

# MINISTER FOR MINERAL RESOURCES AND MINISTER FOR FISHERIES

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## OVERVIEW

<i>Agency</i>	<i>Budget 2001-02 \$m</i>	<i>Budget 2002-03 \$m</i>	<i>Variation %</i>
<b>Department of Mineral Resources</b>			
Total Expenses .....	54.4	52.5	-3.5
Asset Acquisitions .....	0.6	1.5	141.3
<b>Coal Compensation Board</b>			
Total Expenses .....	3.7	3.8	3.2
Asset Acquisitions .....	...	...	...
<b>New South Wales Fisheries</b>			
Total Expenses .....	49.6	58.1	17.3
Asset Acquisitions .....	4.2	2.6	-38.4
<b>Total, Minister for Mineral Resources and Minister for Fisheries</b>			
Total Expenses .....	<b>107.7</b>	<b>114.4</b>	<b>6.2</b>
Asset Acquisitions .....	<b>4.8</b>	<b>4.1</b>	<b>-14.6</b>

## 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 regulation of their mineral resources. The mission is accomplished through activities that involve the assessment of the State's geology and mineral resources, effectively allocating those resources for exploration and mining, and regulating for the safety and environmental performance of mines.

## EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Global competition, commodity prices and developments in financial markets are ongoing factors that impact on the level of exploration and development investment in the State. New South Wales has continued to maintain its share of Australian exploration investment and with higher coal prices has seen a significant improvement in production and export earnings. The total value of production was around \$7 billion in 2000-01, an increase of about 13 percent on the previous year.

In this context, the Department has maintained a strong focus on attracting investment and facilitating responsible development to ensure that New South Wales continues to have a viable exploration and mining industry in the future.

Recent major developments affecting the Department were:

- ◆ 2001-02 was the second year of the Government's seven year, \$30 million Exploration NSW initiative. The focus of the initiative is on attracting exploration investment to the State by providing advanced and high quality geoscientific data to industry and government. Funding of \$5 million in 2001-02 was spent mainly in Broken Hill, the Murray Basin, the Central West and northern regions of the State. The geological information obtained is also important to the Government in improving land use decision making;
- ◆ development consent and mining lease have been granted for the first mineral sand mine in the Murray Basin. The approvals are for the development of the Ginkgo deposit near Pooncarie;
- ◆ in 2001-02, funding of \$3.2 million was provided under the Government's five year \$14.9 million mine safety initiative. The focus of the past 12 months has been on developing new legislation for safety in coal and non-coal mines and a campaign to improve safety performance of the State's numerous small mines. Some 370 people from more than 280 small mines have participated in the program. Considerable emphasis was also given to consolidating a safety bulletin strategy across the industry, improving investigation skills and improving internal operational processes;
- ◆ the Government continued its commitment to restoring derelict mine sites with funding for the rehabilitation program of \$1.6 million in 2001-02. A further grant of \$2.8 million was provided from the Environmental Trust. This funding has enabled major works to be undertaken on 13 significant sites across the State and minor works on a further 15 sites to reduce safety hazards and increase environmental sustainability; and
- ◆ in October 2001, the Government announced that 160 positions from the Department will be transferred to Maitland in 2004, significantly boosting the economy and profile of the region. In 2002, the Government revised the number of positions to 200.

## STRATEGIC DIRECTIONS

The key issues being addressed by the Department are:

- ◆ the need to ensure that New South Wales remains competitive for attracting mineral and petroleum exploration investment;
- ◆ facilitating new mine development that achieves the Government's economic, environmental and social objectives. Managing adverse social and environmental impacts is of particular importance;
- ◆ regulation and continuing reform of mine safety to achieve the Government's aim of ensuring the health and safety of mine workers; and
- ◆ regulating and further improving the environmental performance of the New South Wales mining industry.

The Department is implementing long-term strategies to address these issues, including:

- ◆ continuing the implementation of Exploration NSW. Funding of \$5 million is available in 2002-03 for work programs focusing again on Broken Hill, the Murray Basin, the Central West and northern regions of the State;
- ◆ implementing the new regulatory framework for mine safety involving ongoing extensive consultation with stakeholders and developing a range of new communication mechanisms and processes to achieve greater commitment to safety. An extra \$1 million in new funding has been allocated in 2002-03 to assist in this process;
- ◆ working with the industry to improve the environmental performance of mining operations so that they achieve best practice standards; and
- ◆ continuing focus on the rehabilitation of derelict mine sites, particularly in water catchment areas.

## 2002-03 BUDGET

### Total Expenses

Total expenses of \$52.5 million for 2002-03 include:

- ◆ \$18.6 million to provide a comprehensive information and knowledge framework on the State's geology and mineral and energy resources:
  - to optimise responsible exploration and development of the State's mineral and energy resources; and
  - to ensure that informed decisions can be made on land use, infrastructure planning, and the sustainable development of the State's resources.
- ◆ \$7.8 million to advance sustainable mineral development in the State for the benefit of the community by:
  - providing stewardship of mineral resources and ensuring sound resource utilisation;
  - encouraging and facilitating well planned, responsible mineral exploration, mining and minerals processing development;
  - allocating and managing exploration and mining titles in a timely and efficient manner; and
  - ensuring a fair and equitable royalty return to the community for the development of its mineral resources.
- ◆ \$24.9 million to improve the safety culture and environmental management and rehabilitation performance of the mining and exploration industry to meet outcomes expected by the community and the Government for safety, health and resource management. This framework will continue to be supported by an active regime of audits, inspections and investigations and a clear and effective enforcement policy.

### Asset Acquisitions

A total of \$1.5 million has been allocated for asset acquisition in 2002-03. The allocation includes \$0.8 million for improving the Department's information systems and relevant processes. The allocation also includes capital expenditure associated with the Exploration NSW initiative (\$0.3 million) and the replacement of minor plant and equipment (\$0.4 million).

## **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 applications for compensation for re-acquired coal under 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**

Over 2001-02, the Board estimates the total coal compensation payments remaining will increase by \$56.3 million. This increase is largely due to buoyant plans for increased production from the mining industry. This brings projected total expenses for 2001-02 to \$60.1 million.

As at March 2002, total compensation paid since the inception of the Board was \$606.1 million.

As outlined in its Corporate Business Plan for 2001-02, the Board has completed the determination of most claims and applications for compensation. The remaining coal compensation payments will be progressively paid out over the next few years.

## **STRATEGIC DIRECTIONS**

In 2002-03, the Board will focus on the management of appeals against the Board's compensation assessments. Virtually all compensation claims have now been determined.

## **2002-03 BUDGET**

### **Total Expenses**

The Board estimates that it will pay out \$10 million in coal compensation during 2002-03.

Administrative expenses in 2002-03 are estimated at \$3.8 million.

## **NEW SOUTH WALES FISHERIES**

New South Wales Fisheries is the State's aquatic resource conservation agency. It conserves, develops and shares the fisheries resources of the State for the benefit of present and future generations. Its role involves developing strategies for the conservation and sustainable use of fisheries resources, undertaking research to underpin those strategies, and carrying out compliance activities.

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

During 2001-02, New South Wales Fisheries has achieved significant milestones in conserving the State's fisheries and fostering growth in the emerging aquaculture industry. Projected expenditure is \$74.7 million and key initiatives over the past year have included:

- ◆ completing the second year of the Government's three year \$3 million aquaculture initiative – which featured a series of business investment forums, the development of sustainable aquaculture strategies for regional areas, and key research initiatives;
- ◆ releasing draft environmental impact statements for three commercial fisheries – the estuary general fishery, the ocean hauling fishery and the estuary prawn trawl fishery;
- ◆ establishing an angler-based, Recreational Fishing Saltwater Expenditure Committee and, on their advice, commencing implementation of research, compliance and fishing management projects worth \$4.3 million;
- ◆ completing a community selection process, and creating 30 new recreational fishing havens in estuaries along the New South Wales coast, funded by a \$20 million loan to be repaid from recreational fishing fees;
- ◆ strengthening protection for aquatic reserves generally, and establishing six new aquatic reserves;
- ◆ expanding the successful Fishcare Volunteer program with \$0.7 million in new funding from the Recreational Fishing Trusts;
- ◆ successfully fostering a recovery in fish stocks in the Richmond and Macleay Rivers following devastating fish kills in February and March 2001;
- ◆ undertaking comprehensive community consultation on draft zoning plans, and operational plans for the Solitary Islands Marine Park and the Jervis Bay Marine Park;

- ◆ consulting the community over a proposal to create a marine park in the waters surrounding Byron Bay; and
- ◆ commencing a \$4 million buy-out of commercial fishing entitlements in the Solitary Islands Marine Park.

## **STRATEGIC DIRECTIONS**

New South Wales Fisheries' strategic direction will include:

- ◆ progressing the development of fishery management strategies and environmental impact statements for each of the State's significant fisheries;
- ◆ developing regional sustainable aquaculture strategies;
- ◆ implementing the Government's new aquatic pests program, with a particular focus on the pest weed *Caulerpa taxifolia*;
- ◆ working with local communities to expand the marine parks network;
- ◆ progressing zone and operational plans for the Lord Howe Island marine park;
- ◆ developing and progressing the Indigenous Fisheries Strategy; and
- ◆ developing recovery plans for listed threatened species, populations and ecological communities.

## **2002-03 BUDGET**

### **TOTAL EXPENSES**

Total expenses in 2002-03 will be \$58.1 million. This is an increase of over \$8 million on 2001-02 budget, adjusting for the \$20 million loan associated with new recreational fishing havens and \$4 million allocation for the buy-out of commercial fishers in the Solitary Islands Marine Park. This includes:

- ◆ an additional \$0.9 million for the management of aquatic pests including the pest weed *Caulerpa taxifolia*;
- ◆ an additional \$0.8 million for the Indigenous Fishing Strategy – the first stage of a two year \$1.6 million funding package;

- ◆ an additional \$0.8 million to assist in the conservation of marine biodiversity through the creation of marine parks;
- ◆ an additional \$3 million for the buy-out of commercial fishers from the Jervis Bay Marine park; and
- ◆ \$1.5 million for the development of the emerging aquaculture industry – part of the \$3 million three year aquaculture initiative.

### **Asset Acquisitions**

The Asset Acquisitions program for 2002-03 totals \$2.6 million. This includes:

- ◆ \$0.4 million to upgrade the Department's corporate information network and \$0.6 million for an ongoing program of computer replacement, to allow more effective service delivery;
- ◆ \$0.3 million to upgrade New South Wales Fisheries' offices at Ballina;
- ◆ an additional \$0.2 million for marine parks;
- ◆ \$0.3 million to complete the upgrade of ponds and facility maintenance at the Port Stephens Fisheries Centre;
- ◆ \$0.5 million to maintain and replace essential operational and administrative equipment;
- ◆ \$0.2 million for an ongoing boat replacement program; and
- ◆ \$0.2 million for outboards and small marine craft in accordance with New South Wales Fisheries' replacement program.