

4.3.13 MINISTER FOR MINERAL RESOURCES AND MINISTER FOR FISHERIES

OVERVIEW

Agency	Forecast 1997-98	Estimate 1998-99	Variation	
	\$m	\$m	%	
Department of Mineral Resources				
Total Expenses	45.0	47.9		6.3
Asset Acquisitions	2.3	2.4		5.3
Coal Compensation Board				
Total Expenses	3.5	47.7		1,283.2
Asset Acquisitions		
Mines Rescue Board				
Total Expenses	9.7	9.1	(-)	6.3
Asset Acquisitions	0.7	0.3	(-)	52.5
Mines Subsidence Board				
Total Expenses	1.4	9.8		611.5
Asset Acquisitions	0.1	0.1	(-)	5.4
New South Wales Fisheries				
Total Expenses	31.5	30.1	(-)	4.3
Asset Acquisitions	1.4	2.6		85.8
Total, Minister for Mineral Resources and Minister for Fisheries				
Total Expenses	91.0	144.6		58.9
Asset Acquisitions	4.5	5.4		21.6

Major variations in 1998-99 expenses compared to the previous year are primarily driven by the recognition of coal compensation (\$44.2 million) and mine subsidence claim (\$6.2 million) liabilities. In addition \$2 million of additional funding for the Department of Mineral Resources has been provided to implement the recommendations of the Mine Safety Review.

The increased level of asset acquisitions by New South Wales Fisheries in 1998-99 reflects the purchase of \$1.7 million of new properties required as part of a restructuring of field operations.

DEPARTMENT OF MINERAL RESOURCES

The Department's mission is to ensure that the people of New South Wales benefit from the responsible assessment, development and management of the State's mineral resources. This mission is accomplished through activities which involve the assessment of the State's geology and mineral resources, the allocation of those resources to private interests for exploration and mining, management of the safety and environmental performance of mines and oversight of the optimal recovery of mineral resources from mining operations.

Expenditure Trends and Recent Developments

Major recent developments affecting the Department include -

- the \$35 million Discovery 2000 project which is now in its fourth year, is achieving success in attracting exploration investment to the State;
Discovery 2000 has also aided decision-making related to land use priorities through the provision of advanced and high quality geoscientific data on the State's geology, mineral prospectivity and mineral deposits to industry and government. Releases of Discovery 2000 data have consistently been associated with increases in applications for exploration licences;
- the discovery of significant heavy metal sand deposits in the Murray Basin, and gold and base metal deposits in the West and Central West of the State. Further exploration of the Ridgeway deposit near Cadia Hill has reinforced the Cadia region's position as a world class area of mineralisation, bigger than the Broken Hill ore body;
- continued efforts to improve the process of approval of exploration and mining titles. Increasingly a whole of Government approach is being taken focused on achieving the Government's economic, environmental and social objectives. Industry investment in new mine development has continued to increase reflecting the State's attractiveness for mining investment;
- improvements to the Department's information services through the application of advanced information technologies;
- implementation of the recommendations of the Mine Safety Review with the restructuring of the Department's Mine Safety and Environment Division. The new structure will enhance operational efficiency and enable more resources to be dedicated to safety and environmental issues; and
- an increase in the number of mines working to acceptable Mining Operations Plans, the introduction of annual environmental reporting and the regular review of security deposits.

Strategic Directions

The important strategic issues relate to land access and use assessment, the environment, safety and the intense global competition for exploration and mining investment. The following long-term strategies are being pursued to address these issues -

- identifying investment opportunities and promoting the State for exploration and mining investment to potential investors;
- progressive resolution of land use and land access issues through whole of government forums;

- legislative and administrative reform of mine safety to put greater responsibility on the industry and move away from prescription. The aim is that within five years every mine will have identified and documented the management of the mine's risks and hazards in a Safety Management Plan and will be actively measuring and monitoring performance against that Plan. The Department will consult, regulate and advise the industry during this process;
- working with industry to improve environmental performance of mining operations;
- reviewing and increasing security deposits where appropriate to ensure that all mines have a realistic security deposit to meet the cost of mine site rehabilitation; and
- the development and implementation of a plan for more effective community liaison and consultation in mining development assessment.

1998-99 Budget

Total Expenses

Total expenses in 1998-99 are estimated to be \$47.9 million. This includes -

- \$17.0 million to assess and distribute geoscience information on the State's mineral and energy resources and geology;
- \$10.7 million to advance responsible mineral development in the State for the benefit of the community by -
 - allocating and managing exploration and mining titles in an efficient and timely manner consistent with responsible mineral exploration, mining and minerals processing development proposals; and
 - ensuring fair and equitable royalty return to the community from development of its mineral resources.
- \$19.3 million to ensure that mineral resource development is carried out in a safe and environmentally responsible manner including an additional \$2 million allocation to implement the recommendations of the Mine Safety Review. More resources will be dedicated to mine safety, environmental management efforts will be enhanced and a comprehensive review will be undertaken of policies, legislation and associated regulation.

An additional \$0.5 million will be provided to support the Department's Derelict Mines Rehabilitation program to address any potential hazards associated with the abandoned Woodsreef Asbestos Mine.

Asset Acquisitions

Asset acquisitions in 1998-99 will total \$2.4 million. This includes -

- \$1 million for the Discovery 2000 project which will continue mapping and collating geological and geophysical information over large areas of the State; and

- \$1.1 million for the extension of the Department's core library at Londonderry. The library stores core samples for industry assessment.

COAL COMPENSATION BOARD

The Coal Compensation Board is responsible for receiving, determining and paying compensation for claims resulting from the acquisition of coal rights under the Coal Acquisition Act 1981 and the Coal Acquisition Amendment Act 1997.

Expenditure Trends and Recent Developments

Compensation payments made by the Board totalled \$59.5 million in 1994-95, \$49.9 million in 1995-96 and \$50 million in 1996-97. In 1997-98 the Board estimates that it will pay out \$55.8 million of coal compensation liabilities raised as an expense in 1996-97. In 1998-99, \$80 million of coal compensation will be paid out (including \$35.8 million raised as an expense in 1996-97). As at March 1998, total compensation paid since the inception of the Scheme is \$446.7 million.

The State re-acquired private coal back in 1981 under the Coal Acquisition Act 1981. The State receives royalties on this coal and has an outstanding liability to pay compensation to the former owners.

From 1990, some public coal titles were given back (restituted) to private owners. However, with the extension of mining in the State it became apparent that such restitution would result in the State foregoing significant royalty revenue. This foregone revenue has been estimated at \$312 million in net present value terms.

Accordingly, the Government passed the Coal Acquisition Amendment Act 1997. This Act provides for the reacquisition of privately held coal titles and empowers the Government to refuse restitution of coal titles currently held by Government. Additional compensation is payable to the private owners affected.

Strategic Directions

The Board is concentrating on re-acquiring coal titles with significant value to the State by the statutory deadline of 31 December 1998. Preliminary payments will be made to all owners of re-acquired titles and applicants for restitution whose applications have been refused on Crown revenue grounds. Concurrently interim payments will be processed on claims assessed but not yet paid whilst decisions are made on whether to re-assess these claims in the light of recent economic developments.

1998-99 Budget

Total Expenses

The Board will continue its processing of coal compensation payments. Coal compensation expenses are estimated to be \$44.2 million in 1998-99.

Asset Acquisitions

Only minor asset acquisitions on plant and equipment are planned.

MINES RESCUE BOARD

The Mines Rescue Board was constituted under the Mines Rescue Act 1994. The principal objective of the Board is to make rescue services and facilities available to deal with emergencies in mines and to provide training to members of the New South Wales Mines Rescue Brigade.

Expenditure Trends and Recent Developments

Expenditure for the NSW Mines Rescue Board has remained relatively stable in real terms over the past five years.

Strategic Directions

The NSW coal industry is currently experiencing a substantial economic downturn and the Board is actively devising strategies to cope with this change.

In recent years the Board has sought to increase income from commercial services. This revenue is helping to defray the costs of providing core mine rescue services which are funded through an annual levy on the coal industry. The Board will continue to utilise its existing resources to obtain additional income and increase the focus of its services to the coal mining industry.

1998-99 Budget

Total Expenses

The Board funds the costs of its regional rescue stations, which provide the emergency coordination, systems and training to volunteer mines rescue brigadesmen in each region, from a levy on the coal industry. The balance of expenditure is incurred to provide discretionary commercial training services.

Asset Acquisitions

The Board has a minor Asset Acquisitions Program that provides for purchases of plant and equipment and motor vehicles.

MINE SUBSIDENCE BOARD

The Mines Subsidence Board was established under the provisions of the Mine Subsidence Act 1961. The Board's main objective is to provide compensation payments for damage to improvements on land anywhere in New South Wales caused by mine subsidence following coal prospecting operations or the extraction of coal or shale. The Board also controls surface development in mine subsidence districts and arranges for repairs in areas where development is allowed should mine subsidence damage occur.

Expenditure Trends and Recent Developments

The recognition of compensation claim liabilities can result in major movements of expenses between years. Underlying administrative expenses are much more stable.

Strategic Directions

Over the last five years the Board has acquired a graphical information system linked to a property information database. Graphics cover both surface cadastral and topographic information and plans of coal mine workings. The Board will continue to develop the linking of these systems to enable macro studies and forecasts of the effects of mining on surface development.

This will facilitate clearer and more informed responses to claims and enquires from developers, conveyancers and property owners about the Board's guidelines for development in proclaimed Mine Subsidence Districts. The Board's strategy is to introduce an integrated development assessment process in cooperation with the Department of Urban Affairs and Planning, with the aim of providing a better service to developers and homeowners.

1998-99 Budget

Total Expenses

Expenses in 1998-99 are greater than in 1997-98 due to the anticipated recognition of \$6.2 million of subsidence claim liabilities. The balance of expenses allows for the ongoing core business of the Board, which is the management of the Mine Subsidence Scheme. Significant resources are also allocated to the Board's secondary role of preventing damage. Areas of risk throughout the State are proclaimed Mine Subsidence Districts and guidelines for new surface development within them are determined.

Asset Acquisitions

Asset acquisitions planned allow for the replacement of minor plant and equipment.

NEW SOUTH WALES FISHERIES

New South Wales Fisheries undertakes research, management, and compliance programs in order to conserve the State's fisheries resource and their habitat, to promote sustainable harvests, to allocate the resource fairly between users and to facilitate the further development of viable aquaculture industries.

Expenditure Trends and Recent Developments

Key initiatives over the past year have included -

- continued implementation of restricted access for all commercial fisheries, including the hearing of appeals against catch history allocations and access decisions;
- election of Management Advisory Committees for each commercial fishery;

- publication of status reports for key fish stocks;
- implementation of management reviews in the native freshwater and spearfish fisheries;
- the development of Shellfish Quality Assurance programs for most estuaries;
- introduction of new legislation to protect threatened fish and marine vegetation, to regulate the fishing charter boat industry and to re-introduce a freshwater fishing fee; and
- rationalisation of Fisheries Districts and facilities to improve operational effectiveness and customer service.

Strategic Directions

Increasing emphasis will be given to biodiversity conservation, to ensure that exploited fish stocks are managed sustainably and to mitigate any significant impacts of harvesting techniques on biodiversity and key habitats.

Specific actions proposed include -

- expanding programs to monitor the status of the fisheries resource;
- progressively developing ecologically sustainable management plans for each fishery;
- implementing threatened species provisions and developing a biodiversity strategy for fish and marine vegetation; and
- developing a Statewide strategy for marine protected areas.

1998-99 Budget

Total Expenses

Total expenses in 1998-99 will be \$30.1 million. This includes -

- implementing share management for approved commercial fisheries and progressing management plans for all commercial fisheries;
- providing protection for threatened fish species and marine vegetation; and
- commencing consultation on marine park zoning plans with stakeholders and the community.

Asset Acquisitions

A key project in 1998-99 is the expenditure of \$1.7 million for modernisation of field service offices to improve operating facilities and customer service.

In addition, 1998-99 expenditure includes the following projects -

- \$365,000 for computer projects to improve efficiency and service delivery. This includes \$215,000 to integrate the agency's information systems into a relational database platform and \$150,000 to ensure Year 2000 compliance; and
- \$170,000 for effluent disposal ponds at Port Stephens.