

# MINISTER FOR MINERAL RESOURCES AND MINISTER FOR FISHERIES

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## OVERVIEW

<i>Agency</i>	<i>Budget 1999-2000 \$m</i>	<i>Budget 2000-01 \$m</i>	<i>Variation %</i>
<b>Department of Mineral Resources</b>			
Total Expenses	50.5	49.5	(-) 2.0
Asset Acquisitions	0.3	0.7	114.7
<b>Coal Compensation Board</b>			
Total Expenses	14.9	4.3	(-) 71.2
Asset Acquisitions	...	...	...
<b>New South Wales Fisheries</b>			
Total Expenses	38.3	40.9	6.8
Asset Acquisitions	2.9	2.5	(-) 14.5
<b>Total, Minister for Mineral Resources and Minister for Fisheries</b>			
Total Expenses	<b>103.7</b>	<b>94.7</b>	<b>(-) 8.7</b>
Asset Acquisitions	<b>3.2</b>	<b>3.2</b>	...

Major variations in 2000-01 budgeted expenses compared to the previous year are primarily due to a decline in the recognition of coal compensation expenses, which are down \$11 million compared to 1999-2000.

The increase in NSW Fisheries' expenses from 1999-2000 to 2000-01 reflects approved enhancements for aquaculture initiatives, the management of marine parks, rehabilitation of derelict oyster leases in the Georges River and increased retained revenue that will be spent on fisheries conservation.

## **DEPARTMENT OF MINERAL RESOURCES**

The Department of Mineral Resources' mission is to ensure that the people of New South Wales benefit from the responsible assessment, development and management of their mineral resources. The 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, oversight 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**

The minerals industry in New South Wales and Australia continues to be affected by intense global competition, commodity prices and developments in financial markets. This has impacted on the level of exploration and development investment in the State, which has in turn necessitated a strengthening of the Department's focus on attracting investment and facilitating responsible development. Major recent developments affecting the Department are as follows:

- ◆ Discovery 2000, a six year \$35 million initiative, entered its final year in 1999-2000. The aim of the initiative is to attract exploration investment to the State and improve land use decision making by providing advanced and high quality geoscientific data to industry and government;
- ◆ Strategic studies of the State's coalfields have been completed. In cooperation with industry and other Australian governments a strategic study of Murray Basin sand deposits has commenced;
- ◆ Mine safety reform continued with additional funding of \$3.1 million in 1999-2000, which was the second year of a five year, \$13.9 million Government initiative to improve mine safety in New South Wales;
- ◆ A "Synoptic Plan – Integrated Landscapes for Coal Mine Rehabilitation in the Hunter Valley of NSW" has been developed to facilitate rehabilitation planning to 2020 with native tree systems compatible with adjacent landscapes; and
- ◆ Ongoing funding to speed up the rehabilitation of derelict mines was increased from \$0.5 million to \$1.5 million per annum in the 1999-2000 Budget.

## **STRATEGIC DIRECTIONS**

The overall strategic issues, which continue to be important, relate to land use and access, the environment, safety and the increased global competition for mining and exploration investment. Long term strategies to address these issues include:

- ◆ A major new exploration initiative “Exploration NSW: Mining Beyond 2000” will play a significant part in maintaining the State’s competitive position as a destination for exploration and mining investment in an environment of global decline in such investment;
- ◆ Further streamlining of the mining approvals process;
- ◆ Continued implementation of plans emanating from the Mine Safety Review and the Gretley Inquiry to ensure that mine employers and employees take greater responsibility for safety. A number of these such as a complete review of mining legislation have long term significance;
- ◆ Working with the industry to improve environmental performance of mining operations to best practice standards;
- ◆ Continuing focus on the rehabilitation of derelict mine sites. Particular attention is being given to the rehabilitation of derelict sites in water catchment areas to protect water quality. Remediation of acid mine drainage impacts will also receive specific attention; and
- ◆ Reviewing and increasing security deposits where necessary, to ensure that all mines have a realistic security deposit that reflects current rehabilitation costs.

## **2000-01 BUDGET**

### **Total Expenses**

Total expenses of \$ 49.5 million in 2000-01 include:

- ◆ \$15.8 million to provide a comprehensive information framework on the State’s geology and mineral and energy resources to inform decisions on land use, infrastructure planning and the sustainable development of the State’s resources and to optimise responsible exploration and development of the State’s mineral and energy resources;

- ◆ Exploration NSW will involve expenditure of \$30 million over seven years and will produce geological and geophysical information in the form of maps and digital data to provide an improved framework for exploration. In 2000-01, \$3.8 million will be spent. Projects with a mineral focus will mainly occur in the Far West of the State, in the Broken Hill and Cobar regions. Projects with a petroleum focus will mainly occur in the South West of the State.
- ◆ \$9.2 million to advance sustainable mineral development in the State for the benefit of the community; and
- ◆ \$22.7 million to provide a regulatory framework that encourages industry to adopt “best practice” in the management of health and safety on mine sites.
- ◆ An active regime of audit, inspection and investigation and a clear and effective enforcement policy will be implemented to support this framework. The outcome of this approach will be an exploration and mining industry that meets outcomes expected by the community and Government for environmental management and rehabilitation. In addition mines will be rehabilitated immediately after mining ceases.

### **Asset Acquisitions**

Budgeted asset acquisitions total \$0.7 million and include capital expenditure associated with the Exploration NSW initiative in 2000-01 (\$0.3 million), the acquisition of a new PABX for the Department’s head office in St Leonards and other minor and routine replacements of plant and equipment.

### **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 (Re-Acquisition Arrangements) Order 1997*. The Board is also involved in a program of purchasing coal rights from owners who wish to sell their rights to the State.

### **EXPENDITURE TRENDS AND RECENT DEVELOPMENTS**

Compensation payments made by the Board totalled \$59.5 million in 1994-95, \$49.9 million in 1995-96, \$50 million in 1996-97, \$55.8 million in 1997-98 and \$60 million in 1998-99. For the 1999-2000 financial year the Board estimates that it will pay out \$37.6 million in coal compensation. As at March 2000, total compensation paid since the inception of the Scheme was \$559.8 million.

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

From 1990, some public coal titles were restored to private owners. However, with the extension of mining in the State it became apparent that some of these restored coal titles would result in the State foregoing significant royalty revenue. This foregone royalty revenue was estimated at a value of \$326 million in net present value terms. The Government decided that the State should reacquire some valuable restored titles, and some applications for restitution should be refused.

To achieve this aim the Government passed the *Coal Acquisition (Re-Acquisition Arrangements) Order 1997*. This Order provides for the re-acquisition of privately held coal titles and empowers the Government to refuse restitution of coal titles currently held by Government, with compensation paid to those owners affected.

In addition the Board operates a Voluntary Acquisition Program. Some owners elect to have their restored rights voluntarily re-acquired by the State to avoid holding costs such as council rates.

## **STRATEGIC DIRECTIONS**

The Board is following its business plan "Strategy 2001" for the completion of outstanding coal liabilities. Overall the program remains on schedule. During 2000-01 emphasis will be placed on concluding all compensation claims based on the loss of estate in coal. Most of the other remaining work should also be completed.

## **2000-01 BUDGET**

### **Total Expenses**

The Board estimates that it will pay out \$25.3 million of coal compensation in 2000-01. This will reduce liabilities raised in prior years. Administrative expenses in 2000-01 are estimated at \$4.3 million. No new liabilities to pay coal compensation are currently anticipated.

# **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:

- ◆ establishment of a whole of Government approach to aquaculture approvals through the completion of North Coast Aquaculture Strategy;
- ◆ approval of extensive aquaculture for yabbies and murray cod;
- ◆ commencement of Port Stephens Oyster Lease Cleanup program;
- ◆ completion of the review of saltwater angling laws to ensure more conservative recreational fishing bag limits;
- ◆ release of the "Sustaining Our Fisheries" discussion paper proposing a general recreational fishing licence, more secure fishing entitlements and a range of conservation initiatives;
- ◆ implementation of the State's first two share management fisheries – rock lobster and abalone; and
- ◆ contribution to marine park planning process for Jervis Bay, Solitary Islands and Lord Howe Island and completed bioregional assessments for the Tweed-Moreton.

## **STRATEGIC DIRECTIONS**

NSW Fisheries' strategic direction for 2000-01 will include:

- ◆ undertaking initiatives to encourage the expansion of aquaculture;
- ◆ review of intertidal protected areas and aquatic reserves policies;
- ◆ continue to assess threatened species and processes for listing;
- ◆ complete Batemans and Manning bioregional assessments for marine parks;
- ◆ finalise management plans for commercial fisheries;

- ◆ implement new bag limits for recreational fisheries;
- ◆ complete restructure of Department to an outcome focussed service delivery agency with clearly defined and accountable program teams; and
- ◆ commence fishery assessments and planning under Part V of the *Environmental Planning and Assessment Act 1979*.

## **2000-01 BUDGET**

### **TOTAL EXPENSES**

Total expenses in 2000-01 will be \$40.9 million. This includes:

- ◆ aquaculture initiatives;
- ◆ progressing management plans for all commercial fisheries;
- ◆ providing protection for threatened fish species and marine vegetation;
- ◆ commencement of Georges River Oyster Lease Cleanup program; and
- ◆ commencing consultation on marine park zoning plans with stakeholders and the community.

### **Asset Acquisitions**

The Asset Acquisition program for 2000-01 is \$2.5 million including:

- ◆ \$0.6 million for a major project of modernising field service offices to improve operating facilities and customer service;
- ◆ \$0.5 million for computer projects to improve efficiency and service delivery;
- ◆ \$0.4 million to replace one offshore patrol vessel; and
- ◆ \$0.22 million for repairs to Port Stephens and Grafton Fisheries Centre.