

GENERAL PURPOSE STANDING COMMITTEE No. 5

Friday 25 February 2005

Examination of proposed expenditure for the portfolio area

PRIMARY INDUSTRIES

The Committee met at 11.00 a.m.

MEMBERS

Mr I. Cohen (Chair)

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

The Hon. D. J. Gay
The Hon. K. F. Griffin

PRESENT

The Hon. Ian Macdonald MLC, Primary Industries

Department of Primary Industries
Mr B. Buffier, *Director-General*

Office of the Minister for Primary Industries
Mr A Badenoch, *Deputy Chief of Staff*

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 open the meeting and I declare that the meeting is open to the public. I welcome you to this public hearing of General Purpose Standing Committee No. 5. Firstly, I thank you, Minister, the Director-General and other officers attending today. At this meeting the Committee will examine the proposed expenditure of the portfolio area of Primary Industries. Before questions commence some procedural matters need to be dealt with.

I point out that in accordance with the Legislative Council's guidelines for the broadcast of proceedings, available from the attendants and clerks, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. There is no provision for members to refer directly to their own staff while at the table. Members and their staff are advised that any messages should be delivered through the attendants on duty or the Committee clerks.

I declare the proposed expenditure open for examination. Minister, do you wish to make a brief opening statement?

The Hon. IAN MACDONALD: No.

CHAIR: I will proceed with questions. Minister, conservation groups have discovered many serious legal breaches of logging operations in the Brigalow Belt bioregion, including most recently in the Pilliga State Forest area from early January 2005. For example, an area of compartment 344 in the Baradine State Forest was found to have been logged with no marking up, as is required, on Wednesday 16 February. Has an inspection by State Forests of compartment 344 in Baradine State Forest been carried out and what has been found?

The Hon. IAN MACDONALD: Forests NSW has a strong and proven track record in responsibly managing its forest resources. Recent claims by the Western Conservation Alliance about harvesting practices in the State's north west simply ignore a number of key facts. The Department of Environment and Conservation [DEC] is responsible for independently investigating allegations of environmental breaches. Over the past three years only a very small number of allegations have actually proved to be breaches. In more than a dozen cases the regulator determined there was no breach.

Where an offence is proven action has to be taken. In fact, one of these cases resulted in a two-week suspension of the operator. It is important to note that two breaches were reported to the Department of Environment and Conservation by Forests NSW staff as a result of its own regular monitoring. I am also advised that some of the claims recently highlighted date back months and even years and may not have been previously reported to the independent regulator. Holding back information until it suits their particular agenda is not only irresponsible but it undermines the very system of checks and balances groups like the Western Conservation Alliance claim they want.

The Department of Environment and Conservation will now consider these recent claims and any truly new issues will be investigated. Licensing conditions can be quite detailed and that is why we have an independent regulator with specialised skills to decide what is and what is not a breach. Where there is uncertainty about an allegation the Department of Environment and Conservation will work with Forests NSW to assess the situation and potential impacts on licensing arrangements. Forests NSW has and will continue to co-operate fully in any allegation that the Department of Environment and Conservation investigates. Anyone who believes they have seen a potential breach should immediately contact the Department of Environment and Conservation so the matter can be attended to forthwith.

CHAIR: Just specifically on compartment 344 in Baradine State Forest, has a breach been found and was an inspection carried out by State Forests in that compartment?

The Hon. IAN MACDONALD: What we will be doing is, any allegations of breaches made by, as I have made it clear, the Western Conservation Alliance, or any other persons or bodies, are to be forwarded to the Department of Environment and Conservation. When I have advice from them I will detail it to you.

CHAIR: Does that mean in compartment 344, if I understand you correctly, an inspection has not been carried out by State Forests at this time?

The Hon. IAN MACDONALD: No, I am not saying anything like that. If any complaints have been made—

CHAIR: Complaints have been made about compartment 344. Have inspections been undertaken?

The Hon. IAN MACDONALD: They will be dealt with by the Department of Environment and Conservation, as is the appropriate course of action.

CHAIR: How long ago were the complaints made?

The Hon. IAN MACDONALD: The recent complaints were made as part of some bus tour that a group of people made up in the Pilliga in recent times. I think you are referring to these recent complaints, is that right?

CHAIR: Yes.

The Hon. IAN MACDONALD: Well, they were only made a week or so ago.

CHAIR: But I understand it goes back from early January 2005?

The Hon. IAN MACDONALD: Well, that is a few weeks back. I do not know precisely the date they would have made the complaints, if they have made the complaints to DEC. But any complaints are dealt with by the Department of Environment and Conservation.

CHAIR: Yes, complaints might be dealt with by DEC, however, it is up to State Forests to mark the trees. Therefore, is not State Forests an integral part of this process? If there is reason for complaint it may be that State Forests has failed to actually mark the trees and identify the vulnerable areas?

The Hon. IAN MACDONALD: The procedures for State Forests are pretty clear-cut. According to the licence conditions, it performs a number of different activities. In relation to investigating a particular complaint—and you are raising a particular complaint near Baradine—that will be dealt with by the Department of Environment and Conservation. If you want to pursue the matter further that would be the appropriate avenue. State Forests is an independent regulator in relation to these issues.

CHAIR: Would you be prepared to tell the Committee whether State Forests had marked vulnerable trees or trees that were inappropriately logged? Did State Forests mark those trees? Were those trees identified?

The Hon. IAN MACDONALD: I will have to give you a detailed written reply to that at some point. I do not have information with me in relation to a particular compartment. Those matters will be dealt with appropriately by the regulator, which is the Department of Environment and Conservation.

CHAIR: I would appreciate it if you would give me that report. Will that inspection report be made public?

The Hon. IAN MACDONALD: I will consider that issue when I am considering replying to your specific question.

CHAIR: If State Forests was at fault would you be prepared to take legal action against the contractors?

The Hon. IAN MACDONALD: I will consider the report when it comes through to me.

CHAIR: Are you aware that Forests NSW officer Tom Newby has admitted on camera that legal procedure was breached in this instance and that an inspection of those issues will be conducted?

The Hon. IAN MACDONALD: I have answered that question several times. The complaint is before—

CHAIR: Are you aware that that officer has admitted on camera that legal procedures have been breached in this instance and that inspection of those issues will be conducted?

The Hon. IAN MACDONALD: I will not speculate on that matter.

CHAIR: It is an easy yes or no. If you are not aware of it, you are not aware of it.

The Hon. IAN MACDONALD: I do not have to answer the question in the way you want me to answer it.

CHAIR: I am just asking you a question. A lot of people are very concerned about this series of breaches in a very sensitive area. In the past the Government gave an undertaking that this area was well overdue for protection.

The Hon. IAN MACDONALD: Let me make it clear to you that they are allegations and allegations only. They will be dealt with through the appropriate process, not by you trying to ask a series of loaded questions today at this hearing. The Department of Environment and Conservation will deal with the matter thoroughly and appropriately. When the matter has been dealt with I will then consider the appropriate action.

CHAIR: Would you not agree that your department is integrally involved in this issue?

The Hon. IAN MACDONALD: What do you think?

CHAIR: I think you would agree.

The Hon. IAN MACDONALD: Of course it is, but there is a process that has to be followed. You should not undermine the process at this hearing by asking questions of that nature.

CHAIR: Would the process not involve the evaluation of areas that should or should not be logged in this region? Is that not a part of the proper process?

The Hon. IAN MACDONALD: The process will be determined through the regulator.

CHAIR: In the case of these compartments it is a bit late if the trees have already been logged. Would you not agree?

The Hon. IAN MACDONALD: I will await the report. It may not be the case that these facts are proven. As I pointed out to you before, a number of allegations have been made in the past that were proven to be inappropriate and plain wrong. So I will not speculate as to whether complaints have been made to the regulator and dealt with by him at this point in time. I will await the report and deal with it at that point.

The Hon. RICK COLLESS: It would not be a problem if you had already approved the Bruce option.

CHAIR: Conservation groups have also found logging adjacent to an endangered ecological community of brigalow in compartment 703 in Jack's Creek State Forest near Narrabri. Last week an inspection of that area found that the stand of endangered brigalow was not even identified in the compartment 703 harvest plan, and that no 30-metre buffer or exclusion zone was marked up as is required. Are you aware that Forests NSW staff acknowledged on Thursday 17 February to a large group of conservationists at the site that they had no idea of this area of significant vegetation?

The Hon. IAN MACDONALD: I am sure that they will take that matter to the regulator.

CHAIR: What follow-up investigation has occurred through your department into this illegal logging activity and poor harvest planning?

The Hon. IAN MACDONALD: I suggest that you await further details.

CHAIR: When will they be forthcoming?

The Hon. IAN MACDONALD: I am not sure. You should ask the Department of Environment and Conservation when it will be dealing with these matters.

CHAIR: Your department is marking and identifying these areas. It is giving the go ahead for logging practices in these areas. These are important conservation areas

The Hon. IAN MACDONALD: I make it very clear to you that Forests NSW conducts its activities according to a set of rules and regulations.

CHAIR: So you say, Minister but there are some discrepancies here, would you not agree?

The Hon. IAN MACDONALD: With all due respect, I will await a proper investigation. I will not determine the situation on the basis of some statements that you want to make today. I suggest we wait and see what the regulator has to say about it, and if it is proven that there have been some breaches they will be dealt with appropriately.

CHAIR: If there are proven breaches will legal action be taken against the contractors?

The Hon. IAN MACDONALD: I will consider that at the time.

CHAIR: If there are proven breaches will you just consider the matter? Given that there are proven breaches, can you tell the Committee at this stage whether action will be taken against those who made those breaches?

The Hon. IAN MACDONALD: When breaches have been proven in the past—not a little trial by media or a demonstration, or whatever—action has been taken, which is the proper process. I said that in my opening statement.

CHAIR: I think it is reasonable to state that all parties are interested in proper process. A number of other serious breaches have been discovered and reported throughout the region, including logging in stream bank exclusion zones, logging near habitat trees and near identified threatened species. What guarantee is there that Forests NSW management of current logging operations will prevent these ongoing illegal activities?

The Hon. IAN MACDONALD: Again you prefaced your question with a heap of speculation.

CHAIR: No, I am trying to clarify the situation.

The Hon. IAN MACDONALD: We will deal with it appropriately when we get a full and thorough report.

CHAIR: Every time the Western Conservation Alliance conducts an inspection of current operations it has discovered serious breaches. The public has lost confidence in the ability of Forests NSW to adequately manage these forests. It is just not enough to refer breaches to the Department of Environment and Conservation after they have occurred. Breaches should be prevented from occurring in the first place.

The Hon. IAN MACDONALD: I refer you to my original answer to the first question.

CHAIR: Will you conduct a public and independent inquiry into Forests NSW?

The Hon. IAN MACDONALD: I have no intention of pursuing that.

CHAIR: Given the skills, environmental management, culture and capacity of people in New South Wales, if we are looking to end breaches and ensure that they are not repeated in the future, would not such an inquiry be appropriate?

The Hon. IAN MACDONALD: I will act on the basis of a proper investigation.

CHAIR: Given that the bioregional assessment for the Batemans shelf bioregion has been nearing completion for over 1½ years, why has this Government downplayed speculation about a new marine park in the region?

The Hon. IAN MACDONALD: You will have to give me evidence of downplaying speculation. The Government has indicated that a number of marine parks will be rolled out over a period of time. A lot of complex issues have to be resolved and we have to look at the parks. Currently we are dealing with Byron Bay. We have only so many resources. Let us get through that process and then we will look elsewhere.

CHAIR: When will the location of the marine park for the Manning shelf bioregion be announced?

The Hon. IAN MACDONALD: When the Government is ready.

CHAIR: This year, next year?

The Hon. IAN MACDONALD: I am not speculating.

CHAIR: Before the next election?

The Hon. IAN MACDONALD: I am not speculating.

CHAIR: Before the year is out?

The Hon. IAN MACDONALD: I am not speculating.

CHAIR: Why will the Government not make a commitment to monitoring programs at Lord Howe Island and Cape Byron marine parks, programs that are necessary to assess the impacts of these parks?

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

CHAIR: Scientists recommend that 20 per cent to 50 per cent of all marine waters be in sanctuary zones. How can this Government claim to be committed to the protection of the New South Wales marine environment when only 1.5 per cent of marine waters in the Tweed-Moreton bioregion have been given sanctuary level protection?

The Hon. IAN MACDONALD: There are a lot of reasons, as you are aware. This is not a process that one can impose overnight. We are looking at the marine park situation in New South Wales' waters. We have a lot of stakeholders. I know that some of your supporters think very little of some of the industries that are in these areas, such as the commercial fishing industry and the recreational industry—all of them are important to these regional communities. They provide a lot of economic activity and support for regional New South Wales. In terms of marine parks and sanctuary zones, these issues have to be considered in that context.

CHAIR: Fair enough. You put that point of view forward as a resource usage area. Why call it a marine park? It is another function, another use of those areas, and it is of real concern to many that the actual protection afforded to these so-called marine parks is inadequate.

The Hon. IAN MACDONALD: I do not agree with you there. I think the protection in Lord Howe Island is excellent.

CHAIR: Well, the level of sanctuary zones is far short of what you promised originally, is it not?

The Hon. IAN MACDONALD: I believe that the protection zone or the sanctuary zone within Byron Bay seems sufficient, but we are evaluating whether it should be changed in any way through the finalisation of the program, but I do not believe—

CHAIR: What percentage of the area is that?

The Hon. IAN MACDONALD: Well, 27.5 per cent of Byron Bay was the draft zoning that was put out. It is now in a final consultation process and we will be making announcements in due course in terms of the finalisation of it. But I do not believe that there is real scientific evidence that any particular figure in terms of a bioregion is one size fits all. There are lots of different factors in evaluating what a sanctuary zone size, shape and location should be. These issues cannot be glibly dealt with, with iconic-style statements that you need 50 per cent or 40 per cent or 35 per cent. Some areas are richer than others; some have better reef layout; some have wider grasslands that need to be protected.

In each case they need to be looked at case by case and evaluated according to the needs of that area for protection. To put up figures like that, speculative figures about whether it has to be 50, 30 or 25 or what have you, is an incorrect and misleading way of going about it. It is about finding a balance between the environment and the economic activity in that area, and reaching, as much as possible, a win-win for everyone, not just what you seem to be saying in some instances is a loss for the commercial fishing industry, the recreational industry, the charter boat operators, and all of the other people in an area, which seems to be your focus on someone taking an enormous hit. We in government are endeavouring to try to find a balance between all of the factors that go to make up a particular area.

CHAIR: Nevertheless, scientists have recommended between 20 per cent and 50 per cent of all marine waters should be in sanctuary zones.

The Hon. IAN MACDONALD: Well, if you look at it, I think the proposition for Byron Bay is 27.5 per cent, so it sort of fits within that ballpark, does it not? In fact, Lord Howe is 27 per cent, so that fits within it, does it not?

CHAIR: What was the original commitment to Lord Howe?

The Hon. IAN MACDONALD: I have no idea what you are talking about.

CHAIR: Just one final question: \$500,000 was allocated to the new Manning shelf marine park in 2004-05. What has happened to that money?

The Hon. IAN MACDONALD: It is in our budget.

CHAIR: Has it been expended yet?

The Hon. IAN MACDONALD: Not to my knowledge anyway.

CHAIR: Will it be expended and on what?

The Hon. IAN MACDONALD: That will be determined in the process of the further steps in terms of the marine park there.

CHAIR: So that will be expended in the next six months, before the end of this financial year?

The Hon. IAN MACDONALD: I cannot give a commitment on that. It will depend very much on the announcement that the Government would make in relation to the bioregion.

The Hon. RICK COLLESS: Of the \$38 million that was allocated for drought assistance in the 2004-05 budget, how much of that funding has already been spent?

The Hon. IAN MACDONALD: I think we have pretty much spent the lot just about, but I will get you the accurate figure.

The Hon. RICK COLLESS: Thank you. What has been the Government's total spending on drought assistance since 2002?

The Hon. IAN MACDONALD: It is in excess of \$140 million.

The Hon. DUNCAN GAY: But you will get us the figure on that?

The Hon. IAN MACDONALD: Yes.

The Hon. RICK COLLESS: Can you also provide us with a breakdown of the total amount of funding for each drought support program in those figures?

The Hon. IAN MACDONALD: We will look at this issue and I will give you a written answer in relation to our funding.

The Hon. RICK COLLESS: Turning to the National Livestock Identification Scheme [NLIS], and I refer to the \$2.4 million that was in the 2004-05 budget allocation for the implementation of the NLIS for cattle in New South Wales. How much of that funding has been spent to date?

The Hon. IAN MACDONALD: We do not have the exact figures on that at this point.

The Hon. RICK COLLESS: Will you take that on notice?

The Hon. IAN MACDONALD: Yes.

The Hon. RICK COLLESS: When you provide us with those figures, can you get us also a breakdown of the NLIS programs and activities that have received that funding?

The Hon. IAN MACDONALD: Yes.

The Hon. RICK COLLESS: Has any part of that funding been used to fund departmental administration and, if so, how much?

The Hon. IAN MACDONALD: I would have to look at that in the context of the answer. I will give you a written answer.

The Hon. RICK COLLESS: When you are digging those figures up you might also have a look to see if any of that funding has been used to fund departmental salaries and how much?

The Hon. IAN MACDONALD: I am advised that that is very unlikely but I will get you a written answer.

The Hon. DUNCAN GAY: Can I turn to your belated announcement this week on the NLIS tag subsidy and I refer to your press release dated 21 February, "State Government helps cattle producers save on mandatory identification tags". In your press release you indicate that current retail prices for NLIS tags are between \$3.25 and \$4. Where did you obtain those prices?

The Hon. IAN MACDONALD: We did a survey of outlets, producers, produce stores and what have you, and that was the variation. I, in fact, know some of the actual specific stores that sold

them for \$4, but I do not think it would be wise of me to be revealing the actual stores, but we did a survey are around the State to ascertain the figures.

The Hon. DUNCAN GAY: Would you be surprised to know that the Australian Meat and Livestock web site current retail prices for NLIS are \$3.20 and \$3.36?

The Hon. IAN MACDONALD: I think you will find that as the competition of our \$2.60 has its full impact, prices will continue to come down.

The Hon. DUNCAN GAY: But that is the future. I am talking about the sum you had in your press release.

The Hon. IAN MACDONALD: It was correct.

The Hon. DUNCAN GAY: Not according to the Meat and Livestock web site.

The Hon. IAN MACDONALD: No, \$3.35 is the recommended retail price of the product.

The Hon. DUNCAN GAY: In relation to the actual subsidy provided per ear tag, you have allocated \$1.5 million to subsidise three million tags, which works out to be 50¢ per tag. Is that correct?

The Hon. IAN MACDONALD: I do not think the figures you are using are necessarily accurate. The \$1.5 million is made up of \$500,000 that was from the dairy industry conference and that went for dairy interests in terms of tag subsidisation. That is outside of this arrangement, which is the cattle compensation fund of \$500,000 and \$500,000 from the Government.

The Hon. DUNCAN GAY: What is approximately your subsidy per tag?

The Hon. IAN MACDONALD: That is commercial in confidence.

The Hon. DUNCAN GAY: I said 50¢.

The Hon. IAN MACDONALD: That is a commercial in-confidence situation. We were in an arrangement with Victoria for a joint tender. Now let me say—

The Hon. DUNCAN GAY: What are the commercial ramifications that would make what your subsidy is compulsory to have it confidential?

The Hon. IAN MACDONALD: Well, it is.

The Hon. DUNCAN GAY: There are none. Come on!

The Hon. IAN MACDONALD: Sorry! The company we are dealing with—

The Hon. DUNCAN GAY: This is public money that you are using to subsidise.

The Hon. IAN MACDONALD: No.

The Hon. DUNCAN GAY: It is public money.

The Hon. IAN MACDONALD: Wait a second. We have an arrangement with an international company, Allflex, for the tags. We have a bulk arrangement with them. The price is \$2.60, which includes delivery to the property. The figure is a commercial-in-confidence figure, as per the contract.

The Hon. DUNCAN GAY: The subsidy?

The Hon. IAN MACDONALD: Yes. You have to remember that there are a number of competitors so usually contracts of this nature would be commercial in confidence, as you are aware.

The Hon. DUNCAN GAY: Was a tender put out? It is a yes or no answer.

The Hon. IAN MACDONALD: I am going to tell you something. This is where you misread and mislead. You know a tender process was put out. You know precisely that. I announced that we would go to a tender process in June-July of last year.

The Hon. DUNCAN GAY: Minister, it has been indicated to me—

The Hon. IAN MACDONALD: That is why, by the way, it took some time for me to make the announcement about the figure. It is not a belated situation. What happened was we had to go through all the due diligence and prudential requirements to be able to run a competitive tender, to which a number of corporations put forward their bids. That was then evaluated between New South Wales and Victoria to come up with the final winning bid and then the contract negotiations to finalise it. That is why it took a few months to put together. Might I say, it has been overwhelmingly endorsed by farmer organisations, as demonstrated quite clearly by the fact that when I announced it I had with me New South Wales Farmers and the rural lands protection boards.

The Hon. DUNCAN GAY: Minister, you either provide the information or you do not. You do not give us a speech justifying your inadequacies.

The Hon. IAN MACDONALD: I beg your pardon?

The Hon. DUNCAN GAY: What was the price of the tag that won the contract?

The Hon. IAN MACDONALD: The contract price is \$2.60 per tag, including delivery.

The Hon. DUNCAN GAY: Thank you. You mentioned in your press release that the negotiated delivery costs had been included in the tag subsidy. How have these delivery costs been calculated? Will the cost of delivery vary depending on the weight of each NLIS order or is it a flat rate, regardless of the volume of tags ordered?

The Hon. IAN MACDONALD: It is commercial in confidence.

The Hon. DUNCAN GAY: What? The freight?

The Hon. IAN MACDONALD: Everything is commercial in confidence on the contract.

The Hon. DUNCAN GAY: I am beginning to realise this.

The Hon. IAN MACDONALD: Good. It is about time you realised some things.

The Hon. DUNCAN GAY: Can you detail why the subsidy was not available to the manufacturers of all approved tags? It has been suggested to me that if you had two or three tags in competition in the marketplace and applied the subsidy on top of whatever price the farmers got that would be a cheaper way to go.

The Hon. IAN MACDONALD: Let us hope that you are never in charge of negotiating any contract on behalf of the State Government and the people of New South Wales. If a tender is let and a contract signed I think you would have to agree that the two parties signing the contract would have to be bound by the terms of that contract. I would imagine that if you ran a tender process you would end up with one supplier. Therefore, you would sell that supplier's product.

The Hon. DUNCAN GAY: What is your response to cattle producers who are concerned that they may not have access to subsidised tags because they have already purchased NLIS applications from different manufacturers that will not be able to be used with the subsidised tags, especially given the fact that you were tardy in bringing this out and it is seven months after the start of the scheme?

The Hon. IAN MACDONALD: Right. That is a very good little statement to make. As usual, you show your ignorance of NLIS and anything to do with this issue. For a start, the system has not fully commenced. As you are aware, it is not going to the database at this point. There are many exemptions in what actually has to be tagged. At the moment we are tagging calves and weaners.

The Hon. DUNCAN GAY: But tagging has commenced.

The Hon. IAN MACDONALD: Tagging has commenced but only part of the system is in place. The system comes into place fully on 1 July.

The Hon. DUNCAN GAY: It is cold comfort for the people who are already involved.

The Hon. IAN MACDONALD: I was concerned that as of 1 July and prior to 1 July we had the systems in process and in place to be able to meet the real requirement—that is, that all cattle traded through the saleyards and abattoirs had to have an NLIS tag and the data read. That is the real deadline. You are making up the other artificial deadline. You are going a bit too over the top and a bit too far. We have met the situation where the vast majority of tags will be needed. That is, in the State we trade around two million per annum and, as of 1 July, they will have to be read onto the database. I have made a number of exemptions in terms of what has to be tagged.

The Hon. DUNCAN GAY: That has nothing to do with this.

The Hon. IAN MACDONALD: Yes, it does—totally.

The Hon. DUNCAN GAY: May I continue, Minister? Calves had to be tagged from 1 July last year. I note that as of 14 March rural selling agents, including Elders, Landmark, CRT and various stock and station agents will be excluded from NLIS distribution channels. What is your rationale for excluding these selling agents when they have played a central role in providing information days, tag readers and scales to help with the implementation of the system?

The Hon. IAN MACDONALD: We went to a competitive tender. One company won that tender and one process has evolved, in partnership with the rural lands protection boards. I thought you would say that is fantastic—\$2.60 and three million tags in place by 1 July. If you find some little areas where you want to get further with, such as, the farmers who have already purchased tags in New South Wales, which you mentioned before—

The Hon. RICK COLLESS: And the applicators.

The Hon. IAN MACDONALD: Yes, and the applicators. If you are concerned that they have not had the subsidy available to them, I suggest you go to your National party colleagues—go to Mr Truss—and say, "Look, on 21 September last year you promised \$20 million for the NLIS roll-out across Australia." Perhaps you could say to him, by way of one of your press releases that you put out regularly, "Mr Truss, how about giving some of your \$20 million back to farmers to assist with the roll-out?" I think you are very embarrassed about this because the Federal Government promised to put in \$20 million and it has not done it yet.

The Hon. DUNCAN GAY: Are you aware that companies such as Elders, Landmark and CRT, which are carrying a large amount of rural debt as a result of helping farmers through this drought, have cattle producers ringing up and cancelling their NLIS tag orders from those selling agents because the producers are purchasing the cheaper ones from the RLPBs?

The Hon. IAN MACDONALD: What do you want to do? The thing is we have a level of subsidy. We ran a competitive tender in New South Wales. The tender has been let and we are honouring that contract. It is up to people to consider their own situation. I cannot and I do not solve Elders—

The Hon. DUNCAN GAY: So you do not know and you do not care.

The Hon. IAN MACDONALD: I am not saying I do not care.

The Hon. DUNCAN GAY: You are saying that.

The Hon. IAN MACDONALD: I am not saying I do not care.

The Hon. DUNCAN GAY: Well, what are you going to do about it?

The Hon. IAN MACDONALD: We have had a competitive tender process that has ensured that farmers will be able to get the tags for \$2.60. I thought you would be saying that that is fantastic—and it is fantastic. The fact is that we devised a system that has been put together well, with the endorsement of the rural lands protection boards and New South Wales Farmers—but obviously not of the little shrinking National party in New South Wales. We have put together a competitive tender that has delivered to farmers in this State very, very cheap tags that are well under the market price. In doing that, we have contract obligations that we will be meeting.

The Hon. DUNCAN GAY: Minister, will you be doing anything for these companies that have stocks of tags on hand that they purchased as part of this scheme?

The Hon. IAN MACDONALD: You will have to repeat the question, I am sorry; I was listening to my advisor.

The Hon. DUNCAN GAY: You should listen to him more often; then you would probably answer the questions correctly.

The Hon. IAN MACDONALD: We are going to get very personal about staff, are we?

The Hon. TONY CATANZARITI: Point of order: The Deputy Leader of the Opposition is trying to ask a question, answer it, and make statements at the same time. I suggest that you draw him back to his questions, and that he allow the Minister to answer.

CHAIR: I would appreciate it if the Deputy Leader of the Opposition just asked his questions in the few minutes remaining.

The Hon. DUNCAN GAY: What will you do for the small and large companies across New South Wales that, in good faith to service the NLIS, purchased tags and have them in stock, but that now find they have stock on hand that they will not be able to sell?

The Hon. IAN MACDONALD: I am happy to listen to them if they want to come and talk to me.

The Hon. DUNCAN GAY: Why have you not thought of this before? It is one thing to be eight months late in getting the tags after the tagging scheme started; it is another thing for small businesses across the State, which have spent millions of dollars on supplies to facilitate your scheme, to have to come and talk to you. They have supplies on hand and they will have to bear the brunt of this.

The Hon. IAN MACDONALD: Clearly, in a tender process everyone has the ability to put in a price and negotiate through that process.

The Hon. DUNCAN GAY: Come on! Answer the question!

The Hon. IAN MACDONALD: I believe that all resellers, including Elders, had the opportunity to put in a bid. If they had matched the price they would have potentially won the bid. The point is that there was a tender process. One organisation was able to produce tags that were proven, viable and the best technology at this time, and it won the contract. We have signed it, and we are delivering to the farming community. If other people and organisations feel that they need to talk to me, I am happy to listen to what they have to say.

The Hon. DUNCAN GAY: With great respect, these businesses were not part of the tender process. They are retailers in regional New South Wales; they are the backbone of our rural

communities and they provide finance to farmers, to a large degree. They help farmers across the State. Through your incompetence, you have now put them in a pretty ordinary situation.

The Hon. IAN MACDONALD: I have certainly not put them in an ordinary situation. Allflex had a concept proposal of supplying the tags through those resellers. However, the fact is that the arrangement with the rural lands protection boards was much cheaper than the proposal put forward to use your resellers. If those resellers want to come and talk to me about the situation, I am happy to listen. So your facts were quite wrong. There was an option to go through that but it was too expensive. I had one objective in mind and I will make this very clear to you: It was to produce in the end tags to the farmers of this State at the cheapest possible price.

The Hon. DUNCAN GAY: Eight months after they needed them!

The Hon. IAN MACDONALD: No, not eight months after.

The Hon. DUNCAN GAY: July last year is when it started.

The Hon. IAN MACDONALD: If you look at my press release, which I suggest you do if you want to know about the situation in New South Wales, it was made quite clear that only certain requirements were made between 1 July 2004 and 30 June 2005, and there were a large number of exemptions in terms of what you had to have tagged when going through the market. You know that. You are exaggerating the problem and trying to find a way of knocking what is in reality a very good system for New South Wales. The scheme has been overwhelmingly endorsed by New South Wales farmers the breadth of this State as well as the rural lands protection boards. It was a competitive tender and the Rural Lands Protection Board's Allflex system won the tender.

The Hon. RICK COLLESS: I refer to your press release dated 21 January 2005 titled "Locust partners agree to future funding arrangements". How much of the \$5.25 million provided by the State Government in the fight against locusts has been used by the Government for on-ground control—that is, chemical and spraying activities—how much is being taken up as the interest component of the loan, and how much has been used to fund the salaries of the Department of Primary Industries [DPI] officers?

The Hon. IAN MACDONALD: As I recall, those figures have been put out in a press release.

The Hon. DUNCAN GAY: Yes, your press release, so we hope they are accurate.

The Hon. IAN MACDONALD: My press releases are always accurate. It is your press releases that are inaccurate.

The Hon. DUNCAN GAY: We are asking for a breakdown of those figures.

The Hon. IAN MACDONALD: The general figure is there—\$750,000 to the fund. If I remember rightly, \$2.5 million was for the interest-free component of the loan and the rest was for all the staff and resources that the DPI used during the campaign, which is estimated to be about \$2 million. However, if you want a further break up, I will look at that and answer in due course.

CHAIR: Do you agree that all fisheries management strategies in environmental impact statements completed for commercial fisheries have identified the need to reduce the number of commercial fishers?

The Hon. IAN MACDONALD: There is the general environmental and sustainability issue. There has been a view in some areas of fisheries that there is overcapacity. That is true. The Government's policy is a buyback premise, which we have implemented in the past. For instance, the crashing of the recreational havens was predicated on \$20 million worth of buybacks. I believe that there is a need to further reduce the effort but we will be doing that in consultation with the commercial fishing industry.

CHAIR: How can you justify spending \$365,464 of the total 2003-04 budget of \$426,286 on administration of buyouts rather than actual buyouts?

The Hon. IAN MACDONALD: I may be incorrect but I suspect—are you talking about our budget?

CHAIR: Yes.

The Hon. IAN MACDONALD: I would think that that is the administrative cost of doing the \$20 million buyout program. In other words, that was the administrative cost of the Department of Fisheries or Fisheries NSW at that stage actually doing a buyout process for the \$20 million that was done for the havens. That would be my thought, but I will take it on notice.

CHAIR: I know you have had experience with the fishing inquiries with which I was involved, and that you recognise the importance of moving on this. I understood you to recognise that you first came to the Ministry. I agree with you on this matter that the buyouts be done fairly. Is it not rather incongruous that so much is spent on administration and so little is spent on the actual buyout process for these commercial fishers to give them financial relief?

The Hon. IAN MACDONALD: Quite the contrary. What I am saying is that if I am correct we actually spent \$20 million on buyouts, but the buyout money was financed through the recreational fishing licence. However, I think the administration to get those buyouts worked out was probably funded by an allocation against fisheries. A buyout is not a simple thing. You have to go through the catch history and do an analysis to see what the business is worth in terms of a buyout. I would think that \$20 million—if that is the figure, and I am fairly confident that it is—is probably a small administrative cost to achieve such a large buyout program. I understand that normal administrative costs are about 10 per cent, so that figure is well under that. Legal issues, contracts, all sorts of things must be taken into account in buying out someone's business. Remember that these are businesses and they were bought out with \$20 million. In fact, it reduced the commercial fishing effort in New South Wales by about 300.

CHAIR: The IUCN, the world conservation union, lists both rainbow trout and brown trout on its "100 of the world's worst invasive alien species list". How can you justify the continuation of the stocking proposed for both these species in the draft fishing stocking environmental impact statement?

The Hon. IAN MACDONALD: I am confident that this stocking program has met rigorous environmental tests over a long period. As you are aware, we release only in certain places. For instance it is estimated that the economic value in the Snowy Mountains area of the recreational fishing industry, which is basically brown- and rainbow trout-based, is in the order of \$70 million. There is a great demand for it down there. We are constantly monitoring that for its impacts and we intend to continue stocking the rivers and dams of New South Wales. But in terms of the rivers themselves, basically we have been stocking them with native species—many hundreds of thousands in the past year. The trout industry is an important recreation industry that we are monitoring carefully. If you have evidence that it is having deleterious impacts on the environment I would like to receive it.

CHAIR: I certainly think that is something you might receive. You are well aware of the invasive nature of those species that your organisation uses for restocking?

The Hon. IAN MACDONALD: They have been stocking trout in our dams for a long time, probably a 100 years. I have not seen evidence that it is so environmentally devastating in New South Wales. Some organisations might say that it is invasive and what have you.

CHAIR: The IUCN says it is invasive.

The Hon. IAN MACDONALD: Yes, but I have not seen evidence of environment problems where we stock it in New South Wales.

CHAIR: I cannot go without having a grey nurse shark question. When do we expect to see an increase in the grey nurse protection promised by the Government in a media release of 26 May 2003?

The Hon. IAN MACDONALD: I think you will see them soon.

CHAIR: What will we see?

The Hon. IAN MACDONALD: Watch this space! I do not intend to make an announcement here; put it that way.

CHAIR: Are you taking into account, for example, the number of grey nurse sharks that have been captured this season in the shark netting processes off Sydney, for example?

The Hon. IAN MACDONALD: I take into account all factors.

CHAIR: Are you recognising that the grey nurse shark population is critically endangered at this point of time?

The Hon. IAN MACDONALD: It would have to be taken into account for one to take some measures. We have already taken a number of measures—

CHAIR: Monitoring yes, but that does not protect them.

The Hon. IAN MACDONALD: No, we have the most advanced protection system for the grey nurse shark anywhere in the world. We have 10 critical habitats, the Commonwealth has two and I think another six are being rolled out in Queensland. We were the first to do it. We were the first to make a shark an endangered species. We were the first to give it full protection. We were the first to designate specific areas to a shark, and to create a critical habitat in those areas, and ban a lot of activity which was deemed to be threatening. Let us be clear about it: New South Wales has led the world in the protection of grey nurse sharks.

CHAIR: But you are still allowing surface trolling through those protection zones?

The Hon. IAN MACDONALD: Well, from what I have read, surface trolling has not been deemed to be a terribly critical activity for the grey nurse shark. However, everything has been under review in relation to this matter. We have, as you know, spent a considerable amount of resource investigating the grey nurse shark population in New South Wales. We placed electronic tags on three grey nurse sharks. We have collected the data off two of those, and we have not been able to locate one. We are just about to place the refurbished tag onto another shark and continue to collect further data. We have received very enlightening material from the tags and it will inform our deliberations in a proper way.

CHAIR: How many grey nurse sharks have been captured and killed in shark protection netting in the Sydney area this season?

The Hon. IAN MACDONALD: I do not have that figure off the top of my head.

CHAIR: But there have been grey nurse sharks captured and killed in those nets?

The Hon. IAN MACDONALD: I think that is possible.

CHAIR: I asked late last year whether there had been grey nurse sharks captured in the nets in Sydney in this summer season.

The Hon. IAN MACDONALD: I will have to look at the records.

CHAIR: I put it to you that they have been caught.

The Hon. IAN MACDONALD: One has to remember that the shark netting program has been there for a long time, more than 60 years, and in the 30-odd years prior to having netting in the 51 beaches along the coast of New South Wales from Newcastle to Wollongong there was roughly one person taken each year. Since the nets have been in place only one person has been killed—it was in the early 1960s—so that gives great evidence to the fact that the nets are protecting humans along the beaches. One has to remember that in the time the nets have been put in place, compared with the time before the nets were in place, a lot more people are swimming. That indicates that the nets play a role in protecting humans, and I want to make it clear that I do not intend to pull up those nets. I do not intend in any shape or form to change that order. I will, however, look at a large number of different types of methodologies to try to prevent any fish, sharks, turtles or what have you, being caught in those nets.

CHAIR: How many fatalities have occurred in non-netted areas along the New South Wales coast in recent year on beaches or just offshore? If you are so confident about how protective these nets are do you have that figure? Minister, remember that these nets are approximately 50 metres long so they do not net the entire beach by any means and the vast majority of the sharks get netted coming out from the beach. Is it not a furphy really? We have partial netting of the beaches capturing by-catch but actually not achieving what it is purported to achieve. I ask again, as I have in the House, are you not responsible if someone is actually taken and killed on a netted beach because the nets are not complete?

The Hon. IAN MACDONALD: We are lucky that the Greens are not running the policy issues of this city or State. I would imagine if one proposed to take down the nets that there would be an outcry that would even drown out some of the members of the Greens. The plain fact of the matter is that the evidence is against you. There are lots of reports that have indicated that the nets are effective in ensuring that shark attacks will be limited in the netted areas. There are 51 of those nets. I think the evidence is against you. Every year people are killed but the last, if I can recall, was up at Julian Rocks.

CHAIR: I do not think anyone, even you Minister, would contemplate netting Julian Rocks.

The Hon. IAN MACDONALD: That is true, I would not net Julian Rocks.

CHAIR: Julian Rocks is four kilometres offshore and the fatality occurred more than 4 kilometres offshore. I am talking fatalities occurring on beaches inshore where the vast majority of swimmers recreate. How many deaths have there been due to shark attack in non-netted beaches?

The Hon. IAN MACDONALD: I will get those figures.

CHAIR: I think it is almost the same.

The Hon. IAN MACDONALD: I think there are a few.

CHAIR: In relation to your projections on what may have happened 20-30 years ago the population of sharks was far different due to the fishing effort that has been happening along the coastline, including the netting of beaches. Do you agree that you cannot extrapolate what had happened 40-50 years ago to what is happening now in terms of the numbers of the species remaining?

The Hon. IAN MACDONALD: Well, I am going to extrapolate and I will not be changing the netting policy.

CHAIR: Fisheries conservation managers play a vital role in ensuring the protection of fish habitat and the integration of marine and fresh water environment protection in all development applications and other works. Those conservation managers are currently contract staff and, therefore, at risk of losing their positions. Will you commit to maintain these positions in the long term as a core function of your department?

The Hon. IAN MACDONALD: I will have to get a detailed answer to this question. We have a number of temporary officers in positions in the State and that may be a factor that is

impinging on the nature of your question. I will have a good look at that and I will come back to you in writing on that.

CHAIR: Would you agree that conservation managers should be seen as a core function in the department? It would be reasonable to see them in something more secure than a contract?

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

CHAIR: What commitment of staff and resources has the Department of Primary Industries made to supporting the vital network of the State's catchment management authorities [CMAs]?

The Hon. IAN MACDONALD: We are in discussion with the CMAs on the provision of some staff resource allocations. We are looking at the resources we have. We are preparing a memorandum of understanding. Do not worry, you can rest assured that as soon as practicable and possible we will be working with CMAs to deliver profitable and sustainable primary industries.

CHAIR: Could you inform the committee what resources will go into each CMA?

The Hon. IAN MACDONALD: That is what is under discussion.

CHAIR: Could you give us a ballpark figure on your projection for these organisations?

The Hon. IAN MACDONALD: I could not at this point.

CHAIR: Perhaps you could take it on notice?

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

CHAIR: Will the department undertake to take the action identified for it under the catchment action plans?

The Hon. IAN MACDONALD: The catchment action plans that the CMA put into effect?

CHAIR: Yes.

The Hon. IAN MACDONALD: Yes, we will obviously have to factor that into our operations in that area, of course.

CHAIR: To what extent does the New South Wales Government subsidise the commercial fishers operating in New South Wales by covering management costs for the industry?

The Hon. IAN MACDONALD: I do not have any exact figure on the costs to the government. We do recover a considerable amount.

CHAIR: Government subsidies?

The Hon. IAN MACDONALD: Subsidies, yes. We recover a considerable amount from the fishing industry in the form of licences and a number of fees and charges for various activities that are required under various environmental and management guidelines. I will get you the figures on precisely how much they pay and how much we subsidise, in effect.

The Hon. DUNCAN GAY: Minister, my loyal spies inform me that you have a column that appears in a number of newspapers around the State. Can you inform me how many, and when and what papers your column appears in?

The Hon. IAN MACDONALD: I do not know, but I am a very popular fellow by the sound of it.

The Hon. RICK COLLESS: No, you are not.

The Hon. DUNCAN GAY: I do not think we will take your word for that.

The Hon. IAN MACDONALD: Fair enough. I get on very well in the bush, Mr Colless, very well.

The Hon. DUNCAN GAY: Could you give us that information?

The Hon. IAN MACDONALD: Yes, certainly. But it is a good thing that I do get the opportunity to speak to farmers in the bush through the papers, is it not? It is a very good thing that I am communicating the issues of the day, what the department is doing and what great steps are being taken by the State Government in ensuring that farmers are protected. It is a good thing to have the column.

The Hon. DUNCAN GAY: Do you pay for this column or is it a free service?

The Hon. IAN MACDONALD: Not to my knowledge.

The Hon. DUNCAN GAY: Which?

The Hon. IAN MACDONALD: I do not pay for it. To my knowledge I do not pay for it.

The Hon. DUNCAN GAY: I think you are being given advice.

The Hon. IAN MACDONALD: I do not believe we pay for any columns. A number of papers have asked me to write for them and to give them comment and make sure I get my accurate press releases into them.

The Hon. DUNCAN GAY: We would appreciate a list of those papers, and we will be applying for reciprocal rights.

The Hon. IAN MACDONALD: That will be up to the editors. I am sure they will be more keen to hear from the Government than the long-term Opposition.

The Hon. RICK COLLESS: Can you explain the 30 per cent decrease in the Department of Agriculture staff over a 10-year period from 1995 to 2005? That decline was from 3,093 in 1995 to 2,081 in 2005.

The Hon. IAN MACDONALD: I will write to you in relation to that but you have to remember that the arrival of computer technology, the merger of departments—

The Hon. RICK COLLESS: Come on, I am talking about livestock officers and people like that who are not there any more. That is what I would like an explanation for.

The Hon. IAN MACDONALD: I will answer.

The Hon. RICK COLLESS: Can you explain also why, between 1994 and 2005, the budget allocated to the Wild Dog Destruction Board has remained stagnant at \$60,000 despite the number of wild dog attacks increasing over recent years?

The Hon. IAN MACDONALD: I am sorry to do this to you, but my understanding is that questions on the Wild Dog Destruction Board should be addressed to my colleague Mr Kelly.

The Hon. RICK COLLESS: How many staff do you have in your office?

The Hon. IAN MACDONALD: I do not know. I have what I am allowed to have according to the Premier's Office.

The Hon. DUNCAN GAY: Could you come back to us with a number?

The Hon. IAN MACDONALD: Yes.

The Hon. RICK COLLESS: Could you also include in that their salaries—the salary range?

The Hon. IAN MACDONALD: I will undertake to check with the Premier's Office for details and supply you with appropriate information.

The Hon. RICK COLLESS: How much money do you spend a month on media monitoring?

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

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

The Hon. IAN MACDONALD: I think all of that is done by the Premier's Department, so you could address it to the Premier.

The Hon. DUNCAN GAY: No, Minister, this is a specific question about your office.

The Hon. IAN MACDONALD: I will answer what I can answer.

The Hon. DUNCAN GAY: And, Mr Buffier, the same question for the department?

Mr BUFFIER: I will take it on notice.

The Hon. DUNCAN GAY: Minister, is your new chief of staff paid the same salary as your old chief of staff?

The Hon. IAN MACDONALD: I would have to check that for you. I do not know. I do not follow closely the salaries of my staff.

The Hon. DUNCAN GAY: Why would your chief of staff not be here for this budget estimates hearing?

The Hon. IAN MACDONALD: I think he has better things to do.

The Hon. RICK COLLESS: Playing golf?

The Hon. IAN MACDONALD: He never plays golf. I am here; you do not need anyone more than that.

The Hon. DUNCAN GAY: Mr Buffier, at the last budget estimates hearing for the departments of Primary Industries and Agriculture, you indicated you did not have a performance agreement. At the last hearing for the Minerals portfolio you also indicated that after some time you still did not have a performance agreement. Do you now have a performance agreement?

Mr BUFFIER: As I said at the Minerals estimates hearing, the performance agreement is nearing completion.

The Hon. DUNCAN GAY: So how long have you been employed?

Mr BUFFIER: Approaching eight months.

The Hon. DUNCAN GAY: Do you think it has taken a little while longer than it should?

Mr BUFFIER: I think it is very difficult to get the performance agreement that accurately reflects what is to be achieved when you put together a new department and you have a new corporate plan, milestones, et cetera, that all need to be agreed to. I do not think it is an inordinate amount of time, no.

The Hon. DUNCAN GAY: Many say it is.

The Hon. IAN MACDONALD: In regard to the performance agreement, it is before me now. I will sign it in due course when I consider the issues. The point Mr Buffier makes is a pertinent one. He took on the job at the beginning of a merger of four reasonably sized departments into one department. We have been flat out dealing with that. Now we know the direction and the lay of the land in relation to merging four departments, I will be signing an appropriate performance agreement.

The Hon. DUNCAN GAY: Would you not have thought it would be better to do it beforehand?

The Hon. IAN MACDONALD: Certainly not.

The Hon. DUNCAN GAY: Mr Buffier, I refer to the proposed work force management plan dated 1 July. It was developed on 23 June. You were present as part of that development, is that correct?

Mr BUFFIER: That is correct. I was present at the meeting.

The Hon. DUNCAN GAY: Were you a member of the interim board of management established by the New South Wales Department of Primary Industries?

Mr BUFFIER: No, I was not.

The Hon. DUNCAN GAY: You were not a member?

Mr BUFFIER: No.

The Hon. IAN MACDONALD: Mr Buffier's contract started as of 1 July. The interim board operated from the announcement by the Treasurer of the Department of Primary Industries. Through to 30 June it was chaired by Dr Richard Sheldrake.

The Hon. DUNCAN GAY: Mr Buffier, did you have any input into the development of the key elements of the plan, of the work force management plan, on 23 June?

Mr BUFFIER: I was invited to participate but I had been overseas for four to five weeks leading up to that, so it was fairly limited.

The Hon. DUNCAN GAY: But you did have input?

Mr BUFFIER: Limited input, yes.

The Hon. DUNCAN GAY: When did you resign your position as National Business Manager for Westpac Agribusiness?

Mr BUFFIER: Some three years prior to my taking up this new role.

The Hon. DUNCAN GAY: Minister, what proportion of the \$11.7 million budget allocation for the New South Wales Food Authority has been spent on food safety programs?

The Hon. IAN MACDONALD: I would have to get that figure for you. As you would be aware, they have been very proactive over the last year with the food safety program, so they would have spent every cent.

The Hon. DUNCAN GAY: What proportion of the Food Authority budget is allocated to cracking down on incorrect labelling of prawns and fish substitution?

The Hon. IAN MACDONALD: I would not have the percentage at my fingertips, but it would have been a reasonable sum. It was a very successful campaign, as you will recall. In fact, if you go into a retail outlet that is selling imported prawns, they are generally labelled now—which they were not prior to this work.

The Hon. DUNCAN GAY: To date, how much of this allocation has actually been spent?

The Hon. IAN MACDONALD: I would have to come back to you on that.

The Hon. DUNCAN GAY: We will go on to Fisheries now. To mark the Cronulla Fishers Research Station Centenary you pledged \$1 million to upgrade the facilities and invest in high-tech equipment. Is the source for this funding the sale of agricultural research land?

The Hon. IAN MACDONALD: We are in the process of selling some lands, as we have made clear publicly. Those funds will be devoted to the various research establishments that we have around the State. The necessary upgrades to the old facilities down by the water at Cronulla will come out of the 2020 program funding.

The Hon. DUNCAN GAY: So it is coming from the sale of research station land?

The Hon. IAN MACDONALD: No. We are selling a number of different properties, some of which are research lands, some of which are other properties that we hold, such as The Entrance Fisheries office.

The Hon. DUNCAN GAY: Some of the money is to be used to purchase three underwater cameras. How much is one of these cameras?

The Hon. IAN MACDONALD: Quite a lot. I cannot recall the price, maybe \$100,000 or so each. But it is a fair amount of money.

The Hon. DUNCAN GAY: Could you come back with a figure on that?

The Hon. IAN MACDONALD: Yes, I will come back with that.

The Hon. DUNCAN GAY: On what projects will these cameras be used?

The Hon. IAN MACDONALD: At present the methodology used to survey fish populations is often trawling, which kills a lot of fish. These are very high-tech cameras. They are not cameras as such; they are more imaging devices which, even in murky water, are able to determine the species of fish. They will be used for determining numbers of species of fish within estuaries and in the ocean. That will give us a means of being able to ascertain numbers and get an estimate of stock.

The Hon. DUNCAN GAY: Concern has been expressed to me that, given constant technology upgrades in areas like this, as well as developments and changes, these cameras will become redundant—having spent \$100,000 or more on each of them—and that their purchase will be funded by the sale of assets of research stations. Would there not have been a better way to go about this?

The Hon. IAN MACDONALD: That is a good question. We are planning to spend a lot of money on upgrade of computer-based equipment—for instance, to identify markers for plant biology research. Most of the equipment of the latest technology that we buy now is very efficient and increases productivity by a massive amount. But it will become redundant relatively quickly. That is the way and pace of technological change. But we cannot say to ourselves: This equipment could be redundant in five or six years, therefore we should not go ahead with buying it. We have to be at the leading edge if we are to track research dollars and make our research as accurate and comprehensive as possible. So, yes, in effect, this technology could become redundant in a few years time. That is the nature of modern technological change. But we have to go down that path to ensure that our facilities can conduct research and activity to world's best practice.

The Hon. DUNCAN GAY: So we will sell research station land that is part of the estate of this State to buy equipment that will be redundant in a few years?

The Hon. IAN MACDONALD: Yes, we could sell some land and use that funding to install the latest technology into the Wagga Wagga, Orange or Tamworth institutes. Yes, there could be some

land sold for that. But it is vital to enable us to enhance the productivity of farming, and therefore its sustainability and profitability in New South Wales. We cannot allow our technology to fall behind that of other States. Victoria is doing a similar thing; it has some wonderful equipment at Latrobe University, for instance, which gives them world's best practice with their breakthroughs in agricultural science.

The Hon. DUNCAN GAY: Was there a budget for the celebrations of the centenary of the Cronulla Fisheries Research Centre?

The Hon. IAN MACDONALD: I am not sure whether there was a budget. But, if you could speak to one of your conservative colleagues, Senator Ian Macdonald, Federal Minister for Fisheries and Forests, who is a good fellow, you will know that he was very appreciative of the function. He and I had long discussions into the afternoon and afterwards, and that will be productive for fisheries in New South Wales.

The Hon. DUNCAN GAY: If there was a budget, who had responsibility for it? Was that provided out of your office, the Department of Primary Industries or somewhere else?

The Hon. IAN MACDONALD: It certainly was not out of my office.

Mr BUFFIER: DPI.

The Hon. IAN MACDONALD: It was out of the Department of Primary Industries budget.

The Hon. DUNCAN GAY: What was the total cost of this event?

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

The Hon. DUNCAN GAY: Would you do that?

The Hon. IAN MACDONALD: I will give you the figures as best we can, yes.

The Hon. DUNCAN GAY: Given that there were over 70 dignitaries and quite exotic invitations, where was the money sourced for this function?

The Hon. IAN MACDONALD: Out of DPI.

The Hon. DUNCAN GAY: What that sourced from the sale—

The Hon. TONY CATANZARITI: Didn't you get an invite?

The Hon. IAN MACDONALD: What do you mean by "exotic"? The local Liberal member was there. Is that the exotic bit?

The Hon. RICK COLLESS: He is!

The Hon. DUNCAN GAY: He would beat Michael Egan.

The Hon. IAN MACDONALD: That's very exotic.

The Hon. DUNCAN GAY: In relation to marine parks, I turn your attention to an article in the *Sydney Morning Herald* of 29 January 2005 titled "Fishermen at sea over marine park". The first paragraph reads:

As much as 100,000 hectares off the New South Wales South Coast may soon be proposed for inclusion in what will be the State's biggest marine park.

Minister, have you any idea how the media got hold of that story?

The Hon. IAN MACDONALD: No, I have not, actually.

The Hon. DUNCAN GAY: There is widespread belief within fishing areas that that was a leak out of your office. Would you deny that?

The Hon. IAN MACDONALD: Fancy asking a question like that! As if we would leak something like that. It is outrageous. Our staff would not leak anything of that nature, no.

The Hon. DUNCAN GAY: So the answer is you did not leak that?

The Hon. IAN MACDONALD: I certainly did not leak it, nor would I have encouraged anyone else to have leaked it. That is a bit of nonsense from someone. You do pick up the most exotic of items, I must say.

The Hon. RICK COLLESS: Minister, how many of the conservation manager positions are supported by recreational fishing licence funds?

The Hon. IAN MACDONALD: I do not have the exact figure of that. The trusts finance a few of the compliance officers. I will get you the breakdown of that.

The Hon. RICK COLLESS: Do you have any plans to reduce the number of habitat conservation managers this year?

The Hon. IAN MACDONALD: I have no plans to reduce that area at all.

The Hon. RICK COLLESS: What is the value of new grants received by New South Wales Fisheries this year?

The Hon. IAN MACDONALD: I will have to get you that figure.

The Hon. RICK COLLESS: Can you also provide us with details of the types of programs that the grants are being used to fund?

The Hon. IAN MACDONALD: That is fine. That is good.

The Hon. RICK COLLESS: How are fishing licences administered at the shopfront level? How do you get the fishing licence forms to the retailers and how do they get the money back to you and so on?

The Hon. IAN MACDONALD: That is all part of the administrative arrangements we have with the trusts. We have a large number of outlets across the State, including garages and fishing tackle shops.

The Hon. RICK COLLESS: It has come to my attention that people are having difficulty finding an outlet that can supply them with a fishing licence.

The Hon. IAN MACDONALD: I would like the details of that. We will see what we can do. If there are some difficulties—

The Hon. RICK COLLESS: Can you tell us when the retail outlet sends the money for the fishing licence back to the department? Is it on receipt, weekly, monthly, at the end of the book or what?

The Hon. IAN MACDONALD: I will have to take that on notice. They are also available on the Internet.

The Hon. RICK COLLESS: I am referring mainly to the ones available through retail outlets.

The Hon. DUNCAN GAY: Last year when I went to renew my licence they did not have any. The fellow I went to to renew it said he had applied for some and they had not arrived. That was in the middle of January on the South Coast in the middle of the fishing season.

The Hon. IAN MACDONALD: That would be a problem. If you had rung me I would have been able to—

The Hon. DUNCAN GAY: I was on holidays. I did not want to talk to you.

The Hon. IAN MACDONALD: Next time you are on holidays and this occurs give us a buzz. They are available on the Net too. But I guess you are not computer literate.

The Hon. RICK COLLESS: Certainly not when he is on holidays, anyway.

The Hon. IAN MACDONALD: I do not know; he would probably want to play Scrabble or Solitaire all day.

CHAIR: Minister, would you concede that the Government's current approach to managing New South Wales Fisheries places indigenous people at a disadvantage and that a different approach is necessary to include and ensure effective consultation with indigenous fishers in New South Wales?

The Hon. IAN MACDONALD: I am pleased you have asked me that question because I am meeting with a group of Aboriginal leaders after this hearing on precisely this issue. There are a number of issues in this area. A lot of them were addressed in the Palmer report. We intend to distil and implement some of its recommendations. It is going through a process now for consideration. We have had some difficulties, as you know, particularly in the south of the State. We have been encouraging the commercial fishers along the coast who are of indigenous background—last year, for instance, we included them in the rollout of the enhanced oyster stocks, which have been the result of some comprehensive research that we have completed which will bring on the market oysters in two years rather than three. We are even going further this year with new technologies that are ready to be brought onto the market which will enhance the speed. Indigenous fishers have been part of that program. There is a difficulty we had to look at and the indigenous fisheries strategy is addressing that issue.

CHAIR: Would you agree that the method of indigenous fishing, particularly with those coastal fishers who travel around, actually disadvantages those fishers when it comes to the time for assessment of catch and therefore potential allocation for the future? Their very environmental form of fishing, using traditional methods and chasing fish to the various areas, has actually counted against those indigenous fishers in their allocation for the future?

The Hon. IAN MACDONALD: Are you talking about commercial fishers?

CHAIR: Indigenous fishers. They have licences and they do move around according to their traditional knowledge of catch and seasonality.

The Hon. IAN MACDONALD: I guess what you are leading to is how this relates to the share management issue.

CHAIR: That is part of it, yes.

The Hon. IAN MACDONALD: If any of the indigenous fishers has a complaint in this area—I am not aware of any but there could be—there are appeal rights. I guess we will have to consider those issues as they go through that process if we do get information about them.

CHAIR: Are you considering those indigenous fishers who do not have the classic catch history, given their traditional methods and the way that they have fished in recent years?

The Hon. IAN MACDONALD: We have the appeal process. I will take that on notice. You have raised a very good point. I will check what we are doing to allow for that in the determination of share management.

CHAIR: What measures are being taken to ensure indigenous fishing rights are protected?

The Hon. IAN MACDONALD: I will take that on board and come back to you in relation to this issue. I was not aware so much of the methodologies that you are talking about so I want to get a handle on that. I will come back to you on how we intend to handle that.

CHAIR: In northern New South Wales there has been a significant change in land use. There is a strong feeling in the community that the rural lands protection boards [RLPBs] are not relevant to the needs of landowners, particularly in the north-east of the State, this side of the mountains and such like. Are you recognising that in terms of fee structures? Conservation areas are still charged with fees under the old regime of the rural lands protection boards.

The Hon. IAN MACDONALD: I make the point that rural lands protection boards are the primary bodies that control our pest eradication management regimes, particularly for animals. I do not think there are many parts of the State that are free from some of the exotic animals that have been introduced in this country. To say that it is not so relevant—you have to remember that foxes and so forth do not discriminate about which piece of land they want to inhabit and live on, and the boards have responsibilities in this area. They also are charged with the issues relevant to productive animals. Many of the areas you are talking about have farms with numbers of cattle and other animals on them. So they have a role there.

I am not inclined to go down the path of creating a whole series of exemptions of one form or another to the overall RLPBs system. A review has been completed. The report could have been tabled in the last day or so. If not, it will be tabled any day now. These issues are canvassed within it. I am quite happy to hear submissions in relation to it. But my inclination is to try to keep a unitary system for rural lands protection boards because I believe that a lot of their tasks apply across the board to every part of the State.

The Hon. DUNCAN GAY: I refer to your press release on locust control dated 21 January 2005. It refers to \$750,000 contributed by the State Government to the Pest Insect Destruction Fund, a grant to farmers. Was it a grant to farmers or did that equate to the sum of money that the interest-free loan will cost the Government?

The Hon. IAN MACDONALD: It equates to the interest-free loan.

The Hon. DUNCAN GAY: The question is: is it a grant—

The Hon. IAN MACDONALD: The \$750,000 is a grant. That is a buffer to keep whatever campaigns we need going.

The Hon. DUNCAN GAY: So it is not actually the amount of money that is the interest component?

The Hon. IAN MACDONALD: No, the interest component is \$2.5 million.

The Hon. DUNCAN GAY: But that it is in the \$5 million that you have mentioned already?

The Hon. IAN MACDONALD: Yes, \$5.25 million.

The Hon. DUNCAN GAY: That is part of that?

The Hon. IAN MACDONALD: Yes.

The Hon. RICK COLLESS: Are you aware of the recent decision to permit only fishing businesses, instead of individual fishermen, to vote for representatives on the Beach Haul and Management Advisory Committee?

The Hon. IAN MACDONALD: No, I was not.

The Hon. RICK COLLESS: Could you find out some details on that?

The Hon. IAN MACDONALD: Yes.

The Hon. RICK COLLESS: Who made the decision, why it was made, and was there any consultation with the industry before that decision was taken?

The Hon. IAN MACDONALD: Most of the activities of our MACs are determined by them. They are very much self-governing organisations that make recommendations to us on a range of things. I will find out the specifics in this instance and give you the details.

The Hon. RICK COLLESS: I refer to the discussion paper called "New Opportunities for the Seafood Industry in the Management of Commercial Fisheries and Aquaculture". It appears that the main focus for the initiative is investigating the establishment of a commercial fishing industry company. How many submissions have you received in regard to this discussion paper?

The Hon. IAN MACDONALD: Sorry, I could not quite hear you.

The Hon. RICK COLLESS: "New Opportunities for the Seafood Industry in the Management of Commercial Fisheries and Aquaculture".

The Hon. IAN MACDONALD: You are then saying?

The Hon. RICK COLLESS: The main focus for the initiative is investigating the establishment of a commercial fishing industry company. How many submissions have you received in relation to that discussion paper, and have you received mostly positive or negative feedback from the industry following the publication of that paper, which was in October 2004?

The Hon. IAN MACDONALD: I think you will find with that paper that we are getting a lot of positive feedback. I must state that I have made a number of decisions in recent times in relation to aquaculture, which were very positive to the development of it in a number of parts of the State. You can rest assured that we will continue to try to ensure, as best we can, that we have sustainable aquaculture developments along the coast to meet our growing needs for seafood. But I will give you the answers to the specific question.

The Hon. RICK COLLESS: I note that you have based your model for the new industry company on the New Zealand southern scallop fishery. Why has this model been chosen when the New South Wales fishing industry does not have the single species focus that the New Zealand model has?

The Hon. IAN MACDONALD: I will give you the answer to that in writing.

The Hon. RICK COLLESS: How do you plan on representing all the fisheries in New South Wales based on that single model? You might also explain that for us.

The Hon. IAN MACDONALD: Yes.

The Hon. RICK COLLESS: Have you investigated basing this model on the interstate fishing models? For example, Western Australia and South Australia have models that might be appropriate. If not, why not?

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

CHAIR: That is the allocated time. The report date for this Committee is now 31 March. The suggestion has been made that answers to questions on notice be provided to the Committee by 21 March, which is 24 days from now. Is that agreeable to you?

The Hon. IAN MACDONALD: I think we will be able to achieve that.

CHAIR: I thank you and your staff for attending today's hearing.

The Committee proceeded to deliberate.
