for regional New South Wales.

DEPUTY-CHAIR: In what ways are the adverse social and environmental impacts to the mining industry being managed? Can the Minister provide details, including performance indicators?

The Hon. EDDIE OBEID: It is early days. As I said, an environmental impact assessment process is taking place. If any of those parties has an interest or can see an issue they should raise it

during that process. As far as the New South Wales Government is concerned, it has complied with all the Commonwealth Government requirements. The New South Wales Government has the accreditation and it will continue to listen to people who have issues. Things are looking pretty good.

The Hon. RON DYER: Government members are in a benevolent mood this morning and are prepared to forego their time.

The Hon. DUNCAN GAY: Minister, I direct you to derelict mine rehabilitation, which is one of your favourites. I thank the Government for giving me extra time. Minister, I take you to Budget Paper No. 3, volume 2, page 13-16. It shows that there will be no net increase in the number of sites or total hectares rehabilitated in 2002-03. Are you happy with that?

The Hon. EDDIE OBEID: I do not agree with that statement because we are allocating \$1.6 million from the Mineral Resources consolidated funds. At the same time, over the next three years \$2.8 million will be spent from the environmental trusts. During the term of the previous Coalition Government it spent \$125,000 a year. The Carr Labor Government has increased that to \$1.6 million a year and added the environmental trusts component of \$2.8 million over a three-year period.

The Hon. DUNCAN GAY: My question was about hectares. I will come to what you have spent later. Can you answer the question?

The Hon. EDDIE OBEID: I am not going to answer questions on exact hectares.

The Hon. DUNCAN GAY: Obviously.

The Hon. EDDIE OBEID: These derelict mines were there during the seven-year term of the previous Coalition Government. Its record was dismal: it spent only \$125,000 a year on derelict mines. The Government has increased that to \$1.6 million a year and has brought in money from the environmental trust, \$2.8 million, over a three-year period. The Government's record stands clear as far as the environment is concerned. Mines are supposed to have a bond for rehabilitation. During the term of the previous Coalition Government, its record was \$70 million for the mining industry. The Government has upped that to \$280 million. The Government regularly reviews the plans for rehabilitation for each mine, even if the mine is operational today.

The Hon. DUNCAN GAY: Minister, it was a simple question and I will make it even more simple for you: Are you happy that the hectares have remained the same?

The Hon. EDDIE OBEID: I have been advised that the net hectares have increased by 80.

The Hon. DUNCAN GAY: No, it was 80 the year before and it is 80 this year.

The Hon. EDDIE OBEID: I am told that it is a new 80.

The Hon. DUNCAN GAY: It was a new 80 the year before. Come on! You are not Michael Egan.

The Hon. EDDIE OBEID: No, the issue is specific sites—derelict mines that have affected catchment areas, that have affected the water in a particular location, that have affected rivers.

The Hon. DUNCAN GAY: You are obviously not going to answer my question, Minister.

The Hon. EDDIE OBEID: I am advised that the increase is 80 hectares. But, regardless of whether it has or has not increased, it is about specific sites that have caused damage to the surrounding communities; it is about a Government that is caring and concerned and will spend the money—the Government will be spending record amounts of money, far more than the Coalition spent during its term of government.

The Hon. DUNCAN GAY: Point of order: Mr Chairman, can you direct the Minister to answer the questions. He should just tell us if he cannot answer the questions.

The Hon. JANELLE SAFFIN: To the point of order: We all know that a Minister can answer a question in any way he sees fit.

DEPUTY-CHAIR: Yes, but a Minister cannot waffle forever. He should answer the question within a reasonable amount of time, be it two or three minutes. He should answer the question.

The Hon. JANELLE SAFFIN: He did: 80 hectares.

DEPUTY-CHAIR: They are different hectares.

The Hon. EDDIE OBEID: They are new hectares. What do you expect, the old hectares?

The Hon. DUNCAN GAY: Minister, I take you to Budget Paper No. 3, volume 2, page 13-18. The spending on rehabilitation of mined areas is forecast to fall from \$3.496 million in 2001-02 to \$2.197 million in 2002-03. In addition, the budget amount of \$4 million for 2001-02 was not completely spent. Can you explain your continued rhetoric on this matter, when the department is not even spending what is allocated? Was that lack of spending the reason why your budget was cut this year?

The Hon. EDDIE OBEID: As I have said, the Government is spending more money than the Coalition spent during its of government. I repeat: \$1.6 million a year, plus \$2.8 million spread over three years.

The Hon. DUNCAN GAY: Why was your budget cut?

The Hon. EDDIE OBEID: Let me finish my answer, then you can interrupt. We have a tendering process for the rehabilitation of derelict mines. It goes to private contractors in the regions and they are under a schedule. They are given specific details for the rehabilitation plan and it is up to them to carry it out. In the event that they have not carried out their job on time, on schedule and to the performance that the department wants, payments get delayed and it does reflect in the budget. We do have the budget, but we require the jobs to be completed to our specifications before payments are made. I ask the Director-General to add some further information.

The Hon. DUNCAN GAY: So my assertion is correct in that case?

The Hon. EDDIE OBEID: No, your assertion is not correct.

The Hon. DUNCAN GAY: That is what your answer indicated.

The Hon. EDDIE OBEID: As I said, record amounts were spent on derelict mines.

The Hon. DUNCAN GAY: No, you are down from last year.

The Hon. EDDIE OBEID: It is a matter of how each mine is progressing, whether the money is being spent.

Mr COUTTS: As the Minister has already explained, the department has received a considerable increase in funding to assist in remediating derelict mines. In addition to that amount, the Government also provided the department with a one-off amount under the environmental trust. What you are seeing in those figures is the reduction of the funding as the environmental trust funding goes back to zero as those projects are completed. We come back to the department's core allocation for derelict mines funding which, as I said earlier, is an increase on what it has had in the past.

The Hon. DUNCAN GAY: Director General, you mentioned earlier that some of the funding is being withheld by the department because contractors may not have completed the work properly. Are you able to provide details of where those projects are and what has been done to have those payments withheld? Perhaps you could take that question on notice?

Mr COUTTS: If my answer came across that the department was withholding funds, that was certainly not my intention. The department was allocated this funding under the environmental trust

for a series of projects. Some of those projects, for various reasons, have taken longer to come to their completion than perhaps might have been envisaged at the start. In some cases it is because of rainfalls in the local area. So it is not necessarily because of the department withholding funds; it is more an issue around the timing of the projects. So far as specific details are concerned, obviously I do not have those at my disposal. Subject to the Minister's concurrence, I am sure we could provide that information on notice.

The Hon. EDDIE OBEID: I have no problem with that.

The Hon. DUNCAN GAY: Minister, I turn now to the Great Northern Mine at Wybong, a Power Coal mine. Are you aware of concerns about the process Power Coal is using in terms of consultation for the Great Northern Mine? What is the department doing to ensure that the company is complying with the best practice of keeping landholders informed of the process? Minister, given that your Government is about to breach an election promise from the last election and sell by tender Power Coal, what will you be doing to make sure that the new owners continue in a proper fashion?

The Hon. EDDIE OBEID: That area is better known as Anvil Hill and Power Coal has an exploration licence to the north of Denman, near Muswellbrook, for the Anvil Hill coal project. The company has obtained encouraging results from its initial exploration program in the area. Power Coal is required to go through the development consent process, including the preparation of a full environmental impact statement, before any mine development. This process involves consultation with all relevant government agencies. Any member of the community may make submissions regarding the proposal. If development consent is given, stringent conditions will be imposed to ensure the impact of mining is minimised. Some landholders have made representations on the issue of possible option agreements. It is very difficult for Power Coal to negotiate landowners' option agreements given that it is in the latter stages of being sold. Of course, an announcement is expected on the sale of the company by late June or early July. Of course, as members would know, that responsibility for the sale of Power Coal lies with my colleague the Treasurer.

In short, I am always concerned when the community has some complaints about the lack of speed that a company might adopt during that exploration period, when landholders around those exploration areas are concerned about the outcome for their future—whether they are going to be paid out, whether they are going to remain there, how they will be affected. It is unfortunate that sometimes companies can be delayed in doing that exploration. I have met with groups of residents from that location and I am sympathetic with the issues they have raised. However, I would suggest that Power Coal is moving ahead with the exploration and hopefully during the development consent the communities will know more about the outcome of the exact location of the coal deposits and how they will be affected. I ask Mr Galligan to elaborate on that answer.

The Hon. DUNCAN GAY: Before Mr Galligan answers, did I interpret you correctly: you indicated that Power Coal will be finalised for sale in late June or early July?

The Hon. EDDIE OBEID: The negotiations are taking place. I do not want to be specific as to the exact time. It is within the Treasurer's portfolio to assess the potential purchasers of Power Coal. I do not think an exact time could be put on it by me.

The Hon. DUNCAN GAY: You said late June or early July in your answers.

The Hon. EDDIE OBEID: I indicated that an announcement is expected in late June or early July.

The Hon. DUNCAN GAY: It is now late June.

The Hon. EDDIE OBEID: It is 24 June—we have another week to go. I do not think this is the real issue here. The issue is that the Government must negotiate with all potential purchasers and get maximum dollars for the taxpayer. Hopefully, once Anvil Hill and other assets of Power Coal are sold anyone interested in the future of the mine and the effect it will have on their surrounding communities will be able to make a more learned decision.

The Hon. DUNCAN GAY: Would you be willing to meet with the Wybong residents? You have indicated you have met with them. Would you be willing to meet with them before the sale goes ahead?

The Hon. EDDIE OBEID: As Minister I have an open-door policy—I am always happy to meet any community group, anyone who has any concern with the Department of Mineral Resources, with mining. Yes, I am more than happy to meet any of them should they wish to see me.

The Hon. DUNCAN GAY: I am sorry, I interrupted your answer.

The Hon. EDDIE OBEID: Did you want more clarification? I think that is sufficient.

The Hon. DUNCAN GAY: Can I take you back to rehabilitation? Minister, I have raised the issue of rehabilitation of the Mount Costigan mines in the past. You would be aware of concerns that rehabilitation at those sites did not work for a number of reasons? What work is done to assess derelict mines for rehabilitation?

The Hon. EDDIE OBEID: I will refer that question to Mr Coutts.

Mr COUTTS: All proposals for rehabilitation of derelict mines are considered by a derelict mines committee, which comprises the Department of Mineral Resources, the Environment Protection Authority and the Department of Land and Water Conservation. That committee considers particular projects and strategies that might be required in remediating a particular mine. In many cases that committee takes expert advice. In a number of cases it has engaged consultants to prepare detailed reports that look at the circumstances that have impacted on that particular mine and what strategies might be required to remediate that mine. Generally speaking, those consultants engage in a broad range of consultation with key stakeholders. Often the derelict mines have community groups established, which work with that committee to try to repair the mine. Whilst I do not know the specifics of the two that the Deputy Leader of the Opposition mentioned, they certainly would go through that process.

The Hon. DUNCAN GAY: The rehabilitation work, which was welcomed, was in part washed away and destroyed by native animals.

Mr COUTTS: In consultation with the communities involved, if particular strategies prove unsuccessful the committee will revisit those strategies and see whether there might be alternative processes it can put in place. I am sure in the cases the Deputy Leader of the Opposition mentioned that committee would very much have those under review and be looking at other strategies that it can put in place to ensure whatever rehabilitation takes place is protected from damage by native animals and other elements.

DEPUTY-CHAIR: If members have further questions related to the Mineral Resources portfolio they should be placed on notice.

[Short adjournment]

DEPUTY-CHAIR: I declare open the examination of the proposed expenditure of Fisheries. For the benefit of members and Hansard, would department officials identify themselves by name and position before answering questions. Are there any questions?

The Hon. JENNIFER GARDINER: Minister, with respect to today's story about the alleged cyanide leak from the disused gasworks at Little Manly Point, the Total Environment Centre has analysed water samples from the area and found high levels of cyanide, which can affect marine life and swimmers. Was NSW Fisheries advised of concerns by fishermen about such a leak? What involvement have NSW Fisheries officers had in assessing damage to marine life in this instance?

The Hon. EDDIE OBEID: I will refer that question to Mr Dunn. To the best of my knowledge, this is a matter for the Environment Protection Authority and PlanningNSW.

Mr DUNN: I am not aware specifically whether we have had direct advice. I know the Environment Protection Authority has disputed some of the levels that have been found and has said that it is going to fully investigate the matter.

The Hon. JENNIFER GARDINER: With respect to operating expenses, the estimate for the department next year will rise from \$18.811 million to \$20.408 million. Can you indicate why that is?

The Hon. EDDIE OBEID: I refer that question to Mr Dunn.

Mr DUNN: There are a number of new projects, including projects funded by the recreational fishing fee and new Government initiatives such as the aquatic pests initiative, the oyster lease clean-up initiative and the new indigenous fisheries strategy.

The Hon. JENNIFER GARDINER: On the other hand, grants and contributions are estimated to drop back to \$2.820 million from \$3.820 million. Can you describe the reason for that drop?

Mr O'CONNOR: The grants reflect research grants and grants from other agencies that we receive each year. The estimate for next year is slightly lower, but it does vary from year to year. We cannot be completely accurate about that.

The Hon. JENNIFER GARDINER: With respect to staffing of the department, the budget papers note the projected increase in staffing. It appears that over the past two years resources allocated to policy and administration have gone up substantially by about 66 per cent, whereas resources allocated to research have gone down by about one-third. Can you confirm that? How do you rationalise an increase in policy and administration costs and a decrease in research?

The Hon. EDDIE OBEID: I am advised that the increase of 24 equivalent full-time staff in 2001-02 has occurred because of some important initiatives NSW Fisheries is implementing. For example, there are new projects funded by the recreational fishing fee, such as the Fishcare Volunteer Program. Government-funded initiatives include our important aquaculture initiative, our expanded threatened species recovery program and our commitment to water reform. The expected increase of 10 staff from 2001-02 to 2002-03 is mainly due to the New South Wales Government's planned indigenous fishing strategy, the aquatic pests initiative and environmental impact requirements.

Also, in the 2001-02 financial year NSW Fisheries spent \$14 million from consolidated revenue and external grants on research. Some of the major research programs undertaken include: aquaculture, the strategic research and extension support for the silver perch aquaculture industry, the enhancement of populations of abalone in New South Wales using hatchery produced seed; conservation, the distribution of major New South Wales coastal fish habitats, innovative fish ways development; the commercial sector, reducing the discarding of small prawns in commercial and recreational prawn fisheries, monitoring of commercial finfish catchers; the recreational sector, implementation of the national recreational and indigenous fishing survey; also assessment of the effects of fish stocking in the New South Wales fresh water fishery. I will ask Mr Dunn to elaborate on that.

Mr DUNN: With regard to research, any changes in the apparent level of funding for research are more likely linked to changes in the grants that we receive from the Commonwealth Government through the Fisheries Research Development Corporation. Changes in the resources in the policy and administration area are more likely linked to an increased focus on consultation over the number of new programs that we have been implementing and getting those programs implemented and in place.

The Hon. JENNIFER GARDINER: You mentioned the increased focus on the native species protection. Can you indicate how many staff are allocated to that in particular, or estimated to be allocated in the forthcoming year?

Mr DUNN: From memory, I think we have 10 staff involved in our threatened species program.

The Hon. JENNIFER GARDINER: How many would be allocated to the water reform issue?

Mr DUNN: I do not know exactly how many are involved in that program.

The Hon. EDDIE OBEID: We are happy to take that on notice.

The Hon. JENNIFER GARDINER: How many staff are dedicated to aquaculture now and what is the estimate?

The Hon. EDDIE OBEID: We will also take that on notice.

The Hon. JENNIFER GARDINER: Does NSW Fisheries, in assessing how many staff it should have in various areas of its operations, benchmark those staffing levels with other relevant fisheries management agencies? If so, which ones and how does NSW Fisheries rate?

The Hon. EDDIE OBEID: I am not quite sure. I will pass that on to Steve Dunn.

Mr DUNN: In the past we have done some informal benchmarking. One of the biggest problems we have when benchmarking with other agencies is that no-one is in quite the same situation as us. For example, NSW Fisheries is, I think, probably the only stand-alone fisheries conservation agency in Australia that has responsibility for the complete suite of aquatic management issues. We have responsibility for marine parks and aquatic reserves, commercial fishing, recreational fishing and aquaculture. That makes us unique in Australia. With our very high coastal population, with the great deal of demand that is placed on our aquatic resources, we are pretty unique. Therefore, benchmarking is very difficult in that environment.

The Hon. JENNIFER GARDINER: So you say that there has been only informal benchmarking, whereas the Council on the Cost of Government and the Independent Pricing and Regulatory Tribunal [IPART] have indicated that as government policy on fisheries will change over a period of time it would be appropriate to benchmark the department from time to time. But that has been done only informally, you say?

Mr DUNN: We have attempted to benchmark on a number of occasions. However, it has been difficult because of the difference in the agencies between various States.

The Hon. JENNIFER GARDINER: Given the extensive work that is going on for the environmental impact statements for the various fisheries, is it not a concern that there is perhaps a reduced emphasis on research as that process is going on at the moment?

The Hon. EDDIE OBEID: I do not believe there is any emphasis on decline on research, on the contrary. We are very much committed to making sure we have the appropriate research, but research that can be accepted by all quarters of the stakeholders. One of the historical problems in this particular portfolio is that different sectors get different research very convenient for their argument. Through the Fisheries Resource Conservation and Assessment Council [FRCAC], which has representation from all the stakeholders and all the different government agencies that are involved in or could affect Fisheries, we are trying to get research approved on the terms of reference of research that will be accepted by all. I still consider research as being a very important part of the management and the long-term decision making for the department in that particular portfolio.

The Hon. JENNIFER GARDINER: Is NSW Fisheries currently undertaking a staff review with a view to assessing the extent of multi-skilling and increasing the number of staff who are multi-skilled?

Mr DUNN: Yes.

The Hon. JENNIFER GARDINER: What impact is that expected to have on staff levels?

Mr DUNN: We are required to achieve a productivity saving to meet our forthcoming 6 per cent salary increase, that has been agreed on as part of the whole-of-government agreement with the

Public Service Association. We have undertaken strategic reviews of the corporate services, research and compliance functions. Based on the outcomes of these reviews and an ongoing planning and monitoring process, a range of strategies have been developed to achieve the required savings. There will be no reduction in the services to the community. Savings will be achieved by doing things more efficiently. This goes to the multi-skilling of officers. In particular, I can assure everyone that our front-line Fisheries law enforcement force will not be reduced.

The Hon. JENNIFER GARDINER: Apart from multi-skilling, how do you anticipate savings will be made?

The Hon. EDDIE OBEID: As Mr Dunn has indicated, there is an overall Government agreement of a 6 per cent reduction, and that will be done through multi-skilling. This is a whole-of-government approach.

The Hon. JENNIFER GARDINER: But you have not spelled out, apart from multi-skilling, what efficiencies will be, how they will be achieved.

The Hon. EDDIE OBEID: Like every department, new technology will give us more efficiencies. I think that is the basis of any future efficiencies, especially in a portfolio that has to administer a number of sectors. As Mr Dunn said, our responsibility is far in excess of most other agencies that have anything to do with fisheries around the country. I think it is there for everyone to see how the department in the last three years has undertaken many worthwhile projects, not only in aquaculture but the environmental assessments that have to be done on the commercial and recreational fishing, shark meshing and fish stocking. We are also doing all the various marine parks. We are predominantly the lead manager in the consultation and declaration. We have introduced recreational fishing havens, which require more management. It has been a busy period for Fisheries. The only way we are going to have efficiencies is by better technology and new systems and better processes of administration. That is how we hope to achieve efficiencies throughout the department.

The Hon. JENNIFER GARDINER: You mentioned FRCAC. Can you advise how much the operations of FRCAC have cost in terms of administering it so far?

Mr DUNN: I will take that on notice.

The Hon. JENNIFER GARDINER: What is NSW Fisheries proportion of the costs for setting up the marine parks to date, Solitary Islands and Jervis Bay in particular? What are NSW Fisheries costs associated with those projects so far?

Mr DUNN: The Government gives an allocation to marine parks. It is a little bit more complicated than that.

The Hon. EDDIE OBEID: To the best of my knowledge, the marine parks is an authority on its own and both the Minister for the Environment and I administer that authority. It has its own budget and its 2002-03 budget will be enhanced by \$754,000, which is a 40 per cent increase in the recurrent funding for new marine parks, and \$235,000 for capital allocations. This will bring total dedicated marine park expenditure in 2002-03 to over \$2.6 million in recurrent funding. Recurrent funding is split between NSW Fisheries, which has been allocated approximately \$1.6 million, and the National Parks and Wildlife Service, which has been allocated \$1 million. So we get special allocations for the departments and it goes into the Marine Parks Authority funding, and that is distinct from what Fisheries has.

The Hon. JENNIFER GARDINER: In the budget papers there is an allocation of some resources for ongoing upgrade of computer server systems. Can you tell me when that upgrade is expected to be completed and how much the total cost will be?

Mr DUNN: We are constantly upgrading our computer systems; it never ends. We need to maintain the most modern technology throughout the department. I do not think there is a bottom line figure, because it is a constantly ongoing program.

The Hon. JENNIFER GARDINER: You mentioned that some new systems would be put in place. Can you describe what systems are being put in place with the current ongoing program and particularly the \$0.6 million that has been allocated for the next year?

Mr DUNN: We are upgrading all of our PCs, all our desktop PCs. If you want more detail than that, perhaps I could take that on notice.

The Hon. JENNIFER GARDINER: Yes, that would be good. In the budget papers it says that the number of native fish to be stocked is estimated to be dropped from 2.2 million, compared to 2.6 million last year. Can you explain the drop in those stocking figures?

The Hon. EDDIE OBEID: The State's inland waterways and impoundments have been stocked for many years in an effort to ensure sustainability of fishery resources and to continue to provide a high standard of recreational fishing opportunities to our State's anglers. This year a total of 2.4 million native fish were stocked in the State's waterways and impoundments, above the 2.1 million stocked in the last financial year. These include Murray cod, golden perch, silver perch, Australian bass and trout cod. NSW Fisheries project that native fish stocking should be around 2.2 million in 2002-03, which is the average estimate based on previous years, so it is an estimate. From the knowledge that I have, if we have a good season you will be able to produce more fish; if we have some difficulties, weather patterns or whatever else may cause it, you will have less fish. It is only an estimate. It could be above that and I would love to see that, if we have a good season. The program is continuing and fish stocking will have an environmental impact assessment during the next year but, as I said, you cannot exactly tell to the exact figure, it is an estimate. Hopefully it could be more.

The Hon. JENNIFER GARDINER: You just said that there were 2.4 million last year, but the budget papers said there were 2.6 million last year.

The Hon. EDDIE OBEID: I am advised that it was 2.4 million. If that is not in agreement with the budget papers, then we will correct it.

The Hon. JENNIFER GARDINER: I wonder what happened to the fish.

The Hon. EDDIE OBEID: That is a very important issue. When we do our stocking we assess the effect of stocking. I suppose the environmental impact assessment will help us do that. We want to see if the stocking is benefiting sufficiently, that we are getting sufficient numbers to remain, grow and breed, or be fished out. That is another issue.

The Hon. JENNIFER GARDINER: When you were proposing the establishment of recreational fishing areas you talked a lot about the stocking of estuaries and said that that would be an important part of the establishment of the recreational fishing areas. Can you point to any particular projects which show success in such stocking of estuaries?

The Hon. EDDIE OBEID: I must say at the outset that I do not have any proposals on marine fish stocking. That is something that will be looked at over time. Presently we are only able to stock the native species and some of the imported species in our freshwater systems. A lot of progress is being made in our hatcheries towards helping the private sector establish aquaculture projects in our saltwater sector. One of the very satisfying projects we have is at Wakool, where in the salt separation plants we have got research up to date that can demonstrate to us that we can produce saltwater species in those ponds that are created by these salt separation plants. Hopefully they will be produced in quantities for the market. Essentially, we have still got some work to do before we are able to reproduce saltwater species for restocking in our estuaries. It is something one can look forward to. I do not think we should sit there and accept the situation today; that is where research comes in. I am confident that our scientists and researchers in the marine eco-systems are the best in the world. We will get to the stage where the Government and private sector jointly or independently will be able to reproduce for stocking our estuaries, but it is early days yet.

DEPUTY-CHAIR: Minister, what steps are taken by NSW Fisheries to foster fish stock recovery in the Macleay and Richmond rivers? Is such a plan based on individual incidents or a generic plan tailored to any situation?

The Hon. EDDIE OBEID: We are all aware of the disaster at the North Coast. There is no doubt heavy rain falls in February and March 2001 resulted in large-scale fish kills in some North Coast rivers, particularly the Macleay and Richmond rivers. The cause was low dissolved oxygen linked to the rapid return of flood waters to those rivers. The fish kills resulted in loss of income for commercial fishers and other members of the community. The Government made assistance available to commercial fishers by making them eligible for the State natural disaster relief arrangements, where they could get low-interest loans of up to \$130,000. Research and management actions totalling \$428,000 were undertaken by NSW Fisheries during 2001-02 to monitor the recovery of fish stocks prior to and following the lifting of a temporary ban on fishing.

The Government is actively addressing land use management issues that contributed to the fish killed by improving floodgate management and through the acid sulfate soils hot spot program. Most of the issues around disaster relief should be directed to my colleague Richard Amery. It was a natural disaster of high magnitude and we had to wait for nature to take its course. Our management control involved preventing the taking out of fish in certain areas. We are looking at a program for those catchment areas where there have been floodgates traditionally, working with farmers and councils to open those floodgates so we can get a better flow of water.

Our acid sulfate program, to which we allocated about \$3.6 million in the last budget, has nominated a number of hot spots to learn more and try to solve issues. Over hundreds of years we have taken land for granted. It is about closing off certain areas where waters are normally able to flow, it was nature saying to us: You have to change your ways. We are looking at that and working as a whole Government with local government. Hopefully over time we will be able to work together as a community to at least minimise these natural disasters and the effect they have on our marine life, and on other sectors of our economy.

DEPUTY-CHAIR: When a lake dries up and many fish die, do you have any plans or projects to stop something like that happening? If so, what do you propose to do?

The Hon. EDDIE OBEID: Yes, lakes dry up. It is one of the tragic situations of inland New South Wales. I do not think any government can legislate to stop that. A small inland lake dried up and some fish, mainly carp, went to waste. We now have an agreement with the Department of Land and Water Conservation that if the indications are that a lake is going to dry up they forewarns us. Last week we issued a tender for the commercial catch of fish in a particular location where the Department of Land and Water Conservation felt it was going to dry up. To nip it in the bud early, we are putting out a tender to commercial fishers to come and get special approval to take those fish out in the event that the lake will dry up. Yes, our major concern is to make sure we get maximum benefit out of a tragedy such as a lake drying up—that is to take out the fish and get some commercial usage. It is about NSW Fisheries working closely with the Department of Land and Water Conservation and getting information early in the piece and making sure we put it out for tender.

DEPUTY-CHAIR: You are allowing additional licenses to harvest those fish?

The Hon. EDDIE OBEID: They are only temporary licenses for that particular incident. No Commercial fishing operations are allowed except the commercial taking of carp and yabbies in our inland rivers. We are more attuned with the possibility of a lake drying up and are dependent upon the Department of Land and Water Conservation officers to notify NSW Fisheries of such a possibility. We will try to allocate the rights to take out those species that might be wasted and die without any benefit to anyone or the community.

DEPUTY-CHAIR: Are there rescue attempts for native fin fish, to restock or anything like that?

The Hon. EDDIE OBEID: I refer that to Mr Dunn.

Mr DUNN: Our interim policy for drying lakes and to avoid waste requires us to, first, look at whether it is feasible to relocate the native finfish; second, to give aquaculture producers the opportunity to source brood stock. We do both those things automatically. In these two cases large-scale relocation is not practical, so we are looking to commercial harvest as a possibility.

The Hon. JENNIFER GARDINER: Your funding has gone down. Is that because of the \$20 million loan?

The Hon. EDDIE OBEID: No, funding has gone up.

DEPUTY-CHAIR: Up compared to last year's budget, but down compared to last year's spending; is that right? You got an extra \$20 million as a one-off.

The Hon. EDDIE OBEID: That was to buy out commercial fishers in those havens.

DEPUTY-CHAIR: Will you be conducting monitoring of the fisheries management strategy?

The Hon. EDDIE OBEID: Where in particular—salt water, fresh water?

DEPUTY-CHAIR: Did you not have a fisheries management strategy which was to be reviewed?

The Hon. EDDIE OBEID: Perhaps Mr Dunn could answer.

Mr DUNN: We are in the process of developing fishery management strategies for all major commercial fisheries, for recreational fishing and fish stocking, and the beach safety shark meshing program. Those three fishery management strategies have been out for general consultation—that is, for the estuary general fishery, the estuary prawn trawl fishery and the ocean haul fishery. When the determination is published with respect to fishery management strategies we will have in place full monitoring programs for those fishery management strategies.

The Hon. EDDIE OBEID: The increase in funding is 14 per cent on last year's figure.

DEPUTY-CHAIR: I notice there is an increase in compliance staff needed. Are there additional positions created for that?

The Hon. EDDIE OBEID: Generally speaking the part of the component of the money that is income from the recreational fishing licenses goes towards compliance, in particular, the management of our Fishcare volunteers. That is a great concept of having the community participate in being ambassadors for recreational fishing. That project has been very successful inland, around the Snowy, Armidale, Bathurst, Lithgow and Orange. It is about community participation, where they attend a two-day course and they advise recreational fishers about the rules, regulations, size and bag limits. They are people who relate in a friendly manner to those having a day out fishing, they help them. Yes, there is more compliance. That will be increasing as the activity increases in those 30 recreational fishing havens.

We have had significant compliance with staff enforcing the law in commercial fisheries to make sure all those recreational fishing havens, declared since 1 May, are adhered to and no further commercial fishing takes place. You will see there will be an increase in the compliance sector, predominantly over time. We have to have more education through our clinics, which travel around the State. We have to have more people who have the time up their sleeve to become ambassadors or Fishcare volunteers. That is taking place along the coast. It is a tremendous program and shows the community will take responsibility for a resource it owns when given the opportunity.

DEPUTY-CHAIR: Are those compliance staff funded from the recreational fishing licences?

The Hon. EDDIE OBEID: Partly, and partly from consolidated revenue.

DEPUTY-CHAIR: How much has been spent on creating recreational fishing areas since the issues paper was released for comment?

The Hon. EDDIE OBEID: Are you talking about administration?

DEPUTY-CHAIR: No, creating recreational fishing areas.

The Hon. EDDIE OBEID: Basically, the budget is \$20 million. I can get you the up-to-date figure we have expended. I will take the question on notice as to the exact figure we have expended. So far I think we have bought out 212 commercial fishing licences.

DEPUTY-CHAIR: How much has been spent on creation of aquatic reserves since the consultation paper was released for comment?

The Hon. EDDIE OBEID: I take that question on notice.

DEPUTY-CHAIR: How much has been spent on the grey nurse shark recovery program, including research?

The Hon. EDDIE OBEID: I do not have the exact figure here. I will take that on notice. Grey nurse sharks are very important. In 2000 I declared the grey nurse shark an endangered species. We have a recovery plan for grey nurse sharks that is out there for community consultation. We will be trying to listen to everyone who has a perspective or something to offer. We want to make sure we can protect the grey nurse sharks from all methods that are known to harm them. The marine parks we are announcing, such as Solitary Island Marine Park, will have habitat protection and sanctuary zones—an area they are known to inhabit. There are 13 different locations that the grey nurse shark is known to inhabit that will be looked at. Hopefully, the recovery plans that have been prepared by scientific experts to assist, in consultation with all the stakeholders and the community, will assist long-term sustainability of that particular species.

DEPUTY-CHAIR: What is your funding commitment for this year?

The Hon. EDDIE OBEID: We will take that on notice.

DEPUTY-CHAIR: Are there any questions from the Government?

The Hon. RON DYER: The Government members will forego the opportunity

DEPUTY-CHAIR: Would the Opposition like to continue?

The Hon. JENNIFER GARDINER: Minister, you told Dr Chesterfield-Evans that you partly funded the compliance officers from the general recreational fishing licence fee and partly from consolidated revenue. Can you give a breakdown of how many officers are funded from both sources?

The Hon. EDDIE OBEID: We have about 200 compliance officers from consolidated revenue. I will correct that: it is 102 official positions. I will get Steve Dunn to elaborate on the break-up of this. The most important thing is we do have these compliance officers out there. They will be required to be much more strenuous in what they are doing. Not only do they have to supervise recreational fishery and commercial fisheries, but now they have to protect those commercial fishing havens. They will have a heavy task. I will give you more details, more appropriate details. I will take that on notice.

The Hon. JENNIFER GARDINER: I will be very interested to find out. You mentioned the Fishcare volunteers. Can you tell us how many there are now on the coast and how many relate to the inland waters as of recent times?

The Hon. EDDIE OBEID: Yes, the Fishcare volunteer program involves community volunteers spreading the message of ethical fishing and resource sustainability amongst anglers through a variety of educational programs. The program began in the Snowy Mountains in October 1999 with \$114,000.

The Hon. DUNCAN GAY: Minister, how many volunteers are there?

The Hon. EDDIE OBEID: I will get to that. The program has grown rapidly in coastal New South Wales, particularly at Botany Bay and Long Reef, with more than 180 active volunteers as of June 2002. For the past two years \$300,000 has been allocated annually to the program from the Recreational Fishing and Freshwater Trust. Since 2000-01 a total of \$500,000 has been allocated from

the Recreational Fishing Saltwater Trust for the program's use in marine areas. The funds are used for five regionally based Fisheries Education Officers and the State Co-ordinator Community program.

The Hon. DUNCAN GAY: Are we referring just to Botany Bay and Long Reef for the volunteers total? Or the expansion in total, the 180?

The Hon. JENNIFER GARDINER: How many are inland, in freshwater?

The Hon. EDDIE OBEID: That is in total. They are predominantly inland at the moment, because the saltwater area is new. We have new recruits around Long Reef, but the majority of them are inland along the Snowy, Lithgow, Bathurst, Orange and the Northern Tablelands.

The Hon. JENNIFER GARDINER: You might be able to provide that breakdown?

The Hon. EDDIE OBEID: Yes, we will give you some figures on the break-up.

The Hon. JENNIFER GARDINER: I refer again to computers and IT developments. Given the fairly significant productivity savings that the department has been asked to make, it is still not clear as to how those can be achieved, just making some minor IT changes and perhaps some multi-skilling. Can you further elaborate on how you propose to get those savings in place?

The Hon. EDDIE OBEID: I am sure the honourable member will recognise the workload that the department has had since the elections of 1999 and that it is now doing extra—not only advancing aquaculture, but also the environmental assessments, the recreational fishing havens, co-management of the marine parks and the aquatic reserves. The department has definitely had a very large workload put on it during the last couple of years, and it will continue to have that workload. The efficiencies that we are able to maintain in that workload are through multi-skilling and better technology. At the same time, we are working within the framework of government of having a 6 per cent reduction in salary figures. The department has been doing a great job; it has a tremendous workload. As the Director said, NSW Fisheries, more than any other agency responsible for fisheries in any of the States of Australia, has a wider range of responsibilities. It is doing a great job. The only way we can cope with those responsibilities and do them competently and efficiently is by looking at our systems, improving them, improving the technology and making sure staff are multi-skilled.

The Hon. JENNIFER GARDINER: That is a pretty heavy workload on the department.

The Hon. EDDIE OBEID: No doubt. They are doing a great job; it is a heavy workload, but an important one. As I said, our budget is increasing each year. Under the former Coalition Fahey Government it had funding of about \$18 million; it is now up to \$36 million. Of course, Fisheries is being re-examined, with recreational fishing havens, environmental impact statements and aquaculture strategies. For example, there will be more than seven aquaculture strategies throughout New South Wales, which means that anyone interested in aquaculture will have all the red tape cut, approvals in certain locations, and all the research done for them on a particular species that can be grown and farmed in those particular areas. It is moving at a rapid rate. I am very proud of the department and the work it has done and the responsibility it has taken. It has a much heavier workload than in the past.

The Hon. JENNIFER GARDINER:: Reference was made earlier to the \$20 million loan from Treasury with respect to the commercial buy-outs. Does the interest on public sector borrowings and advances as mentioned in the budget relate to the \$20 million?

The Hon. EDDIE OBEID: Yes.

The Hon. JENNIFER GARDINER: Can you give the Committee details of the timetable for the repayment of that loan for the purpose of buying out the commercial licences?

The Hon. EDDIE OBEID: Yes, certainly. The loan has been arranged by T-Corp. It is a \$20 million loan. Of course, it is there to buy all the commercial fishers that are affected by the closure of the recreational fishing havens. The period of the loan is 15 years, which means we pay interest plus the loan. The interest rate at present is a standard T-Corp 10-year bond rate, which on 30 April 2002 was 6.455 per cent. Of course, T-Corp raises the money through the public bond market and there has

been no commission charged by T-Corp on acquiring this loan. The average yearly pay back is about \$2 million but this year, because it was a short year, the interest was only \$1.2 million.

The Hon. JENNIFER GARDINER: Have any members of the Trust Expenditure Committee made any complaints about the use of the licence fees for the purpose of commercial buy-outs?

The Hon. EDDIE OBEID: Could you repeat that?

The Hon. JENNIFER GARDINER: Given that you have always said that the licence fee would be used for the benefit of recreational fishers?

The Hon. EDDIE OBEID: Yes.

The Hon. JENNIFER GARDINER: Have any members of the Trust Expenditure Committee made any complaints about the use of their revenue from the licence fee for the purpose of buying out commercial fishers?

The Hon. EDDIE OBEID: I am not aware of any details.

The Hon. JENNIFER GARDINER: So as far as you know there is a general consensus that that is an appropriate use of anglers' money?

The Hon. EDDIE OBEID: During a two-year period we criss-crossed the State and talked to communities and stakeholders. They were worried about whether the Government was genuinely going to have recreational fishing havens, whether it was going to deliver the policy it was talking about and buy out commercial fishers and have commercial havens. The Government has delivered that since 1 May. Those 29 recreational fishing havens have been declared. There will be no more commercial fishing in those havens. From 1 September the four small sectors of the Clarence will come on tap, so the Government has delivered. Happily, I am able to say that we have exceeded the income from the recreational fishing licence over the budget estimates that we adopted when we first started, which means the community is working closely with the Government to establish those havens. We have had 212 commercial fishers voluntarily apply and take out the money. I am more than satisfied that the Government has carried out the policy to a tee. There will be no more commercial fishing in those havens. Hopefully, people interested in fishing will be able to catch a fish there in the future and enjoy a good day's fishing.

The Hon. JENNIFER GARDINER: Minister, in this budget no funds have been allocated for the indigenous fishing strategy. Last Friday at the estimates the Minister for Aboriginal Affairs, Dr Refshauge, was unable to explain why there has been such a delay—a five-year delay—in coming up with the indigenous fishing strategy. Can you explain the delay and tell the Committee when the strategy will start to be rolled out? What sorts of projects will be the top priority?.

The Hon. EDDIE OBEID: The Government has allocated money for this indigenous fishing strategy. Obviously, anyone who has dealt with the indigenous community will find that there are very diverse and differing opinions across that sector, and it required a strong effort from Government, my predecessor and me. We continued with the regional workshops, talking to communities, conducting working parties. It is a heavy task to try to get a consensus on how you should handle any sort of allocation for Fisheries. We are more than happy to say that we have \$1.6 million in the budget over a two-year period. It is now a question of working with the various communities over this period, over a short period, to work out exactly how we should expend this money. Generally speaking, it is about encouraging the cultural aspects of indigenous fishing; it is about encouraging indigenous communities along our coastline and inland to establish aquaculture projects; it is about training young indigenous people in certain sectors our fisheries.

Now that we have the funds, we will be looking and listening closely to the community as to how we should implement this. It will require some very good work. From my short experience in the portfolio, it is difficult to do something that meets with the consensus of everyone. We will look at the best aspects and try to look at the long-term view. Hopefully, we will be able to encourage cultural fishing, aquaculture, which is very important for those communities. Not only is it an investment in

the future, it also provides jobs for those communities. Hopefully, we will be able to spend that \$1.6 million very wisely over two years and get some benefits for that community.

The Hon. JENNIFER GARDINER: Could you advise the Committee of the type and number of projects so far that have been put in place ensuring that, in light of the department's indigenous fishing strategy working paper, Aboriginal groups receive appropriate levels of involvement, training and support in relation to such aquaculture projects? How many are under way?

The Hon. EDDIE OBEID: I cannot give you the exact number. I will take that question on notice. More importantly, it is about making them aware that aquaculture is an industry of the future. With their natural claims for some rights to some very pristine land and waterways, that could be used for aquaculture. It is about doing the appropriate studies and research to assist the possibility of those aquaculture projects. It requires some seed funding, which both the Commonwealth and the State have contributed to and, hopefully, will continue to contribute to. It is a long-term project, to have communities address important long-term ventures such as aquaculture and to make sure the whole community benefits, not just small groups or leaders in that community. It is an innovative approach to make sure we give the Indigenous communities along our coast and inland every opportunity to use the land that they occupy or are entitled to occupy for maximum benefit, and hopefully create an industry that will give them jobs and a product that is marketable. I will take on notice details as to the specific projects.

The Hon. JENNIFER GARDINER: Does the department have an Aboriginal employment strategy?

The Hon. EDDIE OBEID: To my knowledge, yes. I will refer that question to Mr Dunn.

Mr DUNN: We follow the same strategy as the whole of government.

The Hon. JENNIFER GARDINER: How many people in the employ of the department identify as being of Aboriginal descent?

Mr DUNN: I can take that on notice. Staff are not required to identify that.

The Hon. EDDIE OBEID: I will have to go back and ask them.

The Hon. JENNIFER GARDINER: I have a figure from previous publications of the department. I refer to the oyster industry. Is it correct that there is a problem with the relationship between NSW Fisheries and SafeFood in relation to SafeFood providing data in order that the aquaculture industry development plans, which have been prepared by the aquaculture section of NSW Fisheries, can progress in the hope of solving some of the problems so that the New South Wales oyster industry can catch up with other States? Is there such a problem? What is NSW Fisheries doing to try to overcome that?

The Hon. EDDIE OBEID: I refer that question to Mr Dunn.

Mr DUNN: We have an excellent working relationship with SafeFood NSW. I know we have been working with them to get data to assist us. It is not always easy to put that data into a form useful to us, but we are working closely to make sure we get that data.

The Hon. JENNIFER GARDINER: Minister, at the recent Oyster Farmers' Association meeting there were a number of criticisms issued at you and NSW Fisheries. Have you taken action to address the items listed on that occasion?

The Hon. EDDIE OBEID: Let us be more specific. I do not recall any inference directed to me, but generally they were concerned at the progress of the quality assurance program of SafeFood. That is not part of my portfolio.

The Hon. JENNIFER GARDINER: The Director said you have an excellent relationship with SafeFood, so why is the Oyster Farmers' Association up in arms about the lack of progress so that it can get back to having an export industry?

The Hon. EDDIE OBEID: I have said this directly to the oyster farmers: This Government that brought about the concept of health assurance programs so that we can make sure our oysters are in good condition and possibly open to export market. This is not a one-way street; it requires the industry to reform itself. You know as well as I do that while the oyster industry is a major aquaculture industry in this State there is a lot of work to be done. This Government is doing all it can to support the industry.

The Hon. RON DYER: Does that include Ernie Page?

The Hon. EDDIE OBEID: Yes. It includes you, too. We want to make sure our oyster industry has every opportunity to sell its product, not only locally so that we enjoy the great Sydney rock oyster but also internationally. That is what the Government is endeavouring to do. The oyster industry has to move along and work with us for those reforms. It is easy to be critical, because there has been probably a hundred years of negligence in trying to reform the industry. I think we have made great achievements in the last number of years, and we will continue to have a close working relationship. They are our major producers of aquaculture and we will continue to support them.

DEPUTY-CHAIR: We have time for one more question.

The Hon. RON DYER: Point of order: This Committee has met for two hours. We commenced at 9.30 a.m. We have to have a deliberative. The Government members of this Committee have foregone their question time. There should be a degree of reciprocity on the part of the Opposition and crossbench members.

DEPUTY-CHAIR: NSW Fisheries questions started at 11.40 a.m. We are four minutes short of one hour. I thought it appropriate to allow one hour for each department and to have a break between.

The Hon. JENNIFER GARDINER: Do you have a time line when you consider the oyster industry may be able to start exporting?

The Hon. EDDIE OBEID: The real issue lies with the assessment, and each continent requires different protocols. I would be very hopeful that SafeFood has this as a priority. There is a whole government approach and I can assure you that we are very keen to get this assessment over and done with so we can give every opportunity to our oyster industry for export market. We have probably the best oysters in the world.

The Hon. JENNIFER GARDINER: Do you have a rough idea?

The Hon. EDDIE OBEID: I cannot tell you. SafeFood does not come under my portfolio responsibility. I can assure you that I will continue to push to establish that SafeFood requirement for the oyster industry take place and be finalised. It takes time. That is a question for the industry and SafeFood, but they will get strong support from NSW Fisheries to wrap this up as quickly as possible and give them accreditation.

The Committee proceeded to deliberate.
