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GENERAL PURPOSE STANDING COMMITTEE NO. 5

Friday 20 February 2004

Examination of proposed expenditure for the portfolio area

AGRICULTURE, FISHERIES

The Committee met at 2.15 p.m.

MEMBERS

Mr Ian Cohen (Chair)

The Hon. R. H. Colless
The Hon. M. J. Gallacher
The Hon. K. F. Griffin

Hon. C. M. Robertson
The Hon. H. S. Tsang
The Hon. I. W. West

PRESENT

The Hon. Ian Macdonald, *Minister for Agriculture and Fisheries*

Department of Agriculture

Dr R. Sheldrake, *Director-General*

Department of Fisheries

Mr S. Dunn, *Director-General, NSW Fisheries*

Mr G. Dacey, *Safe Food Production Handling*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

**Budget Estimates
General Purpose Standing Committee Secretariat
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: Before questions commence there are some procedural matters that need to be dealt with. Part 4 of the resolution referring the budget estimates to the Committee requires evidence to be heard in public. The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of guidelines for broadcasting is available from the attendants. I point out that in accordance with the Legislative Council's guidelines for the broadcast of proceedings, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee.

There is no provision for members to refer directly to their own staff while at the table. Please be advised that any messages for members should be delivered through the attendant on duty or the Committee clerks. For the benefit of members and Hansard, could department officials identify themselves by name, position and department or agency before answering any question referred to them? While the resolution does not prescribe procedures for the following matters, the Committee has decided that the allocation of questions will be left in the hands of the Chair. Regarding questions taken on notice, I want to encourage witnesses to answer the questions put to them during the hearing. At this stage the Committee needs to report back to the House by Thursday, 26 February, so for the hopefully few questions that may need to be taken on notice the deadline for providing written responses to the Committee Secretariat is 9.00 a.m. Tuesday, 24 February. I declare the proposed expenditure continuing open for examination.

The Hon. DUNCAN GAY: Dr Sheldrake, what was the total cost in preparing submissions for the Poultry Meat Industry Act? How many policy advisers or departmental staff worked on the submission? How much time was spent by your staff in preparing the submission?

Dr SHELDRAKE: I will take that detailed question on notice but I can provide the answer to that question.

The Hon. DUNCAN GAY: What was the total cost of preparing submissions on the Farm Debt Mediation Act? How many policy advisers or departmental staff worked on the submission? What time was spent by staff in preparing that submission?

Dr SHELDRAKE: I will take that detailed question on notice.

The Hon. DUNCAN GAY: The department puts a terrific supplement in the *Land* which is a New South Wales advisory management and research paper entitled "Agriculture Today". What does that publication cost?

Dr SHELDRAKE: We have negotiated the cost with the *Land* newspaper and it is of the order of \$90,000 the year.

The Hon. DUNCAN GAY: From which budget does that money come?

Dr SHELDRAKE: Overall in our budget stream that would come out of our education extension research. The magazine that you have referred to tries to cover a uniform range of technology, research and development, and extension that we are undertaking.

The Hon. DUNCAN GAY: Are there any guidelines on what goes into that magazine?

Dr SHELDRAKE: There are no strict guidelines, no.

The Hon. DUNCAN GAY: Are you concerned that the Minister, quite properly, has a section in this document which is research and information but it is very much a political statement against the Federal Government? Is that inappropriate in departmental funding on research?

The Hon. IAN MACDONALD: That is clearly a very coloured question. The issues that are canvassed in my report are germane to major debates of the day and there is no editorial restriction on me making appropriate comments.

The Hon. DUNCAN GAY: Do you think those statements are appropriate?

The Hon. IAN MACDONALD: There is no question that those statements are very appropriate and accurate to the event. Perhaps you could read out to me what I said?

The Hon. DUNCAN GAY: No, unfortunately we only have one hour.

The Hon. RICK COLLESS: The Minister should know what he said.

The Hon. IAN MACDONALD: I know what I said.

The Hon. DUNCAN GAY: You have indicated that your statements are accurate but they are actually inaccurate because you followed my lead. This was before you read my statement.

The Hon. RICK COLLESS: In Murrumbidgee Agricultural College, how much has been allocated for the 10 scholarships you promised last year for Yanco students transferring to Tocal?

The Hon. IAN MACDONALD: The scholarships were each of \$2,000, so that can be multiplied by 10.

The Hon. RICK COLLESS: How many students have taken up those scholarships?

The Hon. IAN MACDONALD: My understanding is that three from the Riverina and Western Division have been granted the additional scholarships.

The Hon. RICK COLLESS: Have they taken them up and commenced studies at Tocal?

The Hon. IAN MACDONALD: Correct.

The Hon. RICK COLLESS: Are those three students ex-Yanco students?

The Hon. IAN MACDONALD: No.

The Hon. RICK COLLESS: How many ex-Yanco?

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

The Hon. RICK COLLESS: Were those scholarships announced in January?

The Hon. IAN MACDONALD: They were advertised, as I understand it, before Christmas.

The Hon. RICK COLLESS: In what forum were they advertised?

The Hon. IAN MACDONALD: I think the *Land* and other newspapers.

The Hon. RICK COLLESS: How many staff from Yanco have transferred to Tocal?

Dr SHELDRAKE: At this stage in relation to the break-up of staff and where they have gone, none have transferred to Tocal but a number of staff have taken up positions elsewhere in the Department of Agriculture. For example, one of our staff who is intending to go to Tocal in a year's time has taken up a district agronomist position. Another one of our staff has taken up a position as a biometrician at Yanco and a number of staff took voluntary redundancy.

The Hon. DUNCAN GAY: Less than three students, and no staff have moved?

The Hon. IAN MACDONALD: In total I would have to get that break-up. They were scholarships I was referring to, not necessarily the number of students from the Western Division or the Riverina.

The Hon. RICK COLLESS: How many students who enrolled at Yanco last year have gone to Tocal this year?

The Hon. IAN MACDONALD: We will provide that for you.

The Hon. RICK COLLESS: Was a rural and regional impact study done on the economic impact to the Leeton area in relation to the 44 jobs that would be lost at Tocal?

The Hon. IAN MACDONALD: A regional impact statement was done.

The Hon. RICK COLLESS: Was it made publicly available?

Dr SHELDRAKE: Yes, it was made publicly available because my recollection was that in fact the Leeton community have access to that document. The document was prepared some time ago now.

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The Hon. IAN MACDONALD: In fact, the conclusions in it were publicly debated at the time. It contained those figures comparing the number of jobs lost with the growth of employment in the region and assessing the impact of any loss of jobs as a result of the closure of the residential side of the college.

The Hon. DUNCAN GAY: Was that the one sent back to the college that the principals would not sign?

The Hon. IAN MACDONALD: No.

The Hon. DUNCAN GAY: A draft was sent back that the principals had not signed off on. You used that in debate. Is this a different document?

Dr SHELDRAKE: I think we may be talking about different documents.

The Hon. DUNCAN GAY: We would like a copy of that document.

Dr SHELDRAKE: I think you already have a copy of the document.

The Hon. IAN MACDONALD: I recall it was publicly released at the time.

The Hon. DUNCAN GAY: But you will provide one.

The Hon. IAN MACDONALD: Yes.

The Hon. RICK COLLESS: Why did the Government decide to close the college using as justification the fact that the numbers were spiralling downwards even though student numbers were up 30 per cent from 2002-03?

The Hon. IAN MACDONALD: The Government's position is clear. It has not closed the Murrumbidgee college. The decision to transfer full and part-time courses to and from Yanco and Tocal was driven by a steady and significant decline in enrolments at Yanco dating back to 2000, resulting in the cost per student at Yanco blowing out to more than double the cost at Tocal. In fact, Yanco's strength in and focus on continuing education will mean that the range of accredited courses available to agricultural producers in New South Wales will be increased. Yanco has always had a stronger focus than Tocal on short courses. These courses specifically target continuing adult education—the most effective way to equip today's farmers with the skills they require in managing risks, farm planning, technical farming operations, occupational health and safety and enhanced natural resource management.

Ongoing development and delivery of short courses will be undertaken by a team of eight education and training officers based at the college. Continuing education partnerships through the college will be maintained and strengthened. The Shire of Leeton recently made it clear that it believed that the fight for the residential side of the college is over. That was announced in the *Leeton Irrigator* on 6 February. The council is in close consultation with the department on the future of the residential facilities at the college. A number of concepts for the future of the facilities are very close to fruition. I hope to make an announcement about that in the near future.

The Hon. RICK COLLESS: When you say the college is not closed you are implying that it will be used for short courses.

The Hon. IAN MACDONALD: Yes.

The Hon. RICK COLLESS: How long will students stay?

The Hon. IAN MACDONALD: I do not have those details. It will be a short time.

The Hon. RICK COLLESS: Up to a week?

The Hon. IAN MACDONALD: I do not have the breakdown of the length of stays. I understand that 16 new courses have now been established. The new courses include interpreting soil and water test results, farm financial management—

The Hon. RICK COLLESS: I am interested in the length of time students will be there.

The Hon. IAN MACDONALD: Sometimes they are day courses. They are held around the State.

The Hon. RICK COLLESS: I am interested only in those that will be held at the Murrumbidgee college. Will overnight stays be involved?

The Hon. IAN MACDONALD: I will have to find out.

The Hon. RICK COLLESS: Perhaps the director-general can help. Does a short course mean two or three days?

Dr SHELDRAKE: Some courses would fit into that category and some would be one-day courses. Refreshments and meals will be provided during some courses. So, there will be a range of short courses.

The Hon. RICK COLLESS: But no overnight accommodation will be provided.

The Hon. IAN MACDONALD: Many of the courses conducted around the State involve the provision of accommodation.

The Hon. RICK COLLESS: I am talking about Murrumbidgee.

The Hon. IAN MACDONALD: We are talking about another future for the residential accommodation at Murrumbidgee.

The Hon. RICK COLLESS: Will the residential facilities be available for students at the college undertaking short courses?

Dr SHELDRAKE: We can take that question on notice. Considerable accommodation is available in Leeton.

The Hon. RICK COLLESS: There is considerable accommodation available at the college now because there are no students.

Dr SHELDRAKE: That is correct.

The Hon. IAN MACDONALD: But there is a lot more to keeping a college open under this framework of dealing with short courses. We are looking at alternative usage for the college. We will be considering that over the next month or so.

The Hon. DUNCAN GAY: The NSW Agriculture papers that we obtained indicated that you would be saving \$1 million as a result of the closure of Yanco. Will these new courses be paid for out of that \$1 million? Will the saving therefore be less than \$1 million?

The Hon. IAN MACDONALD: The courses will be using existing staff. A fee is charged for each course. A course on grapevine nutrition will be conducted in Griffith, Wagga Wagga, Mudgee and Berri. It is a two-day course and overnight accommodation will be provided, but not at Yanco. The fee is \$445, which includes lunches and refreshments.

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Here is a two-day course at Yanco, Smart Train, which I announced recently, chemical training level 4, managing chemical use. It is a two-day course at Yanco on 29 and 30 March. It is a two-day course for contractors, farmers, managers, agricultural consultants and advisors making decisions about application of chemicals. It costs \$330. Advice on the local accommodation options will be sent. So, there will be accommodation in the town.

The Hon. RICK COLLESS: But not on the college?

The Hon. IAN MACDONALD: Not envisaged at this stage on the college.

The Hon. RICK COLLESS: Why is that? Why would they not be able to be housed on the college when you have all those accommodation facilities—kitchens and dining rooms and the whole kit and caboodle—still available there?

The Hon. IAN MACDONALD: As you can appreciate, there is an extensive on-cost, a recurrent cost, in keeping colleges of this nature open for residential use. We are looking at alternative residential uses. We are in discussion with both the council at Leeton and other parties about future use of that facility. I do not discount that in another negotiated arrangement for the future of the college there may well be some residential facilities, but at this stage we are looking at the range of options for alternative uses of the facilities.

The Hon. RICK COLLESS: Can you tell us if any of the resources on the residential part of the college have been sold—any of the bedroom furniture, the kitchen furniture, the kitchen equipment, those sorts of things? Are they still intact or has any of it been sold off as yet?

The Hon. IAN MACDONALD: I have some detail on this. Unfortunately, scaremongering and rumours fuelled unfounded fears that the physical facilities at Yanco college were to be demolished. This is incorrect. The old and redundant research station and administration buildings have been previously identified for demolition. This will take place in early April of this year. These were never part of the college facilities. Two other redundant transportable buildings will be moved to Gosford to provide additional accommodation for staff, including New South Wales Fisheries.

A review of the long-term use of the college's residential facilities will be undertaken. This will be done in order to make the best possible use of the site, both educationally and for the local community. As I said, the growth in short courses for Yanco will necessitate the use of a lot of the facilities. The long-term use of the residential and other facilities and resources will be determined after negotiations with the Leeton council and other parties interested in their use. Obviously, if those negotiations show an ability for some residential components for short-course work to be incorporated within it, we will be looking at that as an option, but that has not been determined at this time.

The Hon. DUNCAN GAY: Since 30 June 2003 how much money have you spent on air charter flights?

The Hon. IAN MACDONALD: I will have to take that on notice. I do not have that figure. Whatever money I have spent on charters has been in the interests of farmers in New South Wales. I will not walk away from the fact that at times getting to parts of New South Wales is virtually impossible, especially in a timely fashion. I will continue to use charters where appropriate.

The Hon. DUNCAN GAY: Are there plans to close the Shannon Vale field station on the eastern side of Glen Innes?

The Hon. IAN MACDONALD: That is correct.

The Hon. DUNCAN GAY: Why?

The Hon. IAN MACDONALD: We believe this particular field station can be used better. The purpose it serves can be used in other ways in our programs. We are disposing of three properties. They are Shannon Vale, Pearces Creek and Murwillumbah tick office. I will explain. New South Wales Agriculture, as you know, continually acquires and disposes of properties to meet the ever-changing requirements of research activity.

The Hon. DUNCAN GAY: How long since you have acquired one?

The Hon. IAN MACDONALD: We have been adding new facilities to our colleges at a great rate, with new laboratories and enhanced laboratories at Wagga Wagga, at Elizabeth Macarthur Agricultural Institute, which we are working on at the moment, and Tamworth. So, the process is one of continual renewal. As I say, we have constantly disposed of properties over the years to meet ever-changing requirements of research activities. Recently New South Wales Agriculture reviewed its properties across the State, with the result that three properties have been identified that are considered excess to the service delivery of New South Wales Agriculture. These properties are Shannon Vale field station at Glen Innes, which is the subject of the question, part of Pearces Creek field station near Wollongbar, and the Murwillumbah cattle tick office.

The department has consulted Treasury, the Government asset management committee, the Department of Lands and the department's production programs that undertake research and other activities on these properties. There have been no objections from any of these parties to the proposed disposals. The department has met and consulted with staff—of which there are not many—associated with these properties, and this has highlighted a number of issues, including future proposed research activity, relocation of staff, current use of properties to support research functions and the availability of alternative facilities.

The Hon. DUNCAN GAY: Is there an impact statement?

The Hon. IAN MACDONALD: Just hold on a second. Alternative arrangements are available to overcome these issues. In the case of Shannon Vale field station, all proposed research plans for the use of this property can be met from other research statements—for instance, Glen Innes, Grafton and Temora—or through leasing arrangements for the use of co-operative farming properties. One permanent staff member is located at each of the Shannon Vale field station and the Murwillumbah tick office. Arrangements will be made for the relocation of these two staff members within the immediate vicinity of the disposed properties. These arrangements have been discussed with staff and they have expressed no concerns with their relocation. There will be no loss of jobs at these locations in connection with the disposal of these properties.

In the case of Pearces Creek field station, only the part of the property that is excess to requirements will be disposed of. Pearces Creek provides office accommodation and storage facilities and is currently used for grazing and to make silage for the dairy herd at Wollongbar Agricultural Institute. The accommodation and storage facilities will remain at the property, and alternative grazing activities will be undertaken at Duck Creek field station, 15 kilometres from Wollongbar. Proceeds from the sales of these properties will be used to fund priority, front-line research and extension activities throughout the State.

The Hon. DUNCAN GAY: How much do you expect to realise from the sale?

Dr SHELDRAKE: As yet the properties have not been assessed by real estate agents, but our estimate on Shannon Vale is of the order of \$400,000 to \$500,000. Pearces Creek will be perhaps \$900,000.

The Hon. DUNCAN GAY: Is the sale of these properties a fire sale to address the \$8 million budget deficit?

The Hon. IAN MACDONALD: Certainly not.

The Hon. DUNCAN GAY: What is your budget deficit?

The Hon. IAN MACDONALD: We do not have a budget deficit.

The Hon. DUNCAN GAY: If you do not have a budget deficit, why are you cutting things like FarmBiz, et cetera? Do you have to save money?

The Hon. IAN MACDONALD: That is absolute nonsense. FarmBiz is a joint program between the Commonwealth and New South Wales—and the States in reality. Demand has exceeded the amount allocated by the Commonwealth and New South Wales. Currently we are in discussions with the Commonwealth about future funding of FarmBiz. There has been no cut to FarmBiz.

The Hon. DUNCAN GAY: But you are closing Murrumbidgee Agricultural College for \$1 million, you are freezing payments to sheep producers eligible for funds for Ovine Johne's Disease and FarmBiz and you are flogging off the back paddock. Where is the money going?

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The Hon. IAN MACDONALD: We are not flogging off the back paddock. In fact, if you look at the budget, we are providing virtually a record level to agriculture, with a 13 per cent increase last year. We have large commitments, and we are meeting them. In fact, the budget increased by \$34.1 million last year.

Some of these are not core areas. For example, field stations with one full-time staff can be done at one nearby. It is a matter of constantly looking at making the department, its assets and resources more efficient. It is not a matter of selling off the farm at all.

The Hon. RICK COLLESS: I turn to the National Livestock Identification Scheme [NLIS]. What plans does the Government have to subsidise the introduction of the NLIS for all cattle producers in New South Wales?

The Hon. IAN MACDONALD: The Government has a \$5.4 million program for the roll-out of the NLIS. As you might see from my press statements, the Government has strongly supported the introduction of a mandatory livestock identification scheme in New South Wales and has this year committed, through budget enhancements, \$2.6 million towards this objective and \$5.4 million in total.

Over the three-year implementation phase the State Government will be contributing over 22 per cent of the total implementation cost of \$5.4 million. Feedback from public meetings around the State earlier this week indicates widespread acknowledgment of the need to implement the NLIS to protect the marketability, integrity and reputation of our beef and dairy industries.

Waiting too long to implement the NLIS in New South Wales will expose the State's \$1.7 billion cattle industry to the risk of huge additional costs, if an emergency animal disease outbreak were to occur in the meantime. The United Kingdom foot and mouth disease outbreak cost the United Kingdom economy about £30 billion. The recent detection of a single animal infected with BSE in Canada is reported to have cost at least \$3 billion Canadian, or roughly \$20 million to \$30 million Canadian per day. The Canadian Cattlemen's Association estimates that having an NLIS would have shortened the crisis by 14 days.

While the stock and station agents and saleyards operators associations have called for a 12-month moratorium on its introduction, neither the NSW Farmers Association nor the Australian Meat Industry Council support these calls for a moratorium. They both want the system to be implemented as soon as possible, to secure access to world markets for Australia's beef and to underpin effective residue and disease-tracing programs.

The Government is pushing ahead. We are exploring ways to reduce the cost to producers through a centralised buying scheme. As you might note, I have indicated that \$500,000 would be allocated towards that. You might note also that in relation to dairy a similar amount of money has led to, in effect, a subsidised tag at around \$2.50, or nearly \$1 under market price.

We are pushing ahead. The Industry Advisory Committee Recommendation Scheme should be phased into the New South Wales cattle industry from 1 July 2004, and we are currently seeking feedback on our rural impact statement.

The Hon. RICK COLLESS: I turn to feral animals. Did your Government renege on its commitment last year to provide the Bega Rural Lands Protection Board with \$70,000 to pay for the much-needed full-time dog trapper, to fight the consistently devastating effects of wild dog attacks on farms in that area?

The Hon. IAN MACDONALD: I think I will have to take that question on notice. Suffice it to say that over the last year the Government has spent a lot of money on feral animal control. For example, we spent nearly \$1 million on one shooting program in the Western Division alone and eradicated more than 10,000 pigs. Many thousands of foxes came to the same fate during May or June of last year.

The Hon. DUNCAN GAY: Following the recent release of the Grain Infrastructure Advisory Committee report, did you lodge a submission to the Ministry of Transport with regard to the need for proper investment in grain line infrastructure to ensure the viability of the New South Wales grains industry? If so, could you provide information on the detail of that submission?

The Hon. IAN MACDONALD: I indicated to the Minister what I would regard as my personal views and the views of the department.

The Hon. DUNCAN GAY: So there was no submission?

The Hon. IAN MACDONALD: No. We have had discussions in relation to these matters, which have been part of Cabinet.

The Hon. DUNCAN GAY: But no submission?

The Hon. IAN MACDONALD: What do you mean by "submission"?

The Hon. DUNCAN GAY: A proper submission, developed by your department.

The Hon. IAN MACDONALD: Apart from indicating the position to the Minister in detail, and certain discussions that indicate that rail is an important part of rural infrastructure, particularly for the cartage of grain and other commodities, I do not know what else you want.

The Hon. DUNCAN GAY: Will you be putting in a full submission?

The Hon. IAN MACDONALD: I will consider a reply to that in due course.

The Hon. DUNCAN GAY: Mr Dunn, how many Fisheries officers does the Recreational Fishers Trust fund, and where are they located?

Mr DUNN: I will have to take that question on notice. I can tell you that three officers in a mobile squad are funded by the saltwater trust, I think seven are funded by the freshwater trust, and another group is funded all along the coast of New South Wales. I think it is a total of 16, but I will confirm that for you.

The Hon. DUNCAN GAY: Are all those positions currently filled?

Mr DUNN: I cannot tell you that. I can tell you that we have, in total, around 100 Fisheries officers in NSW Fisheries. There are always vacancies, because people resign. We have an annual recruitment process whereby we backfill the vacancies we have. However, during the year vacancy numbers go up and down as we take people on and other people resign or move on to other positions.

The Hon. DUNCAN GAY: Would you be surprised to find that there are currently six unfilled positions?

Mr DUNN: No, not at all. We have just taken in a new intake of, I think, seven positions, so that would seem to be about the right number.

The Hon. IAN MACDONALD: Perhaps I can assist you with regard to the number of positions. There are nine allocated for saltwater recreational fishing.

The Hon. DUNCAN GAY: When the positions are unfilled, what happens to the funding? Is there is still a drawdown on the funding from the Recreational Fishers Trust, or does the funding cease?

Mr DUNN: It would depend on what the position was.

The Hon. DUNCAN GAY: Do you get total funding for them, and when those positions are not filled does the funding still come across?

Mr DUNN: It depends on the position. It is a little more complicated than that. The money we get from the trust is an amount based on the salary of the individuals plus an amount for on-costs. When a person resigns, that position has to be paid out and there are costs associated with that; accrued leave and other entitlements have to be paid out. It is not a simple question of saying: Does the clock stop on the payment at that point? We provide services to the Recreational Fishers Trust, some of those services are compliance officers, and throughout the year we maintain, as best we can, the number of Fisheries officers. But it is not as simple as saying: Does the clock stop when a position becomes vacant?

The Hon. DUNCAN GAY: But the reality is that at this moment there are probably six unfilled positions for which you are receiving money from the Recreational Fishers Trust.

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Mr DUNN: No. I disagree with that position completely. But, as I said, I will get back to you with some details.

The Hon. DUNCAN GAY: Completely?

Mr DUNN: Yes, completely.

The Hon. DUNCAN GAY: Just on the number?

Mr DUNN: We have around 100 Fisheries officers along the coast and in inland New South Wales. You cannot partition—

The Hon. DUNCAN GAY: Yes, but these are the recreational Fisheries officers.

Mr DUNN: You cannot just partition one group and say that all the vacancies we have are vacancies associated with one particular funding source. The vast majority of the funding we get is from the Government for Fisheries officers.

The Hon. RICK COLLESS: Can I expand on that? It is my understanding that there at least 12 positions funded by the Recreational Fisheries Trust [RFT] in New South Wales.

Mr DUNN: There are nine Fisheries officers and three Fisheries officers in a mobile squad, and there are additional—

The Hon. RICK COLLESS: All funded out of that RFT?

The Hon. DUNCAN GAY: And they are specific, discrete?

Mr DUNN: Out of the saltwater trust, and there is another group of seven that is funded out of the freshwater trust.

The Hon. RICK COLLESS: Let us talk about the freshwater trust, and in particular the positions at Albury, Jindabyne, Wellington and Bathurst. I understand that at the moment they are vacant. Is that true?

Mr DUNN: I cannot tell you, but I can come back to you and give you that information.

The Hon. RICK COLLESS: We want to know about those positions. There are six people, two at Wellington including a senior Fisheries officer and a Fisheries officer, and two Fisheries officers at Bathurst, one at Jindabyne and one at Albury, who I understand are funded from the trust. I understand that those positions are vacant and that the trust is still paying for their salaries, despite the fact that the positions are vacant.

The Hon. DUNCAN GAY: They are paying for 12.

Mr DUNN: The information you have been given is half the story. Because a particular officer is not holding a particular position does not mean that the services provided to their areas stop. We still provide Fisheries officers to do patrols in an area, regardless of whether a particular position is vacant. That is the agreement that we have in relation to the trust funds—that we will provide compliance services in an area. If those compliance services happen to be carried out by an officer, that is fine, but if there happens to be a vacancy we will still provide the compliance services in that area by putting other officers there, arranging patrols in that area, and generally doing compliance work.

The Hon. RICK COLLESS: While we are on Fisheries, there was a report in the Inverell newspaper after Christmas—

The Hon. IAN MACDONALD: Can I say that we have not received any complaints from either of the committees that look after both these trust figures.

The Hon. DUNCAN GAY: They might not know about it.

The Hon. IAN MACDONALD: I think they know about just about everything to do with their money. For instance—

The Hon. DUNCAN GAY: You could be hiding it.

The Hon. IAN MACDONALD: No-one is hiding anything. For instance, we have pretty tight agreements on the administrative side and the programs are pretty much determined by both those trusts. So I have every confidence that the trusts are aware of it and they know the situation, and the only comment I ever get from the trusts is very positive in terms of the program and its expenditure.

The Hon. RICK COLLESS: Minister, are you aware that two fishermen were apprehended at Copeton Dam on 18 October 2003 in possession of a 50-metre gill net and 67 fish, including golden perch, catfish and silver perch?

The Hon. IAN MACDONALD: The director-general has advised me that the New South Wales Fisheries Prosecution Review Committee has completed a thorough investigation into why the case involving illegal fishing at Copeton Dam near Inverell was dismissed. It is not unusual for a New South Wales Fisheries officer not to be present in court, particularly when the matter is for mention only to either accept the guilty plea or set a future court date. The magistrate requested documentation from the police prosecutor—documentation that the prosecutor did not have with him and was not able to produce in the time allowed by the magistrate. The magistrate therefore elected to dismiss rather than adjourn the case—an option that was available to him. NSW Police has undertaken Fisheries prosecutions for many years and this kind of situation has never occurred before. Procedures are now in place to ensure that this does not happen again.

The Hon. RICK COLLESS: So what happened? Why did they not have the documentation? If it was going to court they must have known what date it was set down for, and you would think the prosecutor would have had all relevant information.

Mr DUNN: Again, the information you have been given is incorrect. This was a mention only at which the court date was to be set. The papers had been sent to the police prosecutor, and they were mislaid. I am advised that the magistrate had the option of either dismissing or deferring it—which would have been the normal thing to do because the police prosecutor was unable to locate the papers—and chose to dismiss the case. Obviously, that is as disappointing for New South Wales Fisheries as it is for the recreational fishing community. We put a lot of effort into trying to secure the prosecution of this case. We have now put in place a procedure to make sure that this does not happen, bearing in mind that we have undertaken thousands of prosecutions with police prosecutors, using exactly the same procedure, over the past 10 years. This is the first time that something of this kind has happened. It cannot happen again because we now have a procedure in place to stop it from occurring.

The Hon. DUNCAN GAY: Why is the New South Wales abalone industry forced to pay 6 per cent of its revenue in community contributions to the Treasury's consolidated revenue, when all other fisheries industries pay only an annual fee of \$100 in community contributions to Treasury's consolidated revenue?

The Hon. IAN MACDONALD: The only community contribution is a return paid by commercial fishers to the community for privileged access to a community-owned resource. The abalone fishery is subject to full cost recovery. This means they already pay the costs of services that can be directly attributed, such as management of the fishery and compliance. In recognition of industry concerns, the Government phased in the community contribution up to a maximum 6 per cent of the gross value of the fishery. For the 2001 fishing year, abalone shareholders paid a community contribution based on 2 per cent, or \$76 per share, on the gross value of the fishery. In 2002 they paid 4 per cent, and the full 6 per cent became effective in 2003. I am aware that some commercial abalone fishers have expressed concern about the community contribution. I will be discussing the issue with the Treasurer in the near future. The lobster fishery is also subject to full recovery.

I do note that the abalone industry has been suffering problems owing to the rising value of the dollar and last year's severe acute respiratory syndrome [SARS] outbreak, which affected their exports. As I say, I am meeting with the industry on 6 March. I also note and let the Committee know something that I announced a little while back: Following submissions from us to the Treasurer, the proposed 6 per cent community

contribution levy on the other share-managed fisheries has been dropped. I will be introducing legislation in relation to share management in the not too distant future. As I say, we will be looking at this current 6 per cent for the abalone industry.

CHAIR: I wish to ask a question about the abalone industry. Minister, there have been reports of significant distress related to abalone collection on the South Coast—that it has unfairly targeted young Aboriginal people particularly who are taking abalone. How is your department dealing with that, given that it involves indigenous rights and is a cultural issue?

The Hon. IAN MACDONALD: This is a very difficult area and it is one that has to be approached with a great deal of caution. I have been advised that a number of persons on the South Coast have been charged with offences relating to illegally taking abalone. I have been meeting with Aboriginal community leaders and fishers, including the chairman of our indigenous working group who is based at the Southern Cross University. I have instituted further discussions to try to find a way through this very vexed question involving a share-managed fishery in operation as well as indigenous people needing to have access for cultural and traditional purposes.

I anticipate production of a report in the not too distant future from Mr Mick Palmer, a former Australian Federal Police Commissioner, who has looked at the black market in the fishing industry. I will take close notice of what he has to say about any of these issues to see if we can find some ways through what is a very difficult conflict affecting parts of the South Coast.

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CHAIR: Has the Minister had any Fisheries officers or inspectors targeting the retail side of it—that is, outlets—for illegal abalone, rather than targeting the indigenous youth who are collecting it?

The Hon. IAN MACDONALD: That is operational but, suffice to say, yes. The answer is yes. There have been restaurants in particular that have been visited and large numbers of abalone have been seized for which there was no relevant paperwork.

CHAIR: Can you tell the Committee how many restaurants and what quantity of seizure has taken place?

The Hon. IAN MACDONALD: I think I should take that on notice and give you the material shortly. Just to add to that, I have been informed that a restaurant in Eden was visited yesterday where there were 300-plus abalone without proper paperwork.

CHAIR: Is there any move by your department to look at assistance for these communities and on-shore farming of abalone, which we have seen successfully undertaken in South Australia?

The Hon. IAN MACDONALD: We have quite a strong program in relation to indigenous fishing. We have a \$1.6 million program in place. We have been looking at a number of aquaculture projects relevant to Aboriginal communities. We also have a grants program, which I announced not long ago, that provides grants to Aboriginal fishing enterprises, and there were quite a few grants provided for. We are looking for an appropriate enterprise that has the basis to succeed in this area and we have been evaluating a number of concepts that have been put before us for assistance in providing seed money for Aboriginal projects in this area.

The Hon. DUNCAN GAY: Can you provide a consolidated figure for drought expenditure from July 2003 to the present? Can you also provide a breakdown of this amount into drought support programs?

The Hon. IAN MACDONALD: Yes, I can do all of that. Do you want me to read them out?

The Hon. DUNCAN GAY: You can table it if you like.

The Hon. IAN MACDONALD: From 30 June last year—my figures are to 31 January—the total amount expended was \$38,126,737. Going down the figures, feral pig and fox project, \$74,851; wild dog destruction, \$1.37 million; waiving of fees for Western Land leases in the Western Division, \$1.4 million; waiving of permit fees for bees, \$153,000; financial counsellors, \$848,000; Emergency Relief Fund, \$1.89 million; drought co-ordinator and drought welfare, \$653,000; drought support workers, \$314,718; farm family gatherings, \$81,000; transport subsidies in this period, \$17,739,000; freight on donated fodder, \$173,000; RLPB fees for processing transport subsidies, \$498,000.

The Hon. DUNCAN GAY: I am happy for you to table the document.

The Hon. IAN MACDONALD: I will consider that; I will just finish this column: payroll tax concessions to rural business, \$210,000; small business assistance, \$55,000; EC interest subsidies—you might note that we must pay 10 per cent of EC subsidies; that is how we can tell exactly how much is being delivered—\$4,657,000; special conservation loans—

The Hon. DUNCAN GAY: Does that mean that there is \$470 million from the Federal Government?

The Hon. IAN MACDONALD: No; 10 per cent of \$46 million is \$4,600,000. I wish there was \$460 million; that would be terrific. Special conservation loans were \$9,600,000. There is another \$2 million already to be processed. The figure for water supply problems—obviously this could be affected shortly—was \$605,000. That is a total of \$38,126,737.

The Hon. DUNCAN GAY: Will you table that document?

The Hon. IAN MACDONALD: I will consider providing it.

The Hon. DUNCAN GAY: Can we request that document? It is a document that you have quoted.

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

CHAIR: Can you provide that document to the Committee?

The Hon. IAN MACDONALD: Can I provide it?

The Hon. RICK COLLESS: Minister, you make the decision.

The Hon. IAN MACDONALD: No, I believe in consulting with everyone.

The Hon. DUNCAN GAY: How far ahead have you been able to secure funding for the drought from the Treasurer?

The Hon. IAN MACDONALD: Sorry?

The Hon. DUNCAN GAY: When does your current funding from Treasury run out?

The Hon. IAN MACDONALD: When the drought finishes.

The Hon. DUNCAN GAY: So you have funding at the moment?

The Hon. IAN MACDONALD: We have, with the Treasurer, the undertaking that as long as the drought continues funding will be sourced.

The Hon. DUNCAN GAY: What sum is available?

The Hon. IAN MACDONALD: There is no figure put on that. It is to maintain our programs while the drought is on.

The Hon. DUNCAN GAY: Will you provide a breakdown of the allocation of FarmBis funding to date and into the next financial year?

The Hon. IAN MACDONALD: I do not see any problem with that. Into the next financial year will be dependent upon the arrangement that we come to with the Commonwealth.

The Hon. DUNCAN GAY: But it is matching funding. Is there a guarantee of matching funding from you all the way through?

The Hon. IAN MACDONALD: We are awaiting the decision of the Commonwealth about the future. It is looking at this program at the moment. We will match whatever it puts up.

The Hon. DUNCAN GAY: But you have not in the past.

The Hon. IAN MACDONALD: We have.

The Hon. DUNCAN GAY: No, you have not.

The Hon. IAN MACDONALD: I am pretty sure we have.

The Hon. DUNCAN GAY: There have been occasions when the Commonwealth's funding has been there and the State's funding has not.

The Hon. IAN MACDONALD: I understand that FarmBis is a 50-50 program.

The Hon. DUNCAN GAY: Yes, it is.

The Hon. IAN MACDONALD: I will give you the answer—it is here. The present FarmBis Program in New South Wales has been outstandingly successful, and has supported over 48,000 training activities for the State's farming and fishing enterprises and land managers. The program is funded equally by the New South Wales and Federal governments, which together provided a total of \$26.8 million to support the program from 1 July 2001 for a period of up to three years. So it runs out at the end of this year. A State planning group is responsible for overseeing, monitoring and evaluating the program. The group has widespread industry representation, including farmer organisations, fishers, individual farmers, and members with expertise in adult education, property management planning and natural resource management.

The State planning group introduced a range of strategies as it became apparent that the very high levels of demand would outweigh the available funding. Most importantly, at their request, the State and Federal governments contributed an additional \$1.5 million each to help lengthen the availability of funds.

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The New South Wales Rural Assistance Authority has, however, received record levels of applications for assistance. As a result, all available funding has been fully allocated. FarmBis in Queensland has fully committed all its funds. It is important to appreciate that subsidised training activities will continue over coming months when funds have already been allocated to support specific training activities. The Federal Government is currently assessing the continuation of FarmBis after 30 June 2004. This is part of several programs currently being evaluated within the Agriculture-Advancing Australia [AAA] Package. I will request the State planning group to provide me with a detailed assessment of the current FarmBis program, with the aim of identifying ways to build on its most successful components. Information from that assessment will be used to assist the review process of the Federal Government. I recognise the important role FarmBis has played in the farming, fishing and land management industry.

The Hon. RICK COLLESS: Minister, when you were talking about itemising funding for the drought, you also mentioned that a special conservation scheme was included in drought funding. Why is that so?

The Hon. IAN MACDONALD: It is a program designed to assist farmers.

The Hon. RICK COLLESS: I know what it is.

The Hon. IAN MACDONALD: We broadened it with what could be called drought-related measures. It is a low interest loan program, which the State Government, as you would appreciate, heavily assists. This has been an important part of helping the farming community to the tune of about \$28 million to be able to put in drought measures. The State Government effectively provides a subsidy to the program.

The Hon. RICK COLLESS: A lot of other works would be undertaken under that scheme which are not drought related. That special conservation scheme extends beyond the end of the drought, does it not?

The Hon. IAN MACDONALD: At the end of last year I announced that we were doubling the asset limitation on it, from \$1.2 million to \$2.5 million. Quite frankly, the program will continue. Over the next few years, particularly when the drought breaks, we have to be able to drought-proof many farms across the State

with water and fodder projects. The scheme has been used by farmers to try to dig new bores which are directly related to the current drought problems.

The Hon. RICK COLLESS: I appreciate that. It is also used by farmers to construct contour banks, which are not a drought control measure. There are definitely components of that scheme which are not drought related.

The Hon. IAN MACDONALD: I will have to look at that and give you an answer.

The Hon. RICK COLLESS: When will you lift the freeze on payments to sheep producers eligible for funds under the ovine Johne's disease financial aid package, which was suspended on 30 October?

The Hon. IAN MACDONALD: The Government is currently considering that in association with the various consultations I have had with the Hon. Richard Bull and Mr Nicholls, who have provided me with advice throughout this period.

The Hon. RICK COLLESS: We are aware of that.

The Hon. IAN MACDONALD: I thought you might be.

The Hon. RICK COLLESS: Is a review of rural land protection board extension services currently under way?

The Hon. IAN MACDONALD: If not, it is just about to be. Sorry, yes, it has started.

The Hon. RICK COLLESS: When do you expect that the results will be available?

The Hon. IAN MACDONALD: Before the end of the year, but I would hope sooner rather than later.

CHAIR: Regarding rural land protection boards on the North Coast, has there been any change in the practice of boards in line with changed farming practices? How much expenditure has been undertaken on prosecutions? What is the number of prosecutions on the far North Coast?

The Hon. IAN MACDONALD: I will take that on notice; except to say that I have met with groups broadly described as minimum ratepayers on the North Coast. They have put submissions to me. In due course that will be part of the review. That is one issue that will have to be considered. It is a vexed question, because of the difficulties of how many people can opt out of construct that has evolved to protect land from feral animals, in particular; and what consequences that will have on an area if there is a great reduction in the amount of rates paid, in terms of being able to fight introduced pests. It is not a simple issue, but one that has been raised with me in relation to a number of areas.

CHAIR: Is your department prosecuting or threatening land closure any people who are protesting against the payment of fees on the North Coast?

The Hon. IAN MACDONALD: I am not aware of that in specific terms. I will take that on notice.

The Hon. RICK COLLESS: Minister, can you confirm that NSW Agriculture is using rural land protection board veterinary services to minimise the wage costs within the department?

The Hon. IAN MACDONALD: I will take that on notice. I am not aware of it. In fact, I would say no.

The Hon. RICK COLLESS: Does NSW Agriculture provide financial assistance to rural land protection boards veterinarians who carry out work for your department or are they fully funded by the rural land protection board ratepayers?

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

The Hon. RICK COLLESS: In relation to the high volume of work carried out by the rural land protection board technical staff, allocated by NSW Agriculture, does the department plan on increasing rates to cover those increasing costs?

The Hon. IAN MACDONALD: I have nothing before me that suggests that that is a linked scenario. I will take that on notice. Obviously, it would be part of our review process, anyway.

CHAIR: Minister, although it is now 3.15 p.m., would you consider taking more questions to complete the process? I understand there are more questions to be asked?

The Hon. IAN MACDONALD: I will consider that, if I know what it is. I have an appointment at 3.30 p.m.

CHAIR: Minister, would you consider liability protection for non-genetically modified farms affected by any genetically modified organism trespass? Has that been considered by your department?

The Hon. IAN MACDONALD: I do not think it has been specifically considered, but I will take that on notice and refer it to the advisory council.

CHAIR: Regarding Fisheries, has there been any change in the regime to protect grey nurse sharks since last time we met in this forum?

The Hon. IAN MACDONALD: No, not at this stage. We anticipate a report in the not too distant future. We are conducting a series of exciting research.

CHAIR: Counting hooks in bellies, are you?

The Hon. IAN MACDONALD: No, nothing like that. I think you will be pleased when you learn of what we are doing. I hope to have this together in the not too distant future.

CHAIR: Minister, are you aware of the concern over the Cape Byron Marine Park with Fisheries as the lead agency? Would you consider handing the lead agency for the Cape Byron Marine Park to the National Parks and Wildlife Service, or to the Department of the Environment?

The Hon. IAN MACDONALD: No, I am happy with the current situation we have in our joint arrangement.

CHAIR: You are the lead agency.

The Hon. IAN MACDONALD: We have shared arrangements along the coast, with the Department of the Environment.

CHAIR: I thank you and the departmental officers for attending today.

The Hon. IAN MACDONALD: What is the deadline for answering questions on notice?

CHAIR: Effectively 9.00 a.m. Tuesday 24 February, because the Committee has to report to the House on Thursday.

The Hon. IAN MACDONALD: Is there any possibility of having an extension, given the number of questions we have taken on notice that will require great detail? Effectively, we have only one working day to do that.

CHAIR: If the Minister could persuade the Government to support a motion in the House to extend the reporting date of this Committee, then we would happily grant you an extension for reply. I think that would be fair.

The Committee proceeded to deliberate.
