



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

ECONOMICS LEGISLATION COMMITTEE

Estimates

(Public)

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ECONOMICS LEGISLATION COMMITTEE

Monday, 25 November 2024

Members in attendance: Senators Bragg, Hodgins-May, Walsh and Wish-Wilson

INDUSTRY, SCIENCE AND RESOURCES PORTFOLIO

In Attendance

Senator Ayres, Assistant Minister for Trade, Assistant Minister for Manufacturing, Assistant Minister for a Future Made in Australia

Department of Industry, Science and Resources

Mr Peter Chesworth, Head of Minerals and Resources Division
Mr Anthony McGregor, Head of Science Division
Mr Troy Sloan, Head of Sovereign Capability and Supply Chains Division
Mr Robert Jeremenko, Head of Oil and Gas Division

Geoscience Australia

Dr James Johnson, Chief Executive Officer
Dr Andrew Heap, Chief of Minerals, Energy and Groundwater Division
Ms Alison Rose, Chief of Space Division
Mr Trent Rawlings, Chief of Corporate Division
Ms Erika Taduran, General Manager Enabling Services
Mr Michael Olive, General Manager Organisational Investment
Mr Simon Edmondson, Acting Chief Information Officer
Dr John Dawson, Branch Head, Community Safety Branch

National Reconstruction Fund Corporation

Ms Rebecca Manen, Acting Chief Executive Officer
Dr Mary Manning, Chief Investment Officer (Chief Information Officer)

National Offshore Petroleum Safety and Environmental Management Authority

Ms Sue McCarrey, Chief Executive Officer [by video link]
Mr Graham Blair, Deputy Chief Executive Officer Regulatory Operations [by video link]
Mr Cameron Grebe, Deputy Chief Executive Officer Strategic Regulation and Improvement [by video link]

Commonwealth Scientific and Industrial Research Organisation

Dr Doug Hilton, Chief Executive
Ms Kirsten Rose, Deputy Chief Executive Officer [by video link]
Dr Peter Mayfield, Executive Director, Environment, Energy and Resources
Mr Tom Muniyard, Chief Operating Officer
Professor Elanor Huntington, Executive Director, Digital, National Facilities and Collections
Mr Paul Graham, Principal Research Scientist, Energy Economics [by video link]

Committee met at 18:34

CHAIR (Senator Walsh): I declare open this hearing of the Senate Economics Legislation Committee into the 2024-25 supplementary budget estimates. I begin by acknowledging the traditional custodians of the land on which we meet today and pay my respects to their elders past and present. I extend that respect to Aboriginal and Torres Strait Islander peoples here today.

The committee has set 28 November as the date by which senators are to submit written questions on notice, and 9 January 2025 as the date for the return of answers to questions taken on notice for today's proceedings. The committee's proceedings today will begin with Geoscience Australia. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice.

I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence. The Senate has endorsed the following test of relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in estimates are relevant questions for the purpose of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold

details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Witnesses are reminded of the Senate order specifying the process by which a claim of public interest immunity should be raised. I incorporate the public interest immunity statement into the *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

CHAIR: I remind all Senators that, as we continue our work implementing the *Set the standard* report, as chair, I will ensure that proceedings are conducted in an orderly, respectful and courteous way. The committee has agreed to authorising all media outlets to record the proceedings of the public hearings subject to the broadcasting resolutions in the standing orders and the following conditions: media entry is subject to not exceeding the maximum capacity, a witness may object to being recorded at any time, recording must not occur from behind the committee or between the committee and witnesses et cetera.

Geoscience Australia

[18:36]

CHAIR: I welcome Senator the Hon. Tim Ayres, representing the Minister for Industry and Science and representing the Minister for Resources. The committee welcomes representatives of Geoscience Australia. Are there any opening statements that you wish to give?

Dr Johnson: Yes, I would like to make an opening statement on this occasion. I'd like to take this opportunity to inform the committee that, in August this year, I advised Minister King and Secretary Quinn of my intention to retire later this year. Tonight will be my last estimates appearance. Geoscience Australia has been my professional home since January 2006, when I commenced as the Chief of Minerals Division, after 20 years in the mining and mineral exploration industries. The last eight years as chief executive officer have been the highlight of my career and an absolute honour.

Every day, I feel privileged to leave this organisation of talented professionals and advocate for the work that our team does that is so valuable to the nation. Throughout my tenure as CEO, the team at Geoscience Australia has generated many successes, and many of those I've had the privilege of speaking to you about.

As an organisation, we've made huge strides as we've pursued science excellence through our programs, all of which have been supported by governments on both sides of politics and many industry and academic stakeholders. We've achieved gender balance in our senior leadership team. We're accepting and encouraging of all areas of diversity in our people and overall have created a strong, positive and safe culture for everyone working at Geoscience Australia, something of which I'm personally very proud.

I'm also proud of the work that is being done to create the Digital Earth Australia platform for satellite earth observations, an unsurpassed tool for natural resource management. We've built more accurate GPS positioning for all Australians through the Positioning Australia program, enabling precision agriculture, location enabled robotics, safer aviation and much more in so doing.

We've delivered the groundbreaking Exploring for the Future program, which has changed industry's perceptions of Australia's attractiveness for resources exploration, taking this nation from eight per cent of global exploration expenditure to 18 per cent over eight years. The program has also secured vital groundwater resources for a number of remote communities.

We've built the Digital Atlas of Australia, connecting geographic data with diverse socioeconomic data to enable richer insights for place based policy design and decision-making. Importantly, the digital atlas is gaining traction and uptake across a range of APS departments and is likely to become a widely used tool within government.

Most recently, we've signed the strategically important Landsat Next agreement with the United States Geological Survey, securing the satellite data feeds that are increasingly essential to government decision-making and a wide range of Australian businesses.

Lastly, Geoscience Australia is poised to continue its important resources-related precompetitive geoscience to secure a robust resources sector into the future and underpin the Future Made in Australia program for the next generation.

I'm humbled that the expertise and knowledge offered by Geoscience Australia has been increasingly recognised both by parliament and more broadly across the Australian and international community. I would like the Senate for the opportunities that estimates has provided us to demonstrate the value that Geoscience Australia provides to Australia.

To finish, I'd like to reiterate how privileged I feel to have led what has been described more than once in these hearings as 'the best government organisation'. I know I leave Geoscience Australia in good hands and poised for continued success.

CHAIR: Thank you very much, Dr Johnson, for that opening statement. More to the point, on behalf of the committee, thank you so much for the dedication and commitment that you've shown to the organisation and to the people that it serves. Your passion and commitment have really shone through in your statement, so we thank you for your service. I'm sure that you won't miss Senate estimates. It's probably the least favourite part of your role, but we thank you very much for being here with us this evening. We'll go straight to questions.

Senator BRAGG: We in the Liberal and National parties would also like to associate ourselves with the remarks of the chair and wish you well. Thank you for being here tonight. Is there any work that you do within the agency where you analyse alternative policies, including policies that have been deployed by the opposition?

Dr Johnson: No, not to my knowledge. We work on behalf of the government of the day.

Senator BRAGG: There hasn't been any analysis done of opposition policies?

Dr Johnson: No.

Senator Ayres: We'd need to find some.

Senator BRAGG: There are plenty.

Senator Ayres: It's sort of an existential question—

Senator BRAGG: Can you describe Australia's seismic geography?

Dr Johnson: Our seismic geography? If you're essentially seeking a comparison with global seismology—is that what you're seeking?

Senator BRAGG: Yes.

Dr Johnson: It's a relatively low seismic activity. Globally, we sit well within a tectonic plate, away from plate boundaries. So, whilst we have many lower-magnitude earthquakes, we don't have the larger earthquakes that are associated with nations that are right on tectonic boundaries.

Senator BRAGG: Does Geoscience have any seismic concerns with the location of ANSTO's Lucas Heights facility?

Dr Johnson: No, we don't.

Senator BRAGG: Why not?

Dr Johnson: Firstly, it's not something we've considered. Secondly, to my knowledge—I can test this with our experts—there have been no earthquakes that I can recall within that area around Lucas Heights for many years. I can validate that and, if I've given you an incorrect answer, will correct the record on notice.

Senator BRAGG: Is Chris Bowen your minister?

Dr Johnson: No. Minister Madeleine King is our minister.

Senator BRAGG: I'm reading a transcript here from an interview that Minister Bowen did with Steve Cannane on ABC Radio National. This was October 2024, so quite recently. Did you present recently at a parliamentary inquiry?

Dr Johnson: Geoscience Australia did. I personally did not.

Senator BRAGG: What was that? What was the committee?

Dr Johnson: It was the committee inquiring into the nuclear industry, or whether there should be one. I don't recall the exact name of the inquiry, but I think we know which one we're talking about.

Senator BRAGG: You didn't attend? It was someone else?

Dr Johnson: That's correct. It was someone else.

Senator BRAGG: I want to read into the record here what Minister Bowen said:

Well, if you look at what else Geoscience Australia said to the Committee yesterday, they said, and I quote, 'You need significant and serious geotechnical work done to assess a site before you can guarantee it's appropriate for a nuclear reactor'.

Is that based on some work you've done?

Dr Johnson: No, it's based on global norms. If you're going to build a nuclear reactor on a site, you would want to understand its seismological character beforehand.

Senator BRAGG: Is that based on work you've done for the government?

Senator Ayres: Look—honestly—he has said that he hasn't been asked to evaluate opposition policies. In this hearing, if you want to reverse engineer the fact that no Geoscience work has been done on the sites of these seven nuclear reactors—I've driven through one of them several times; earthquakes are a feature of its natural environment at the moment—by commencing asking Geoscience Australia about the physical risks or otherwise, and the geotechnical assessments that haven't been done, I suppose it is a welcome improvement on announcing seven nuclear reactors in communities that didn't ask for them, without any geotechnical assessment beforehand. And this is from the same party that gave us Snowy 2.0 and said it would cost \$2 billion; now it is \$12 billion. This is an utter shambles, and if you want to embarrass the Liberal and National parties anymore by continuing to ask questions about it, be my guest. We've got until eight o'clock.

Senator BRAGG: Okay. That's great. That's very mature, isn't it? Thank you for that, Chair. I'm trying to ascertain, Mr Johnson, whether these statements made by Minister Bowen—who's doing a great job for your government, Minister Ayres; he's one of your best assets. Every day he goes on TV is a good day for us.

Senator Ayres: He's not making stuff up as he goes along, which is what your show has been doing on this. Utter fantasy!

Senator BRAGG: I say roll out Minister Bowen. Roll him out every day.

CHAIR: I'm looking for a question, Senator Bragg.

Senator BRAGG: You just permitted a very lengthy summary.

Senator Ayres: I answered your question and invited you to ask some more, because I would be delighted to hear more. If anybody is watching, they're going to learn a lot.

Members of the committee interjecting—

CHAIR: I'm looking for both of your gentlemen's comments to be either a question or an answer.

Senator BRAGG: With the greatest respect, I'm loath to do this because usually I try to be quite genuine in these hearings, but I wasn't asking the minister for his opinion on politics. I was asking the official whether they've done any work. So I think the answer is no; is that right?

Dr Johnson: On Lucas Heights?

Senator BRAGG: This is not a trick question. I'm trying to ascertain whether the statements made by Minister Bowen—who I accept is not your minister—on the radio, where he refers to Geoscience Australia, are based on any work that you know about?

Dr Johnson: That's not work that we have done, but it is based on global norms and what would make good prudent sense ahead of building a nuclear reactor.

Senator BRAGG: Fine; that may well be the case. But he obviously used the name of your organisation and has asserted that you have said something. I wanted to get that on the record.

Dr Johnson: I don't think in the inquiry we were asked about Lucas Heights specifically. I think we were being asked about other sites.

Senator BRAGG: Okay. From that, we take it that Minister Bowen's comment was based on his general opinion, rather than anything that you've done for the minister?

Dr Johnson: That's correct.

Senator Ayres: I think it was based upon the evidence that Geoscience gave in the—

Senator BRAGG: Hang on. You don't work in this agency. How do you know? Do you work at—

Senator Ayres: I'm entitled to answer questions. And, as a casual observer of the sequence these things, with great interest in how any serious party of government could advance—

Senator BRAGG: This is not my question.

Senator Ayres: such a flawed, uncosted policy, I followed both the hearings and what the minister said. The minister referred to questions that were asked of this agency, which the official has just answered for you in some detail; that is, they were never asked by Mr O'Brien or any of these other people—

Senator BRAGG: We are the opposition and we don't get access to these—and you know that.

Senator Ayres: for a geotechnical position.

Senator BRAGG: We are the opposition.

Senator Ayres: You have advanced a policy position to build nuclear reactors in locations for which there has been zero geotechnical work done. It is an embarrassment—an utter embarrassment.

Senator BRAGG: How long will this go for, Chair?

CHAIR: We've got until 8 pm, Senator Bragg.

Senator BRAGG: Should we give him a bit longer. I think he's keen to keep talking.

Senator Ayres: Well, you keep asking questions and we'll keep answering them.

Senator BRAGG: Do you work at Geoscience Australia?

Senator Ayres: I'm barely technically qualified to work in the Australian Senate, Senator Bragg, just like you. I leave geotechnical issues to the experts, which is what Mr O'Brien should have done.

Senator BRAGG: Thanks for that. That was really helpful. We will have some other questions on notice for you.

Dr Johnson: Sure.

CHAIR: That concludes the question that we have for Geoscience Australia. Thank you very much, Dr Johnson, and you go with our thanks. Thank you.

National Reconstruction Fund Corporation

[18:52]

CHAIR: We now welcome represents of the National Reconstruction Fund Corporation. We welcome Ms Rebecca Manen, the acting CEO—back for your second estimates, I think, with us in that role. Do you have an opening statement or are you happy to go straight to questions?

Ms Manen: Straight to questions, Senator.

CHAIR: Thank you, and welcome to your team. Senator Bragg?

Senator BRAGG: Good evening. Is it right that the reconstruction fund was named by the government?

Ms Manen: Yes, that's the case.

Senator BRAGG: So what are we reconstructing from?

Ms Manen: The object of the NRFC is to diversify and transform Australia's manufacturing capability.

Senator BRAGG: 'Reconstruction' was a term that was used after the Second World War, after there had been an enormous conflict—a very significant period in history, with a lot of change. So I'm just wondering: what exactly is the nation recovering from?

Ms Manen: I'm really happy to talk about the purpose of the NRFC and the job that's been asked of us by government, which is to, as I said, diversify and transform Australia's manufacturing capability. We're here to help manufacturers scale and grow and to facilitate flows of financing to seven priority areas of the economy.

Senator BRAGG: How much money is in the NRF?

Ms Manen: The NRFC is a \$15 billion investment vehicle.

Senator BRAGG: Is the money there now?

Ms Manen: Senator, \$5 billion was appropriated to the NRFC special account on commencement of the act, which was 18 September 2023.

Senator BRAGG: So it's got \$5 billion in the bank now?

Ms Manen: There's \$5 billion appropriated to the special account, yes.

Senator BRAGG: Is that money held by the Future Fund?

Ms Manen: No.

Senator BRAGG: It's held by the NRF?

Ms Manen: There's \$5 billion in the NRFC special account, and the NRFC draws down on those funds, in line with the pipeline of investments.

Senator BRAGG: Who's the chair at the moment?

Ms Manen: The Chair of the NRFC Board is Martijn Wilder.

Senator BRAGG: When was she appointed?

Ms Manen: He was appointed.

Senator BRAGG: Sorry—he.

Ms Manen: I believe it was back in August of 2023, but my departmental colleagues will correct me if that's wrong.

Senator BRAGG: How many people are on the board?

Ms Manen: There are nine board members.

Senator BRAGG: How often does the board meet?

Ms Manen: The board is required to meet at least six times a year, but they meet far more frequently than that.

Senator BRAGG: Are the board members remunerated?

Ms Manen: Yes, they are.

Senator BRAGG: How much do they get paid?

Ms Manen: They're paid in accordance with the determination of the Remuneration Tribunal. I'll just see if I have that material available. The chair is remunerated \$132,610, and remaining board members are remunerated \$65,920.

Senator BRAGG: It is 65 grand a head, and they do six meetings a year. Is that right?

Ms Manen: There's a legislative requirement to hold a minimum of six meetings per year, but they do hold many more than that.

Senator BRAGG: Can they do those meetings remotely?

Ms Manen: It's a combination of virtual meetings and in-person meetings.

Senator BRAGG: Who appointed these board members?

Ms Manen: Board appointments are a matter for the government.

Senator BRAGG: Which minister?

Mr Sloan: The minister responsible is Minister Husic. These are significant appointments, so they go through the cabinet process.

Senator BRAGG: How many of these people are former union officials?

Ms Manen: I'm sorry, Senator. Can you repeat the question?

Senator BRAGG: How many of these board members are union officials or former union officials?

Ms Manen: There are two members of the board who have those sorts of backgrounds.

Senator BRAGG: Two out of a board of eight, is it?

Ms Manen: A board of nine.

Senator BRAGG: Who is the CEO at the moment?

Ms Manen: I'm the acting CEO.

Senator BRAGG: What's the process for having a permanent CEO?

Ms Manen: You might be aware that the former permanent CEO, Ivan Power, resigned on 12 September of this year. The board is currently in market to identify a permanent CEO to take his place.

Senator BRAGG: What day did he resign?

Ms Manen: It was 12 September.

Senator BRAGG: How long was he in the role?

Ms Manen: He was in the role from February.

Senator BRAGG: So he was in the role for seven months.

Ms Manen: Thereabouts.

Senator BRAGG: Was he appointed by the board?

Ms Manen: He was appointed by the board, in accordance with the legislation. That's correct.

Senator BRAGG: Is there any reason why he didn't have a particularly long tenure?

Ms Manen: As the statement from the NRFC—

Senator BRAGG: I haven't seen the statement, so—

Senator Ayres: I suspect that it would be better, Senator Bragg, if you had read the statement—

Senator BRAGG: Well, I haven't seen that statement.

Senator Ayres: and discussed it with your colleagues. Mr Power issued a statement publicly on his LinkedIn page, which goes into some detail about the reasons for his departure.

Senator BRAGG: The chair has just given me an indication about that. Fair enough. Who is conducting the search for a new CEO?

Ms Manen: The board is being supported by Johnson Partners.

Senator BRAGG: Are you in the mix for this role?

Ms Manen: No, I'm not.

Senator BRAGG: When do you think this process will be completed?

Ms Manen: The board is moving as quickly as they can to identify a candidate. As soon as possible is the answer that I'd give.

Senator BRAGG: Pardon?

Ms Manen: As soon as possible—they're looking to appoint a candidate as soon as possible.

Senator BRAGG: This year?

Ms Manen: I would hope so.

Senator BRAGG: In the interim, are you able to execute the duties of the CEO in an acting capacity?

Ms Manen: Yes, Senator.

Senator BRAGG: What does that involve?

Ms Manen: The CEO is responsible for the day-to-day operations of the corporation, including exercising delegations that are passed to the CEO from the board.

Senator BRAGG: Who makes the investment judgements?

Ms Manen: There is a governance process that we go through in terms of decision-making around investments. I'm very happy to pass to Dr Manning if you'd like her to take you through that.

Senator BRAGG: Before you do that, I just want to understand—is there a process where you have to report publicly the contents of your investments? Is that quarterly?

Ms Manen: Yes. There is a legislative requirement to report quarterly on our investments.

Senator BRAGG: Has that started?

Ms Manen: Yes.

Senator BRAGG: When was the first report?

Ms Manen: It was published in October for the September quarter.

Senator BRAGG: In October this year?

Ms Manen: In 2023.

Senator BRAGG: Do you have an annual report obligation?

Ms Manen: Yes, we do.

Senator BRAGG: Have you published your first annual report?

Ms Manen: Yes, we have.

Senator BRAGG: Have you any additional reporting requirements?

Ms Manen: We are also required, as with other corporate Commonwealth entities, to publish a corporate plan, which we've done.

Senator BRAGG: Okay. What is the process for someone to apply to—do you call it the 'front door'?

Ms Manen: We don't call it a front door.

Senator BRAGG: What do you call it?

Ms Manen: There are a range of ways in which project proponents can get in contact with the NRFC. There's a web portal on our website where people can get in touch with us, but, of course, as we have continued to expand our outreach and engagement with the sector, there are individuals who may provide proposals through other means, which are referred back into the process and are dealt with in the same way.

Senator BRAGG: Who is the CIO?

Ms Manen: The CIO is Dr Manning, who's sitting beside me.

Senator BRAGG: How's it going with the investment so far?

Dr Manning: So far, the investments are proceeding along. We have a detailed investment process which starts with eligibility and making sure that investment proposals meet with our act and our mandate. Then after proposals go through that phase, there are three different phases of due diligence: an initial assessment, phase 1 due diligence, phase 2 due diligence, and then those proposals and those potential investments move on to voting and then investment. We have a robust pipeline of investments, and we've made our first investment, which was announced last week.

Senator BRAGG: What was that?

Dr Manning: It was an investment in Russell Mineral Equipment, RME.

Senator BRAGG: What do they do?

Dr Manning: They make mining equipment. It's an Australian company that manufactures mining equipment. They are based in Toowoomba. They meet our eligibility criteria in terms of fostering manufacturing, and they meet some of our other criteria in terms of job creation, regional development and the commercialisation of Australian innovation and technology.

Senator BRAGG: Are you the person that makes all the judgements on investments?

Dr Manning: I'm the Chief Investment Officer. There is a process which investments go through. There is an investment team and in that initial assessment phase there's a variety of people on the team. There's a deal team assigned to every investment in the initial assessment, then that goes through phase 1 and phase 2. There's an executive investment committee which meets once a week to review proposals and determine whether they continue on in that investment process. There's also a board investment committee which decides on investments.

Senator BRAGG: Who's on the board investment committee?

Dr Manning: Currently, the board investment committee has the same composition as the board of directors.

Senator BRAGG: That's the whole board?

Dr Manning: Yes. That's correct.

Senator BRAGG: Why is there no subcommittee?

Ms Manen: As you might expect in the early stages of a corporation's life, with making investment decisions such as these, the board agreed that those decisions were quite important and they would all like to participate in the decision-making process for the investments.

Senator BRAGG: The whole board participates in this investment process?

Ms Manen: Yes.

Senator BRAGG: For every investment?

Ms Manen: For all of the investments that make it through the process that Dr Manning has just outlined and require approval from the board.

Senator BRAGG: Okay. Is there a risk committee?

Ms Manen: There is.

Senator BRAGG: Who chairs that? Don't tell me it's the whole board again.

Ms Manen: No. There is a board audit and risk committee and that is chaired by Kathryn Presser.

Senator BRAGG: Who else is on that?

Ms Manen: Two other members of our board, Karen Smith-Pomeroy and Ahmed Fahour.

Senator BRAGG: Okay. And does that have a risk register?

Ms Manen: It has a range of governance and documentation that sits around the operation of that committee.

Senator BRAGG: Does it have a log of all the material risks that face the organisation?

Ms Manen: Yes.

Senator BRAGG: Financial and non-financial?

Ms Manen: Yes.

Senator BRAGG: And are there controls against those risks?

Ms Manen: Yes.

Senator BRAGG: Is that something you can provide to the committee?

Ms Manen: I'm happy to take it on notice and see what I'm able to provide.

Senator BRAGG: Okay. So the whole board sits in on the meeting when the corporation is considering making an investment.

Ms Manen: The board investment committee considers—

Senator BRAGG: Which is the whole board.

Ms Manen: Correct—considers proposals that are put before it after it has gone through the process that Dr Manning described.

Senator BRAGG: You're not worried about that process? It's a lot of cooks.

Ms Manen: I'm confident in our process.

Senator BRAGG: Okay. What is your media policy? I note that Dr Manning has been making a number of statements in various places, and so has the chair. How does the corporation manage its media engagement?

Ms Manen: We consider a range of different proposals and invitations that are put to us in relation to speaking events and other opportunities that allow us to talk to the progress that the NRFC is making and to provide a full range of stakeholders about the work that we're doing and what we're aiming to do for Australian manufacturing.

Senator BRAGG: There's an article in the *Sydney Morning Herald* on 13 November called 'Albanese's \$15b tech fund gets ready to write first cheques'. Do you know about that article?

Ms Manen: I don't have it in front of me. I'd—

Senator BRAGG: You've never heard of the article? Do you remember that in some way?

Ms Manen: There have been a lot of articles written recently.

CHAIR: If you want to ask questions about an article, it's reasonable that you provide it to the people that you are asking questions of, so you could table the article if you would like.

Senator BRAGG: Okay. It's called 'Albanese's \$15b tech fund gets ready to write first cheques'. I assume they are not actual cheques that you are using?

Ms Manen: No.

Senator Ayres: Very droll.

Senator BRAGG: We'll table the document so you can see it. I have questions I would like to ask the witness about the document.

CHAIR: I think it's probably okay to ask questions and then people can say that they'd like to see the document if they need to. I just note the time as well. We're at 7.09 pm, and we're due to move to the next witness shortly. But you still have questions. I think the witnesses have indicated that they're happy—

Senator BRAGG: Happy to keep going?

CHAIR: for you to ask more—

Senator Ayres: Just ask the question, Senator. You've asked us to come here. You're not paired to properly ask questions. Get on with it.

Senator BRAGG: I wasn't expecting to be asked to table an article which is—

Senator Ayres: She's never heard of the article.

Senator BRAGG: I don't believe that.

Senator Ayres: Well, some of these articles live bigger in your life than in other people's. Ask the questions. We are not going to be here all night. You've asked us to come here. We are ready to answer questions.

Senator BRAGG: I will just counsel you that I think the chief executive of a government agency which is spending \$15 billion of taxpayer funds would know that a major article about how they're going to spend taxpayer funds—\$15 billion.

Senator Ayres: The minutes are ticking away, and you haven't asked a question.

Senator BRAGG: It's a lot of money.

Senator Ayres: You've asked us to come here. These are additional hours. Everybody It is a lot of money. Everyone is waiting for your questions.

Senator BRAGG: We want to know how you're spending taxpayer funds. That's our job.

Senator Ayres: Ask some questions.

Senator BRAGG: Transparency, accountability—

Senator Ayres: Ask some questions.

Senator BRAGG: I know they're words you don't like.

Senator Ayres: Ask some questions. It would assist everybody.

Senator BRAGG: Ms Manen, you do know about this article.

Senator Ayres: She just answered your question previously, and don't verbal her. Ask a question.

Senator BRAGG: There was an article in the *Sydney Morning Herald* talking about the NRF's proposed initial investments. The article says the NRF has requested a \$300 million drawdown from the government and

will soon be cutting its first cheques. These are not actual cheques, are they? These are electronics transfers, I imagine. How did this media opportunity come about?

Ms Manen: Without seeing the article, my assumption based on what you've said is that that's a statement made by the minister, which would not be for me to answer.

Senator BRAGG: So this article was set up by the minister's office?

Senator Ayres: She said she hasn't got the article. I think the officer has gone as far as she can without the benefit of the article. If there are further questions about the provenance of the article, without the article, we can either wait for it, given the effluxion of time, or put them on notice.

Senator BRAGG: The minister said in this article:

... I can tell you, we are now on the cusp of announcing the first investments. Recently, the NRF Corporation wrote to me to request a \$300 million drawdown from the government.

Is that a speech that the minister gave that you had some input into?

Ms Manen: As you might imagine, in order to access money from the special account, the corporation is required to write to the minister seeking the drawdown of those funds.

Senator BRAGG: What is your policy, then, in managing the media as a major investor now? Do you have a media policy?

Ms Manen: We have a range of policies that govern the corporation's operations. As I mentioned, there is a process by which we consider opportunities to provide advice on the corporation's progress, and we follow that process.

Senator BRAGG: I think you have the article now?

Ms Manen: Yes.

Senator BRAGG: The article says:

A source close to the government not authorised to speak publicly said that 'deep technology' companies would be among the first to receive investments.

How does this happen?

Ms Manen: As I've explained to you, the process for the NRFC is to write to the minister seeking a drawdown of funds from the special account. Subsequent to that, we have an obligation under the PGPA Act to keep responsible ministers informed of our activities. But, beyond that, the NRFC and its staff are bound by confidentiality agreements, including in relation to counterparties that we're working with.

Senator BRAGG: It sounds like front-running to me.

Senator Ayres: That's just not something that you can put to the official. You can put it to the minister if you like.

Senator BRAGG: I will ask you then. What is your process? What is your policy to prevent front-running and to prevent leaks to the media?

Ms Manen: As I said, with respect to the employees of the corporation, we have policies around confidentiality and conflict of interest. People within the organisation who have access to commercially sensitive information are bound by the terms of the arrangements related to confidentiality.

Senator BRAGG: Was the request for this funding or this release made in writing or verbally?

Ms Manen: The request for the drawdown of the funds from the special account is made in writing.

Senator BRAGG: Okay. Did it come from the minister or from the department?

Ms Manen: The request for the funding?

Senator BRAGG: Yes.

Ms Manen: The request for the funding came from the chair and myself as acting chief executive officer.

Senator BRAGG: It came from the chair?

Ms Manen: The chair of the corporation and myself as acting CEO issued a request to the minister to draw down funds from the special account.

Senator BRAGG: So, that's how it works—you ask the minister.

Ms Manen: Correct.

Senator BRAGG: Were any of these investments discussed with any of the shareholder ministers?

Ms Manen: As I said to you, we're required to request a drawdown of funds from the minister in writing, and we also have obligations under the PGPA Act to keep the responsible ministers informed of significant decisions taken by the board.

Senator BRAGG: Okay, so the minister knows about the contracts before they're signed?

Ms Manen: As I've said to you, the board is required under the PGPA Act to provide the ministers with advice in relation to significant decisions.

Senator BRAGG: Okay. I'm going to come back to this again, because I'm troubled by these media reports before investments have been made and contracts signed. So, do you have a media policy and risk-management policy that you can provide to the committee?

Ms Manen: I can certainly take that on notice.

Senator BRAGG: Okay. How much of that \$300 million drawdown has now been expended?

Ms Manen: What I can say is that the announcements that were made last week included a \$100 million commitment via a co-investment partnership with Resource Capital Funds, and the investment into Russell Mineral Equipment was the first investment. That was for \$40 million.

Senator BRAGG: So there is still \$160 million left?

Ms Manen: The investment was \$100 million into RCF, and the investment into RME was \$40 million. So, the remainder is left, ready for deployment.

Senator BRAGG: Okay. I just want to understand this question; I'm troubled about the frontrunning and the potential for damaging leaks, which could negatively impact the Commonwealth's investments here. Is there a policy to protect the organisation's investment and due diligence process from being leaked to the media? Do you have controls for that?

Ms Manen: As I said, those individuals within the corporation who are working on particular transactions and have access to commercial-in-confidence information are bound by the terms of commercial confidentiality agreements.

Senator BRAGG: So, you have confidentiality agreements?

Ms Manen: Correct.

Senator BRAGG: Yet you have these leaks in the newspaper? How do you explain that?

Ms Manen: My reading of the article that you've provided doesn't provide an indication that that information came from an employee of the NRFC.

Senator BRAGG: It says here:

A source close to the government not authorised to speak publicly said that 'deep tech' companies would be among the first to receive investments.

How do you account for that?

Ms Manen: I can only reiterate what I've said to you previously. The staff of the NRFC, who have access to commercially sensitive information, are bound by the confidentiality agreements when dealing with that information.

Senator BRAGG: What's happened here?

Senator Ayres: I think the official has been very clear with you, Senator. Like any special investment vehicle and like any institution that does investment, it has risk management strategies and all the material that you would expect. You are pointing to a paragraph in an article that appears to me to be fundamentally about the minister's speech. Who the journalist claims is a source close to the government is not something that the official or I are in a position to speculate about. But I just observe that the paragraph you're referring to, far from being a hot scoop—it says that deep tech companies would be among the first to receive investments—is a bit like saying Tuesday is the day that is sandwiched between Monday and Wednesday; it's not a hot scoop. And the official is really not in a position to explain much more than she has, and neither am I. I'm happy to take the question on notice, but I'm not sure it goes anywhere.

CHAIR: Senator Bragg, it's 7.20, and we need to conclude at eight, and we've got two more witnesses and senators who have questions. Can we release this witness?

Senator BRAGG: I'm going as fast as I can. I can probably knock it off in 10 minutes.

CHAIR: I'll call a private meeting of the committee and we'll suspend for a moment.

[19:22]

CHAIR: In terms of time management, we'll move to NOPSEMA at 7.30. We have a few more questions for the NRFC. Senator Bragg.

Senator BRAGG: I understand that this is an independent fund, is it not?

Ms Manen: That's correct. NRFC is an independent—

Senator BRAGG: Going back to our favourite article here in the *Sydney Morning Herald*, from 13 November: I note that the minister is widely quoted in this, talking about the independent investments of the fund. And our other favourite minister, Minister Ayres, is also widely quoted in the media, talking about the fund. Is the fund independent, or not?

Ms Manen: Yes, the fund is independent.

Senator BRAGG: What are you going to do about these—I would call them leaks, or frontrunning at least—to ensure that next time an investment is made it's not going to be read about in the newspaper before it's done?

Ms Manen: As I've said before, the members of the corporation who have access to confidential information are bound by confidentiality agreements, and they are expected to uphold the obligations under those agreements, and that's the manner in which we operate.

Senator BRAGG: How do you enforce those?

Ms Manen: There are expectations on all of the employees of the corporation. They are expected to behave in a manner and uphold their obligations under the terms and conditions of their employment and also in relation to any other agreements that have been entered into on behalf of the corporation.

Senator BRAGG: Will any steps be taken to look into these comments in the newspaper before the last investments were made?

Ms Manen: As I said to you before, I don't think there's any suggestion—at least in the article in front of me—that the source that is being referred to is an employee of the NRFC.

Senator BRAGG: What exactly does Russell Mineral Equipment do?

Ms Manen: As Dr Manning previously advised, they are a manufacturer of mining technology equipment that helps to improve the safety and productivity of mines.

Senator BRAGG: It's exactly what the 'source close to the government, unauthorised to speak publicly' said—it's deep tech, isn't it?

Ms Manen: I'm not sure that I would characterise that as deep tech.

Senator BRAGG: What would you call it then?

Ms Manen: I'd call it mining technologies that help to improve the productivity and the safety of mining operations.

Senator BRAGG: Sounds like tech to me. What were the particulars of these individual investments that were shared with the shareholder ministers before the announcement?

Ms Manen: As I have previously said, we have obligations under the PGPA Act to keep responsible ministers informed of significant decisions, and they were provided advice in relation to those significant decisions.

Senator BRAGG: How much detail were the ministers given?

Ms Manen: They were provided detail about the significant decisions made by the board.

Senator BRAGG: Was there a meeting with the minister and the chair before the announcements?

Ms Manen: The chair and the minister meet at regular intervals. I'm not sure what timeframe you're specifically requesting.

Senator BRAGG: Well, before the announcement.

Ms Manen: Just before the announcement last week?

Senator BRAGG: Yes.

Ms Manen: Yes, indeed. The chair and Dr Russell, who is the founder of RME, both met with the minister immediately prior to the announcement.

Senator BRAGG: Did you take input from the minister?

Ms Manen: Input from the minister into what?

Senator BRAGG: Into this investment judgement that you've made.

Ms Manen: No.

Senator BRAGG: It's a one-way transaction then? You share information—probably a poor choice of words—but it's a one-way information exchange, is it?

Ms Manen: There's a provision in the NRFC Act—I believe it's section 72, but my colleagues will correct me if I've gotten that wrong—that prevents the minister from either directly or indirectly directing the corporation to make or not make particular investments. The independence of the organisation is clearly set out in the corporation's legislative framework.

Senator BRAGG: Can you table your media policy?

Ms Manen: I think I've already taken on notice—

Senator BRAGG: You don't have it with you?

Ms Manen: I don't.

Senator BRAGG: Okay. Was the media policy implemented and enforced successfully in relation to this first round of investments?

Ms Manen: We have a procedure that is in place in relation to the steps that we will go through to get to announcement of investments. The premise of that is that those announcements are agreed between the NRFC and the counterparties. It takes into account a range of different factors, including market disclosure obligations, the needs of the counterparty and the availability of key stakeholders.

CHAIR: Last question.

Senator Ayres: I think it would be useful, Senator Bragg, if you acquainted yourself with section 83 of the act, which says that:

(1) The Ministers may publish, on the internet or in any other way the Ministers consider appropriate:

(a) a report, a document or information given to the Minister administering this Act by the accountable authority of the Corporation; ...

And it goes on. Some of the material that you're seeking—and Ms Manen has undertaken to provide it on notice—is actually contained in the relevant legislation.

CHAIR: Last question.

Senator BRAGG: That's great. You've got \$5 billion in the account. You've invested—

Senator Ayres: No. The evidence of the official was that \$5 billion is allocated—that is, held by the Commonwealth—

Senator BRAGG: a couple hundred million.

Senator Ayres: And they are able to draw down on it by request, as is appropriate.

Senator BRAGG: I understand that. There is another \$10 billion available, is there?

Ms Manen: Correct.

Senator BRAGG: When do you get that?

Mr Sloan: That's got to be provided to the corporation no later than June-July 2029.

Ms Manen: 2029.

Senator BRAGG: How long will it take to invest that \$15 billion?

Ms Manen: The corporation is working very hard to consider proposals that are in a pipeline and to assess those in a robust way, undertaking appropriate due diligence, as you would expect when we are investing taxpayer money. We are considering a range of strategies to deploy that capital in an efficient way.

Senator BRAGG: Will most of it be spent or invested before the election?

Ms Manen: I would just repeat my previous answer: we're working hard to consider the proposals in our pipeline and to make those investments as quickly as possible.

Senator Ayres: Senator Bragg, I think you misunderstand. The question that says 'how long before the \$15 billion is expended' misunderstands, as the official just said, the timetable for when funds are to be set aside, and it also misunderstands that these are co-investments and loans. There is a perpetual capacity here to grow the size of the fund and to constantly reinvest the fund into Australian manufacturing businesses. It is not like one of these sleazy grant schemes that the Morrison government operated where the money is just tipped out the door; it is invested in a systematic way.

CHAIR: Thank you very much, Ms Manen and team from the NRFC. Is there something final you wanted to add?

Ms Manen: I wanted to provide accuracy on the remaining credits of the \$10 billion if I can. Under section 52(4), the remaining \$10 billion is to be credited to the special account before 2 July 2029.

CHAIR: Thank you very much for answering our questions. You go with our thanks.

National Offshore Petroleum Safety and Environmental Management Authority

[19:32]

CHAIR: The committee now welcomes representatives from NOPSEMA. We welcome Ms McCarrey and team. Thank you very much for being there for us. Do you have any opening remarks you wish to give?

Ms McCarrey: No. I think the opening statement was tabled when we started our appearance a few weeks ago.

CHAIR: Great; thank you. Senator Whish-Wilson.

Senator WHISH-WILSON: I will have to put most of my questions on notice. I will ask quite a broad question to start with: how does NOPSEMA regulate companies by issuing types of notices? I have here a list of nearly 40 different notices given to, as an example, Esso Australia over the last 10 years: general directions, OHS prohibition notices, environmental improvement notices and so on and so forth. How often does NOPSEMA fine or penalise a company for a breach—or do you generally always take an approach of providing a directions notice and then giving the company time to comply?

Ms McCarrey: It is probably good to give a general answer to start with. This is the way in which the regulatory system is set up: first of all, as you would be aware, NOPSEMA is involved in providing permission for an operator to commence operations through a number of permissioning documents. We often refer to a safety case, an environment plan or a well operations management plan. They have to be assessed against the regulations as they are written, and they need to be able to demonstrate to us that they have identified safety risk, environmental risk and well integrity risk, and that those risks are being reduced to as low as reasonably practicable. What that number of notices actually shows is that our inspectors are doing what their job is.

We go out and carry out a number of compliance activities, including inspections and investigations, to ensure that those operators are doing what they said in those commissioning documents that they would do. We hold them to making sure that they do those. That is done through a whole range of inspections and investigations by our staff—and, when they pick up issues, it is our job to correct. Any regulator will have a number of improvement notices, which is us just doing inspections and picking up little issues. So those notices actually demonstrate that we are doing our job.

It depends on what is actually occurring as to what kind of notice we will actually give. An improvement notice, for example, deals with smaller things, where we are just correcting. If we are satisfied that they are in contravention of what we call an OH&S law, an environmental law or a well integrity law, the improvement notice is there to say to the company, 'You are not following your procedures in this space.' Generally, it is a fairly quick correction, although sometimes they might have a longer timeline. With something like a prohibition notice, there has to be an immediate threat to health or safety or an immediate threat to the environment or the integrity of a well—and we need to be able to prove that.

Of course, they can actually step up to a direction. A direction is given where we are requiring the titleholder to do certain things, and there are a number of different powers. I won't go into all of those. On our website is a copy of our enforcement policy, where it actually steps out all of those. Under certain parts of regulations, we can actually give a direction to an operator to undertake activities outside their title area, which might include cleanup activities et cetera. Then, in the most serious of cases, like with any prosecution, when we want to commence that or we provide a brief to the Commonwealth Department of Public Prosecutions, that is really there for the more serious incidents that may occur or if an operator is not abiding by those directions or improvement notices. So we have the ability to take more serious action.

Senator WHISH-WILSON: So, when you say something is closed, whether it is a prohibition notice or an improvement notice, you have then rectified that situation?

Ms McCarrey: Correct. So they have actually done what we have asked them to do. Our inspectors will have a look at that and do a follow-up inspection to ensure that those activities have actually been completed.

Senator WHISH-WILSON: Are you able to tell how many penalties and fines have been delivered in recent years by NOPSEMA, or have you been able to rectify all these serious situations without penalties and fines?

Mr Grebe: To add to one aspect, there is a very low level of enforcement to be undertaken with infringement notices—which is a fine, and I think you referred to fines in your question. Fines are for very minor breaches—like failing to notify of a change of contact person for an operator. When it comes to breaches of legislation,

including breaches of an enforcement notice or a general direction, to secure a financial penalty, we have to secure a prosecution. We have continued to maintain investigations towards prosecutions and we have successfully secured prosecutions of more significant breaches of the legislation that have resulted in the court imposing fines.

In the most part, our legislation requires that anything that is a substantial compliance gap requires a court mandating that a financial penalty be applied. We don't have the power and ability to simply fine a company for being, for example, contrary to their safety case or environment plan or not complying with an improvement notice. We need to secure a prosecution if there are breaches of the criminal penalty provisions and, similarly, if there are civil penalty provisions.

Senator WHISH-WILSON: I'll put my other questions on notice. You gave ESSO a general direction on 20 May 2021 to undertake all appropriate planning and commence decommissioning activities of all structures; that property and equipment no longer in use is to be removed no later than 30 September 2027; and they are to commission an independent review of decommissioning activities and report annually to NOPSEMA. That, for example, is one that's open. Obviously they've got until 2027. Are you able to provide an update on those decommissioning activities? Are you confident that will be achieved by 2027? You can do that on notice.

Ms McCarrey: With all of those general directions around decommissioning, I think I explained last time that there's a very long lead time because there are only a certain number of vessels et cetera in the world that can actually undertake this sort of heavy-lift work. Yes, we've been working with Esso very closely and their planning is well down the track to actually commence that decommissioning. But I am happy to provide more information where we can on notice.

Senator WHISH-WILSON: Can I ask one question to the minister? He may not be able to answer it. I understand Minister Husic has been working with NOPTA on PEP 11—

Senator Ayres: I'll get Minister King—

Senator WHISH-WILSON: It's Minister Husic.

Senator Ayres: I suspect that's an early indicator that I may not be able to answer this question, but I'll give it a red-hot go.

Senator WHISH-WILSON: It's worth a try. There's obviously a process under way. Recently the proponents of PEP 11 had to provide their submission to Minister Husic by 15 November—last week. I want to check whether those submissions were received, and how long it's going to be until the minister makes a decision on this. He made a preliminary decision—

Senator Ayres: I don't know the answer to that question. If we're able to provide you with any further information on notice, we will.

Senator WHISH-WILSON: Thank you.

CHAIR: That concludes our questions. Thank you very much to Ms McCarrey and team. You go with our thanks.

Commonwealth Scientific and Industrial Research Organisation

[19:42]

CHAIR: We now welcome CSIRO and Dr Doug Hilton and team. I also recall that Dr Hilton went through his opening statement, so there won't be a need to have a further opening statement.

Senator Ayres: That sounds more like a direction than an observation, but I'm sure—

CHAIR: Dr Hilton, am I right that you don't wish to supplement the opening statement that you gave us recently?

Dr Hilton: I do not.

CHAIR: Great. We will go straight to questions. I'll give the call to Senator Hodgins-May.

Senator HODGINS-MAY: During budget estimates in June this year I referred to an article published by CSIRO in the APPEA journal in May 2023 which was about a carbon capture and storage utilisation project in the Northern Territory. In that publication, on page 3, CSIRO said: 'Future potential unabated emissions have been modelled on the basis of published company development plans and the Middle Arm development precinct industrial development scenarios.' As you know, since June I've asked a couple of times now when the modelling will be released. I was told by the end of July by Dr Mayfield, but it wasn't provided. More recently, I was told by Senator Farrell that it would be released in October 2024. It's now near the end of November, and I just want to ask: has your research finally been released? Will it be released?

Dr Hilton: I'll pass that Dr Mayfield.

Dr Mayfield: No, the work hasn't been completed. It is getting close, but my understanding at this point in time is that there are two tranches of the report that will be released soon. We expect it will be before the end of December. They've had delays with getting access to data and completing some of the analysis. So they're getting close but they're not complete yet.

Senator HODGINS-MAY: Is the main delay getting hold of data?

Dr Mayfield: It's one of the delays.

Senator HODGINS-MAY: What are the others?

Dr Mayfield: There are some resourcing issues where we have competing projects and just getting some of the analysis undertaken.

Senator HODGINS-MAY: I think I might have mentioned this previously—you gave a presentation based on emissions research to the gas industry over 18 months ago. There really is an expectation that some of this data is available to be released at some point. Can you commit that it will be before March, before the election?

Dr Mayfield: Yes, it'll definitely be before then. It's imminent.

Senator HODGINS-MAY: Do you have any preliminary figures or ranges of emissions impacts from Middle Arm that you can share with the committee in the meantime?

Dr Mayfield: No, I don't have that with me. I'm sorry.

Senator HODGINS-MAY: Can you take it on notice, perhaps?

Dr Mayfield: We can, but it will probably come out with the release of the reports. The first tranche of reports, probably two reports, will be coming out shortly.

Senator HODGINS-MAY: On 31 October, Australian Energy Producers announced that it would co-host the world's leading carbon capture, utilisation and storage conference in Perth in 2026 in partnership with CSIRO, CO2CRC and the Australian government. How much has CSIRO spent on this conference so far?

Dr Mayfield: At this stage, I believe we're in the planning phase. I'm not aware of what we've spent. I'd have to take that on notice. There won't be a lot of expenditure at this point in time; it's just been announced. We've been part of that forum, the IEA forum, for quite some time, and it's consistent with our involvement with CCS research.

Senator HODGINS-MAY: Can I ask also that you release how much you anticipate spending. What does the budget for that look like?

Dr Mayfield: We'll have to take it on notice. I don't know whether the planning is at that level of detail at this stage.

Senator HODGINS-MAY: Who's led the bid—is it AEP or CSIRO?

Dr Mayfield: I'm not aware of who is the actual lead. CSIRO has been a representative in that area for a long time, but I think it's a joint activity at this point in time.

Senator HODGINS-MAY: If you could maybe get clarity on that and take that on notice, that would be great. What other project partnerships does CSIRO have with APPEA or AEP that you are aware of?

Dr Mayfield: The organisation participates in some of their conferences and things like that, but our relationship tends to be more directly with projects and companies.

Senator HODGINS-MAY: So it's just this?

Dr Mayfield: If you think about our GISERA work, we're involved there with a number of gas-producing companies trying to do research, which, I guess, has made the environmental issues associated with some of those developments, especially in Queensland, better understood so that the community gets information. There have been a lot of relationships through those sorts of involvements.

Senator HODGINS-MAY: We've been funding this for 20 years, and only one project operates at a 60 per cent failure rate. Do you actually think or believe that CCS will ever work or be rolled out in Australia?

Dr Mayfield: I'm not familiar with what you were referring to before, but, globally, there are CCS projects which are operating. In the US, there are a lot of projects where they sequester CO2. Sometimes it's for oil recovery, but it's technically viable. It's not economic at this point in time, but technically it's viable.

Senator WHISH-WILSON: I think Senator Hodgins-May was referring to the Chevron project. It has been quite public that they haven't met their objectives. You say that there are projects around the world, but how many of them are in and under the ocean?

Dr Mayfield: I'd have to take it on notice as to how many, to be exact. You would be aware of the Sleipner project in the North Sea. That's one of them.

Senator WHISH-WILSON: That's the only one that I'm aware of.

Dr Mayfield: Yes.

Senator HODGINS-MAY: I might return to questions that I raised in last estimates and table the documents that I sent to the secretariat which were circulated in our last estimates session. CSIRO's annual report 2023-24 on pages 144 to 148 shows the breakdown of payments made to your board members, key management team, senior executive staff and other highly paid staff. Dr Hilton, is it correct that bonuses were paid to the acting CEO, senior executive staff and other highly paid staff?

Dr Hilton: I understand from the table that the deputy chief executive was paid an at-risk component of her salary.

Senator HODGINS-MAY: Can you explain the total amount of those salary at-risk payments or bonus payments? I think we touched on this the last time.

Dr Hilton: We did.

Mr Munyard: In the instance of the acting chief executive, that was consistent with the arrangements in place for the chief executive as set out by the Remuneration Tribunal. Essentially, it's a judgement call of the board in relation to that payment and what percentage of the available incentive payment is provided to the individual at the time.

Senator HODGINS-MAY: Do you have that quantum?

Mr Munyard: I don't have that on me. Obviously that's a discussion between the individuals. I can take that question on notice.

Senator HODGINS-MAY: Yes. The annual report that you've got in front of you, as you can see, doesn't show the full totals; it's lacking in some of that detail. Would you have roughly how much you think was paid in salary-at-risk or bonus payments?

Mr Munyard: The at-risk component that's been paid is the figure that's contained in the table.

Senator HODGINS-MAY: But the cumulative amount of that across those groups—the senior executives?

Dr Hilton: I think we're on page 144, is that right?

Senator HODGINS-MAY: Yes.

Dr Hilton: Among those senior people, the only salary-at-risk payment for that year was the payment to the acting chief executive for the period she was acting.

Senator HODGINS-MAY: That was the only salary-at-risk payment?

Dr Hilton: For those executives.

Mr Munyard: For the key management personnel on that table.

Senator HODGINS-MAY: In 2023, CSIRO admitted that its deputy chair, David Knox, had been overpaid by \$200,000 between 2018 and 2020. Was this paid as a bonus or other benefit and entitlement?

Mr Munyard: No, it wasn't. It was in relation to Mr Knox, who was appointed at that period as the Managing Director and Chief Executive Officer of Australian Naval Infrastructure and to CSIRO, and therefore he was ineligible to also receive a payment for the board.

Senator HODGINS-MAY: Has this money now been fully recovered?

Mr Munyard: Yes. It has been recovered in full, including the superannuation component, which was the last outstanding amount when we were questioned at estimates around 12 months ago.

Senator HODGINS-MAY: Is David still on the board and does he receive a salary and super?

Mr Munyard: No. Mr Knox resigned from the board in September of last year I believe it was.

Senator HODGINS-MAY: Have any other staff been overpaid?

Mr Munyard: Staff members—

Senator HODGINS-MAY: Or board members—

Mr Munyard: I would have to take the detail of that on notice. On occasions, staff members do get overpaid—for example, when being on leave, not having the leave credits and not returning to work. I'd have to take the detail of that on notice to confirm how many.

Senator Ayres: Do your questions go to that level of detail about overpayments for staff in the kinds of categories that have been referred to or are they really about board directors and senior management?

Senator HODGINS-MAY: That's right, yes.

Senator Ayres: If we can save the organisation some work, if it's just in relation to senior staff and board directors I think that's an easier piece of work.

Mr Munyard: I'm happy to take that on notice.

Senator HODGINS-MAY: Returning to our previous exchange on 7 November regarding Data61, Dr Hilton, you said that no jobs would be cut this financial year. What about the following financial year? Will there be cuts to Data61 that you've identified or projected?

Dr Hilton: No, we have no plans.

Senator HODGINS-MAY: I'll go to my colleague to ask further questions and, if there's time, I'll ask a couple more.

Senator WHISH-WILSON: I'll be quick. G'day, Dr Hilton, good to see you again.

Dr Hilton: Good to see you, Senator.

Senator WHISH-WILSON: Could you update us on whether CSIRO's been able to find the 300 full days for the *RV Investigator* in forward years 2026 to 2028—to remain operational for 300 days?

Dr Hilton: I will hand to Professor Huntington, who is the executive in charge of our national infrastructure.

Prof. Huntington: We have been able to confirm that the *Investigator* will have full sea operations for the next couple of years. I think it's 2026-27, but I will just double check that right now.

Senator WHISH-WILSON: Would that be for 300 days a year?

Prof. Huntington: We talk in terms of full-year operations, which are notionally around 300 days at sea. If there happen to be storms somewhere then, obviously, we have to move that around a bit.

Senator WHISH-WILSON: Of course, yes. Can you confirm that that is the case for 2026-27?

Prof. Huntington: I will double check that number, but it is around that time.

Senator WHISH-WILSON: Great. Obviously, a lot of these programs, as you know, have long lead times. It would be good to know that. Minister, as you're aware, this ship and all its great work is a great Labor legacy, and it would be good to see that fully funded, so that's good news.

Across any of your desks, have you been asked to cue to the environment department or perhaps the fisheries—DAFF—about a report from the Senate Environment and Economics Committee relating to *Centrostephanus* invasive sea urchins? CSIRO did some really important work during the Senate inquiry. We've called it *Win-win under our ocean*, and it recommended a *Centro* task force to manage marine invasive species. CSIRO did a report saying that the crown-of-thorns management program that's been unrolled on the Barrier Reef would be a suitable model for the states and federal government to use on the Great Southern Reef. Could you confirm if you've been asked to provide any inputs to those departments to respond to the Senate inquiry?

Dr Hilton: That would probably require us to do a full email check. We are happy to take that on notice.

Senator WHISH-WILSON: It would be great if you could take that on notice. I have just a couple of quick questions in my remaining time around what's obviously always been and is increasingly becoming a controversial international issue: deep sea mining. I have asked a number of questions over the years about CSIRO's involvements with The Metals Company, TMC. Are you able to give me an update on the current status of CSIRO's work with TMC specifically in relation to its proposed operations in the Clarion-Clipperton zone in the Pacific?

Dr Hilton: I'll pass that one to Dr Mayfield.

Dr Mayfield: In terms of our involvement with the deep sea mining work, we're working on an environmental framework and that work continues. It's being produced as a series of five papers. The first of those has now been published and they'll be published over the coming period of time. We expect that they'll be completed through June of next year. There's been some variations—

Senator WHISH-WILSON: Could you provide me the details of that first report on notice? I don't expect you to have—

Dr Mayfield: I can. I don't have the name of it off the top of my head.

Senator WHISH-WILSON: I don't expect you to now, but if you could. The other four are coming?

Dr Mayfield: The other four are in process.

Senator WHISH-WILSON: Okay. Are they peer-reviewed?

Dr Mayfield: Everything is being peer-reviewed through our normal processes. We also—I think we've talked previously about the fact that we've got some external reviewers that we're using as well. Everything that we ultimately produce will be publicly available. That's why we're going the publication route.

Senator WHISH-WILSON: Okay. I put in an order for the production of documents which Minister Ayres signed off on that was about email exchanges dated 2 December 2022 about CSIRO—to use the words from the emails—seeking \$200,000 from TMC to fly around the world to conferences for what they called 'expert elicitation workshops between 23 January and 3 February 2023. Are you aware of whether those workshops went ahead and TMC provided the \$200,000 in funding?

Dr Mayfield: I'd have to check on the specifics of how they were funded, but I am aware that workshops took place. This is part of getting the body of global knowledge and identifying some of the external reviews. We were looking for independent reviews.

Senator WHISH-WILSON: Did CSIRO regularly approach private firms who held contracts with CSIRO for funds to attend international conferences and events? Do you think that's appropriate?

Dr Mayfield: In terms of the scope of work as we saw it, having independent review and knowing the expert base are part of that. We saw that as part of the scope of work to actually do the job that was defined. Basically, it is putting it as part of the scope of works.

Senator WHISH-WILSON: Obviously, conflicts of interest can be real or perceived. Do you see either of those in a case where a company has a contract with a private company—and it is a very controversial setting—and they're approaching the company to pay expenses for CSIRO staff to do their work?

Dr Mayfield: CSIRO engaged in a contract with TMC to deliver a certain product. To do that, we ascertained that we needed to understand what was happening globally and we also needed to have independent reviewers. We see that as part of the scope—

Senator WHISH-WILSON: Wouldn't that be covered by the lump sum of your contract? Why would you need to seek additional funds to fly around the world?

Dr Mayfield: As you go through the planning process, I think you identify additional things. The project was funded by TMC, so this is in addition to it. Those funds were used for making sure that we got balanced science out of it. I don't think there's any conflict there. It's ultimately about doing the job properly.

Senator WHISH-WILSON: They wouldn't have been covered by the original contact, and the idea of having an international conference for expert solicitation—

Dr Mayfield: I'd have to check on the original budget and how it was split up, but obviously there's a shortfall.

Senator WHISH-WILSON: Right. When is this process going to be finished?

Dr Mayfield: At this stage, we're expecting the final work on the project, given that there have been a couple of variations in the scope and, again, some challenges getting access to certain data, to be completed by 25 June.

Senator WHISH-WILSON: In time for the international conference.

CHAIR: Thank you very much, Senator Whish-Wilson. Thank you, Dr Hilton and team, for coming for this hearing. That concludes our questions, the committee stands adjourned.

Prof. Huntington: Sorry; I just wanted to confirm four-year operations to financial year 2027.

CHAIR: Thank you, Professor Huntington. The committee stands adjourned.

Committee adjourned at 20:00