

GENERAL PURPOSE STANDING COMMITTEE NO. 5

Monday 18 August 2014

Examination of proposed expenditure for the portfolio area

PRIMARY INDUSTRIES

The Committee met at 10.30 a.m.

MEMBERS

The Hon. R. L. Brown (Chair)

The Hon. J. Buckingham (Deputy-Chair)

The Hon. R. H. Colless

Mr S. MacDonald

The Hon. Dr P. R. Phelps

Mr D. M. Shoebridge

The Hon. M. S. Veitch

The Hon. S. J. R. Whan

PRESENT

The Hon. Katrina Hodgkinson, *Minister for Primary Industries, and Assistant Minister for Tourism and Major Events*

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: I welcome Minister Hodgkinson and accompanying officials to the public hearing for the inquiry into the budget estimates 2014-15. I acknowledge the Gadigal people who are the traditional custodians of this land. I also pay respect to the elders, past and present, of the Eora nation and extend that respect to other Aboriginal people present. We are conducting this hearing in the old Government party room, so on behalf of the Committee I thank the Government for making this room available for today's hearings. This morning the Committee will examine the proposed expenditure for the portfolio of Primary Industries.

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

There may be questions that a witness can only answer with more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days of receiving that question on notice. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Chamber and support staff of the committee clerks. I remind the Minister that accompanying officers are free to pass notes and refer directly to advisers sitting at the table behind the witnesses. All witnesses from departments, statutory bodies and corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office and members of Parliament.

I declare the proposed expenditure of the portfolio of Primary Industries open for examination. We have acceded to the Minister's request that Government members do not ask questions.

SCOTT HANSEN, Director General, Department of Primary Industries, and

MARK PATERSON, Secretary, NSW Trade & Investment, affirmed and examined:

The Hon. STEVE WHAN: Minister, my first questions are about drought declarations and drought support. Is your department able to make a direct comparison via the information you collect—the seasonal conditions reports—as to the status of a region under the old conditions of drought, being marginal and satisfactory?

Ms KATRINA HODGKINSON: Are you after a comparison of the former system prior to the new Commonwealth system coming into effect or from the signing of the intergovernmental agreement?

The Hon. STEVE WHAN: No, the department does seasonal conditions reports about regions of New South Wales.

Ms KATRINA HODGKINSON: It does.

The Hon. STEVE WHAN: In the past those regions, under State declarations, were declared either satisfactory, marginal or in drought. Can your department still make a direct comparison between those historic conditions?

Ms KATRINA HODGKINSON: Under the new system we have a Regional Assistance Advisory Committee, which advises the Government. It provides monthly seasonal conditions reports and it advises the Government on additional assistance measures that should be put in place. The signing of the Intergovernmental Agreement on National Drought Program Reform, which the States and Territories signed with the Commonwealth a couple of years ago, brought in a system that was a long time in preparation. Mick Keogh did a two-year study modelled in Western Australia. I understand that went back to about 2009-10. The work in the lead-up to the change was quite substantial.

The Hon. STEVE WHAN: Minister, other States can still declare drought. Can New South Wales, for historical and current comparisons, compare areas to say they would have been declared in drought under the old system? Do we still have the information?

Ms KATRINA HODGKINSON: Under the new system, that focuses more on farm family payments and preparation—

The Hon. STEVE WHAN: From the Federal Government, but at State Government level, can an area be declared—on an objective measurement basis—in drought, marginal or satisfactory?

Ms KATRINA HODGKINSON: Under the old exceptional circumstances—

The Hon. STEVE WHAN: I am not asking about Federal exceptional circumstances, because drought declarations in the State were separate to Federal exceptional circumstances.

Ms KATRINA HODGKINSON: We have seasonal conditions reports now and we provide assistance accordingly. We do not declare droughts any more.

The Hon. STEVE WHAN: Minister, at a meeting in Gladstone on Wednesday 13 August Norco milk suppliers resolved that they would write to the Deputy Premier expressing their concerns about the hardships they were experiencing and the disappointing responses of the New South Wales Government. The letter said, "All of the Mid North Coast should be drought declared." What would you say to those farmers who believe their area should be drought declared?

Ms KATRINA HODGKINSON: Some people believe their area should be drought declared and others do not. You always have different opinions. Under the new system, we have signed an intergovernmental agreement, whereby the States, Territories and Commonwealth are working together for the common good. Since its inception—

The Hon. STEVE WHAN: Does that intergovernmental agreement prevent the New South Wales Government from having drought declarations?

Ms KATRINA HODGKINSON: The implied basis—

The Hon. STEVE WHAN: Does the agreement you have signed prevent the New South Wales Government from having drought declarations?

The Hon. RICK COLLESS: Point of order: It is only fair that the Minister is allowed to answer the question the member has asked.

CHAIR: I uphold the point of order. Members will allow witnesses to answer the questions.

Ms KATRINA HODGKINSON: We have a new model in New South Wales that has been underway for some time. Part of that is the establishment of the Regional Assistance Advisory Committee [RAAC], as I started to say. It has been working to develop a competent and consistent method of determining when farmers are being seriously and adversely affected by poor seasonal conditions, including drought. Over time a trigger, which includes rainfall, pasture growth and soil moisture, has been adopted. The technical input from the Bureau of Meteorology, the CSIRO and the Queensland Government is supported by on-ground data and observations provided by Local Land Services [LLS].

The paper was recently considered by the Regional Assistance Advisory Committee outlining some of the models, literature and considerations that needed to be made before an area has reached the recovery phase. The research material reviewed suggests that when an area reaches the fortieth percentile for rainfall over a six-month period it has reached a recovery phase. RAAC has recommended a trial of proposed methodology that utilises the fortieth percentile, which initiates ground truthing and evaluation by the LLS. This currently occurs when farmers are being seriously and adversely affected by poor seasonal conditions.

May I continue to answer a previous question that I was cut off from answering previously? We can make comparisons with the old system but we have not done the comparison. We now have a quantitative process supported by Local Land Services, unlike the previous less quantifiable process. The intergovernmental agreement was signed by the Federal Labor Government.

The Hon. STEVE WHAN: Did the intergovernmental agreement prevent you from having drought declarations?

Ms KATRINA HODGKINSON: It does not specifically say that you will do this and you will not do that, but that does not mean we should go back to the old exceptional circumstances system of drought declaration. But unfortunately we were drawn back there before the intergovernmental agreement commenced on 1 July this year—

The Hon. STEVE WHAN: Exceptional circumstances is quite different from a drought declaration.

Ms KATRINA HODGKINSON: —because we found ourselves in a position where we did have dry seasonal conditions.

The Hon. STEVE WHAN: Do you understand that exceptional circumstances declarations are different from the old State drought declarations and they bring different types of assistance to farmers?

Ms KATRINA HODGKINSON: Yes. I have been a member of Parliament for more than 15 years and I have experienced drought personally.

The Hon. STEVE WHAN: When we are talking about drought let us not talk about the former Federal exceptional circumstances. In an answer to a question I asked you last year about fodder and stock transport subsidies you said, "It was an option for the Regional Assistance Advisory Committee and the Government to consider expanding this assistance for other pre-drought business assistance and within drought if farm, family and community support measures are proving inadequate. If implemented, transport subsidies may be introduced on a progressive sliding scale reaching 100 per cent in the second year after support is triggered." How many farmers are currently able to claim fodder and stock transport subsidies in New South Wales?

Ms KATRINA HODGKINSON: As I started to answer before you spoke over the top of me during the last answer, I was explaining that in between the period prior to 1 July this year, when the new intergovernmental agreement came into effect, we found ourselves in a position of having very dry seasonal conditions around the State, so we had to go back to the old model because we found ourselves in no-man's-land. Queensland had to do the same thing. We basically took up the model that Queensland had put back into place and continued on.

In relation to transport reimbursements, these statistics give a position on funds expended on the transport reimbursement program as at 1 August this year: In excess of 7,000 applications have been received for this emergency support measure. As at 1 August 2014 the Rural Assistance Authority [RAA] had approved 5,300 applications to a value of \$13.7 million. There are 1,722 claims yet to be processed with a value of approximately \$4 million. While the claims are reasonably well spread across northern New South Wales, the following local government areas [LGAs] have had approvals greater than \$1 million: Walgett and Bourke. In terms of LLS regions, 10.9 per cent has gone to Central West, 30.2 per cent to North West, 29.3 per cent to Northern Tablelands and 24.2 per cent to Western.

The Hon. STEVE WHAN: How many people are able to claim now?

Ms KATRINA HODGKINSON: There is a new model in place and, as I said, this was an interim measure—

The Hon. STEVE WHAN: In other words, none?

Ms KATRINA HODGKINSON: No. For welfare purposes, transport subsidies can still be claimed, as has been our policy for a long time.

The Hon. STEVE WHAN: In the north-west of the State, and particularly properties north of Brewarrina, farmers have been hand feeding consistently for 18 months at times, and in some cases more—in some cases there has not been decent rainfall since March 2012. Those people were receiving fodder and stock transport subsidies, not just for welfare purposes, until July this year.

Ms KATRINA HODGKINSON: Until 30 June.

The Hon. STEVE WHAN: Until 30 June this year. They are not able to get those subsidies now. Those people are now still buying grain at prices of around \$370 a tonne. What has happened to your commitment at last year's estimates that, if implemented, transport subsidies may be introduced on a progressive scale, reaching 100 per cent in the second year after support is triggered?

Ms KATRINA HODGKINSON: Transport assistance reimbursement was introduced as part of the New South Wales Government's temporary emergency assistance measures introduced in November 2013. While I can understand the attraction of the transport assistance reimbursement, various studies indicate that this is an ineffective means of assistance; they also go against the intent of the intergovernmental agreement on drought program reform. The 2009 Productivity Commission Inquiry on Government Drought Support has concluded, based on its own investigation and previous other studies, that "transport subsidies encourage producers to maintain higher stocking levels during drought and potentially lead to environmental degradation. They reduce incentives to store fodder in preparation for drought and thereby increase its demand during droughts."

The Hon. STEVE WHAN: My question was: Last year in estimates you told the Committee that transport subsidies would still exist and that, indeed, they could reach 100 per cent in the second year after support is triggered. Are you now telling us that there will no longer be any transport subsidies other than for those animal welfare issues?

Ms KATRINA HODGKINSON: Transport subsidies for animal welfare continue under the intergovernmental agreement—

The Hon. STEVE WHAN: What about transport subsidies for people who are trying to keep their core breeding stock alive? I spoke to one farmer near Brewarrina last week whose breeding stock is down from 300 to 40. Because you have cut off transport subsidies they are now looking at getting rid of that stock.

Ms KATRINA HODGKINSON: Yes, my sympathies do go to those people who have experienced a lot of hardship over the last couple of years. I have been to the drought-affected areas on tours and I have spoken regularly, including by phone, to a lot of farmers in that region. But we made it no secret that the new intergovernmental agreement on drought would come into effect on 1 July and that temporary programs—

The Hon. STEVE WHAN: But, Minister, the intergovernmental agreement did not prevent you from providing these transport subsidies.

The Hon. RICK COLLESS: Point of order: Again, the member is interrupting the Minister before she has had an opportunity to answer the question. I ask you to call the member to order.

Ms KATRINA HODGKINSON: I would like to inform the Committee, with the Chairman's agreement, that we do have a number of drought support measures to assist—

CHAIR: Minister, are you speaking to the point of order?

The Hon. RICK COLLESS: No. Let the Chairman rule on the point of order.

CHAIR: I uphold the point of order. If the member will wait until the Minister takes a breath before asking another question it may solve the problem. In other words, allow the Minister to substantially provide her answer. Witnesses at the table can answer the question in any manner they wish. In the spirit of timeliness, though, long, written responses that go well beyond the ambit of the question should be avoided. I ask everybody to cooperate. Minister, please continue.

Ms KATRINA HODGKINSON: Would you like me to continue on with my previous answer?

CHAIR: Continue your answer.

Ms KATRINA HODGKINSON: I was quoting and speaking about the Productivity Commission Inquiry on Government Drought Support, which states, "They reduce incentives to store fodder in preparation for drought and thereby increase its demand during droughts. While this benefits fodder producers, it has detrimental effects on other industries and producers in other states who do not receive the subsidies." I am also advised that some farm businesses factor this financial support into their ongoing budgeting. It has been very pleasing over the past five days to see a substantial amount of rain has fallen in Walgett, Bourke, Tamworth, Coonamble, Cobar, Narrabri, Dubbo, quite a bit in Broken Hill and a bit in Armidale as well. It is great that most of those centres have received an inch or more of rain in the past week.

The Hon. STEVE WHAN: It is great news, Minister, thank you; we can see it on the BOM websites too. But there will be a drought again in the future. Are you saying that under this Government people will no longer be able to get fodder and stock transport subsidies for purposes other than direct animal welfare?

Ms KATRINA HODGKINSON: Correct.

The Hon. STEVE WHAN: Last year you directly contradicted that in estimates in your plans.

Ms KATRINA HODGKINSON: We have made it very clear what our policy was going to be over the past 12 months. We do have many other assistance measures—

The Hon. STEVE WHAN: Do you say to those people who continue to pay those massive amounts for fodder—and to the dairy farmers in the Kempsey area, \$1,000 a day for feed—that they did not deserve assistance?

Ms KATRINA HODGKINSON: We had temporary assistance in place and we have funded more than \$30 million worth of temporary assistance measures just in the last seven or eight months. That is a lot of taxpayer funding going towards those temporary measures. Repeatedly during that period we made it perfectly clear that the temporary measures would cease on 30 June 2014 when the new system came into effect.

The Hon. STEVE WHAN: When the millennium drought was on, the Government spent probably two-thirds of its drought support on fodder and stock transport subsidies.

Ms KATRINA HODGKINSON: That was a lot, was it not?

The Hon. STEVE WHAN: Do you think that money would have been better saved staying in Treasury?

Ms KATRINA HODGKINSON: What do you think? You were the Minister.

The Hon. STEVE WHAN: No, I do not; I think it was very well spent. But you are now introducing a system where if we were to have a repeat of that drought those farmers would not receive that fodder and stock transport subsidy assistance.

Mr SCOT MacDONALD: Point of order: Would it be helpful if we could get that 2009 intergovernmental agreement tabled, including the name of the Minister of the day who signed it?

Ms KATRINA HODGKINSON: The agreement itself was signed in 2012—

CHAIR: There is no point of order.

Mr SCOT MacDONALD: I am asking for documents to be tabled.

CHAIR: There is no point of order.

The Hon. STEVE WHAN: We have already established that the intergovernmental agreement does not require the State Government to stop fodder and stock transport subsidies, nor does it require the State Government not to declare droughts. Minister, can we come back to another area of assistance? Are you aware that those dairy farmers whom I mentioned before have complained that they have missed out on infrastructure assistance for water infrastructure because they were unable to submit receipts before the 30 June cut-off? They understood that, as in previous droughts, they would have three months to submit their claims. What do you say to those people?

Ms KATRINA HODGKINSON: I will just correct you in relation to transport assistance reimbursement—

The Hon. STEVE WHAN: No, Minister, we are onto another question.

Ms KATRINA HODGKINSON: You prefaced your question with that statement, so I have to say they go against the intent of the Intergovernmental Agreement on National Drought Program Reform. In relation to the claims by the dairy—

The Hon. STEVE WHAN: They are not required. We will not argue over this. Can you move onto the water saving infrastructure grants, which was the question I just asked you?

Ms KATRINA HODGKINSON: Before you cut me off I said the word "dairy", so I will continue with the question. I have been trying to answer the question, if you do not want to cut me off again.

The Hon. STEVE WHAN: Just answer the question.

CHAIR: Order! The Minister will proceed.

Ms KATRINA HODGKINSON: In relation to the dairy industry and the request to have additional time to submit those claims, I was advised by the Regional Assistance Advisory Committee [RAAC] that there was sufficient time to submit claims.

The Hon. STEVE WHAN: Are you willing to look at the letter—I am not sure if you have seen the letter that was written to the Deputy Premier by those dairy farmers in the Kempsey area. Has that been forwarded to you? Are you willing to look at their request to have their claims assessed?

Ms KATRINA HODGKINSON: I have answered the question.

The Hon. STEVE WHAN: Are you willing to look at the request to have assessed the claims which were not submitted before the 30 June cut-off?

Ms KATRINA HODGKINSON: I was advised that the claims had to be in by a particular date. That date was well broadcast and then I was advised—

The Hon. STEVE WHAN: Clearly the dairy farmers there do not agree with that.

Ms KATRINA HODGKINSON: —by the independent committee that there was sufficient time for that to happen. A lot of money goes out from government to drought support assistance temporary measures.

The Hon. STEVE WHAN: So the answer is no?

Ms KATRINA HODGKINSON: The date of the cut-off was well advertised and the independent committee has advised me that they had sufficient time to submit their claims.

The Hon. STEVE WHAN: When you announced the subsidies for water saving infrastructure in north-western New South Wales several farmers had already been experiencing drought for some eight months or more and had already expended significant funds on infrastructure—in one case I am aware of, \$200,000; in another case, \$70,000. Why did you not backdate the starting period for that support to the actual start of the drought conditions in that area?

Ms KATRINA HODGKINSON: If I can just go back to your previous question in relation to the dairy farmers and the letter, I am advised that we can consider their claim against agreed criteria, but I am not sure what their request exactly was, so we will have a look at that.

The Hon. STEVE WHAN: Thank you. I am sure they will appreciate that.

Ms KATRINA HODGKINSON: In relation to the Emergency Water Infrastructure Rebate scheme, almost 3,000 applications were received by the Rural Assistance Authority for this highly popular program since it commenced in November 2013. As at 1 August the RAA has approved in excess of 1,400 applications to the value of \$20 million. There are 1,461 claims yet to be processed, with a value of approximately \$17 million. While the claims are reasonably well spread across northern New South Wales, the following local government authorities have had approvals greater than \$1 million: the Warrumbungle, \$1.66 million—

The Hon. STEVE WHAN: Can I interrupt you? Will you be able to table those figures?

Ms KATRINA HODGKINSON: There are only five.

The Hon. STEVE WHAN: What I wanted specifically—

Ms KATRINA HODGKINSON: Sure.

The Hon. STEVE WHAN: As to your previous response about the response to the letters from the dairy farmers in Kempsey, can you take on notice what action you are able to take on that and come back with an answer?

Ms KATRINA HODGKINSON: I will have a look at the letter and see what agreed criteria—

The Hon. STEVE WHAN: With the water saving infrastructure project, I asked a specific question: Why did you choose that starting date for north-western New South Wales when it was clear that many farms in that area had been in drought for some time prior to the announcement of your decision?

Ms KATRINA HODGKINSON: You will remember that at the beginning of this session of questions I talked about the Regional Assistance Advisory Committee being an independent committee that advises the Government on temporary support measures and in relation to seasonal conditions. So that came in on advice from the RAAC.

The Hon. STEVE WHAN: Can you take it on notice and get the RAAC to provide the Parliament with the reasons it chose for the starting date for that assistance?

Ms KATRINA HODGKINSON: The RAAC releases its seasonal conditions report every month. That is publicly available.

The Hon. STEVE WHAN: If you could take that on notice that would be appreciated. On 19 June this year you and the Deputy Premier announced new drought funding, including \$8 million extra for emergency water infrastructure rebates. Can you confirm that when you announced that grant you were already aware that this money would only satisfy the claims that were expected for the period up to 30 June?

Ms KATRINA HODGKINSON: No. In fact, we were absolutely inundated by applications in the last couple of weeks. It was slow to kick off and there was a dribble of applications. Then towards the end we were absolutely inundated. We found ourselves short of the budgeted funds. We thought there would be plenty but as with anything you can never predict how long a drought will go for or dry seasonal conditions will extend. It is difficult and challenging to predict just how many people will either want to or not want to get additional support in any area. So to a large extent there is a lot of guesswork that is involved—

The Hon. STEVE WHAN: Can I just interrupt you?

Ms KATRINA HODGKINSON: I had not quite finished.

The Hon. STEVE WHAN: Was the \$8 million that you announced at that time enough to just cover those applications you got in by 30 June?

Ms KATRINA HODGKINSON: Part of it is being met out of the budget of the Department of Primary Industries [DPI], because we were absolutely flooded—

The Hon. STEVE WHAN: So in other words—

The Hon. RICK COLLESS: Point of order: You have asked members to be a little considerate about allowing the Minister to answer the questions. The Hon. Steve Whan continues to interrupt the Minister and is not abiding by your previous ruling. I ask you to bring him to order.

The Hon. STEVE WHAN: To the point of order: There is limited time and I want to come to the point of the question. I think it is reasonable for me to ask these questions.

The Hon. RICK COLLESS: Ask the right questions in the first place.

CHAIR: Order! I uphold the point of order. There will be another 25-minute session available for the Opposition and I dare say the crossbench may not ask all their questions so there should be adequate time.

The Hon. STEVE WHAN: Can you take on notice if necessary or tell us now how much in addition to the money that you have previously announced through drought support for those infrastructure grants the department has needed to provide?

Ms KATRINA HODGKINSON: That \$8 million was topped up by an extra \$4 million from the Commonwealth.

The Hon. STEVE WHAN: From the Commonwealth.

Ms KATRINA HODGKINSON: Yes.

The Hon. STEVE WHAN: So were there any other funds from within the department?

Ms KATRINA HODGKINSON: For that particular project we would probably need to take it on notice.

The Hon. STEVE WHAN: That would be good. In relation to Local Land Services [LLS], what is the current status of the discussion paper by the Independent Pricing and Regulatory Tribunal [IPART] about funding for the LLS? When will that be finalised?

Ms KATRINA HODGKINSON: I have received a report from IPART in relation to rate collection for Local Land Services and the Government is currently considering that report.

The Hon. STEVE WHAN: Is there a date when you will finish considering that report?

Ms KATRINA HODGKINSON: It has to go through the regular processes. I am sure you are well aware of what they are.

CHAIR: We will now proceed to crossbench questions.

Mr SCOT MacDONALD: I have a question about my point of order. I seek clarification. If it was not a point of order, is it out of order to ask for that intergovernmental 2009 agreement to be tabled? There were a lot of questions and answers around that topic.

CHAIR: There was no point of order but to satisfy the intent I will ask the question. Minister, you and Mr Paterson have been handed a copy of an email dated 26 February 2013. Mr Paterson, in an email you sent to the Director General of the Department of Premier and Cabinet, Mr Chris Eccles, who is no longer with us, you wrote:

Alternatives to Dunn would include Brendan O'Reilly or Peter Loxton. Both would be much better choices. I have other reasons to say no to Dunn which we can discuss.

What were your concerns that you wished to discuss privately with Mr Eccles?

Mr PATERSON: This is about providing advice inside government to matters that were the subject of Cabinet consideration so I am not in a position to respond to you.

CHAIR: You will note that those documents were provided by the Government under Standing Order 52 and not classed as privileged. Will you answer the question?

Mr PATERSON: The document is not privileged but the details in relation to the responses that I might have provided at the time are, sir.

CHAIR: At the time that this correspondence took place with Mr Eccles did you give similar advice to your Minister?

Mr PATERSON: I do not comment on advice provided to Ministers.

CHAIR: It is a waste of time for me to ask any further questions. I have other means to get the answers. Thank you for your co-operation.

Mr JEREMY BUCKINGHAM: Will the Minister adopt the permitted list approach to the regulation of invasive species such as weeds? If not, why not?

Ms KATRINA HODGKINSON: It is interesting that you ask this question because the Natural Resources Commission has just completed a report for me looking at all sorts of aspects in relation to weeds and weeds management in New South Wales. I have read that report and studied its recommendations. I am currently in the process of going through those recommendations and working out which ones the Government may or may not support. The Government will need to look at that in toto before being able to provide a formal response to that question.

Mr JEREMY BUCKINGHAM: Will the Minister release the final report of the Natural Resource Commission before introducing legislation? Will you release it publicly with its full list of recommendations before you introduce any legislation in this area?

Ms KATRINA HODGKINSON: Once again, that will be up to the Government to determine whether the report is actually physically released. I do not see why it would not be, but that would need to be a Government decision.

Mr JEREMY BUCKINGHAM: Is the Government considering the expansion of the requirement to obtain a property identification code [PIC] to include nurseries and orchards? Are you actively considering that?

Ms KATRINA HODGKINSON: I am considering many things in relation to that report, and it covered a wide variety of areas. As I mentioned before, it is difficult for me to say the finally determined position of the Government because that is something the Government still needs to put a formal response to.

Mr JEREMY BUCKINGHAM: Minister, do you support the proposed Needles Gap dam? What industries are you talking to about using the water from that proposed dam?

Ms KATRINA HODGKINSON: The Needles Gap dam is something that has been identified by both, as I understand it, the Commonwealth and the State as a potential water resource for the future. The Deputy Premier outlined in his budget response that, I think, \$1 million would be submitted for a feasibility study into the Needles Gap dam. Obviously feasibility studies, environmental impact statements—all those things—will need to be undertaken. Yes, I absolutely agree that we do need more water storages in New South Wales. It seems that the Belubula River is good place for such a catchment. I know also that the Commonwealth has a committee in place, which is being headed by the Hon. Barnaby Joyce, looking at major water storages and increasing major water storages in New South Wales. There is no doubt that the millennium drought highlighted to us the paucity of water storages in inland New South Wales. A lot of work has gone into trying to identify what would constitute suitable water storages in the future.

Mr JEREMY BUCKINGHAM: Do you know how many major water storages are on the Belubula River?

Ms KATRINA HODGKINSON: On the Belubula or on the Lachlan?

Mr JEREMY BUCKINGHAM: On the Belubula.

Ms KATRINA HODGKINSON: I will take that on notice.

Mr JEREMY BUCKINGHAM: You said that in your estimate the Commonwealth and the State had identified the Needles Gap dam as a project worthy of consideration. Would you provide details in which Commonwealth or State document the Needles Gap dam was identified as a major project? Would you table that?

Ms KATRINA HODGKINSON: Yes, because I certainly cannot tell you straight off the top of my head.

Mr JEREMY BUCKINGHAM: I refer to Local Land Services. What percentage of the Local Land Services budget relies on Federal funding? When does the funding agreement for natural resource management [NRM] between New South Wales and the Federal Government expire? What is the percentage? When does it expire?

Ms KATRINA HODGKINSON: It is about one-third.

Mr JEREMY BUCKINGHAM: About 30 per cent?

Mr PATERSON: Yes.

Mr JEREMY BUCKINGHAM: When does that agreement expire, Minister?

Ms KATRINA HODGKINSON: I am advised Caring for Our Country finishes 30 December 2014.

Mr JEREMY BUCKINGHAM: Do other States have funding agreements with the Federal Government that are longer than that one?

Ms KATRINA HODGKINSON: I am advised that some may.

Mr JEREMY BUCKINGHAM: Yes, all of them do. Minister, what contingency plans do you have in place if a new agreement cannot be negotiated? How many Local Land Services staff have been forced to re-apply for their jobs due to funding uncertainty from the Federal Government?

Ms KATRINA HODGKINSON: Can I just provide some facts from a note I have here that should cover parts of a number of questions that you have asked. On 13 May 2014 the Commonwealth Government announced a National Landcare Program, with funding of \$1.028 billion that will be provided nationally over four years, from 2014 through to 2018. The National Landcare Program will merge Caring for Our Country—C for C—and Landcare into a single national program as part of the Federal budget decision establishing the National Landcare Program. The Australian Government also announced savings of \$483.8 million over five years—approximately a 20 per cent reduction.

The National Landcare Program framework has not yet been established. It is too early to predict the full extent of the impact of budget savings on Local Land Services. Formal stakeholder consultations on the design and delivery of the program are scheduled to take place early in the 2014-15 financial year. Following consultation on the design of the framework, it is anticipated Australian Government guidelines for the regional investment component will be released. Local Land Services will have the opportunity to apply for funding under these guidelines. In the meantime, the Australian Government has provided a six-month extension of C for C regional delivery funding to support nationally funded investment activities currently being implemented by Local Land Services. The transitional funding totals \$16.5 million, exactly half of the Commonwealth Government investment last financial year.

Mr JEREMY BUCKINGHAM: I apologise but may I interrupt? Is it six months beyond the December expiry deadline for the agreement?

Ms KATRINA HODGKINSON: No, that extra funding runs through to December 2014.

Mr JEREMY BUCKINGHAM: They have already given an extension for six months and that expires in December 2014.

Ms KATRINA HODGKINSON: Correct.

Mr JEREMY BUCKINGHAM: In relation to critical industry clusters, I refer to your answer on 8 April 2014 to a question that I put on notice regarding critical industry clusters applications to which you responded:

The Strategic Regional Land Use Policy does not establish a process for applications for critical industry cluster status. Therefore, no applications have been received.

Given the New South Wales Irrigators Council, the Ricegrowers' Association, the Far North Coast Dairy Industry Group Inc., the Riverina citrus growers, the Riverina Wine Grapes Marketing Board and most recently Tweed council on behalf of sugarcane growers have all formally requested this status from you—

Mr SCOT MacDONALD: All industries you want to shut down.

Mr JEREMY BUCKINGHAM: I repeat: Most recently Tweed council, on behalf of the sugarcane growers, has formally requested this status from you. Why is there no independent transparent process for determining applications?

Ms KATRINA HODGKINSON: That is interesting because when we came into government there was actually no process for really scrutinising applications in the space of coal seam gas mining and agriculture. When we came into government we got together a group of Ministers, led by the planning Minister, but certainly incorporating myself as the Minister for water and for agriculture, including the Minister for the Environment, the Deputy Premier and the Minister for mining and resources to develop a way forward. I created agriculture impact statements that need to be completed before the gateway process can commence, the Aquifer Interference Policy, which is the most comprehensive way of studying water and the impacts that a mine may potentially have—

Mr JEREMY BUCKINGHAM: Minister, with respect—

Ms KATRINA HODGKINSON: I am getting to critical industry clusters [CICs].

Mr JEREMY BUCKINGHAM: If you could because I have limited time and there are a number of major industries that want to know why there is no process for applying for CICs.

Ms KATRINA HODGKINSON: Well, the determination has been for those critical industry clusters that have been announced.

Mr JEREMY BUCKINGHAM: And what are those, Minister?

Ms KATRINA HODGKINSON: The determination was made by the ministerial committee and by the Government.

Mr JEREMY BUCKINGHAM: What industries were they?

Ms KATRINA HODGKINSON: Thoroughbred breeding and viticulture. The 2012 Upper Hunter Strategic Regional Land Use Plan included two extensive areas of CIC, one for the equine industry and one for viticulture. The plan included an action to revise the CIC maps to ensure that the area identified as CIC was in fact used for that industry. In February 2013 a reference group was established to assist this process, including representatives from the Hunter Valley Wine Industry Association and the Thoroughbred Breeders Association. The maps were exhibited during October and November 2013 when landholders were given a final chance to nominate their enterprises for inclusion in the CIC area if it met the specified criteria.

As part of that process the Government also allowed resource companies to nominate to be removed from the CIC if they met certain publicly available criteria. The exhibition of the draft CIC maps closed in mid-November 2013. Around 200 submissions were received and amounted to over 1,500 parcels of land. An interagency committee reviewed these submissions to determine which were eligible based on the agreed criteria. AGL was one of the companies that nominated and was accepted as meeting the criteria. The final CIC maps were announced on 28 January 2014 and given legal effect via an amendment to the State environmental planning policy—

Mr JEREMY BUCKINGHAM: Minister please—

Ms KATRINA HODGKINSON: I am directly answering your question.

Mr JEREMY BUCKINGHAM: I asked a specific question about other industries applying for this process. If you could be a little more pertinent I would appreciate it.

Ms KATRINA HODGKINSON: The Government has made clear that there will not be any further strategic regional land use plans and that in the future the regional growth plans under the new planning system will be developed. It is proposed that regional growth plans will address key strategic planning issues including housing infrastructure, economic development, mineral and energy resources and the environment, including agricultural land. The need and justification for new CICs will be considered during the development of these plans.

Mr JEREMY BUCKINGHAM: Okay, excellent.

Ms KATRINA HODGKINSON: I needed to get the context in before that final sentence.

Mr JEREMY BUCKINGHAM: Sure; the last bit was very important. Recently the Mining and Petroleum Gateway Panel has determined that in terms of impacts on biophysical strategic agricultural land and critical industry clusters the Bylong project failed 11 out of 12 criteria, the Spur Hill underground coking coal project failed 9 out of 11 criteria and the Caroon coalmine does not meet a single one of the relevant criteria. NSW Farmers and the Irrigators Council have been extremely critical of the failure to have a gate, as it were, in the gateway. What is your response to the failure of these projects to meet the vast majority of the criteria in the agricultural impact statements?

The Hon. Dr PETER PHELPS: The only gate you want is a locked gate.

Ms KATRINA HODGKINSON: I have to say this is probably one for the planning Minister but I understand that these projects all fall under the gateway process anyway so the gateway process is what it is and projects are determined accordingly.

Mr JEREMY BUCKINGHAM: Really?

Ms KATRINA HODGKINSON: Yes.

Mr JEREMY BUCKINGHAM: Do you believe that AGL's proposal for coal seam gas in the Gloucester Valley poses any risk to the Manning River oyster industry?

The Hon. Dr PETER PHELPS: Point of order: The beliefs or otherwise of the Minister are irrelevant. We are here to find out facts of the Minister's department and her portfolio responsibilities, not what she believes in.

CHAIR: Order! I uphold the point of order. Mr Jeremy Buckingham will rephrase the question.

Mr JEREMY BUCKINGHAM: Minister, do you have any evidence that AGL's proposal for coal seam gas in the Gloucester Valley poses a risk to the Manning River oyster industry?

Mr SCOT MacDONALD: Point of order: Can we get some clarification? Is this a planning portfolio? Are we in the correct portfolio?

The Hon. STEVE WHAN: To the point of order: The Minister is the Minister for Fisheries and the oyster industry is directly in her portfolio.

CHAIR: Order! There is no point of order.

Ms KATRINA HODGKINSON: Thank you for the question. In relation to the determination of any of those projects, it is my understanding that it has to go through the Planning Assessment Commission and any concerns need to be addressed along the way.

Mr JEREMY BUCKINGHAM: Exploration drilling does not have to go through the Planning Assessment Commission.

The Hon. Dr PETER PHELPS: Can we take this to the planning Minister?

Mr JEREMY BUCKINGHAM: I will move on. Minister, which region in New South Wales has seen the greatest growth in agricultural employment in the past year and since 2001 and why do you think that is? It is a booming area for agriculture and why do you think it is?

The Hon. Dr PETER PHELPS: Would it be hemp farming in Nimbin?

Mr JEREMY BUCKINGHAM: It has had a 227 per cent increase in agricultural employment in the last year, Minister, as a clue, and 4.9 per cent since 2001—it is the Central West; it is a parochial question. It is not fair really, I will admit that.

The Hon. RICK COLLESS: Why are you asking it if you already know the answer?

Mr JEREMY BUCKINGHAM: Why do you think the Central West of New South Wales is booming in agricultural employment?

Ms KATRINA HODGKINSON: There are many reasons.

The Hon. Dr PETER PHELPS: It started raining again.

Mr JEREMY BUCKINGHAM: No, that is not true. It has had a drought.

Mr SCOT MacDONALD: Point of order: Is this not like asking what is your favourite colour? Are we here to get information and evidence or are we asking for opinions?

Mr JEREMY BUCKINGHAM: To the point of order: It is a relevant question of the Minister in charge of agriculture and primary industries to know which sectors of the industry are doing well and which regions are doing well.

Ms KATRINA HODGKINSON: I can tell you that there are many areas that are doing very well. In the last 12 months New South Wales—

CHAIR: Order! I will rule on the point of order. There is no point of order. The Minister may answer the question.

Ms KATRINA HODGKINSON: In 2012-13 New South Wales rural mineral exports were worth \$16.04 billion of which \$13.3 billion was coal and coke and \$2 billion was copper. In 2012-13 New South Wales rural agriculture exports were worth \$5.7 billion of which wheat was \$1.1 billion, cotton was \$1.2 billion—you will see that is reversed from last year—and beef \$834 million.

Mr JEREMY BUCKINGHAM: Not much in the Central West though?

Ms KATRINA HODGKINSON: Wine grapes of course are very important for the Central West in relation to agriculture and in fact I also note that the Deputy Premier has just launched Wine Country as part of his trade mission to Hong Kong and China over the weekend so wine grapes are doing extremely well in the Central West as well as in other parts of New South Wales. In New South Wales some 59 million hectares or 73 per cent of the land area of the State is used in agriculture production. The agriculture of New South Wales is strong in the production of wheat, canola and barley, beef, sheep, meat and wool, cotton and fruit. These products alone account for 70 per cent of the value of New South Wales agriculture production.

While agriculture accounts for only something like 2.21 per cent of employment in New South Wales, in the following regions agriculture accounted for significantly above average employment: New England-North West, 14.8 per cent; Far West-Orana, 13.53 per cent; Central West, 10.01 per cent; Riverina, 11.59 per cent; and the Murray, 11.35 per cent. Agriculture is a very high performer, producing some 25 per cent of the national growth value of agriculture from just 15 per cent of agricultural land in Australia. I could go on; I am only halfway through the page.

Mr JEREMY BUCKINGHAM: I am sure. Which coal seam gas fields have you toured?

Ms KATRINA HODGKINSON: Coal seam gas right around the Camden areas and Elizabeth Macarthur Agricultural Institute as a formal tour.

Mr JEREMY BUCKINGHAM: So you have not had a look at the industry in Queensland or Gloucester?

Ms KATRINA HODGKINSON: No, I have not been to Queensland to look exclusively at coal seam gas [CSG].

Mr JEREMY BUCKINGHAM: Or Gloucester or Narrabri?

Ms KATRINA HODGKINSON: I have had reports from members of The Nationals and others who have formally done that as part of backbench committees.

Mr JEREMY BUCKINGHAM: You know some people who have toured a large gas field?

Ms KATRINA HODGKINSON: We have one around the table actually. The Hon. Rick Colless is the head of my Forest Industries Taskforce.

The Hon. RICK COLLESS: I have been to all of them, Minister.

Mr JEREMY BUCKINGHAM: Minister, do you think it would be appropriate for the agriculture Minister, considering the conflict between agriculture and—

Mr SCOT MacDONALD: Point of order: The use of the word "conflict" is the member's opinion; it is not a question.

The Hon. STEVE WHAN: It is hard to deny.

CHAIR: Wide latitude is given to the asking of questions and the giving of answers. Let us not waste time. There is no point of order.

Mr JEREMY BUCKINGHAM: Minister, do you think it would be appropriate for you to travel to see a mature gas field to get an understanding of its scale and potential impact on other land uses?

Ms KATRINA HODGKINSON: I know that Queensland has a much more mature industry than New South Wales in that space. The Hon. Rick Colless, who is a member of this committee, has provided me with information in relation to the tours that he has undertaken as part of his committee duties, and it has been very interesting the amount of information that the Hon. Rick Colless has come back with. He suggested that I should look at CSG activities so I undertook a formal tour to Camden with a variety of members of Parliament and others to look specifically at how New South Wales performs CSG activities. It is appropriate for me to get advice from my colleagues who may have a greater opportunity to travel interstate and internationally to look at specific projects and provide advice back to me.

Mr JEREMY BUCKINGHAM: In Camden there is a gas field but principally it is in a peri-urban area. Do you think it would be appropriate to look at a mature coal seam gas development in a rural area where it is interacting with agricultural activities?

The Hon. RICK COLLESS: Point of order—

Ms KATRINA HODGKINSON: I believe I have answered the question.

The Hon. RICK COLLESS: The member has asked the Minister for her opinion; this is about facts and budget issues.

CHAIR: I uphold the point of order.

Mr JEREMY BUCKINGHAM: Minister, why are the Regional Assistance Advisory Committee minutes confidential?

Ms KATRINA HODGKINSON: The seasonal conditions reports are made public. The RAAC minutes can relate to individual circumstances and individual producers and it is not fair to have any individual's financial position revealed in a public space.

The Hon. Dr PETER PHELPS: Hear, hear!

Ms KATRINA HODGKINSON: I think it is appropriate for those minutes to be kept confidential. The information that is of public value is made publicly available.

Mr JEREMY BUCKINGHAM: In a previous answer you spoke of the reduction in Federal funding to Landcare. You described it as a 20 per cent reduction but in total it is of the order of half a billion dollars. Do you support this reduction of funding to Landcare?

Ms KATRINA HODGKINSON: I am not responsible for the Commonwealth budget.

CHAIR: Before I go to the Opposition: Minister, would you be able to provide to the Committee a copy of the 2009 Intergovernmental Agreement on National Drought Program Reform?

Ms KATRINA HODGKINSON: I can provide you with the signed copy of the intergovernmental agreement [IGA], which was some years later. The West Australian trial commenced in 2009—that is off the top of my head—it went for two years and then an IGA was devised. I am happy to table the IGA on the National Drought Reform Program.

Mr SCOT MacDONALD: Who signed that?

The Hon. STEVE WHAN: It was in 2012.

Mr SCOT MacDONALD: 2010.

CHAIR: Let us not waste time. The Minister will table the document.

Document tabled.

Ms KATRINA HODGKINSON: I will provide you with a list of the signatories on notice. Some of the Ministers have changed.

CHAIR: I have a point of clarification for Hansard's benefit. In my concluding remarks in my questioning of Mr Paterson I used irony. As a politician I should know that you never do that. I was not in fact saying that Mr Paterson was being co-operative.

Ms KATRINA HODGKINSON: Mr Chair, may I ask a question? Is it permissible for members at the table to engage in tweeting and other forms of social media interaction?

CHAIR: No, tweeting is prohibited.

The Hon. Dr PETER PHELPS: I am not tweeting.

Ms KATRINA HODGKINSON: I do not know whether anybody is; I am not looking.

CHAIR: The chair of the chairs committee has determined that social media interaction during a hearing is not permitted by anybody. If you wish to tweet and you are in the audience then leave the room.

Ms KATRINA HODGKINSON: May I provide a couple of short additional answers to the previous member's question?

CHAIR: It will foreshorten everybody's time for questions, but go on.

Ms KATRINA HODGKINSON: The final Intergovernmental Agreement on National Drought Reform Program was signed in May 2013. As an extension to the answer I gave in relation to data from the DPI, the value of cropping in the Central West is \$252 million and beef is worth \$12.7 million.

The Hon. STEVE WHAN: Minister, this may be slightly parochial but we will see. I am sure you are aware of alarming reports about drops in the number of rainbow trout in alpine rivers and lakes. There are calls from the Monaro Acclimatisation Society and former DPI fisheries staff for long-term research to be funded to get better information about trout stocks in the Snowy Mountains. Would you agree this would be positive? Has the Government considered funding this research and, if so, how much?

Ms KATRINA HODGKINSON: The Snowy Mountains lakes trout fishery is the most significant trout fishery in New South Wales. It is of great social and economic importance to the region. After many years of exceptional rainbow trout fishing from the lakes—I went down to Lake Eucumbine recently and it is fantastic at the moment—some fishers have reported reduced catches in Lake Jindabyne and Lake Eucumbine over the past two years; this is especially the case for shore-based fly and bait fishers. Fishers trawling lures with boats still report reasonable catches. The New South Wales Government provides around \$1 million for freshwater fish stocking research, management and production. Around \$1.1 million is received from the Recreational Fishing Trust to support DPI fish hatcheries with production and to provide community grants for the purpose of native fish for stocking under the Dollar for Dollar Native Fish Stocking Program. An additional \$340,000 is received from the trust to support stocking assessment and research.

The Hon. STEVE WHAN: Is there new research being proposed to look, on a long-term basis, at the trout stocks in the Snowy Mountains given the meetings that have occurred recently in the mountains and the issues that have been raised there?

Ms KATRINA HODGKINSON: A meeting was held with fisheries researchers and managers recently to identify current research knowledge gaps and to consider future research options for the Snowy Mountains lakes. The DPI is developing a draft research plan which will look to continue and improve current monitoring of the spawning runs. It will be conducting a survey of the food chains and water quality of lakes Jindabyne and Eucumbene, and implementing an angler survey to quantify species composition of catch rates, angler satisfaction and expectations. This future research will help to ensure that there will be ongoing quality recreational fishing opportunities at the Snowy lakes. Outcomes of the public forum will be communicated with

the angling public through the department's website. The New South Wales Government is committed to maintaining this high-quality fishery for the benefit of New South Wales anglers.

The Hon. STEVE WHAN: You may wish to take this question on notice: How will the research be funded? Some anglers are unhappy as they believe all the funding will come from the licence fees and they believe the Government should provide funding towards it as well. Could you inform us, perhaps on notice, where the funding for that will come from? Is the research you are talking about going to be long-term over decades rather than short-term research?

Ms KATRINA HODGKINSON: In relation to the recreational fishing licence fee, of course all the moneys from that fee—which was established under the former Government—do go back into the benefits of recreational fishing. It may well be that such research as conducted with the Snowy Mountains lakes will be of benefit to recreational fishing. It may fall well within the remit of the Recreational Fishing Trust fee. I would struggle to think off the top of my head of any reason it would not fall into that basket.

The Hon. STEVE WHAN: Are you saying you believe it should be funded from the recreational fishing fee?

Ms KATRINA HODGKINSON: I cannot see why it should not be. I am advised by the department that not all funding will come from licence fees; the Government will contribute in kind.

The Hon. STEVE WHAN: What is your response to suggestions from some people to change the closure dates for the trout season to try and assist with the rebuild of the population?

Ms KATRINA HODGKINSON: That will be considered as part of the research of course.

The Hon. STEVE WHAN: Last year in the estimates hearings the departmental staff acknowledged that funding from fishing licence fees was being utilised to fund departmental officers to assess proposals for closures of Crown roads. For the past year can you tell us how many staff have been engaged in this work and what the expenditure of fishing trust funds has been? How many road closure applications has the department assessed and how many of those have not proceeded as a result of recommendations against closure by the department? You may wish to take some of that question on notice.

Ms KATRINA HODGKINSON: Of course, the Advisory Council on Recreational Fishing [ACORF] does make recommendations in relation to the distribution of the funding from the recreational fishing licence fee. I am advised approximately \$100,000 of the licence fee has been used for that purpose.

The Hon. STEVE WHAN: For that purpose. Can you take the rest of my question on notice and find some figures for us on what the actual impact of those fees has been?

Ms KATRINA HODGKINSON: The breakdown of the figures per person?

The Hon. STEVE WHAN: The breakdown of the amount that has been spent, how many road closure applications have they assisted in assessing and how many of those have not proceeded as a result of recommendations against closure by the department?

Ms KATRINA HODGKINSON: Sure.

The Hon. STEVE WHAN: When is the Agriculture Industry Action Plan [AIAP] going to be released?

Ms KATRINA HODGKINSON: It is a good and comprehensive plan, I have to say. It has a number of recommendations. I did receive it recently. The Department of Primary Industries is currently going through the AIAP to finalise exactly where the Government might agree with things, or where we need to do things in line with processes of the Department of Primary Industries. But we actually established the Agriculture Industry Action Plan task force in March 2013. The task force released an issues paper for public consultation in July that year.

The Hon. STEVE WHAN: I know the timetable up to date; it is all on the website. Could you tell us what date you expect it to be released?

Ms KATRINA HODGKINSON: I expect I will be releasing that quite soon, probably in the next month. I would say within a month but I do not want to put an exact timeline on it because we are still finalising it, but I predict very soon. Hopefully by the end of August but I am going to say allow for September.

The Hon. STEVE WHAN: On 21 July you said that the New South Wales Government was investing in a comprehensive study to identify development opportunities for the New South Wales dairy industry; that is export development opportunities. Who is undertaking that strategy?

Ms KATRINA HODGKINSON: Freshagenda.

The Hon. STEVE WHAN: What public consultation has been undertaken on the strategy and what industry consultation have you undertaken on the strategy?

Ms KATRINA HODGKINSON: In relation to this, northern New South Wales dairy co-op Norco and its partners, Peloris Global Sourcing and Dairy Connect have developed a commercially viable cold chain pipeline providing fresh pasteurized milk into the Chinese market.

The Hon. STEVE WHAN: Excuse me Minister, I know about Norco's exports but what I am after is—

Ms KATRINA HODGKINSON: The Department of Primary Industries has commissioned a study to provide the New South Wales dairy industry and other stakeholders an outline of potential opportunities for growth, to make domestic and export opportunities. This project includes a detailed analysis of potential opportunities on farm or in the dairy supply chain and will provide investors with market options, identify unnecessary business impediments and further research and development activities that will aid in addressing the cost price squeeze. This report is due for completion in August and will complement a range of other studies commissioned by Dairy Australia, including an analysis of Asian demand for dairy products. The New South Wales Liberals and Nationals Government has a strong plan to grow the dairy industry and increase exports.

The Hon. STEVE WHAN: Minister, can you actually address my question about who has Freshagenda consulted with?

Ms KATRINA HODGKINSON: I was just about to get to that. Freshagenda has consulted with both Dairy Connect and NSW Farmers.

The Hon. STEVE WHAN: What about the rest of the dairy industry in New South Wales? Have there been public calls for input into this?

Mr HANSEN: While there have not been any public calls for submissions in consultation on this front, what this report does is draw a lot on already completed industry research that has been done by Dairy Australia and others that has drawn widely on the available options out there at the moment for the dairy industry as well as strengths and weaknesses in the current supply chains. So it is tapping into a lot of industry consultation that already has occurred and just really targeted into those two organisations, plus obviously the regional dairy boards have been spoken to as well.

The Hon. STEVE WHAN: When was the development of this strategy publicly announced?

Ms KATRINA HODGKINSON: I might just take on notice the exact date.

The Hon. STEVE WHAN: What other specific agricultural products is your department preparing export development plans for?

Mr HANSEN: No other specific industry export development plans that we have in place at the moment. However, having said that, we obviously feed a lot of our information and contribute to the export development plans that are developed for many of the national industry bodies as they develop a national approach to the export industries.

The Hon. STEVE WHAN: Minister, are you familiar with the Victorian Government's agricultural export strategies? What have you seen in those strategies that you feel New South Wales could learn from?

Ms KATRINA HODGKINSON: Victoria has had massive delegations travel to various parts of the world. It has been interesting looking at their approach but it is also very important that as a nation we take a unified approach when it comes to export of our commodities so I think that it is sensible that we work with the Commonwealth to promote the entire country and us within it, but not segregate too much when it comes to actually—

The Hon. STEVE WHAN: So you do not agree with the approach that Victoria is taking?

Ms KATRINA HODGKINSON: Well I would say that every Minister in every State is entitled to their own approach.

The Hon. STEVE WHAN: Are you aware that there are now more people employed in producing elaborately transformed agricultural products in Victoria than there are in New South Wales and that they have overtaken New South Wales just in the last couple of years?

Ms KATRINA HODGKINSON: I also do not think it is appropriate for you to question me on what I might or might not believe. This should be questions about budget estimates.

The Hon. STEVE WHAN: I said are you aware that there are now more people employed in producing elaborately transformed agricultural products in Victoria than there are in New South Wales, which is a reversal of the historic position. Does that not ring alarm bells for you and say that New South Wales should be doing more in this area?

Ms KATRINA HODGKINSON: Well, I would say that with the dairy co-operative Norco's recent dealing of pasteurised milk into the Chinese market; that has been of enormous benefit to New South Wales. In fact, Norco has indicated that it has the capacity to provide 20 million litres of fresh milk into China in the first 12 months of operation. I think that that is just great news for New South Wales.

The Hon. STEVE WHAN: Minister, what did you have to do with that?

Ms KATRINA HODGKINSON: The initial shipments sold 4,000 litres of fresh milk into Shanghai in just 36 hours at \$AUD8.00 per litre.

The Hon. Dr PETER PHELPS: Why does a Minister have to have involvement? Do you not believe in private enterprise?

CHAIR: Order! We will conduct this inquiry properly. Interjections are disorderly at all times. It is bad enough to have the Opposition interjecting, but when the Minister's own team starts to interject it gets over the top. I invite the Minister to continue her answer.

Ms KATRINA HODGKINSON: NSW Trade & Investment is handling a number of inquiries from potential investors interested in developments in regional New South Wales. After 16 years of Labor neglect we had a lot of ground to make up. We continue working to make New South Wales number one again.

The Hon. STEVE WHAN: The spin is not useful for this process. I return to the LLS and the IPART review. In answer to my earlier question, you said you had received the report and the Government was considering it. IPART recommendations, as you would be aware, talked about a matrix for a charging structure essentially determining who should pay for a particular service. The suggestion was the LLS would determine which services are a public good. Minister, have you determined how the LLS would determine which services are a public good? How will the LLS determine the price of those services and charge the Government, if you accept the recommendation?

Ms KATRINA HODGKINSON: I did receive the report and it is under active consideration, but the Government has not finished considering the report.

The Hon. STEVE WHAN: Is it practical to put in place the system with a matrix of charges suggested by IPART?

Ms KATRINA HODGKINSON: The report is under active consideration by Government.

The Hon. STEVE WHAN: On what date do you expect to release the Government response to that report?

Ms KATRINA HODGKINSON: After it has gone through the proper channels of Government. That will depend on other reports that need to be considered by Government. I cannot give an exact date for when it will be released, but it going through the appropriate channels.

The Hon. STEVE WHAN: In previous estimates hearings we have discussed pest insect levies. Will individual LLS be able to opt out of compulsory levies like the pest insect levy or will you ensure that they stay compulsory?

Ms KATRINA HODGKINSON: Such questions are under active consideration by the Government as a result of the report.

The Hon. STEVE WHAN: The LLS has been in place for some time. Do you think it is time that ratepayers and boards of LLS received some guidance about the direction they are going with this?

Ms KATRINA HODGKINSON: We have received a report by IPART in relation to that matter. We are currently going through it and considering all available options. LLS commenced on 1 January this year, so it has been in operation for a little over eight months.

The Hon. STEVE WHAN: Are Local Land Services currently paying all their bills or are bills being paid by a central agency on their behalf?

Mr PATERSON: The Department of Trade and Investment undertakes the corporate services for LLS.

The Hon. STEVE WHAN: As the Department of Trade and Investment undertakes the payment, how does that structure work and what is the time frame for payment of bills? Do they have a maximum period?

Mr PATERSON: Government policy in relation to the payment of accounts is to pay them as soon as they are practically settled. There are special arrangements in relation to payment for small businesses, with a 30-day time frame after receipt of a properly rendered invoice. That applies to LLS claimants in the same way as it applies to other activities they are responsible for.

The Hon. STEVE WHAN: Are you meeting the 30-day benchmark for those bills?

Mr PATERSON: Not in every case, and nor does any part of Government meet the 30-day time frame in relation to the payment of every account.

The Hon. STEVE WHAN: Would you be able to give us figures on how many bill payments meet the time frame each month? You may need to take that on notice.

Mr PATERSON: I will take on notice a breakdown for each month.

The Hon. STEVE WHAN: I turn to the commercial fisheries reform process. Minister, what time frame are you currently working to, following the delays you announced?

Ms KATRINA HODGKINSON: It was an ambitious time frame. I wanted to have the process completed by the end of this year. However, I had a request for additional time from the Structural Adjustment Review Committee [SARC], charged with reviewing the commercial fisheries reform. I am not sure how much additional time is required, but I have told the SARC they can have the time they need. It is important that we get the reform right for as many commercial fishers as possible. In other words, I had a progressive reform underway and was prepared to meet the timelines I had set. However, SARC asked for additional time and I have granted them as much time as they need. They have not given me an exact date for finalisation.

The Hon. STEVE WHAN: Are you expecting they will now undertake that work on a fishery-by-fishery basis?

Ms KATRINA HODGKINSON: There is an independent economic study being done. That study will provide additional information for commercial fishers. They have requested an opportunity to conduct consultation additional to the large amount of consultation already undertaken. It is a sensitive area. The former Government handed out too many licences and basically breached the intent of the Fisheries Act. We have a big job to try to fix that up. There is a \$16 million adjustment package so that people who want to exit the industry can do so with dignity. That represents about 25 per cent of value of the industry, which is very generous.

The Hon. STEVE WHAN: Is the economic study going to be publicly available? When will it be completed?

Mr HANSEN: We are in the process of commissioning the study and selecting a suitable group to do the analysis on behalf of SARC.

The Hon. STEVE WHAN: When it is complete, will it be publicly available?

Mr HANSEN: That will be a decision of Government, but so far everything done by SARC has been transparent.

The Hon. STEVE WHAN: Minister, you would be aware that Mr Di Girolamo and Australian Water declared a donation to your campaign prior to the last election, which you said was actually a donation to the Nationals.

Mr SCOT MacDONALD: Point of order: Is this within the portfolio?

CHAIR: I uphold the point of order. This is not within the direct ministerial responsibility in relation to budget estimates.

Ms KATRINA HODGKINSON: This question was addressed last year.

The Hon. STEVE WHAN: Minister, were any donations you received for your campaigns channelled directly through your campaigns or did they all go through The Nationals?

The Hon. Dr PETER PHELPS: Point of order: The question contains arguments, in the sense that the member has asked about donations the Minister has received. There is no indication that the Minister has received any donations whatsoever. The question starts with an a priori point.

The Hon. STEVE WHAN: To the point of order: I specifically asked about donations to the Minister's campaign.

The Hon. Dr PETER PHELPS: Further to the point of order: The member said "you received". That is a big difference.

CHAIR: The question is out of the terms of reference for the budget estimates committee, so I rule the point of order in order. I have a follow-up question on service level agreements. Mr Paterson, in around November or December 2012 it appears from the records that the department cancelled the service-level agreement with the Game Council. Is that correct?

Mr PATERSON: I could not confirm the timing of it. You suggested November 2012?

CHAIR: November/December 2012 is the information that was contained in the Standing Order 52 documents.

Mr PATERSON: I would need to take it on notice.

CHAIR: If you could take it on notice. The last time I attempted to get an answer from you pertaining to advice you had given to your Minister we got ourselves into a little bit of a problem, from my point of view. Minister, were you aware that that unilateral decision to deny the service level agreement to the Game Council was being made prior to it being made?

Ms KATRINA HODGKINSON: I will take it on notice.

CHAIR: I will now pass over to Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Thank you, Minister, for coming today to budget estimates; it is always appreciated.

Ms KATRINA HODGKINSON: It is such a pleasure.

Mr DAVID SHOEBRIDGE: Could I just ask you what went so horribly wrong in Glenbog State Forest, that even though Forestry Corporation was given the GPS—

Mr SCOT MacDONALD: Point of order: The question contains argument from the beginning: "What went horribly wrong" et cetera.

CHAIR: In budget estimates a little more latitude is given to the formulation of questions and to answers. I will not uphold the point of order but I will ask Mr Shoebridge to refrain from hyperbole.

Ms KATRINA HODGKINSON: I would like to read a letter that was sent by Forestry Corporation to a major Sydney newspaper that ran that story last Sunday.

Mr DAVID SHOEBRIDGE: Only if it answers the question.

Ms KATRINA HODGKINSON: It says:

Dear Editor

Your article (Wombats buried alive by state forestry agency, 10/8/14, p. 15) makes serious unproven allegations.

Prior to harvesting in Glenbog State Forest, Forestry Corporation met with neighbours, who are members of the Wombat Protection Society, and agreed upon a range of voluntary measures to protect wombat burrows in the forest. These were in addition to more than 2000 individual environmental prescriptions that forestry operations must comply with.

Forestry Corporation of NSW has investigated the published allegations and found some disturbance to a small number of burrows. The vast majority of wombat burrows in harvested areas of the forest remain undisturbed. At the time the article would have been written, Forestry Corporation was unaware of any harm being caused to any wombat within the harvest area. It remains unaware of any information of wombats having been buried alive.

Forestry Corporation takes seriously the suggestion made in your online edition that deliberate actions were taken to remove markings and fill in burrows, and will continue investigating this allegation.

Regards,
Nick Roberts
CEO

Mr DAVID SHOEBRIDGE: When was that letter sent?

Ms KATRINA HODGKINSON: This letter was sent last week—

Mr DAVID SHOEBRIDGE: What date?

Ms KATRINA HODGKINSON: I believe it was Friday—with the intention that it would be published by that publication yesterday, but it failed to appear in the paper.

Mr DAVID SHOEBRIDGE: Who is undertaking the investigation?

Ms KATRINA HODGKINSON: Forestry Corporation takes seriously the allegation made and will continue investigating that situation. It does take it very seriously.

Mr DAVID SHOEBRIDGE: When it said a number of burrows had been disturbed, what did that mean? Does that mean buried?

Ms KATRINA HODGKINSON: It means disturbed.

Mr DAVID SHOEBRIDGE: I am asking you what that means. I am asking you if it means buried—covered over so that wombats are buried?

Mr HANSEN: It can be a range of issues disturbing the burrows: whether it has been covered with fallen debris, whether it has been covered with soil or whether there is compaction—

Mr DAVID SHOEBRIDGE: Basically, though, the wombat cannot get out. Is that right? That is what it means; that is a summary of it?

Mr HANSEN: Yes, that the access has been impeded in one way or another. The information we have is that of the 150 burrows that have been marked, it is alleged that 11 have been disturbed, and that is what is currently under investigation.

Mr DAVID SHOEBRIDGE: How did it happen, Mr Hansen, through you, Minister, that despite them being given the GPS coordinates, 11 of them were, to use the euphemism that you apply, disturbed?

Ms KATRINA HODGKINSON: I would say that the word "disturbed" is the appropriate word at this point in time and Forestry Corporation—

Mr DAVID SHOEBRIDGE: I do not mean to debate the word; I just want to know how it happened.

Ms KATRINA HODGKINSON: —is continuing its investigations and I am sure once it has finalised its investigations it will report back to us. Investigations do take some time; they do not just happen overnight, particularly when you are dealing with compartments that have 2,000 other environmental approvals that have to be met. It takes three to six months in the planning before they even commence their operations.

Mr DAVID SHOEBRIDGE: You are not seriously suggesting it is going to take you three to six months to go down and have a look at the 11 burrows that have been covered over and work out went wrong? You are not seriously suggesting that will take three to six months?

Ms KATRINA HODGKINSON: I understand that you have an emotive argument here, however, we are just reporting the facts of the situation and as outlined in that letter. I do not think I can make it any clearer or plainer than that.

Mr HANSEN: I can further add that on Monday 11 August, with neighbours from the Wombat Protection Society, Forestry Corporation has already inspected and removed disturbances from the entrances of seven burrows. What will take longer will be the review as to what went wrong in terms of the identification of those sites and ensuring that remedial action is put in place.

Mr DAVID SHOEBRIDGE: So something went wrong, Minister. Are you not troubled that something went wrong and we saw these wombats being buried alive in Glenbog?

Ms KATRINA HODGKINSON: You are highly emotive, but timber harvesting in New South Wales State forests is subject to stringent regulation and operations are independently audited by the Environment Protection Authority.

Mr DAVID SHOEBRIDGE: Are you not disturbed, as the Minister, that these wombats have been buried alive due to forestry operations in Glenbog State Forest—a State forest that is under your control?

Ms KATRINA HODGKINSON: Mr Chairman, I believe the member is asking me for my emotional response, which I believe is not part of the budget proceedings.

CHAIR: I have not heard a point of order taken. Generally speaking, Minister, you are entitled to answer the question in any way you feel. I will leave it to you and Mr Shoebridge to sort out.

Ms KATRINA HODGKINSON: While planning harvesting operations in Glenbog State Forest, Forestry Corporation of New South Wales ecologists completed extensive environmental planning and flora and fauna surveys to identify threatened species and ensure stringent measures to retain habitat and feed trees are applied in line with environmental licences. In addition to the measures required under environmental licence, Forestry Corporation met with members of the Wombat Protection Society of Australia and has voluntarily

adopted additional measures to protect wombats, which are not listed as vulnerable in southern New South Wales. These included instructions in the harvest plan to cease haulage around dawn and dusk when wombats are most active and to avoid damage to wombat burrow entrances as far as practicable.

As I mentioned earlier, these measures are in addition to the more than 2,000 individual environmental prescriptions that forestry operations must comply with. The Wombat Protection Society has also marked wombat burrows in the area to assist machine operators in identifying their location so they can be avoided. Staff have been closely monitoring the operation on an ongoing basis to ensure it complies with the harvest plan. While effort has been made to avoid burrow entrances, some disturbance to a small number has been unavoidable. Numerous marked wombat burrows have been inspected within harvested areas and have been found to be undisturbed. Forestry operations were temporarily suspended and Forestry Corporation has commenced a full investigation into these allegations.

Mr DAVID SHOEBRIDGE: Minister, what has happened to the annual reports on the difference between the frames estimate for yields of logging operations and the actual harvest that occurs, consistent with the 2009 Auditor-General's recommendation?

Mr DAVID SHOEBRIDGE: How does *Hansard* describe confusion?

CHAIR: Order!

The Hon. RICK COLLESS: Point of order—

CHAIR: Order! There is no need for a point of order. Mr David Shoebridge will come to order.

Ms KATRINA HODGKINSON: The Forest Industries Taskforce reports back on that.

Mr DAVID SHOEBRIDGE: When did they last report to you?

Ms KATRINA HODGKINSON: I have received regular reports from the Forest Industries Taskforce. I just need to seek advice as to the exact date.

CHAIR: Perhaps you could take it on notice.

Ms KATRINA HODGKINSON: I am happy to.

Mr JEREMY BUCKINGHAM: How many hectares of both invasive native species and native vegetation were approved for clearing in 2013 and 2014, and how many were actually cleared?

The Hon. RICK COLLESS: Point of order: That question would be better directed to the Minister for Natural Resources, Land and Water.

Ms KATRINA HODGKINSON: I would love to be able to answer that question.

Mr JEREMY BUCKINGHAM: No, they are approved under PVPs, which fall under the LLS. Property vegetation plans are approved by Local Land Services.

Ms KATRINA HODGKINSON: They are.

CHAIR: I will not uphold the point of order.

Ms KATRINA HODGKINSON: While the Hon. Rick Colless is correct, native vegetation falls under the Office of Environment and Heritage, but PVPs fall under Primary Industries so I am happy to take that question on notice and provide a more detailed answer.

Mr JEREMY BUCKINGHAM: In relation to PVPs, does any government agency or any agency for which you are responsible assess the amount of native vegetation regeneration in New South Wales?

Mr SCOT MacDONALD: Point of order: The Minister for the Environment reports on native vegetation. PVPs might be a mechanism for a farmer to apply to do some work but it is reported under the Office of Environment and Heritage. This is the wrong portfolio.

Mr JEREMY BUCKINGHAM: To the point of order: It is relevant. It is pertinent to this portfolio because PVPs are managed by the Department of Primary Industries through the LLS.

CHAIR: Order! I will not uphold the point of order because the Minister has already agreed that she will do her best to answer the question and we will leave it at that.

Mr JEREMY BUCKINGHAM: If the Minister would like to take that question on notice, that will be fine.

Ms KATRINA HODGKINSON: I do have a paper here on native vegetation but I am happy to take it on notice rather than read it and use the Committee's time in that way.

Mr JEREMY BUCKINGHAM: Regulated gas prices in New South Wales will rise by 17 per cent for 2014-15—

Mr SCOT MacDONALD: Point of order: We seem to have some confusion about the portfolio. This is a question better directed to the Minister for Resources and Energy.

Mr JEREMY BUCKINGHAM: To the point of order: I have not finished the question.

CHAIR: Order! I will not uphold the point of order because the member has not finished the question. If the member finishes the question and it is not inside the terms of reference of this Minister, I will so rule.

Mr JEREMY BUCKINGHAM: Regulated gas prices in New South Wales will rise by 17 per cent for 2014-15 as recommended by IPART. Many agricultural supply, production and processing industries rely on gas. Do you believe that the development of a coal seam gas industry in New South Wales will help lower gas prices?

Mr SCOT MacDONALD: Do I have to take a point of order? We are in the wrong portfolio.

CHAIR: No, we are not. The Minister can choose to answer the question in so far as she is able but generally speaking Ministers do not comment on government policy outside their portfolio.

The Hon. Dr PETER PHELPS: Other than to say it is fantastic.

Ms KATRINA HODGKINSON: Strictly speaking, it is outside my portfolio. It is more appropriately addressed to the Minister for Resources and Energy.

CHAIR: Thank you. I will uphold the point of order.

Mr JEREMY BUCKINGHAM: Apart from all the fertilisers and all the food processors in the State—

Ms KATRINA HODGKINSON: If we were to develop a CSG industry in New South Wales it probably would assist with the lowering of prices but it is outside my portfolio.

Mr JEREMY BUCKINGHAM: You just gave the answer, thank you. Can a CSG industry co-exist with the dairy industry?

Ms KATRINA HODGKINSON: We have processes in place now to greater facilitate different industries working in harmony and I do not see any reason why it could not.

Mr JEREMY BUCKINGHAM: So you have not read the upper House inquiry into coal seam gas where Norco made a submission saying that it could not co-exist with a CSG industry?

Ms KATRINA HODGKINSON: There is a lot of emotion around your particular subject of choice in relation to that question. I prefer to deal with the fact, that is, the New South Wales Government has instituted a new way forward for allowing mining and agriculture to co-exist. We have put in place a variety of tools to assist industries working cooperatively, such as the implementation of an agricultural impact statement, a new aquifer interference policy, the gateway policy, identifying bio-material-physical strategic agricultural lands and so on.

Mr JEREMY BUCKINGHAM: With all respect, the question was: Have you read the report?

Ms KATRINA HODGKINSON: I read a lot of reports. I may have read that one along the way but I know what the New South Wales Government has done to correct the misdeeds of the former Government in that space and that is a lot of work to assist with the co-existence—

CHAIR: I bet the Minister did because it was my report.

Mr JEREMY BUCKINGHAM: It was an excellent report.

The Hon. Dr PETER PHELPS: A very good dissenting report, too.

Mr JEREMY BUCKINGHAM: Are you aware of Norco's submission that it does not believe its industry, which you said is doing such a great job, can co-exist with a coal seam gas industry? What is your response to that?

The Hon. RICK COLLESS: Point of order: I am having trouble working out how this fits in with the budget estimates process. Perhaps Mr Jeremy Buckingham could quote the line item in the budget which refers to this issue.

Mr DAVID SHOEBRIDGE: To the point of order: The Minister pointed out that the role of Norco, including in exports of fresh milk, directly related to her portfolio.

CHAIR: Order! I will not uphold the point of order. As I said before, the Minister is well aware of the limitations in her answering questions with regard to other portfolios. However, if the Minister wishes to answer questions she may do so. She has provided as much advice as she can. I suggest Mr Jeremy Buckingham move on.

Ms KATRINA HODGKINSON: I refer Mr Jeremy Buckingham to a media release entitled "AGL partners with Dairy Connect to help Gloucester's dairy industry", which stated:

A new powdered milk plant being proposed in the Gloucester/Hunter area could be one of the many benefits of a landmark agreement between AGL and peak industry body Dairy Connect.

Last week in Sydney, AGL's CEO Michael Fraser and Dairy Connect's CEO Mike Logan signed a cooperation agreement which could facilitate the development, production and responsible growth of both the dairy and gas industries in NSW.

This signing with Dairy Connect further strengthens AGL's partnerships with agricultural groups, with the long-term goal being AGL providing energy and land to assist dairy-related industries in Gloucester.

"This agreement has the potential to create jobs, help farmers better manage production costs and in doing so, open up new overseas markets," said Mr Fraser.

"Natural gas not only operates side by side with agriculture but can also be a powerful contributor to its success.

"We're serious about bringing lasting benefits to individual farmers and rural and regional communities.

At a community meeting in Gloucester ... attended by more than 60 locals, Mr Logan shared the NSW dairy industry's aspirations for a powdered milk factory in the Gloucester area.

"The hope is that powdered milk—

Mr JEREMY BUCKINGHAM: I hate to interrupt, but are you reading an AGL press release?

Mr SCOT MacDONALD: Dairy Connect.

Mr JEREMY BUCKINGHAM: Is that a Dairy Connect?

Ms KATRINA HODGKINSON: "AGL partners with Dairy Connect to help Gloucester's dairy industry".

Mr JEREMY BUCKINGHAM: Who is that release from?

Ms KATRINA HODGKINSON: You just asked me.

CHAIR: Order!

Mr DAVID SHOEBRIDGE: Point of order: The Minister is meant to be answering questions. I understand that the Minister just read out what was handed to her. I find that disrespectful of the budget estimates process. She did not know what she was reading.

The Hon. Dr PETER PHELPS: To the point of order: It is a broad-ranging question about the compatibility of the dairy industry and the coal seam gas industry, and the Minister's view on that. The Minister has responded by providing contemporary evidence which cuts across Mr Jeremy Buckingham's chief line of attack. Now obviously The Greens are upset and are trying to call a point of order while the Minister was answering the question asked of her.

Mr JEREMY BUCKINGHAM: To the point of order: The question related to Norco, one of the most successful cooperatives in Australian history, a major exporter, a massive employer, actually key to the economy of the northern rivers and, indeed, the whole coast of Australia. The question related to Norco and its submission to an upper House inquiry that it could not coexist, and I have not heard anything. But the question and the supplementary question to that was—

CHAIR: No, Mr Jeremy Buckingham, we are still on a point of order.

Ms KATRINA HODGKINSON: It was an AGL press release. It was passed to me by the Director General.

Mr JEREMY BUCKINGHAM: It was an AGL press release.

CHAIR: Hansard will not record any of this; I am still ruling on the point of order. There is no point of order. The Minister is able to answer a question in any way she feels fit.

Mr JEREMY BUCKINGHAM: To confirm, that was an AGL press release you were just reading out?

Ms KATRINA HODGKINSON: At the Elizabeth Macarthur Agricultural Institute [EMAI] in Camden there are something like more than two dozen coal seam gas wells operating in perfect harmony with all the activities that we are conducting in the EMAI, including dairy.

Mr JEREMY BUCKINGHAM: Minister, was that an AGL press release you were reading out?

Ms KATRINA HODGKINSON: I do take Norco very seriously, of course I respect its submissions. But the proof is absolutely evident in the broader community—

Mr JEREMY BUCKINGHAM: Is it an AGL press release you just read out?

Ms KATRINA HODGKINSON: —and at EMAI, the Department of Primary Industries—

Mr SCOT MacDONALD: Point of order: The Minister is trying to answer the question.

Mr DAVID SHOEBRIDGE: No, she is not.

Mr SCOT MacDONALD: Mr Jeremy Buckingham is cutting across.

Mr JEREMY BUCKINGHAM: She has read out the CSG industry's release.

CHAIR: There is no point of order. The Minister can continue with her answer, if she so wishes.

Ms KATRINA HODGKINSON: The point is that at EMAI, which is the Department of Primary Industries lead biosecurity facility, we have dairy operating side by side with CSG wells. Obviously the proof is there; the proof is broad that the two industries can coexist quite harmoniously. Of course I respect Norco and its right to express an opinion but the evidence shows that these two industries can operate harmoniously side by side.

CHAIR: The questions for this portfolio have concluded. I thank you, Minister, your officers at the table and your assistants for attending today. Questions taken on notice will be sent to you and the Committee will requires answers to those questions on notice within 21 days.

(The witnesses withdrew)

The Committee proceeded to deliberate.
