

CORRECTED COPY

GENERAL PURPOSE STANDING COMMITTEE No. 5

Thursday 17 September 2009

Examination of proposed expenditure for the portfolio area

PRIMARY INDUSTRIES, MINERAL RESOURCES

The Committee met at 9.15 a.m.

MEMBERS

Mr I. Cohen (Chair)

The Hon. R. L. Brown
The Hon. A. Catanzariti
The Hon. R. H. Colless

The Hon. D. J. Gay
The Hon. E. M. Obeid
The Hon. H. M. Westwood

PRESENT

The Hon. I. M. Macdonald, *Minister for Primary Industries, Minister for Energy, Minister for Mineral Resources, and Minister for State Development*

Industry and Investment NSW

Dr R. Sheldrake, *Director General*

Ms R. Brooks, *Acting Deputy Director General, Primary Industries*

Mr N. Roberts, *Deputy Director General and Chief Executive, Forests NSW*

Mr A. Coutts, *Deputy Director General and Chief Executive, NSW Food Authority*

Mr M. Duffy, *Deputy Director General, Minerals and Energy*

Mr B. Mullard, *Executive Director, Mineral Resources*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

CHAIR: I declare this hearing for the inquiry into budget estimates 2009-10 open to the public and welcome Minister Macdonald and accompanying officials. Today the Committee will examine the proposed expenditure for the portfolios of Primary Industries and Mineral Resources. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members or witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, members of the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. The guidelines for the broadcast of the proceedings are available on the table by the door.

Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. Minister, I remind you and the officers accompanying you that you are free to pass notes and to refer directly to your advisers while at the table. I remind everyone to turn off their mobile phones. The Committee has agreed to deal with the portfolios of Primary Industries and Mineral Resources together. The House has resolved that answers to questions on notice must be provided within 21 days, or as otherwise determined by the Committee. The Committee has not varied the 21-day time frame for answers to questions on notice. Transcripts of this hearing will be available on the website from tomorrow morning. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

NICK ROBERTS, Deputy Director General and Chief Executive Officer, Forests NSW, Industry and Investment NSW

RENATA BROOKS, Acting Deputy Director General, Primary Industries, Industry and Investment NSW

RICHARD SHELDRAKE, Director General, Industry and Investment NSW

BRAD MULLARD, Executive Director, Mineral Resources, Industry and Investment NSW

ALAN COUTTS, Deputy Director General and Chief Executive Officer, NSW Food Authority, Industry and Investment NSW, affirmed and examined:

CHAIR: I declare the proposed expenditure for the portfolios of Primary Industries and Mineral Resources open for examination.

The Hon. DUNCAN GAY: Minister, I direct my first question to you. Until recently you had the portfolios of Primary Industries, Energy, Mineral Resources and State Development. Did the Premier remove Energy from your portfolio because he, like the rest of New South Wales, was concerned that you had too much on your plate and, frankly, you were not doing a very good job?

The Hon. IAN MACDONALD: What a good way to start the morning's proceedings, Duncan—in a friendly atmosphere! I do not think I have anything to add to the decisions that were made last week. I remember you asking me questions about blackouts in Dubbo on Friday night when I was sitting down waiting to watch the football. When there was a blackout in Orange I thought of you and said, "At least I will not have to answer any more questions about blackouts."

The Hon. DUNCAN GAY: Did the Premier give you any reasons for removing Energy from your portfolio?

The Hon. IAN MACDONALD: No. I do not think Premiers normally give explanations for anything in particular. You probably do not know, but in the past month a number of other things were added to my responsibilities, including Screen NSW, which I am happy about.

The Hon. DUNCAN GAY: I will come to that in a moment. Have you had any conversations with the Premier since the change of portfolio?

The Hon. IAN MACDONALD: Any conversations?

The Hon. DUNCAN GAY: Yes.

The Hon. IAN MACDONALD: Yes, I have had conversations.

The Hon. DUNCAN GAY: Given that amongst your responsibilities you have the important portfolios of Agriculture, Fisheries, State Development and Mining, how will you be able to service them properly in the government sphere when it appears that your relationship with the Premier has totally broken down?

The Hon. IAN MACDONALD: It has not totally broken down. We have a very professional relationship. Whatever issues come up I am able to go to the budget committee and I am always very successful.

The Hon. DUNCAN GAY: If it has not totally broken down, how far has it broken down?

The Hon. IAN MACDONALD: I do not think it has broken down at all.

The Hon. DUNCAN GAY: Given that the new Industry and Investment department comprises State and Regional Development, Energy, Tourism NSW, the NSW Food Authority—and, as you indicated, Screen NSW—Forests NSW, the Rural Assistance Authority, the Game Council of New South Wales and the Mine Subsidence Board, what reassurance can you give to the agricultural community relating to the amount of attention and prominence agriculture will get?

The Hon. IAN MACDONALD: I will answer that by asking you a question, Duncan. You are the shadow Minister responsible for all those portfolios. Can you give me an assurance that you will be able to give attention across the board to every one of those areas?

The Hon. EDDIE OBEID: He's never going to get there so he won't get that opportunity.

The Hon. IAN MACDONALD: I said shadow Minister.

The Hon. DUNCAN GAY: Thank you Eddie. You helped the Premier a lot this week. Are you out helping him as well?

The Hon. EDDIE OBEID: I'm going to help you a lot today by asking you to be relevant.

CHAIR: Can we keep to the questions please?

The Hon. DUNCAN GAY: Minister, firstly, I do not have the same portfolios within my responsibility and, secondly, you are here to answer the questions, not me. Now, will you answer the question please?

The Hon. IAN MACDONALD: Oh, really Duncan. You work it out yourself.

The Hon. DUNCAN GAY: Minister, approximately what percentage of your time do you give to agricultural-related issues, meetings and visits?

The Hon. IAN MACDONALD: Significant.

The Hon. DUNCAN GAY: What percentage?

The Hon. IAN MACDONALD: I would not be able to work it out.

The Hon. DUNCAN GAY: Could you come back with an answer to the Committee?

The Hon. IAN MACDONALD: That is a ridiculous question.

The Hon. DUNCAN GAY: Will you come back with an answer?

The Hon. IAN MACDONALD: I am not going to give you an answer to such a ridiculous question. Get onto something substantial.

The Hon. DUNCAN GAY: Are you embarrassed about the amount of time?

The Hon. IAN MACDONALD: No. I spend a lot of time on agriculture.

The Hon. DUNCAN GAY: Well, could you give us an indication of the time?

The Hon. IAN MACDONALD: No.

The Hon. RICK COLLESS: Minister, can you tell us the total cost of the roll-out of the new uniforms, stationery, signage et cetera for the department when its name changed from the New South Wales Department of Agriculture to the Department of Primary Industries?

The Hon. IAN MACDONALD: Five years ago, I think. I will dig back for you, Rick.

The Hon. RICK COLLESS: What was the total cost of the roll-out of the new uniforms, stationery and signage for the department more recently from the Department of Primary Industries to the new Department of Industry and Investment?

The Hon. IAN MACDONALD: We have hardly done any of that at this point.

The Hon. RICK COLLESS: You must have had a budget. What were the projected costs for those changes?

The Hon. IAN MACDONALD: I cannot convey to you the cost at this point.

The Hon. RICK COLLESS: You do not seem to know very much about the budget. I thought these were budget estimates hearings?

The Hon. IAN MACDONALD: The point about uniforms and signage around the State is, for instance, when we converted from Agriculture to Primary Industries I think a number of places had not changed their signage up until recently. They were still badged, as Duncan would know, as the Department of Agriculture. It is a progressive thing. We are not going to waste heaps of dollars on signage and other matters of that nature. We will work it out over time.

The Hon. RICK COLLESS: Had you finished rolling out the new uniforms and signage et cetera when the most recent name change happened or not?

The Hon. IAN MACDONALD: Yes. A lot of the uniforms, and the terroirs of that order, had over time been put into effect, but you can change a badge on a jumper pretty quickly without too much expense.

The Hon. DUNCAN GAY: You were not consulted to the extent of having a projected budget on the cost?

The Hon. IAN MACDONALD: You work the dollar figure out over time. You would not put it all into effect in one month. We do not work that way, Duncan.

The Hon. DUNCAN GAY: But you must have? If you have something happening out of government and you are part of the Cabinet decisions, you would have had an estimated cost on the department. Are you telling me you have not got an estimated cost? So, you may well have not been consulted?

The Hon. IAN MACDONALD: It was not a question of being consulted or not.

The Hon. DUNCAN GAY: You were told?

The Hon. IAN MACDONALD: No. I put forward the concept for the new department some time back. In fact, I helped initiate the idea of consolidating the economic development portfolios of this State to develop the synergies we can have between the various areas of the portfolio. We have a budget of around \$1.278 billion in Industry and Investment. It is a significant budget, but as to how much we will actually spend in the first year, the current year, on items such as uniforms and signage, I do not have a precise figure about that at this point. But over time we will work it out.

The Hon. RICK COLLESS: But you must have some idea of what it is going to cost? Is it going to cost \$100 a head for every member of the department?

The Hon. IAN MACDONALD: I would not have a consolidated figure on that. It depends. You might not want a change, for instance, with all their shirts. You might not want to change it in the first year.

The Hon. DUNCAN GAY: Are you making this up as you go?

The Hon. IAN MACDONALD: No I am not.

The Hon. DUNCAN GAY: Well, why have you not got a figure? Why have you not planned this?

The Hon. IAN MACDONALD: We have not got a figure at this point.

The Hon. DUNCAN GAY: So you do not know?

The Hon. IAN MACDONALD: It is irrelevant.

The Hon. DUNCAN GAY: Director General, what are the usual arrangements relating to public and private functions hosted by the Minister? Has there been any provision of goods and services by the department to any functions held in Sydney or Orange conducted by the Minister?

Dr SHELDRAKE: We provide services to work-related functions that the Minister or departmental officials attend. Our department operates totally within the public sector guidelines.

The Hon. DUNCAN GAY: No provision beyond work-related?

Dr SHELDRAKE: No provision beyond work-related.

The Hon. DUNCAN GAY: Minister, when was the last meeting you had with Graham Richardson?

The Hon. IAN MACDONALD: I have never had a meeting with Graham Richardson.

The Hon. DUNCAN GAY: Have you organised any meetings between your personal or departmental staff with Mr Richardson?

The Hon. IAN MACDONALD: I have not arranged any meetings in relation to Graham Richardson. In 20 years I have twice run into him and said hello. There have never been any meetings whatsoever, nor any issues discussed.

The Hon. DUNCAN GAY: Are you aware of any meetings by any of your departmental people with Mr Richardson?

The Hon. IAN MACDONALD: No. Certainly not.

The Hon. DUNCAN GAY: Director General, are you aware?

Dr SHELDRAKE: I am not aware of any meetings of any of our staff with Mr Richardson.

The Hon. DUNCAN GAY: Minister, when was the last meeting you had with Neville Wran?

The Hon. IAN MACDONALD: I had a meeting with Neville Wran maybe three weeks ago. I am involved, and he is involved, in a cancer research project and we had a meeting with a number of the medical profession in relation to that project.

The Hon. DUNCAN GAY: Have you organised any meetings between Mr Wran and your personal or departmental staff on matters beyond the medical meeting you had?

The Hon. IAN MACDONALD: Have I organised meetings with or for Neville Wran? I am not sure if I have organised meetings. I think Neville is quite capable of picking up the phone and talking to anyone in particular, but on occasions I may have sanctioned or authorised particular meetings.

The Hon. DUNCAN GAY: How much was paid for the exploration licence by Prorata Resources to explore for diamonds near Walcha earlier this year?

The Hon. IAN MACDONALD: For diamonds?

The Hon. DUNCAN GAY: Yes.

The Hon. IAN MACDONALD: I do not have the details to hand.

The Hon. DUNCAN GAY: But you would get me those details, please?

Dr SHELDRAKE: Yes.

The Hon. DUNCAN GAY: Thank you. What obligation has the DPI to keep records on who owns the exploration licence if it changes hands?

Mr MULLARD: Could you repeat that question?

The Hon. DUNCAN GAY: Yes, sure. What obligation has the DPI to keep records on who owns the exploration licence if it changes hands during the EL period?

Mr MULLARD: If an EL changes, it has to be notified to the department. Basically that is a matter of public record. We have a public record of all titles that are held within New South Wales, and people can inquire of the public record.

The Hon. DUNCAN GAY: Minister, you recently announced your new Shark Smart Program, which advises not to swim when there are baitfish in the water. Given this new announcement, I am sure you are aware that one of the factors that has led to the shark problem we now have is high levels of nutrient in the water, which is a major factor in the massive acceleration of the breeding cycle of baitfish along our coast. High levels of nutrient bring together high numbers of plankton, fish and sharks. Are you aware that it is almost impossible to see baitfish from the beach? How do you propose swimmers will know when there are baitfish in the water without the aid of an aerial shark and baitfish-monitoring program?

The Hon. IAN MACDONALD: That is a very complex question indeed. There is no doubt that in some circumstances it would be difficult to see baitfish in the water; you are quite correct there. However, the difficulty we have is that to give a 100 per cent guarantee to people about the safety of swimming offshore is impossible. Our programs that we have in place, on which we spend well over \$1 million, endeavour to give as much warning and ample opportunity for people to consider the risks of swimming.

In terms of the aerial surveillance of our beaches, the Shark Summit, which was attended by experts from around the world in 2005, came to the conclusion that that aerial patrols, if they were helicopter based, would provide some measure of protection, given the nature of how they traverse and hover in a particular area, but the summit was very much against the usage of aerial surveillance by fixed wing aircraft.

The Hon. DUNCAN GAY: Minister—

The Hon. IAN MACDONALD: Can I finish the answer? I will finish the answer, and then you can ask me another question. The situation is that if one is to go to helicopters, there are a number of very difficult points you have to take into account. First, the cost of it is massive; to utilise a helicopter is very expensive per hour. Second, most of the time when you have difficulty in terms of encountering a shark, as has been shown by the research we did in Sydney Harbour, all the higher chances of the activity of sharks are in the morning, overnight or in the evening. At those times, fixed wing and helicopter surveillance are very limited in usage.

As has been pointed out a number of times, we had three incidents of shark attacks last summer. All three major ones were in the Sydney area, and all of those attacks were early in the morning when aircraft surveillance of any type would have been next to useless. The one exception was of course the one at Bondi, which was an evening one, but again aerial surveillance would have been very difficult.

We will be putting a number of educational materials around about this over the summer period to try to get people to swim outside the hours to which I have just referred, and to take various other precautions, including the one you have raised about baitfish. I am considering the resources that will be available for some helicopter surveillance at certain points. That is a thing that we are looking at, at the moment.

The Hon. DUNCAN GAY: The current meshing program covers only a small part of the beach, and more than half the sharks caught are trapped on the inside of the net on their way back out. What plans, if any, do you have to improve that situation?

The Hon. IAN MACDONALD: We have taken a number of measures following the EIS in relation to the netting program, which includes such things as enhanced monitoring of the nets. The thing about the shark meshing program that I guess people need to understand is that it is not a permanent full barrier to shark movements along our coast. It was conceived back in the 1930s following a considerable number of deaths over the previous 30 years from shark attacks off our coastline. The nets are not a fixed barrier. It is not like you are swimming in a swimming pool if you are utilising those nets.

What our scientists tell us is that, for a start, we have had one death at netted beaches since 1937. Prior to that it was one death a year. So you really are seeing, I think, a pretty effective measure. That death was

nearly 50 years ago. The scientists tell me that they believe the nets act to prevent a shark creating some territory in an area. Once they go inside the net they realise that there is a barrier, and they want to get away from that site. That is the theory. The proof of the pudding is in having so few fatalities, but I put the caveat that it is not a measure that is 100 per cent risk-free. As soon as you enter the sea, you are in the shark's domain.

The Hon. DUNCAN GAY: Minister, you would be aware that your Government's decision to build marine parks without proper community consultation has hurt local coastal businesses and communities—just so that you can pretend that you are Green. Can you tell us today how many millions of dollars your Government has spent over the past three years on marine parks, to close the State's fisheries, and force recreational and commercial fishers into smaller areas? Minister, would the figure of \$33 million be within the ballpark?

The Hon. IAN MACDONALD: As you probably should be aware, I have no responsibility for marine parks.

The Hon. DUNCAN GAY: It is joint.

The Hon. IAN MACDONALD: No. I have concurrence, but I do not have a management role. That is held by the Department of Environment, Climate Change and Water [DECC], so you should address that question to the Minister for Climate Change and the Environment or to the Department of Environment, Climate Change and Water.

The Hon. DUNCAN GAY: But, Minister, these are budget estimates. Any perusal of the budget estimates will indicate that an amount of money has come from DPI.

The Hon. IAN MACDONALD: You should look at it.

The Hon. DUNCAN GAY: That is why I am asking you.

The Hon. IAN MACDONALD: The marine parks in New South Wales are under the responsibility of my colleague, the Hon. John Robertson. You should address the question to him. I think he is appearing before the Committee this afternoon.

The Hon. DUNCAN GAY: Minister, with great respect, these are budget estimates. A large amount of money comes from DPI. Will you tell us how much money comes from DPI?

The Hon. IAN MACDONALD: My understanding is that the budget is with DECC.

The Hon. DUNCAN GAY: That is not my understanding. My understanding is that a large amount of money comes from DPI. It comes from Fisheries and goes into the buyout and it is all part—

The Hon. IAN MACDONALD: To the buyout?

The Hon. DUNCAN GAY: —of marine parks. Are you telling me that no money comes from DPI to marine parks? If you tell me that, I will accept that.

The Hon. IAN MACDONALD: As I understand it, we administer buy-outs, but the budgetary responsibility for marine parks is with the Department of Environment and Climate Change [DECC].

The Hon. DUNCAN GAY: The cost of running them?

The Hon. IAN MACDONALD: Yes, all the services are with DECC.

The Hon. ROBERT BROWN: I will stay on the fisheries theme. I have a series of questions on fisheries, and I will place most of them on notice because they are fairly detailed and will probably require a fairly detailed reply. In relation to compliance officers, the major recommendation from the 2004 Palmer report on illegal fishing was to increase fisheries compliance officers in the front line. The recent Fisheries Amendment Bill 2009 will assist in this regard. What is the Government's commitment to providing more front-line fisheries officers? Many recreational fishers are sceptical about the Government's resolve. In particular, during the past 12 months, can you indicate, first, how many official fisheries officer positions were in

existence; and, secondly, the number filled and the number vacant? Is there any measure of enforcement hours delivered and not delivered?

The Hon. IAN MACDONALD: I will not deal with them in any particular order. A total of 12 positions are currently vacant across the State. The director general has given approval to fill these vacant positions. Currently, there is an internal process underway to fill them, and if they are not filled there will be an external process. The total number of fisheries officers is 92. Just to sharpen it up a bit, whenever vacancies occur a range of strategies are employed to meet compliance workloads, including the conduct of targeted operations both across zones and with other agencies to strategically address peak fishing activity and seasonal fish abundances, and temporary redeployment of officers to districts experiencing high workload demands.

The Hon. ROBERT BROWN: To clarify that, does the figure of 92 include the 12 vacancies?

The Hon. IAN MACDONALD: I presume so, yes.

The Hon. ROBERT BROWN: In relation to funding specifically for compliance, how much compliance is paid for from the recreational saltwater trust and the recreational freshwater trust?

The Hon. IAN MACDONALD: Seventy-one of the 92 positions are funded by consolidated revenue and 21 by the two recreational fishing trusts. I do not have a dollar figure to hand, but I will get that for you.

The Hon. ROBERT BROWN: Can you advise the Committee on the actual budget of expenditure for 2008-09 for recreational fisheries management in New South Wales, that is, from consolidated revenue, broken down into the following areas: compliance and enforcement, educational awareness, actual fisheries management, and research?

The Hon. IAN MACDONALD: I will take that on notice. I have some information. Trust funding is now up to \$13.5 million.

The Hon. ROBERT BROWN: I am more interested in what moneys come out of consolidated revenue rather than trust funds. If you take that on notice, I would appreciate it. In relation to licensing or whatever it is called, the general all waters fishing licence in New South Wales, there was an expectation that the consolidated revenue portion of the recreational fisheries management budget would start at \$3.5 million per annum once the licence was implemented—this started when Mr Obeid was the Minister; he did a fantastic job of introducing those licences—and it would be implemented and pegged with an annual consumer price index [CPI] increase. This was apparently allowing for a \$1.5 million annual user pays component subscribed by the trust to a number of key fisheries management areas. In other words, over and above that there was to have been another \$2 million a year indexed to CPI from consolidated revenue. Can you provide the Committee with the relevant historical data for the past financial years since the implementation of this licence with regard to the consolidated revenue budget contribution to recreational fishing licence operations?

The Hon. IAN MACDONALD: I will take that on notice. As I have already pointed out, a lot of staff funded out of consolidated revenue would be doing that sort of activity.

The Hon. ROBERT BROWN: Do those 72 staff handle only recreational fisheries or do they handle commercial fisheries as well? Or are they different staff?

The Hon. IAN MACDONALD: They are both.

The Hon. ROBERT BROWN: I have other questions on fisheries, but I will put them on notice.

CHAIR: I am interested in whether you as fisheries Minister are a fisherman. Have you had any experience with the ocean?

The Hon. IAN MACDONALD: This is a very good question. I have been out on trawls with the commercial fishers, offshore, out on the Clarence.

CHAIR: Do you wet a line yourself?

The Hon. IAN MACDONALD: I confess that I do not have much time for fishing, in the sense of lack of time. A couple of times I have gone out with recreational fishers and we have wet a line, so to speak.

The Hon. DUNCAN GAY: Did you have a licence?

The Hon. IAN MACDONALD: Unfortunately I never caught anything and, yes, I did have a licence.

CHAIR: I am interested because there is a bit of a reality gap in terms of your aerial patrols, and you talked about shark surveillance and so on. You clearly indicated that bait fish cannot be seen, but you already have aerial patrols. Is it worth talking about the fact that when you have bait fish in an area you have a lot of bird activity with seagulls and other sea birds? It is easy to recognise and it is a basic, practical application that could be put forward. It would not cost you a penny.

The Hon. IAN MACDONALD: I am aware of diving birds being an indication of potential bait fish around. You have put that very well in the question. When we are further devising the program we will get some words from you to utilise within our program.

CHAIR: Perhaps you should have invited me to the shark summit. I could have been of some use.

The Hon. IAN MACDONALD: Of some use? I do not know about that.

The Hon. DUNCAN GAY: It was a pretty limited invite list.

CHAIR: It was very limited.

The Hon. DUNCAN GAY: There was no-one from aerial patrols.

CHAIR: Why was I not invited, given my ongoing interest in shark issues?

The Hon. IAN MACDONALD: I do not think we invited politicians. We thought we would get some experts who have at least technical knowledge in this area that is backed up with appropriate certification. I know you are a generalist and a fine intellect—

CHAIR: Thanks, that will do. In 2008-09 what percentage of cropping area in New South Wales was sown using reduced tillage technology? What funding support does the Department of Primary Industries [DPI] provide to assist farmers to adopt zero and reduced tillage practices? Has there been an increase in the percentage from 80 per cent?

The Hon. IAN MACDONALD: I do not have the exact percentage at the moment but over the past 10 or 15 years the minimum tillage program has been extremely successful. Most farmers now practice that where appropriate, and that is on most occasions. We have been working on this in the department for about 30 years. I would think the percentage would continue to climb upwards, but I do not have the figure.

CHAIR: Perhaps you can take that on notice.

The Hon. IAN MACDONALD: Yes, I will get you the figures, but we have a lot of extension devoted to this area.

CHAIR: Over the past three years there has been a general decline in farmers attending the pro-farm training course. Considering the demand for knowledge on soil and nutrient management and organic farming, what would account for the decline? What measures will the department adopt to encourage greater participation?

The Hon. IAN MACDONALD: I am not aware that there has been any significant decline in attendance at courses. I would imagine over the past couple of years the cumulative impact of the drought upon the farming sector might have had some role if, indeed, there was a dip in numbers attending such course. I will take that question on notice, break it up and get you an appropriate answer.

CHAIR: A question was asked in last year's budget estimates about reforms to the Plantations and Reafforestation Act resulting from a statutory review. You stated that an exposure would go on public exhibition

during November-December and that amendments would be implemented by June 2009. Will the Minister explain where that is up to?

The Hon. IAN MACDONALD: The statutory review of the Act and the code has involved consultation with key government agencies and stakeholders. Cabinet approved the drafting of a bill to amend the Plantations and Reafforestation Act to improve efficiency and effectiveness. Cabinet also noted proposed amendments to the code. It is anticipated exposure drafts will go on public exhibition later this year and that the bill will be presented to Parliament during this session. Demand for plantation authorisations under the Act has increased annually since the commencement of the Act in 2001.

Since commencement of the Act in 2001, more than 825 plantations have been authorised, covering an area of more than 215,000 hectares. This area includes more than 160,00 hectares of new and existing timber plantations, and 8,400 hectares of environmental plantations. More than 35,200 hectares within authorised plantations have been retained and managed for conservation. Plantation activity in northern New South Wales continues to grow—in fact, the majority of new applications are for that part of the State. Of the 85,000 hectares approved in northern New South Wales, more than 11,400 hectares are retained native vegetation for biodiversity outcomes.

CHAIR: You said that the amendments would be implemented by June 2009. Where is that up to?

The Hon. IAN MACDONALD: We are clearly running behind target.

CHAIR: Will the Minister give an indication?

The Hon. IAN MACDONALD: As I said, we will be doing it later this session.

CHAIR: How much funding has been provided to clean coal technology through the Clean Coal Fund?

The Hon. IAN MACDONALD: The Government has allocated \$100 million over some years for clean coal technology. This year I think the figure is in the order of \$16 million. The statutory body set up by Act of Parliament is going through a process of looking at what funding options exist. Of course, the Munmorah project and the sequestration drilling are key parts of the program but we will be looking at other proposals as well. As Mr Ian Cohen might know, at the University of Newcastle, for instance, a number of major projects are looking at various way to, in effect, reduce emissions from the production of energy utilising coal, including carbonation and closed-loop technology and a new engine that combines the current generators that are in use around the world to up the efficiency of those generators. The expenditure is \$16.5 million and we will be looking at a process for funding of those very worthwhile projects.

CHAIR: Recently *Four Corners* ran an in-depth analysis on clean coal technology internationally. Immediately after that program you were asked a question in the House about whether you viewed it and what did you think. Given that the information in the program was central to any investigations into clean coal technology, have you viewed the program? Do you have a position on the program's ideas on clean coal technology?

The Hon. IAN MACDONALD: No, I have not seen the program. I have read plenty of articles that adopt the same sort of line. One just has to read the *Sydney Morning Herald*, for instance, and that line is pumped out on a regular basis.

CHAIR: Minister do you think it is a reasonable call by me and others for someone in your position to at least view a program of that sort of stature? It certainly gave an in-depth analysis.

The Hon. IAN MACDONALD: No, not necessarily. I have seen lots of programs on clean coal technology, and I read the various articles in magazines and what have you in relation to it. I firmly believe that the Integrated Pollution Prevention Control [IPPC], the Stern report and Al Gore have got it right in saying we need to have clean coal technologies in place by 2030 to avert serious global warming. Every major piece of science that has ever occurred has had its massive doubters right from the beginning. For instance, the advent of railways in the 1830s and 1840s certainly disturbed a lot of people. They became described as luddites.

CHAIR: I do not think you have the Transport portfolio, Minister. Would you please get back to the issue?

The Hon. IAN MACDONALD: No, you have asked me the question and you will get the answer. Indeed, I have no doubt clean coal technologies will take some time. But there is nothing new in the technologies. They are all working in a laboratory phase. Now at Munmorah we are very pleased with the results on the carbon capture process and we are hopeful of finding suitable sequestration to adopt that project. In fact, we are so confident of it we have put the Munmorah project to the national flagship program on clean coal and sought funding from the Commonwealth for that project. We believe it will play a great role over time developing the viable economic basis for the usage of clean coal technologies. We do not have much other choice as 92 per cent of this State's power is generated out of coal-fired power stations. They are not going to go away tomorrow. We cannot afford them to go away tomorrow. We need to keep the lights on in this State. It is going to be an evolutionary process. It involves clean coal technology and also renewable technologies, both of which the Government, quite wisely, is investing in.

CHAIR: It is good to hear that last statement which, as you know, warms the cockles of my heart.

The Hon. IAN MACDONALD: I am glad.

CHAIR: How much funding is the New South Wales Government providing to the National Centre for Rural Greenhouse Gas Research?

The Hon. IAN MACDONALD: We are providing a considerable amount of resources to the centre. I will provide the exact figure. We have already engaged a significant number of projects. We have received considerable funding from a Federal level to investigate a number of projects to start the process of working out ways in which we can mitigate against emissions created in agriculture. As you know, a major project, methane reduction in ruminants, has received Commonwealth funding and that work is proceeding apace. We are also looking at the role of both soils and various plant matter in terms of sequestering carbon, as well as the use of alternate non-food products in the production of bio-diesel in second-generation fuels.

CHAIR: I hope to get the exact figures on notice, but will the Minister agree that there is a significant disparity—nothing like the figures you are quoting—on the Clean Coal Fund?

The Hon. IAN MACDONALD: We will build up the grid house centre. It is a joint venture between the department and the University of New England, and both entities are very committed to it. It will build up as we get moving.

CHAIR: The disparity will not end in terms of the balance of funding toward the Clean Coal Fund? Are we going to go somewhere towards matching that?

The Hon. IAN MACDONALD: Over time we will increase it.

CHAIR: How much time are you talking about?

The Hon. IAN MACDONALD: The decision on whether to incorporate, as it currently stands, into the Emissions Trading Scheme [ETS] is to be determined in 2013. If it goes in it will occur in 2015. We have some lead time, but it is not great, because we have a lot of work to do if it is to be in the ETS to get the productivity gains to offset what would be very severe cost increases in the conduct—

Mr IAN COHEN: Are you talking about the National Clean Coal Fund?

The Hon. IAN MACDONALD: No, I am talking about agriculture, in terms of getting together sufficient funding over that period to be able to enhance agricultural practices, to enhance productivity.

CHAIR: The New South Wales Rural Assistance Authority has allocated—

The Hon. DUNCAN GAY: Your time is up.

CHAIR: No, that bell was for the Hon. Robert Brown. Sorry, yes, it is. We now go to Government members.

The Hon. EDDIE OBEID: Minister, my question refers to fisheries. What action has the Government taken to secure funding for recreational fishers in the Hawkesbury-Nepean catchment?

The Hon. IAN MACDONALD: That is a positive question and harks back to the member's previous role as Minister for Fisheries, and relates very much to the budget. Firstly, let me make it clear that the Government is continually working to improve the fishing opportunities for anglers across our State. The magnificent Hawkesbury-Nepean system is the second largest river system in New South Wales. It supplies 97 per cent of Sydney's drinking water and is home to a number of different species of fish and other aquatic fauna of significance. But, sadly, for some time the system has shown signs of environmental stress, with severe fish population declines in common species such as Australian grayling, Australian bass and many other smaller species. While many factors are believed to have contributed to these declines, it is the reduction of flow and the construction of dams and weirs that have disrupted fish passage and impacted significantly on fish populations.

I should add there are 13 weirs and four water storages within the local area, including Nepean Dam and Cataract Dam, which are creating barriers on the main channel of the Nepean River. This prevents fish from moving both upstream and downstream to complete important spawning and dispersal migrations. That is why I am pleased to say the department is working in conjunction with the Sydney Catchment Authority on a \$33 million project to help restore native fish migration and reinstate environmental flows in the Nepean River. This impressive program will be the largest-scale fish passage rehabilitation program ever undertaken on a coastal Australian system. Fish passages will be reinstated along the entire length of the Nepean River from Penrith Weir to Maldon, by installing vertical slot fishways at 10 of the barriers.

An additional fishway is being constructed on Pheasant's Nest Weir to specifically aid the conservation of the endangered Macquarie perch. Expert freshwater fish researchers, based at the Narrandera Fisheries Centre, have been awarded a three-year contract to monitor fish responses before, during and after the construction program. That project is being funded and coordinated by the Sydney Catchment Authority, and ultimately it is hoped that numbers of such iconic recreational fish as the Australian bass and threatened species such as the Australian grayling and Macquarie perch will increase.

Our leading researchers have already commenced work, with 449 fish including Australian bass, freshwater mullet, sea mullet, catfish and long-finned eel already caught via electro-fishing, and tagged with individually-coded passive integrated transponder [PIT] tags, more commonly known as microchips. Scientists have also implanted yellow external tags into the fish, which will allow the wider community to be involved in this important research by reporting tagged fish recaptures directly to researchers. Researchers have worked with an Australian company to develop an Australian-made, and world-first, automated PIT reader system. This innovative system will be installed at selected fishways to continuously scan for the presence of tagged fish. Researchers will then collect detailed information on the overall passage rates of fish and also the response of fish to environmental flow releases as they occur.

Most importantly, fish implanted with microchips are tagged for life, providing fish passage information and any response to environmental flows for decades into the future. Our expert staff will continually monitor and assess the environmental works to demonstrate improvements to the Nepean River fish community. Scientists will also be taking fin clips from fish to determine if the fishways are contributing to increased genetic diversity along the length of the river. This is the first time genetic work of this nature has ever been undertaken in Australia in response to fishway construction and will provide essential information to ensure the long-term sustainability of fish in the Nepean River.

The full results of this multi-million dollar research program are expected to be known by mid 2012. The construction of fishways and improved provision of environmental flows is essential to reduce one of the major pressures on fish communities in the Nepean catchment. Quite simply, this is about improving the river environment and providing a sustainable recreational fishery. And it is just one example of the New South Wales Government's commitment to improving fishing opportunities for the current and future generations of anglers in our State. I would prefer if we do further Government questions later. Can we continue with Opposition members?

CHAIR: Minister, that was the preference for proper questioning. If you are up to the challenge we would appreciate it. The Opposition may now ask questions.

The Hon. DUNCAN GAY: Minister, earlier you answered my question on marine parks by saying that there was no Department of Primary Industries money in marine parks. Would you like to revisit your answer?

The Hon. IAN MACDONALD: My understanding is that that is other than buyouts. We administer buyouts, as I understand it.

The Hon. DUNCAN GAY: Freedom of information [FOI] documents recently signed by Ron Taylor, Manager, Corporate Projects, documents held for money into marine parks, Fisheries Annual Report 2003-04, financial report 29.6.04, Environment Protection Authority Annual Report 2004-05—

The Hon. IAN MACDONALD: We used to. It has changed. I am talking about the current budget, not about 2004.

The Hon. DUNCAN GAY: Minister, if you would listen to the question, it was over a period of three years. There is definite evidence that a large amount of DPI money—

The Hon. IAN MACDONALD: I thought we were talking about this budget.

CHAIR: Perhaps you could answer the question, in light of Mr Gay's explanation?

The Hon. IAN MACDONALD: We did have funding, but we do not now.

The Hon. DUNCAN GAY: Minister, in light of that funding which you have had in the past and some which you currently have, and given the FOI documents indicate that \$33 million—

The Hon. IAN MACDONALD: I do not think there is any current, by the way, on advice.

The Hon. DUNCAN GAY: Minister, given that the FOI documents indicate that over the past three years \$33 million has been spent on marine parks by your Government, do you find it acceptable that there is no representation now from Fisheries, or you as the Minister representing Fisheries in this State, that the department that does the research and looks after commercial and recreational fisheries has lost control?

The Hon. IAN MACDONALD: No, let us be very careful. The Marine Park Authority administers the marine parks. The Department of Industry and Investment, through its Fisheries Division, has representation on that authority. Secondly, my understanding of the arrangements is that when a matter pertaining to marine parks is put forward to Cabinet I have a concurrence role. That is my role.

The Hon. RICK COLLESS: I turn to agricultural research centres. What revenue has been raised through commercial agricultural activities on the Condobolin Agricultural Research Station over the past financial year, particularly in relation to grain and livestock sales, et cetera? Are you able to provide a similar line of revenue generated through the past 10 years?

The Hon. IAN MACDONALD: Yes, we can. I will take that question on notice. The Hon. Rick Colless would have been quite pleased with the decision by the Government after review to continue the research centre in Condobolin, I am sure.

The Hon. DUNCAN GAY: It took a long time.

The Hon. RICK COLLESS: After you threatened to close them all down, I might add.

The Hon. IAN MACDONALD: I did not threaten to close anything. It was a budget decision—

The Hon. RICK COLLESS: You did.

The Hon. IAN MACDONALD: No, the budget contained a statement in terms of the global financial crisis, that there had to be some fiscal discipline and so I commenced a review of those particular stations. I think a very satisfactory outcome was achieved. It was a very good process, because it brought into the consultation the local communities, the local industry, and I have had nothing but good comments from many industry leaders about that process and how it enabled them to galvanise their thoughts about their research stations.

The Hon. RICK COLLESS: Are you aware that the research station staff are saying that they have been expected to do more with less for a long time?

The Hon. IAN MACDONALD: I think you will find that over the past 20 years all governments have tried to do a bit more with less. That is the very nature of productivity improvement.

The Hon. RICK COLLESS: Are you aware they are now in a situation where they can only do less?

The Hon. IAN MACDONALD: I do not think that is the case. I will take the question on notice and provide some very good words for you.

The Hon. RICK COLLESS: I am sure you will. What proportion of the revenue generated through the commercial agricultural activities of the Condobolin agricultural research centre was returned to fund the ongoing operation of the facility?

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

The Hon. RICK COLLESS: Can you also provide a similar overview of revenue returns for all the other research centres—Wagga, Armidale, Camden, Condobolin, Cowra, Glen Innes, Orange, Tamworth, Trangie and Yanco?

The Hon. IAN MACDONALD: Those specifically?

The Hon. RICK COLLESS: All the research centres including those.

The Hon. IAN MACDONALD: You left a few out.

The Hon. RICK COLLESS: How much of the revenue that is generated from the agricultural enterprises at those research centres is returned to the individual centres to fund their ongoing operation.

The Hon. IAN MACDONALD: Yes.

The Hon. RICK COLLESS: What funds were expended by the Government in drawing up plans to sell off the research stations at Alstonville, Berry, Condobolin, Glen Innes, Griffith and Temora in order to fill the Government's budgetary black hole?

The Hon. IAN MACDONALD: How much did we save or make—

The Hon. RICK COLLESS: How much money was expended in drawing up the plans to sell them off and do the reviews and so on?

The Hon. IAN MACDONALD: I would think very little. As I understand it, everything was done in-house.

The Hon. RICK COLLESS: Was it done on a desktop basis rather than an actual consultation phase? Is that what you are saying?

The Hon. IAN MACDONALD: No. A number of proposals were put forward in terms of the budget and the needs we have in meeting that budget. There has been discussion over many years about some of the smaller research stations. You might note, if you take your head out of the sand for a minute, that at a national level over the last few years—

CHAIR: That was unnecessary.

The Hon. IAN MACDONALD: I will withdraw that.

The Hon. RICK COLLESS: I have had bigger hits from my mother.

The Hon. IAN MACDONALD: We are sensitive on this Committee! The national bodies' research organisations and industry, as you might be aware, are looking to partner with more substantial types of stations

that have a larger critical mass of researchers. There is a lot of work that is going to be a challenge for us over time in terms of specialisation and not funding certain activities in particular States because they have made a decision they will fund a type of research in another State.

The Hon. RICK COLLESS: In lights of those comments, what is the future for stations such as Glen Innes where there is, from memory, only one research officer?

The Hon. IAN MACDONALD: Pretty secure.

The Hon. RICK COLLESS: You just made a point about needing to have a critical mass of research officers in research centres and you are trying to tell me that a station like Glen Innes is going to survive in the long-term.

The Hon. IAN MACDONALD: No, you misread me. The national bodies that are engaged in research activities are increasingly engaging research stations that have a critical mass. They are looking for a place that would have several scientists and technicians working on a project. It is just the way things have consolidated.

The Hon. RICK COLLESS: How many scientists are now located at Condobolin, for example?

The Hon. IAN MACDONALD: I will get you that figure. There are a couple of researchers.

The Hon. RICK COLLESS: I am sure the Director General would know.

The Hon. IAN MACDONALD: There are researchers there.

The Hon. RICK COLLESS: How many?

The Hon. IAN MACDONALD: Three or four.

The Hon. RICK COLLESS: I do not think so. How many are there at Glen Innes?

The Hon. IAN MACDONALD: I will get you the figures. I do not have them off the top of my head. Very few.

The Hon. RICK COLLESS: Yes, very few.

The Hon. IAN MACDONALD: You have to remember that with a place such as Glen Innes our larger research facility there utilises Glen Innes infrastructure for various projects, so there is some of that element in it in terms of usage.

The Hon. RICK COLLESS: Sorry, your other research facility where?

The Hon. IAN MACDONALD: In terms of projects, researchers based at Glen Innes—Armidale, sorry—use the facilities of Glen Innes for various projects. It is not as though the only work being done at Glen Innes is that done by the local Glen Innes staff.

The Hon. RICK COLLESS: In relation to the review process that occurred, what funds did you and your staff expend in travel and accommodation and other related expenses during the consultation process?

The Hon. IAN MACDONALD: The consultation process with?

The Hon. RICK COLLESS: In relation to the research centres.

The Hon. IAN MACDONALD: Staff and myself and the department, or what?

The Hon. RICK COLLESS: The department's expenditure on that review process.

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

The Hon. DUNCAN GAY: Earlier I asked you a question on Prorata Resources. I want to clarify that you took that on notice to find out the amount that was paid.

The Hon. IAN MACDONALD: Yes, that is correct. I have a bit of an answer here about Prorata Resources. A Mr Joseph Andrews and Raymond Terps paid the standard application fee and standard security deposit for their licence EL 7341.

The Hon. DUNCAN GAY: Minister, you will recall the Federal Government announced funding of \$1.5 million for a study into surface and groundwater resources in the Namoi region in December last year and BHP Billiton announced its commitment in September this year to provide a share of the funding for the Government's independent water study, which is currently being implemented in the area. Given this, what is the State Government's current position on a funding commitment for an independent water study in the Namoi region?

The Hon. IAN MACDONALD: Currently we have no funds available for such activity. The Government's position is that we do not fund work related to a development application. This is in the hands of the proponents and should stay in the hands of the proponents. As you would appreciate, if we were to start funding water studies across this State related to development projects it would amount to a considerable amount of money. Our view is that the process that is in place now is very satisfactory. The companies have signed up. There is an independent committee in the custodianship of Mal Peters, a former president of the NSW Farmers Association, and that committee will seek tenders for such a study. We also have a commitment now, I understand, from all of the miners to put in and fund that study.

Given that there is a very limited number of companies or consultancies that are capable of doing this work, they will choose someone in an open tender process that will provide the data upon which people can make assessments down the track. I think they have set an 18-month time frame for that as part of the agreement that was struck a couple of months back. The process is underway and, in conjunction with the amended licence, I think the situation in the Carroona area and the Liverpool Plains is less antagonistic, if you like, than it was some time back, with those changes in place, which have been conveyed to the community.

The Hon. DUNCAN GAY: Can you understand that not only do communities want to see independent surveys but the perception of independence is just as important as an independent survey? When you are not funding these surveys and the affected parties are funding them, the perception of independence within the community is removed.

The Hon. IAN MACDONALD: It is my understanding that the committee we have in charge of commissioning the water study and bringing it back for recommendation is an independent one. Various payees will place funds independently so that the stakeholder advisory group can conduct an independent process. I think those fears are unwarranted. The precedent it would set in the future for all governments in this State to be funding such water studies I think would be demanding on financial resources. If they are conducted independently by accredited science I believe it will give us a level of confidence about the outcome.

The Hon. DUNCAN GAY: Minister, can you provide the Committee with details of the original mine plan that was attached to EL6505?

The Hon. IAN MACDONALD: The original plan for Carroona? I will have a look at that question.

The Hon. DUNCAN GAY: Minister, can you also provide details of the revised mine plan following your announcement on 2 September 2009 that there would be no longwall mining on the floodplain?

The Hon. IAN MACDONALD: I will have a good look at the issues and at that question.

The Hon. DUNCAN GAY: Minister, could you also provide details of the mine plan attached to EL7223?

The Hon. IAN MACDONALD: That is the final Carroona plan?

The Hon. DUNCAN GAY: The watermark.

The Hon. IAN MACDONALD: I will have a look at that.

The Hon. DUNCAN GAY: Minister, what level of consultation was undertaken by the Department of Environment and Conservation and the Department of Primary Industries prior to the announcement of the coal waste reject [CWR] levy, which was announced in the 2008 mini-budget? What is the anticipated revenue impact of the CWR levy, and what are the likely impacts on the New South Wales coal sector?

The Hon. IAN MACDONALD: That is a matter for the Department of Environment and Conservation. I think you should address that question to the department that is responsible for that levy.

The Hon. DUNCAN GAY: Did you have no role in this? You must have had a view?

The Hon. IAN MACDONALD: It was part of last year's mini-budget process. Treasury made the decision.

The Hon. DUNCAN GAY: I know that you have been demoted, but somewhere along the line you must have tried to stand up for your department and had some view on this.

The Hon. IAN MACDONALD: Is the Chair going to be sensitive about this issue? He is not sensitive about this issue. The Hon. Duncan Gay can insult me—

CHAIR: If you want me to do so I will get him to withdraw that statement.

The Hon. IAN MACDONALD: Duncan, if you look at the seniority list you will see that I went up.

The Hon. DUNCAN GAY: Answer the question.

The Hon. IAN MACDONALD: This is a matter for the Department of Environment and Conservation.

The Hon. DUNCAN GAY: Do you have a view?

The Hon. IAN MACDONALD: I have views on everything.

The Hon. DUNCAN GAY: It affects the industry that you represent.

The Hon. IAN MACDONALD: I am always concerned about the effects on industry. I am sure that industry representatives will say that I am always concerned about what affects them. The point is that the Government made a decision and you should address it to the appropriate Minister.

The Hon. DUNCAN GAY: Minister, why is your Government not following the lead of other Australian States to deregulate bovine Johne's disease [BJD] testing in the beef industry?

The Hon. IAN MACDONALD: Why is this Government not following the lead of the other States?

The Hon. DUNCAN GAY: Yes.

The Hon. IAN MACDONALD: The national and State beef industries have supported a policy of keeping New South Wales beef herds free of BJD. It is a difficult issue to manage because of the nature of the disease, the poor sensitivity of available tests, and the management required to clear a herd of the disease. The current BJD policy in New South Wales has been developed with input from, and is endorsed by, an industry committee with representatives from the New South Wales Farmers Association—that is, beef and dairy—the Livestock, Health and Pest Authority, Industry and Investment NSW, the Australian Livestock Property Agents, the Saleyard Operators Association, and other industry groups—groups that I might add would correspond with you regularly.

The current policy requires regulatory control of infected and suspect beef herds. This is needed to manage the spread of the disease and to provide most producers with easy access to the Queensland market. I am satisfied that Industry and Investment NSW is applying it appropriately. I have initiated a review of the current BJD policy to determine whether it remains appropriate and consistent with the best outcomes for both disease control and trade.

The Hon. DUNCAN GAY: What is the time span on that review?

The Hon. IAN MACDONALD: Hopefully by the end of the year.

The Hon. DUNCAN GAY: Minister, are you aware of growing unease in the animal science community that the BJD testing program is based on poor science and inadequate diagnostic technology?

The Hon. IAN MACDONALD: I am aware that there is some concern in the community, in particular, in relation to some herds that in recent times have been subject to regulatory control upon detection or suspicion of BJD. As I said in my earlier contribution, there are questions about the level of scientific strength of the testing regime, but that will form part of the review.

CHAIR: Minister, earlier there was one question that you took on notice and that you answered only in part. Mr Gay, do you still want the Minister to take that question on notice?

The Hon. DUNCAN GAY: The Minister answered only part of the question.

The Hon. IAN MACDONALD: The important part.

The Hon. ROBERT BROWN: My question relates to Forests NSW. Under a previous question on notice, the Department of Environment and Conservation supplied some information on the mass used by that department of sodium monofluoroacetate, or 1080 poison. Does Forests NSW undertake 1080 baiting on its own lands and, if so, does it either purchase the chemical and mix its own bait or purchase the bait? If so can you tell me or take this question on notice and tell me what was the total amount of sodium monofluoroacetate used by Forests NSW on forestlands in the past 12 months?

The Hon. IAN MACDONALD: We use it for some dog-baiting activity. I do not have the quantities, but I will endeavour to get that for the member.

The Hon. ROBERT BROWN: My next question relates to the money expended on legal action within Industry and Investment NSW. Could you advise how many cases, if any, have been brought in the past 12 months by the Environmental Defenders Office against the department or any of the sub-departments? If so, how many of these cases did the department win and how much did it cost to defend these actions to date?

The Hon. IAN MACDONALD: I do not believe—but I stand to be corrected—that there is a case where the Environmental Defenders Office took court action. The National Parks Association took court action in 2007 against the department in relation to the environmental practices relevant to the red gum forests, which led to a court-ordered agreement in November 2007. That has run its course and an environmental impact statement has been produced and published. Referring to the Environmental Defenders Office, I am not aware of any action taken by it. As I understand it—and I stand to be corrected—at one point it suggested that it might take some action, but that has not transpired. The regional assessment relating to that is now underway and is being conducted by the Natural Resources Commission.

The Hon. ROBERT BROWN: I refer to the current Natural Resources Commission investigation. Apart from the environmental impact statement, which you said had been completed, what other resources will your department be making available to put forward the views of your department to the Natural Resources Commission?

The Hon. IAN MACDONALD: No doubt some resourcing would be required by Forests New South Wales to put its case in relation to the management of red gum forests. I do not have an actual costing on it, but a considerable cost would be involved. There is no question of that. I believe we would not fully know that until, of course, the process is concluded.

CHAIR: Minister, how much has been paid for mineral exploration licences in New South Wales in the past five years?

The Hon. IAN MACDONALD: That is a fairly complex question because a lot of the projects pay standard fees and there have been a number of expressions of interest, which has attracted some interest and has gained the Government some funding. I will come back with an estimation of that for you.

CHAIR: It is similarly for coal exploration? You might take that on notice as well?

The Hon. IAN MACDONALD: Let me be clear, I was talking mainly about coal in relation to that question. I do not think we have had an expression of interest in relation to a non-coal resource. So it would be the standard fees. I will take that on notice.

CHAIR: Perhaps you could take on notice also whether application fees for exploration licences vary in size or commodity?

The Hon. IAN MACDONALD: They do. With coal it does. There is some variation there.

CHAIR: Could you indicate what the money from those fees is used for?

The Hon. IAN MACDONALD: The vast majority of it goes into Consolidated Revenue to fund schools, libraries, roads and hospitals.

CHAIR: It goes to Consolidated Revenue?

The Hon. IAN MACDONALD: Most of it, I said. There is some offsetting of our costs in preparing the dataset for an EOI.

CHAIR: How much has been paid in rehabilitation funds in New South Wales in the past five years?

The Hon. IAN MACDONALD: How much has been actually paid? I understand the total amount in the fund at the moment is \$1.17 billion. The actual expenditure figure I do not have. Sorry, it is \$1.08 billion. That is at 30 June. It has probably gone up. That is a substantial increase from \$733 million in 2006-07. I will get you whatever has been actioned out of that fund.

CHAIR: Can a rehabilitation fund be used for another mine or any other purpose?

The Hon. IAN MACDONALD: I would not think so. We have a separate program called a Derelict Mines Program. That is separately funded. It is hypothecated to the actual mines and the projects that people are paying.

CHAIR: I understand the residents of Gloucester were informed at a community consultation committee meeting on 3 July 2009 that the proponent of licence EL6523 had already received electronic confirmation that the GRL exploration licence had been renewed, yet on 6 August residents were advised that the approval was still pending. Could you explain this discrepancy?

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

CHAIR: Could you provide a breakdown of the \$6 million funding for combating exotic pests and diseases?

The Hon. IAN MACDONALD: A breakdown of it?

CHAIR: Yes? You might want to take that on notice?

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

CHAIR: Could you explain to the Committee anything you are doing to legislate to ensure egg producers cannot falsely claim eggs are free-range eggs when they in fact come from battery industry sources? Is it true that more eggs are sold as free range than the capability of free-range chickens to lay them?

The Hon. IAN MACDONALD: Yes, one of your colleagues raised this after having sat down with a calculator to try to work it out. We have to look at this issue. Quite clearly there is the possibility of some people utilising some rather sharp marketing practices. All of this area is of considerable concern to us and we are looking at a number of initiatives to tighten it up, including, of course, moving towards stricter penalties in relation to cage sizes by lifting it from the 400 cubic centimetres in the past to 550 now. We are looking at this

issue. I think everyone is looking at it nationally because truth in labelling needs to be imposed in all sectors, particularly in such a vital one. Eggs are such an important part of our diets and if you are going to be buying free-range eggs, they have to be free range. Yes, work is going on in this area.

CHAIR: Would you be looking at introducing regulations to ensure adequate ventilation, heating and cooling, and restrictions on the number of hours that lights are kept on to keep chickens laying?

The Hon. IAN MACDONALD: We have taken steps through the Primary Industries Ministerial Council to regulate this industry. Of course, in 2000 the council adopted this cage size code, which we implemented as of 1 January 2008. We are looking at a number of other codes that regulate these particular areas for other livestock. For instance, the pig livestock is under consideration currently. In regard to the issues you raise, we already have indicated extensive requirements in the code.

CHAIR: Including hours of lighting?

The Hon. IAN MACDONALD: I am not sure if hours of lighting are part of that, but I can check that for you. Certainly, water and all these other issues are canvassed. It is a national code. I cannot change it. Any changes have to go through the PIMC—the Primary Industries Ministerial Council process.

CHAIR: In increasing the annual contribution to the RSPCA to \$424,000 why has the Government specified that the funding is only to ensure the protection and care of companion animals and wildlife in New South Wales? This was a media release you issued on 16 April this year. Are funds being allocated for the express purpose of investigating or prosecuting instances of cruelty to farm animals under the protection of the cruelty to animals 1979 Act? If not, why not?

The Hon. IAN MACDONALD: The State has a headline contribution. When I became Minister the contribution was in the order of \$250,000 to \$300,000. It is now up to \$420,000. The RSPCA has approached me on a number of occasions regarding its Yagoona upgrade proposition, and other issues. I have not had a discussion with the CEO in recent times about any of these funding issues that I read about in the paper. In due course we will meet and look at the scope of the issues.

In regard to enforcing the particular problem of cage sizes that was raised at the time, the primary problem of the RSPCA that filtered through to me was the inadequacy of penalties in the Act. That is why we are addressing that issue and will be addressing it in this session of Parliament. The RSPCA felt that it would go out and do the work, assess the property as non-compliant, slap an appropriate order on it and then it would attract a fine of a minimal nature that the RSPCA felt could be written off as a business cost, if you like, to just ignore the ramifications of the national code. That is why we have tightened that aspect up. I believe the RSPCA will be very pleased with that initiative. The RSPCA has not specifically spoken to me about its funding issues. I am looking forward to meeting with its representatives in due course.

CHAIR: Will you provide the names of people who served on the legislative review group for the Game and Feral Animal Control Act 2002?

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

CHAIR: Given that the CEO of the Invasive Animals CRC and the President of the Australian Wildlife Management Society have said that recreational hunting is not effective as a primary method for feral animal control, on what basis is the claim made that pest animal managers approve the performance of the Act?

The Hon. IAN MACDONALD: It is good to see that you are doing the bidding of your colleague Ms Lee Rhiannon in relation to this issue. I am pleased about that.

CHAIR: I am doing my own bidding, Minister. I am capable of that.

The Hon. EDDIE OBEID: She is the Greens shadow environment spokesperson.

The Hon. IAN MACDONALD: Is she?

The Hon. EDDIE OBEID: Yes. He is the official spokesman, but she is the shadow spokesperson.

The Hon. IAN MACDONALD: Oh, the shadow's shadow.

The Hon. ROBERT BROWN: She does the press work.

The Hon. IAN MACDONALD: We will not go too far. I strongly disagree with those organisations you mentioned in relation to that. You might have noted that just recently the Federal Government announced an eradication program of \$403 million involving considerable use of culling programs across this country, including camels, goats and wild pigs. That is \$403 million. In New South Wales, as I understand it, in the budget there is up to \$22 million for similar activity in our national parks. The resources going into this area in terms of trying to manage some of these species that do such damage to our native species, both plant and animal, is extraordinary. I find the Green's attitude of opposing this activity, which brings highly skilled voluntary effort into it to try to at least manage or control some of the species and their impact on the environment, is quite extraordinary.

The Hon. DUNCAN GAY: Are you supporting the Hon. Robert Brown's bill?

The Hon. IAN MACDONALD: I would have thought that the Greens would have seen that there is a role for voluntary community effort. In every other sector of our society, we appreciate it and we encourage people to go out and be voluntary bushfire fighters. I am motivated: I am becoming a member of the Towak voluntary bush fire brigade at Canobolas. We encourage voluntary activity in the every area of human endeavour. I believe that there is a major role for government, but there is also a major role for voluntary activity. I see this activity as being an important demonstrator of voluntary activity to control what is a disaster out there in our bushland—the disaster of pigs, goats and camels—out west.

CHAIR: Thank you, Minister. I have been informed that 6,500 feral animals were killed annually between 2006-08 in New South Wales State forests by Game Council licensed hunters. Can you advise how this compares in terms of pest control in effectiveness to aerial shooting programs? Do you have any comparative evidence evaluating aerial shooting vis-à-vis ground shooting?

The Hon. IAN MACDONALD: I do not know what figures you are necessarily using. For instance, the figures I have, which are collected figures, are that the licensed hunters have removed—I am sorry, what was that? Aerial?

CHAIR: Yes.

The Hon. IAN MACDONALD: Aerial shooting, where?

CHAIR: Compared to ground shooting.

The Hon. IAN MACDONALD: Aerial shooting that is conducted in State forests. I can only go on my areas of responsibility, right? Aerial shooting is done by DECC in national parks, obviously to control the same problem I am talking about. Just to give you information on the Game Council—since we have had this licensing arrangement, we have eradicated 26,000 game feral animals from declared public lands. This included the removal of 4,000 goats, 4,000 feral pigs and 2,500 foxes. I think that is a great relief for our poor marsupial populations in our forests across the State.

The Hon. EDDIE OBEID: Good job.

The Hon. IAN MACDONALD: We should encourage it. Do you not think we should encourage it?

CHAIR: Minister, you are asking me?

The Hon. IAN MACDONALD: Yes. That is right.

CHAIR: On the record, I support feral animal eradication and I agree about the damage they have done to the environment, which is acknowledged by everybody.

The Hon. IAN MACDONALD: That is honest.

CHAIR: I am just asking the question: If we are agreed about the feral animal problem, what is the basis for claiming that private game reserves can have environmental net benefits?

The Hon. IAN MACDONALD: I would think that if you look at the list I just read out, that is pretty obvious.

CHAIR: Private game reserves.

The Hon. IAN MACDONALD: This is an issue that it has been put forward in the legislation by the Shooters Party. I do not have a private view in relation to it. It is a view that the Parliament in due course will deal with.

CHAIR: Do you not have a view that potentially there will be an increase in feral animal propagation with these private game reserves?

The Hon. IAN MACDONALD: You are asking me to explore the issue?

CHAIR: Minister, are you an ally of the Shooters Party in the push for legislation?

The Hon. IAN MACDONALD: Am I an ally of the Shooters?

CHAIR: Yes.

The Hon. IAN MACDONALD: I am a Government Minister and will do whatever the Cabinet determines on any particular issue—each and every issue.

The Hon. EDDIE OBEID: Robert, you are getting closer to a win.

CHAIR: Did you or your primary industry—

The Hon. IAN MACDONALD: By the way, private game reserves are legal in other States and other countries. It is not something that is profoundly different to what else goes on in the universe.

CHAIR: I take that as an agreement.

The Hon. IAN MACDONALD: No, I am just saying.

CHAIR: You are acknowledging that as the normal state of affairs.

The Hon. IAN MACDONALD: No. I am just saying to you that the proposition is not unique to New South Wales.

CHAIR: I know it is not unique. We have examples of elephant hunting in Zimbabwe. It is not unique. I understand that.

The Hon. HELEN WESTWOOD: We do not have any elephant hunting in Australia though.

The Hon. IAN MACDONALD: I do not have to confront the problem in New South Wales. Most elephants I have seen have been well and truly confined.

CHAIR: Perhaps you could release them.

The Hon. IAN MACDONALD: However, my understanding is that they have culling in certain areas of southern Africa, due to the number of elephants versus the number of humans, plus the pressure on the environment. They have some culling programs that are legal in those countries and encouraged by a lot of international agencies.

CHAIR: Are you tempted to go?

The Hon. IAN MACDONALD: I must say that it is not my cup of tea. I have never fired a gun in my life.

CHAIR: We will now take Opposition questions.

The Hon. DUNCAN GAY: Minister, first of all, I offer my apology for not congratulating you on your obvious elevation in the Ministry and on your seniority.

The Hon. IAN MACDONALD: You have checked it out. Got a shock, did you?

The Hon. DUNCAN GAY: Tony Kelly offers his congratulations as well.

The Hon. IAN MACDONALD: Mate, we are still there.

CHAIR: For the moment.

The Hon. DUNCAN GAY: Minister, are you aware that a large number of key positions were made vacant in DPI, particularly in areas funded by the mines safety levy? What is the Government's position on filling these key DPI positions as a matter of urgency? What assurances can be given that the mines safety levy is being utilised effectively to meet the Government and industry's mines safety goals?

The Hon. IAN MACDONALD: There is quite a bit of material here. To meet the cost of mines safety regulation and improve safety in mines, we introduced a levy in 2006. The levy covers the costs associated with the regulation of mines safety undertaken by Industry & Investment New South Wales. The Mine Safety (Cost Recovery) Act 2005 sets out clearly the levy contributions that must be paid.

The Hon. DUNCAN GAY: Minister, I am getting at the funded positions.

The Hon. IAN MACDONALD: For the financial year, the levy was set at \$21.069 million, being the cost of regulating.

The Hon. DUNCAN GAY: I know that.

The Hon. IAN MACDONALD: This represents 0.927 per cent of industry wages. There is an advisory council that sets this.

The Hon. DUNCAN GAY: We know all that. That is not the question.

The Hon. IAN MACDONALD: In terms of your specific question, the proposed levy ensures—I do not have an answer to your question. I will take it on notice.

The Hon. DUNCAN GAY: Will you take it on notice?

The Hon. IAN MACDONALD: Yes. By the way, we have recently advertised three positions under the program.

The Hon. DUNCAN GAY: But you will take the rest of the question on notice.

The Hon. IAN MACDONALD: Yes.

The Hon. DUNCAN GAY: Your elevation in the Ministry obviously has gone to your head.

The Hon. IAN MACDONALD: Oh, thank you, Duncan. Where is the Chair?

CHAIR: I am listening.

The Hon. RICK COLLESS: You will recall that on 4 May you announced an agreement between Forests New South Wales and Forest Enterprises Australia to establish and maintain 4,500 hectares of hardwood plantation in north-east New South Wales. Are you aware of the allegation of potential corrupt conduct made

against the chief executive officer of Forests New South Wales, Mr Nick Roberts, to the ICAC on 7 August 2009?

The Hon. IAN MACDONALD: No, I am not aware of that.

The Hon. RICK COLLESS: Are you aware of complaints that have been made that the senior management team of Forests New South Wales have been sitting on the tree improvement review by Kyle and Matheson for more than nine months?

The Hon. IAN MACDONALD: I am not aware of that.

The Hon. RICK COLLESS: What competitive contracting process was used to select the consultants reviewing the plantation and tree improvement group?

The Hon. IAN MACDONALD: We have reviewed its tree and plantation improvement [TPI] unit, which is run at an annual cost of about \$4 million and has 18 full-time positions. Benchmarking indicates that this program is expensive for a business the size of Forests New South Wales. The TPI unit is in need of focus to the operational needs of the business. There is a great deal of intellectual property and scientific knowledge and material in the TPI unit. Options, including licensing and joint venturing, are being canvassed with public and private institutions. Forests New South Wales will improve its propagation facility at the Grafton Forest Technology Centre to reduce the time to market the genetically improved hardwood germ plasma, which is a key TPI unit project.

The new restructured TPI unit will result in a reduced number of roles more closely matched to the business needs. Staff excess to the unit cannot be determined until recruitment action in accordance with the appropriate government policies and guidelines has been finalised. Where possible, staff from the unit will be directly appointed. If more than two staff are eligible for a role the merit selection process will be followed. Staff applying for a new position or who are unsuccessful in winning a position will be managed according to government guidelines.

The Hon. RICK COLLESS: Going back to the ICAC allegation, will you take on notice to advise the Committee whether or not that—I wonder whether you are listening to me.

The Hon. IAN MACDONALD: We have not heard about this. In government these days lots of people put allegations into ICAC.

The Hon. RICK COLLESS: It is our information that a complaint was made to ICAC on 7 August. Will you undertake to find out if that is correct? If so, can you let the Committee know the status of that allegation, whether or not ICAC has completed its investigation and, if so, the result?

The Hon. IAN MACDONALD: No, I will leave it with ICAC.

Dr SHELDRAKE: There is a normal process that ICAC goes through. Often allegations are made. ICAC has a very strict procedure and processes, and it will deal with the matter in the way that it normally does. At some point, if ICAC thinks it is appropriate, it will come to me but sometimes it deals with it in-house. So it will be dealt with by ICAC.

The Hon. RICK COLLESS: Can you explain the business and personal relationships that exist between the consultants that were reviewing the plantation tree improvement group and the CEO and other senior managers of Forests New South Wales?

The Hon. IAN MACDONALD: I will have to take that on notice. I have no idea.

The Hon. RICK COLLESS: In relation to the privatisation of State Forests, in 2004 and 2007 I think you or the department raised in public the possibility of the sale of Forests New South Wales. What is your current position on whether Forests New South Wales should be kept in public ownership?

The Hon. IAN MACDONALD: I do not think my department raised it.

The Hon. RICK COLLESS: The State Government raised it.

The Hon. IAN MACDONALD: Yes, the State Government. I think my position has been clear for a long time. I am very comfortable with Forests New South Wales in its entirety being within the framework of the Department of Industry and Investment.

The Hon. RICK COLLESS: Will you permanently rule out the sale of Forests New South Wales as a policy option for the New South Wales Labor Government?

The Hon. IAN MACDONALD: I cannot rule anything in or out to do with Cabinet. Cabinet will make its own decision. I can only say to you what has happened in the past, and that is that Forests New South Wales has remained within the various iterations of the departments of which I have had carriage.

The Hon. DUNCAN GAY: Did you hear the Hon. Eddie Obeid say that you are not Premier yet?

The Hon. EDDIE OBEID: He cannot be from the upper House. That is a silly thing.

The Hon. IAN MACDONALD: This will be on the front page of the *Sydney Morning Herald* tomorrow.

The Hon. RICK COLLESS: Given the report to Parliament by the Minister for Natural Resources in December 2005 regarding the review of the Plantations and Reafforestation Act 1999, that the Government would be "undertaking further work on some issues of concern, with a view to putting amendments to the Act and the code before Parliament in 2007", can you explain why these amendments have not been produced?

The Hon. IAN MACDONALD: Yes. I answered this question from one of you gentlemen previously. Our aim is to have them dealt with in this session. A lot of consultation has been required on this and it has taken some time.

The Hon. RICK COLLESS: What was the nature of those amendments?

The Hon. IAN MACDONALD: The nature of the intended amendments?

The Hon. RICK COLLESS: Yes.

The Hon. IAN MACDONALD: I think you should await the release of our position, et cetera, but things like roads were issues that had to be canvassed and considered with the various stakeholders.

The Hon. RICK COLLESS: Is it a fact that the Plantations and Reafforestation Act overrides the Native Vegetation Act?

The Hon. IAN MACDONALD: I would not want to get into a legal debate about that. I will get you an answer on that.

The Hon. RICK COLLESS: Given your statement on 22 July 2009 that the delay was due to extensive industry and agency consultation, will you inform the Committee about which industry bodies and agencies were consulted in that process?

The Hon. IAN MACDONALD: I will take that on notice but I would think every important stakeholder, as we always do. Sometimes consultation takes a little longer than you anticipate at the beginning. The Deputy Leader of the Opposition knows that.

The Hon. DUNCAN GAY: Can you explain the reasons why Forests New South Wales chose to close the nursery in Forbes? Are you satisfied with the situation where farmers now have to travel to Dubbo, which has the only Forests New South Wales nursery left in the region, to buy plants?

The Hon. IAN MACDONALD: The Forbes and Dubbo nurseries currently compete for business in a 75-kilometre radius. The nursery is staffed by one casual employee during its opening hours of 10.00 a.m. to 3.00 p.m., five days a week. Forbes nursery has the smallest annual revenue of the seven retail nurseries that Forests New South Wales operates. Given the small demand from the Forbes area, there are limited opportunities to increase revenue. Forbes customers could easily be serviced from the Dubbo site. Given the

competition between the two nurseries and the small commercial output of the Forbes nursery, Forests New South Wales is consolidating the two nurseries.

The current sole Forbes staff member, while officially classed as a casual employee, has been employed on a full-time permanent basis for more than four years. With the closure of the Forbes nursery, this staff member will be offered alternative employment at the Dubbo site or a severance package consistent with the entitlements of a full-time permanent public servant.

The Hon. DUNCAN GAY: Can you explain why a Forests New South Wales spokesperson told the ABC in an interview on Thursday 11 September that a community consultation process in this matter was unnecessary?

The Hon. IAN MACDONALD: I cannot speak for the 1,100 staff in Forests New South Wales on every basis, but I will get a reply to you. I am not aware of that particular comment.

The Hon. DUNCAN GAY: I am sure you recall Dr John Keniry's review of the abalone fishery in 2005 that described management charges for the abalone fishery approved by yourself as exorbitant and clearly unaffordable. Since then the value of the fishery has declined, from more than \$15 million in 2000 to under \$2 million in 2009, under the management of DPI as overseen by you. Shareholders in that fishery tell us that they cannot afford to continue paying the excessive management charges and shareholders are again being prevented from fishing unless they agree to pay all outstanding charges within 12 months, in addition to the new 2008-09 and 2009-10 charges. Given that you have refused to take advice on the repeated reviews of the fishery arranged by you, what if anything is your plan in this regard?

The Hon. IAN MACDONALD: Over the past few years a considerable winding back of the total allowable catch has occurred and that has obviously placed a lot of stress onto fisheries. If my memory serves me correctly, on a scientific basis five or six years ago probably more than 300 tonnes were allowable each year. For the fishing period 2009-10 we are now down to 75 tonnes, which is due to a scientific assessment of the resource. What are we doing in this area? The abalone resource is in need of strategic and responsible actions to facilitate its recovery. It is imperative that engagement with industry and government is optimised and based on a sound collaborative approach.

Consequently, I recently appointed Mr Colin Bishop and Mr Peter Neville from Queensland to conduct an independent review into the effectiveness of administrative arrangements in meeting the objects of the Fisheries Management Act 1994 with respect to the abalone resource. The terms of reference for the review concern the ongoing management and sustainability of the abalone resource, in particular, the relationship between the Abalone Management Advisory Committee, other abalone shareholders—you might recall that not everyone agrees in this industry—and the Government through industry and investment. Under the department's debt recovery policy we have deferred many of these fishers' fees to give them more time to pay.

In the case of this particular fishery, we have had a special arrangement in place which considers the total catch. This arrangement has resulted in abalone shareholders not being liable for a community contribution in recent years. This is a difficult area, basically because the science keeps telling me that this fishery is under stress. The problem is we have a similar number of shareholders in that fishery to what we had 10 years ago when they were able to access up to six times the amount of resource they do now.

The Hon. DUNCAN GAY: Just like marine parks?

The Hon. IAN MACDONALD: I do not think marine parks are substantially affecting these issues. Given that we are continually getting total allowable catch advice that is winding back the fishery, we have to restructure. Of course, what might have been appropriate a few years back when the fishery was at, perhaps, nearly 200 tonnes, is not appropriate today, given that we have such a potentially stressed fishery, and a considerable investment by approximately 40 or 45 shareholders in that fishery. We have real problems that we have to sort out in the current circumstances, not thinking about what went on 15 years ago when everyone in the industry was buying the biggest houses on earth.

The Hon. DUNCAN GAY: Another inquiry—one every three or four years?

The Hon. IAN MACDONALD: Yes. If the fishery turns around, a lot of this pressure reduces, but the fishery is not turning around, according to scientific evidence, so we have to re-evaluate how we handle this

industry, given the total allowable catch recommendations, which are going south. The industry is involved in the setting of these catch limits.

The Hon. RICK COLLESS: At present is there a freeze on recruitment of departmental staff? Are any categories of staff exempt from that freeze?

The Hon. IAN MACDONALD: There is a staff freeze across government at the moment. We are able to seek, if you like, agreement, particularly for front-line staff, for those staff to be reappointed, and we are going through internal processes at the moment to appoint a number of people into positions. Yes, there is a staff freeze across government but we have a process to seek agreement to the fulfilling of front-line positions, a number of which we are doing at the moment.

The Hon. RICK COLLESS: How many positions in the department are funded from external sources? What is the tenure of those positions?

The Hon. IAN MACDONALD: I will take that question on notice. We have been very successful in entering into partnerships with other agencies, industry and universities, which has meant that our external funding in the last year that I saw—probably a year before this current one—from outside sources was in the order of \$130 million to \$140 million. When I became Minister for Agriculture and Fisheries some years back the total figure was about \$35 million. We have had an active policy of seeking partnerships across the portfolio—I am talking more about agriculture and to some extent fisheries—which has meant that we have an enhanced number of staff that are not on consolidated revenue. Therefore, they are on a contracted basis for a term of three to five years.

The Hon. RICK COLLESS: I do not expect the Minister to have this information to hand but will he provide the committee with details of the funding bodies for those positions?

The Hon. IAN MACDONALD: Yes, we can do that.

The Hon. RICK COLLESS: Have all externally funded position vacancies been filled during the recruitment freeze?

The Hon. IAN MACDONALD: At the moment we are seeing what other staff in the department would like those positions, but if those positions are not filled we certainly intend to go public to fill them.

The Hon. RICK COLLESS: Is it automatic that externally funded positions will be re-filled?

Dr SHELDRAKE: Premier's and Cabinet have a process in place for positions whether consolidated or non-consolidated. If you like there is a streamlined process that enables the non-consolidated positions to be approved. There is a formal process with Premier's and Cabinet.

The Hon. RICK COLLESS: Have the funding bodies been advised of the freeze and that their programs may not be properly staffed while that process goes on?

Dr SHELDRAKE: "The freeze" is probably not the correct term. We have not officially notified funding bodies because we do not see that inhibiting our chances of employing the people that we would normally employ that are funded by those funding partners.

The Hon. ROBERT BROWN: Minister, my question is in relation to forestry to either you or Mr Roberts. Mr Roberts has had extensive experience in the management of private forestry in New Zealand, I understand. Will Mr Roberts comment on his impressions of the comparison of the regulatory regimes, the management and the reporting systems that revolve around the management of things like pest animals in forestry in New Zealand compared to New South Wales? I understand Mr Roberts is managing public forestry in New South Wales and may have some comments?

The Hon. IAN MACDONALD: I do not think this is the appropriate forum for my chief executive officer for Forests to be sort of scooting the wind in relation to what might have gone in in New Zealand in his previous life. I do not think that is an appropriate question at this point. I am always happy for members of Parliament to meet with my department and discuss issues pertaining to whatever issues, and they do that regularly.

The Hon. ROBERT BROWN: Does Forests NSW have a forecast of what sort of hazard reductions will be conducted in State forests on a year-to-year basis? In this current year how is the hazard reduction going within State forests and lands compared to the proposed management area?

The Hon. IAN MACDONALD: Fire management prevention is an important issue, and the Government is working hard to protect the environment of our State forests. It is essential that we have a coordinated approach to managing fires, and that is why Forests NSW works with all the other agencies. Planning and coordination is undertaken through each agency's participation in the regional bushfire management committees. Forests NSW is a government trading enterprise that returns a dividend to the Government and the people of New South Wales each year from its timber and other activities. I am pleased to say that Forests NSW will spend \$10 million this financial year on fire management across the State's forests from its own internal budget.

Of that amount, \$818,570 is budgeted for hazard reduction operations, mainly in native eucalypt forests. Fire management is not something that only happens in summer. We have a continuous program of fuel hazard reduction. Controlled burns are conducted during favourable weather conditions, typically autumn, winter and early spring. Over the past 15 years, there has been an average of 70,000 hectares of fuel management activities each year, covering more than 100 individual burns in State forests.

The Hon. ROBERT BROWN: That is impressive.

The Hon. IAN MACDONALD: Other methods to control fuel levels include grazing, or mechanical slashing and clearing. About 400,000 hectares of State forests are fuel reduced by grazing. The Government's strategy for protecting our State forests includes maintaining an extensive network—

The Hon. ROBERT BROWN: Point of clarification: Minister, could you repeat that figure for grazing? How much is controlled by grazing?

The Hon. IAN MACDONALD: About 400,000 hectares of State forests are fuel reduced by grazing. The Government's strategy for protecting our State forests includes maintaining an extensive network of some 48,000 kilometres of forest roads and fire trails. This allows quick access for early attack and opportunities to establish containment lines. We also maintain an extensive surveillance presence with a network of fire towers, frequent aircraft flights and a lightning strike detection system. In addition, Forests NSW often advises other agencies on their area of responsibility and if communities are under threat. Forests NSW usually has its own staff or industry working in or near forested areas, and they can be readily deployed, reducing response time.

The challenge for Forests NSW hazard reduction operations is always the weather. In some years the prevailing weather conditions prevent the target. In some years only 25,777 hectares of hazard reduction have been achieved. However, in good years, such as in 1996-97, 144,000 hectares of hazard reduction took place. Forests NSW is now in the process of conducting a review of fire management and practice, which will inform future hazard reduction practices and current bushfire fighting practices. The Forests NSW road networks, which are a key component of the fire control strategy, provide extensive access in high value or plantation forests ranging from one-kilometre road per 40 hectares to networks of one-kilometre road to 200 hectares in low-value or non-commercial forests. We have a very extensive array of infrastructure to back up all of that.

The Hon. ROBERT BROWN: Could you give a figure on a dollars-per-hectare basis of what it costs the taxpayers of New South Wales to manage State forests?

The Hon. IAN MACDONALD: I will take that on notice. Do you want it separated, because the native forests and the—

The Hon. ROBERT BROWN: Break it down by whatever means you have, Minister.

CHAIR: Minister, did you or your department refuse to licence the Department of Environment, Climate Change and Water [DECCW] to undertake assessments in the river red gum State forests recently? If so, on what grounds?

The Hon. IAN MACDONALD: You asked me that question in the Chamber, and then left. You may not have been in the Chamber when I answered that question. I gave the answer after—

CHAIR: At a later stage?

The Hon. IAN MACDONALD: Yes, at a later stage. You might refer to that.

CHAIR: Right. Was staff of DECCW stopped from working in the forest? Perhaps you could answer that.

The Hon. IAN MACDONALD: I answered that in the House. If you have a look, you will see the answer. The Natural Resources Commission [NRC] is conducting the—

CHAIR: I am aware of that. But would it not be a case of the more the merrier, with expertise on this?

The Hon. IAN MACDONALD: If you look at my answer in the House, that will answer your question.

CHAIR: Minister, have you or the department had requests from stakeholders to access the Forest Resource and Management System [FRAMES] modelling to the river red gum regional assessment? If that is the case, how did you respond to such request?

The Hon. IAN MACDONALD: It has been made available to the NRC for the conduct of its assessment.

CHAIR: Have any other stakeholders made those requests?

The Hon. IAN MACDONALD: I do not know about requests.

CHAIR: Does DECCW have access—

The Hon. IAN MACDONALD: Yes, through the NRC. It is because of the licence situation. It is a software licensing issue.

CHAIR: Is there any effort to stop public or regulatory oversight of the operations in the area?

The Hon. IAN MACDONALD: I am tempted to get into this discussion more fully, but I will restrain myself at this point.

CHAIR: You are adopting a managing engagement on this issue, Minister? I am just interested to know—

The Hon. IAN MACDONALD: No, the Natural Resources Commission is conducting the assessment. It is the NRC, not Forests NSW and not DECCW.

CHAIR: Why not DECCW?

The Hon. IAN MACDONALD: It is the Natural Resources Commission.

CHAIR: Why not DECCW? My understanding is that DECCW officers were in the forest to conduct those activities.

The Hon. IAN MACDONALD: No.

CHAIR: Why not?

The Hon. IAN MACDONALD: I do not know what your understanding is.

CHAIR: And you did not intervene in any way?

The Hon. IAN MACDONALD: The issue is that—

CHAIR: Did you intervene in any way to stop DECCW officers from being part of that inquiry?

The Hon. IAN MACDONALD: I have not intervened in anything in relation to the program that has been put forward that this is to be conducted by the Natural Resources Commission, and its agreement.

CHAIR: No, I am asking a specific question. Did you intervene to stop DECCW officers from undertaking an inspection in those forest areas?

The Hon. IAN MACDONALD: I do not know if they were going to have an inspection.

CHAIR: You did not ring the Department of Primary Industries officers or Forests NSW officers and tell them to not allow DECCW officers to undertake those inspections?

The Hon. IAN MACDONALD: No. All I did was as my previous answer made very clear. We have an agreement with the Natural Resources Commission, that is an agreement within the Government to conduct whatever inquiries it sees fit to get the assessment done.

CHAIR: Prior to the agreement with the Natural Resources Commission there was no agreement with any authorities to have DECCW officers undertaking those investigations?

The Hon. IAN MACDONALD: Not to my knowledge.

CHAIR: Were you aware of DECCW officers being in the river red gum forest area undertaking investigations?

The Hon. IAN MACDONALD: No, I certainly was not aware that DECCW officers were in any forest.

CHAIR: Are you aware that there was any request, requirement or opportunity for DECCW officers to have investigations in those forests? Did you know anything about that at all?

The Hon. IAN MACDONALD: I refer to my previous answers. Next question.

CHAIR: Is the answer yes or no? Did you or did you not, were you or were you not aware of DECCW officers undertaking investigations in those forests?

The Hon. IAN MACDONALD: I was aware only of the agreement. That agreement was that the Natural Resources Commission would conduct the inquiry.

CHAIR: I put it to you that you did not intervene in any way to stop DECCW officers?

The Hon. EDDIE OBEID: He has answered that.

CHAIR: The answer is not quite clear.

The Hon. IAN MACDONALD: I will answer the way I want to, thanks. Move on.

CHAIR: So, you had no knowledge of DECCW officers being there at all.

The Hon. IAN MACDONALD: I do not even know if they were in the forest or not.

CHAIR: What volume of non-declining high-quality quota saw logs does the new river red gum FRAMES model estimate for a 200-year period?

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

CHAIR: What account does the model take of rapidly increasing mortality rates in the river red gum, with Forests NSW own environmental impact statement showing a 7 per cent increase in mortality in just three years from 2005 to 2008?

The Hon. IAN MACDONALD: Sorry?

CHAIR: What account does the model take of rapidly increasing mortality rates in the river red gum, with Forests NSW own EIS showing a 7 per cent increase in mortality in just three years from 2005 to 2008?

The Hon. IAN MACDONALD: I will take that on notice, but it sounds to me that it was right through the drought, does it not?

CHAIR: Certainly there have been major problems, yes. So, does the modelling take into account that situation?

The Hon. IAN MACDONALD: Yes, it has mortality functions in it.

CHAIR: Perhaps you could give information on notice.

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

CHAIR: The Auditor-General's report found that native forest logging made a loss of \$14.4 million in 2007-08. The Forests NSW response to that finding was to suggest that plantations could continue to subsidise the native forest sector. Is that the intention of Forests NSW? Does Forests NSW intend to keep on making a loss on native forest logging?

The Hon. IAN MACDONALD: This is an issue that I think you have raised with me on a number of occasions. I will not go into any detail at the moment. I have an extensive answer here in relation to it. Suffice to say that, as with a lot of issues, the Government expends considerable sums of money in a lot of areas and does not get a full return on that money in terms of dollars coming back in. We do get, in many areas, a massive number of social values that are important to the community. For instance, the native forestry industry sustains many thousands of workers directly and indirectly. It sustains a lot of communities up and down the coast and inland and these values are just as important to me as the bottom line in relation to the overall sector.

The fact is Forests NSW does make a profit, so clearly the plantation work is more profitable than the native forest area. We are working on some improvements in this area. Clearly, we should not allow the loss to develop any further. We should be trying to make the necessary improvements to bring that more into line. There are 9,000 people employed directly or indirectly in the forests sector and that is a significant contribution to regional New South Wales. On balance, the benefits outweigh the monetary loss of one sector of Forests NSW.

CHAIR: Regarding woodchipping, does Forests NSW have an estimate of what proportion of the \$14.4 million loss was from, first, the supply of pulp logs and, second, the South Coast southern region, including Eden?

The Hon. IAN MACDONALD: My understanding is the south-east region is one of our most profitable areas, or has a better financial situation than most other areas, and that prices for pulpwood are pretty good. I will take the question on notice and see if we can analyse the figures.

CHAIR: Recommendation 7 of the Auditor-General's report stated that Forests NSW should "investigate the potential for developing commercial markets for forest waste". What plans are there for this and does Forests NSW have a definition of "waste"? If so, what is that definition?

The Hon. IAN MACDONALD: We are very interested in this area. As I said before, a lot of the research we are doing associated with the National Centre for Rural Greenhouse Gas Research is into the usages of non-food fibre for biodiesel and other production. We are always looking at ways to improve the economics and the outcomes associated with forestry activity, whether it be cogeneration-type projects or, in the longer term, the production of fuel. I will take the specifics of the question on notice.

CHAIR: You might want to take this question on notice too as it is a bit detailed. What was the total income received by Forests NSW from royalties in relation to logging compartments 2004 and 2005 of Bermagui State Forest in 2008?

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

CHAIR: How many special permits under sections 37 or 37A of the Fisheries Management Act have been approved or provided to Aboriginal people for the purpose of Aboriginal cultural fishing?

The Hon. IAN MACDONALD: I will take that on notice. You might note that the legislation I have before the House—

CHAIR: I am well aware of it. I have an amendment in this area.

The Hon. IAN MACDONALD: I am sure the Greens would find some amendment to just about anything. The bill canvasses this issue.

CHAIR: I appreciate that. Have any requests for special permits under sections 37 or 37A of the Fisheries Management Act for the purpose of Aboriginal cultural fishing been refused and, if so, why?

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

CHAIR: What is the average application period required prior to obtaining the permit? For example, does the application process take longer than two weeks?

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

CHAIR: Would you provide the costs associated with issuing section 37 and section 37A permits?

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

CHAIR: This has been asked before. What is the fisheries compliance and enforcement budget and how does it compare with previous years?

The Hon. IAN MACDONALD: I think we have virtually covered that.

The Hon. DUNCAN GAY: I did not ask that. That was compliance.

The Hon. IAN MACDONALD: You just want the numbers?

CHAIR: What is the fisheries compliance and enforcement budget and how does it compare with previous years?

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

CHAIR: I note there has been a significant decline in prosecutions from 400 in 2007-08 to 195 in 2008-09. What accounts for this drop in prosecutions and is there a link between declining prosecutions and compliance and enforcement?

The Hon. IAN MACDONALD: I think it shows that our great program of education has worked and people are doing the right thing out there. I will take the question on notice and see if we can drill down into whatever figures you have and give you some information.

CHAIR: What is the number of fisheries compliance officers in New South Wales?

The Hon. IAN MACDONALD: Ninety-two.

CHAIR: Has that changed from previous years? Do you consider that to be sufficient for the entire New South Wales coastline and, I presume, also inland river fisheries? It is a difficult task for them to deal with the situation, isn't it?

The Hon. IAN MACDONALD: There is no question there is a fair bit of coast and quite extensive inland fisheries but we are employing a lot of new technology in this area. I think it is adequate. I will provide the figures you are seeking.

CHAIR: Could you comment on the number of compliance officers? Is the figure of 92 an increase?

The Hon. IAN MACDONALD: That is the figure I will get you.

CHAIR: What are the funding costs of the Fishers Watch hotline? How many prosecutions or infringement notices have been issued resulting from information provided to the hotline?

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

The Hon. RICK COLLESS: I asked you earlier whether funding bodies have been advised of the staff freeze and said that programs may not be properly staffed. What is the impact on the management and progress of individual programs that are externally funded as a result of that recruitment freeze?

The Hon. IAN MACDONALD: We were trying to point out to you that "freeze" is probably the wrong word.

The Hon. RICK COLLESS: If there is a pause in the staffing of those programs they effectively cease to progress. If it is a three-year program and there are three, four or five months when no staff are involved, surely the program falters?

Dr SHELDRAKE: Again, the word "freeze" is the wrong word. DPC has put in place a process for streamlining front-line positions and we would describe the sorts of positions you are referring to, industry funded, as front-line. There is a streamlined process for getting those positions filled. We do not envisage those sorts of delays. In the event there was a difficulty, sometimes because of sick leave et cetera, we as a department are able to rearrange the employment conditions to service the funded contract. In those cases we would, on a case-by-case basis, talk to the funding body, and we have in the past. We have a good relationship with all the corporations who fund our research and development programs and we can usually negotiate an outcome successfully.

The Hon. RICK COLLESS: Is it not a fact with these short-term funded positions that after 18 months or two years, if it is a three-year program, staff are fully aware their position is coming to an end in 12 months time so they are actively looking for another job. If they decide to leave and get another job, how long does it take you to fill those positions and what is the impact on the overall program?

Dr SHELDRAKE: That is a good point. We have tried to negotiate a more sensible position with the funding corporations. The best example we had recently was with the Grape and Wine Research and Development Corporation where we negotiated, with the Minister's input, and we moved it from a three-year or a five-year funding program. We are having those sorts of discussions with the Australian Horticultural Corporation to try to reach the same position. The point you made is a good one. However, we do not govern it; it is governed by the funding contracts on which those corporations have tended to work, historically, over a long time.

The Hon. RICK COLLESS: What happens to the funds that are received by the department from the external funding bodies when the program is stored as a result of that recruitment pause?

Dr SHELDRAKE: In the event that something like that happened we would endeavour to appoint someone else. Often we get a transfer. Let us take the areas of grapes and wine or horticultural. People know that another project will be coming along. People go from one project to the next.

The Hon. RICK COLLESS: But they are discrete funding projects, are they not?

Dr SHELDRAKE: They are discrete funding projects.

The Hon. RICK COLLESS: If you get \$300,000 to fund this staffing program and you spend only \$250,000 as a result of a person resigning from that position, what happens to the rest of that money? Does it go back to the funding body, or does it go into the pocket of the department?

Dr SHELDRAKE: It does not go into the pocket of the department in the sense that you are describing; it is part of the contract. We would renegotiate with the contractor or, alternatively, we would

employ someone. We would come up with an arrangement with the funding body as to how that money would be best spent.

The Hon. IAN MACDONALD: It would have to be a mutual arrangement.

Dr SHELDRAKE: Sometimes we put on temporary staff to address it.

The Hon. DUNCAN GAY: Given that horticultural farmers have concerns about the fulfilment of Industry and Investment NSW horticultural on-ground research and extension staff, how would the increase in departmental employee-related funding be spent? Will any of that funding be used towards the restaffing of current outstanding Industry and Investment research and the extension of staff positions across horticulture and agriculture?

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

The Hon. DUNCAN GAY: Minister, I again refer to bovine Johne's disease [BJD]. Earlier I asked whether the Government was aware of the growing unease in the animal science community that the BJD testing program is based on poor science and inadequate diagnostic technology. You said in reply that we had both received similar correspondence. Further to that question, is the Government planning to review the use of the inherently inaccurate enzyme-linked immunosorbent assay [ELISA] test for BJD, which is recognised as being notoriously sensitive in latent or early infections? Is the Government planning to explore the existing theory behind the current testing program for BJD in the review to which you referred earlier?

The Hon. IAN MACDONALD: I think it is safe to say that we are concerned about some of the queries relating to the testing regime. The disease is incredibly difficult to detect, so there would be a lot of doubt about a strategy that relies on trying to get some accuracy in the implementation of a policy. We are always trying to find improvements to the testing regime to try to get a more accurate and expeditious result. It is an area in which I am pondering exactly how to go forward, given that there are probably some unlucky purchasers of animals in New South Wales who have been caught up in something that might have happened a long time ago and, therefore, the management process has had enormous consequences on them.

The Hon. DUNCAN GAY: People purchased on the strength of your tests.

The Hon. IAN MACDONALD: That and other things. I will come back to you on this issue. This is an area in which we are trying to establish how to go forward.

The Hon. DUNCAN GAY: I have several questions in this area that I will put on notice. My final question to you is: What liability does the Government have for losses sustained by beef producers in New South Wales whose herds have been subject to the lack of a structured testing regime for BJD in this State?

The Hon. IAN MACDONALD: We are conducting a review of this issue at the moment. We appointed a consultant—or an industry figure—to give us a handle on the nature of the problem and what are our options as this is a difficult area.

The Hon. DUNCAN GAY: You are aware of what it is doing to families?

The Hon. IAN MACDONALD: Yes, I am aware of the consequences of this.

The Hon. DUNCAN GAY: And the costs.

The Hon. IAN MACDONALD: I am also aware of its costs. A few years back the magnificent Murray Grey stud herd of Howard Charles, a good friend of mine, was crippled with this disease. His herd is just coming back. I will give you a fuller briefing on what we are doing in this area to try to address these issues. However, it is a problem and we have to try to find a way forward. Our problem is that we do not have a testing regime that is fully up to the sorts of scientific rigour that we have in so many other areas.

The Hon. DUNCAN GAY: Which is a problem.

The Hon. IAN MACDONALD: I accept that it is a problem.

The Hon. ROBERT BROWN: My question relates to fisheries. Is anybody in the department dedicated to looking after access issues, in particular, access to recreational fishing havens? What formal process do you have for putting Fisheries point of view into Department of Environment and Conservation plans of management? I refer to two examples—Moruya Lake on the South Coast and Nelson Lagoon—which are recreational fishing havens surrounded by national parks.

The Hon. IAN MACDONALD: We have staff that deal with this area and they liaise with the department that you mentioned. I will come back to you with details relating to the specifics of your question.

The Hon. ROBERT BROWN: Thank you.

CHAIR: Minister, I am not sure whether you were asked this question earlier, but what is the annual cost of the shark-meshing program? Could you provide information on the by-catch resulting from the shark-meshing program?

The Hon. IAN MACDONALD: If you look at our shark report you will see that there is considerable information on all environmental issues pertaining to the meshing program. Unfortunately, there is a level of by-catch with the meshing program. However, the Government is of the view that this program has been valuable over a long period. I have not had an opportunity to examine this issue because I have been taking questions relating to it. The meshing program is in place and we are committed to it. However, in the recent management plan we have made some changes that will lead to a greater monitoring of the nets in order to reduce the by-catch.

If my memory serves me correctly we are now down to 72-hour monitoring and we are constantly looking at different ways of trying to reduce the by-catch. Recently you might have seen that we are looking at magnetic fishing applications using powerful rare earth magnets. We have already started to demonstrate in research conducted at Lord Howe Island on the Galapagos shark that these magnets have a high level of deterrence to sharks biting the hooks. We are proceeding down that path and we are examining how we can incorporate some of this magnetic field within—

The Hon. DUNCAN GAY: Within your wet suit?

The Hon. IAN MACDONALD: I will come to that. It is very heavy stuff and you might not get back up. We are examining how we can incorporate some of this magnetic field in the usage of hooks. We released some footage of frenzied sharks going for hooks that were baited but that did not have those magnetic devices. We are looking at all those issues. If that work progresses it might provide a further level—and I am speculating a bit here—

CHAIR: That could be projected to a sort of zone protection or something like that?

The Hon. IAN MACDONALD: We will need to explore all of this because we have found that the shark has a very powerful ability to detect fields and is virtually repulsed by these fields. The question is how we can get a viable system going. In the past we looked at some of the things you have pointed out. The problem was that at that point to do one beach would have cost the amount we do for the entire program.

CHAIR: I appreciate the research because I have looked at it. It may not be practical for a whole beach but it could give protection to a swim between the flags type of situation?

The Hon. IAN MACDONALD: Yes.

CHAIR: Like a magnetic swimming enclosure?

The Hon. IAN MACDONALD: Those are the sorts of things. Whilst the research we are doing at the moment relates more to hooks because we want to reduce the amount of sharks actually taking hooks, potentially it could provide fields in the situation you are talking about. But it is early days. It is very exciting work that is being done.

CHAIR: I agree with that. On another matter, what assessments is your department making regarding the logging of camphor laurel trees on the North Coast of New South Wales for green energy production in the cogeneration plants in that area?

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

CHAIR: Perhaps you might take on notice also to provide figures for real greenhouse savings in regard to the logging, woodchipping and burning of these camphor laurel trees and the release of carbon dioxide as a result of the logging operation and the woodchip burning?

The Hon. IAN MACDONALD: That is a very good question. We will get our National Centre for Rural Greenhouse Gas Research as part of its biomass work to look at that specific species.

CHAIR: What information does the New South Wales Department of Primary Industries provide to the Australian Pesticides and Veterinary Medicines Authority [APVMA] chemicals review program? What information does the department provided to APVMA on endosulfan?

The Hon. IAN MACDONALD: On occasions we certainly make submissions in relation to various chemicals and fertilisers that are used and permitted under the capital bodies. As you know, endosulfan is a broad spectrum insecticide. It has been banned in some countries and is under review in others. It remains approved for a number of crop uses in countries such as South Africa, Canada and the United States. The national chemicals regulator, APVMA, completed a major review of endosulfan in 2005, and the number of approved users was reduced significantly. Endosulfan now is highly restricted in Australia and can be used only by trained and competent users. Based on evidence currently available, APVMA is standing by its conclusion that a complete ban on endosulfan is not warranted.

CHAIR: It is still used widely in the macadamia industry, which is of real concern on the North Coast?

The Hon. IAN MACDONALD: Yes. However, I understand that APVMA is monitoring the progress of reviews into endosulfan in Canada and the United States and will respond to any new evidence of negative health or environmental effects. I think, "watch this space" essentially is the situation with endosulfan. But we cannot make that decision ourselves.

CHAIR: It has been recognised now as a persistent organic pollutant—POP—and it is slated for a worldwide ban. Are you aware of that?

The Hon. IAN MACDONALD: I am aware of research, particularly out of the United States, that talks about some of the potential toxic characteristics of endosulfan but, as I say, currently it is under review in those countries. I am sure that material will be evaluated within those reviews. As I understand it, the APVMA will really look at this issue in the light of that evidence.

CHAIR: Thank you Minister for your attendance and cooperation, and all of your staff.

The Hon. IAN MACDONALD: Thank you.

(The witnesses withdrew)

The Committee proceeded to deliberate.