REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE No. 5

INQUIRY INTO PUBLIC LAND MANAGEMENT

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At Grafton on Friday 5 October 2012

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The public forum commenced at 8.45 a.m.

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PRESENT

The Hon. R. L. Brown (Chair)
The Hon. R. H. Colless (Deputy Chair)
The Hon. C. M. Faehrmann
The Hon. S. MacDonald
The Hon. Dr P. R. Phelps
The Hon. P. T. Primrose

CHAIR: Good morning ladies and gentlemen. Welcome to the ninth public hearing of the inquiry by General Purpose Standing Committee No. 5 into the management of public land in New South Wales. The inquiry is examining the operational, economic, social and environmental impacts of converting Crown lands, State forests and agricultural lands into national parks, and other relevant matters. Before I commence I acknowledge the Ngerrie people of the Bundjulung nation who are the traditional custodians of this land. I also pay respect to the elders past and present of the Bundjulung nation and extend that respect to other Aboriginal people present.

This morning we will hear from representatives of Lismore City Council and Clarence Valley Shire Council, as well as representatives from the Clarence Valley Environment Centre and the Clarence Valley Conservation Coalition. We will also be hearing from Mr Spiro Notaras, a local sawmiller, followed by Mr Dailan Pugh from the North East Forest Alliance. Later we will hear from representatives of the NSW Apiarists Association and from Mr Steve and Mrs Elise Fittler from Gloray Pastoral Company. Finally we will hear evidence from Dr Roy Powell from the Centre for Agriculture and Regional Economics. In addition to today's hearing there will be a further hearing at Parliament House in Sydney on a date to be advised.

Before we commence I will briefly explain the procedures for today's hearing. Copies of the Committee's broadcasting guidelines are available at the side table. I would also remind media representatives that whilst they can record film or take photos of members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they take responsibility for what they publish of the Committee's proceedings. For the witnesses, if you wish to table documents just indicate and the secretariat will take them in officially. A transcript of what is said during today's hearing will be prepared by Hansard reporters. The transcript will be available on the Committee's website in the next few days. Lastly I ask everybody to switch off their mobile phones. I note that Councillor Williamson will be arriving within 20 minutes or so and I will swear him in separately when he arrives.

DESMOND CHARLES SCHRODER, Deputy General Manager, Clarence Valley Shire Council,

LINDSAY WALKER, Strategic Property Project Manager, Lismore City Council, and

RICHIE WILLIAMSON, Mayor, Clarence Valley Shire Council, sworn and examined:

JENNIFER DOWELL, Mayor, Lismore City Council, affirmed and examined:

CHAIR: Prior to commencing with questions from the Committee I will ask if any or all of you wish to make opening statements. Seeing as how the two representatives from Lismore are here already perhaps I will proceed with Lismore.

Mr WALKER: Just for those people who are not familiar with Lismore, we actually have three national parks now. We have a large one in the north, Nightcap. We have a State forest over in the west and we have Tuckean down in the south. We have a lot of Crown land which is small holdings in and around the urban area which has some use right now, like City Hall and all those sorts of things, and the bulk of other Crown land would be used for agriculture. It is in part devolved to the city council and sort of looked after and managed by the council and in part it is leased to private agricultural activities. That generally sums up for the Committee the state of our Crown lands.

We did prepare some documentation which is just a quick summary similar to what I just gave and it includes some maps which I would hope will help you because the Crown lands are shown as a brown colour and the national parks are large green areas. They are just A3 so they do not clutter up your desk. That will help you reference Lismore, I hope. The mayor may also wish to make some comment.

Ms DOWELL: My comments relate to what I understand has been a focus of this Committee, and that is the consideration of commercial activities in national parks. Just to give you a little bit of a background, Lismore and the Northern Rivers region or the North Coast region has got a long history of environmental activism. Some of you may remember, some will not, that 1973 was the Aquarius Festival in Nimbin where lots of university students came to Nimbin for an alternative lifestyle experience. Many stayed and many came back and are now well and truly integrated into our region, which is the third highest biodiverse region in Australia.

Also for background, the very first forest blockade did not happen in Tasmania; it happened at what is now known as Protesters Falls on Terania Creek in the Whian Whian State Conservation Area. That occurred in 1979. In fact, the then State Government held a hearing and meeting in our old council chambers and decided to convert that area to protected lands. Our history goes back for a very long time.

In the catchment of the Whian Whian State Conservation Area and that Nightcap range is also our water supply. Rous Water, which is the county council and looks after bulk water supply, has Rocky Creek Dam in probably one of the most pristine areas that you could ever imagine a water supply to be collected from. There are no recreational facilities on that water. There is no fishing. It is left and it is in quite a pristine state. There is great concern that activities in any of those areas would put at risk our water. It would put at risk our very significant tourism visitations. In fact, Protesters Falls on what is basically a dirt road leading in from the back of the Channon is one of the most highly visited sites in our local government area [LGA]. Last night there was a report of a 16-year-old boy lost—I have not heard whether he has been found—at Minyon Falls, which is in that Nightcap National Park. It is highly used for picnics, for birdwatching, for photography, for tourist experiences particularly in times unlike now of high rainfall when the falls are all magnificent.

Some of you I met during the coal seam gas hearing. We have recently held a poll in conjunction with the recent council election. That poll resulted in an 87 per cent no vote rejecting coal seam gas for our LGA. I use that to tell you how involved our community is in environmental issues. In two weeks time, October 19 to 21, Lismore hosts the North Coast National Show. They have rejected a $15,000 sponsorship from a coal seam gas company and they are hosting a sustainability expo as the Nimbin Show, the first on our circuit, did two weeks ago.

In June council rejected a proposal to allow recreational shooters in national parks because it puts to risk people's lives and native fauna and flora with the introduction of weed species if intensive activity happens in those areas and, of course, that risk to tourism. I use those examples because I am confident that any proposal that has not been discussed with council, any proposal to allow commercial activities, particularly including

logging or grazing in national parks in our LGA, would be as vehemently opposed as Protesters Falls was in 1979. That is the end of my summary. I am happy to take questions when the time arises. I also have copies of a summary document I would like to table.

CHAIR: That would be great. Mr Schroder, do you want to kick off with an opening statement on behalf of your council?

Mr SCHRODER: Yes, I will. I apologise for the mayor. He is a radio station disc jockey and he cannot get away until after nine o'clock. Basically that is the bottom line. Mayors do not get paid enough to not actually have another living. There is another point in that I guess.

CHAIR: Is that part of your submission?

Mr SCHRODER: No. Welcome to the Clarence Valley. It is a beautiful valley. Come back and holiday. That is the ad. We are going to talk probably a little bit differently to Lismore council. We are going to talk from the basis of the importance of the forestry industry to the Clarence Valley. Even though we acknowledge that the width of the inquiry is a bit wider than that we just think that the industry is so important to us in the Clarence Valley. I will talk about that in a minute. Although I must say we have got a big Crown land estate of national park, which is very important to us, and a growing ecotourism market in that. We have also got a lot of Crown land that council manages, especially along the coast which is a very valuable resource to us. Obviously if you take any of the stuff on the Yamba headlands, et cetera, that is obviously of very high economic value from a council point of view. Really what I want to concentrate on for this part anyway is just the forestry industry.

Basically the forestry industry has been a very crucial economic base for the Clarence Valley council since white settlement. The actual valley was settled with cedar cutting. We did not want to cut the cedars out but that is how it was settled. The industry at the moment supports about a thousand jobs in the Clarence Valley. I was just talking to Russ Ainley over there a while ago. I am not sure how many mills we have got. I think we have got 26 but Mr Ainley thinks we have got a lot more than that, more like 80. There are lot of small mills but I was counting the ones with 10 to 20 employees.

The timber mills are some of the biggest employers in the valley. We do not have many industries with more than 50 employees. Big River Timber has got 150. Spiro Notaras will tell you in a minute but I think he has about 40 at the moment. It might not be quite that. There are three or four other mills with 50 people in them. We do not get that type of industry in the regions very much and so the manufacturing industry from that is very important to us. There is around about 600 to 650 people in the actual manufacturing part of the timber industry. Then there are all the suppliers. There is the transport industry. Greensill Brothers that transport the logs have got over 100 logging trucks. You have got the guys who harvest out there too. It is a very important industry to the valley.

There are about 100,000 hectares of native forest that the forestry corporation manages, about 8,000 hectares of hardwood plantation and 1,000 hectares of softwood plantation that State Forests managed. There is 167,000 hectares of private native forestry and 11,000 of management investment company [MIS] forests. Who knows who is managing them at the moment? We think the Great Southern ones have been bought by a Canadian investment company but there is a lot of uncertainty out there. I will come back to why that is important.

There is a huge potential resource in waste residue. We all know you cannot make any money out of woodchips at the moment but there is about 500,000 tonnes of waste within 200 kilometres of Grafton which could potentially be used for biofuels and, I know this is controversial, for power generation. Some of the materials from here are already going into power generation with the sugar cane waste a bit further up the coast, but they are a bit far away. There is a 100- or 200-kilometre radius that is economic, so they tell me.

Summarising the issues we see from a council's point of view, we think a sustainable forestry industry can exist and needs to exist for our economic future. However, there needs to be an understanding of the sustainable log supply and resource security. There is not enough data. It does not matter which side of politics you come from, everybody is talking about resource security. From an industry point of view you want to know if you can invest and from a conservation point of view you want to know it is going to be sustainable. We need to know what the resource is and I do not think anybody can tell you what the exact resource is of all the components of the industry.

The regulation environment is a bit murky and needs to be sorted out. Urgent attention needs to be given to the MIS forestry resource. It is 11,000 hectares and it should have been the white knight for the industry and it is probably far from that. Nobody is really sure what is usable and what is not or who is going to be managing it into the future. As I said, there is a potential resource with the waste residue that needs to be looked at closely. Another aspect is that generally there has been de-investment by government in management of the forest industry over time. We definitely lost jobs around here. There was a eucalypt research facility at the agriculture department research station up the road. As far as I know that is going out of existence. We have lost forestry management personnel. Even in education there is only one forestry university in Australia, which is Southern Cross.

Overall the public-private management of the industry is a worry. Our main point today is the economic prosperity of this valley. As I said, there are about 1,000 jobs out of 21,000 in the valley that come from forestry. The other thing from which it is suffering at the moment is what some call the economic storm—the high dollar, cheap imports and a housing industry that is probably the most recessed it has ever been. On top of that is resource security. We think we have to be very careful how we manage the industry because from our point of view it is about jobs. Can I table a document called "Investing in the Timber Heartland: Clarence Valley"? It is more of a background document but it might be useful.

CHAIR: Is that a council-prepared document?

Mr SCHRODER: Yes.

Document tabled.

CHAIR: How big is the tourism industry in the Clarence Valley and what types of tourism do you have?

Mr SCHRODER: To put it in context, the valley is about a $1.9 billion enterprise. That is our gross regional product. Tourism brings in about $280 million. It is a bit hard to get from the bureau's figures but the forestry industry is probably around $200 million. Tourism is definitely growing and even with the downturn we have been growing at about 10 per cent a year. A lot of that is ecotourism. We have been promoting the Clarence River Way project; we think our big river is one of the greatest assets and it has never been utilised properly so we have been doing a lot of work on that. We are growing ecotourism. There are things like the Yuraygir walk in the national park and you can go all the way virtually from Coffs to Yamba. That is a new enterprise between us and National Parks, although they led it, and Crown Lands. The growth in ecotourism is quite large, there is no doubt about that, but it is a matter of balance.

CHAIR: Lismore City Council made the point in its submission that the council either owns or manages some Crown land as trustee. Do you have much council-managed public land in your local government area?

Mr SCHRODER: Yes. We have what we call the Clarence Coast Reserve Trust, which looks after all the land down river. Anyone who has been to the parkland at Yamba would have been on Crown land. We have about 1,100 lots of Crown land; we have charted it all. They are small lots but they add up to a substantial amount. We are a major manager of Crown land as trustee for the State mainly.

CHAIR: Do you derive any income from those types of Crown land?

Mr SCHRODER: We derive income from caravan parks and at the moment those parks help us manage the Crown land. We have five council caravan parks and they generate about $5 million a year in income. We spend over $1 million of that income on Crown reserve management, not in the caravan parks. As I said, $700,000 a year comes from our maintenance budget to manage those reserves, especially on the coastal strip under the one reserve trust we have down there. It is very important to us. There is a rumour out there that the caravan parks might be sold off. I do not know whether that is right. If they were sold off and privatised the council would lose a big income stream to maintain the Crown reserves in those areas. That is of concern. I do not know whether it is true; somebody here may be able to tell me. The word going around was that it was being looked at.

CHAIR: Would it form a recommendation to this Committee that those Crown lands stay in the control of council?

Mr SCHRODER: Absolutely. Obviously, once you privatised it we would probably get a promise that we would get some returns from Treasury for a while, but us unbelieving souls might think it would not continue into the future. We think council could basically be lumbered with a $1 million bill each year on that basis.

The Hon. CATE FAEHRMANN: Mr Schroder, is there a reason why the only submission Clarence Valley Shire Council provided is about investing in the timber heartland? We are looking at a range of issues, including managing national parks and I am wondering what council was thinking in just promoting the forestry aspect?

Mr SCHRODER: I am not underestimating national parks by any means but in the last few months we have had quite a few meetings with the forestry industry. They are at high risk at the moment from the high dollar et cetera so I guess our minds are on keeping that industry at the moment. We have lost 200 jobs at Grafton Jail, as everybody knows, and we lost an abattoir with 200 jobs, so the whole mind of this valley is on keeping jobs. I guess we wanted to put an emphasis on the jobs component and the importance of the industry. Maybe that is a bit biased.

The Hon. CATE FAEHRMANN: You acknowledged in your response to a question from the Chair that tourism and increasingly ecotourism play an important role in the region.

Mr SCHRODER: Yes, absolutely. It is a growing industry and we have been promoting it heavily. We think both can co-exist. I do not think there is a clash with that. There has been a huge expansion of national parks and one of the issues for council is the revenue we derive from that and forestry. They do not pay rates. We do not underestimate the importance of that estate but at the moment it is about the balance, and that is important to us.

The Hon. CATE FAEHRMANN: This document is about investing in the timber heartland, so the council is actively seeking more investment in the wood resource in the area. I take it from that that there is enough resource to be calling for new investment in the area?

Mr SCHRODER: Depending on which resource you are talking about. As I said, one of the issues is we need a resource stocktake of the total industry—public, private and plantation resource. If you look at the back of the document you will see issues raised about investing in value-adding. Obviously there is a waste resource that is not being properly utilised and biofuels have potential. There is potential investment in some of the existing resource. Whether we can grow the number of resources is another question.

The Hon. CATE FAEHRMANN: Some of the questioning by this Committee and some of the evidence given by witnesses has appeared to be leading to the opening up of some of our national parks to logging. There is some evidence that logging is continuing in State forests at an unsustainable rate and some contractors want access to national parks. I will also get Lismore City Council's view on this. How does that fit in with striking the right balance between two very good industries in your area, tourism and timber? Would you support a proposal like that?

Mr SCHRODER: What we need—hopefully the Committee can take this on—is a resource stocktake of what is out there now. I keep coming back to that but it is important. When we did the forestry agreements quite a while ago now one of the issues was that the plantation industry would take over the role, if you like, following the transfer of forestry into national park. That was fine while the MIS companies were charging along. I remember having meetings with the boards of certain companies and hearing them talk about the big investments they were going to make. All of a sudden, come the global financial crisis, all those companies are in liquidation. Where the industry goes in future is a bit uncertain.

There needs to be a stocktake of what use there is for the 11,000 hectares of private plantation resource—there is some State forest plantation resource too—so we can make some decisions. There is private native forestry resource and the public resource on top of that. I do not think, unless someone in this room can tell me, there is a good figure on which to make valid decisions about whether you then need to look at national park forestry—the public estate—to rebalance it. A lot of work has to be done on what is there and whether it is sustainable. The industry needs to know that from an investment point of view. I do not think the figures are

there. There might have been some figures in the '90s, but they are old now. Council has not made a decision on where we are going with that.

Ms DOWELL: We agree with Clarence on that. There is no way that we would support logging in national parks. Although there is no private forestry in our local government area there is in the adjoining local government areas. We need to look at that first. I think our council would concur that to jump from not enough timber being available in State forests to getting it from national parks without looking at existing private native forestry seems an unnecessary step.

Mr WALKER: Can I amplify that from Lismore's perspective? We have three distinctly different sorts of national parks that are shown on that map I gave you. The one in the south you would walk around knee-deep in water. It abuts the river and there are significant drains, so all the issues about people access to that area do not arise because it is just not possible. The park in the west is not logged now. It is a forest and a nature reserve but there are real issues with access and things like that. If you were to turn this into a logging area there would be real difficulties for Lismore City Council in maintaining its infrastructure into that area.

If you take the northern part, which is the Nightcap range, it would be a very dangerous thing to open that up to the people with our water supply there, the risks of contamination of the water supply, not by trucking, but by actual plants and things that are not currently in the national park which would thrive in such a pristine water supply. The risk is too great to go in with that sort of activity. Also, we get 120,000-odd people per year coming through our tourist office looking for places to go and things to do in Lismore. More than 10,000 of them go to that national park, just to a few specific places, and they go there because it is such a fantastic rainforest; it is so pristine.

The Hon. Dr PETER PHELPS: Mr Schroder, I take it from your evidence here that the issue for you is no further increase in the expansion of national parks to maintain at least a guaranteed level of supply for the timber industry in the Clarence Valley. Would that be correct?

Mr SCHRODER: You have to put a supposition around that as before. There is just the resource securities there now for the existing industry and there is a big question mark on that, I guess, and that is something that needs to be answered. The reality is we need to maintain the industry and grow it. There are ways of value-add growing it.

The Hon. Dr PETER PHELPS: We heard evidence yesterday from a National Parks Association person who indicated that to achieve the optimum environmental outcome, you really need to lock up between 30 and 50 per cent of North Coast land. Councillor Dowell, if you had 25 per cent extra—

The Hon. CATE FAEHRMANN: I think we need to be careful about that. The National Parks Association did not say that, Peter.

The Hon. PETER PRIMROSE: Point of order, Mr Chairman.

The Hon. CATE FAEHRMANN: It is important that your question is factual.

CHAIR: He is allowed to ask whichever question he wishes. The witnesses are able to answer; they are sophisticated witnesses. When you get your second round of questioning—

The Hon. CATE FAEHRMANN: Sorry, if there was media present—

CHAIR: —Ms Faehrmann, then you may ask a question in a different fashion.

The Hon. CATE FAEHRMANN: Chair, to the point of order, if there was media present and he said that, the National Parks Association will have just been misquoted by one of the members.

The Hon. Dr PETER PHELPS: They were not misquoted. He said that to achieve environmental outcomes you would need between 38 per cent and 50 per cent and then he corrected himself and said between 30 per cent and 50 per cent of the North Coast land locked up.

CHAIR: Order! There is no point of order. Please proceed.

The Hon. Dr PETER PHELPS: Thank you. What would it do to your rate base if there were compulsory acquisitions of at least another 25 per cent of your land area to form national parks?

The Hon. CATE FAEHRMANN: He actually said it could not happen in this area.

Ms DOWELL: Look, I do not know what is behind that question—

The Hon. CATE FAEHRMANN: Nor do I.

Ms DOWELL: —because I do not know what other land you are referring to, to be locked up.

The Hon. CATE FAEHRMANN: Exactly.

Ms DOWELL: There is other land there that is not national park that is State forest or nature reserve with no rates being paid on those, so I do not know what other land. I would need a more specific question than that.

The Hon. Dr PETER PHELPS: To achieve the outcome he was looking at, it would require the acquisition of large areas and then remediation back to—

Ms DOWELL: I am not a spokesperson for the National Parks Association.

The Hon. Dr PETER PHELPS: No, but what I am saying is, what would it mean to your rates base if you were to lose 25 per cent of your rateable land?

Ms DOWELL: Any loss of rateable land would have a significant effect. We already have places like hospitals, schools, the university—lots of area— that do not pay rates and that is a huge impost on council, as it is in every council throughout New South Wales.

The Hon. Dr PETER PHELPS: Do you think you would be able to survive financially as a council if you lost 25 per cent of your rate base?

Ms DOWELL: I cannot answer that entirely, but I think all councils are looking to work within their means. Any loss of revenue is significant to any council.

The Hon. Dr PETER PHELPS: Mr Walker, what would it mean for council services if you lost 25 per cent of your rate base?

Mr WALKER: Again, it is a difficult question. The Local Government Act is quite clear. We do not get any rates from national parks or Crown land, unless there is a private use that is on there and a rateable use, so I am presuming that we get no rates. I presume there is some sort of land use going on and the community will still be responsible to the rest of its ratepayers for all of the infrastructure, that is roads, services, all those things. It would have a huge impact if you were to take away 25 per cent of any council's rate base.

The Hon. Dr PETER PHELPS: Do you think that if any further extensions of the national park or reserve system was applied without significant additional resourcing that it would have a beneficial environmental outcome for your area?

Mr WALKER: That is again a very difficult question. It is a bland question; it is difficult to answer. People have an expectation that there will be land management and, quite frankly, right now, National Parks is not managing its land all that well. There are three pieces of land in close proximity to the city, which are smaller pieces of land. One is locked up by National Parks; they prohibited people going there. The other one, when people are recommended to go there for a walk, National Parks comes to the tourist office and says, "Please do not send them there. It is too overgrown." The other one is so overgrown people cannot go there. So I say to you it is a very bland question, but it comes with a whole lot of information that you need to say what sort of resource are we going to give to the council to go through a community process to consult if we are going to take away a whole chunk of land.

The Hon. Dr PETER PHELPS: Certainly in your area the situation has occurred where land has been reserved and it had not adequately been resourced. They have reserved land extensively for political purposes and have not followed through with the required funds to maintain that. Is that not correct?

Mr WALKER: It is quite correct that there is land in our area that is not correctly resourced and is not well managed by National Parks and, of course, the local government does not have a management role in that land.

The Hon. Dr PETER PHELPS: Any additional land, given the current fiscal state of the State, it would be unlikely that it would be appropriately resourced in the future. Is that correct?

Mr WALKER: I cannot answer for the fiscal matter of the State. If it is not resourced correctly, the same outcome will come about.

The Hon. Dr PETER PHELPS: To both of your councils, we heard some evidence in relation to joint-use roads and funding arrangements for the maintenance of joint-use roads, specifically grading operations on dirt roads. Will you outline what arrangements you have in place with Forests and/or National Parks in relation to cost-sharing arrangements for grading operations on roads?

Mr WALKER: Lismore City Council has no specific arrangements with National Parks. It has a plan with limits for the community. It knows where the limit is—Fred's gate or whatever it is—that the councils will maintain and in the areas after that the community do maintain some of their own roads, but it does not have any specific arrangements with National Parks.

Mr SCHRODER: With the roads, it varies all over the place. We quite often find roads that we think we own and forestry own, but there are no specific arrangements. We quite often have to deal with these with development approvals and whether we can give approvals at the end of a road that turns out to be a forestry road, and there is a question. We are always moving roads. Quite frankly, we have got too many dirt roads out there, by far, which nobody can maintain properly. It is a huge issue. We have got a $10 million to $20 million asset problem out there with roads. The other thing about it, from a forestry point of view, we do not get rates from some of those areas either, so that does not help our road maintenance. It is the same for national parks, because you have got the tourism growth. It is all over the place, really. I think that is probably the honest answer.

The Hon. Dr PETER PHELPS: As a follow-up to that, and something else which arose yesterday, would you like to see an implemented State-based arrangement where you could quantify that Parks, and Forests and council would be able to go into negotiations with a known set amount of how much they each have to contribute for the upkeep of a road? If you like, a State-wide implemented scheme along those lines?

Mr WALKER: Such a negotiation would be welcomed by Lismore City Council.

Mr WILLIAMSON: In general it would be welcomed. It depends who owned the road. That would be an issue. State Forests own some; the council owns some; the Crown owns some; and I dare say the National Parks would own some as well.

The Hon. Dr PETER PHELPS: I think the problem lies in those areas where the State might own a little bit, Forests might own a little bit, council owns a little bit—in one instance we had yesterday, Parks, Forests and three councils all held interests in one particular road. Of course, everyone said, "It is your responsibility to grade it."

Mr SCHRODER: From the citizens out there, quite frankly, that becomes aggravating because we say it is forestry's problem. We will stay out of it, but they have got a road they cannot drive along and they blame council for it. It is a vexed question.

Mr WILLIAMSON: If I may, not only with regard to grading, but also the infrastructure on it, timber bridges being one, that if forestry have an asset at the end of the road, they are quite legitimately able to use the road, but the pressure it puts on timber bridges, especially, is significant and comes at a very significant cost to the ratepayer.

CHAIR: They also have the resource.

Mr WILLIAMSON: They do.

The Hon. PETER PRIMROSE: Mr Schroder, your evidence to the Committee this morning included that there needed to be additional research into forestry in this region in the council area. Is that the case?

Mr SCHRODER: Absolutely. I think the fundamental research we need to do or resource inventory, whatever, is what is there. What is the resource and what state is it in, what the quality is. I think it is a fundamental question for everybody. That then determines its environmental values. It will also determine its logging values. At the moment, I do not think anybody can give us a figure which says, in total, what is the condition, what is available into the future. That is the most fundamental piece of research, if you want to put research that needs to be done.

The Hon. PETER PRIMROSE: It is the case that no-one knows, as you said, the condition of the forest, where they are, what the extent of the resource is that is available?

Mr SCHRODER: We would be hoping, whatever they are now, the Forest Corporation or State forest would have a condition of the public managed forests, and I know there is debate on that all the time. Basically, you would hope they would have a better handle of it. Once it comes to the private resource and, as I said, those 11,000 hectares of Managed Investment Schemes plantations out there—and maybe Spiro Notaras can tell you; I know he has had a look at some of those—whether you can use it for logs. It is all over the place.

We need a condition saying, "What is the use of that resource in the future? Can it be used for anything or is it useless?" There are also farmers out there, by the way, because the Managed Investment Schemes companies had leases with them. They have got to make decisions what to do with that land, because they have been handed it back, I think. There are lots of issues around the plantation resource, but probably the private native forest resource where I do not think there is a complete stocktake. Hopefully in the public forest there is, but, again it is very hard to get.

The Hon. PETER PRIMROSE: If you do not get additional State investment in that research, how will jobs be affected in this local council area?

Mr SCHRODER: I think the question is if you are an investor, you want the resource—you want certainty. If you do not have certainty—maybe the industry can answer this better—you do not invest. The reality is, if you do not invest, eventually the industry starts disappearing. That is the most fundamental issue we have got. Maybe the size of the industry does not grow a lot, and with technology that probably is the case, but reality is we need to know whether they can invest for certainty. At the moment, I do not think the industry could say they could invest for certainty.

The Hon. PETER PRIMROSE: Councillor Dowell, we heard yesterday about the importance of forests in relation to water resources for communities. You mentioned Whian Whian this morning. Will you outline the importance of that in terms of water, and particularly if there had been access early on into that forest by graziers, by loggers, what do you think the situation would be now?

Ms DOWELL: First of all, Rocky Creek Dam, which is the dam for Rous water, is a highly visited site for passive recreation. There has been a lot of involvement with the Aboriginal community there. There are extensive walks through there. There are frequently excursions and educational trails and large gatherings of people who learn about the water supply and then take walks through the forest. Platypus are regularly seen there; there are platypus viewing areas. Part of the reason for those things is because the water supply and the dam itself is beautifully clean. That means that the water treatment is less than would be required if there were the run-off from, say, animal faeces or oils from boating, and all sorts of other things.

It is an area that the catchment and the national park that is around filters the water as it gathers in the dam, as I said, so it is one of the most pristine water catchments you would find anywhere. If there was activity in that area which led to erosion or contamination or weed species, including, may I say, aquatic weed species that are a huge problem on our waterways, then we would have major difficulties in maintaining that catchment and that dam, and there would be greater costs in making sure the water gets to a potable standard.

The Hon. SCOT MacDONALD: I direct my question to Lismore. You say at the conclusion:

> Lismore City Council is firmly of the view that to avoid operational, economic, social, adjoining landowner and environmental impacts there must be local government consultation at an early stage.

Has there been any history and if we have had any conversions, even if it is quite a while in the past? Have you been involved in conversions in the past from State forest to park or nature reserve or something like that?

Mr WALKER: Yes, a long time ago but more recently there was the Tucki Tucki Koala Reserve. We were consulted with and I have got to say that did work well. The reason I put that paragraph in there is that, as Councillor Dowell said, we are in a community which has a really strong view about land.

The Hon. SCOT MacDONALD: About everything.

Mr WALKER: Yes. They clearly see that the body best placed to represent them is the local council. That does not mean we wish to own everything, but they would see us as a conduit through which people should negotiate.

The Hon. SCOT MacDONALD: What boxes would you look to tick in that early consultation process? You have mentioned social impacts and all the rest of it. Can you give me a little bit more on that?

Mr WALKER: It is, as I said in that paragraph, all of those things. Socially people have a strong connection with the land.

The Hon. SCOT MacDONALD: So just a chance to have their say?

Mr WALKER: I am sorry, now I see where you are coming from. Yes, absolutely. The council that we represent is very good at community consultation and there is an expectation that we will always be there. We hold meetings about almost everything and the community show up in great numbers to participate. If we were talking about converting Crown land which might have an impact either socially or economically on the rate base or access-wise or anything they would expect that the council would hold community forums not just in the chamber but also out in the regional areas. That is what our council would do.

The Hon. SCOT MacDONALD: When you foresee a forum such as that do you think you would bring it to the attention of the community that there are downsides for the council in terms of loss of rates and maybe some other things?

Mr WALKER: We try to paint a very clear picture so that they do see the benefits and the detriment. Yes, we do.

The Hon. SCOT MacDONALD: Yesterday the Oxygen Farm talked about a private conservation agreement. Are you aware of any of those in either of your local government areas?

Ms DOWELL: There is a private conservation to the eastern side of our local government area [LGA] abutting Ballina where some land on a large farm area has been—

The Hon. SCOT MacDONALD: Have you got a view on that? Is that something you think you will see more of in the future? Is it a problem or is it good?

Ms DOWELL: I do not have a particular view but I would expect that there may be growth in that area, but it would be up to the individual landowners.

The Hon. SCOT MacDONALD: That continues to be rateable obviously, or does it?

Ms DOWELL: I honestly do not know. I do not know. I would have to get advice on that.

Mr WALKER: I would think it would be rateable because there is still a house on there. I would think it would still be rateable.

The Hon. SCOT MacDONALD: One of the things we are looking at is potential expansion. Maybe there will be or maybe there will not, but how will it be funded—State, Federal, or local? Are there any private conservation properties in the Clarence Valley?

Mr WILLIAMSON: I think it would be fair to say that there would be some. There is also some public conservation that the council is doing and that is with regards to the Shannon Creek Dam. A part of the consent was some offsets for conservation areas. The council has a vast tract of land around the dam that is a conservation area. The bill for that and the services around it are funded by the ratepayer.

Mr SCHRODER: I should say there is another important element that is going to come through—or we are not sure now after the infrastructure report yesterday. The Pacific Highway upgrade of course is quite significant. The valley has had virtually no Pacific Highway upgrade—we have had a little bit happening—but in the future there will be about a thousand hectares of land affected. One of the things that the Roads and Traffic Authority [RTA] obviously has to do is offset. Four to one is pretty typical I think, maybe bigger. The offsetting deal has not been done yet but they could be looking at buying up 4,000 hectares, for instance, of land.

The Hon. SCOT MacDONALD: If you had a say in that would you prefer the offset that is going to be acquired down the track to fall into the reserve system or maybe a private conservation managed type of arrangement?

Mr SCHRODER: It gets back to whether there are enough resources to manage it. I guess the supposition you have got there is at the moment maybe we are not managing the public resource well enough. As long as it is managed, I guess that is the answer. As long as there are enough funds to manage it. The RTA land definitely goes into national park, it goes into the reserve system, and the question is: Are there extra resources put there to manage it? The answer is probably no. If private could do it better and get the same outcomes the answer could be yes.

Mr WILLIAMSON: I think it is important to note though that there is a cost to that.

The Hon. SCOT MacDONALD: With the public or the private?

Mr WILLIAMSON: With both I think you would find. If it went into a private venture what is the outcome for the cost? What is the carrot at the end of the rainbow to do that, to set that up? That is something that I am not sure about I have to say.

CHAIR: On that issue of the rating of land upon which there are private conservation agreements, there was some discussion in the last Government period about whether giving them a rate holiday would increase the level of conservation agreements. I suppose the countervailing argument to that from the council's point of view is that you do not want to lose any rateable land.

Mr WILLIAMSON: I think your last statement would be a fair statement, Mr Chair.

CHAIR: Even if it led to increased conservation in your region?

Mr WILLIAMSON: I think—and this is my view of course—council's finances, not only ours but dare I say the lot in New South Wales, are under extreme stress. If there is something taken out you either have to increase the burden on someone else or not do something that you are currently doing.

Ms DOWELL: I would think that the council would like to look at everything on a case-by-case basis. There may be reasons for a particular conservation agreement to be approved and there are others that may not. But in that consideration we would weigh up the loss of rate revenue, how much it is. It might not be very much compared to the public benefit. We would like to look at it, I would guess, case by case.

CHAIR: Because there is a worldwide phenomenon where private conservation is encouraged by some means such as taxation breaks for example. I guess it depends on where those taxation breaks come. If they come upon a poorly resourced local government area it is probably not fair on the other residents and ratepayers. Just before I proceed, I notice the local member, Mr Gulaptis, has just entered the room. Thank you for welcoming us to your beautiful part of the country.

The Hon. RICK COLLESS: Councillor Dowell, in your verbal and your written submission you made quite a bit about your view that this Committee was specifically looking at commercial activities in national parks. Have you read the terms of reference?

Ms DOWELL: Yes, I had and we had prepared what Mr Walker has presented to you but I heard media reports and I also heard other comments that there was likely to be some questions about private activity. Late last night I put together that extra sheet. That is an adjunct to the prepared statement. I agree that the terms of reference did not go down that path but the comments that I had heard just in media and other places looked as if they were and I wanted to get that on the record too.

The Hon. RICK COLLESS: I will just point out that the terms of reference focus on the process of conversion of public land into national parks as well as private land into national parks. Following on from some of the earlier questioning, that has happened in other areas and there has been substantial rate losses to some councils in other parts of the State. The Nightcap National Park and associated conservation areas in that area were all declared in 1979 or shortly after. Is that right?

Ms DOWELL: No, I think some were probably much later than that. I do not know, but some of that area was declared but part of it was in more recent times.

The Hon. RICK COLLESS: When you say more recent times, was that part of the general Regional Forestry Agreement [RFA] process that occurred in the late 1990s?

Ms DOWELL: I was not on council then and I was not taking a specific interest in that so I could not give you a specific date.

The Hon. RICK COLLESS: Are you aware if there was any rateable land that was converted?

Ms DOWELL: No, I am not aware of that. Mr Walker was involved in council.

Mr WALKER: Yes I was. I do not believe there was any rateable land. I think it was Crown land that was converted. That is my recollection of it.

The Hon. RICK COLLESS: I ask the Clarence Valley representatives the same question. Was there any rateable land that was converted? If there was, what was the result in loss of rates?

Mr WILLIAMSON: Mr Colless, I could not accurately answer that question. Clarence Valley council has been formulated recently so I could not accurately answer that question today on behalf of our former council areas. I am happy to provide advice if you need it.

The Hon. RICK COLLESS: Are you able to perhaps have a look to see if that information is available? You might get back to the Committee with that information if you would not mind.

Mr WILLIAMSON: I am very happy to write to the Chair.

The Hon. RICK COLLESS: My other question relates to the percentage of your local government areas that are now in public ownership. Looking at the maps that you have provided, Mr Walker, obviously the vast majority of Lismore City Council area is still in private ownership.

Mr WALKER: Correct.

The Hon. RICK COLLESS: Do you have any figures as to the percentage? This question also goes to the Clarence Valley people.

Mr WALKER: No, I am sorry. I did not actually crunch the numbers on that.

The Hon. RICK COLLESS: Would you be able to provide us with that information?

Mr WALKER: Certainly. I can do that.

Mr WILLIAMSON: My answer would be the same. We will provide that detailed information but I think it would be fair to say in general terms it would be significant for Clarence. We have large tracts of public land within our local government area, but to provide the information very accurately I will do that. The document that I think has been tabled does point out it is in the vicinity of 30 per cent, but I will provide the accurate details.

Mr WALKER: You can get a measure because we are 1,267 square kilometres and I did actually work out the areas for the parks.

The Hon. Dr PETER PHELPS: It is one-twelfth or about 8 per cent.

Mr SCHRODER: We are pretty sure Clarence is about a third but we will get those figures.

Ms DOWELL: I do not know if anyone from Kyogle is coming but I know recently at the Northern Rivers Regional Organisation of Councils meeting Kyogle mentioned that 50 per cent of their land is non-rate paying and most of that would be national parks.

The Hon. RICK COLLESS: In terms of the timber industries in both of your council areas obviously it is only a very minor industry in Lismore City Council's area. Those figures that were provided by Clarence Valley council show that in the Lismore City Council area there is only 450 hectares of hardwood plantations, only 700 hectares of native plantations and only 200 hectares of privately owned plantation. It is obviously only a very minor industry in your area. I think you said the Bungabee State Forest is not logged currently.

Mr WALKER: No, my information from staff is that it is not currently being logged.

The Hon. RICK COLLESS: Do you know if it has ever been logged?

Mr WALKER: I am sorry, I do not know that.

The Hon. RICK COLLESS: Another question I have in relation to both areas is the jobs in the industry. Back in say 1995 how many people were employed in the industry compared to how many are employed today? It is probably more of a relevant question for the Clarence Valley people than Lismore but I would certainly like some indication of that if possible.

Mr SCHRODER: Russ Ainley who is sitting down the back could answer the question about the number of mills but I know there were a lot more mills before the changes and the declaration of the national parks. Lots of the small mills went out of business completely, so there were a lot more jobs previously. I do not whether you can get an accurate figure because there are lots of bush mills with three, four or five people in them that hardly anybody knows are operating. There are still some of those out there, but to a much lesser extent. The industry went through a rationalisation during that period, maybe for the better in a lot of ways. Basically there would have been a lot more jobs but it might be hard to document. I do not know whether it was documented in the analysis that was done with the restructuring. It might be sitting in those figures somewhere in the volumes of documents that went with that. Maybe Mr Ainley or somebody can answer that better than us.

The Hon. RICK COLLESS: Do you have any idea how many people are employed in the timber industry in your council area?

Mr SCHRODER: Our best estimate is about a thousand.

The Hon. RICK COLLESS: So it is still a very significant industry.

Mr SCHRODER: That is directly too, not indirectly.

The Hon. CATE FAEHRMANN: I want to reassure the witnesses that the National Parks Association was not advocating 30 to 50 per cent of the area—

The Hon. Dr PETER PHELPS: Is this a question or a statement?

CHAIR: Order!

The Hon. CATE FAEHRMANN: —to be conserved and when pressed by the member they were reluctant to give any figure and said that internationally 30 to 50 per cent of vulnerable ecosystems should be reserved but that would not be able to happen on the North Coast.

The Hon. Dr PETER PHELPS: Thirty to fifty per cent. You were embarrassed because—

CHAIR: Order! Dr Phelps!

The Hon. CATE FAEHRMANN: It is not very responsible for somebody to come in and do that because we are jumping on the plane and heading off and the National Parks Association will have to deal with that—

The Hon. Dr PETER PHELPS: You were very embarrassed because the agenda was exposed.

CHAIR: Order!

The Hon. CATE FAEHRMANN: My question is about shooting in national parks. What would be the community response if Nightcap and Whian Whian were opened to recreational hunting?

Ms DOWELL: I suspect we would have a repeat of what happened in 1979 with the forest blockade. This is something that many people feel very strongly about. Our council voted to oppose that, as I said. There are people whose properties abut. The farmland on the North Coast is highly productive so the farms are relatively small. All around the outskirts of the national parks are small farming properties. There is no clear distinction of where the national park ends and the farmland begins in many of those cases. I know many of the people around there are concerned for their children, their livestock and themselves.

There are others who perhaps do not live so close who are concerned about the loss of native wildlife through perhaps inexperienced shooters who make mistakes. There is also the downturn in people visiting national parks if they are aware that on that particular day or season or time there are recreational shooters in there. I take back the part about the blockade. I am not sure whether that would happen. Certainly if trees started to be logged there would be. I am not sure whether the matter of the shooters is as obvious to people. It depends on how it is notified. Then there would be opposition and physical presence—protesters.

Mr WALKER: You should not underestimate the difficulties that Rous Water, the regional water authority, would have. Their land abuts the national park. All of the activities that Councillor Dowell spoke about before are near the dam wall on the downstream. The catchment area and the surrounds of the dam have no given activities in there at all and if shooters were allowed to go there it is not about the shooting but the biological things they might bring in their activities. It would definitely have an impact on our regional water supply.

The Hon. PETER PRIMROSE: I refer Councillor Dowell to key issue No. 2 in her report. You would be aware that the State Government has announced that it is slashing staff in forestry and national parks. Can you say what that might mean for your area in relation to key issue No.2?

Ms DOWELL: In our area one of the big issues is control of feral animals and weeds. That is huge. With our abnormally high rainfall the weeds take over and the climbing vines and weeds get into those areas and smother the canopy and create terrible damage. We already have a really big problem with wild dogs. Councils are working together to do various kinds of trapping. Frankly, those things often are left to councils to work together with private landowners. We cannot contemplate the whole issue of pests in national parks because it is outside our area of financial ability and area of control, but it is a huge issue.

The Hon. PETER PRIMROSE: Does Clarence Valley Shire Council have a comment on the effect of those cutbacks because you raised the issue of the importance of forestry to your local government?

Mr SCHRODER: There are two issues. There is also the importance of national parks. A lot of our villages along the coast are surrounded by national parks such as Yuraygir National Park. We work pretty well with National Parks on fire. Fire is a big issue for us. Also, do not forget about the State forests element. Obviously there are surrounding properties but our villages especially are surrounded by national parks. There is a real worry there. The weeds issue and all the others Councillor Dowell raised are crucial. We have been a pretty big base for forestry in Grafton, especially in national parks, and there is the effect on the economy of the town. It is not just the industry; it is the effect that cutbacks have. We saw the town's view about that when the jail numbers were slashed. We need to be mindful of the importance from a regional economy point of view.

CHAIR: Thank you for giving up your valuable time to come here today. We appreciate the input of local government because it appears to be one of the groups that may be majorly affected by changes to public land use.

(The witnesses withdrew)

FREDERICK JOHN EDWARDS, Clarence Environment Centre, and

LEONIE SUE BLAIN, Clarence Valley Conservation Coalition, affirmed and examined:

CHAIR: Before we proceed to questions would you like to make an opening statement?

Mr EDWARDS: Yes. I am here to spruik the environment. I will begin by repeating a line from a *Sydney Morning Herald* article on 21 December 2011, which stated:

> The amount of bushland being cleared by logging in NSW soared last year to the highest level since state-wide records began in 1988.

They were quoting figures provided by the Office of Environment and Heritage. The Clarence Environment Centre understands that 2011 saw our local government area top the State for the loss of native vegetation for the second consecutive year, which reinforces our observations in the field that our natural environment is under pressure as never before. The vision statement in Australia's Biodiversity Conservation Strategy 2010-2020 aims to ensure that:

> Australia's biodiversity is healthy, resilient to climate change and, importantly, valued for its essential contribution to our existence.

In that respect the strategy and also biodiversity management plans at all levels of government have identified the following: Biodiversity is essential for our existence and is intrinsically valuable in its own right; biodiversity contributes to the healthy environments, clean air and water that support human life; biodiversity provides all the critical processes that make life possible; and biodiversity is the basis for the healthy, functioning ecosystems that are necessary to maintain essential ecosystem services like soil formation, nutrient storage and cycling, plant pollination, and pollution breakdown. Under those circumstances, biodiversity protection and enhancement would seem to be a no-brainer, and the management of public land in New South Wales, primarily national parks, conservation reserves and State forests, all have biodiversity protection mandated as a core function.

In our submission we made the point that healthy ecosystems are essential to maintain resilience, particularly in the face of climate change. Therefore it was gratifying to read the CSIRO's recently released report calling for more conservation reserves to create greater resilience through a network of vegetated corridors. It is important to understand that a properly functioning ecosystem takes hundreds of years to develop. The damage from clearing forests for mining, loss of habitat through excessive logging, or the negative impacts of other activities that destroy biodiversity cannot be undone in an instant by rehabilitation of the site once the damage is done. The simple fact is, as pointed out by the International Energy Agency in January this year, and the CSIRO a month ago, we do not have the luxury of 200 years in which to act to contain climate change within levels where human life on earth can be sustained. Therefore, we strongly believe that any activity that destroys forests or has the potential to pollute water cannot be justified unless there is an exceptionally high level of need.

We also echoed the Australian Biodiversity Conservation Strategy's observation that it is important to place a value on native forests for the ecoservices they provide, rather than only the timber volumes that can be extracted, as is currently the case. Calculate if you will what it would cost to capture and store carbon sequestered in a single old growth tree and what it would cost to mechanically separate life-supporting oxygen from carbon dioxide. What would be the additional cost of filtering the water we drink if forests did not effectively do the job for us? We should not forget the other function of a healthy ecosystem, that of protecting biodiversity which, as already stated, provides us humans with everything we eat, much of what we wear, and many of the medicinal products we currently enjoy.

The Clarence Valley alone is home to 206 threatened species, including 113 fauna, all of which are facing decline and possible extinction through habitat loss. Almost half the land-based animals listed as threatened on the North Coast are tree hollow dependent. Therefore, in terms of maintaining biodiversity, consider what it would cost to design, construct and install a dozen fire resistant nest boxes in a tree and maintain them for 200 years. All these functions and more are provided to us absolutely free by our forests and those are the values we currently ignore in our blind pursuit of unsustainable economic growth. We believe therefore it is imperative that native vegetation on our public land be valued appropriately, effectively managed and fully protected.

CHAIR: Thank you very much. Ms Blain, would you like to make a statement, please?

Ms BLAIN: I would, and I also have a supplementary submission, and I have copies here of that submission.

CHAIR: Thank you very much.

Ms BLAIN: Can I proceed with the statement?

CHAIR: Yes, please proceed.

Ms BLAIN: In our original submission, the Clarence Valley Conservation Coalition [CVCC] referred to its concern that national parks were being opened up to activities that were incompatible with their core function, which is biodiversity conservation. This function is clearly elucidated in section 2A of the National Parks and Wildlife Act 1974.

I am going to speak now of one of these activities. The Clarence Valley Conservation Coalition is very concerned at the decision to allow recreational hunting in 79 areas of the National Parks estate. National parks and nature reserves are special areas for biodiversity conservation and activities such as bushwalking and the enjoyment of the natural world. Recreational hunting is not compatible with these activities. It is interesting that when the Premier earlier this year defended his decision to open up 79 areas to recreational hunters, he informed the people of New South Wales that none of the parks or reserves close to Sydney would be opened up. That must have been a great relief to Sydneysiders, but it was scarcely welcomed by those in regional areas who enjoy visiting their local national parks. It is also unlikely to have pleased those same city dwellers who also enjoy visiting regional national parks.

In our area, Dorrigo National Park, south-west of here, and Gibraltar Range National Park, west of here, are two of those that are to be opened up. The decision raises issues of the safety of national park visitors, the effect on regional tourist industries—and I note that Mayor Dowell also referred to that—and national parks, ladies and gentlemen, are very important to the local tourist industries in the regions. Also, the effect of hunting on the fauna that national parks are designed to protect and, finally, concerns that eradication is not, unfortunately, in the interests of some hunters who want to see stocks of target animals maintained.

Recreational hunters have had access to New South Wales State forests for a number of years for the enjoyment of their sport and ostensibly also to deal with feral animals on public land. It is our understanding that in the period of 12 months to 30 April 2012, the Game Council estimated that licensed hunters killed 15,663 animals, mostly rabbits, from public lands. The effectiveness of recreational hunters as controllers of feral animals is open to considerable question. The Invasive Species Council is one of a number of groups which questions the validity of the claim that recreational hunters are an effective means of eradicating feral pests.

It is interesting that there has been no proper evaluation of the effectiveness of recreational hunters in hunting feral species in State forests. The Clarence Valley Conservation Coalition believes that New South Wales governments—the current Government and the former Labor Government—have not given careful thought to the likely long-term impacts of their decisions about the appropriate use of national parks and this is not the only use of national parks that appears to be inappropriate, but this is something that is particularly of great concern to us.

We believe that in line with one of the principles of ecologically sustainable development, governments should be taking a much more precautionary approach when they make decisions in relation to this as, of course, decisions in relation to many other things. Mr Chair, that is the end of my statement.

CHAIR: Thank you very much. We will proceed to questions.

The Hon. Dr PETER PHELPS: Mr Edwards, you spoke about the loss of vegetation in the Clarence Valley brought by forestry activities, but if 10,000 hectares, for example, are cleared and 10,000 hectares are then replanted either through natural seeding arrangements, what is the net loss?

Mr EDWARDS: Depending on the value of the land that is cleared, it could be 200, 300 or 400 years of growth.

The Hon. Dr PETER PHELPS: You still have the same area of land but just an earlier stage of germination, do you not?

Mr EDWARDS: As I just mentioned in the statement, to develop a fully functional ecosystem, you require all stages of growth, including old growth with the hollows and the rest of it. The difference is—of the two that you mentioned, the early growth and old growth—500 years.

The Hon. Dr PETER PHELPS: In relation to trees and carbon sequestration, is it not better overall to sequester carbon dioxide through a tree that is 30, 40, 50, 60 years old which has been accumulating carbon dioxide for that period of time, to have that properly milled and placed into use as housing timbers or furniture where it will remain for another 50, 100, 200 years, thereby allowing that to be sequestered on a longer term basis and by having new trees grow, which, as we know, in fact, absorb far more carbon dioxide than do middle-aged and older growth trees?

Mr EDWARDS: That is true. You have got to remember that when you cut down a healthy tree, and there are not too many of the trees exceeding a metre in diameter any more—most of those have gone—probably less than half of that volume is actually turned into wood or into wood products. The rest is usually left on the forest floor and invariably burned, so the carbon disappears directly into the atmosphere again. The other thing you have got to consider is that a very large proportion of our timber products from this country are actually woodchip, which has a very low—I am told an average of five years—carbon life; it goes into paper and that type of thing, so it is hardly being sequestered in any significant way.

The Hon. Dr PETER PHELPS: There may be a reason as to why the level of woochipping is so high and that is because the locking up of forests has meant that loggers have had to rely on smaller diameter timbers and so have greater waste requirements, but on the point of the logs themselves and the use of the logs, is that not a reason, if there is this level of waste, for a biofuel industry to be created? In other words, to use that waste material rather than simply have it be burnt off without any energy production, to actually use it to produce energy. Surely, if anything, trees are a clearly renewable resource in that they germinate, they grow, they are logged; there is regermination, they grow and they are logged. Is that not a better energy resource through using biofuels?

Mr EDWARDS: We could be talking about plantations, of course, which is what we advocate, but not for biofuels, for the simple reason that similar to coal and gas and other things, they emit greenhouse gases. This is something we have to address. We have got to go to low pollution or non-polluting renewable energy, in my opinion.

The Hon. Dr PETER PHELPS: The amount of CO2 they produce is part of the zero sum game. The amount of carbon dioxide they have stored is what they have extracted from the atmosphere over a period of time. During the 30, 40, 50, 60 years of their lifetime, any emission of that would simply be a release of what they have already captured previously and would in turn be captured by new germinations which take place once that area had been cleared, and in fact may exceed that in a properly managed forest?

Mr EDWARDS: It is a fairly simplistic argument, I suppose, but it does not get away from the fact that you are burning it, and you should be using renewable energy, in our opinion. When I say "renewable", I am talking about non-polluting renewables.

The Hon. Dr PETER PHELPS: Do either of you see any future for a timber industry in this region?

Ms BLAIN: Could I just comment, please, on what you have just been talking about in relation to the zero sum game that you mentioned. You cannot take that in isolation with all the other production of greenhouse gases. It is all very well to consider that, but all the other production of greenhouse gases, for example, from burning coal, et cetera, et cetera, et cetera, so, as John said, I think that is a very simplistic way of putting it, and I think you have to consider the full picture. What was your other question?

The Hon. Dr PETER PHELPS: In relation to what you see as the future of the timber industry in this area.

Ms BLAIN: I think the timber industry does have a future, but I think there is obviously a need, and I think John addressed this in his original submission in relation to timber being used for more high-value

products and, also, maybe there is a necessary over the longer term for the price of timber to rise, as the price of many other things rises.

Mr EDWARDS: Yes, I think there is a future. It should be in plantation. I do not know the exact figure, but I gather there was close to 100,000 hectares of plantation put into the ground on the North Coast over the last 10, 15 years through the Managed Investment Schemes. Unfortunately, most of that timber is completely useless as far as saw logs are concerned, predominantly because of things like Dunn's White Gum which is only good for woodchip, and we do not have a woodchip industry. It is just too far from ports and that type of thing.

The Hon. Dr PETER PHELPS: On that point, at the current time, looking at these figures, in the Clarence Valley, there is roughly 111,000 hectares of plantations and native forests managed by Forests NSW. If your suggestion is that it should be restricted solely to plantation timbers, that is effectively eliminating 90 per cent of the wood reserves currently held by New South Wales. How is the industry supposed to survive if 90 per cent of its wood reserve is immediately locked up?

Mr EDWARDS: As I was trying to say, if the plantations that had been planted over the past 15 years was planted as timber that is useful to the timber industry, we would now have a resource there that could be used to replace that native forest.

The Hon. Dr PETER PHELPS: You would have to have planted hundreds of thousands of hectares. How do you say you support the survival of a timber industry when you are saying, effectively, 90 per cent of it should be unusable because 90 per cent of it is native forest?

CHAIR: Order! I think the witnesses have answered the question to the best of their ability. I move on to Ms Faehrmann.

The Hon. CATE FAEHRMANN: I will try to ask some questions you have contained in your submission to keep it relevant. Mr Edwards, you talked about hollow-bearing trees and the rate of the amount of fauna that we had listed as vulnerable or threatened in the area. Forests NSW and various forest contractors continually tell us before this inquiry and when we have been on visits to various areas that they keep all of the hollow-bearing trees. What is your opinion of that statement?

Mr EDWARDS: If they do really say that then they are talking rubbish. They are only required under the Integrated Forest Operations Agreement to retain 10 hollow-bearing trees and 10 recruitment trees per each two hectares. We have done a lot of audits of State forest logging in the past three years and we have yet to find a forest where there is that number of trees retained, in fact. They have been knocked over for occupational health and safety reasons. We had evidence at Clouds Creek, for example, where old growth trees, really big habitat trees had actually been torched. In other words, the tree was burned post-harvest and the ground around them was not burned, so the evidence suggests that they were deliberately set fire to. This is, of course, to get rid of the trees so more trees can come up. Any suggestion that they keep all of the trees is absolute rubbish.

The Hon. CATE FAEHRMANN: Ms Blain, did you want to make a contribution? It is okay if you do not.

Ms BLAIN: Not at this stage, thanks.

The Hon. CATE FAEHRMANN: We have heard also during this inquiry ideas and evidence and some suggestions that because Forests NSW cannot manage its current wood supply sustainably, largely because of wood supply agreements in terms of what they have been locked into, why do we not just swap some national park estate with some forest estate so that the forest contractors can go in and start accessing some of those national parks. What are your views on that in terms of biodiversity outcomes?

Mr EDWARDS: They would be very negative.

The Hon. CATE FAEHRMANN: Do you think that in the existing national park estate there is really much refuge for hollow-dependent fauna in the region? Are there those big, hollow-bearing trees in our national park estate?

Mr EDWARDS: There are but you have got to remember that a lot of our national park estate was State forest previously. I have personally been involved in flora surveys of some national parks for the Office of

Environment and Heritage [OEH] in recent years. One in particular was Ramornie. That forest I reckon would take about 50 years to recover and probably 30 years before there was anything worth logging there because it was so heavily logged. It was so heavily logged the canopy was reduced to an extent that has allowed sunlight into the forest floor. There is a serious lantana problem, which is an invasive weed, as a result. Bell miner birds are already present. There is bell miner dieback in the neighbouring Ramornie State Forest. That entire forest is now under threat from the dieback as a result of overlogging opening up that canopy.

The Hon. CATE FAEHRMANN: We have heard a little bit about bell miner associated dieback. Could you expand on the correlation between bell miner associated dieback and logging? Building on that, Ms Blain, your supplementary submission talks about the various programs that the community does with the National Parks and Wildlife Service to control weeds. It would be good to hear about some of the productive relationships you have with parks staff in that area.

Mr EDWARDS: Bell miner dieback, it is generally accepted that the trees are killed by psyllids. Those are little sap sucking things that defoliate trees. If they defoliate the trees two or three years in a row the tree will gradually begin to die back from the top and eventually die out altogether. That is a natural occurrence in the forest. The psyllids are natural, they feed off eucalypt leaves. The reason why it is getting out of control and you are getting dieback is because the predators that normally attack and eat those psyllids are no longer there. One of them incidentally is the little sugar gliders. With the lack of hollow-bearing trees in forests now they do not have a home. They are a natural predator, they have gone. The other predators are small birds. Things like pardalotes and thornbills are insect eaters that feed on the psyllids.

The opening up of the canopy allows sunlight to get into the forest floor. That encourages this lantana in particular, the invasive weed, to form this sort of midlevel canopy, if you like, which is ideal habitat for bell miners. Bell miners breed very quickly. Their populations explode. They are very aggressive and they drive off every little bird that predates on these psyllids. That is generally accepted. We have just upset the balance of nature, if you like. At higher altitudes where lantana does not grow we have got the same problem, only it is actually a native vine that is causing the problem—the water vines. They just form that same mat again and again and bell miners are taking over.

The Hon. CATE FAEHRMANN: Bell miner associated dieback [BMAD] is not occurring in most national park estate as far as you are aware?

Mr EDWARDS: Generally speaking not but I am told that it has started to occur. But you have got to remember, as I said, that Ramornie National Park—which has only been in existence for about a decade or so, I am not quite sure exactly when but it is a relatively recent national park—was heavily logged so that was subjected to the canopy reduction.

Ms BLAIN: Could I go back to that question you originally asked Mr Edwards about perhaps the forestry industry being allowed into some national parks. If that happens that is negating what was the original reason for the establishment of a lot of national parks. In 1992 you would be aware perhaps that there was the national forest statement and there was a bipartisan agreement, State and Federal, that there should be a comprehensive, adequate and representative reserve system. Over the years since then governments have been working towards that. In fact there are still issues relating to how representative and adequate the system is in New South Wales as well as in other parts of Australia.

I only became aware recently that one of the terms of reference for this inquiry related to those western stations Toorale and Yanga. Apparently they provided the opportunity to take those stations over and convert them to national park related to the fact that they had ecosystems there that helped in trying to get this comprehensive, adequate and representative reserve system. I just wanted to make that point because I think it is important. We are not just looking at what happened in the last 10 years. We have to look back to the history before and why this process was entered into. And the fact let me say that it started under a Liberal Government. It started under the Fahey Government. It was not something that started just under an Australian Labor Party Government.

On the other issue you asked about the cooperation between National Parks in this area and various community groups. I am not sure whether this happens to a great extent in other areas but certainly significant is what is happening in the Clarence Valley local government area [LGA], particularly with the coastal areas. Yuraygir National Park is a very important national park with high visitation. There are about 500,000 visitors to that park through the year to a number of places there and there are some community groups that are helping

with infestation of weeds like bitou bush and various other escapees probably from gardens in many cases. Also in Bundjalung National Park, which is to the north of the Clarence River near Iluka, there is a very well known Iluka group there, Iluka Landcare, which has been working for 20 years under the direction of one very determined woman, Kay Jeffrey. They have done a marvellous job in that Iluka rainforest area and Bundjalung National Park. I have detailed the other ones there anyway.

The Hon. SCOT MacDONALD: I read your submission and it was very interesting. Would you say you are broadly in agreement with the North East Forest Alliance, which is looking for another 670,000 hectares, which brings it up to around about 36 per cent, to get more in the reserve system to meet the JANIS reserve targets? Are you broadly in agreement with that? I am not saying where or which areas, but as a broad sort of goal?

Ms BLAIN: I will start off by saying yes, I would support that. It was a continuation of what I was talking about before of the forest agreement and the Comprehensive, Adequate and Representative [CAR] system. Obviously, as has happened in the past, if those areas are incorporated into the national parks estate they will have to go through the kind of approval process that other creations had to go through.

The Hon. SCOT MacDONALD: They are talking about roughly half private and roughly half out of existing Crown lands.

Ms BLAIN: In this area, as I understand it, there has not been too much private land. I made some inquiries and I found out there are a couple of cases, a couple of disused banana plantations down near Yarrahapinni. That is near Kempsey. I cannot remember the name of that national park. There is also one up near Cudgen in the north of the State.

The Hon. SCOT MacDONALD: Mr Edwards, again you are broadly in agreement with that sort of target or that goal over time?

Mr EDWARDS: Broadly in agreement. I could not give you any details but you could probably get them from the North East Forest Alliance [NEFA] representative later on.

The Hon. SCOT MacDONALD: If I said to you that the Government had a will to get there in five years or 10 years but we could not give you a single extra National Parks and Wildlife Service officer, we could not give you a single extra CAR and—as the Opposition will probably remind us all—you might even have a reduction in workforce and resources, how do we do the job properly? How do we fund this on an annual basis? Do you have in mind any other goal or any other models perhaps to reach that extra 600,000 hectares? That is a million and a half acres.

Mr EDWARDS: There is no doubt it would have to be resourced. How the Government goes about that I am not in a position to be able to say.

The Hon. SCOT MacDONALD: If it did not come out of the public model, the State Government model, are there other models that you are familiar with that you think could have a role in this?

Ms BLAIN: You were talking earlier with one of the earlier people here about private conservation.

The Hon. SCOT MacDONALD: I think I brought up the Oxygen Farm.

Ms BLAIN: Yes, and there are organisations which buy up private properties and so on right throughout the country. Perhaps that is something that could be looked at but there are probably a few issues in relation to that which I am not in a position to go into. I think there is certainly value in having these reserves in public ownership but there are already moves—and Mr Edwards is involved with some of these—in relation to private conservation agreements, which was something that was being talked about earlier. Perhaps that can help with biodiversity conservation. But I really think it is important that—

The Hon. SCOT MacDONALD: That the lion's share is National Parks and Wildlife?

Ms BLAIN: Yes, and that it is in public ownership. Certainly, as Mr Edwards says, it needs to be resourced. Obviously all governments are having trouble finding funding for lots of things these days. There is no doubt about that. I guess once again—as it always is anyway—it is a matter of priorities.

The Hon. RICK COLLESS: Mr Edwards, on the front of your submission it indicates that you prepared it as honorary secretary of the Clarence Environment Centre but on the hearing list we have it indicates that Ms Blain is the honorary secretary.

Ms BLAIN: I am the honorary secretary of the Clarence Valley Conservation Coalition, which is another group.

The Hon. RICK COLLESS: My apologies. That clarifies that. Mr Edwards, in the beginning of your submission you make some fairly strong statements about a couple of political parties. I am just wondering where you got your information from to make those statements, reminding you that you are under oath?

Mr EDWARDS: I got this from the Shooters and Fishers Party website, which tells us pretty clearly. It is all here if you want me to hand it over to you to read it.

The Hon. RICK COLLESS: I am asking where you got that information from.

Mr EDWARDS: I am saying I got it from the Shooters and Fishers Party website. As far as the National Party we had a meeting with our ex-member Steve Cansdell some time ago. He claimed that he would not vote against the winding back of certain national parks, for example.

The Hon. RICK COLLESS: So you made that assumption about what you put in your submission based on a discussion with one member of the National Party?

Mr EDWARDS: Yes.

The Hon. RICK COLLESS: You have no proof that it is National Party policy?

Mr EDWARDS: No.

The Hon. RICK COLLESS: What does the Clarence Environment Centre want? You have made it clear what the National Party wants.

Mr EDWARDS: We want a decent conservation reserve system set up and properly resourced. We want native forests to be logged as per the Integrated Forest Operations Agreement—sustainable logging—and we want the Integrated Forest Operations Agreement to be rewritten. It was supposed to have been reviewed in 2005. As of now it has not been reviewed; it is seven years late. We have asked the question why on several occasions. The Environment Protection Authority is supposed to be regulating the forest agreement, and Forests NSW. They tell us they cannot take action against Forests NSW because the agreement will not stand up in court, for a whole range of reasons.

A typical one is that the agreement talks about a maximum of an average of 40 per cent of basal area being logged in a forest in any one logging period. Forests NSW are logging 80 per cent of basal area in places and leaving half of the forest unlogged so that the average is 40 per cent. Two years later they are going back and logging the stuff that was left behind the first time because the Integrated Forest Operations Agreement does not have a stipulated return period, or a limited return period, before the next logging. They can take 40 per cent now and they can come back in five years time and take 40 per cent of what is left.

The Hon. RICK COLLESS: In your submission and in evidence earlier I think you mentioned that you did the flora survey of Ramornie yourself.

Mr EDWARDS: Yes, my wife and I did it.

The Hon. RICK COLLESS: On whose behalf did you do that?

Mr EDWARDS: It was the Department of Environment and Climate Change at that time, I think.

The Hon. RICK COLLESS: Were you reimbursed for that work?

Mr EDWARDS: I was. I did it under the banner of the Clarence Environment Centre. The Clarence Environment Centre actually did it.

The Hon. RICK COLLESS: But you were the person who did the work?

Mr EDWARDS: I was the person who did the work.

The Hon. RICK COLLESS: Do you have qualifications that would enable you to do that professionally?

Mr EDWARDS: Not formal.

The Hon. RICK COLLESS: But you were still reimbursed. You were paid to do that work but you do not have qualifications?

Mr EDWARDS: The Clarence Environment Centre was paid to do it.

The Hon. RICK COLLESS: How can we place any credibility on that work if you do not have professional qualifications that would enable you to do that work?

Mr EDWARDS: I suppose you could put me up against an ecologist from Forests NSW and take us into the bush and see who has the better qualifications or the better knowledge of what is in there.

The Hon. RICK COLLESS: If you are going to produce a published report and you do not have the professional qualifications that would give you credibility to do that report what is to stop anyone going out and writing a report without the appropriate qualifications?

Mr EDWARDS: I do not think the Office of Environment and Heritage would ask anybody to do a report unless they were convinced that they had the knowledge to do it.

The Hon. RICK COLLESS: Knowledge and professional qualifications are two different things, though, are they not?

Mr EDWARDS: Of course.

The Hon. Dr PETER PHELPS: You were talking about sustainable use of native forests and yet in your written submission you say:

> ... we assert that sustainable use of native forests for timber production is a myth.

Which is it? Can you sustainably log native forests or not?

Mr EDWARDS: When I said it was a myth I was talking about ecologically sustainable forest management that Forests NSW currently operates under. There is nothing sustainable about it, but I believe it is possible to sustainably log a forest but it would have to be a very much reduced basal area and much-extended cycles of logging. In other words, you could probably take 10 per cent; that is my opinion.

The Hon. Dr PETER PHELPS: How does that jell with your previous sentence which says:

> ... we believe that when it comes to the natural environment, any disturbance has consequences which will most likely be a negative impact on the environment.

Mr EDWARDS: Well, it will. As soon as you cut down any number of trees you get the weed infestations that follow. I can take you out to State forests and show you where this has actually happened. There is unlogged forest on one side of an exclusion zone along a creek, say, and there are no weeds. Where the forest has been logged it is absolutely inundated with them. If you take the trees obviously you lose habitat for wildlife. It has to be a negative impact on biodiversity. I cannot see how it could be anything else.

The Hon. PETER PRIMROSE: Can either of you comment on whether you believe beekeepers, apiarists, should have access to national parks?

Ms BLAIN: I know it has been an issue with the National Parks Association, as you are probably aware, because it is another case of a non-native creature being introduced and possibly having unintended consequences. I do not have a strong view on it. I can understand why there are seen to be issues with it, but I also understand that people have had that access to national parks and other areas for beekeeping over an extended period.

The Hon. PETER PRIMROSE: Mr Edwards, given your extensive experience can you comment?

Mr EDWARDS: There are a whole range of native animals that live on nectar; a lot of the gliders, small possums, and a whole range of birds of course. Bees are a problem. I do not know what you can do about it. I have seen apiarists setting up their hives on the edge of a national park where it adjoins a State forest, and that type of thing. The introduced bees have now taken up residence across most of the country anyway. I would hate to see it encouraged in national parks purely and simply because native animals utilise that food resource and it is very important to them.

The Hon. PETER PRIMROSE: We have heard evidence that for reasons best known to themselves loggers think that logging is good and would be good for national parks. You have already commented on that. We have also heard evidence from graziers that they think grazing in national parks is a good idea. Can you comment on that?

Ms BLAIN: One of the reasons I am concerned about having horse riding in national parks is because of the spread of weeds. Having cattle in national parks would also exacerbate the spread of weeds. They are not necessarily discriminatory about what they eat so there is an issue with native flora too, as well as issues with trampling and erosion, and so on.

Mr EDWARDS: I agree with that. We did a bit of a study, if you like, for a couple of days in the Boundary Creek State Forest some time ago during a drought. We found that the cattle congregated down in the gully lines and trampled vegetation and killed it at ground level, which made it more fire susceptible. These gullies are natural firebreaks in the environment. As soon as there is dead vegetation fires can get into it and destroy the rainforest understorey that these gullies have. The cattle were wallowing in what was left of the pools there. This was all in the Coffs-Clarence regional water supply catchment. If you go to a State forest where cattle are allowed in you will find very much reduced biodiversity. At Bom Bom, for example, we did a survey just for interest's sake and in two hours we came up with about 60 flora species whereas normally you would expect to find double that.

The Hon. PETER PRIMROSE: Playing devil's advocate for a moment, would clearing the undergrowth not be valuable from a fire prevention aspect and cattle or sheep grazing in other locations also be a valuable asset?

Mr EDWARDS: As I said before, cattle are destroying the fire-resistant communities.

Ms BLAIN: It is not only the trees, the large plants, that are important in a national park, it is the understorey and the grasses. Whereas they might be clearing the undergrowth they are causing ecological damage as well. Sometimes of course this will be caused by fire. Fire is used as a hazard reduction tool in national parks as it is used elsewhere. As long as the frequency is not too great it is something that people like us accept as being necessary. It is where it ends up being constant burning that will cause major damage to ecosystems that we have concerns.

CHAIR: Thank you very much for agreeing to appear before the Committee. The Committee may wish to put questions on notice. Are you happy to take those and return the answers to us within 21 days of receipt?

Ms BLAIN: Indeed.

Mr EDWARDS: Yes.

(The witnesses withdrew)

(Short adjournment)

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CHAIR: Good afternoon, ladies and gentlemen. I note that we now have media in the room. For the benefit of the media, I will repeat the broadcasting guidelines. Copies of the Committee's broadcasting guidelines are available from the Committee secretariat. Under these guidelines, whilst members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I would also remind the media representatives that they must take responsibility for what they publish about the Committee's hearing.

SPIRO JOHN NOTARAS, J Notaras & Sons Pty Ltd, sworn and examined:

CHAIR: Mr Notaras, before we move to questions from the Committee, would you like to make an opening statement?

Mr NOTARAS: My submission was short, with some very important points regarding the future of the timber industry on the North Coast, particularly in this area. As I stated in my submission, I have been in the industry 60 years, and it is hard to express how you feel after that time and the trauma we have been through. But at any rate you have to understand why the industry is central to Grafton. Nobody seems to have even suggested it today, but the soil and land around the Clarence Valley is not suitable for extensive cropping. That is why the grazing industry is here in a very big way, and that is why the private forest and State forests are still here. People do not understand that.

I go back even further than that. I can talk about the late 1800s. I was not here but in the late 1800s and early 1900s the upper Clarence was denuded of trees. I have seen paintings and photographs of the area, and the reason was there was a large copper mine at Kangy, there was a meatworks at Ramornie, and there was half a dozen dairy farms all along the riverbank, and what they burned was wood. Of course they nearly denuded this area of the country in those days. My father made a movie of the Nymboida power station opening in 1921. There was not a tree in sight. Today, you cannot see the power station. My point is that trees are renewable.

Back in 1960 they had a forward conference, a lot like this review today, and a couple of young sawmillers went to Canberra. We were the only small company there. Their report came up with a finding to say there were 1,000 sawmills in Australia at the time and that we should have 100 efficient ones. Of course that happened by the efficient ones buying out the inefficient ones over the years. Then after that we had the wilderness report in about 1979-80 recommending that a lot of State forests be dedicated to national parks and wilderness areas.

Then we had the 1985 rainforest decision and that locked up many of our best hardwood forests. Again, between 1995 and 1998, we had the Regional Forest Agreement [RFA], and that again set aside more State forest. In this particular area on the North Coast, I think there were 1.5 million hectares of State forests available back in the 1960s and 1970s, and it was logged on a sustained yield basis on a 28-year cycle. They left seed trees. People ask me how many trees I have planted. I have not had to plant any because the seed trees they left regenerated the forest. There are more trees out there today than there were in 1950. People do not understand that; they get emotional about it.

In 1997-98, because of the loss of all the State forests and national parks, we were given a choice of taking redundancy or restructure. I was 62 and my brother was 65. We had been looking at a very expensive value-adding planing line. It was going to cost $1.5 million. I was looking at it for 10 years and could not justify spending the money. The Government said, "Look, you cannot take redundancy. We want the industry to do what you are doing. You are value-adding." We were already doing value-adding to a small degree; about 15 per cent of our production. We made the decision then to take the restructure, which was dollar for dollar for the first round. If we spent $1 million they would give us $1 million, which we paid tax on by the way, so it was not all rosy. If you knew my brother, as soon you put up a dollar in front of him he would grab it. Of course, we decided to take the restructure. We spent $2.5 million in that round and the Government gave us $1 million into further value-adding.

We had two more rounds with the Government, but it reduced it from dollar for dollar to 20 per cent of what we spent. If we spent $1 million we would get $200,000. Over the next three or four years, we spent around about $8 million, of which $2 million was in government grants. But there were a few catches to that. We had to do further value-adding, number one. We also had to employ so many extra people. At the time, I think we were employing about 30 in the sawmill and the small planing operation. We went to 50 for the next eight or 10 years. At the moment we are down to 40 because of the downturn and it is getting too expensive. Funny thing, we are utilising fewer logs and probably not losing money, and that is a bit hard to work out. With our increased electricity charges and all that it is hard to stay in business.

That brings us to today. The Government gave us long-term wood agreements in 2003 to 2023. Here we are; we have gone nearly 10 years and I am starting to think: What are we going to do in the next 20 years? In this industry you have to look at the long-term, especially with your investments. I have stopped investing because we are not sure whether we are going to have wood. All indications are that by 2019 it will be pretty

tough. I am not sure whether forestry can estimate really how much is out there, because what I have seen is that where we used to work in a 28-year rotation, we are now going back into the same areas in six to 10 years and it is surprising the amount of wood that you are getting out of those areas.

We were one of the first companies on the North Coast to utilise what they called thinnies or small regrowth, and we found that you could cut them into a high-value flooring product. Of course, everybody has followed suit now. Up until two years ago, we would spend probably another $2 million or $3 million on further value-adding, mainly from our waste. We had to put in a woochipping operation and we had to put in a parquetry line to utilise our shorts, which we were burning because it was waste, and we are making an overlay floor. We also put in a laminating plant to make laminated timber, which is not selling real well, but we hope that will be the future of the timber industry. All up we have invested a lot of money and we would like to see the long-term wood agreements reassessed so that we know where we are going in the future.

I can tell you that we did most of the trials on hardwood plantations for State Forests over the last 20 years. People have got to understand if you have got a plantation you are going to have 70-odd per cent of residue waste. So to push an industry into a plantation resource without having a base to remanufacture that waste—they have got to agree to paper mills or chipboard factories or something like that, which seems to be a dirty word on the North Coast.

I would like to give you one example if I have got a couple of minutes. In 1961 we were probably the first tenderer for State forest hardwood in New South Wales. We tendered for Bom Bom, which is on the outskirts of South Grafton, on a 28 year rotation in perpetuity. That was in 1962. I did not think I would last that long. At any rate, in 1990 we finished the first round of 28 years. There were still five to six blocks not logged because timber grows and their estimates were always under; they were never over. In the estimates they never allowed for poles and the girder logs and veneer logs, which were extra, so it grew a lot quicker. If you are going to the airport you have a look at it on your right-hand side as you go up the hill at South Grafton. You have a look at that Bom Bom forest and you will see a real good example of a native hardwood regrowth forest. That is our future.

Plantation wood, I said we did a lot of trials on them. We did blackbutt, spotted gum. We did dunnii. It was mentioned earlier that *dunnii* is not marketable; it is. It just depends on the shape of the tree. We marketed it for State Forests and did trials on it. It is a bit difficult to dry but it has got a nice colour and it is dense and hard enough. Another thing about plantation wood is we have found that because it is grown for quickness it is not as dense, as hard or as durable as our native hardwood and it is a lighter colour. People do not want lighter colours so there is a problem in marketing it. We sold it to Finland, would you believe it, for 10 years and eventually they reduced the price where we could not supply it. But at any rate the future of the industry is in the Government's hands. It cannot survive alone on plantations. We need the native hardwood forests. I want you to remember that timber is a renewable.

The Hon. CATE FAEHRMANN: Thank you for your evidence this morning. This morning we heard from the Clarence Valley council about the extent of the timber mill industry in this area. Do you think there are too many mills operating given the resource available at the moment?

Mr NOTARAS: They have all got their place. They are all doing a job. What you do not understand is there are a lot of graziers in this area that have their winter paddocks which are forests. Over the years we used to cut a lot of private property. We made our choice to go and mill State forest timber because we knew we could plan to invest so much in the future. But these graziers, every year or every five or six years they want to buy a car, new fridge, paint the house. They would come along and say, "We've got a few logs out there. Will you go and get them for us?" You are going to take a lot of income off the farmers if you want to shut the small mills. They are doing a great job and I would not like to see them reduced. You have got to understand that the farmers are getting revenue out of it and council is getting revenue out of it. It all helps the whole area. The small mill has a place.

The Hon. CATE FAEHRMANN: In your opinion why did the Government make wood supply agreements that were unsustainable over the longer term? We have heard a lot about that in many submissions. Why do you think that was?

Mr NOTARAS: They did not make agreements that they could not supply because the government of the day took away their best productive forests in 2003 to 2004. Just before the Carr Government exited the industry he made Whian Whian, Clouds Creek, Pine Creek and Queens Lake—the three best regrowth forests

on the North Coast, which had plantations in them—national parks. They took that off State Forests which was a big part of our allocation. That is why they are overcutting.

The Hon. CATE FAEHRMANN: Is there a reason why the wood supply agreements are inflexible? For example, if there is a bushfire or something through a certain area of forest which makes that unusable is there a reason in your opinion why those wood supply agreements have been made inflexible?

Mr NOTARAS: You do not understand forests. You have got to understand that fire does not worry our eucalypt.

The Hon. CATE FAEHRMANN: We heard down south actually that 10 per cent of forests were unavailable.

Mr NOTARAS: I have never seen in my life—young regrowth, yes, but not millable trees. We had a very bad bushfire in Candole State Forest back in the 1970s. As a matter of fact one of the contractors got killed fighting the fire for State Forests. That is another thing you have got to understand. If you take the operators out of the bush you have got firefighters that you are not going to have. They can co-opt the contractors to fight fires. This particular fire went through Candole. I thought it was our tractor driver but it was not, it was another contractor. He got killed. We were on holidays at the time, it was Christmas. That fire devastated Candole but it came back in four to five years. We did not lose any allocation. I cannot understand people saying that fire interferes with the growing of eucalypt. What it does, you will often find defects in the tree where it has burnt the sap and that will grow over and of course it makes it not the quality that you would like. But as far as killing the eucalypt, it does not kill it.

The Hon. CATE FAEHRMANN: I was talking about cypress forests as well when I was saying that. Thank you.

The Hon. Dr PETER PHELPS: What area did you say was available to you in the 1970s roughly? Did you say over a million hectares were available?

Mr NOTARAS: There was over a million hectares. There was about one and a half million—not to us, this was to the industry in the Clarence Valley. I used to go to the Dorrigo. In 1948 before I even got into the timber industry my dad's fishing mate was the local labour and industry safety inspector. He would ask me, I was only about 16, and I would go to Dorrigo with him. There were 300 sawmills in the Dorrigo electorate. There was one on every corner.

The Hon. Dr PETER PHELPS: You say that 1.5 million hectares were available just in the Clarence Valley.

Mr NOTARAS: Now there is about 300,000.

The Hon. Dr PETER PHELPS: That is right. Indeed, in the entire North Coast local government area [LGA] region, according to figures given to us by Clarence Valley LGA, there is only 660,000 hectares available, so in fact you have got less.

Mr NOTARAS: There is 840,000. State Forests have 840,000 available, of which we are logging 314. That is the figures that I have been given. And that stacks up. We log about 30 per cent of the 840,000 hectares.

The Hon. Dr PETER PHELPS: If additional State forests were to be reserved for national parks or nature reserves, what would that mean for your industry?

Mr NOTARAS: Actually we would like to see a few national parks opened up. Not all national parks; you would only pick the ones that needed thinning or needed a bit of silviculture and management. They think we want to open up them all but that is not on.

The Hon. Dr PETER PHELPS: What would happen if more were added to the estate?

Mr NOTARAS: We would probably have to close.

The Hon. Dr PETER PHELPS: Do you think that would be replicated across your industry?

Mr NOTARAS: Yes. In my report I said I would like to see a re-assessment of the resource. Forestry tell me they are doing it and they are keeping a close eye on it, yet when we look at our predictions for the future the problem we have is the high quality large log allocation. They will not have high quality large logs in the future. We have all put in small log lines; we were one of the first to put in a small log line to cut small logs.

The Hon. Dr PETER PHELPS: But that is not your preferred option?

Mr NOTARAS: No, but you could survive on thinnies. At the moment 80 per cent of our production is thinning. We found that we could mill small logs into flooring but it will not make other products. That is why we went into value-added.

The Hon. Dr PETER PHELPS: Further to your concerns about the use of plantation timber, aside from the quality is there simply not the volume to sustain the industry if you were to move to a plantation-only basis even if you accessed the private plantations?

Mr NOTARAS: There is no way we could survive. Even with 20 per cent of our production it was hard to survive. There are not the markets out there or the quality of the wood. There are two: spotted gum and blackbutt. Species is a contentious topic.

The Hon. Dr PETER PHELPS: We saw a lot of blackbutt yesterday.

Mr NOTARAS: It is a contentious point because there is not enough of it planted on the coast, but you have to sell what is there.

The Hon. Dr PETER PHELPS: So, basically, reserving native forest would kill your industry?

Mr NOTARAS: We would be gone. Grafton would lose a thousand jobs—maybe not a thousand but it would lose a lot of them.

The Hon. PETER PRIMROSE: I note on your letterhead that you say, "sawmillers, hardwood flooring specialists". What do you use the wood you mill for? What are the types of products?

Mr NOTARAS: What are the products we sell? About 80 per cent of what we sell is solid wood floor. When we lost our high quality large allocation—we used to have about 18,000 cubic metres of high quality large wood; now I have 4,600 and 10,000 of high quality small, which we found we could cut into flooring. We specialise in flooring. We have 19 kilns and a very large value-adding plant. But to survive I have had to invest another $2 million or $3 million on a parquetry line. We do not sell anything under 0.9 in length because you cannot put it down. I tell a lie. In overlay we go down to 600, which you glue down onto a floor.

We manufacture all that short material into parquetry and if we did not do that we would not be making a profit. We have an overlay line. You can go into Harvey Norman and all those stores and buy engineered flooring, which only lasts until you scratch it and you have to replace it. Our floors will last 100 years because you can re-sand them four or five times. We produce an overlay floor that is glued onto concrete and chipboard. Three or four years ago I put in a laminating press plant to utilise short material, which a lot of mills do not even bother cutting.

The Hon. PETER PRIMROSE: Do you have an overseas market or is it mainly domestic?

Mr NOTARAS: We have been through Japanese markets. At the moment we do not sell overseas. We sold in Japan for 15 years and supplied all their marinas and boardwalks and bridges, but they found they could buy it cheaper in Queensland. We could not compete so I had to stop supplying it. Plus all the forests were locked up and we lost all out mature log supply. We could not supply it.

The Hon. PETER PRIMROSE: Are you concerned about the State Government's decision to cut back staff in Forests NSW?

Mr NOTARAS: No.

The Hon. PETER PRIMROSE: Why?

Mr NOTARAS: I am not concerned about that. I am more concerned about where the staff is cut. I have just gone through the same experience at my place. You get a little bit complacent in good times and you do not realise that you should cut. I deal with four different people on marketing. One is all I need. I believe some State departments need to have more off the top than from down in the workforce.

The Hon. PETER PRIMROSE: You mentioned you have just gone through that process. Can you tell me about that?

Mr NOTARAS: Very hard. Two years ago I was employing 50 people. I went back to 48 last Christmas. In April this year—

The Hon. PETER PRIMROSE: I will put that question on notice and we can talk about it later on.

Mr NOTARAS: I can answer it. I had to downsize 12 out of my staff in April but that was not the most important thing. When you have had staff for 30 and 40 years it is pretty hard. Sawmillers do not get paid a lot of money; they average about $700 to $750 a week, but they are very good, very well trained and they come to work every day. I have found that over the years half my staff would want to work overtime so we let them stay back cleaning for an hour or two and it gave them $100 or $120 extra a week. I had to stop all that. That was number one. Then I had to go onto a four-day week. Six weeks ago I put the sawmill back onto five days. It was on four days for three or four months. That was probably the hardest thing I had to do. The office is still on four days. I am going onto five days on 5 November because I want them to have a bit more money for Christmas.

The Hon. PETER PRIMROSE: More strength to your arm. Thank you.

The Hon. SCOT MacDONALD: Thank you for putting a human face on structural adjustment, which is a term that is bandied around too often. You say in your submission that you need security beyond 2023 so as to be able to invest and plan your future knowing that a resource is still available. Is it not just a matter of quantity or timing or availability? If I read that right is it also the strength of the security? Could you elaborate on that?

Mr NOTARAS: The agreement does not end in 2023. They do re-assessments every five years and we sit down and they give us all the figures showing us where they are going.

The Hon. SCOT MacDONALD: Do you think a five-year cycle is not good for investment?

Mr NOTARAS: It is good to know whether there is going to be any change because of the investments you want to make. They keep us well informed on where we are going to be logging because each area has a species and we have to get a species mix. This is the problem we are having now. Hopefully that will not affect our business too much. For instance, two years ago we could not get spotted gum. We had to stop selling spotted gum. You would not believe it.

The Hon. Dr PETER PHELPS: There are millions of them out there.

Mr NOTARAS: We could not get spotted gum two years ago. My yard is full of it.

The Hon. SCOT MacDONALD: I am still not clear in my mind—I am sorry, it is probably me—what you mean by "for security"? What is missing?

Mr NOTARAS: We need to know what happens beyond 2023.

The Hon. SCOT MacDONALD: For what sort of time frame?

Mr NOTARAS: At least 10 years.

The Hon. SCOT MacDONALD: For security and investment certainty and retaining people's jobs and livelihoods and leasing equipment what sort of agreement or contract do you need?

Mr NOTARAS: It has got very complicated. Since they locked up all these forests and the high quality logs are not there—not as many—it has become very hard to get high quality logs. I can see down the track they will be in real trouble with the guarantees they have given. We get 10 per cent of the North Coast allocation.

The Hon. SCOT MacDONALD: So it is not the style of contract or the strength of contract it is the resource?

Mr NOTARAS: You need to have that guarantee to stay in business.

The Hon. SCOT MacDONALD: And that sort of time frame?

Mr NOTARAS: That is right.

The Hon. SCOT MacDONALD: If it was anything less than that would your business be prepared to walk into your bank or approach a finance institution and say, "I want to expand; I want to buy a piece of new value-adding equipment"? Would you have the confidence to do that under the current—

Mr NOTARAS: Not under the present scheme. I tell a lie because I have just ordered a small machine because it will make my operation a little bit more efficient. Over the years you spend a lot of money, firstly to make a good product and, secondly, to become more efficient. Over the last 30 years we would have bought half a million dollars worth of equipment every year to stay in business. I have spent $20 million in the last 30 years. I would never get that for my company, I can tell you now. We do not make the profit. That is the part a lot of people do not understand. I am in there because I like the industry and I get a wage. Everything we have got out of our business we have invested back into it. People have got the wrong impression. They think there is a fortune out there if you have a plant worth $20 million and you are making $5 million a year. It does not happen. We make about 4 per cent on turnover. We were losing.

In April I thought we would be shut in June but with the cuts I was able to make—that is not the end of it either. We used to start at seven o'clock in the morning and work until quarter to four. Those were our working hours for the last 60 years. I had to sign another workers agreement. I wanted to start at nine o'clock and go to five, but that is only seven hours. So the workers start at eight and they do not turn on any equipment until nine. That is keeping the company in business. That hour off the peak hour is saving my company a lot of money. I have been doing it now for three months and it is a sore point because the carbon tax was not going to cost anything. My monthly carbon tax is $3,600.

The Hon. SCOT MacDONALD: I would love you to expand on that but my time has run out.

Mr NOTARAS: You asked about investment. I have been looking at cogeneration. I produce 90 tonnes of wood waste a day. I sell it and I am paying for about half of my electricity. I have looked at cogeneration for over 20 years. I go to a fair in Germany every two years to have a look-see at the latest technology. You cannot justify it. Electricity was cheap but the trouble is our networks got out of hand. That is another story.

The Hon. RICK COLLESS: Thank you very much for coming to have a yarn to us today, Mr Notaras. We very much appreciate it. I want to go back to the 20-year cycle you were talking about. We heard evidence earlier today that there were rotations that were as short as two years in the forest.

Mr NOTARAS: Garbage.

The Hon. RICK COLLESS: You would say that is not correct?

Mr NOTARAS: These people do not understand. If they have gone back it is because it has got too wet; they have had to pull out and they have gone back and continued the same operation. That would be my immediate answer to it because we have not been back in there. Once you have gone there we would be gone for 10 to 15 years. Do you know what I mean?

The Hon. RICK COLLESS: You said earlier that you were looking at going back within that 10-year period to get smaller logs out of there.

Mr NOTARAS: Yes.

The Hon. RICK COLLESS: When you said you had a quota of 18,000 large—

Mr NOTARAS: Twenty odd years ago, yes.

The Hon. RICK COLLESS: What size in diameter are we talking about?

Mr NOTARAS: Over 40 centimetres diameter. When we were doing that we had our own logging crews and we used to cut about 10,000 cubic metres. We would go into these blocks. They would get designated blocks to work. We would get the high quality. We were allowed up to a certain figure in small logs and we would take a little bit of salvage if we thought it was good enough. We milled about 35,000 cubic metres a year back in 1980. Now we are logging only 20,000 cubic metres a year, but we are doing more with it.

The Hon. RICK COLLESS: Did you say you have a quota now for only 4,600 metres?

Mr NOTARAS: It is 4,688 metres of high quality, large.

The Hon. RICK COLLESS: That is over 40 centimetres?

Mr NOTARAS: Yes, and I have 9,260 cubic metres of the high quality, small.

The Hon. RICK COLLESS: Which is what?

Mr NOTARAS: That is 30 to 40.

The Hon. RICK COLLESS: Between 30 and 40?

Mr NOTARAS: That is what is keeping our mill alive.

The Hon. RICK COLLESS: If you take a 30-centimetre log what is the reduction in cubic metres of sawn timber you get out of that compared to a 40-centimetre log?

Mr NOTARAS: I have been doing these exercises extensively over the past six months. What happened is that we had wet weather for two years and forestry could not get into the good wood. Half our input was taken in salvage and I found that I lost a lot of money cutting salvage. To give you an idea, I get about a 22 per cent recovery from salvage logs. Trouble is the wood is not clean. Salvage is low grade, it has defects, big pipe. Do you know what I mean?

The Hon. RICK COLLESS: That is still with a minimum of 30 centimetres?

Mr NOTARAS: Yes, down to 30 centimetres. You wanted to know the recovery figures. I can tell you that with small logs it is between 30 and 40—it varies in species—but roughly you could work on about 28 per cent recovery.

The Hon. RICK COLLESS: What is it for—large logs?

Mr NOTARAS: Thirty-eight. You will get up to 40 to 45. We have an allocation of girdle logs, which is large. They have to be dead straight, dead solid—perfect—and they have to be over a certain diameter, 450. We cut that into high-value products like internal step treads, mouldings, which we get a lot of money for. The trouble is you have to do that to pay—the delivered price is double.

The Hon. RICK COLLESS: When you are cutting a log out of which you are getting only 28 per cent compared to a log where you are getting 38 per cent, your costs go through the roof, do they not?

Mr NOTARAS: That is right. I work on averages. That is why I have had to look hard at the salvage. Trouble is, what is happening now is that the chip market has fallen flat, and where they used to sell a pulp log, there are a lot of those pulp logs coming into the salvage and, of course, the bush contractor is pushing it.

CHAIR: Mr Notaras, unfortunately we have run out of time. Thank you very much for coming in today. We appreciate you giving evidence. Some of the Committee members might like to put some questions on notice and send them to you. Would you be able to give us some replies if there are questions on notice?

Mr NOTARAS: I would be very pleased to answer any questions. I will not run away.

CHAIR: Thank you very much for coming in.

(The witness withdrew)

DALIAN PUGH, North East Forest Alliance, affirmed and examined:

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

Mr PUGH: I would, thank you. The North East Forest Alliance was formed in 1989 with the intent of protecting old growth forests, rainforests, wilderness and threatened species in north-east New South Wales. We were conservation stakeholders in the development of the national forest policy and the New South Wales forest reform process. I was one of the principal conservation representatives in this process at both State and national level up until 1999. I was awarded an Order of Australia medal for my work. I have undertaken a variety of audits of forestry operations on State forests over the past few years. I am also a neighbour of public land, if you want personal experiences.

Regarding your terms of reference, there are a few key points I would like to make. I have made an extensive submission which the North East Forest Alliance has done which has a lot of detail in it. Regarding the process of conversion, the New South Wales forestry reform process commenced in 1995. It was the first time in New South Wales that a systemic and scientifically rigorous assessment of conservation and socio-economic values had been undertaken with the aim of satisfying explicit national reserve criteria targets. The forest reforms delivered a significant increase in the reserve system in north-east New South Wales and a comprehensive regime for off reserve management. The reserve system encompasses National Parks and Wildlife Service reserves, Office of Environment and Heritage reserves, State forests informal reserves, that is forest management zones 1, 2 and 3A, and areas protected by prescription. All these are counted as contributing towards reserve targets.

In 1998 the Carr Government reached an agreement with the timber industry and the unions, which left us out, that delivered a reserve system that failed to satisfy the minimum national reserve targets. The inquiry should consider recommending expansion of the reserve system in north-east New South Wales to provide protection for biodiversity and to bring it up to national standards. Regarding impacts of conversion, a brief assessment of the Australian Bureau of Statistics data shows that the economy of north-east New South Wales generally boomed through the forest reform process. The growth in the labour force and employment outstripped population growth and unemployment has plummeted. The reservation outcomes of the forest reform process clearly were in accordance with the preferences of the majority of the regional community as revealed by public attitude surveys.

In 2010 there were some nine to 11 million visits to north-east New South Wales national parks. That is up 250 per cent since 1997. This visitation is generating a business turnover of the order of $400 million to $500 million per annum and some 2,600 to 3,000 direct and indirect jobs in the regional economy. Water yields to streams and downstream users are maximised from old growth forests and can decline by 30 to 50 per cent from regrowth forests. The protection of old growth forests and the increasing water yields that occur as 20-year-old to 30-year-old regrowth matures, maximises yields and thus benefits downstream users, particularly during dry periods. Carbon storage in forests is maximised in big old trees and in old growth forests and can decline by 40 per cent to 60 per cent in regrowth forests. Protection of old growth forests and the carbon sequestration that occurs as regrowth matures maximises carbon storage. The volumes of carbon being sequestered and stored in the CAR reserve system will represent a significant proportion of New South Wales CO_2 emissions.

Regarding models for sustainable use, logging of public forests in north-east New South Wales has never been undertaken on a sustainable yield basis. In 1998, after the exclusion of the CAR reserve system, including informal reserves and values protected by prescription on State forests, the sustainable yield of large sawlogs from State forests was identified as 217,000 cubic metres per annum. The decision was to log at the unsustainable rate of 269,000 cubic metres per annum until 2018 before reducing down to an estimated sustainable yield of 183,500 cubic metres per annum thereafter. The intention was to deliberately overcut the public native forest available for logging at that time. Following a 13 per cent shortfall in the anticipated yields and a reduction in modelled estimates, new wood supply agreements in 2003-04 reduced annual commitments though increased total commitments by extending unsustainable logging from 2018 to 2023, despite identifying an even greater decline thereafter. The high-quality sawlog resource is being liquidated and not sustained. Native forests are not being maintained as multi-aged forests and are increasingly being converted to regrowth as the big old trees are lost by logging and attrition.

We recommend that the inquiry request an urgent reduction in allocations of sawlogs from native forests and State forests down to the estimated long-term sustainable yield and the refocus of silviculture from liquidating the large sawlog resource to sustaining it in multi-aged forests. Over 90 per cent of logging operations were exempt from requiring environment protection licences in 2004, primarily to allow Forests NSW to log unmapped drainage lines. The environment protection licences should be reapplied to all forestry operations. Logging is facilitating the spread of bell miner associated dieback through large areas of public forest. Forests NSW is targeting effective forests for removal of all healthy remaining trees and then abandoning them to their fate as destroyed ecosystems. Affected areas need to be placed under logging moratoria and to be actively rehabilitated.

The Hon. CATE FAEHRMANN: Thank you, Mr Pugh, for appearing before this Committee, and thank you for your very extensive submission, which I hope will be of value to other people on the Committee other than just me. I found fascinating the history of negotiations because we have been told various things in this Committee. Thank you for your work also in protecting the forests of the North Coast. This Committee has heard from witnesses that, as you pointed out, State forests are being logged at an unsustainable rate and that foresters need security of resource. Therefore, why would we not just swap some national parks for some State forests? Is that problematic in your opinion in conservation outcomes in this area?

Mr PUGH: There certainly are a number of issues. The industry reached an agreement with the Government which was to overlog native forests that were available to them—deliberately and intentionally overlog them—on an unsustainable basis and at the time they made the agreement they knew that after 2018 they were going to have a major reduction in resource. It is not a surprise that they are now saying, "We are going to have a major reduction in resource." That was their decision to do so. They could have taken a lesser volume at the time and maintained it in perpetuity. They could also have tried to maintain the last sawlog resource in perpetuity rather than cutting it out, which is what they are doing now. That was their choice. We were not party to that decision. The regional forest agreements were made between government and the industry; they are the parties who agreed to it. We did not agree to it at the time because the promised reserve system was not delivered and because we did not agree with the intentional overcutting.

The second part of your question was the swapping between national parks. You go into State forests these days and so many of them are so heavily degraded. They are just being trashed, really, from a productive point of view, but also from a wildlife point of view. They are a pale shadow of what a natural forest is meant to be. Natural forests are multi-aged forests. They are meant to have big, large old trees, medium-sized trees and young trees. That is how they operate. There is a movement over time between those small trees, the medium to large trees, and more regrowth occurs. It is a cycle that goes on.

You go into a lot of State forests and they have removed the medium-sized trees and they have reduced the large old trees to just a few remnants, which they are frequently just killing off, and so you have got this degraded forest. It has degraded habitat attributes. They do not provide the resources needed by a vast majority of our native species. There is no direct comparison between it. The reason they want to go in and log those areas is because they want the medium and big sized trees that remain in the national parks. You are not swapping like for like; you are swapping a native forest—sometimes they have been logged but they still have some remnants of the original forest in them—for one that is severely degraded and does not have anywhere near the wildlife attributes

The Hon. CATE FAEHRMANN: We have heard that there are some plantations in the area that have become national parks and why therefore could the foresters not go in and access those plantations that are now national parks. What are your views about the ecological values of those areas, and are they plantations?

Mr PUGH: Are they plantations is the key question. I was on the Plantation Advisory Committee that State Forests set up after the interim assessment process. It probably would have been 1996 to 1997 or 1998 that I was on that committee. That was specifically set up to review whether these were really plantations or not. We went through a whole lot of areas that were claimed as plantations and we just found that a lot of them were not. There was no evidence of planted trees in them. The criterion at that time was that more than 50 per cent of the canopy had to be from planted trees. In a lot of the cases there was no evidence that that was the case. I went out and did an assessment in what was then Whian Whian State Forest with experts, botanists, and we could find that of all the plantations we checked in Whian Whian none of them met the legal definition of plantation that was being used at that time.

Undoubtedly some areas do and did meet that definition of plantations but I come back to this issue that those areas of plantation that were included in national parks—there was a number included as an outcome of the Regional Forest Agreement. I think my count was about 384 hectares. I think they say about 400 in the Regional Forest Agreement. They were assessed post the agreement by Forests NSW and parks services as to whether they were suitable for logging because part of the agreement was they would have to be rehabilitated as the process. None of them were found to be suitable or warranted in economical or volume terms. I also point out that none of that timber in those plantations was counted towards the forest agreement timber commitment. They were taken out of those estimates of sustainable yield and they were assessed as not being suitable for inclusion. I think some more areas were added as part of the International Union for Conservation of Nature [IUCN] decision—I am not sure what the area of those were—but again that timber was accounted for.

The Hon. Dr PETER PHELPS: Do you believe that there is any future for a forest industry on the North Coast of New South Wales?

Mr PUGH: I am really worried they are cutting it out. I am really worried they are overlogging intentionally and not logging on a sustainable basis and I am worried it is happening over private land as well as public land. I am worried they are destroying the future of the native timber industry in this region. I would like to see ecologically sustainable forest management. The key requirements for that are an adequate reserve system and then management of the forest outside that reserve system on a sustainable yield basis. That is not occurring. There should also be protection of environmental values. That includes water, flora, fauna, and that is not occurring either. My real concern is that our future timber industry is being destroyed at this point in time through overlogging and poor management of our public forest estate.

The Hon. Dr PETER PHELPS: Do you believe that you can sustainably log in native forest areas?

Mr PUGH: I believe it is possible to, yes, providing those criteria that I said are met.

The Hon. Dr PETER PHELPS: You disagree with the Clarence Environment Centre that there is no such thing as sustainable logging in native forests?

Mr PUGH: Certainly that is the opinion of a growing number in the environment movement. I think in large part it is a reaction to the gross mismanagement they are seeing occurring. To be honest, I cannot blame them. I go out and I see just terrible logging practices and I think how can I support or justify this by supporting native forest logging? I fully appreciate why they are so concerned and why they are reacting in the way they are. If you had logging on a truly sustainable basis that met all the requirements of ecologically sustainable forest management I doubt you would have the adverse reaction that is now being created throughout the community.

The Hon. Dr PETER PHELPS: How many millers and foresters do you believe should leave the industry to make it sustainable?

Mr PUGH: I do not have the figures. I have raised my concerns—

The Hon. Dr PETER PHELPS: But it would require a closure of firms and a loss of jobs, would it not?

Mr PUGH: It is amazing how well they can adapt really. If they know what the resource is and they can plan for the future and they can work out the technology. There is some adaptation in there. I do not know the answer to your question. There will be some changes, yes, but there will be benefits and the benefits will be increased tourism and increased employment through the tourism industry.

The Hon. Dr PETER PHELPS: Are you aware of any area where tourism has provided a greater net economic input than forestry did previously?

Mr PUGH: Yes. I did a specific study on Whian Whian State Forest before it became a State conservation area. In that area tourism was like 10 times—I have actually got the figures in here if you want me to drag them out but they are in my submission. Tourism far outweighed—by far—the value of logging to the regional economy and to regional employment. As part of the regional forests assessment process, the comprehensive regional assessment, it was also identified that you only need a relatively small increase in tourism to outweigh the economic benefit of logging.

The Hon. Dr PETER PHELPS: How much more native forest on the North Coast do you believe should be reserved to provide the environmental outcomes that you are looking for?

Mr PUGH: As I said, what I want is a comprehensive, adequate and representative reserve system. There is a process you go through to identify that. That is you have got to meet the national reserve targets. Back in 1998 the Government identified you would need over a million hectares of State forest to be reserved to meet that target.

The Hon. Dr PETER PHELPS: Just on the North Coast?

Mr PUGH: In north-east New South Wales. That was what the Government agency identified to meet the national reserve criteria targets. We did our own assessment and we came out with 1.2 million hectares of public land would need to be reserved to better meet those targets. But an amount of that has been reserved since in various forms. I am someone who supports the process. I would like to see a good process done and I would like to see the reserve process completed.

The Hon. Dr PETER PHELPS: How would it be done? We have heard evidence today that there is 840,000 hectares of State forest managed areas and that would presumably include plantations. On top of that you would still need another 400,000 hectares of private native forest to be effectively purchased, would you not, even if you locked up every single hectare of North Coast forest managed by Forests NSW?

Mr PUGH: I do not know whether you need every single hectare. But, quite apart from that, the national forest policy statement was signed and agreed to by the New South Wales Government at the time. I think John Fahey was Premier at that stage. He signed it and he agreed to it. He said in doing that he committed himself and the New South Wales Government to create a comprehensive, adequate and representative reserve system of public lands by 1995 and with any additional areas required from private land by 1998. It does not go into the details of how you achieve that but that was certainly the intent and it still is. The national forest policy statement still applies. That is the intent of that statement. That is, to provide protection for adequately reserved ecosystems and species outside the formal reserve system. Whether you do that by buying it or you do that by appropriate management I am not sure what the intent is there. I do not see it happening at the moment though.

The Hon. Dr PETER PHELPS: To achieve those outcomes then timber workers jobs are just too bad, are they? It is too bad if you have to lock up their only viable sources of timber on the North Coast?

Mr PUGH: Can you tell me why they have agreed to reducing volumes and not logging on a sustainable basis? They are cutting their own jobs by doing that.

The Hon. Dr PETER PHELPS: Because they were told by Forests that they could get those yields at the time, presumably.

Mr PUGH: No, they were not. They were told there was going to be a reduction after 2018. They made the choice to overcut the forest. That was their choice. That was their agreement with the Government; not ours.

The Hon. Dr PETER PHELPS: They chose to keep jobs for their workers in the short term.

Mr PUGH: Rather than the long term.

The Hon. Dr PETER PHELPS: Rather than go out of business.

Mr PUGH: No, they could have kept in business. It would have been a reduced business but they could have kept that business going in the long term.

The Hon. PETER PRIMROSE: If I could refer you to a statement that we received this morning from Lismore council:

> In Council's experience the National Parks and Wildlife Service is under resourced to maintain the land area it currently has under its control and the problem would only be exacerbated if more land were transferred to its control.

Could you comment on that?

Mr PUGH: I spend a lot of time in forests, both in State forests and in national parks on public land. I own properties adjoining public land. I find that from my experience—and my property is up in the northern area close to Lismore and Kyogle shires—the parks service are more proactive managers. They actually do try to control weeds. Since Yabbra National Park was created in 1998 I have been contacted a variety of times by the parks service as a neighbour for feral animal control informing me that they were doing it. They were doing dingo control and cat control and I think they did fox control on one occasion. I have never once been contacted by Forests NSW.

Forests NSW just logged adjacent to my property and it turned it all into lantana and weeds. They are not doing any rehabilitation. I have read their rehabilitation plan: They are not proposing to do anything. By creating disturbance in forests you create the opportunity for weeds to invade the forest. You create increased opportunities for feral animals. My experience with Forests NSW is that they do nothing obvious to me anyway as an adjoining landowner and from my experience of assessing forestry operations to redress the problems they cause. At least if it is in a national park—if it is old growth forest it is naturally resilient. It does not have these problems. But where it has been disturbed previously been forestry, yes, they do have significant problems but at least there are some attempts to redress it. It takes more to fix a forest up than it does to damage it or destroy it, unfortunately, and there are not enough resources to fix up all the degraded forest around there but over time a healing process occurs and they help rectify some of their own problems.

When I bought one of my properties it was heavily logged rainforest. It has come back quite well—I did a bit of weed control—largely on its own accord. You allow an ecosystem the opportunity to recover and it can recover over time. It takes a while but it does happen. It has taken 30 years on my place for my rainforest to at least heal itself to form a canopy again and to get rid of the weed problems that it had. There are never enough resources but Forests NSW do far less than do the parks service in terms of controlling weeds and feral animals from my experience.

The Hon. PETER PRIMROSE: One of the things we have heard repeatedly in relation to national parks is the pejorative expression "locked up". It is as though we have now got this area, it is locked up and there is really no value by locking it up. Accordingly it needs to be either selectively logged or there needs to be grazing or it needs to have a utility. I was wondering if you would comment briefly on the socio-economic impacts of forest reforms, the non-use values as you call them?

Mr PUGH: There are the values that the community holds, that people hold. People like to go and experience natural environments. Some people just like to know that it is protected if they never even go there. We know this with issues such as rainforest wilderness, people do not actually need to experience it; they have a feeling for it and they like to see it protected. I think you need to give weight to what the community want and what their expectations are. All the community attitudes I have seen show that they want things like that protected. I think that is an important aspect you need to consider.

In more economic terms the main value I see of reservation is tourism. Tourism is a big driver of the North Coast economy. There is no doubt that tourists are attracted to national parks above State forests and that national parks provide a better experience for tourists, particularly if you get rid of the weeds and they recover. Tourism is a major economic value of our national parks to the broader community. Also anyone who lives downstream from a forested area, they benefit from the increased water yields that you get as forest matures, as the previous speaker said, or from old growth forests. The stream flows are improved through protecting these areas. That benefits the whole community.

In my case up there, for example, in the study I did at Whian Whian, that is a regional water supply. Protecting that forest had a significant increase in water yields. It takes a long time for water yields to recover after logging, by the way, so over a period of 100 to 200 years they will get back 15 to 20 per cent of the yield from that catchment into that regional dam, which saves millions of dollars in having to create new dams to hold the water. But also where there is not a major water supply, just downstream users benefit from having more water in the streams, particularly in dry periods.

The other clear value is carbon sequestration and storage. Old growth forests have the highest storage of carbon and provide therefore the most benefit to not just New South Wales but the broader community. Quite a significant increase in storage occurs over time. I do not think there is any doubt that protecting forests is in the public interest. Given we now have a price on carbon I would like to see a process where we value the

amount of carbon stored in our native forests and the increase we get through making them into national parks and protecting them over time.

The Hon. SCOT MacDONALD: Thank you for your comprehensive submission. I thought a lot of the other submissions were pretty lightweight but you have had a good go. I want to deal with the economics of it and I have asked other people about this. If we use your figures I come up with National Parks and Wildlife Service costing us roughly $110 a hectare and $235 million a year. I could be a little bit out in those figures. Your suggestion is that 670,000 hectares should be added.

Mr PUGH: You mentioned that before to someone else. I do not think I actually said that. I think we should complete the process of identifying the current reserve system. Where do I say 600,000 should be added?

The Hon. SCOT MacDONALD: On page 35. That is the target under the JANIS system.

Mr PUGH: I do not think I said that.

The Hon. SCOT MacDONALD: Or a shortfall. It is in the last paragraph. Some of that would be private and some of it would be public.

Mr PUGH: I am just saying that if you are going to satisfy the national reserve target that is how many hectares we are short in terms of what should be preserved. I am not saying what we should or should not reserve. I am just saying that that is what the figures show.

The Hon. SCOT MacDONALD: Some sort of goal, some sort of target?

Mr PUGH: If we are going to meet the national reserve criteria target that is how much is left to protect in some form or another.

The Hon. SCOT MacDONALD: I want to go over the economics of it. By my figures—and I will take other people's view of it—that would cost us between another $70 million and $80 million a year in operational costs. Adding that sort of estate would cost around that sort of money. Do you have some ideas about how the State Government could fund that? I have asked other people and they have said, "Raise taxes." Should we take it out of the Health budget or education or roads?

Mr PUGH: Given the immense benefit to the regional community through increased visitation to reserves I would like to see some investment in our reserves to identify additional areas for recreational use, particularly for visitors and international visitors to use, to increase the economic benefits to the broader community. That increases the whole economy and it is a benefit. I mentioned carbon sequestration and storage a moment ago. I would like to see that valued in the process as well. There is also biodiversity and we can have biodiversity banking and all these sorts of things. Biodiversity has intrinsic value to the community as well. I think there are lot of values that creating reserves brings. You get water, carbon storage, tourism and visitation.

The Hon. SCOT MacDONALD: But we as State members of Parliament have to turn our minds to the impact on the State budget and my rough figures—I am happy to be criticised on them—are $70 million to $80 million a year, bottom line.

Mr PUGH: To increase the reserve system?

The Hon. SCOT MacDONALD: And that is an annual operating cost.

Mr PUGH: I doubt that personally, but whatever you think.

The Hon. SCOT MacDONALD: Does the North East Forest Alliance—if you say $50 million—

Mr PUGH: I do not have a figure.

The Hon. SCOT MacDONALD: Do you have a view about how we can or should fund these things in the future? I would be interested to know, as I have asked some other witnesses, whether you think there are models such as private—we have heard about conservation agreements and all sorts of things; have you any views on that?

Mr PUGH: I think there is a need to put greater value on native vegetation and that includes on private land as well as public land. People who manage native vegetation are doing so for the greater benefit of the community. Accounting for carbon storage is one way of doing that. There is also the whole stewardship idea. I would like to see greater support to private landowners and just the public good—

The Hon. SCOT MacDONALD: Vegetation in private hands that is not necessarily high value?

Mr PUGH: Where it is being protected. Sure, high value, but in this region you are dealing with north-east New South Wales. We are one of the world's 35 centres of biodiversity and one of Australia's 15 centres of biodiversity. Most stuff up here is pretty high conservation value. We have really heavy clearing so there is not much good native vegetation left. It is all important up here—most of it is important up here—and should be protected. Yes, I would like to see landowners who are managing native forest for conservation get some support. The public want conservation of public lands as well. Sure there is a cost but there are also benefits.

The Hon. SCOT MacDONALD: You are suggesting there should be more wilderness. I think the figure was a bit over 459,000 hectares.

Mr PUGH: Where are you getting that from?

The Hon. SCOT MacDONALD: It is on page 44. It refers to a tentative list of 459,730.

Mr PUGH: That is World Heritage.

The Hon. SCOT MacDONALD: That is what I am saying.

Mr PUGH: That would be great.

The Hon. SCOT MacDONALD: I want to pick up on one comment you made in your submission that if that could be achieved the Commonwealth would be required to assist in management costs. I think you said that in reaching your agreement you sat around the table. Did the Commonwealth ever say, "Yes, we are a party to that. We think that is a good idea and we will assist with funding", or was it put back to the State Government?

Mr PUGH: The regional forest process was intended to meet State and Commonwealth obligations. That was the whole rationale behind it. The Commonwealth was trying to sign off on its national and international obligations for things such as World Heritage. The process was meant to identify all areas qualifying for World Heritage. That was the Commonwealth signed on to agree to and that is what the scoping agreement said would happen.

The Hon. SCOT MacDONALD: Did it agree to assist with funding?

Mr PUGH: No, that is what happens with World Heritage. The Commonwealth puts in. I do not have the figures but the Commonwealth helped—

The Hon. SCOT MacDONALD: We should give all the national parks to World Heritage and they can fund them.

Mr PUGH: You get increased funding from the Commonwealth for World Heritage. That is the way our system works. You can look at the details. I am not aware of them but I know the Commonwealth helps fund the Gondwana rainforests of Australia. If it is expanded and increased they will help fund it as well. Quite apart from that, the profile of those reserves will be significantly increased. You will get more visitation and more economic benefit to the surrounding community as well. There are lots of areas that should be added to World Heritage that are on State forests or other land tenures but here they are only talking about doing some existing national parks.

The area you quoted is the area of existing national parks that have been put forward by State and Commonwealth governments on the tentative World Heritage list and identified as qualifying. I am saying that it is all good to do so. They are existing national parks. If you support them going on the World Heritage list it

will attract some funding from the Commonwealth and will also improve outcomes for regional communities through increased recognition and increased visitation.

The Hon. RICK COLLESS: Mr Pugh, how would you describe yourself?

Mr PUGH: Conservationist and artist.

The Hon. RICK COLLESS: I have looked at some of your art on your website and I have to say it is very good. I was very impressed with it. In your submission there is quite a long list of references, which I found quite interesting.

Mr PUGH: I have read them all, by the way,

The Hon. RICK COLLESS: Many of them are you own work as well. Has most of the work you have done been for the North East Forest Alliance?

Mr PUGH: Yes.

The Hon. RICK COLLESS: Under what arrangements did you do that work for the Alliance? Were you a volunteer or were you paid?

Mr PUGH: A volunteer. I got paid by State Forests for a while when I helped them set up an advisory committee. The idea was that the different interest groups would get together and advise directly on forest management. I think the only time I have been paid for my forest work, besides being a consultant in court cases, was by Forests NSW to assist them in negotiating the establishment of these advisory committees. The North East Forest Alliance does not pay me and never has. I am a volunteer conservationist and I do it because I really believe we need to look after our natural environment.

The Hon. RICK COLLESS: With regard to those papers you prepared, do you have any qualifications in environmental management or ecology or any other faculty?

Mr PUGH: No, but a lot of experience. You raised this issue with John Edwards earlier. I would like to point out that forests are being logged every day and the people doing the assessment are foresters. They are assessing threatened plants. Their job is to go out before every logging operation and look for threatened plants. Their job is to go there and assess and identify threatened fish and where they occur. Their job is to go there and identify threatened fauna and look for specific fauna features. They have no qualifications in any of that, most of them, and they are doing it every day. If you have problems with lack of qualification you should make sure—it is one of the things I say in my submission—that we have properly qualified people going out and assessing areas before they are logged to identify the features that require protection. That is not happening now.

The Hon. RICK COLLESS: I could not agree with you more. I think that is very important. But it is also important that we have appropriately qualified people across the board in all faculties.

Mr PUGH: Yes, but there is experience as well. You have to understand that when you have been involved in a process like this, which I have been involved in for so long—I have been on numerous committees, I have read numerous papers. As you said, there are a lot in my submission. I have a lot of experience. I have studied this issue extensively. I have been out and done the surveys on the ground. I have immense experience, more so than most people who have qualifications in this field. I feel that I am eminently qualified to say what I do and do what I do because I have had decades of experience. I have been in the forest; I know what the forest is like. I have been on wildlife surveys. I have all that plus I have been in all these bureaucratic processes where you have to read volumes and volumes of information to understand what is going on. I always try to make informed comments where I can. That means I do read the information I am meant to read.

The Hon. RICK COLLESS: Okay.

Mr PUGH: By the way, what is your experience? What is your qualification to be on this Committee and make these decisions?

The Hon. RICK COLLESS: I have a science degree.

Mr PUGH: In what?

The Hon. RICK COLLESS: In agriculture, agronomy and soil science.

Mr PUGH: And that makes you an expert in forestry to be on this Committee and make decisions?

The Hon. RICK COLLESS: No, it does not make me an expert in forestry.

Mr PUGH: So you do not have the expertise to make a decision on this Committee?

The Hon. RICK COLLESS: What it does is make me question the scientific qualifications that people have when they make statements about soil science.

Mr PUGH: But you have no qualifications to sit in judgement on this Committee from what you are saying.

The Hon. RICK COLLESS: That is not quite true given that we are members of Parliament and we do not—

The Hon. PETER PRIMROSE: Point of order: No-one questioned the qualifications of the various PR hacks for the forestry industry who appeared and made various statements. This is a very unproductive way of proceeding. I urge that we move onto something else.

CHAIR: I uphold the point of order. I ask Mr Colless to proceed with other questions. I remind members to be very careful about casting aspersions on anyone, including forestry hacks.

The Hon. RICK COLLESS: I refer to page 69 of your submission where you make the assertion that logging significantly reduces the volume of carbon stored in forests and there is a reference from a Mr Mackey in 2008. Are you aware of a paper that has recently been prepared by the University of New England titled "Greenhouse Gas Balance of Native Forests in New South Wales, Australia"? It is written by Ximenes, George, Cowie, Williams and Kelly.

Mr PUGH: No, I have not read that one, sorry.

The Hon. RICK COLLESS: I suggest you get a copy of that because it is quite an interesting article.

The Hon. CATE FAEHRMANN: It has just come out.

Mr PUGH: I do not claim to read 100 per cent of the literature in any of these areas but I have read a lot over the years and I do the best I can.

CHAIR: Thank you very much for your submission. It is one of the best we have received. It is certainly very detailed and that is what the Committee requires because we have to sift all this material, so a detailed submission is very good. Any submission that makes recommendations is what we are after.

Mr PUGH: I hope you will look at each of my recommendations and consider them on their merits.

CHAIR: We will. We look at everybody's recommendations. Are you happy to take questions on notice and return the answers within 21 days of receipt?

Mr PUGH: Certainly. Provided they are reasonable questions. I do not think all today's questions were reasonable.

CHAIR: I vet all the questions, so they will be reasonable.

(The witness withdrew)

(Luncheon adjournment)

ROB LEADAN DIROM ANDREWS; Northern Zone Hunting Club Inc., sworn and examined:

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

Mr ANDREWS: I have a short opening statement. I am probably the most unsuitable person to do this in the club but, as usual, the secretary tends to get the worst possible jobs. Basically, I am a conservationist. I value the environment. I noticed Councillor Jenny Dowell mentioned Terania Creek. I was there; I was part of it. I was also involved with the preservation of Levers Plateau. I agree that there is always a risk of introduction of exotic pests and animals into any pristine area by anything that goes into it, including people, but things like pigs, goats, foxes and rabbits are far worse than any single hunter. We all agree there is a problem with feral animals and there is not enough money to fix it. There are trained individuals who could help to solve this problem.

Overall, I think conservation hunting has a net ecological positive benefit, and the net economic effects are not as bad as being claimed by previous people before the Committee. I note that there is something called hunting tourism. When I was talking to Councillor Dowell and Councillor Clough on the motion that they put through their council, we obtained information on safety, hunting tourism and also the effect of removing animals from public land. Unfortunately, by the time of the interview, she said that she did not have time to read them, but they passed the motion anyway. I said then, "Will you ever be able to read them?" and she said, "No." I am afraid I terminated the discussion there which, perhaps, could be seen to be a little abrupt, but I really feel that it is difficult for us being portrayed as some sort of yahoo element when we are trained individuals. If we apply to National Parks, for instance, for one of their tenders to control feral animals—and they have just put one out—we suddenly change into professionals. As I said, the club carries out training. We feel we can help solve the problem at minimal cost to the taxpayer, so I cannot see why conservation hunting cannot be on more public land.

The Hon. Dr PETER PHELPS: Mr Andrews, we have heard some concerns about the dangers posed to people by allowing hunting in forests. Do you think you can distinguish between a goat and a bushwalker, for example?

Mr ANDREWS: Yes, of course I can.

The Hon. Dr PETER PHELPS: What about a cow and a bicyclist? There is a pretty clear differential there?

Mr ANDREWS: I would think so.

The Hon. Dr PETER PHELPS: I think so too. The other argument that is raised is that you might miss an overshoot and two kilometres away someone might be hit by a projectile. Presumably, if the projectile could fly two kilometres you would have a line of sight and you would see people and you would not shoot in that instance or, alternatively, if you did not have a line of sight for two kilometres it would be blocked by something that would take the impact of the projectile?

Mr ANDREWS: Absolutely right, and all our training is to do with safety.

The Hon. Dr PETER PHELPS: In fact, your training includes recognition of protected fauna, does it not?

Mr ANDREWS: Yes.

The Hon. Dr PETER PHELPS: One of the requirements is to shoot only when you have positively identified a target.

Mr ANDREWS: Do not shoot at sound, do not shoot at movement.

The Hon. Dr PETER PHELPS: That is right. You also do not shoot over water and you do not shoot at ridge lines either?

Mr ANDREWS: The same principles apply, absolutely right.

The Hon. Dr PETER PHELPS: The arguments that are put forward that hunting is in some way inherently dangerous in the normal course of a responsibly conducted hunt are completely fatuous, are they not?

Mr ANDREWS: I think there is probably a risk in everything, but I would say the risk is minimal.

The Hon. Dr PETER PHELPS: Indeed. For example, if you are bushwalking, you could slip and break a leg.

Mr ANDREWS: Or horseriding.

The Hon. Dr PETER PHELPS: If you are mountain bike riding, you could take a wrong turn and go off the edge of a cliff?

Mr ANDREWS: Absolutely.

The Hon. Dr PETER PHELPS: Everything has its inherent risks, but would it be fair to say that hunting is no more dangerous and because of the training and accreditation required, it may in fact be safer for both participants and for other people in the forest?

Mr ANDREWS: I would say less.

The Hon. Dr PETER PHELPS: Are you aware that hunting takes place in national parks in other countries?

Mr ANDREWS: Yes, I am.

The Hon. Dr PETER PHELPS: For example, hunting takes place in France and in Germany.

Mr ANDREWS: Yes.

The Hon. Dr PETER PHELPS: In Poland.

The Hon. RICK COLLESS: Canada.

The Hon. Dr PETER PHELPS: In Greenland.

Mr ANDREWS: New Zealand.

The Hon. Dr PETER PHELPS: And in the United States, of course, subject to conditional approval from the superintendent by each national park. Mr Colless says Canada; I was not aware of that. It is not as though the request to allow hunters to make reasonable use of national parks is some way outside the standard for equivalent western nations, is it?

Mr ANDREWS: No, it is not. I think Australia seems to think it is somewhat different from every other country.

The Hon. Dr PETER PHELPS: It is dragging the chain on the responsible use of national parks for enjoyment, is it not?

Mr ANDREWS: I would think so, yes.

The Hon. CATE FAEHRMANN: Thank you, Mr Andrews. Assuming you are here advocating for access to national parks, which obviously you are, what particular animals does your hunting club target?

Mr ANDREWS: In particular I would say pigs.

The Hon. CATE FAEHRMANN: How many pigs in a particular day's hunting can you take?

Mr ANDREWS: I do not think there is a bag limit for pigs.

The Hon. CATE FAEHRMANN: I do not mean what you are legally allowed to take. How are your members hunting pigs?

Mr ANDREWS: They are hunting them with dogs, they are hunting them with bows and they are hunting them with firearms.

The Hon. CATE FAEHRMANN: Do you monitor the result of your hunters' activities?

Mr ANDREWS: We monitor the actual trips which have to go in a book, but otherwise the actual score or the bag, or whatever you want to call it, I do not monitor that.

The Hon. CATE FAEHRMANN: How do you know that the people in your club are being effective in controlling pigs?

Mr ANDREWS: My submission, with respect, was done before this national park thing came up.

The Hon. CATE FAEHRMANN: Oh, was it?

Mr ANDREWS: I am pretty sure that is right. It was basically to do with State forests and, after every hunt, a return has to be put in to the Game Council NSW, otherwise you do not go on a hunt again. A return has to be put in. The Game Council would have the figures on the number of animals seen, suspected and also taken.

The Hon. CATE FAEHRMANN: A lot of the information that I have read seems to imply that professional aerial shooting of pigs is one of the most effective ways, as well as trapping.

Mr ANDREWS: It is a very effective method, yes, but helicopter shooting does not really get the wily and hardcore pigs. They can be incredibly clever and you can get pigs who can hear a helicopter coming and you will never see them again.

The Hon. CATE FAEHRMANN: Many of the landholders that I have talked to in regional areas have a problem with pig-dogging. Do you find the poor reputation of pig-dogging is warranted?

Mr ANDREWS: It does have a poor reputation in some areas. We are trying to clean that up. All our pig dogs are microchipped and have their owner's name and address on them. Also, may I say, they are very valuable. Some of them are worth over $5,000 each.

The Hon. CATE FAEHRMANN: The dogs?

Mr ANDREWS: The dogs.

The Hon. CATE FAEHRMANN: On an average pig-dogging trip, how many pigs would the hunters get?

Mr ANDREWS: I am afraid I do not know.

The Hon. CATE FAEHRMANN: Is it one or 20? Genuinely, I do not know.

Mr ANDREWS: I would not have a tally. The last hunt that I heard of, they got only one pig, but it was a huge porker.

The Hon. CATE FAEHRMANN: Do you know how many feral pigs there are in this area?

Mr ANDREWS: I do not think anyone does. They can travel vast distances at night; some people say up to 40 kilometres.

The Hon. CATE FAEHRMANN: One of the feral animal species that we have heard a fair bit about in this inquiry is wild dogs.

Mr ANDREWS: Yes, we have trouble.

The Hon. CATE FAEHRMANN: As you know, they are particularly having an impact on stock.

Mr ANDREWS: Yes.

The Hon. CATE FAEHRMANN: What do your hunters do in relation to wild dogs?

Mr ANDREWS: We have not organised any hunts in State forests specifically for wild dogs. There is a problem around national parks called schedule 2 areas where they could be a protected species. Most of our hunting for feral dogs has been around the Byron Bay, Binna Burra, Mullumbimby areas, and it is mainly small holders who are having stock attacked by feral dogs. I cannot say we have had much success so far, but we certainly have people in the club who specialise in that.

The Hon. CATE FAEHRMANN: Thank you.

The Hon. SCOT MacDONALD: Can you tell me who pays your costs for fuel, food, ammunition, counselling, whatever?

Mr ANDREWS: We do.

The Hon. SCOT MacDONALD: The Government does not subsidise you?

Mr ANDREWS: Nothing, no.

The Hon. SCOT MacDONALD: I wanted to be clear about that. Did you see the article in Saturday's *Sydney Morning Herald* by Bob Debus?

Mr ANDREWS: I am afraid I did not.

The Hon. SCOT MacDONALD: He made the oft repeated claim that shooting by conservationists, or hunting, disperses the animals, was not recognised science and that there is science that it can cause more problems than it solves. Can you give me your thoughts on that?

Mr ANDREWS: I have heard that many times from people who call themselves conservationists. What we really need is an integrated attack on feral animals. As I said before, hunting can target the larger and the more cunning animals that do not eat baits, that do not go into traps but that have the potential to reinfect an area once your helicopter shooting or poisoning campaign has gone through.

The Hon. SCOT MacDONALD: The idea is not just to blunder into a park, which is what has been alleged. Is there a strategy to move into one area for a reason?

Mr ANDREWS: That would have to be between the Game Council and the National Parks and Wildlife Service. No doubt they would organise something and probably designate an area which could perhaps be closed.

The Hon. SCOT MacDONALD: In the State forest you do not just open a gate and go for a wander?

Mr ANDREWS: Well, as long as you close it again, yes.

The Hon. SCOT MacDONALD: But there is a methodology?

Mr ANDREWS: No, I would say in the club, generally, we would tend to do reconnaissance trips to various State forests and, depending on the sign that we see—the tracks of the animals, wallows and stuff like that—we would report back to the club and we might get a group of people going out there.

The Hon. SCOT MacDONALD: In your view are you dispersing them when you do that sort of thing? The implication is that you are going out there with guns blazing, spotlights and dogs—

Mr ANDREWS: We are not allowed spotlights.

The Hon. SCOT MacDONALD: —and dispersing the feral animal mob, so to speak, so they are harder for the professional hunters or other people to get later on.

Mr ANDREWS: I do not think so, no. I have heard this from quite a few people on the other side. A lot of the feral animals are a lot cleverer than some people. They tend to understand humans probably more than people can realise. For instance, we have had a case recently where a feral dog came right up to the farmhouse and started fighting with the house dog, a little Maltese terrier. It was only repulsed by the lady of the house with a broom. Particularly feral dogs are getting very, very tame and used to humans.

The Hon. SCOT MacDONALD: You have actually got a bit of a history of some real conservation. Was that at Lake Pedder?

Mr ANDREWS: No, I never went to Lake Pedder but I supported Lake Pedder.

The Hon. SCOT MacDONALD: And the Border Ranges conservation and that sort of thing?

Mr ANDREWS: Definitely.

The Hon. SCOT MacDONALD: Within the hunting community do you have a diversity of views about conservation or is yours typical?

Mr ANDREWS: We think we are the genuine conservationists. We care deeply about the environment. If we can take a few feral animals out I really cannot see the problem. I think it can be a benefit for everyone.

The Hon. PETER PRIMROSE: Can you give us some idea of what percentage you expect of your members will use bows in national parks as opposed to rifles?

Mr ANDREWS: No, I cannot but bows are particularly useful in some areas. I am not a bow hunter myself.

The Hon. PETER PRIMROSE: What percentage of members of your club are, would you expect?

Mr ANDREWS: I would say it is pretty low, probably around about 10 per cent. But then a lot of people use bows and firearms and dogs but I would have to get back to you on that if you wanted to know precisely.

The Hon. PETER PRIMROSE: I was wondering if you might. I would be interested in that.

Mr ANDREWS: I can do that.

The Hon. PETER PRIMROSE: What other actions would you recommend that would reduce the number of feral animals as well as weeds in national parks that this Committee should be recommending?

Mr ANDREWS: I think probably the better funding of the Livestock Health and Pest Authority [LHPA] and the National Parks and Wildlife Service and also State forests. From what I can see even just around Lismore the lock it up and leave it type of thing is basically there because they do not have the resources to look after it properly. Having had contact with them over the years, and particularly in the last two or three years, I know that does hurt a lot of them. They really do feel that they could do more if they were given more resources.

The Hon. PETER PRIMROSE: The announced cuts to forests and national parks particularly that have been announced by the State Government, how will that affect your role in national parks under the new legislation?

Mr ANDREWS: I really do not know I am afraid. I do not know what the cuts are. Whether it is to field staff, in which case it probably might, or whether it is to administration. There are so much occupational health and safety things these days that they seem to be tied up a lot of the time. Even for just an ordinary forest burn, one ranger was telling me that it tied him up for four days just doing the paperwork.

The Hon. PETER PRIMROSE: I note in your submission item 2. I was wondering if you could elaborate on 2.2. You express concern in your letter about the secrecy surrounding the calling of tenders. Could you elaborate on that?

Mr ANDREWS: Yes. I was rather disappointed in my reception at the Regional Advisory Committee I was on that there was actually a tender going on for feral animal control while I was on the committee and yet no-one actually told me that it was on. You could argue that I should read the *Government Gazette* and I do not. I thought as I was on the committee as having experience in feral animal control that perhaps it should have been mentioned because certainly some people in our club would be interested. I found out later that two of the Sporting Shooters Association Northern Rivers branch members actually tendered for it.

The Hon. RICK COLLESS: Previous witnesses to this inquiry have made the comment that hunting in national parks will result in native fauna being shot. Are you aware of any of your members that have shot native animals on State forest land?

Mr ANDREWS: No. It is completely illegal.

The Hon. RICK COLLESS: Why would people have this view that allowing hunting in national parks is going to result in native animals being shot?

Mr ANDREWS: I think it is actually a scare tactic and it is very emotional. The funny thing is I do not think many of the coastal parks will ever have conservation hunting, recreational hunting, in them. It will mainly be out west. As the money is pretty scarce and most of the income comes from the coastal parks I think you will find that the western parks will tend to get neglected in the future.

The Hon. RICK COLLESS: Following on from Dr Phelps's question earlier about line of sight and so on, what training does any person have to go through now in order to obtain a firearms licence?

The Hon. Dr PETER PHELPS: I think it is a hunting licence.

The Hon. RICK COLLESS: You have got to do a certain amount of training just to get a firearms licence of any category. That is what I am interested in.

Mr ANDREWS: I am actually a police licence tester and I also do R-licences. The police licence testing that we do is the firearms registry recommended one. The sporting shooters have their own and I think the gun dealers have a touch screen one. We actually have hands on, not on a range, but I have got permission to actually have them hands on. It is a multiple choice—no, it is not a multiple choice. It is an instructor's procedure that he goes through. The R-licence is a multiple choice question depending on what you are doing. Then of course with that compliance certificate he has to initially contact the firearms registry who check him through the computer and then issue him with an application. I used to do the application myself but now they do them. They give him a number, he does the test, he fills it in with a genuine reason and a specific need for the firearm which he has to give a reason for. Then the police will take about three weeks to perhaps a month to make sure that he is bona fide.

The Hon. RICK COLLESS: Does the testing or the training that they have to do involve weapons handling training, safety of weapons and those sorts of things as well?

Mr ANDREWS: The one that we do is a hands-on test with dummy ammunition. The sporting shooters might do a completely different test. But even if you have not got a firearms licence at the moment you can actually take the R-licence. But of course you will not get the R-licence until you have—

The Hon. RICK COLLESS: A firearms licence.

Mr ANDREWS: If you are a bow hunter or you are using dogs at the moment there is no requirement for a police licence.

The Hon. RICK COLLESS: Before you can become accredited to shoot in State forests under the current arrangements what process do you have to go through to gain that accreditation?

Mr ANDREWS: When people phone me up I just ask them what sort of stage they are at. If they do not have a firearms licence I suggest that perhaps they should get one but at the same time take the R-licence. I am sorry, what was the question again?

The Hon. RICK COLLESS: What sort of accreditation do you need in order to shoot in State forests?

Mr ANDREWS: They have to get the *Hunter Education Handbook* and read up the specific skill. This goes into ethics, safety, tracking and I believe it is probably the best in the world. It is certainly world's best practice. It is a really good handbook. I try to get everyone to read it all, even if they are not going to be bow hunters or whatever, to give them a really good idea of what is going on.

CHAIR: You mentioned that you attended the Lismore council meeting to put a position to them before they took their vote. You may not be able to provide it here but perhaps you could provide it on notice. Could you give us a list of what type of documentation or evidence or references or research you gave to the council?

Mr ANDREWS: Certainly. I also sent them an email and it had PDF files on it. I can get the details for you though.

CHAIR: The secretariat will write to you and ask you this question directly. I want to put a question on notice to the council and that information may be helpful.

Mr ANDREWS: No problem at all.

The Hon. Dr PETER PHELPS: Presumably you have been hunting in State forests. How would you rate from an amateur or lay perspective the condition of the State forests that you have been through? Would you say they looked healthy to you or unhealthy?

Mr ANDREWS: I would say generally they are pretty well managed except some of the roads and the firebreaks could be improved upon. Often if we are actually travelling on them we do some work on them just to get the vehicle through.

The Hon. Dr PETER PHELPS: Have you or your club members seen evidence that feral animals are transiting to and from national parks estate?

Mr ANDREWS: That is a very difficult question. I went hunting in something called Bungawalbin State Forest, which is a very small one. It is right next to a national park.

The Hon. Dr PETER PHELPS: That is what I am looking at, the conjoined areas.

Mr ANDREWS: I think I understood. I was walking down a road with my GPS and rifle. One side of the road was national park; one side was State forest. If a pig came out of the left-hand side of the national park and went into the State forest I could shoot it. If it came out from the other way and I shot it I would go to jail.

CHAIR: Mr Andrews, thank you very much for agreeing to come to see us. Your information is valuable. If the Committee has any questions they would like to send you on notice you are happy to receive those?

Mr ANDREWS: Absolutely, yes.

CHAIR: Normally we ask for any answers to be returned within 21 days. Once again, thank you for coming.

(The witness withdrew)

CRAIG KLINGNER, President, New South Wales Apiarists Association, and

BILLY WEISS, Former President, New South Wales Apiarists Association, sworn and examined:

CHAIR: Would either of you like to make an opening statement?

Mr KLINGNER: NSW Apiarists Association represents its members at all levels of government and is the primary link between industry and government in New South Wales. There are currently 3,000 registered beekeepers in New South Wales managing approximately 200,000 hives. New South Wales is a significant stakeholder and represents 40 to 45 per cent of the total beekeeping industry in Australia. The use of national parks by beekeepers is not just for honey production. A vital role of honey bees is in the pollination of fruit, vegetable and pasture crops. National parks are used to build up bee populations as a safe harbour for bees before and after pollination contracts.

The estimated gross value of honey and bee products was said to be $80 million during the 2008-09 season whereas the estimated contribution of honeybees to the Australian economy through pollination activity is estimated to be $1.7 billion. It is because of these reasons that the continued use of access to national parks by beekeepers is essential to securing Australia's food security. The industry needs to recover sites lost over time. There is an increasing concern by industry with the developing changes to structure of both State forests and Livestock Health and Pest Authorities [LHPAs]. The beekeeping industry requires formal recognition of use of all public lands at a fair price.

The Hon. CATE FAEHRMANN: Can you expand on your statement about the changing structure of State forests and LHPAs. Can you tell the Committee what those changes are and how they will affect you?

Mr KLINGNER: At the moment State forests are undergoing a change to the State-owned corporation. There are a lot of issues regarding tenure of sites and the price of sites. The LHPAs announced yesterday that the State Government is looking at moulding LHPAs, Crown lands and all that sort of thing into a super group. There are a lot of questions about whether we will be left behind, whether the price of sites will increase and whether there will be a loss of services from the LHPAs.

Mr WEISS: The corporatisation of forestry could easily leave us right out of the equation because there is no legislation to say that bee sites should be included. We desperately need more formal recognition of being a legitimate user of Crown lands. I think we can justify that by the fact that the first colony almost collapsed because it did not have pollination by bees. There is history to show that we need them for our survival. Anybody who denies that is living in a fool's paradise.

The Hon. CATE FAEHRMANN: I do not know which type of forest is better for beekeeping but are the types of ecosystems you might find in national parks, with trees of different ages and some having big canopies, different from State forests? Is it better? We have seen some heavily logged areas of State forest around here and that probably is not great for you and you would have to move on. Generally are national parks different from State forests in terms of access and flowering plants?

Mr KLINGNER: They are certainly different with regard to stands of trees. The nature of State forest is that it has been logged over the last hundred years and in recent times they have been hammered pretty hard. In national parks there are some pretty big and reliable stands of trees. The difference in ecology from one boundary to another would be negligible but the age of tree is important because the old trees produce more honey than younger trees.

The Hon. CATE FAEHRMANN: What is the process for you to access State forests and national parks in the region? In your submission you say that with transitions you need to have had existing access to lands that are converted to national park. What about existing national parks and existing State forests? What is the process to get access?

Mr KLINGNER: With national parks currently, if a site falls vacant because a beekeeper has let the site go the site is put into a ballot and the beekeepers can pick it up via that ballot. With State forest it is first in best dressed. If there is a list of sites, beekeepers pick them up and drop them as need be.

The Hon. CATE FAEHRMANN: I refer to your concerns about national parks. I notice you say you have a good relationship with National Parks because you have had an agreement with them. Your final paragraphs suggest you would appreciate the opportunity to work with National Parks or other relevant departments to develop relevant up-to-date policies. Are you suggesting there has been a change in your access to national parks or that you are worried it will change?

Mr KLINGNER: When State forests or private land or any public land changes to national park just because there is not a registered bee site on that land does not mean it has not been used in the past or that it is not a valuable resource. The beekeeping policy states that there must be a registered bee site for the parks to recognise it in the transition and the owner of the site can then continue to use that site. We have a problem in Australia that the industry is very much nomadic. We do not go to every place every year. It might be 5, 10, 15 or 20 years before we return to a place. It all depends on the rain and the seasons. There are a lot of different variants. When some land goes into national park, just because there is not a bee site does not mean it is not a valuable resource that can be used in the future. When it goes into a national park there is nothing to say that bee sites can be picked up.

The Hon. RICK COLLESS: Following up the arrangements for access to national parks, if your business has a series of bee sites in national parks can they be transferred on the death of the current owner or the sale of the business?

Mr KLINGNER: Yes.

The Hon. RICK COLLESS: But no new bee sites can be allocated. Is that correct?

Mr KLINGNER: That is correct.

The Hon. RICK COLLESS: If there are historical sites do they go deep into the national park? Are they in the middle of the park rather than around the edges?

Mr KLINGNER: Generally speaking, no. Most sites have been retracted to main roads.

The Hon. RICK COLLESS: Is that for access to beekeepers as individuals or are National Parks trying to keep you out of the deeper part of the forest?

Mr KLINGNER: Generally speaking, National Parks try to remove you from a site that is way out the back down a little forest road and get you to the front where there is more access. For some reason they do not like you to have a site at the back. Generally speaking the sites out the back are better sites because you are well away from anyone.

Mr WEISS: As everybody would be aware, National Parks' policy is to shut down a lot of minor roads because of maintenance problems and to leave areas that in their eyes are more highly conserved. When they move those sites from the hinterland to the main road they squeeze the sites closer together and quite heavily overstock some of those regions along the main roads, which is not good for the environment and not good for beekeepers and it is really not good for anything. I think the majority of those secondary roads should be maintained even if it is just for the fire danger.

The Hon. RICK COLLESS: Is there a philosophy in National Parks that they would rather bee sites were not in the national parks?

Mr WEISS: I guess some people within the national parks system would believe that. We have noticed in the last two or three years that opposition to bees in national parks has diminished. Whether that is because oil and gas has taken precedence as an issue or because of an effort to reconcile themselves with the need for bees in our society I do not know.

The Hon. RICK COLLESS: When there is a conversion from State forest to national park what is the process that the parks people go through in order to reallocate your bee sites? I think you said they tend to put them closer together and overstock the hinterland areas. How do they go about that? If you have 10 sites in a particular forest do they agree to give you 10 sites somewhere or are they the same sites you have always had?

Mr WEISS: Initially on the changeover they generally recognise the sites as they were and then through the management process over the next year or two, if the process is to move sites out of some areas because they are not maintaining roads, they will try to reallocate a site that you are agreeable to. They are quite good to get on with; it is not as though they are a dictatorship in that respect. We work well with them, but the whole policy is running against us in the long term.

The Hon. RICK COLLESS: When you are establishing sites within any forested area, not national parks per se, what sort of spacing and distribution do you work on so they do not overlap too much?

Mr KLINGNER: Generally speaking it is a kilometre to a kilometre and a half. Different forests have different arrangements. Pilliga scrub, for example, was a square kilometre and you could put a bee site anywhere within that. In Queensland it is different again, it is a mile and they have a system of dots.

The Hon. RICK COLLESS: How far do bees travel in order to access nectar?

Mr KLINGNER: Two to three kilometres.

The Hon. RICK COLLESS: Are you aware of any damage they do to native flora and fauna if they are appropriately spaced?

Mr KLINGNER: No, none whatsoever.

Mr WEISS: There have been quite a few surveys and scientific experiments done. None of them has actually proved bees have caused any damage to the environment or to flora.

The Hon. PETER PRIMROSE: I admit to not fully understanding the actual process. You have spoken about moving from location to location. I want to focus on two issues. One you have raised already relates to road access in national parks and the possible effects, and you have covered that. The only concern I have heard during this inquiry relates to the answer you gave to Mr Colless's last question, which is that there is somehow competition in national parks between bees and other creatures in the forest who seek access to the nectar. You have mentioned that you have seen some scientific studies. This issue has been raised a number of times. Can you elaborate on whether you believe there is some sort of contest between bees and birds in particular and animals, and what sort of scientific advice can you point us to that would help us understand and evaluate that?

Mr WEISS: There were a couple of scientific surveys done, one by Caroline Gross, which was discredited in the finish because of the methodology that she used. There was one done in the banksia country in the desert in South Australia by a man called Paton who formed the opinion as a result of his experiments that it was neither detrimental nor beneficial. It was pretty neutral so far as any effects on the native flora and fauna. The other thing I would like to say is that beekeepers really only go into areas where there is profuse flowering, where there is ample nectar and pollen available. An indication of that is where flying foxes occur in native flowerings. We will be there before the flying foxes arrive and they will come in and they only come in because they can get a big feed. I am pretty sure we do not cause any hassles. We probably invite them in because the scout flying foxes home in on the aromas of a night and find that they have found a nectar flow.

The Hon. PETER PRIMROSE: Following on from that point, if there is any scientific research, could you take that question on notice and send us details of that research?

Mr WEISS: I will certainly try.

The Hon. PETER PRIMROSE: In your discussions with the National Parks and Wildlife Service, has it raised a concern with you about the contestation between bees and other animals? What has it said about that as an issue, or are there concerns related to roads and other types of internal access?

Mr WEISS: Any discussion like you have just mentioned in the earlier part of your question is probably done at a higher level than to conservation groups rather than beekeepers and the people on the ground in national parks. Probably our main concerns are access in the sense of roadworks, et cetera, but they are really all set in place by their plans of management. You have to start very early with negotiations to try to have any influence on that.

The Hon. Dr PETER PHELPS: Can you explain to me what you do on the ground in a national park or a national forest? You drive in, you have a site. What do you do then?

Mr KLINGNER: Basically put a small lot of bees in a very small area, 20 metres square, for example, and those bees just sit there and tick away.

The Hon. Dr PETER PHELPS: Do they require an open area of ground, or can it be forested?

Mr KLINGNER: Open is better. Fire is a huge issue.

The Hon. Dr PETER PHELPS: How long would you and your bees remain there?

Mr KLINGNER: It could be as little as two or three weeks, or it could be up to two months. It all depends on the flower species you are working and the season.

The Hon. Dr PETER PHELPS: You would go along and recover your boxes, and then—

Mr KLINGNER: Pick up the bees late in the afternoon and shift them to the next place.

The Hon. Dr PETER PHELPS: The actual time you spend on the ground as a human there is how long—a couple of hours?

Mr KLINGNER: It might take an hour to put the bees down and another hour, for example, to pick them up a month or two months down the track and then if you are working honey flow, you might be there for an hour to two hours every week.

The Hon. Dr PETER PHELPS: Your actual impact would be less than a bushwalker who decides to pitch a tent for the night?

Mr KLINGNER: Absolutely.

The Hon. Dr PETER PHELPS: In relation to sites in national parks, are there instances where conversion to national parks has taken place and sites have been lost for good, if you like, not replaced or replaced with substandard sites?

Mr KLINGNER: Yes. As I was trying to explain before, every time a national park gets taken up, just because there is not a registered site does not mean that those areas have not been used in the past.

The Hon. Dr PETER PHELPS: You could nominally be given sites to compensate for your original sites, but those sites would not be of the same standard as your original sites. Is it a fait accompli? Are you told to take it or leave it, or can you negotiate the new sites with National Parks?

Mr KLINGNER: I am not quite sure what you mean by—

The Hon. Dr PETER PHELPS: Say you have lost two or three sites deep in the forest. National Parks said, "We will compensate you with two or three other sites." Do you get to negotiate with them where those sites should be, or are you simply told, "These will be the new sites?"

Mr KLINGNER: Most of the time they will try to move you to a different area, but with the same species that the beekeeper is happy with. Sometimes there are cases when that is not physically possible. In that case, sometimes sites are just lost; otherwise they will move you to another area on a different species, which is not always satisfactory.

The Hon. Dr PETER PHELPS: Is any negotiation possible with you in that instance if you are being forced to move from a good site to a substandard site? Can you say to them, "This is really bad but there is another site over here which we would like to have." Can you do that?

Mr KLINGNER: Everyone tries to work together so, yes, that happens.

The Hon. Dr PETER PHELPS: Under the current arrangements, you cannot get more sites in national parks; you can only get replacement sites. Is that correct?

Mr KLINGNER: Yes, there is no avenue for the opening up of any—

The Hon. Dr PETER PHELPS: At the moment.

Mr KLINGNER: At the moment.

The Hon. Dr PETER PHELPS: If there were to be an avenue, could you identify sites within parks which would produce better outcomes for your industry?

Mr KLINGNER: Yes, a lot of sites.

Mr WEISS: And better outcomes for fire danger, too.

The Hon. Dr PETER PHELPS: Explain to me why—

Mr WEISS: The roads that would be necessary to reopen for bees' access would be very much a good fire trail.

The Hon. Dr PETER PHELPS: You deal with them as fire trails as well?

Mr WEISS: As an aside to all that we have to make the bee site clearing fireproof. In Queensland it has been heralded as a safety haven for bush fire fighters. It is somewhere for them to bring in their trucks, turn them around and let other trucks go past on the road because a lot of forestry roads are very narrow. They love them there because they said they are safe havens in a fire.

The Hon. Dr PETER PHELPS: How big an area do you need clear for a site?

Mr WEISS: About 20 metres by 40 metres.

The Hon. Dr PETER PHELPS: Do you think that would result in the loss of conservation values, heritage values, environmental values, biodiversity by clearing an area that size?

Mr WEISS: Not one bit—minimal, very minimal.

The Hon. SCOT MacDONALD: You want to work with National Parks and Wildlife Service to develop relevant and up-to-date policy. You are a former president. Did you meet as a peak body once a year or twice a year to try to thrash this out?

Mr WEISS: We did have meetings twice a year called the Bee Industry Consultative Committee meeting [BICC]. They wore down to the point that we were meeting only with ordinary office staff rather than people who were in management level.

The Hon. SCOT MacDONALD: Policy?

Mr WEISS: Yes. It melted down to nothing. I think that meeting has just about dissolved now. It would be great to be able to get that functioning again because it is necessary, and for us to be able to discuss issues at that management level.

The Hon. SCOT MacDONALD: It was productive when you were meeting at a senior level?

Mr WEISS: Yes, it was very productive.

The Hon. SCOT MacDONALD: Do you know why it was downgraded?

Mr WEISS: Because of the personnel who were allocated to attend those meetings, mainly.

The Hon. SCOT MacDONALD: They did not take it seriously?

Mr WEISS: No, and they kept downgrading the level of those people who came from the local office rather than from Sydney or head office.

The Hon. SCOT MacDONALD: Carrying on from what the Hon. Dr Peter Phelps was asking, are there protocols for your vehicle now when you go onto sheep or cattle property? You have quarantine and all those sorts of things. Are you meant to have vehicle washdowns or anything like that?

Mr WEISS: We certainly take care as to where we have been before and how our vehicles are presented when they attend a property. We certainly make sure we do not carry weeds and things like that.

The Hon. SCOT MacDONALD: So just an inspection?

Mr WEISS: No, quite often it would be a washdown prior to leaving home.

The Hon. Dr PETER PHELPS: Do you pay for your sites or do you lease the sites?

Mr KLINGNER: Yes.

The Hon. Dr PETER PHELPS: Is there a variation in price between the various government agencies?

Mr KLINGNER: No, it is pretty much within $5 to $10, around the $80 to $90 mark.

The Hon. Dr PETER PHELPS: What about for private land? Do you just come to an agreement with the local landholder?

Mr KLINGNER: Yes. Generally speaking, it is a bucket or two of honey.

The Hon. Dr PETER PHELPS: Sweet deal.

Mr WEISS: Generally we try to have the amount of honey given of similar value to the forest or national parks site.

The Hon. Dr PETER PHELPS: The kids would be happy to see you.

CHAIR: I will demonstrate my ignorance here. I have attended one of your annual general meetings.

Mr WEISS: Yes, you did. Thank you for doing that.

CHAIR: Do most beekeepers treat or process their own honey, or do they sell it to processors?

Mr WEISS: We process it to start with in the sense of extracting it out of the combs.

CHAIR: Centrifuge?

Mr WEISS: Yes. The further processing and bottling usually is done at a processor.

CHAIR: In the industry, do the on-sellers or the wholesalers set the market as to what types of honey they require at different times of the year or for different markets, and do they then work with you to see whether you can try to find that honey, or is the honey that we get in the supermarkets just whatever can be found from whatever land you have available to you? Do you deliberately go and—

Mr KLINGNER: Do we target our species?

CHAIR: Are you a yellow box man?

Mr WEISS: We certainly target flows that we prefer or that sell better, if we can get them to yield for us, of course; we are still dealing with nature so we do not have all the say. Usually we produce what honey we can and then that is sold on to the processors, and they buy it pretty well as it comes to them. They may keep

some back, if it is yellow box. If they are packing a floral source, they will keep some of the yellow box that they get in a good year and try to farm that out over the year or over two years so they can sell a floral source. Other than that, the rest of us probably blend it.

CHAIR: Do the number of sites within your own area or contract need to be large enough so weather events and/or market changes allow you to go and pick up your bees and shift them, or do you just stick with the same areas year after year in a small area?

Mr WEISS: No.

CHAIR: How widely do you move?

Mr WEISS: Up to 1,000 kilometres.

Mr KLINGNER: Plus—1,500 kilometres.

Mr WEISS: It depends on the year and the season. We would use some sites only once in 20 years and others we would use every second year. There is a whole range of sites required to run a load of bees.

Mr KLINGNER: So many variables.

CHAIR: At one stage the industry was providing an export market to the United States where they lost all their bees. Do you still do that?

Mr WEISS: As a package bee. No, that has been banned with the Asian bee that has been found in north Queensland. We would like that to be continuing but it has been banned at this stage.

CHAIR: Is the Asian bee likely to be detrimental to your industry?

Mr KLINGNER: Yes, absolutely.

Mr WEISS: Very much so.

CHAIR: What sort of biosecurity activities take place in New South Wales in relation to protecting your industry or protecting your bees to ensure we do not get Asian bees or African bees?

Mr KLINGNER: There is a lot of port surveillance.

CHAIR: Do they do field inspections? Excuse my ignorance, but would your hives, for example, be infested by an Asian bee or would an Asian bee come and live in the wild?

Mr KLINGNER: Not yet because they are still contained up there, but the potential is there, absolutely.

CHAIR: Surveillance of your hives is not really necessary at this point in time?

Mr KLINGNER: For the Asian bee?

CHAIR: For anything?

Mr KLINGNER: Absolutely. No, we are constantly looking for everything, yes.

CHAIR: Including varroa or—

Mr KLINGNER: Varroa is the mite which can potentially be carried by the Asian bee.

CHAIR: Is there a risk to your hives in any type of country? If you have to put your hives into a certain type of country, are there endemic risks in those areas? For instance, in far western New South Wales you have bore mites; in wet areas of rainforests you have problems with fungus.

Mr WEISS: Yes, there is a tendency towards those problems. If we come over to the eastern side of the ranges, the small hive beetle becomes a bigger problem.

CHAIR: What was that?

Mr WEISS: A pest called the small hive beetle came out of Africa about 12 or 13 years ago. It has become quite an expensive pest. In the western areas, when it gets dry, black ants will take hives out. There are pests in certain regions, yes.

The Hon. Dr PETER PHELPS: One final question: Is there such a thing as a feral European honeybee? Do they go feral?

Mr WEISS: Just the same as pigs and wild horses and everything else has, the feral bee has as well.

The Hon. Dr PETER PHELPS: Is it much of a problem?

Mr WEISS: Not really to us it is not. I think as time goes on they will become less of a problem because the hive beetles are having quite a big impact on the feral bee population, especially in the moister climates. I think if we ever get varroa in Australia that will wipe out the feral population.

CHAIR: We are out of time. Thank you very much for coming to see us. You have given us some important things to consider and some recommendations, which are good. If any of the Committee members have any questions they would like to put to you on notice is that all right with you?

Mr KLINGNER: Absolutely.

CHAIR: We normally ask for 21 days for the return of answers to questions. Thank you.

(The witnesses withdrew)

ELISE CHRISTINE FITTLER, Landholder, Gloray Pastoral Company, and

STEVE PATRICK FITTLER, Landholder, Gloray Pastoral Company, sworn and examined:

CHAIR: Are you appearing as individuals or representing an organisation?

Mrs FITTLER: As individuals but Gloray Pastoral Company is our company.

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

Mrs FITTLER: I will do the statement. We would like to thank you for the opportunity to give evidence at this inquiry. We live 40 kilometres north-west of Guyra on our grazing property, Karaola. Our property has a common boundary of approximately 12 kilometres with the Single National Park. On 12 December 2001 our neighbour and ourselves issued a verbal warning at a public meeting at Wandsworth Hall to the National Parks and Wildlife Service [NPWS] that there was a huge fire fuel build-up in Single National Park. The NPWS ranger said that fire control was too complex an issue but he would follow up on this. Nothing eventuated. This could be checked in the minutes.

On 3 November 2002 a small fire, which developed into a wildfire, started in Single National Park. The fire damaged approximately 12 kilometres of the boundary fence between us. The fire was unattended on our side of the fire front by NPWS and the Rural Fire Service [RFS] in its early stages. The fire trails in the park were narrow and not cleared properly. Firefighters were unable to access the fire in the park due to non-compliance to occupational health and safety regulations and there was no fire plan in place at the time. We believe that NPWS did not take all possible steps to extinguish the fire in its early stages. We refer to the Rural Fire Service Act 1997 section 44, which we have enclosed with the photos.

After the fire we were promised by Minister Bob Debus 50 per cent of the total replacement cost of the fence, including the removal of any trees likely to fall on the new fence. We include a copy of page 2 of Mr Debus's letter. We accepted this offer on 10 May 2004; however, NPWS have ignored this promise, assuming that the supply of fencing materials equates to 50 per cent. Our estimate is that fencing materials in this case only equates to 20 per cent. We are prepared to clear on our side of the fence. If they would clear on their side of the fence and supply the materials as promised by the Minister this would give us a firebreak, fence protection and a safe workplace for fence erection and ongoing maintenance. This would fulfil their 50 per cent responsibility.

Please note the photos showing the NPWS trees that are right hard up against the fence. Photo 1 shows the entrance to the Single National Park northern side from our property through their gate taken after the fire. Photo 2 shows the damage to the fencing. Photo 3 is approximately two years after the fire and shows the extent of the trees adjacent to our boundary fence line. In photo 4 for approximately six kilometres we had cleared a six metre buffer against our boundary previous to the fire. Note how the trees from the national park grow towards the light filling the gap, thus creating the potential for the trees to fall on the fence and into the workplace area, also bridging our firebreak. We believe NPWS should be responsible for full replacement for approximately six kilometres of the fence according to the Rural Fires Act 1997 section 76 enclosed with the photos.

NPWS have threatened to impound our stock if found in the park. We have had to reduce our stocking numbers in the paddocks affected by the destroyed fencing next to the park, which involves 200 cows that have been on agistment for approximately 10 years at $50,000 per year. Because there has been no resolution for 10 years we have had major problems with feral pigs and goats coming out of the park and a huge fire fuel build-up in our paddocks next to the park. The new fencing also needs to contain the feral animals involved.

To come to an agreement we need NPWS to honour Mr Debus's commitment. If this is not possible we would be happy to supply the fencing materials and NPWS erect and maintain the fence. The responsibility of workplace health and safety would then be the NPWS instead of us. NPWS have a fencing policy, not an agreement as they call it because the neighbour has to sign it with no input from the neighbour accepted. In our opinion their fencing policy does not comply with current workplace health and safety laws.

Private and public land should be able to complement each other if the policies are updated. We feel that neighbours adjacent to public land should be involved in the policymaking. For example, the Canobolas

bushfire management model if implemented would reduce the overall impact of bushfires in Single National Park and adjoining lands. Both Dr Tony Fleming and Commissioner Koperberg supported this model at a meeting between RFS and the Volunteer Fire Fighters Association [VFFA] at a meeting on 29 November 2006. We are wanting to come to an agreement. A long-term resolution is needed. We do not want the new fence destroyed in the next fire. Implementing Mr Debus's commitment also protects the park from fires coming from adjoining land. Between us we can maintain the environmental integrity of the Single National Park. Thank you.

CHAIR: How large is your property?

Mr FITTLER: It is 4,500 acres.

CHAIR: And how big is the national park?

Mr FITTLER: About 6,000 just roughly. I am not sure on that.

CHAIR: Your evidence is almost identical to a submission that was made by another landholder at Baradine or somewhere like that. It appears as though this may be a question not just of non-localised intransigence but perhaps policy within the National Parks and Wildlife Service.

Mr FITTLER: Definitely.

CHAIR: Your recommendation is that that policy be fixed. Is that right?

Mr FITTLER: Exactly.

CHAIR: Apart from your own immediate problems.

Mr FITTLER: We are running two separate businesses and we have got a dividing fence. We have got two different policies. The Crown is not bound by the same policies that we are bound by so we have got conflicting interests right from the start. We want to get along with the national park but we are trying to keep feral animals out. If we build a new fence and the trees fall on the fence it is a waste of time having the fence. And we need fire protection. We need a place to fight the fire too, like a cleared area around the perimeter of the park. In the last situation they let the fire come out of the park onto private land. They could not go in and fight the fire where it needed to be fought in the early stages.

CHAIR: Over what period of time did that fire develop?

Mr FITTLER: That is a good one. A guy rang us up from national parks I think it was on Sunday the 3rd and said there was a fire in the park. I actually had a business in Armidale at the time so I had to go in and sort things out. We came up and had a look. It was at night. I am not sure whether it was that night or early the next morning but there was no-one at the fire on our side. It was trickling through the scrub probably that high. A few guys with corn bags could have put it out, but it was let go until the next day.

CHAIR: And it got bigger, did it?

Mr FITTLER: And there was no help on our side I think for about two days.

CHAIR: The fire front when it reached your boundary was about 12 kilometres, was it?

Mr FITTLER: Yes. It just sort of got into all the fuel that was there for the last three years. The park had had the use of the land for about three years and we could see the potential problem before that fire came.

The Hon. RICK COLLESS: Thanks, Mr and Mrs Fittler, for coming along and letting us know about your story. When you say that fire started on 3 November, was that a dry storm, a lightning strike?

Mr FITTLER: A lightning strike apparently. It did start in the park. They denied that it started in the park but I saw the grid from the RFS and it was definitely in the park.

The Hon. RICK COLLESS: How far from your boundary did it start if you have a look at the grid?

Mr FITTLER: A long way from our boundary. It was on the southern side of the park and we are on the north side.

The Hon. RICK COLLESS: It would have been reported to the parks people virtually straightaway by one of the neighbours?

Mr FITTLER: I would imagine so.

The Hon. RICK COLLESS: You would not have been able to spot it from your place anyway, would you?

Mr FITTLER: We were in Armidale at the time but they would have sort of got it from the satellite I guess where the lightning strikes were. They would have got it very early in the piece.

The Hon. RICK COLLESS: How long was it before they actually attended the scene and commenced firefighting operations?

Mr FITTLER: It is been very hard to get that information. We tried to get the times and dates and what was done but it was glossed over with very poor information from the RFS and national parks. I know from our side of it there was no-one there for maybe one to two days.

The Hon. RICK COLLESS: Being 3 November what were the weather conditions like at that time? November can be quite variable.

Mr FITTLER: It was bushfire danger period. It was in pretty much a drought period in 2002.

The Hon. RICK COLLESS: Looking at these photos it looks to me as though it was not actually a crown fire but certainly a very hot base ground fire. Would that be right?

Mr FITTLER: It crowned in some areas where there was a lot of boxthorn and so forth. It crowned on our boundary and it sent spot fires a kilometre in onto our property.

The Hon. RICK COLLESS: Again looking at these photos, particularly photo 3, at the base of those overhanging trees on the left-hand side of that photo, is that where the boundary fence line is?

Mr FITTLER: The thick timber is the national park and the cleared area is our private property.

The Hon. RICK COLLESS: The boundary fence runs along the base of that timber?

Mr FITTLER: Right on the edge of that timber and that has been our problem. We have tried to clear for a lot of our section.

The Hon. Dr PETER PHELPS: You can see it better on photo No. 4.

Mr FITTLER: Photo No. 4 is where we had that area cleared but that had been sort of 10 years before. The trees had actually grown into that gap. If you read that Rural Fires Act they say that if the neighbour has cleared on their side and you have notified them—we did not do it in writing but we did it at a public meeting—they should be responsible for the whole of that fence. They went to their insurance company and they said that because there were leaves and grass on the ground on that cleared area of ours we did not have a case.

The Hon. RICK COLLESS: Given that you have cleared to a distance of six metres on your side of the fence—

Mr FITTLER: In that particular spot, yes. A lot of it is much more cleared, of course.

The Hon. RICK COLLESS: Obviously there has not been any clearing along the fence on the other side for a long time.

Mr FITTLER: None at all.

The Hon. RICK COLLESS: What do you think would be an appropriate width that National Parks should clear their fence lines to, particularly all their boundary fence lines.

Mr FITTLER: They have said I can clear three metres of all trees, which is nothing, and if I want to clear to six metres I can take selected trees. They want me to sign a fencing agreement. They will not give us any material until I sign their policy agreement. It is not an agreement with me, it is just their policy. I cannot get any materials from them. But if I sign that fencing agreement and those trees that are overhanging the fence fall on the fence they are my trees. If one of my trees falls back over the fence it is still my tree. We had a friend in Armidale who lived next to a public school and a big white gum tree fell onto their house. They rang the school and said the tree had fallen onto the house and the school said they would get onto it. They rang back and said, "Sorry, it's not our tree anymore, it's your tree." That is how the law works.

The Hon. RICK COLLESS: In the case of photo No. 4, do you think a three-metre cleared strip would be sufficient to protect that fence?

Mr FITTLER: Fire is our number one problem along with feral pests, such as pigs and goats. Two things need to be addressed.

Mrs FITTLER: And occupational health and safety.

Mr FITTLER: And occupational health and safety, of course. We need a fire break because they do not have the staff to control wildfires. The trees need to be cut back to the tallest tree that is likely to fall onto the fence.

The Hon. RICK COLLESS: Just to clarify that, you mean the width of the fire break should be the height of the tallest tree that might fall over the fence?

Mr FITTLER: That is right. The model which we put in with your notes is more than we want but it would be fantastic if we could get something like that. The problem is that if trees fall on the fence it is our workplace area and if we are trying to keep feral animals out it destroys the fence so the feral animals get access straight away. The next fire burns the fence down again so we are up for the same old thing again. We cannot win.

Mrs FITTLER: It was suggested this morning there should be some logging in national parks. Steve suggested that if these trees could be cleared some of them could be utilised for logs and that would help pay the costs. They said that could not happen, they would have to be burnt. How ridiculous is that?

Mr FITTLER: They said, "We cannot be seen to be making any money out of the national park so those logs have to be pushed up and burnt. They want to do all that work on our side. They want to push all their timber over onto our side and let us take control of disposing of it.

The Hon. PETER PRIMROSE: In Mr Debus's letter, which is 10 years old and you would have hoped it would be sorted out by now—I understand your frustration—do the first two paragraphs relate to the fire you are talking about?

Mr FITTLER: Yes, we wrote to him. It is quite funny. We could not get anywhere with the local National Parks and Wildlife Service so we went to Mr Debus, who was the Minister at the time. I thought what he wrote back was quite sensible and I thought we had a chance of getting something reasonable done. We had a meeting with National Parks on the fence line and we had only gone about 20 metres and they were saying this tree could not go and that tree could not go and this tree was substantial. There was a red gum tree with four forks in it and it was right on the fence and one fork was into our place. He said, "You can take one trunk out but you have to leave the rest because it is a substantial tree." I said there was not much point in going any further because we were really not allowed to clear anything according to this discussion.

The Hon. PETER PRIMROSE: It sounds like it was a pretty horrendous fire.

Mr FITTLER: It should never have been because we had only had the property about three years when the forestry guys had it and they used to graze a few cattle in there. I do not care about getting into that issue but if grazing is controlled properly and everyone got together it can be quite a good tool to manage some

parks, I do not say all. For a start you do not allow stock in there all the time. You let them graze, let them do their job of reducing the fuel load and get them out of there.

The Hon. PETER PRIMROSE: In the third paragraph Mr Debus refers to the Crown not being bound by the then provisions of the Dividing Fences Act. How would things have been different in relation to national parks, for example, if the Crown had bound itself?

Mr FITTLER: For a start they would remove some trees because otherwise they would be repairing the fence all the time. In a bushfire situation they are as responsible as I am. Under the Dividing Fences Act, if there is no bushfire they really are not responsible for much at all. In a bushfire situation they are bound by the Rural Fire Service rules.

The Hon. PETER PRIMROSE: What are you asking us to do in relation to the Dividing Fences Act?

Mr FITTLER: I think it needs to be updated.

The Hon. PETER PRIMROSE: I am just trying to be clear. Are you saying you want the Crown to bind itself?

Mr FITTLER: I think they should take responsibility on a 50-50 basis the same as other land managers. If I have a neighbour we go 50-50 in a fence and I think a national park should do so. I do not say all Crown lands should be bound by it, but I think a national park has a moral responsibility for its land.

The Hon. PETER PRIMROSE: Some people would say the State has no money therefore it cannot provide the resources. Would you agree that that is the same as every other landholder?

Mr FITTLER: Exactly.

The Hon. PETER PRIMROSE: They may not have the money but the law says you have to do it.

Mr FITTLER: Rome was not built in a day so if we put something in place so there is a direction we can steadily improve on what we have now.

The Hon. Dr PETER PHELPS: I agree with Mr Primrose in that instance and I think you are probably being a little too generous. I think it is beholden on the Crown to fall under the same provisions of the Dividing Fences Act as private landholders. That would go for not only the National Parks and Wildlife Service but also forests and all other Crown lands. If they wish to be landholders they should meet the same obligations as other landholders. That brings me to my next point, which is the tort of nuisance. Should the Crown also be bound when, for example, feral animals escape from Crown properties onto private land? If your dog took one of your neighbour's calves you would be legally liable under the tort of nuisance, but the Crown is not. That surely is something that should apply abutting a national park. Do you have a feral dog and pig problem or just a pig problem?

Mr FITTLER: One of the neighbours shot at a dingo about 12 months ago so at this stage it has not been a problem but dogs are starting to spread. Basically the parks were trying to bully us into doing something with the fence and putting a lot of pressure on us about impounding stock and so forth. We had to move a lot of those stock out of the paddocks to take off the grazing pressure. They said it was my responsibility to keep my stock out of their park. I said, "Whose responsibility is it to keep the wild pigs and goats out of my place?" They said, "They don't belong to anyone."

The Hon. RICK COLLESS: Possession is nine-tenths though, isn't it?

The Hon. Dr PETER PHELPS: When was Single converted into a national park?

Mr FITTLER: I will have to find out that information. I think they had had it about three years before the fire, so it must have been about—

The Hon. Dr PETER PHELPS: Late 1990s?

Mr FITTLER: Yes.

The Hon. Dr PETER PHELPS: Was it State forest before that?

Mr FITTLER: Yes, State forest.

The Hon. Dr PETER PHELPS: Did you have comparable problems with Forests NSW when it was run as a State forest?

Mr FITTLER: Elise's parents had had the property for the previous 20 years but we only bought the property about five years before the fire. They used to lightly graze it. There were fires, very cool fires in my opinion that never got into the treetops at all. I would say it was a lot safer for us.

The Hon. Dr PETER PHELPS: What about feral animals?

Mr FITTLER: There were still feral animals but not as many. They were doing baiting programs for the pigs but since we have been without the fence they are not game to bait the pigs because they will bait our cattle. It is a two-way problem, plus in winter our cattle are wandering into the park. I cannot keep them out. I put licks out. I removed all the cattle from those paddocks for a few years but with the drought and other pressures I had to put some cattle back. Parks were hounding me all the time. Then we put cattle away on agistment and it has been pretty tough on us financially. I do not want to go back into the same scenario where if we have another fire it will be the same old-same old again.

The Hon. CATE FAEHRMANN: Referring to the second page of the letter you received from Bob Debus those many years ago, what was the follow-up to the last paragraph? It says NPWS will make arrangements to meet you both. It says officers will discuss your proposal to clear along the fence bordering Single National Park, including the clearing of any trees that could subsequently damage the boundary fence. What happened after you received the letter?

Mr FITTLER: That was great. We had a meeting but as I mentioned before there was a four-pronged red gum tree. We had gone about 20 metres and 100 trees and I think there were two or three we could do something with and they were the ones at 45 degrees. There was no sense in even clearing those in my opinion because it was not going to improve the situation for me. I am not pointing the finger at any particular person but my wife said, "Do you think this is fair?" and the person in charge said, "It doesn't matter whether it is fair or not, this is how it is. You can take us to court but you won't win."

The Hon. CATE FAEHRMANN: It says the meeting will need to decide the location, type and standard of new fence required. How did the meeting go in that regard? I think your last response was referring to the clearing of the trees.

Mr FITTLER: They agreed to come to an agreement for a fence that would keep out goats and pigs, in my opinion, but at a later date in another letter they seemed to try to hurry me up by saying they were running out of funds and wanted to do a cheaper fence and "You had better get in for your cut or you won't get one at all." There have been a few changes and the best I have been able to get is that they will clear a few limbs and trees so that they think it is safe from an occupational health and safety aspect, but we are talking about a life of 50 years for the fence. I have already asked them in a letter if they can guarantee that none of those trees will fall on us or the fence while we are doing maintenance or installation. If they can I will go ahead. They will not even answer our questions on any of those issues.

Mrs FITTLER: They just ignore questions in a lot of the letters we have written. How can you come to an agreement if they will not answer sensible questions? They just totally ignore them. We even tried "tick yes or no". We could not even get them to do that.

Mr FITTLER: We could not get them to tick a box, yes or no. I said at the bottom of the letter yes would mean progress and no would mean progress. We cannot get a yes or no on some things. At least a no would mean some sort of progress. The other thing is they have their Neighbour Relations Policy, if you read it on the internet. If they did any of what was in the Neighbour Relations Policy, I would be the happiest man on earth. It is all there, the Neighbour Relations Policy, but nothing is practised.

The Hon. CATE FAEHRMANN: What is the local National Parks and Wildlife Service branch?

Mr FITTLER: It was Glen Innes when the fire started and they quickly changed to Armidale. I think there were issues there on how this fire was handled in the first place, and they transferred us to Armidale very quickly.

The Hon. CATE FAEHRMANN: I note in Bob Debus's letter that he said hundreds of interstate firefighters assisted, so it must have been an enormous fire. In the end, hundreds of firefighters came?

Mr FITTLER: I can tell you a story about that one. About two days later or something—I have dates there—we had a big Greyhound bus turn up on our back door, full of Victorians and a mess from McDonald's where they had been previously. I said, "We need them down in the back where we are fighting a fire at the moment." They said, "We cannot go down there. There are trees too close to the trail. It is not safe." Occupational health and safety issues were involved. They went up on a big flat behind the house. It was bare as that; it was a drought. I said, "A bloke with a knapsack could hold this." Anyway, they would not come down, and they put them up in a hotel at Glen Innes and sent them back, and that is all they achieved for me. One of my workers from Armidale, we had a plumbing business, and he was with the firies in Armidale. They sent him all the way to Glen Innes in a fire truck to sign on and then they had to drive all the way from Glen Innes back to us, and he knew he was going to us before he left Armidale. It was just to sign a piece of paper to say where he was going.

The Hon. CATE FAEHRMANN: Thank you.

The Hon. SCOT MacDONALD: Thank you for coming all this way. Will you give me a little description? As it was converted from forest to national parks and wildlife, was there a bushfire management plan? That is one of the first things they try to put together.

Mr FITTLER: I could be wrong—I cannot swear to it; I have nothing in writing to say there was—but to my knowledge there was no bushfire management plan in place at the time.

The Hon. SCOT MacDONALD: After that fire—and it was a big fire—can you give me a description of the forest condition and whether it has recovered in that 10 years? What would you say it was like?

Mr FITTLER: When the fire was put out, the next day I rode my horse around and there was not a sound. It used to be full of birds and wildlife, just bustling with everything, and there was not a sound. It was deathly silent. What happened after that, we continued into drought. There were some huge trees but I would say that where the fire crowned 30 per cent of them are dead. They shot out and tried to survive but there was not enough moisture. If we get another fire some of those fuel loads are horrendous in those sections because a lot of the big, old trees have been killed, and there is a lot of wattle and low, shrubby, woody weeds have grown up. You cannot ride a horse through it.

The Hon. SCOT MacDONALD: That was going to be my next question. How is it being managed now? Is it being actively managed? Do you see attempts at fuel reduction or anything like that?

Mr FITTLER: Just recently, when they started talking droughts and bushfires again, I have not been in there—I do not like to go in, but I suppose I have the excuse to look for a few cattle at times—but they have cleaned a few fire trails up not far in from our boundary. Most of the trails had timber falling across them and so forth. Our area is very bad for falling trees because we have a very shallow soil. They have heaps of trees falling over the trails all the time.

The Hon. SCOT MacDONALD: Are parks officers out there weekly, monthly, six-monthly or anything like that?

Mr FITTLER: The Neighbours Relations Policy does not work too well because they do not communicate with us very often.

The Hon. SCOT MacDONALD: Single National Park is isolated, is it not? You have to go through private property.

Mr FITTLER: It is shut off from the public. It is a 6,000 acre paddock behind everyone. It has a public road back and front, but it has locked gates, so the public has no access to it.

The Hon. SCOT MacDONALD: It is not a highly visited one. Are people camping or fishing there?

Mr FITTLER: No. Apparently they are trying to make it into a nature reserve. That is all I can tell you.

The Hon. SCOT MacDONALD: Do you know why it was converted? Was there a threatened or vulnerable species there?

Mr FITTLER: There is nicholii gum in there, they tell me, and there is a rare possum. If a fire breaks out—

The Hon. Dr PETER PHELPS: It would be a roasted possum.

Mrs FITTLER: We saw some roasted ones afterwards.

Mr FITTLER: There was one running around after the fire. He was out in the open. My son said, "Come over here, dad. That is a Tasmanian devil for sure."

The Hon. Dr PETER PHELPS: It was black, was it?

Mr FITTLER: The poor thing had no tail, he had no whiskers and he had no ears. His lips were up and his teeth showing. He was going round in circles with glazed eyes. I had to look at him. I could not work out what it was either. It did look like a Tasmanian devil, but it was a poor old possum. He had been just about incinerated and I had to hit him on the head. Anything that could not get away from that fire would have perished in it.

The Hon. SCOT MacDONALD: There is supposed to be the Neighbour Relations Policy. Does anybody make an attempt at that? You are one of a few neighbours around there. Are you regularly spoken to or contacted?

Mr FITTLER: The last time I can remember being spoken to, they were trying to do a hazard reduction in an area that I did not think they could not get a fire going. I said to my wife, "There is no way they are going to light a fire." It was pretty damp conditions. Anyway, they rang me and said they were going to do it on a certain date, but they could not get it started. Anyone with any knowledge would have realised that the moisture content of everything was just impossible.

Mrs FITTLER: Could I say that most farmers do love the environment. We try to do the right thing, but we need to be practical. We need fire breaks. They protect the environment and protect animals. I think that needs to be put across. Is there any reason why these fire breaks cannot be put in? The loggers can come in and log that. Would that not be sensible? Would that not help to pay some of the costs that the national parks do have? It just makes sense.

Mr FITTLER: I think every park needs to be treated on its own merits.

The Hon. SCOT MacDONALD: Every park is different.

Mr FITTLER: This particular park needs to be divided into four sections. If we get another lightning strike and it hits one section, the fire breaks should be wide enough so that the firies can come in, put the fire out in that section; it does not affect the rest of the park and the wildlife and everything have a refuge there. What happened before, it burnt the whole park, and it really only had private land to go onto.

Mrs FITTLER: It burnt a lot of our land too.

Mr FITTLER: In fact, 2,000 acres of our land was burnt. I did not see one green-minded person come to feed the roos; we had to feed them ourselves. There were hundreds of them. You hear all these people who say, "We have to look after the wildlife." How about they turn up and feed them after a fire because the animals would be starving if they were locked in to where they were burnt out.

CHAIR: That concludes this session of the hearing. Mr and Mrs Fittler, thank you very much for agreeing to come to speak to us. You can be assured your troubles will be recorded and we will see whether we

can do something about it. We will certainly make recommendations along some of those lines. It seems to me to be so unreasonable. Thank you very much. The Committee members may wish to ask you questions on notice. Are you happy to answer those questions?

Mr FITTLER: Definitely.

CHAIR: We would like your answers returned in 21 days. Thank you very much.

(The witnesses withdrew)

ROY ALFRED POWELL, Centre for Agricultural and Regional Economics, sworn and examined:

CHAIR: Dr Powell, before we proceed to questions from the Committee members, would you like to make an opening statement?

Dr POWELL: Just a couple of brief comments. From about the mid-1990s, our expertise has been primarily in assessing economic impacts. In simple terms, that means trying to predict what the outcomes might be, or trying to minimise the impact or the likelihood of unforeseen consequences. In that period we have done quite a number of studies. We were involved in virtually all the forestry work that led to the regional forest agreements. Subsequently, we have done quite a lot of work for the Department of Environment, or whatever it was called at the time, in looking at the economic contribution of national parks to the regions in New South Wales. I am really here to provide an opportunity for you to ask questions and to provide any clarification on the kind of economic impact work that we have done over the past 20 years.

CHAIR: Are you attached to any particular location? Is the Centre for Agricultural and Regional Economics a university?

Dr POWELL: No, it evolved out of the university, but in 1996 when we commenced that business it was a private business.

CHAIR: The evidence we have received entirely through this hearing in relation to river red gum, the cypress industry and the northern hardwood forests is that there has been a great deal of contention that forest agreements entered into in 1995 and prior to that will not be able to deliver the contractual obligations, the resource manager being, say, Forests, for example, and at the same time deliver the sustainability to the environment and to the industry. We have heard industry representatives over and again in all those types of forests say much the same thing. When those assessments were done can you give us an understanding of how you went about determining that the agreements would generate industry sustainability if the agreements were adhered to?

Dr POWELL: Yes. It was not our job to make an assessment of what the likely supply of logs would be, but when we started on this process there was considerable discussion about the numbers and, quite frankly, forests were a bit like water. The authorities did not have a clear and unambiguous set of data about what could be delivered and under what kind of forest management regime. Basically we were told, "This is what is likely to be delivered" and then our job was to say, "That will generate this kind of economic impact. If you deliver less, this will be the impact of a lesser delivery." I have not been involved in any detailed discussions about sustainable yields, but we know quite well there have been a lot of problems in meeting the requirements. I might say that when we started out on this journey with the forest arrangements it was partly our initiative that led to the setting out of some supply agreements with the users.

We were initially asked to look at the likely impact of quite large reductions in the supply of logs to millers and most of them were then at that stage operating on an annual basis. Our view then was that, yes, you could take away some of the log supply but you have to give something back. If you want the industry to continue to invest and develop then you have got to provide some security. We provided the then Government with the broad outline of the deal that was in return for a reduced log supply that the millers would get at least a five-year guarantee of supply of those logs.

CHAIR: Given the amount of contention that has been put to this Committee about the veracity of the estimates or the ability of the State Government to provide its obligations under State forest resources, do you believe that it would be prudent to perhaps have a look at the data as it exists today and remake the assessment that was made in 1995?

Dr POWELL: Yes, I think so. The circumstances have changed a good deal and we do know that the amount of timber being produced in Australia relative to our needs is diminishing. I have watched over the last couple of decades most of the programs that were in place to provide some encouragement to forest, either plantation or native forest, have been whittled away so there is virtually nothing left.

CHAIR: We have had evidence of decline in the employment in the industry, a lot of which of course is due to changes in technology over the years. We were out in a compartment the other day and the compartment was being logged by a three-man crew doing the work of what would have been done by 20

foresters 50 years ago. We have also heard from the industry and it appears to me they seem to be innovative in that they are prepared to invest in efficiencies to try to continue to keep the businesses going even given a declining supply. If you were to redo an assessment would you do it in the same way that the regional forest agreements were done?

Dr POWELL: You are talking about the assessment of the whole regional forest agreement or just the economic impacts?

CHAIR: The economics.

Dr POWELL: The economic impacts are just part of the story in the sense of trying to assess what the size of the effect will be and who might be impacted so that you can target any assistance or adjust your policies to minimise the negative effects and maximise the outcomes. All of those principles still apply but I would be pretty confident that the overall contribution of forestry to the New South Wales economy has diminished somewhat in the last 15 years. Whether that has diminished in absolute terms is maybe questionable but certainly in relative terms it would have declined significantly.

The Hon. Dr PETER PHELPS: Dr Powell, are you an economist?

Dr POWELL: Yes, I am one of the old-fashioned ones.

The Hon. Dr PETER PHELPS: Fantastic, because I want to have a bit of fun with Marshall and supply and demand curves if you do not mind.

Dr POWELL: Okay.

The Hon. Dr PETER PHELPS: If you have got a relatively price elastic demand product and you artificially restrict the quantity there might only be a slight change in price because the price elasticity of demand is such that substitution takes place and in fact you have a substantial reduction in the quantity at the equilibrium price level.

Dr POWELL: That is true.

The Hon. Dr PETER PHELPS: For example, in housing products where you have an artificial restriction in the quantity of wood available for housing products and where substitution is readily available—for example, the use of brick or concrete or steel or Besser blocks, aerated concrete and things like that—you have a situation where even a small reduction in the supply could have negative consequences because of substitution taking place in that environment.

Dr POWELL: Sure. It depends on what the price of the substitutes are. At the moment with a high Australian dollar because the price of the substitute products is international—at the moment the substitution works quite well but take 20 per cent off the exchange rate and it will not happen quite so readily.

The Hon. Dr PETER PHELPS: There has been a fair bit of comment about how the price of wood products, especially North Coast hardwood products, has risen. That is not necessarily a consequence of gouging on the part of producers of those products; it is surely a reflection on the unnatural restriction of supply by the locking up of timber estates?

Dr POWELL: Yes, I think that is probably correct. There is also the question of providing an environment that gives you some long-term confidence to invest in these resources because they are long-term investments. Whether that be in terms of new plantings or even the appropriate silvicultural management of existing forests, which has also I believe slowed down considerably in recent times and will impact on the supply in the future.

The Hon. Dr PETER PHELPS: Even further in the future.

Dr POWELL: Even further into the future.

The Hon. Dr PETER PHELPS: You have not only the problems of locking up, you have the problems of the failure to regenerate at a rate which is going to provide economic sawlogs post 2018 or post 2023 depending on which threshold you are looking at.

Dr POWELL: Yes.

The Hon. PETER PRIMROSE: Yesterday we heard some evidence from the North Coast Forest Taskforce, who spoke about their concerns about the decline in research that is available in New South Wales relating to forestry generally. They quoted wood technology in forestry as now basically no longer being there. In terms of innovation in terms of the work generally in relation to forestry could you talk about your views on the amount of research technology that is available? If you could speak about the number of people, what types of academics and others are available to do that and just generally where you would like to see that go over say the next few years?

Dr POWELL: No, it is not something I have done any serious work on so I do not have any research-based comments to make on that. Again we are a relatively small player in the overall timber industry globally. The chairman alluded to the rapid development of technology in harvesting and handling and that has mostly emerged from overseas. But in terms of the local research I do not have any insights that will help you on that one I do not think.

The Hon. PETER PRIMROSE: That was my only question because it is okay to talk about bell curves and supply and demand and Pareto and whatever but one of the inputs into that clearly is innovation. The types of work that we are talking about require that.

The Hon. Dr PETER PHELPS: I am not surprised that the Labor Party does not understand basic supply and demand theory.

CHAIR: Order! Are there any further questions?

The Hon. PETER PRIMROSE: No, on the basis that Dr Powell is unable to comment on that I will not pursue it.

Dr POWELL: It has always been a small area because, as I understand it, it falls under the rural research funding arrangements where the industry is a co-contributor to levy funds. As the throughput of the industry declines so does the availability of funding.

The Hon. SCOT MacDONALD: One of our witnesses painted a pretty rosy picture of the North Coast economy, $400-plus million dollars generated out of tourism, hundreds if not thousands of jobs in ecotourism and tourism around our parks. Can you give me your sense of that, whether that is right or not? Also there seems to be a big difference in shires or councils. Lismore has quite a small area under parks but Kyogle is up around 50-odd per cent and Clarence Valley is 30-plus per cent. How resilient are those economies? How diversified are they? The reason I am asking is if there is more lockup what sort of future do you think they have?

Dr POWELL: One of the products we do is compile sets of regional data for all the regions and the State of New South Wales every five years coinciding with population census years. All of the regions outside of Newcastle, Sydney and Wollongong have been mostly losing share of the New South Wales gross domestic product for the past 20 years. The coastal areas have done relatively better than the inland areas by way of having a larger share of tourism but it is still mostly domestic tourism.

As I would point out, domestic tourism is just shifting around demand from one place to another. Nowhere in New South Wales outside of the metro areas is getting much of a share of the international market, which is just the equivalent of an export industry. As I pointed out to another politician just recently, one of the potential large ways of sharing in the mining boom is all the fly-in fly-out people because they take their income home to where their families live. I have not seen that even mentioned. You can redistribute the wealth from the mining industry via taxes but fly-in fly-outs do the same thing.

The Hon. SCOT MacDONALD: Or we could bring the mining in terms of coal seam gas a bit closer?

Dr POWELL: That is true, you will get some locals. But we have not got any real documentation on just how important that is. There is a nice, simple measure of where economies sit and you can measure the ratio between the amount of taxes they pay and the amount of welfare benefits they receive.

The Hon. SCOT MacDONALD: Enlighten us.

Dr POWELL: All the coastal areas have always had very unfavourable ratios compared to the inland areas. There are a few minor exceptions but that is generally the case. That is a reflection of the fact that you have got more welfare dependents and so you have got a smaller share of the population working on the coast. Superficially the coast looks pretty good as an economy, there is growth everywhere and they are growing houses. Instead of growing farms with produce we grow houses. That is what the market is saying we want. Fortunately technology is helping fill the lost production out of agriculture. Linking that back to the lockup of resources, it depends where they are of course. As I said, the timber industry is not a big contributor. It is less important, which makes it easy in some respects to say we could get rid of a bit more, but that is still not the point.

I think the timber industry can still get more value by supplying niche markets because some of these timbers are especially nice and they are probably not being nurtured as well as they might be in terms of getting good value out of them. I do fear at times that some good logs finish up in structural timber rather than higher value uses. It is a case of where you put the reserves in terms of the impact because if you are not using your parks to generate commercial activities, which in some cases they do, what you are losing is the previous economic activity. In forestry it becomes a bit tricky because the economic activity in those forests might occur only once every 20 or 30 years.

The Hon. CATE FAEHRMANN: Following on from the previous question, is not part of the problem that we are not valuing national parks for the other services they provide? You have just spoken about commercial activity. Does your centre do any work on the value of ecosystem services, for example, or the value of water quality? Have you delved into that area at all?

Dr POWELL: We are pretty aware of all that; it is not something that we do as a main stream, but we know people who do. It is not something we have done ourselves. It is very easy for people to confuse an economic impact analysis with a benefit-cost analysis. They are not the same thing. What you are alluding to is a cost analysis where you try to assess all the benefits, be they monetary or non-monetary, and relate them to the costs. The economic impact analysis is trying to understand what happens if you make a change. To give you an example, the most substantial study we did was of the water sharing plan for the Namoi underground water resources. The sort of evidence that came out of our work highlighted the fact that we identified a relatively large number, I think it was about 70, of farm businesses that would basically be bankrupted by that change. We identified what the overall impact would be on the economy. That is not a benefit-cost analysis. If you are doing a benefit-cost analysis you might accept that you are happy to bankrupt 70 farms in return for some other benefits that are of greater value.

The Hon. CATE FAEHRMANN: So in your view there is no economic impact whatsoever in terms of the difference between a healthy functioning stream and an unhealthy stream—a polluted waterway. For example, national park being converted to forest, forest polluting that waterway; think of the worst possible example. There clearly is an impact there. That is an economic impact.

Dr POWELL: It can make an impact but it will not normally be near-term; it is usually long-term and in our experience virtually nobody knows what that impact will be.

The Hon. CATE FAEHRMANN: Exactly. You mentioned mainstream economics before but there is a growing field of economics that is about valuing ecosystem services—

Dr POWELL: It has been around for 50 years.

The Hon. Dr PETER PHELPS: That is right. Externalities have been charted for ages. It is not new.

CHAIR: Order!

The Hon. PETER PRIMROSE: Let the neo-classicist go back to sleep.

The Hon. Dr PETER PHELPS: We are always awake to misinformation.

CHAIR: Order! We want to conclude the hearing.

The Hon. CATE FAEHRMANN: I am done. I forget what I was going to ask. That is it.

CHAIR: That is embarrassing, is it not? Does anybody have any further questions of Dr Powell?

The Hon. PETER PRIMROSE: Yes. Given the discussions, how would you describe your theoretical position economically? From what streams of economics do you draw your inspiration for your work?

Dr POWELL: I am not sure—I will tell you what I am.

The Hon. PETER PRIMROSE: Academically from what streams do you draw?

Dr POWELL: Academically I would be best classified as an industry economist. I specialise in understanding how industries function.

The Hon. PETER PRIMROSE: What theoreticians do you draw on in terms of your work?

Dr POWELL: None in particular. My philosophy has always been that if you are going to be an economist you need to be across the whole field of economics. This is one of the disagreements I had with a lot of my academic colleagues. Let me take that a step further and go back to what I am about. If you look around the university campuses today you will probably not find a course anywhere that is called industry economics. We have lots of courses on financial economics and all sorts of things. That is why I believe that a large amount of the modelling work that tries to predict economic impacts goes awry because the fundamental that drives those impacts is understanding how industry will respond to a change.

The Hon. PETER PRIMROSE: Can you point to an industry economist whose theoretical approach to this subject you draw on to make your analyses?

Dr POWELL: When I was a student the best person in Australia was Alex Hunter who wrote a large tome on the structure of Australian industry.

The Hon. PETER PRIMROSE: But anyone since then that you draw on for your economics? No-one?

Dr POWELL: I just do not agree with the principle underlying your question in the sense that if you are an economist you are a professional who will draw on the whole discipline.

The Hon. PETER PRIMROSE: I make the point that the purpose of being a professional is that your practice is informed by theory. I am not trying to be rude; I am genuinely trying to understand the theoretical models you are using in your analyses. If there are none, that is fine. I am asking what theoretical models are informing your analyses.

Dr POWELL: I am drawing principles out of all the fields of economics that are relevant to the tasks. I do not want to be a neo-classicist; I do not want to be a monetarist.

The Hon. Dr PETER PHELPS: Not a Marxist either?

Dr POWELL: Not a Marxist either.

The Hon. Dr PETER PHELPS: Some are more attuned to Marx than others.

CHAIR: That is enough.

The Hon. PETER PRIMROSE: I am not seeking to put down the witness. I am simply asking him what theoretical models. I am not seeking to belittle those.

CHAIR: That is understood. Dr Powell, thank you for agreeing to appear before the Committee. The subject matter is sometimes a bit ethereal to laymen but it is very important in policy making. Members may wish to ask further questions, which the Committee will send to you on notice. Are you happy to receive questions and return the answers within 21 days of receipt?

Dr POWELL: Yes.

(The witness withdrew)

(The Committee adjourned at 3.07 p.m.)