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Official Committee Hansard

JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL
AND EXTERNAL TERRITORIES

**Reference: Review of annual reports 2001-02 of the Department of Transport and
Regional Services and the Department of the Environment and Heritage**

FRIDAY, 28 MARCH 2003

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JOINT COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES

Friday, 28 March 2003

Members: Senator Lightfoot (*Chair*), Senators Crossin (*Deputy Chair*), The Deputy President and Chairman of Committees, the Deputy Speaker, Senators Lundy, Scullion and Stott Despoja and Ms Ellis, Mr Johnson, Mr Neville, Mr Snowdon and Mr Cameron Thompson

Senators and members in attendance: Senators Crossin, Hogg, Lightfoot and Scullion and Mr Snowdon and Mr Cameron Thompson

Terms of reference for the inquiry:

On 21 March 2002 the Committee resolved that, in respect of its review of the Annual reports of the Department of Transport and Regional Services 2000-01 and the Department of Environment and Heritage 2000-01, which stand referred to the Joint Standing Committee on the National Capital and External Territories by the House of Representatives, it annually monitors the External Territories in order to review the development of services and the implementation of programs to a standard commensurate with equivalent mainland communities. In particular, the review should consider:

- Justice and community safety;
- Education;
- Environment and heritage;
- Health and community care;
- Transport, housing, land management and other urban services;
- Economic development and tourism;
- Social and welfare services;
- Utilities

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Committee met at 9.34 a.m.

CHAIRMAN—I declare open this public hearing of the Joint Standing Committee on the National Capital and External Territories review of the annual reports of the Department of Transport and Regional Services and the Department of the Environment and Heritage for 2001-02 in relation to the external territories. The aim of this review is for the committee to monitor whether services are developed and programs implemented in Australia's external territories—Norfolk Island, Christmas Island and Cocos (Keeling) Islands—to a standard commensurate with equivalent mainland communities. It is incumbent on the Commonwealth to provide a good standard of services to all Australian citizens. This committee is mandated under its resolution of appointment to review the government's management of all Australia's external territories.

The committee recently visited Norfolk Island, Christmas Island and Cocos (Keeling) Islands. The purpose of our visit to these territories was to enable the committee to learn the views of each of the respective communities. An important role of parliamentary committees is to take the parliament to the people and to encourage direct contact between members of the public and members of parliament. Committee inquiries enable members to be better informed about community views. It should also be noted that this committee has an all-party composition.

On 21 March 2002, the committee resolved to monitor the provisions of services in Australia's external territories through a review of the annual reports of the Department of Transport and Regional Services and the Department of the Environment and Heritage for 2000-01. On 13 November 2002, the committee resolved to extend its review of the annual reports of these departments to include the annual reports for 2001-02. The committee also resolved that all submissions and exhibits received in relation to the committee's review of the annual reports of these departments for 2000-01 be considered as evidence to its review of the annual reports for 2001-02.

At the conclusion of the inquiry, the committee will table its findings, conclusions and recommendations in the parliament in a report which will be publicly available. The committee normally authorises submissions for publication and they will be placed on the committee's web site. Some copies are also available here today from the secretariat staff. To date, the committee has received 36 submissions from interested parties. If you would like further details about the inquiry, please ask any of the secretariat staff present at the hearing for assistance.

[9.39 a.m.]

QUINTAL, Ms Denise Marie, Founder, Eco Norfolk Foundation

CHAIRMAN—Welcome. These hearings are legal proceedings of the parliament and warrant the same respect as the proceedings of parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee has not yet received a submission from you, Ms Quintal. Do you now wish to lodge a submission?

Ms Quintal—Yes, I do. I would also like to stress my apologies for not presenting a submission before this. I was waiting for the focus report to come out from the Norfolk Island government so that I could assess it. That was tabled in the House of the Assembly in the March sitting, so I have only had it for a week.

CHAIRMAN—That is quite recent. That is okay, you are not obliged to put in a submission prior to the hearing.

Ms Quintal—I do have a submission today.

CHAIRMAN—We appreciate that, indeed. Does the committee wish to accept the submission as evidence to this inquiry and authorise it for publication? There being no objection, it is so ordered. The committee prefers that evidence be taken in public but if you wish to give confidential evidence to the committee you may request that the hearings be held in camera and the committee will consider your particular request. Before we ask you some questions, do you wish to make an opening statement?

Ms Quintal—Yes. The submission today is a response to poor performance on the part of the Norfolk Island government, together with the lack of professional ability displayed by the administration of Norfolk Island. The focus report indicates the struggling issues that the island is facing. If the joint standing committee recommends certain changes or the federal government forces the changes through the minister's office, the local legislature has the ability to change the situation back to its own liking. Therefore, nothing may change. Eco Norfolk Foundation believes that it would be in the best interest to request that the joint standing committee consider the ideas for KAVHA, which are attached, and take further time to consult on the handing over to the local establishment of more responsibilities in relation to land. An aim of assisting local government to incorporate, for the betterment of the island as a whole, would be in the best interest for all in the community. Further responsibilities could create further havoc. The self-government approach is eliminating the well-mannered masses and offering continued self-interest for the privileged few.

CHAIRMAN—We will now proceed to questions.

Senator HOGG—I would like to get a little bit of the background of your organisation, Eco Norfolk Foundation. What is the foundation and what does it do, exactly?

Ms Quintal—I established this foundation because there was a need for a non-government organisation on the island. I felt that the environment was continually being slaughtered and that there were no checks and balances in relation to environmental issues. So I put together a statement of objectives which, basically, are to assist, promote and inform the community on issues concerning the water, soil and air. By fostering awareness of the global context of local environmental issues I can assist the community as a non-government organisation to hold the local government and administration a little bit more accountable.

Senator HOGG—How many people or organisations are members of your organisation? Given the small population, are there many?

Ms Quintal—At this stage I have not incorporated the company because I have been waiting to find out about the tax advantages of incorporating in Australia. If I incorporate the company in Norfolk Island, and I want to have funding available to that foundation on the island, I would not have a tax file number.

Senator HOGG—I am just trying to look at the number of people that might be involved in your organisation.

Ms Quintal—I have a number of supporters within the island, and people off the island who give me their support, but at this stage I am not asking for numbers.

Senator HOGG—So you are basically a single operator with a number of supporters?

Ms Quintal—Yes, that is true at this stage.

Senator HOGG—We did hear one thing from a local group when we were over there—I do not know if I can name them because we took their evidence in camera.

CHAIRMAN—We should not name them.

Senator HOGG—No, that is right. Are you quite prepared to go on the public record?

Ms Quintal—Yes. I am giving you four case studies today. I am handing to you very sensitive information on those four case studies and retribution could result for me. I was going to speak on Norfolk Island—

Senator HOGG—For the sake of the *Hansard* record, I met you on the island outside the hearing, so there is no secret about that.

Ms Quintal—I chose not to speak on the island.

Senator HOGG—Why would that be?

Ms Quintal—Because my research since 1995 has brought up some planning issues, including land issues, which are quite sensitive. They relate to ministers and members of the public service. I was also researching the land where the fire took place and I am still researching that portion of land.

Senator HOGG—Which fire is this?

Ms Quintal—The fire that occurred on the weekend that you arrived on the island.

Senator HOGG—Do you mean the place that burned down on the weekend that we arrived?

Ms Quintal—That is correct. I am still researching that area because of a development that is to go directly under that. Today in the room with me I have two Norfolk Islanders of Pitcairn descent. They have come here to be with me as supporters. Both believe that the situation on the island is far too close and is causing a number of the well-mannered masses of the island not to come forward. Because of retribution and other situations, most people want to stay in camera. I did request to be in camera today.

Senator HOGG—So would you like to go in camera now?

Ms Quintal—I think it might be a good idea.

Senator HOGG—I am glad I have pursued this with you, if that is your desire. I thought it was an extraordinary step for you to go on the public record, given the reluctance, when we visited the island, of people to go on public record or even to be seen speaking with us. You understand that, if we go in camera, we will need to clear the room?

Ms Quintal—Yes. I am happy, though, for the two supporters who are of Pitcairn descent to stay with me and flank me, if that is possible.

CHAIRMAN—Is it the wish of the committee that we proceed to take the balance of Ms Quintal's evidence in camera? There being no objection, it is so ordered. We will now have to clear the room, except for the two people Ms Quintal has requested stay here.

Evidence was then taken in camera, but later resumed in public—

[10.58 a.m.]

MOSLEY, Dr John Geoffrey, Councillor, Australian Conservation Foundation

CHAIRMAN—Welcome, Dr Mosley.

Dr Mosley—Thank you. By way of introduction, I have been a councillor of the ACF for the last 17 years.

CHAIRMAN—Thank you. These hearings are legal proceedings of the parliament and warrant the same respect as the proceedings of parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee has received a submission—No. 4—from you, Dr Mosley. Are there any corrections or amendments that you would like to make to your submission?

Dr Mosley—Yes. There are a number of corrections, mainly spelling errors, and I have tendered the pages showing the changes.

CHAIRMAN—Is it the wish of the committee that we accept the submission by the Australian Conservation Foundation? There being no objection, it is so ordered. The committee prefers that evidence be taken in public, but if you wish to give confidential evidence to the committee you may request that the hearings be held in camera and the committee will consider your particular request. Before we ask you some questions, do you wish to make an opening statement?

Dr Mosley—I do.

CHAIRMAN—Please proceed. What is the document?

Dr Mosley—*The conservation of Norfolk Island*, ACF special publication No. 1, 1968—I think it is significant that it was given that treatment. If you are interested, I could table this.

CHAIRMAN—Is it wish of the committee that we accept that document? There being no objection, it is so ordered

Dr Mosley—Some 36 years later with the benefit of our national perspective and decades of involvement with Norfolk Island, ACF believes the freeholding of crown lease land would cause serious damage to the Norfolk Island environment. ACF also believes that the new statutory plan, if given Commonwealth assent, would significantly reduce the standard of environmental protection for the territory, adversely affecting more than just the areas that are currently crown lease. These two moves could be summed up as a recipe of privatisation and reduced regulation—a thoroughly bad mix.

Another general point is that in a situation where a partnership approach between the Commonwealth and Norfolk Island government is essential, the Commonwealth should be doing more. The proposal to freehold the crown leasehold has a long history beginning in 1990

with a report by the federal Department of the Arts, Sport, the Environment, Tourism and Territories which recommended retention of the leasehold. For most of the time since 1990, the main driving force has been self-determination. Until quite recently, the proposal was to transfer ownership of leasehold from the Commonwealth to the Norfolk Island government. The comments of Justice Nimmo and the National Capital Authority on the benefits of keeping the crown leasehold in Commonwealth ownership are stated in items 11 and 12 on pages 3 to 4 of our initial submission. They include benefits for the retention of nationally important features and for farming.

Commonwealth ownership can continue to deliver these benefits because it provides the best possible guarantee that these lands will be managed for the protection of their nationally significant values. Private ownership combined with a locally oriented plan controlling subdivision would expose them to almost certain fragmentation. At stake are the buffer areas of the national park, the coastal fringe, the visual setting of the Kingston Arthur's Vale historic area and the rural landscapes. Most of these values are contained within the nine areas, mostly Commonwealth land, which the ACF nominated for the Register of the National Estate in 1996. I refer you to the map I have distributed to members of the committee which shows those areas. They are also shown on the map, which I have placed on the board over there. The areas in yellow have been nominated by the ACF for the Register of the National Estate—that is, eight areas plus the remainder of the coastline not already on the Register of the National Estate.

ACF has a very strong concern about the effects of the further fragmentation of Norfolk Island on the rural areas, a concern shared by many Norfolk Islanders. Hence, the two-year moratorium on the subdivision of freehold. For the same reasons, there has been a policy of no subdivision of crown leasehold for decades. It is this policy which has resulted in the survival of the island's large lots. It is also important to understand that the existence of these large lots, located mainly in the western and northern parts of the island, has been used as justification for the past incremental fragmentation of the freehold areas. 'Don't worry, the rural atmosphere will survive on the crown leasehold' has been the mantra for years. Freeholding the crown leasehold and replacing the no-subdivision policy with a four-hectare minimum lot size would be very much like having your cake and eating it. At the hearing on Norfolk Island on 18 February, Peter Davidson told the committee that the increase in the minimum lot size for the rural zone from two hectares to four hectares in the latest version of the new statutory plan would mean only one or two more blocks could be subdivided—one or two if that, he says. The meaningful comparison for leasehold is between the present no-subdivision policy and the four-hectares minimum, if freeholding occurs.

The National Capital Authority tenure map for leasehold land shows 34 crown leasehold lots over eight hectares. These will clearly have the potential for subdivision if they become freehold and if the new plan is assented to by the Commonwealth. We tender the relevant map, which shows the leasehold lots, as an exhibit—although I think you may already have that.

CHAIRMAN—It is the wish of the committee that the map tendered by Dr Mosley be accepted. It is entitled 'Map 8' and is A3 sized. It is a colour map showing the hectare sizes of leasehold land on Norfolk Island.

Dr Mosley—The leasehold areas are marked in green. Seven are in the national park buffer area, which is the area around the national park. Two are wholly within KAVHA. Four others straddle the KAVHA boundary. As a result, as far as leasehold is concerned, these moves would

result in the potential for at least another 34 lots. The figure is bigger because several of the lots are larger than 12 hectares. So with a four-hectare minimum for over 12, you would obviously have the potential for more than two. By the way, lot 175 is 20 hectares. The local minister says there is the potential for an extra 52 lots.

A case for freeholding could perhaps be made for some areas in the central part of the island which do not necessarily have important environmental values. It has been said by the Department of Transport and Regional Services that some areas may not be transferred if it can be shown that they have national environmental value. The two lots in KAVHA are excluded already, and the four lots which straddle the boundary of KAVHA have been excluded from the first round—presumably, they are going to be in the second round as far as the plans are concerned.

Unfortunately—and this is the important point—the official means of determining which areas have national environmental values have not been developed, yet the department still intends to go ahead with the freeholding. A study has been done by Helman and Gilmour of the flora and fauna aspects—it is unpublished and not available to the ACF—but there have been no assessments of the cultural landscape values, in spite of requests for assessment by the Australian Heritage Commission, the environment minister and by us. Why not? ACF has investigated some of these values for its Register of the National Estate nominations, and the results are in the Heritage Commission's database for the nine sites which were on the indicative list. They are the ones I referred to earlier in the map which I tendered.

While the benefits of continued Commonwealth ownership are clear-cut and have been attested to in several reports, such as those by Justice Nimmo and the 1990 report, no sound argument for the freeholding has been advanced. The spuriousness of the claims by federal ministers that freeholding would place Norfolk Islanders in the same situation as mainlanders is shown by a comparison with the situation in the Australian Capital Territory, where, of course, freehold is outlawed.

Mr SNOWDON—As it should be!

Dr Mosley—The arguments for retaining leasehold land on Norfolk are as good as those in the Australian Capital Territory and the states. Turning now to the statutory plan, the completion of a new statutory plan to replace the existing plan, which was gazetted in 1997, is one of the prerequisites for the freeholding. The previous territories minister, Senator Ian Macdonald, said that it is the planning scheme, not who owns the land, which should determine land use. The length of time it took to develop and approve a plan—it was 29 years—is a clear indication of the local hesitation—perhaps 'reluctance' would be a better word—about the pros and cons of planning on Norfolk. The plan which came into force in 1997 would have been reviewed and revised in the normal course of events, but the development of a new plan was, in fact, driven by the land initiative.

The 1997 gazetted plan was a compromise document, but it contains some good points from the national standpoint, including protection of the coast and protection of the KAVHA visual setting. Its main failing was the lack of any special protection for the rural landscapes. However, as mentioned, it did recommend instead continued Commonwealth ownership of the crown leasehold and a continuation of a policy ban on subdivision. The strengths of the 1997 plan resulted from the contributions of officers of the National Capital Authority who worked on its

preparation. The new plan was developed with the help of officers from DOTARS on the basis that some environmental features would need to be sacrificed. It was made very clear to us that the plan was to represent only the local viewpoint. Hence, it is not surprising that it has wound back the clock on key environmental measures in the existing plan that have worked well.

Since our August submission, the Norfolk Island Legislative Assembly has approved a third version of the new plan. The final version of the plan introduces a four-hectare minimum lot size for subdivision of the rural zone, which would apply to the freeholded crown leasehold. This compares with the 10 hectares recommended in the first version of the new plan. The final version will also, if given assent, eliminate the coastal protection zone and the protection for the visual setting of KAVHA. In our submission we identified four main aspects of the natural environment which we believe would be adversely affected if the new plan was given assent: firstly, indigenous flora and fauna, including high-quality remnant vegetation; secondly, the coastline; thirdly, KAVHA; and fourthly, the associative rural landscapes. Currently, ownership of crown leases is limited to Norfolk Islanders—one per individual or family. If the leasehold is freeholded and the new plan is given assent, non-Norfolk Islanders will be able to purchase one or more of these lots and develop buildings on them, including in parts of the current coastal protection zone.

Turning now to heritage protection, the foundation has worked hard over the years to secure land for addition to the national park, with partial success through obtaining money from the Rainforest Rescue Fund. The areas which would make good additions have been identified. We have identified those with officers of the Department of the Environment and Heritage. In the meantime, we and others such as the National Park Advisory Committee, which is a local body, have recommended the treatment of these areas as a buffer zone. It is an indication of how hostile the approach of the new plan is to conservation that the modest proposals for planning protection of these values that we made were described by the planning team as ‘draconian’. This overlay method is used throughout most of Australia.

In the case of the coast, the existing plan provides for a no-building zone 50 metres from the top of the cliffs or break of slope. This applies to all buildings. Also, the portion of a lot which is the coastal protection area is excluded from the lot size when calculating minimum subdivision levels. There is less protection a further 50 metres back from the sea. The ACF had argued for the whole 100 metres to be subject to the no-building rule. Nevertheless, the zone has worked well. The main argument put in the assembly last May and October for amending the plan to remove this zone was to stop public access, but the freeing-up of the subdivision restrictions was probably also attractive to some members of the assembly.

The move in favour of individual property rights is an enormous break with the tradition of public access which has existed on Norfolk Island since 1856 and with the still earlier government approach to coastal protection which dates from 1794—I am referring to Superintendent King’s restriction of the cutting of trees around the coastal zone in 1794. It is perhaps symbolic of the giving of priority to private property rights over the traditional community right of access that, in the debate in the Norfolk Island Legislative Assembly, public access to the coast was characterised as ‘public encroachment’.

The Australian convict places site is on Australia’s World Heritage indicative list. According to the authors of the basic report on the site’s values, Pearson and Marshall, not only is KAVHA indispensable to such a nomination, but also it is the only one which would have a chance of

inclusion in its own right. In the 1998 referendum, the Norfolk Island government campaigned against the yes vote on the grounds that the World Heritage listing would result in an increase in Canberra's power. The latest version of the new plan not only removes the protection for the visual setting but also changes the KAVHA board's function from an approval role to a purely advisory one.

A good deal of confusion exists over these two matters as a result of the non-gazettal of the KAVHA viewshed area on the map accompanying the 1997 gazetted plan. This confusion is unnecessary because, as ACF has ascertained from DOTARS, section 6 of the rural area of the plan was gazetted. It is clear in its intention and has been applied until recently. The Norfolk Island current plan says:

6. Protection of the visual setting of Kingston and Arthur's Vale Historic Area.

The rural area which can be seen from public vantage points in the Kingston and Arthur's Vale historic area is subject to the Australian Heritage Commission Act 1975. Accordingly, development within this area is subject to special consideration to ensure that it does not detract from the visual setting of KAVHA. Detailed consideration needs to be given to the siting of buildings and to appropriate landscaping in conjunction with the KAVHA management board approval.

So it is clear, as the current plan states, that the KAVHA management board is intended to be an approval body and the question of what is the visual setting is clearly explained. There is no reference in the clause to a viewshed area and the non-gazettal of such an area—that is, the viewshed—ought not to affect the board's exercise of its clearly stated responsibilities. This whole matter has become very pertinent, with recent decisions of the local minister to approve building development in the visual setting.

I table a photograph showing one house which was approved at lot 57a4. That is item No. 1 on that photograph. This site—the house has since been burnt down—is visible from the public vantage point at Hunter. I also table four photographs of a recently approved development at lot 81f, showing its visibility from three viewing points and the main settlement. They are marked on that version with a black dot, showing where the 81f would be. I hope that is visible.

CHAIRMAN—Yes, it is visible. Is it the wish of the committee that we receive these as an exhibit? There being no objection, it is so ordered.

Dr Mosley—We believe it is significant that, in deciding to approve this last development, the local minister sought justification—and this is an important point—for the provisions of a new plan not yet assented to rather than the existing plan. This proposal is now to be subject of an assessment under the EPBC Act. This is another indication of the rush to apply a new regime based on the new plan that is proposed which places the interests of residents above the national interest and is another reason for retaining Commonwealth controlled crown leasehold and the current plan. The foundation supports the resumption of crown leasehold in KAVHA and the visual setting of KAVHA for public reserve purposes, as was foreshadowed in the departmental report of 1990.

With regard to the heritage of the rural areas, Norfolk Island has probably the oldest agricultural lands in Australia still in use for that purpose. You have probably heard more about that from other witnesses. The Australian Heritage Commission believes that these have high associative values with KAVHA. The best of these areas are included in the ACF's nominations

for the Register of the National Estate. In 1999, the Heritage Commission—I think I should say ‘farcically’—decided to defer their assessment in favour of joint assessment with the Norfolk Island government. The establishment of the local heritage system was first proposed in 1972. Even if one is ever implemented, it will be inappropriate for assessing and protecting national values. The AHC’s decision—as I said, a farcical decision—has effectively given the Norfolk Island government a veto power enjoyed by no other state or territory government. Another undesirable consequence of freeholding is that it would make areas in the ACF nominations no longer eligible for consideration and inclusion on the Commonwealth list proposed to be established under the national heritage legislation.

To finish up, the ACF believes your inquiry has come at a crucial stage in Norfolk Island’s history. The partnership arrangement that has delivered so much is in danger of breaking down. It is clear already from events such as the approval of permits in the KAVHA visual setting that the outcome will be a great loss of Norfolk Island’s distinctive assets, which are the very life blood of its tourist industry.

ACF urge your committee to recommend against the freeholding of the crown leases and to recommend against the granting of assent to the proposed new statutory plan. We further urge you to recommend that the Commonwealth work to gain agreement on the retention of the coastal protection zone and the existing provisions for the protection of the authenticity of KAVHA and to carry out the long-overdue assessment of our Register of the National Estate nominations forthwith.

We would like to finish with a few comments, which I hope you will find pertinent, about the philosophical approach to Norfolk Island’s future. The new plan was based on a conflict view of conservation and development, in which a balance is to be struck between them, and some additional forms of development are accommodated at environmental cost. The foundation has a very different approach. It believes in the concept of best or optimum use—highest use, as it is sometimes known. The objectives of conservation and development will be in harmony. In the case of Norfolk Island, a policy which gives high priority to environmental protection will benefit all—that is, local people as well as the national interest—in the long run. What is needed is a proactive approach, in which the land is not seen simply as a museum piece but as a living and evolving landscape. Agriculture, fishing and forestry are basic activities and need assistance. They can all contribute to the welfare of the tourist industry, which needs to take greater advantage of Norfolk Island’s unique assets instead of allowing them to be lost to sectional interests. The highly developed sense of community was once one of Norfolk Island’s greatest strengths. It is much needed now, as is the continuing commitment of the Commonwealth to the guarding and development of the territory’s future.

CHAIRMAN—Thank you, Dr Mosley.

Senator HOGG—I have not found that part of your submission—I do not know if it is in what you gave to us—where you mention that the freeing up of the land was attractive to some members of the assembly. Could you expand on that for me, please?

Dr Mosley—Members of the assembly have to declare their interest, and they do.

Senator HOGG—Is that on a public register of interest?

Dr Mosley—I am not 100 per cent sure about that.

Senator HOGG—Could you take that on notice?

Dr Mosley—Yes, I will.

Senator HOGG—That is the first thing. Secondly, if your organisation is making an allegation—and this is how I take it—that freeing up is attractive to some members of the assembly, are you prepared to name them? If you do not want to name them here, can you make a confidential submission to the inquiry naming those people and how they would gain?

Dr Mosley—Yes.

CHAIRMAN—You could even name them here today, Dr Mosley.

Dr Mosley—I think that is a little bit difficult.

Senator HOGG—I think that is a bit tough and that is why I put a caveat right up front that you might like to take it on notice and put it to the committee as a confidential submission, which you are entitled to do. Could you also indicate to the committee how you believe those members of the assembly would benefit or gain—or have gained—by the freeing up of that land?

Dr Mosley—Yes. I will just add to what I said before. You said, ‘How do you know?’ and I said that people declare their interest and normally they abstain from voting in such a situation. It is on the record where people have said, ‘I have such and such an interest in land. I own a crown lease lot,’ or ‘My wife owns a crown lease lot,’ and so on.

Senator HOGG—It is a little bit more than just owning the land, because there are the redevelopment rights and development rights for those pieces of land—rezoning or whatever it might be—that can flow, having achieved the transfer from the Crown to private hands.

Dr Mosley—I appreciate your questions and I will provide the answers, but I think it is more than just that. There is a philosophy that supports the opportunities to be able to subdivide, which is related to an idea about how to meet inheritance requirements and so on, which has existed for a very long time. It is not just a matter that an individual will benefit from this or that piece of legislation. It is the general philosophy of opportunities.

Senator HOGG—I look forward to the confidential submission. The next point is something you have not touched on in your submission but is something on which we took evidence on the island. I presume the Conservation Foundation have a view.

CHAIRMAN—You had only one question, Senator Hogg. It must be in several parts.

Senator HOGG—No, I did not say I had one question; I said that was the one question on the submission. Apparently the control and eradication of the Formosan lily is absolutely vital for the future of the island and the environment on the island. Do you have anything to put to the committee on that particular pest species?

Dr Mosley—No.

Senator HOGG—We seem to receive evidence that it was not being properly controlled.

Dr Mosley—It is just the latest species of concern. Norfolk Island, for many years, has tried to protect its relatively pest free status through quarantine and other measures because it was vital when agriculture was a more important part of its economy. For instance, the banana crop had to be protected against the importation of pests. This matter is dealt with in the conservation strategy for Norfolk Island, which I personally prepared and which I have given a copy of to the committee at an earlier stage as background material.

Senator HOGG—Have you submitted that to the administration on Norfolk Island?

Dr Mosley—Yes.

Senator HOGG—How has it been received?

Dr Mosley—It was well received but, quite frankly, I have been quite disappointed with the response.

Senator HOGG—Is it gathering dust on a shelf somewhere?

Dr Mosley—I helped the Norfolk Island Conservation Society draw up its first conservation strategy in 1988 and that was well received by the then assembly, with laudatory comments about it and so on. Whether notice was taken of it is another matter. In regard to this document, it was partly produced in January 2001 with a view to the development of the new statutory plan. I am very disappointed with the response to it from the planning team whose attitude towards it was, 'The Norfolk Island plan is meant to be a local plan.' This is taking a wider perspective.

Senator HOGG—What is a wider perspective?

Dr Mosley—It is taking a perspective that includes the national interest.

Senator HOGG—Could you explain that a little bit further?

Dr Mosley—It was made very clear to us by the Department of Transport and Regional Services that this was to be a regional plan. At first, the planning team recommended that organisations like the ACF should be invited to make a submission, but we understand that that idea was vetoed by the local Norfolk Island government and we were not invited to—

Senator HOGG—Why?

Dr Mosley—Presumably because it was a local plan.

Senator HOGG—Because you were seen as being outsiders?

Dr Mosley—Yes.

Senator HOGG—Mainlanders?

Dr Mosley—Yes, and having another agenda.

Senator HOGG—Would you go as far as saying ‘aliens’?

Dr Mosley—No; although I suppose you could say that if you want to. I got a letter from the minister saying that whilst our submission was not requested they were prepared to take it into account. It was a polite but reluctant acceptance of the fact that the ACF was busying itself with somebody else’s business. That was really the attitude.

Mr CAMERON THOMPSON—I want to change the subject. There is a balancing act between the environmental issues that you are a looking at and the economic issues in relation to the development and future of Norfolk Island. One of the things raised during our trip there, and apparently has been raised for years, is the creation of some sort of safe harbour somewhere on the island. Has the ACF looked at that?

Dr Mosley—The proposal has never reached a stage of finality. It has always been decided that it was too costly. When the Americans were interested they said, ‘Make Nepean Island into a kind of floating aircraft carrier. Make that into a harbour and build a breakwater from Nepean to the mainland.’ They were thinking big. But, since then, various proposals have been put forward for Emily Bay, Cascade and Ball Bay. The greatest interest has been shown in the development of Ball Bay because of its relative shelter, but because of the expense—I cannot quote you the latest figure off the top of my head—it has never reached a stage where that has been a serious proposal. We have been involved at various stages in things like the upgrading of the airport and so on.

Mr CAMERON THOMPSON—I am not asking you to comment on the cost or anything like that. Would the ACF have any direct objections to Ball Bay, for example, being turned into a harbour, regardless of whether it might cost too much?

Dr Mosley—I cannot answer that question, because the ACF has never considered it. I am sorry. You have probably seen Ball Bay.

Mr CAMERON THOMPSON—Yes.

Dr Mosley—It is surrounded by a public reserve. It is not on the Register of the National Estate as far as I know, and it does have certain amenity values. Basically it is seen as partially an industrial site, but it does have values at the back that have come into play with regard to the location of the crusher and so on.

CHAIRMAN—That brings questions to an end. Dr Mosley, on behalf of the committee, I thank you for your attendance here today. If there are any matters on which we might need additional information, the committee secretary will write to you. You will be sent a copy of the transcript of your evidence, to which you may make editorial corrections.

Dr Mosley—Thank you.

[11.33 a.m.]

MILLER, Mrs Virginia, Project Manager, Indian Ocean Territories, Office of Federal Affairs, Department of the Premier and Cabinet, Western Australia

CHAIRMAN—Welcome. These hearings are legal proceedings of the parliament and warrant the same respect as the proceedings of parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee has received submission No. 6 from the Office of Federal Affairs in the Department of Premier and Cabinet, Western Australia. Do you have any corrections or amendments to your submission?

Mrs Miller—Since the submission was written there have been some changes. I would like to speak to those, if I may.

CHAIRMAN—Before we do that, I will just say that the committee prefers that all evidence be taken in public but, if you wish to give confidential evidence to the committee, you may request that the hearings be held in camera and the committee will consider your request. Before we ask you some questions, do you wish to make an opening statement?

Mrs Miller—Yes, I have a very brief opening statement.

CHAIRMAN—Please proceed and take your time.

Mrs Miller—There have been no significant changes in the Western Australian policy to provide services on the Commonwealth's behalf in the Indian Ocean territories, but there have been some machinery of government changes since the submission was presented. I will go through those briefly so that, if you do read the update of the performance management reports produced by the Department of Transport and Regional Services, you will know what I am talking about.

Machinery of government changes to Western Australian departments have affected the operations of some organisations referred to in the June 2001 review report. Since the review report was submitted, the Department of Minerals and Energy, which changed to the Department of Mineral and Petroleum Resources, was amalgamated with the Department of Industry and Technology to form the new Department of Industry and Resources. Similarly, the Office of the Valuer-General no longer exists as a separate entity; it has been integrated within the Department of Planning and Infrastructure. The Department of Family and Children's Services has been renamed the Department for Community Development. The operations of the service delivery arrangements—I will refer to them as SDAs—have largely been unaffected by machinery of government changes, as there is provision in the SDAs for functions to transfer automatically to a new department. However, there could be a problem if a function is transferred to a department with which there is no existing service delivery arrangement, as the services could not continue to be provided without an established agreement between the state and the Commonwealth.

The SDA regime has been in operation for over a decade now and most of the Commonwealth's priority services for the territories are being met. There is a sound working relationship between the Commonwealth and the government of Western Australia for service provision and most of the logistics have been worked out. The production and circulation of the annual performance report of state agency services by DOTARS enables comparisons to be made over the years, if not with other comparable regions, and ensures greater transparency. The state has a vested interest in assisting the Commonwealth to the best extent possible with respect to the territories, because the perception of the general public of Western Australia is that the territories are part of Western Australia. So any action that the Commonwealth takes in respect of the territories has an impact on Western Australia.

CHAIRMAN—But that is only a perception?

Mrs Miller—Yes.

CHAIRMAN—Although the local government is Western Australian in both of the territories, isn't it?

Mrs Miller—No, the local government is actually a Commonwealth entity rather than a state entity. The local governments in the territories are Commonwealth, even though they operate under Western Australian applied law, which is Commonwealth law. So we do appreciate open communication with the Commonwealth on any matter which affects service delivery in the territories. I would like to present this statement to the committee.

CHAIRMAN—Are you tabling that statement in addition to your submission?

Mrs Miller—Yes.

CHAIRMAN—Is it the wish of the committee that that be accepted? There being no objection, it is so ordered.

Senator CROSSIN—Can I go to the issue of the renegotiation of the SDAs. I think that both you and DOTARS go to great lengths to say that the reviews are undertaken in consultation with stakeholders, including the residents, the shire council, industry representatives and so on. Is that correct? Does that happen with each and every one of the SDAs as they become ready to expire?

Mrs Miller—To some degree. Since the introduction of the annual performance reports, the need to have intensive discussion with all of the stakeholders seems to have been diminished by virtue of the fact that there is an annual reporting process in place and it is very time consuming and expensive to actually go back to the territories to request information from the stakeholders. It is done, but perhaps not as intensively as it was done at the outset.

Senator CROSSIN—Who takes the ultimate responsibility, though, for any flaws in the consultation and renegotiation of the SDAs? Is it a joint responsibility between the Western Australian government and the Commonwealth?

Mrs Miller—The Western Australian government only acts on behalf of the Commonwealth. Therefore, prime responsibility would have to be accepted by the Commonwealth government.

Senator CROSSIN—In our recent trip to Christmas Island, we had evidence from people who were involved in the youth club up there. You would appreciate that there has been a serious lack of social workers on the island for a number of months. A couple of mothers established a youth club, which they have operated for many years now. Their children are getting older and therefore their capacity to continue providing a service for youth on the island is diminishing. Yet they presented evidence to us that, when the Department of Family and Community Services—now the Department of Community Development, as your department has been renamed—renegotiated the SDA, they were never consulted. They were not aware that it was even being renegotiated. Subsequently, there is an anomalous comment in the SDA about the adequacy of the services for youth on the island. They were fairly astounded about that. Is that something that your government takes up or would show some concern about or do you ultimately just sign on the dotted line, as it is really the Commonwealth's problem?

Mrs Miller—Of course, we are always concerned, because, as I said, we have a vested interest in providing the best service possible to the Indian Ocean territories on behalf of the Commonwealth. With respect to community development, the only services that the state provides under that service delivery arrangement are supervision and support services to the social worker on the island. That social worker has access to the range of community development and emergency phone numbers and referral services as well as the training that is provided to the social workers in Western Australia, but—

Senator CROSSIN—What happens where a social worker is absent over a period of many months? Does the SDA provide for that?

Mrs Miller—Unfortunately, that is a situation which occurred not last time but the time before that. We try to provide a gap service, but we do not provide social workers from Western Australia to actually fill the gap, as they might do in a region in Western Australia.

Senator CROSSIN—So, where there is no social worker on the island, the SDA is inadequate to compensate for that lack of provision of service?

Mrs Miller—That may well be the case, and that is something we would need to take up with the Commonwealth. But the scope of services that we provide are limited to providing supervision and support services to the social worker on an island who is a Commonwealth employee, not a state employee.

Senator CROSSIN—When the SDAs are due to be negotiated, though, is there someone within your office, for example, who may well have fielded complaints or suggestions from people in the Indian Ocean territories about ways in which the SDAs can be improved?

Mrs Miller—Not really, because the way the service delivery arrangement set-up applies is that the Commonwealth liaises with the Indian Ocean territories and I am the link between state agency service providers, so that all of the feedback regarding Commonwealth services generally goes to the Commonwealth rather than to the state. We do have joint meetings and we do have discussion over the types of services that will be provided, but the state agencies—

Senator CROSSIN—That is what I am getting at. When you have these discussions, on what do you base your ideas about provision or improvement of services? How are those ideas—which then, I guess, become the basis of the SDA—formulated?

Mrs Miller—With the development of the service delivery arrangement, we negotiate with the Commonwealth because the Commonwealth has to have some idea of the types of services that it wants to contract the state for. Generally, before there is a service delivery arrangement in place, there is a visit made by the state agency to speak to its client group and to discuss what the population on island wants. Then the service delivery arrangement is actually prepared and executed.

Senator CROSSIN—So you are saying to us that you are actually just the engine room providing what the Commonwealth requires and, if there are any deficiencies in that, we should best direct our questions to the Commonwealth. Is that right?

Mrs Miller—Yes, that is true.

Senator CROSSIN—From the evidence we have taken and from my experience over a number of years, the way in which the SDAs are evaluated and renegotiated is, in some areas, quite inefficient and ineffective. They do not seem to reflect in some areas exactly what is needed on the island or what is actually occurring on the island that you would expect the SDA to support and back up.

Mrs Miller—Certainly, if there are comments that come from today, I think that the Commonwealth and the state would be very happy to hear what those deficiencies are.

Senator CROSSIN—Whether they do anything about it might be another thing! Has the Western Australian government been involved in any discussions with the Commonwealth about incorporating the Indian Ocean territories under Western Australian control?

Mrs Miller—The Prime Minister wrote to the Premier of Western Australia in, I think, 1999, asking what the state's preliminary thoughts might be, but the state has not entertained any notion of incorporation. I do not believe that there has been a formal request.

Senator CROSSIN—There have not been any ongoing discussions about incorporation?

Mrs Miller—No.

Senator CROSSIN—It is just that answers that we got back from the territories and local government division of the Department of Transport and Regional Services, even just last week—they are signed by Mike Mrdak—make some very interesting statements about outsourcing and privatisation issues. They talk about the Commonwealth reviewing the administration and governance of the territories. They say:

.. the Commonwealth's preferred long term solution for the Territories is the incorporation of the IOTs into an existing State or Territory, with WA as the preferred option ...

But you are saying there has been no approach.

Mrs Miller—There has been no official approach to the state on the matter. I know that it has been mooted for a long time that incorporation into Western Australia might be a possibility and in fact that was why the Western Australian legal regime was applied. But if officers talk of it, it is at a different level to a proper approach being made at a political level. An approach at a political level has certainly not been made.

Senator CROSSIN—So are there in fact discussions occurring between officers of departments at a level other than an operational level?

Mrs Miller—No. Certainly the only discussion I have had with DOTARS has been in relation to the possibility that we might streamline the current service delivery arrangement system. We are looking at ways of doing that, but that only looks at the possibility of having a whole-of-government service delivery arrangement, an MOU or something that is a little more easy to manage, because we now have 30 service delivery arrangements. But there has been no talk or speculation of incorporation at this point, and there would not be any discussion by DOTARS with any other state agency on the matter.

Senator CROSSIN—Thank you.

Senator SCULLION—Can you give me a broad brush understanding of the nature of the services that you are responsible for delivering under SDAs on West Island?

Mrs Miller—All the services that are developed under service delivery arrangements apply to all the territories—Christmas Island, Cocos Island, West Island and Home Island.

Senator SCULLION—So it would be reasonable to say that quite a large percentage of all services that are delivered to West Island are delivered through Western Australia.

Mrs Miller—Through state agencies, yes.

Senator SCULLION—Do you have an understanding of the demographics of the population between Home Island and West Island?

Mrs Miller—Yes.

Senator SCULLION—Could you share those with us? Where are most of the services delivered?

Mrs Miller—I am sorry, but I do not understand what you are asking.

Senator SCULLION—As I understand it, the population of Cocos (Keeling) Islands is spread between West Island and Home Island.

Mrs Miller—Yes.

Senator SCULLION—Where would most of the services—for example, medical services, education facilities and those sorts of things—be delivered? Where would they be located?

Mrs Miller—Education services are certainly located on West Island. That is something that you would need to take up with the Commonwealth. The state has no control of—

Senator SCULLION—I am just going to location. I made some observations when I was there, but I thought you might have some specific information. So it would be reasonable to say that most of the services are located on West Island.

Mrs Miller—They are located equally on West Island and Home Island, but proportionally it might not be the right sort of mix, because it treats the islands as equals, and obviously the islands are very differently populated.

Senator SCULLION—On the ferry, for example, I met a couple of people who were going from Home Island to seek medical attention on West Island. The reason for this preface to my question goes to the issue of transportation. It appears that a larger number of people reside on Home Island, yet many services are on West Island, which is fine. There appears to be a push, or certainly there have been suggestions, that the ferry service that connects the population with the services now goes to full cost recovery of some form. This is the Commonwealth's suggestion. The submissions that the committee heard on Home Island particularly said that, if the ferry service went to full cost recovery, it would cost some people, including part-time workers, up to 50 per cent of their wages, and that could possibly bring a disincentive to travel. If you have to pay for your travel to access these services, people would perhaps be disinclined, because of the simple lack of capacity, to avail themselves of those services. Are you aware of that situation?

Mrs Miller—I am aware that for a long time there were no costs associated with ferry travel. It is just recently that the Commonwealth has tried to normalise the islands, because there are very few free travel services, other than the Cat service in Western Australia, which people do not have to pay for. I take your point, but I am afraid that is something that the state has no control over or involvement in.

Senator SCULLION—This is an opportunity for you to comment on that, and that is why I am going to these issues, because you have a good grounding in that.

Mrs Miller—Yes, I do.

Senator SCULLION—You are responsible for the delivery of services and, as there are some issues that the Commonwealth may be considering that could have an impact—particularly a negative impact—on those services, I think it is very important that we take note of that. Personally, I think that it is a very important part of what is happening there. Have you received any information, comments or complaints that there may be a negative impact from full cost recovery from the ferry and access to services?

Mrs Miller—No, nothing has come to me personally.

Senator SCULLION—'Normalisation' is an interesting term. Do you know of any other communities, perhaps in Western Australia, which are similar in terms of services and population, although perhaps not distance? Would it be reasonable to say that the only way that most people can travel between West Island and Home Island would be via the ferry?

Mrs Miller—Yes.

Senator SCULLION—To me, normalisation means, ‘Let’s make access to services the same as in Western Australia.’ Do you know of any other places in Western Australia that would be geographically excised, if you like, with regard to services and population? Do you have any examples of that which you could tell us about?

Mrs Miller—This has been a conundrum for the territories in that it is very difficult to identify a locality that meets the uniqueness of the territories in its dimensions. That is what makes comparing services so difficult. I do not know of any Western Australian locality that would be commensurate with what you are describing.

Senator SCULLION—In this so-called normalisation process, is there some sort of process that takes into account unique aspects, such as geography or the positions of services? You could therefore say, ‘In the normalisation process, we have to give this particular area a particular category.’ Normalisation is supposed to be a positive thing. Have you considered saying that there are some examples or communities or circumstances which we would exempt from some of the normalisation processes? Have you considered some of those issues?

Mrs Miller—I have not but, if you would like me to consider that particular issue, I could take that issue on notice.

Senator SCULLION—I would appreciate that.

Mrs Miller—Would it be possible to have the description of that particular question sent to me?

Senator SCULLION—Yes.

Mrs Miller—Thank you.

Mr SNOWDON—Under this SDA for family and children’s services, is there anyone responsible for the full range of children’s services and services for women, such as you might fund, for example, under SAP funding from the Commonwealth? If there is, who makes the applications and who provides the services?

Mrs Miller—The service delivery arrangement for family and children’s services, which is now called community development, is a limited service delivery arrangement whereby only support and supervision services are provided to the social worker who is based on Christmas Island.

Mr SNOWDON—Under these current arrangements, how do the families of people on Christmas Island and the Cocos Islands get access to the full range of family services they could otherwise expect if they were on the mainland?

Mrs Miller—At the moment, the Commonwealth, the community development people and I are going to be discussing the possibility of services like a child-care centre and a number of other services. But I do not know if that covers the particular service that you are referring to.

Mr SNOWDON—I am thinking of the whole ambit, because it becomes fairly obvious that there are no arrangements currently in existence which provide people with access to the same level of services they could expect if they were on the mainland.

Mrs Miller—That is true.

Mr SNOWDON—That is the issue. What I am seeking guidance on is how we could achieve that objective.

Mrs Miller—That sort of question is perhaps something that the Commonwealth and the state could follow up on, and it is another one that we could take on notice.

Mr SNOWDON—In the context of submissions we had on the Cocos Islands, you might want to contemplate the lack of children's services and recreational facilities for the community generally. I am not certain as to where that falls, but there was a very strong submission from a person on West Island on the Cocos Islands about the lack of services like no basketball court, no real football oval, no indoor recreation facilities, and the same is true on the other Cocos Islands. There are large numbers of young people, a lot of whom are unemployed, and clearly there are attendant issues which go with that. The same is not quite true for Christmas Island because money is going to be spent by the Commonwealth on a recreation facility, but it is true for the Cocos Islands. Knowing how to address those issues would be useful to us.

Mrs Miller—I know that on the mainland those types of services are quite often provided by local governments.

Mr SNOWDON—I understand that, but there are also Commonwealth services and state services currently available that they do not get access to. You will come back to us on that.

Mrs Miller—Certainly.

CHAIRMAN—I have been out to the Indian Ocean territories on quite a number of occasions. I see there is an analogy between the terrestrial problems on the mainland—and I could give you some examples: Laverton and Warburton Ranges and all those communities around Warburton Ranges such as Kalumburu, Kununurra, Newman and Jigalong. Have you looked at those isolated areas—although there is no sea between them, there is a great distance between them—to see how they cope with problems associated with isolation? One of course is the delivery of medical services to Jigalong, Kununurra, the Warburton Ranges area, which includes Wingelinna and perhaps Docker River—although that is across the border—Jameson, Warakurna and Blackstone among others, where the RFDS flies out to these places regularly incidentally. Have you looked at delivering some health services in conjunction with the federal government in that regard?

Mrs Miller—The state is not involved in the provision of health services to the Indian Ocean territories.

CHAIRMAN—I understand that, but the RFDS is based in Western Australia and would probably need some assistance or concurrence with the state government and from that point of view, Kalgoorlie of course springs to mind. Have you looked at utilising those areas or would you be amenable to an approach on that basis?

Mrs Miller—The state is amenable to looking at service delivery in all its forms as long as it is cost neutral to the state. If the state perceives that it is out of pocket in any arrangement, it will not be forthcoming in providing that particular service. I do not know that the Royal Flying Doctor Service is subsidised to a degree that it would be able to provide the services to the territories and that is something for the Commonwealth to pursue.

CHAIRMAN—What do you think of that suggestion? Do you have any comment with respect to that?

Mrs Miller—Am I allowed to?

CHAIRMAN—Yes, you are. You can say whatever you wish. You have parliamentary privilege.

Mrs Miller—My opinion is that if services are not taken away from Western Australia in a critical fashion and the Commonwealth subsidises the cost of those services, I cannot see any reason why that service could not be extended to the territories. But of course there may be a whole lot of reasons that the Commonwealth has considered and rejected because they are untenable or impossible to achieve.

CHAIRMAN—Perhaps it needs more liaison between the Commonwealth and the Western Australian government—your department, for instance.

Mrs Miller—All contact with agencies is made through the Department of Premier and Cabinet.

CHAIRMAN—I have a question with respect to the department's responsibilities, which include monitoring the phosphate mine and the marine aggregate mine on Christmas Island and their infrastructures, particularly with respect to roads. Two directives were issued by the DME offices in 1999 and 2000 that dealt with mine defects. Are you familiar with them at all?

Mrs Miller—I might not be familiar with the particular issues, but I know that the department does investigate mines.

CHAIRMAN—Perhaps you can take this question on notice. The defects at those two mines—one is a quarry and one is a mine, albeit open cut—involved excessive dust, and what was termed 'structural integrity of the ship leading plant'. The committee would like to know whether these defects have been rectified and whether any further inspections have taken place since the orders were issued in 1999 and 2000. Would you take that question on notice?

Mrs Miller—Certainly. I think there have been visits since 1999.

CHAIRMAN—We would like something a little more certain.

Mrs Miller—Yes.

Mr SNOWDON—I note there is normally a committee that reviews SDAs which includes you, someone from the Commonwealth and someone from the appropriate state agency.

Mrs Miller—Yes.

Mr SNOWDON—Are you satisfied that the review process gets sufficient input from the communities?

Mrs Miller—I explained to Senator Crossin before that, since the introduction of the performance management manuals, we have not been as intensive in our consultations with the communities. If that is a criticism of the way the reviews are conducted that can certainly be addressed. But we were trying to cut a bit of cost.

Mr SNOWDON—I appreciate things from your point of view; I think the Commonwealth bears this responsibility, not you. I presume that certainly some of my colleagues, if not all, would share the view that there is an absolute need to have the communities integrally involved in the review of these SDAs because they are the ones who will be most affected by them.

Senator HOGG—I think that came out clearly in the hearings that we had.

Mrs Miller—Yes. The communities want to be consulted on these issues more than they are currently,

Senator HOGG—In some instances they felt they were not consulted at all; in some instances it may be a matter of perception as to the reality of what happened.

Mrs Miller—That is true. We do offer the opportunity for anyone to comment or to make a submission, just like here, whenever we do a review. So there is an open invitation. It is quite rigorously publicised.

Senator HOGG—Yes, but they might not have the same rigorous approach that you might expect from someone who might make a submission from somewhere else when dealing with those issues. It may well be that, if you are expecting a fairly disciplined submission which is formatted and in accordance with what you and I might expect of a submission, you may not get that. So the format may even be an oral submission from these people, by way of consultation, because they may not have the capacity, the means, the time or whatever it might be to put the submission into a formal sense. You might take that into account when you look at your processes.

Mrs Miller—Yes, certainly. I would just say that when state officers provide services to the territories they generally take on board the comments of the people that they are dealing with. Therefore, all of that information is captured and gathered in these reports. We always try to look at future directions and gaps in service, but at the end of the day we are just agents of the Commonwealth providing services on behalf of the Commonwealth.

Senator HOGG—We accept that. It was not a criticism.

Mrs Miller—No, of course not.

Senator HOGG—It was just something that was raised, quite legitimately.

CHAIRMAN—Mrs Miller, you will be sent a copy of the transcript of your evidence, to which you may make editorial corrections. On behalf of the committee, including Mr Snowden, I thank you very much for your attendance here today.

Proceedings suspended from 12.11 p.m. to 12.30 p.m.

EARLY, Mr Gerard, First Assistant Secretary, Approvals and Wildlife Division, Environment Australia

HICKS, Mr John William, Assistant Secretary, Parks Australia South, Environment Australia

HEFFERNAN, Dr Ken, Acting Director, Historic Heritage Management Section, Australian Heritage Commission

LEAVER, Mr Bruce Herbert, Executive Director, Australian Heritage Commission

CHAIRMAN—Welcome. These hearings are legal proceedings of the parliament and warrant the same respect as the proceedings of parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee has received a submission, No. 9, from the Department of the Environment and Heritage. Are there any corrections or amendments that you would like to make to your submission?

Mr Early—No.

CHAIRMAN—The committee prefers that evidence be taken in public, but if you wish to give confidential evidence to the committee you may request that the hearings be held in camera and the committee will consider your particular request. Before we ask you some questions, do you wish to make an opening statement?

Mr Early—No.

CHAIRMAN—As no-one else present wishes to make an opening statement, we will move to questions.

Senator SCULLION—Mr Early, I will start with Norfolk Island and then move to Christmas Island. On Norfolk Island there has been some discussion about a capacity for the transfer of crown land to freehold land. It may have the capacity to change the way in which we regulate or control the activities upon that land—following an impact on the environment. Could you give me your view of whether or not transfer to freehold land will give the Commonwealth less confidence in being able to control the behaviour and activities upon that land.

Mr Early—I do not think it would make much difference, in the sense that the Environment Protection and Biodiversity Conservation Act 1999 applies to the island and applies to Commonwealth land and private land. The threshold for the application of that legislation is having a significant impact on one of the matters of national environmental significance, or the environment, on Commonwealth land, and those matters of national environmental significance apply equally to both private and crown land.

Senator SCULLION—On which particular biodiversity aspects and icon species on Norfolk Island do we need to be very careful about ensuring appropriate triggers in the context of the Environment Protection and Biodiversity Conservation Act?

Mr Early—I would not like to be too specific, because the act applies to any listed species or ecological communities. One of the matters we have discussed with DOTARS is, if there were to be a transfer, the people the land was transferred to would be made aware of their responsibilities under the EPBC Act. That responsibility relates to all the listed species.

Senator SCULLION—Across Australia there has been a move to look at how you can deliver environmental land management outcomes in smaller areas—lots of farms are getting broken up into subdivisions. They are the sorts of things we are discussing at the moment. Will there be a requirement for an individual management plan in regard to the environment for the smallest breakdown of a subdivision? At what point is there no longer a requirement? If you buy a block of land and there is a bit of rainforest on it, do you have to have a management plan or will it still be under the Environment Protection and Biodiversity Conservation Act?

Mr Early—As far as I am aware, there is currently no requirement for a management plan. Basically, the requirement will not change. If there is an action likely to have a significant impact on one of those listed species then it would need to be referred under the EPBC Act. I use listed species just by way of example. Of course if it was a significant impact on any of the matters of national environmental significance it would be referred and go through an assessment process. That may well end up with some requirement for a management plan, but it is not a requirement that exists in total.

Senator SCULLION—We heard evidence that the island has already been significantly impacted on over history in an environmental sense. The environment has changed substantially. There are a number of evident areas of high biodiversity value. That is arguable—at a glance it might be all weeds; it might not be anything—but there certainly appear to be areas of high biodiversity value. The breaking up of land into smaller subdivisions may not necessarily trigger the act, nor may the complete removal of the biodiversity value of those areas be able to demonstrate that it has an impact on icon species or on any of those issues. I have no confidence that breaking up those parcels of land and then a lot more people making decisions about those areas of biodiversity on their land—they are not necessarily and have not been identified as areas of icon biodiversity—will necessarily have an impact on a species range, on an icon or an endangered species. There is no direct correlation between them. So in a practical sense we have broken down the land. There is a lump of forest up there and stuff happening over there, but it destroys the view a bit so I will just knock that down—it'll be okay—and clean that up. That action may not necessarily trigger anything under the Environment Protection and Biodiversity Conservation Act, because it is very hard to connect that directly with endangered species, icon species or a biodiversity conservation value area.

Mr Early—I would not necessarily agree with that. We have examples elsewhere in Australia where quite small developments have triggered the act because of their impact on particular species. I would agree with you that, by and large, if you are looking at smaller blocks there is less likelihood of a significant impact, but that is not necessarily the case.

Senator SCULLION—I may have a misunderstanding about this and you can perhaps clear it up. So any activity on that land—for example, clearing a bit of land—because it will all come under the Environment Protection and Biodiversity Conservation Act, would trigger scrutiny under the act?

Mr Early—Any action on Norfolk now or subsequent to any land transfer would trigger the act if it were going to impact significantly on one of the matters of national environmental significance. It is the same situation for the rest of Australia.

Senator SCULLION—So you would be breaking the law if you went about those sorts of activities without first complying with the act?

Mr Early—That is right. If you were going to take an action that was going to have a significant impact, yes. I stress that significance threshold as being quite important.

Senator SCULLION—You would have to inquire as to whether that was significant or not. For example, I may not think it is significant; it just blocks the sea view. So there is a requirement to—

Mr Early—The legal requirement is on the person proposing to take the action. So if, for example, you believe that your action is not going to have a significant impact then you do not have to refer, but then third parties could take action against you.

Senator SCULLION—Say I get up in the morning on a Sunday, and I am feeling a bit keen about the chainsaw; I do not feel there is any particular need to refer this. Am I within the law to crank it up and get into it?

Mr Early—You may not be. You may be prosecuted for breach of the act. Just because you knocked the rainforest down does not mean that there is no breach. You could be prosecuted and in fact required to make compensation.

Senator SCULLION—So there is effectively no threshold trigger to say that before you commit an act you must get some sort of permission for or some scrutiny of what you are about to do?

Mr Early—It is a matter of judgment as to whether you think what you are going to do will have a significant impact. If you do or are close to thinking that it does, I would suggest that you contact Environment Australia and we will come and talk to you and give you advice. That is the sort of thing that happens all the time throughout the rest of Australia in all sorts of land tenures.

Senator SCULLION—The feral chooks on the island are obviously manifestly a part of the environment. I understand they have been there for a long time. What are the other principal feral animals that infest Norfolk Island? Are there any others?

Mr Hicks—I worked on Norfolk Island for four years in the eighties. Norfolk had a bad history of ferals—

Mr SNOWDON—People?

Mr Hicks—starting with the pigs, goats and rabbits that were released on Philip Island. Philip Island, which adjoins Norfolk, was known as ‘Pig Island’ in the early 1800s because of the number of pigs on it. The pigs pretty well knocked off a lot of vegetation, and what they did

not knock off the goats followed up with and then the rabbits stopped the rehabilitation. The predecessors of Parks Australia got rid of the rabbits on Norfolk Island. We got rid of the last rabbit twice—in 1986 and again in 1988.

Senator SCULLION—Keen rabbit!

Mr Hicks—You cannot be too careful with them, because they breed like rabbits!

Senator HOGG—It is good to have a bit of levity today!

Mr Hicks—There has been good regeneration on the island since. On the main island, Norfolk, the principal feral concerns are the ships' rat; the Polynesian rat, to a lesser extent; and feral cats. We have got control programs for all of those in the national park. Weeds are the other area of concern, and we have major weed control programs going on in the park and ecological restoration work. It is being done on a systematic basis. It has been going on since the mid-eighties and has been quite successful.

Senator SCULLION—So you are fairly confident that you are gaining ground?

Mr Hicks—Yes, we are. It is a systematic, long-term approach and is starting to bear fruit.

Senator SCULLION—Out the front of the KAVHA area there is a significant and historic shipwreck site that is a registered site. Have there been any moves to perhaps capitalise on that? I understand that the area between the historic wreck site and the KAVHA foreshore is used a lot for glass-bottom boats and there is a sheltered area for tourists. Can you tell me the status of the marine protected area of that? Is it all Commonwealth? I was not quite able to glean that from the evidence on the island. What is the actual status of that whole area?

Dr Heffernan—I understand that the area of the shipwreck is protected by the Historic Shipwrecks Act.

Senator SCULLION—But I understand that the protected area and the shipwreck itself do not even come to the foreshore; it is an identified area that deals with issues about the ship. Is there any scope to extend the protection afforded by the shipwrecks act, under a marine protected area, that could in fact cover the foreshore in that whole area?

Dr Heffernan—Whilst I do not know enough about the marine protected areas, I do know that it is an area within the Commonwealth jurisdiction, within which the Historic Shipwrecks Act 1976 applies. Because of a declaration under the Historic Shipwrecks Act, it applies to any shipwreck that is 75 years old, or older; therefore, that applies specifically to the *Sirius* wreck, which is of course very important in Australia's history.

Senator SCULLION—There has been quite a lot of discussion about the Indian Ocean territories and the lack of a triggering of the Environment Protection and Biodiversity Conservation Act in a number of actions. In fact, the Commonwealth government issued an exemption, particularly with regard to both the space base and the IRPC.

Mr Early—There is an exemption for the IRPC and related infrastructure, but the space base went through a formal assessment process under the old Environment Protection (Impact of Proposals) Act and is subject to quite detailed conditions.

Mr SNOWDON—Can you specify what are the associated works, because they will not all happen, will they?

Mr Early—Possibly not. It is basically the establishment and ongoing operation of the centre itself, together with associated services and infrastructure; the design, construction and operation of the IRPC; construction of additional housing and associated infrastructure for staff and other persons located within or immediately adjacent to the existing residential settlement in the north-east corner of Christmas Island; works associated with the laying and operation of cables, pipes and other infrastructure within the currently cleared corridor along the road that commences as Murray Road, the road that goes past the site; and construction and operation of a temporary construction camp on the area of land just near Irvine Hill and Phosphate Hill.

Mr SNOWDON—What about the port?

Mr Early—The port has been subject to assessment under the EPBC Act.

Mr SNOWDON—And the road?

Mr Early—Similarly.

Mr SNOWDON—And the new airport?

Mr Early—Yes.

Mr SNOWDON—So that has all been done, subject to—

Mr Early—Yes.

Senator SCULLION—Whilst the IRPC did not trigger an action because of an exemption issued by government, when I asked Mark Bennett—an environmental assistant and very informative young man from the island who seems to be fairly well across those issues; I can't really recall who employs him—about whether the IRPC had had an impact on the flight path of the Abbott's booby, which is the major issue he was looking at, he said that it had not, principally because the area had been previously mined and so on. Are there any other issues that you believe may have been picked up under the Environment Protection and Biodiversity Conversation Act but were not because they were exempt? What mischief could we have avoided?

Mr Early—I think we would have ended up with pretty much the same outcome if we had gone through the formal process. Basically the government has committed itself to best practice environmental management of the centre. There is an environmental management plan and there is an IDC, which Environment Australia sits on. We are giving advice, albeit on an informal basis, on basically most of the aspects of construction. So we would say that the

outcome is still quite good as far as the environment is concerned. It is really the formal assessment processes that have not been gone through.

Senator SCULLION—I have to congratulate Environment Australia and the island on working so closely together to come up with some innovative ways to stop squashing the crabs on the roads. It is a fantastic outcome. Do you think the resources that you are issued with are sufficient—notwithstanding the normal response that, no, the resources are not sufficient; I am interested in a more considered response—to deal with the ongoing challenges of managing the environment along with the activities of the people on the island?

Mr Early—You can always have more resources—

Senator SCULLION—But more specifically.

Mr Early—Essentially we are operating through Parks Australia, which, as you know, has a presence on the island. Funds are going to be made available for long-term monitoring by Parks Australia, when the centre gets up and running. So I think we are handling things at the moment. As I say, we can always do with more resources. Obviously this is a priority for the government and we are making sure that we fit in with that priority.

Senator SCULLION—I have one last question. On the Cocos (Keeling) Islands—and this is more of a heritage question—we took evidence that it was decided by the heritage process that the four busts of Clunies Ross and the proclamation board at Oceania House were not to be sold off with the house because they were icon objects of some sort. My understanding of the heritage act and associated processes is that most of these objects have little value outside their context. The current context, as I understand it, is that they are sitting in a cardboard box in a fairly unprotected place on the island. The person who gave evidence had actually purchased the house, and certainly our visit to the house would indicate that he has the very best intentions of fully restoring the heritage value to be able to open a section of the house to the public for quite some period of time. That seemed to be his proposal. The busts and the proclamation board are a significant part of that heritage-in-context situation. I would certainly like to hear of some ways that we could perhaps give him some assurance that they can be returned to the house at some stage.

CHAIRMAN—The new owner is Mr Lloyd Leist.

Mr Leaver—It is encouraging to hear the owner's wishes there. The basic problem is that the management of Commonwealth heritage has been very poor, to say the very least. In fact the previous government commissioned an inquiry and a report, known as the Schofield report, into the management of Commonwealth heritage which found that, while the Commonwealth were never reluctant to tell states and territories how to manage their heritage, they did not manage their own heritage. The correction of that is one of the matters covered in the bills currently before the Senate setting up a new heritage regime. That includes, in relation to Commonwealth and national heritage, the notion that for a heritage place that place includes the contents of the place relevant to the values of the site. So for the first time not only will Commonwealth heritage be protected but also the features, articles, items and related infrastructure that are very important to that place will receive protection. It is a long overdue initiative. That includes protection of heritage in the sale of common property. So at the moment, until those bills are

passed, there is very little protection afforded to Commonwealth heritage. But once those bills are passed thankfully we will have a decent Commonwealth heritage protection regime.

Senator SCULLION—Perhaps that is a question on notice, but I am sure that the secretary, through the chair, would supply the *Hansard* record of the evidence we took on the Cocos (Keeling) Islands. I would like you to look at those circumstances and take particular note of the fact that this individual does not ever want to own these things; he just wants them viewed in the context. If we just leave that as having been an interesting submission, that is one thing. I think he is asking us—whether or not it is appropriate—to take some action on this. I would certainly appreciate it if you could get back to us on that.

Mr Leaver—We would be pleased to follow that up. A lot of heritage in Australia is protected through the goodwill of people like that.

Senator HOGG—I have a question following on from that. Given that the legislation is still to be passed and given that these items were removed prior to the operation of the legislation, can the legislation then operate in a retrospective sense?

Mr Leaver—No, not if the place is private property, but it can certainly operate in retrospect in relation to existing Commonwealth heritage. An outstanding example of Commonwealth heritage would be Old Parliament House. A lot of very important furniture and other items are associated with Old Parliament House are no longer within Old Parliament House. We would certainly try to ensure that the listing of Old Parliament House as a Commonwealth heritage place would include those items that had been removed.

Mr SNOWDON—Including the people?

Senator HOGG—You might find yourself back there as an exhibit!

CHAIRMAN—They would probably have to tape your mouth up, Mr Snowdon!

Senator HOGG—I have a question which was raised with us on Norfolk Island about the Formosan lily, which has been a real problem since it invaded the island. Can you give us some sort of indication about the extent of the problem and whether it can be eliminated? We seem to get evidence that it is out of hand.

Mr Hicks—I know that, within the park, we have been doing control work on that. It is one of those plants that tend to like the edges and the open areas. We have been doing intermittent control work.

Senator HOGG—It also likes the difficult-to-reach areas, I am told. That is why I am inquiring about it.

Mr Hicks—Yes. We have been doing control work within the park, but island wide I am not aware of any major control. Certainly, within the park, we have been doing work on it.

Senator HOGG—But it is useless if you have a control program within your park and there is no containment program operating on the rest of the island. So it would help if you could find

out if there is a containment program operating on the rest of the island and what sort of interaction there is between your program and any island program.

Mr Hicks—I will do that. Within the rest of the island there is some work done on the reserves through the Norfolk Island administration, but I can get back to you on that.

CHAIRMAN—So you will take that on notice, Mr Hicks?

Mr Hicks—Yes.

Mr SNOWDON—Can I just make a comment on the point about the busts and the nameplate. I have subsequently had a discussion with the CEO of the shire council. They are quite amenable to allowing them to be shown or put in his place—on temporary or permanent loan, if need be—after discussion. But, unusually, there has been no discussion. You would have thought that, in a small community, that could have actually been organised. So that is an issue for them. I think that, as a result of the hearing, we are going to be contacting the shire council and asking them to pursue those discussions. So that might accommodate that issue immediately, but it is good to hear that legislation will address the issue in the longer term. As Mr Early will no doubt recall, the history of the ownership of that particular property has been long and tortuous. I have a question about the register of national interest database. On it is the Malay Kampong group settlement on Christmas Island. What in fact does that mean?

Mr Leaver—I think you mean the Register of the National Estate database.

Dr Heffernan—The places on the Register of the National Estate essentially have gone through an assessment process. Once they have a status of 03 as included on the register or a status of 02, then they are given protection under section 30 of the heritage act against actions by Commonwealth agencies—the provision does not apply any more widely—and that is an obligation on Commonwealth agencies not to act in a way that would adversely affect the values of that place unless there is no prudent and feasible alternative and, if there is no alternative, to minimise the effects.

Mr SNOWDON—Could you describe the geographical limits to this?

Dr Heffernan—I would have to provide a map, I think, from the Register of the National Estate in order to define the specific area of the precinct. But I am aware that it comprises a number of properties and the grounds associated with those properties.

Mr SNOWDON—When you do, could you provide us with advice on whether or not it is appropriate or otherwise for the Commonwealth to deal with third parties who might want to do something to that estate? In other words, the government makes a decision about what might happen to a particular area—

Mr Leaver—The current act is the Australian Heritage Commission Act 1975. In fact, that provides very little heritage protection, which is another reason that the bills are before parliament. It confines the commission's role to offering advice to Commonwealth agencies. Correct me if I am wrong, Dr Heffernan, but in this case the agency would be the shire. We offer a lot of heritage advice to the shire in relation to possible developments, but certainly there is no compulsion to give effect to that advice.

Mr SNOWDON—I expect your advice would be to DOTARS—

Dr Heffernan—The shires of Christmas Island and Cocos (Keeling) Islands are Commonwealth authorities for the purposes of the AHC Act. Therefore, they have the obligation to refer a matter to the commission for comment if that action might have an adverse impact on a place in the register.

Mr SNOWDON—So the administrations on Christmas Island and the Cocos (Keeling) Islands are separate and the shire council is not—is that what you are saying?

Dr Heffernan—The administration is also, I understand, a Commonwealth authority.

Mr Leaver—It depends who is proposing the action.

Mr SNOWDON—I appreciate that. I am just trying to establish, and I would be interested to see, what areas are covered. If you could provide us with the geographical limits to all of the sites on Christmas Island, I would be most appreciative.

Mr Leaver—Yes, that is on the database.

Mr SNOWDON—I want to go to a couple of questions which are of common interest and which have been asked by Senator Stott Despoja, who is not here. They are in relation to the crazy ant and aerial baiting and how successful or otherwise that has been.

Mr Leaver—Mr Hicks has all of that information.

Mr SNOWDON—Please tell us about that.

Mr Hicks—It has been a terrific success.

Mr SNOWDON—That is good.

Mr Hicks—We have spent \$1.5 million over a number of years on baiting the crazy ant—most recently, we have been aerial baiting. The super-colonies of the ant were affecting about 25 per cent of the remaining rainforest and they were killing off the land crabs, which are the keystone species for Christmas Island. When you kill the land crabs off you change the whole dynamics of the rainforest ecosystem, because the crabs selectively browse on the emerging seedlings. In fact, they are like the housekeepers of the forest. You change the whole look of the forest where you have these super-colonies of crazy ants. The baiting was done in a carefully targeted way to avoid non-target impacts. We used decoy lures for some of the robber crabs, because we thought they could have been impacted upon. As far as we can make out, it has been a success. We are still going to have to spend money over the next three or four years to keep monitoring. But I think, at the moment, we have controlled a major impact on the whole Christmas Island rainforest ecosystem, which is unique because it has that crab-dominated influence.

Mr SNOWDON—So the aerial spraying was very effective?

Mr Hicks—The aerial baiting has been very effective, supplemented with a lot of intensive groundwork and a lot of preparation.

Mr SNOWDON—There are similar sites on the mainland, are there not, such as at Nhulunbuy?

Mr Hicks—There are some in Nhulunbuy, up in that north-eastern part of Arnhem Land. There has been some attention to that recently. I think the CSIRO has put out a report on that. We have that report and we are currently having a look at a proposal that relates to that.

Mr SNOWDON—But, to your knowledge, has it had the same dramatic impact? As I understand it, that colony has been there for quite some time.

Mr Hicks—The colonies on Christmas Island emerged in the late 1990s. Those ants had been around for about 50 years. They had been trickling around, as invaders do, not doing very much. Then, for whatever environmental reasons, the ant population exploded and became significant.

Senator HOGG—Do they have a natural predator?

Mr Hicks—They are what are called tramp ants. Christmas Island would not have had an ant fauna originally, so all the ants that are there at the moment are tramp ants. They have come in with human settlement. There was a bloke called Hal Heatwole who did some work on tramp ants there in the early 1980s. His hobby was ballroom rollerskate dancing, so I remember him quite well. I went around a little bit with him, so I have an interest in tramp ants.

Mr SNOWDON—What about feral cats?

Mr Hicks—We have feral cats on Christmas Island. In terms of a significant environmental threat, I would not rate them all that highly. I did a lot of feral cat stomach content analysis back in the early 1980s over there. At that stage they were mainly eating road-kill crabs and invertebrates.

Senator SCULLION—How do they go in close combat with a Christmas Island shrew?

Mr Hicks—There were a couple of Christmas Island shrews found in the mid-1980s, but that has been the only sighting of them since the turn of the century.

Senator SCULLION—So the cats could be having, or have had, a significant impact?

Mr Hicks—Possibly, except there were two surveys done on Christmas Island—one in 1897, I think, by a fellow called Andrews, and then a follow-up one within a decade. In the follow-up one, the shrew and two native rats on Christmas Island had gone, which suggests that it was more of a disease issue. I do not think that the cats were that significant. From my observation of the cats on Christmas Island, they tended to stay on the edges of forests and not penetrate the main forests. That is probably because of the interference that they got from the land crabs.

Mr SNOWDON—I want to ask about the work that is currently being undertaken between you and the mining company on Christmas Island in relation to their desire for additional mining lease areas.

Mr Early—They are basically still in the process of putting together their environmental impact statement. I think we have had a number of discussions with them and their consultants. Essentially, the process is waiting for them to finalise that and then put it to us for assessment.

Mr SNOWDON—Philosophically, is there an issue of opposition or support or are you neutral?

Mr Early—There is an issue in the sense that they are seeking access to 448 hectares of vacant crown land, which, as you know, includes a lot of very important rainforest. We have said to them, quite up-front, that it is going to be difficult for them. I would see it as being unlikely that they would get access to all 448 hectares. It is a matter of identifying through their assessment process whether there are any parts of that 448 hectares where they can carry out mining in such a way that it is not going to have a significant impact. I would say, and I have said to them, that there would probably be areas within there that they will not be able to mine.

Mr SNOWDON—Is that the primary rainforest?

Mr Early—Yes.

Mr SNOWDON—What about regrowth?

Mr Early—I do not want to be prejudging.

Mr SNOWDON—I am not asking you to make a judgment.

Mr Early—Obviously they are all the sorts of issues that need to be looked at through the assessment process. We have to wait really until they have done all that work—and there is an amount of survey work to be done—and have a look at what has been mined before et cetera. That is a very significant area of the island and there are some quite important environmental issues that have to be faced.

Mr SNOWDON—But in the context of the island's human inhabitants the mine is of crucial importance.

Mr Early—Yes, and we understand that. As you know, when the minister makes decisions under the EPBC Act he has to take into account economic and social factors as well, so we are not prejudging or saying no to anything at this stage. Having said that, we have told them that there are some quite significant difficulties with some of those areas.

Senator SCULLION—What is the percentage of the remaining areas of primary rainforest? I am not talking about the 450 hectares but about the primary rainforests that you want to protect. What is the percentage of those areas that remain on the island?

Mr Early—I am not sure. I could give you that information on notice, but I do not have it off the top of my head.

Mr SNOWDON—In the broad, are there any issues to do with the marine park around Christmas Island that are of concern or should be of interest to us?

Mr Early—Not that I am conscious of. Mr Hicks may have some views on that.

Mr SNOWDON—There is no issue with shipping?

Mr Hicks—No, not that I am aware of. Christmas Island, because it is at the top of a submarine volcano, drops off dramatically to great depths within a very short distance from shore. A lot of those ships that are anchored are anchored to buoys that are floating, and the depth below is about 1,000 feet.

Mr SNOWDON—But the fuel discharge point is around the headland, which is close to the park area. Has that ever caused an issue?

Mr Hicks—Not that I am aware of. During my time there, we had some small spills at sea that came ashore in the form of congealed blobs of oil but nothing in the form of a surface slick. I can find out more on that.

Mr SNOWDON—So, generally speaking, it is not an issue. Senator Scullion might have a question on that issue.

Senator SCULLION—Yes. I am not so concerned with the fuel issues. It is pretty evident that you can do something about them. What is not evident—and I am sure Environment Australia will be well aware of this issue—is the threat posed by species like the *Congeria sallei* and some of the mussels and the biofouling that we have. Have you done any benchmark surveys in the park of what exists and what is endemic at the moment?

Mr Early—This is a Parks Australia issue. We might have to take that on notice.

Mr Hicks—I know a little about that. A good fish survey was done back in the late seventies and also some work was done on shells around the island about that time. More recently, I am not aware of anything, but I can take that on notice.

Senator SCULLION—Again, we have just completed in another arena a quarantine review, of which one of the principal recommendations was that the North Australian Quarantine Strategy also extend to the marine spheres. In response, it may be worth while having a look at some of those things and ensuring that we do not leave Christmas Island out. In terms of marine biodiversity, it is very important, unique and different.

Mr Hicks—Yes.

Senator SCULLION—I would love to know more about that report.

Mr Hicks—I can certainly give you the reports on fish and molluscs.

Senator SCULLION—Thank you. They would be useful.

Mr SNOWDON—In terms of the EPBC Act, the exemptions which were given were given for a specific purpose, being the site. Were they given for a particular type of work? If the government decides that the scope of the work is different and retenders the work, does that trigger the EPBC Act again?

Mr Early—No, I do not think so. As I understand it, any retender would still be for the establishment and ongoing operation.

Mr SNOWDON—Even though the scale may have changed all of those things?

Mr Early—Yes, that is right.

Mr SNOWDON—Who has the ongoing monitoring role of the environmental issues in relation to that site?

Mr Early—As I said, we have no formal role because that site is exempted under the EPBC Act, but we have an informal role both through Parks Australia and through our membership of the IDC. As I said, Immigration and DOTARS seek our advice on matters affecting the environment, and we provide that advice and invariably that advice is taken up and followed through.

Mr SNOWDON—Is there someone with a statutory responsibility for monitoring the environmental issues relating to that site?

Mr Early—Formally, no, because it has been exempted under the EPBC Act.

Mr SNOWDON—So theoretically they can do what they like there?

Mr Early—I would not like to put it in those terms.

Mr SNOWDON—I understand that. I do not want to put words in your mouth.

Mr Early—As I said before, Parks Australia will be getting additional funding for monitoring the biodiversity around the area. So there are informal arrangements in place, but there is no formal arrangement because it is an exemption under the act.

Mr SNOWDON—I would like to be a bit clearer on all the associated works. If a water tower is built on a hill which is adjacent to the current site, what are the geographical limits to the exemption? Are there geographical limits?

Mr Early—Yes, we have a map, which we can provide to you.

Mr SNOWDON—Could you please?

Mr Early—Yes. So if there are things outside that area or outside the exemption and they are going to have a significant impact on the environment, then if it is Commonwealth land they would actually be subject to another referral.

Mr SNOWDON—I would be interested if you could provide that map. They may well be covered. I want to pursue for a moment the general issue of the exemption. You talked about the residential area up the hill and the accommodation for the employees of the centre and then the temporary work site opposite the existing facility. Are you aware that the locals refer to the side of the hill which has been developed with all these multiple units as Thredbo?

Mr Early—No, I was not aware of that.

Mr SNOWDON—You might want to know why they call it Thredbo. It is because they have just scraped the side of the hill, and there have been significant rains in the meantime. I am sure this will all be addressed, but it is an eyesore. What they have done is built this thing on the side of a residential area, and there have been big mud flows, which is why it is called Thredbo. No doubt they will remedy that issue—

Mr Early—Actually, having said that, I was aware of some erosion issues, and we have been talking to DOTARS about that.

Mr SNOWDON—But at the moment, because of the exemption, there is no-one who can come and police the environment side of that development unless they are invited to by DOTARS.

Mr Early—The arrangements which the government has agreed to do not provide a mechanism for someone to take action under the act, but I have no doubt that DOTARS, DIMIA and whoever else will do the right thing in terms of the level of protection needed. There is an administrative commitment—if I could put it that way—and, as I said, Parks Australia are monitoring the situation and providing advice.

Mr SNOWDON—I am sure you are right, but I am also sure you can understand the scepticism which might be in the community in relation to those sorts of issues when the act is applied very aggressively to some people in the community and not at all to this project, as some would say.

Mr Early—Not at all to this project, but it has been applied to all the other Commonwealth activities on the island—

Mr SNOWDON—That is my point exactly.

Mr Early—It is not as though the Commonwealth has exempted itself; it is only in relation to this one project.

Mr SNOWDON—I would also like to ask about North Keeling. What is the current status of any discussions with the Cocos community about North Keeling in terms of their interests in the booby birds et cetera?

Mr Early—There is a proposal, under the EPBC Act, for a cull, and that has been declared a controlled action. We are currently waiting for the information to be provided and helping the community to develop that proposal. I think they had proposed 1,500 birds per year. I cannot prejudge what the outcome would be—there could be agreement to that, there could be an agreement to something less than that or they could say no. But it will go through the normal assessment process.

Mr SNOWDON—Is poaching still a significant issue?

Mr Hicks—There is still poaching.

Mr Early—I would be surprised if it was not still a significant issue, but I do not know—

Senator SCULLION—What do they taste like?

Mr SNOWDON—They are nice. They are a bit oily.

Mr Early—I make sure that when I go to the island I never eat anything that is described as chicken!

Mr Hicks—Juvenile red-footed boobies are attracted by a red lure. They attract them with a lure and then they fly a flail to hit them on the wing.

Mr Early—Or use shotguns.

Mr Hicks—Shotguns too.

Mr SNOWDON—Are there any other issues of a general nature, in terms of the developments around Cocos and Rumah Baru for the clams et cetera which cause any interest for Environment Australia?

Mr Early—I am not conscious of anything, but John may have some information.

Mr Hicks—No, I have no information.

Mr SNOWDON—One of the issues which they have raised with us is sewerage and the watertable on Home Island. Is that an issue which you have an interest in?

Mr Early—We would certainly have an interest if there were proposals for major changes. We had some discussions with DOTARS, I think, some time ago. I think things were okay as far as sewerage goes. My recollection is that there had been some work done on that. That is obviously a limitation to what might happen in the future. So, if there were major developments, one of the issues that we would be interested in in terms of assessment would be how the sewage should be dealt with.

Mr SNOWDON—Who has that responsibility on the Cocos Islands? Who is responsible for broad environmental issues—issues such as the watertable and how it might be impacted on by sewerage treatment? The point has been put to us that, because of the inadequacy of the

sewerage works on Home Island, the sewage is seeping back through the pipes. That is an issue which is obviously not yours, but there is the general issue of the status of the watertable and the nature of what is happening with sewage seeping. Are you responsible for oversighting that and, if not, who is?

Mr Early—No, we are not responsible. I was not aware that that was an issue. Obviously we would be able to give advice if it were, but we are not responsible for that.

Mr Hicks—DOTARS has an environmental officer on the island. We provide some assistance to them from time to time, but it is DOTARS's responsibility.

Senator SCULLION—I have a couple of supplementary questions.

CHAIRMAN—We are running out of time, Senator Scullion. We are almost half an hour over time, and I have some obligatory questions—

Senator HOGG—That is miserable. It is Friday afternoon.

CHAIRMAN—I will put my questions on notice and I will defer to Senator Scullion.

Senator SCULLION—Thank you. There are considerable opportunities for aquaculture in the area. One of the principal problems is that those things that they may grow, particularly on the Cocos (Keeling) Islands, are things like clams. Whilst they are the same species range, there are some concerns with Quarantine, rather than Environment Australia, that if they turn over they are going to have some sort of impact on the genetic strains, rather than anything else. This really is not a quarantine issue but, as far as I am concerned, they are putting it up as some sort of barrier to moving them. Have you been aware of that issue?

Mr Early—I am not aware of that.

Senator SCULLION—I might write to you in a separate capacity.

CHAIRMAN—I wonder whether you would be kind enough, Mr Leaver, to take those questions on notice, some of which may have already been answered. If you could provide the answers to those questions, I would appreciate it. I do have two quick questions about Norfolk Island. Could I ask, while you are considering those, about the status of the application by the Pedel family to build on KAVHA land on Norfolk Island. Have there been any developments since 6 February, and what is the impact, if any, on the same area from abutting, surrounding or contiguous developments?

Mr Early—There have been no formal developments. We have been in contact with the Pedels and we are helping them to provide information to enable the assessment to continue. We have been in contact with them but they have not actually provided that information yet. So the situation remains that the proposal is a controlled action under the EPBC Act and needs to be assessed. Our minister has made a commitment to the Pedels to help them as much as possible through the process, and we are doing that.

CHAIRMAN—So you are saying that the department is actively considering the Pedel's application to build on KAVHA land?

Mr Early—We have no option but to go through the process, because it is not possible under the EPBC Act for an action to be either approved or rejected without having gone through an assessment process.

CHAIRMAN—How long will that assessment process take?

Mr Early—It depends. We are pretty much in the early days, because the Pedels need to provide preliminary information. When that is done a decision will be taken about the level of assessment. If it is on preliminary documentation, then that will have to be provided. There is then an assessment period and public consultation. So it could take a minimum period of, say, three or four months, or possibly longer depending on how long it takes to provide the information.

CHAIRMAN—What is the department's view on whether Norfolk Island should apply for World Heritage listing?

Mr Leaver—That is a proposal that has been around for some time, particularly as a serial listing with other major convict sites in Australia, in particular the Port Arthur area in Tasmania and possibly certain New South Wales and Queensland sites. That has not progressed very far, mainly because of difficulties for some of those governments engaging in the process. The legislation as currently before parliament provides for listing of places of national heritage significance. To date Australia has tended to use World Heritage listing to protect its nationally important sites in the absence of an effective national framework.

With the passage of that legislation, it is intended that our future World Heritage List—and this is a matter of policy, not a matter of statute—will be drawn from the national heritage list. The reason is that a national heritage listing process will allow for public nomination and public comment and for settling of the often difficult issues of management arrangements, management assistance, boundaries and so on. Once those national thresholds have been established, it would then be a logical step for those areas that are obvious to be put forward for World Heritage List nomination. So the answer to your question is that it has not gone far, mainly because of the difficulties in other states with the serial listing and, of course, the Norfolk Island community itself objected to World Heritage listing of the property. But with the new legislation before parliament being enacted, that will give us a chance to work through in a very public way recognition of at least national heritage value of those sites and possible national listing as a first step to World Heritage listing.

CHAIRMAN—That finalises the questions we have for you. On behalf of the committee, Mr Hicks, Dr Heffernan, Mr Leaver and Mr Early, I thank you for your attendance here today. If there are any matters on which we might need additional information, the committee secretary will write to you. You will be sent a copy of the transcript of your evidence, to which you may make editorial corrections.

[1.28 p.m.]

BERESFORD-WYLIE, Mr Adrian, Assistant Secretary, Self-Governing Territories, Local Government and Natural Disaster Management Branch, Department of Transport and Regional Services

MRDAK, Mr Mike, First Assistant Secretary, Territories and Local Government Division, Department of Transport and Regional Services

WILSON, Mr Andrew, Assistant Secretary, Non Self-Governing Territories, Department of Transport and Regional Services

CHAIRMAN—Welcome again to the committee, Gentlemen. These hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee has received submission No. 2 from the Department of Transport and Regional Services. Are there any corrections or amendments you would like to make?

Mr Mrdak—No.

CHAIRMAN—The committee prefers that evidence be taken in public but, if you wish to give confidential evidence to the committee, you may request that hearings be held in camera and the committee will consider your request. Before we ask some questions, do you wish to make an opening statement?

Mr Mrdak—If I may.

CHAIRMAN—Please proceed.

Mr Mrdak—I am conscious of the committee's time.

CHAIRMAN—Take your time.

Mr Mrdak—I have prepared an opening statement which I thought in the light of your visit to the Indian Ocean territories might present a perspective in relation to some of the changes, because it is a period of rapid change for the Indian Ocean territories. With your forbearance, I would like to distribute that and make a brief comment without reading it into the *Hansard*, as I am conscious of the committee's time.

CHAIRMAN—You could make some comments. I seek the permission of my colleagues to have that statement accepted.

Senator HOGG—We will incorporate it in *Hansard*.

CHAIRMAN—Is it the wish of the committee that the statement be incorporated into the transcript of evidence? There being no objection, it is so ordered.

The statement read as follows—

Thank you for the opportunity to appear before the Committee.

Before answering members questions I would like to take the opportunity to provide the Committee with an overview of how the Commonwealth is restructuring the delivery of its responsibilities in the Indian Ocean territories.

As you will have seen and heard when you visited the IOTs, the Department is in the midst of a major reform process in relation to service delivery, administrative and management arrangements for the Indian Ocean territories (IOTs).

The impetus for this reform is the application of the 1991 and 2000 Government decisions that administrative, legislative and institutional frameworks in the IOTs should be aligned with those of remote communities on the mainland.

This is reflected in the Department's Portfolio Budget Statement where one of our outcomes is to ensure that residents in the Territories have the same rights and responsibilities as other Australians. With this in mind we consider that remote mainland equivalent standards of service delivery is appropriate for the IOTs.

Normalisation of Governance Arrangements for the IOTs

The first body of work the Commonwealth is pursuing is the normalisation of Governance arrangements for the IOTs.

As you would be aware, as areas of Australia which are not part of an existing State or self-governing Territory, the Commonwealth has responsibility for all Commonwealth, State and Local Government services and regulation in the Indian Ocean territories.

At the Commonwealth level a key element of the governments policy agenda is ensuring Commonwealth agencies provide their services directly to the Territories. Almost all Commonwealth legislation now applies in the Territories and Federal Ministers and agencies are directly responsible for the provision of Commonwealth activities and services in the Territories in the same way as they would to other parts of Australia. Examples are AQIS providing quarantine services and the Programs Division of our Department providing programs such as Roads to Recovery.

Where legislation or programs don't apply the Department is working with other agencies to evaluate the need and applicability to the IOTs with the aim of having all relevant Commonwealth policies apply to the territories.

At the State level, my Division of the Department of Transport and Regional Services has responsibility for the provision of State and Local Government equivalent services. To facilitate this, in 1992 the Commonwealth "adopted" the WA legal regime as Territories laws to provide a body of State equivalent laws in the Islands.

All powers and obligations under these "mirrored" WA laws are vested in the Federal Territories Minister.

Successive Federal Governments have determined that the direct delivery of State and Local Government services in the IOTs is not core Commonwealth business and that the most efficient and effective delivery arrangements are via Western Australian government agencies or private providers under contract to the Commonwealth. In part this is because the scale of direct service provision by the Commonwealth means that direct provision is very expensive.

Perhaps more significantly, the Commonwealth has very limited experience in direct service provision in most areas and the scale of operations means there is little capacity to provide technical support and expert relief when the very limited number of experts that run the services are temporarily unavailable or move to other organisations. Thus service quality cannot be guaranteed over time.

An example of this is the contrast between the school education service provided by the WA department which uses WA principals and teachers with established staff development and flexibility in posting staff, and the IOT Health Services which is provided directly by the Department with no such support network or staffing pool and which regularly relies on short term locums.

Clearly, duplicating all the activities of a government machine equivalent to WA for these two small communities is not cost effective. WA, agencies, with systems and processes already in place for the State, are generally able to provide state type services to the Commonwealth at the marginal cost of including the IOTs in those existing systems. Accordingly, we have been pursuing closer alignment with WA through the development of Service Delivery Arrangements (SDAs) with WA State Agencies.

In many cases the direct application of WA policies has been possible. For example, we are applying the policies and eligibility requirements of the WA housing agency Homeswest to ensure that, in our State Government role, we are only providing 'welfare' housing to those who would be eligible under WA eligibility criteria. We will then be able to divest ourselves of non-core housing stock 'normalising' the housing market in the IOTs. Homeswest has been assisting us with the implementation of this policy under an SDA.

There are now 27 Service Delivery Arrangements (SDAs) in place with WA State Agencies for a variety of services. These range from SDAs that allow for an agency to deliver services entirely on our behalf to SDAs that allow for the provision of advice on an as-needed basis.

At the local level, we are currently working with both the Christmas Island and Cocos (Keeling) Islands Shire Councils to better define the roles of the Shires and ourselves as the State Government and to ensure those roles are consistent with mainland arrangements. This may involve the transfer of assets from the Commonwealth to the Shires to better reflect the asset ownership and control arrangements that would be exhibited on the mainland. As part of this process the Shires have expressed a desire to take on more direct service delivery roles, particularly in terms of utilities, and they will be free to tender for these services if and when they are market tested.

In short we are attempting to replicate the governance arrangements and responsibilities which would apply to the Territories should they be part of the WA State.

Provision of Efficient Government Services

Australia has gone through an extended period of reform to public service delivery with pressure on the public sector to provide its services more efficiently and effectively. Policies such as corporatisation, workplace reform, competition policy, market testing and demand management though more transparent pricing have led to significant improvements in the efficiency of the economy generally and in the performance of Government enterprises in particular.

While reform has been occurring for some time on the Islands, the pace of change until recently has been limited. Examples of reform that occurred some time ago included the management of the schools and contracting WA WaterCorp to provide sewerage and water services.

The Government in recognising the need to ensure efficient services has decided that it should critically examine its delivery mechanisms and where appropriate seek expressions of interest from the private sector or the Shires as alternative delivery mechanisms.

The management of the Christmas Island port was contracted out last year and, under that arrangement, operations at the port are now being streamlined to ensure it operates on a more commercial, transparent basis.

Market testing is also underway for ferry and marine services on the Cocos (Keeling) Islands and cleaning and gardening services on Christmas Island. Other services currently directly provided by the Commonwealth will also be progressively market tested to ensure efficient and appropriate service delivery to the Islands. In the short term this will include the airports of both islands and the power facilities.

Asset ownership and the divestment of non-core Commonwealth assets will also be reviewed as part of this process, where appropriate, Commonwealth assets will be transferred to the Shires with responsibility for service delivery associated with those assets. This will better align asset ownership arrangements with responsibility for service delivery and mainland arrangements.

With the changes in arrangements for the delivery of services on the islands, the Department recognises that it's direct on-Island presence in terms of the Administrations will be reduced. This is consistent with the Government's decision to align conditions in the territories with comparable mainland communities. No other remote communities of a comparable size have such a large, direct Commonwealth or State presence. The Government considers that the number of staff and the level of Commonwealth activity encourages people to look to the Commonwealth to solve any problems and this attitude stifles community initiative.

The current hands-on role of the Administrations will be much reduced over time as services are progressively contracted out or responsibilities transferred, either to the private sector, the Shires or the WA Government. The expectation is that the Department will close its office on the Cocos (Keeling) Islands within the next year and that the staffing level in our office on Christmas Island will be significantly reduced over the next 18 months to 2 years.

This does not represent a reduction in commitment to the Territories, rather a transfer of resources from direct service provision to provision by the State and private sectors, increasing the complexity and skill base of the local populations.

In summary, the islands are going through the same types of economic and service delivery reforms as have occurred on the mainland. The motivation for this is a combination of providing government services to the IOTs efficiently and giving the communities comparable services to those of their fellow Australians on the mainland.

Mr Mrdak—Without reading my opening statement in any detail, which will free us up for questions, the purpose of that is to give you an overview of where we are taking the Indian Ocean administrations. Essentially, there are two aspects to that: firstly, a long pursued goal of aligning and normalising conditions on the territories with those of mainland Australia, particularly mainland regional Australia; and, secondly, achieving better administration of the Commonwealth's responsibilities on the territories. My opening statement goes to some length in relation to some of the directions we are taking.

I draw the committee's attention to a number of processes now under way to market test and look at alternative delivery mechanisms for the range of services now under way on the island and the implications that will have down the track, as we see it, of moving towards alternative service delivery arrangements, which will involve a reduction in the department's presence in the islands over time. We see that as having a number of benefits in better service delivery, but it will mean that over time the administrations, as they have traditionally been, will be further incorporated into the normal workings of the department and, over time, there will be a reduction in the presence of departmental staff on the island. I will leave my opening statement for the committee to have a look at. It is designed, as we have discussed with the minister, to give the committee a view of the sort of strategic direction which we see administration on the islands taking.

CHAIRMAN—Before I defer to my colleagues, could I ask: is the proposal that you have just outlined to us primarily, or exclusively, directed towards the Indian Ocean territories, or does it also incorporate Norfolk Island?

Mr Mrdak—The current changes we are looking at in service delivery are principally focused on the Indian Ocean territories and essentially extend the sorts of changes that have occurred in public administration on the mainland in service delivery arrangements out to the islands. But our presence on Norfolk Island, as you are aware, is very small. We are not proposing any change to those administrative arrangements on Norfolk Island.

Senator HOGG—Are you familiar with the *Hansard* of Tuesday, 11 March of our hearings on Christmas Island?

Mr Mrdak—No, I am not.

Senator HOGG—It does not matter. That is why I am not trying to bushwhack you on this. We had one witness in particular that I really felt sorry for—a person by the name of Elizabeth Rose Sorensen, who was representing the Christmas Island Youth Coordination Committee. She described to us her difficulties with the department in respect of rent on a property on Christmas Island. If you read the *Hansard*, you will find that I was quite uncomplimentary about the attitude of the government towards this particular organisation. I used the word ‘miserable’ on many occasions. It is the most miserable act—the charging of \$1,800 in rent, which apparently, after negotiation, was brought down to \$900. It would not have mattered whether it was \$50; it was still too much. I understand that from time to time the government may well need to charge people rent for property. Whether or not the witness gave us the correct evidence, I am not sure, but in her evidence she said that it was on the basis that at the end of the day ‘the government needs to be accountable and show that buildings are being used effectively and rent is obtained’. Is that the case?

Mr Mrdak—I am not familiar with that evidence, I am sorry. But I can certainly come back to you on that. Certainly over the last year or so we have examined all of our holdings on the island and sought to regularise things—I suppose that is the best way to put it. We are putting in place leases for the first time for all of those buildings.

Senator HOGG—But you can give a lease for nothing, can’t you?

Mr Mrdak—We can.

Senator HOGG—I am not going to sit here and ask you questions. I will put it on the record here: it is one of the most miserable acts I have ever seen. I ask the department to reconsider its attitude. In a place where there is no capacity or very limited capacity to fundraise, on the evidence that was given to the committee, this woman—along with other people who are doing things purely in a voluntary capacity—was looking to the needs of the younger people on Christmas Island. I commend the department to look more than favourably at giving a zero rent. When it comes to accountability there is no-one more than me who will pursue accountability of departments and the government, but let me assure you that I think it is a highly miserable act. I ask you to take this matter away and reconsider it.

Mr Mrdak—Certainly. I will look at that situation and provide you with advice—

Senator HOGG—And when you have reconsidered it, will you let me know who makes the decision on it—and will you write to me personally?

Mr Mrdak—Certainly.

Senator HOGG—It is something that I will continue to pursue.

Senator SCULLION—The market-testing arrangement is probably an issue that some of my colleagues are very keen to pursue. I have a general understanding that it is always very effective and efficient for governments to continue to review their activities to ensure they are spending money in the right way, and there are mechanisms to do that. So is that how we are doing things right across Australia—by testing the market? Is that something we do as a broad-brush process?

Mr Mrdak—It is something that has been done across all Commonwealth departments. Certainly I know that in the department here in Canberra a large number of our functions were market tested over the last few years and decisions were made as to whether those functions were to continue to be provided in house by departmental staff or whether they would be contracted in by external providers. Decisions were made based on a whole range of evaluation criteria. Some activities have been outsourced for provision and others have been kept in house. It is very much a process which government has asked departments to do as part of, as you say, constantly reviewing and seeing whether there are better ways to deliver services than simply in house.

Senator SCULLION—The concern I have with this process, particularly on Christmas Island and the Cocos (Keeling) Islands, is whether you recognise the uniqueness of the community, simply because of its disparate geographic position—it is closer to Sri Lanka than it is to Australia. We are saying, ‘We’re going to test the market by putting out an advert in Perth.’ I do not know why we did not put an advert out in Singapore as well—I understand that was not done. In terms of testing the market you can understand the concerns of those people on the islands who are saying, ‘We have to compete with someone else,’ particularly where quite a large number of employees are involved. I am sure my colleagues will cover some of those issues. I will just stick to the issue that I am particularly concerned with, which is the provision of the taxi service—not the associated marine aspects, although I understand that there are a number of those.

My concern is that, if that is privatised—which is an option in terms of the market; it is actually not privatised—there is another policy of full cost recovery in many of these areas. We understand that there is currently an exemption for schools. While I was in a taxi the other day, I was lucky enough to speak to a couple of people. They regularly commute to get access to the services that the Commonwealth supply through an SDA, particularly in regard to health—and, while we do not have an SDA, there are some educational arrangements and those sorts of things. You can imagine the concern that they have—and that I share with them—that, if that goes through this process and somebody miraculously appears from Perth with a brand-new shiny water taxi or whatever it is, they will then have to pay. Just in terms of cost recovery for that water taxi, the broad-brush figures that we were given indicate that people, for example, who have employment on West Island will be paying between 30 and 50 per cent of their income simply to get there.

The access to some of the services there, outside of the education-specific issues, gives them grave concerns. That was reflected in all the evidence that we heard. They saw this—and I do as well—as being their single mode of public transport. Full cost recovery in terms of the marine industry does not usually reflect the sorts of prices we pay for public transport. It is unique in that it is the only piece of public transport that allows some parts of the population to get access to publicly provided services. Outside of reiterating the policy on it, can you give me any relief about where you are going with this? Is this simply, ‘We have a broad-brush policy. We will implement it. We will have a look for a market, but we will also build in exemptions. We will also take those things into consideration’? Can you give us a general response on that, please?

Mr Mrdak—Certainly. In relation to the ferry on Cocos Island, we have gone to the market across the whole range of marine services. The reason for that is that the existing contract with the Cocos cooperative expires this month. I will talk about the rationale for the ferry in particular. I will look at it firstly in terms of the future of the ferry service and then in terms of fares and subsidies. Firstly, the minister, when he visited the island last year, did flag with the community his view that he wanted to test whether the Commonwealth should be providing that service and whether there is opportunity there for the private sector to provide that service. Going to the market is part of testing whether there are other parties who would be willing or able to provide such a service.

Senator SCULLION—Are you saying that they are examining to see if someone else would supply the service?

Mr Mrdak—Yes.

Senator SCULLION—In other words, someone else would pay for service—because the Commonwealth is not providing the service; the cooperative is currently providing the service.

Mr Mrdak—We own all of the vessels. Essentially, the co-op runs the service on our behalf. The Commonwealth pays the co-op for all of the costs of operating that service. The order of cost for operating the ferry and the bus service this year is around \$850,000.

Mr Wilson—Can I just correct you on that. The annual costs are around \$450,000 for the ferry service and \$65,000 for the bus service.

Mr Mrdak—The marine services as a whole are a much greater cost. Essentially, we are looking at whether there is a better way to do it. The minister was asking us to test to see whether there could be a private sector provider. We recognised that in such a small market it is unlikely that a fully commercial service could operate without some degree of public subsidy, as public transport right across Australia operates.

Senator SCULLION—I just want to get to the bottom of this: the principle is that you are looking at the moment at options for somebody else providing the service, but you are also looking for somebody else to pay for it?

Mr Mrdak—Obviously, we would like to minimise the public subsidy. Having said that, we recognise that, in a location like that, public transport—as it is across Australia, from the largest cities to the smallest communities—is subsidised by government. That is legitimate and that is fine. We have not ruled that out. We are seeking expressions of interest from people to provide

that service. The sorts of questions we are trying to seek answers to are: does the Commonwealth need to own the ferry for a ferry service to operate? Could it be a privately owned and operated ferry for which the Commonwealth subsidises the service, in view of the social need and the importance of it as the major public transport? That is all we are testing at this stage. We have a capital asset in the two ships there, and we are looking at whether we need to retain that or whether we could purchase those services from a private provider and provide a subsidy equal to or less than what we are currently paying for operating that service.

Obviously, with an asset like a ship there are costs other than the operating costs which we are liable for. The vessel is now some 16 years of age. It has just been through a major overhaul, but it is an asset which requires replacement and so on. Are there better ways to do that? The other aspect is that one of the things driving us is that we do not have the expertise within our department about ferries, which is why we have got the co-op to operate the ferry. Are there people who are specialists in operating and running ferries who can provide a better service and better asset management regime?

Senator CROSSIN—And a dearer service.

Mr Mrdak—That is what we are testing, to see what the price to provide that would be. Are there parties who could provide that service better than we can? The issue that most concerns me, as the person responsible for the assets, is the asset management regime. I have got some \$200 million worth of Commonwealth assets for which I am responsible across the IOTs. I need to look at ensuring that I have got the best asset management regime in place. That is difficult when I do not have maritime skills within my organisation; I am reliant on contractors to provide it. It is a risk management issue for the Commonwealth as well in terms of how we manage our assets. I do not know if there is anything you want to add there—

Senator CROSSIN—Can I just ask a question on this? Mr Mrdak, I do not think the minister actually flagged on the islands last year that you were going to look at this; I think the evidence we had was that he told the residents on the island that the Commonwealth was going to do that. I think you need to appreciate that there is a significant amount of hostility from those residents about this decision by the Commonwealth. As someone said to me on the island, it is akin to having a moat around Parliament House here in Canberra. If people were charged \$2 a day to cross that moat to do what they were required to do as part of their work then Canberra residents would be significantly annoyed about that. Christmas Island people see that as being the same as having to pay to go and do their shopping and to access essential services simply because the essential services provided by the Commonwealth are not on the island on which they live. There is quite a lot of angst—'hostility' I think is the best word—about this, and I do not think the Commonwealth has appreciated the degree of that yet. Are you able to provide us with a further breakdown of the \$450,000? Are there further elements of that \$450,000 in terms of a breakdown that we should have?

Mr Wilson—I cannot at the moment provide you with a breakdown of those numbers. I understand that that is the contractual relationship that we have for the costs associated with operating the ferry.

Senator CROSSIN—How much does it cost you on the island then for marine and rescue services and maintenance of the wharf? Are they part of the \$450,000 or part of the \$850,000?

Mr Wilson—They are additional to the—

Mr Mrdak—That is the cost associated with the operation of the ferry service between the two islands.

Mr Wilson—The overall contract—

Senator CROSSIN—Perhaps you might be able to take it on notice to provide us with a breakdown of the \$850,000 by dollars and cents and exactly the amount of the contract you have in the contractual arrangements with the co-op in providing the ferry service.

Mr Wilson—Certainly. We will do that.

CHAIRMAN—We will go back to Senator Scullion.

Senator SCULLION—As part of the water contract, I understand that the *R.J. Hawke* is used by a number of people; it is just a Commonwealth vessel. A number of Commonwealth agencies have already given evidence about using that boat to get to the island—there is Environment Australia, there are rescues and so on. Do you invoice those people for the use of that?

Mr Mrdak—Yes, we do.

Senator SCULLION—So there is an invoicing system.

Mr Mrdak—Where vessels have been used for purposes outside our contract, the contract sets out the rates that are chargeable, and that covers fuel, labour and all of those elements—crewing and so on—as part of our revenue on the boat.

Senator SCULLION—So basically if Environment Australia wants to borrow the boat for a couple of days and go and throw some red things at some boobies there will be a daily rate? How does it work?

Mr Mrdak—That is right. They would charter the boat. The co-op operates the boat for them as a Commonwealth vessel and then earns revenue on that vessel for us under the marine contract.

Senator SCULLION—Are you aware that in association with the capacity to land certain sized aircraft there is a certain standard required for those things on the ground, including fire engines and so on? In terms of the boat, are you aware that there is also the capacity to be able to put it to sea in a sea state of under a force 3 to be able to facilitate a rescue?

Mr Mrdak—Yes.

Senator SCULLION—I understand that at the moment the *R.J. Hawke* is the only vessel that is there all the time that would be able to facilitate that.

Mr Mrdak—That is correct.

Senator SCULLION—Is that currently recognised and is there some arrangement to say that this is standing by for that? I assume that DOTARS would be your responsibility.

Mr Mrdak—That is correct. The search and rescue capacity for the island is provided under that marine contract. In seeking expressions of interest to operate the marine services and that element of the marine services, we would obviously be looking to retain the necessary search and rescue capacity with a vessel, whether it be the *R.J. Hawke* or another vessel, in the future. The market testing we are undertaking is to find out whether the Commonwealth needs to own the vessel to achieve that outcome or whether that vessel could be owned and operated by a private sector operator, with the Commonwealth having that under contract for the specific times and purposes that it is required. The reason this came out and to some degree has been an issue on the island is that a couple of years ago there was an individual who came onto the island with a vessel and was looking to get into these areas. At that stage he voiced concerns to the then minister that he was precluded from entering the market by virtue of the Commonwealth owning vessels on the island and, essentially, stifling private competition.

Senator CROSSIN—Where is he now?

Mr Mrdak—He is no longer on the island. Essentially, what the minister has asked us to do is, in accordance with Commonwealth principles of asset ownership, test whether we have to physically own the asset and have it operated to get the level of service that we want on the island. We are now finding out whether private sector operators can provide the performance we want without us having to incur the cost—and it is a significant cost in terms of asset management and ownership.

Mr SNOWDON—What about the social and economic considerations of this market testing exercise in relation to the community?

Mr Mrdak—That is critical. We recognise that the ferry is vital to the island in terms of its social and community activities, the education system and the health system. Our performance specifications for any tenderer would require a performance standard. As I said earlier, if we went beyond the stage of market expressions of interest—and that is a decision the minister will make subject to the expressions we get—we will set performance standards we want delivered and contractually get those delivered if we decide to get it delivered by an entity other than the one under the current arrangements. We recognise that the way in which the Commonwealth has developed the islands with the positioning of the school and the health centre and all that means a ferry is essential. The ferry was introduced to ensure the safety of the residents. We do not want to see any diminishing of that, and I am sure the minister does not either. What he is seeking is to see whether the Commonwealth actually has to run the service in its own right.

Mr SNOWDON—How many people are currently employed to run the service?

Mr Mrdak—I will have to check. I am sorry. I am not sure.

Mr SNOWDON—What guarantees are there that after this exercise they will have their jobs?

Mr Mrdak—We are certainly conscious of local employment, and where the Commonwealth has done market testing for regional areas it has looked at local employment. So that will be an

issue in terms of our criteria for assessment of any bids. You would expect that those on the island already would have an inherent cost advantage over those who are looking to come onto the island from the mainland to provide a service.

Senator CROSSIN—Why would you automatically assume that?

Mr Mrdak—Because of the fact that they have already got housing and all of that. They are already on the island; they are living on the island; they have knowledge of the island. If someone was bringing in new people to run a ferry service or a marine service, they would have to provide all of that, which is high-cost on Cocos. I would expect, and without pre-empting the process, that the co-op and people who are already on the island would have a cost advantage over those seeking to come in from the mainland to operate a ferry service and start one up from scratch.

Senator CROSSIN—That might not be the case. You might have a fly-in, fly-out arrangement, where a private operator is happy to put people up in the hotel for two weeks at a time, fly them back to Perth on a rotational basis, whack the ferry fee up to \$5 a trip instead of \$2 a trip, and no local maintains or keeps their job.

Mr Mrdak—That may be the case. I would not think that would be cost effective in comparison to people who are already on the island, but that is the sort of thing we will have to evaluate when we look at that, as I indicated to Mr Snowdon.

Senator CROSSIN—Why hasn't consideration been given to that already?

Mr Mrdak—We have not got that far into the process. We are only at the expressions of interest stage to seek whether there is actually—

Senator CROSSIN—But you have already tendered it. You are now running into a bit of a rut because you have not had anyone take a bite at the tender. You are on a month by month contractual arrangement with the co-op to keep this going.

Mr Mrdak—No, we have not got a tender as yet. The process is that we are in a market—

Mr Wilson—We went for a request for proposals in March. The request for proposals is due on 11 April. We have had a number of contacts from the marine industry. We are hoping to get a number of proposals, and we will assess them in terms of value for money for the Commonwealth while also taking into account issues such as local employment and long-term costs for the Commonwealth.

Mr SNOWDON—I am very interested in the micro aspects of managing this local economy and the externalities which are involved in dispensing with ownership. Blind Freddy would realise that, if you have a number of specialist marine operators who are currently employed to run this service who then become unemployed, you have a problem—a long-term problem. There is a social and economic cost to the community. I would be seeking absolute guarantees that no-one will lose their job. Can you give us that guarantee?

Mr Mrdak—Until we see what proposals come in, I do not think we have reached that point.

Mr SNOWDON—Are you or are you not prepared to guarantee that people on the island will not lose jobs or income as a result of this exercise?

CHAIRMAN—No public servant can give a guarantee on behalf of the government, Mr Snowdon.

Mr SNOWDON—They do a lot of other things on behalf of the government.

CHAIRMAN—They cannot give guarantees, though.

Mr SNOWDON—I will be pursuing this with a great deal of vigour, and I am sure my colleagues will as well. If the Commonwealth believe that they can get away with privatising a service and putting people out of work, they can forget it. I hope people understand what we are saying. I recall the days when construction was done on that island by locals. With contracting, contractors come off the island. There are unemployed carpenters on the Cocos Islands. This business about bringing people in from outside instead of using local labour just does not wash.

Mr Mrdak—I know what you are saying, Mr Snowdon.

Mr SNOWDON—I have a lot more questions. I think this is a real issue here. I want to go to a range of questions which were raised on the island not only about that but also about the issue—you might advise us where we are currently with shipping. We have one operator.

Mr Mrdak—That is my understanding, yes.

Mr SNOWDON—You can correct me on this point—my memory is vague on this—but, prior to there being two ships operating, was there ever a time when we had a freight subsidy for sea freight?

Mr Mrdak—Not in my time, but I am happy to check that.

Mr SNOWDON—Can you check it? Because there is a belief on the island that there was a subsidy. I cannot recall whether there was or not.

CHAIRMAN—The state ships of Western Australia were subsidised for many years.

Mr Mrdak—It was before my time.

CHAIRMAN—Also, I think Mr Clunies-Ross had a ship that was losing money, and I assume that was a kind of subsidy as well. But certainly the state ships were subsidised.

Mr SNOWDON—Because obviously there is an issue with the cost of freight on smaller freight loads into those communities. What is the process for finalising Rumah Baru?

Mr Mrdak—We have now completed the tender process. The tenderers all exceeded the budget the department had available for the project as it was tendered. We have redesigned the project to reduce the cost of it to fit within our budget. We have gone back out to the market, and Mr Wilson might want to comment.

Senator CROSSIN—What does ‘we have redesigned it’ mean? What does that throwaway line mean?

Mr Mrdak—As you would be aware, the design that was tendered was for an island with a jetty out to an island, which would effectively be the freight handling area. Essentially we are seeking to have the facility without the island, to have all of the freight handling done on land—to shift the parking area, the destuffing area and the facilities that were on this island out in the lagoon onto the land. So we would have a much smaller area at the end of the pier than what we had originally designed. Andrew, is that fair?

Mr Wilson—Yes, that is a reasonable summation of the redesign.

Mr SNOWDON—So it is just a change in scope.

Mr Wilson—It is reducing the scope of the island, which was there to handle the shipping, down by about two-thirds. It is to reduce the costs so that we can afford to do the project.

Mr SNOWDON—And you are confident it will have the capacity to do the work you want it to do.

Mr Wilson—I am confident that it will have the capacity to do the work—

Mr Mrdak—But it remains to be seen whether it will fit within our allocated budget.

Senator CROSSIN—Is this retendering to fit within your budget?

Mr Wilson—Yes.

Senator CROSSIN—It is redesigning the project to fit within the money you have got?

Mr Wilson—Yes. We have done some analysis of costs, and we are hopeful that industry will come back within the budget that we have got available.

Mr SNOWDON—Thank you for that. What is the status of the AQIS land, which was the detention facility, and what are the future plans for it?

Mr Wilson—It is still being held by AQIS at the moment as a facility to be made available should any asylum seekers reach Cocos. We are having discussions with DIMIA and AQIS about its future use and whether or not parts of it can reasonably be released out into the marketplace.

Mr SNOWDON—Why would you release it into the marketplace and not transfer it to the shire?

Mr Mrdak—On this point, when he visited the island in February the minister did discuss future options for the quarantine station with the shire council and he also discussed another parcel of land we have, Buffet Close, as to whether there could be some joint venture proposal done there. At this time, while it remains in AQIS’s hands, AQIS’s intention was to go to a

public sale to maximise Commonwealth returns. But we have not got beyond that stage at this point. If, as Mr Wilson has indicated, AQIS and DIMIA were prepared to release the site and put it back onto a Commonwealth disposal schedule, then we would commence discussions with the shire and go back to the minister and see whether they wished to change their view and go to a different type of arrangement. But at this stage the Commonwealth policy principle is to dispose of it on the open market.

Mr SNOWDON—So what land use planning has been done in relation to that area of land?

Mr Mrdak—About two years ago, the department commissioned a complete study of future land uses which took into account the various environmental issues and the like for the island. That was completed by the WA planning authorities and we provided it to AQIS at the time that that parcel of land was due to come onto the market, to see if we could get a proper planning regime which the shire was comfortable with. Since that time we have had the boat arrivals in 2001, and the site was then used for a different purpose. At this stage, the government is retaining the site as a contingency measure until such time as that planning proposal is on the shelf.

Senator CROSSIN—Who is responsible for maintaining the site at the moment?

Mr Mrdak—AQIS and DIMIA.

Senator CROSSIN—Do you oversee that? At the moment, if you had a bunch of asylum seekers arrive on the island you would not be able to see them because of the height of the grass.

Mr Mrdak—We have taken that up a number of times with AQIS and we have had discussions with them about that.

Senator CROSSIN—It is a serious problem, because it is not maintained and it is quite run down.

Mr Mrdak—It is a serious problem, which is why, from our portfolio's perspective, we have been pressing those agencies, and the minister has as well, in relation to seeking an early release of that site for alternative purposes.

Senator CROSSIN—Who is responsible for things like keeping the grass under control and keeping the site maintained?

Mr Wilson—It is owned by AQIS and controlled by AQIS in conjunction with DIMIA. As Mr Mrdak has indicated, we have continued to push for two things. The first is the release of the land for use for development. The second is that while it is not being released that land should be maintained and the grasses and growth in the area be kept trimmed.

Senator CROSSIN—It is not happening.

Mr Wilson—I believe that the last time it was trimmed—

Senator CROSSIN—That would be at least 2½ years ago, I would say.

Mr Wilson—I believe that the last time it was trimmed was last September, and that was by the shire themselves.

Mr Mrdak—And they then sent the bill to AQIS.

Mr SNOWDON—Which, hopefully, they paid, with any luck. Mr Mrdak, I would like to go to your document about future directions for the community and take you to something which I was not aware of but which I was alerted to this morning. When we were on the islands we got submissions from both the Christmas Island Shire Council and the Cocos Islands Shire Council about a proposal for an Indian Ocean assembly. I understand there is correspondence which has been sent to the government about that issue.

Mr Mrdak—That is right.

Mr SNOWDON—I also understand, from a response to a question on notice about governance issues, that:

The Government decided in August 2000 that—

- the Commonwealth's preferred long term solution for the Territories is the incorporation of the IOTs into an existing State or Territory, with WA as the preferred option;
- the Commonwealth should progressively withdraw from the direct delivery of State type services in the IOTs ...
- legislative, administrative and institutional frameworks in the IOTs should be aligned with those of remote communities on the mainland ...

Could you tell me what support there is for this view on the islands, given their request for an Indian Ocean assembly?

Mr Mrdak—In relation to the service delivery, I think that over the last few years the move to have WA agencies deliver a range of services has been very well supported because it has enabled us to provide a much wider range of services and bring on expertise that we could not deliver through the Commonwealth. So, in terms of the move towards service delivery arrangements with WA and normalising arrangements with WA, I think that is well supported.

In relation to incorporation, that is something that is well down the track. That is a policy outcome which, at this stage, is just that. But until such time as we complete the normalisation process of providing the equivalent of WA services—and, as you well know, previously there were huge gaps in the services provided by the Commonwealth compared to what was available in WA on the mainland—and have essentially got away from the Commonwealth directly providing other things, it is difficult to talk about an incorporation proposal. So at this stage it remains a goal, but just that. As to the communities' view, the sense I have—and I am aware of the correspondence from the two shire councils to the minister, and that was something that was discussed, certainly with the shire of Cocos, when the minister visited in February—is that the communities are recognising that they are very strongly linked to WA. But I have not seen any formal view on incorporation, apart from that letter from the Cocos and Christmas shire presidents.

Mr SNOWDON—So what is your initial response to the proposal for an Indian Ocean assembly?

Mr Mrdak—That is a matter still with the minister.

Mr SNOWDON—Do you have any idea when we could expect him to give us the beam of light that will explain his position?

Mr Mrdak—No, I would not want to pre-empt the minister on anything like that.

Mr SNOWDON—I understand. Very wise.

Senator CROSSIN—That is probably a very wise statement.

Mr SNOWDON—There is absolutely no doubt that the standard of service has improved dramatically over the last number of years. That is very true. An obvious example of that is the establishment of years 11 and 12 on Christmas Island, which I think is a commendable thing to do. I have one more question on Cocos. The question of sewerage was raised with us. I do not know if you have heard.

Mr Wilson—I would have to say that nobody has actually reported it back through my area. I will take it on notice and get you some information on it.

Mr SNOWDON—It is in the proof *Hansard*, which only became available last week.

Mr Wilson—Okay, thank you.

Mr Mrdak—We have not seen that. We will go through that.

Mr SNOWDON—There are a range of other matters—

Senator CROSSIN—What are the plans for a permanent power generation facility?

Mr Wilson—We are currently putting together a performance based tender document to go out to the marketplace to replace the two generators. I hope that that will be in the market by mid to late April, with a completion date for the tender process of no later than June.

CHAIRMAN—Would you kindly let the committee have a copy of that tender when it becomes public?

Mr Wilson—Certainly, Senator.

Mr SNOWDON—I would suggest that if, after you have perused *Hansard* on our inquiries about Christmas and Cocos, there are any issues raised about which you believe you could provide us with some insight, it would be useful if you could get back to us.

Mr Mrdak—Certainly. We will provide a supplementary submission in relation to that.

CHAIRMAN—I have one question left on Cocos before we go to—

Mr SNOWDON—Norfolk, Christmas, I do not care—Tasmania?

CHAIRMAN—Tasmania is no longer a territory island, Mr Snowden.

Senator CROSSIN—Is that a policy? Are you going to outsource Tasmania at some stage? Do you have a service delivery model for Tasmania?

CHAIRMAN—I would just like to get back to Cocos and ask a question about the airstrip. What is the heaviest type of commercial aircraft it will take? What are the proposals, if any, to upgrade it, and to what degree will that upgrade be reflected in the types of aircraft that can then land on it?

Mr Mrdak—It is a very long strip, so it is not length limited. It can take up to, I think, even 767s, but the pavement strength and the deterioration of the pavement are the issue. The pavement has not been resurfaced since the early 1980s—I think, in 1983.

CHAIRMAN—Is it proposed to resurface that?

Mr Mrdak—We are currently getting a master plan done of the airport. We have a specialist airport manager there who is now doing some work for us. We have had a number of engineering studies done in the past, which have indicated various degrees of work that need to be done on the pavement. The costs are great, as you can imagine, with the type of material you need to bring onto the island for that. I think it is fair to say that we are now trying to get an accurate estimate of the types of works needed, but it is not envisaged as an upgrade. What we are envisaging at this stage is essentially to maintain the pavement at the level it is at, but that is one of the things we are currently looking at.

Mr Wilson—One of the things we have done previously is work at it from the tail end rather than from what we need to deliver. One of the things we are getting the airport manager to do is determine what sort of strip we need to deliver, as opposed to the costs or the engineering design behind what we currently have. So we are working with the Department of Defence, which utilises the strip. We are working within our own confines in terms of what our requirements are to service the island and what runway is actually required to service that. We will work out the ballpark figure of the costs associated with delivering that before we then make any decisions as to how we go forward. As Mr Mrdak has indicated, I think at the end of the day, no matter what, it will be a costly exercise to refurbish the runway as it currently stands. We will need to take some decisions once we have the two pieces of information that I have just alluded to.

CHAIRMAN—So let us get back to the rather nebulous answer in respect of what type of aircraft the strip can take; it was a 767, and then I think it has gone backwards from there. At this stage, what sort of aircraft would CASA approve landing on that strip?

Mr Wilson—To be precise I would have to take that on notice.

CHAIRMAN—Please take it on notice, yes.

Mr Mrdak—It is a decision based on the deterioration of the pavement at the moment. It would be a question of whether the operator would operate on some of that pavement at the moment. While it might have a CASA rating at a certain level, the deterioration of the pavement at the moment might not allow that to some degree.

CHAIRMAN—The Civil Aviation Safety Authority would be perhaps the best reference to what type of aircraft could land safely on the airstrip.

Mr Mrdak—We will come back to you on that.

Senator SCULLION—I have some supplementary questions on that issue. Earlier in your evidence I think you confirmed that you would be taking into consideration the socioeconomic aspects of this market inquiry. While we are on the socioeconomic aspects, we took much evidence which said that both islands are pretty much dependent on tourism and that most of the airline companies who would bring tourists there in an economical way, based on the size of the aircraft, would not go there because the infrastructure simply is not on the islands. I do not think it is too comprehensive to go to here but, if you could look at the aspects of that, what moves would you be making towards ensuring that those issues are ameliorated?

Mr Mrdak—We currently have another expression of interest process out in terms of air services to the territories. Part of that is that we would hope that future operators who are looking to come into the market would give us advice on what our requirements would be. We have no provision in our budget at the moment for providing any additional safety or rescue equipment, so it would be very much driven by what the aircraft operators' requirements would be.

Senator SCULLION—We took some evidence from one of the operators, and I was heartened that they are not spending a lot of money. To meet the requirements, you do not need to buy a brand new fire truck; you simply need to move an asset. The sorts of requirements are not huge in terms of economics and those sorts of aspects. I think it would be worth while looking at that and perhaps even taking that question on notice.

Mr Mrdak—It varies between operators. Some operators will operate with a certain level of safety equipment in place. Others demand a much higher level of equipment, depending on the company policy.

Senator SCULLION—So the standard is just a minimum standard—

Mr Mrdak—That is right.

Senator SCULLION—and within the actual airlines some of them have a higher standard.

Mr Mrdak—Airlines, particularly the first- and second-tier airlines, often apply a greater margin in terms of what they require to be on the ground before they will operate to a port. Some other carriers will operate with a lesser degree—of fire equipment in particular—and the CASA requirement provides some latitude for that.

CHAIRMAN—You can include some of those other things with the questions you are taking on notice.

Mr Mrdak—Yes.

Mr SNOWDON—You talk about expressions of interest for air services—expressions of interest for what?

Mr Wilson—We have asked for requests for proposals and expressions of interest for providing an air service to the island. We have sought to ask for as many innovative proposals as possible. As you are well aware, we currently have the NJS service out there and the service down from the north. We are trying to identify through the marketplace what the barriers are to a potential service from the north, what the barriers are to a potential service from the south. We are trying to generate interest and to have those parties that may potentially be interested in providing the service tell us what we would need to do to have a greater range of services or to continue the services that we currently provide.

Mr SNOWDON—So it is very open and flexible?

Mr Wilson—It is more of a scoping exercise.

Mr SNOWDON—So when does the current contract for NJS end?

Mr Wilson—March next year.

Mr SNOWDON—Have you had much interest so far?

Mr Wilson—Certainly, a number of operators have called. It will be interesting to see just how many operators will put pen to paper and provide us with bids. We are hoping that a number will do so. But, at this stage, it is a little early to tell. Requests close on 25 April.

Mr SNOWDON—I imagine that people who might have put in a request or an indication of interest in, say, October may put in a different declaration of interest today.

Mr Wilson—Yes. The aviation industry is a difficult industry to read.

Mr SNOWDON—The reason I am saying it is that there have been changes in policy on Christmas Island, or changes in decisions in relation to what is going and what is not going.

Mr Wilson—In terms of the IRPC.

CHAIRMAN—What is the Commonwealth contribution to the Norfolk Island administration for this financial year? You are very welcome to take these questions on notice—in fact, I hope that you will take these on notice.

Mr Beresford-Wylie—We would have to take the exact figure on notice.

CHAIRMAN—Yes. I want the precise figure. Is this amount expected to remain the same, increase or decrease in the next financial year and why?

Mr Beresford-Wylie—Again, we will take that on notice.

CHAIRMAN—Did the Commonwealth assist with the Norfolk Island government's strategic review, Focus 2002, and, if so, what assistance was offered to the Norfolk Island government?

Mr Beresford-Wylie—We will take that on notice, although I am aware that officers from the Treasury and the Department of Finance and Administration visited the island last year to provide advice for Focus 2002. But I will take on notice whether any follow-up assistance was provided by the departments.

CHAIRMAN—Thank you. Firstly, the Commonwealth Grants Commission's 1997 report on Norfolk Island stated that the tax burden falls disproportionately on tourists; would you agree with that? Secondly, what strategies does the Norfolk Island government have in place for increasing revenue to improve infrastructure and to bring some services up to mainland standards? Thirdly, and probably most importantly, would the Norfolk Island government consider introducing an Australian taxation system, or a similar system that taxes wealth or income, as a means of diversifying and increasing revenue?

Mr Beresford-Wylie—I am happy to take on notice some of those questions and expand on them, although I would like to address the first point. The Grants Commission report obviously did make a statement. I have no views on the actual Grants Commission statement. It is a statement of fact as the commission saw it. In response to that, the Norfolk Island government did say in May 2002 that its current financial arrangements were not sustainable and, as a consequence of that, it engaged and embarked upon the Focus 2002 process. That process continued until March, in fact, when it was completed.

In February 2003 at a legislative assembly meeting, the finance minister for Norfolk Island indicated that Focus 2002 concluded that no major savings were being identified as part of that process and that consideration was now being given to identifying alternative revenue sources and the principles that should underpin revenue raising. The Focus 2002 report was tabled in the Norfolk Island Legislative Assembly on 19 March. It had 30 recommendations, which concentrated on improvements in service delivery, awareness of the cost of providing services, the use of business performance indicators, the development of financial strategies, cost recovery and fee-for-service structure and the need to review revenue sources for equity and efficiency. So there is now a position that has been put by Focus 2002, through those 30 recommendations. That will be a matter for the Norfolk Island government to respond to.

CHAIRMAN—If it is possible, would you be kind enough to obtain a copy of the report that was tabled in the Norfolk Island parliament, if I can call it that, and make it available to the committee?

Mr Beresford-Wylie—Yes, we can obtain a copy and make it available.

CHAIRMAN—Thank you. With respect to public health, which is always a concern of this committee when we visit Norfolk Island, would you be kind enough to answer or take on notice the following questions about health issues? In late 2002, an independent hospital review was instigated to investigate the efficiency of the legislative and management regimes of the Norfolk Island hospital and health service. As a result of that, are the recommendations in that hospital review likely to be implemented? Is the health service on Norfolk Island reaching crisis point? Is a new hospital required? That is almost a rhetorical question. There is only one dentist on

Norfolk Island. Is this in line with mainland standards for equivalent sized communities? Australian citizens residing on Norfolk Island who pay the Medicare levy still cannot access Medicare services on the mainland. Is this an issue that is likely to be redressed? I have one other series of questions outside of these. We can give you a copy of these if you want, Mr Beresford-Wylie.

Mr Beresford-Wylie—That would assist me.

CHAIRMAN—We will certainly give you copies of those questions. I have some concern about the removal and storage of asbestos and corrugated iron—corrugated asbestos particularly but not exclusively—on Norfolk Island. There are some government buildings, particularly in Kingston, that are targeted for asbestos roof removal. What buildings are they, and what budget, if any, has been set aside for the removal of that asbestos sheeting? What is the immediate plan and long-term plan for the removal from the island of stored asbestos sheeting and sheeting that is likely to be removed from government and other buildings on the island?

Mr Beresford-Wylie—We are aware that there is asbestos being removed from a number of buildings within the KAVHA. Those buildings, although owned by the Commonwealth, are in fact occupied, used and maintained by the Norfolk Island administration for administration purposes. We are aware, as I have said, that that work is going on. It is going on as part of the maintenance of those buildings within KAVHA, and we have raised with the Norfolk Island administration the fact that we would wish them to ensure, since it is a Norfolk Island administration responsibility in terms—

CHAIRMAN—In what mode did you raise it? Was it a verbal conversation or, in fact, a documented conversation which we could get a copy of?

Mr Beresford-Wylie—I am aware that there were issues raised with the administrator's office concerning this particular issue.

CHAIRMAN—Was that in documented form?

Mr Beresford-Wylie—I think that there was an email exchange, and there have been some conversations.

CHAIRMAN—Would you check and make that correspondence available—

Mr Beresford-Wylie—I will check to see whether there is a written record.

CHAIRMAN—if it was not confidential; I am sure it was not.

Mr Beresford-Wylie—I will see what correspondence is available and whether it can be made available to the committee.

CHAIRMAN—And with respect to the budget?

Mr Beresford-Wylie—This issue is one that the Norfolk Island administration indicated—

CHAIRMAN—You said that, but I understand that the Commonwealth may be funding, partly funding or subsidising that removal.

Mr Beresford-Wylie—The Commonwealth is not directly funding the removal of asbestos per se but it is funding the work of KAVHA within KAVHA. To the extent that is part of the work within KAVHA, there is an agreed formula under a memorandum of understanding between the two governments which covers the work that is going on within KAVHA.

CHAIRMAN—Does that memorandum of understanding stipulate or direct how the disposal and removal of asbestos should take place?

Mr Beresford-Wylie—It does not go to that detail; it goes to the detail of the agreed funding splits for various parts of work that are going on within KAVHA. Maintenance work within KAVHA is the full responsibility of the Norfolk Island administration.

CHAIRMAN—Wouldn't your department be concerned with the standard of removal that applies on the mainland? Or do you think is there a lesser standard that is acceptable on Norfolk Island?

Mr Beresford-Wylie—The Norfolk Island administration has indicated to us that it has put in place work standards which are in accordance with the relevant Australian standards.

CHAIRMAN—Are you happy and satisfied with that?

Mr Beresford-Wylie—I raised the issue personally with the acting chief executive officer of the Norfolk Island administration at the beginning of this month to state that the Commonwealth understood that that was the position and that was what we expected.

CHAIRMAN—Do you have any documentation with respect of that either from or to the Norfolk Island administration?

Mr Beresford-Wylie—The only documentation, as I have said, is an earlier exchange of correspondence that occurred between the official secretary and a member of the Norfolk Island administration.

CHAIRMAN—That is the documentation you have already spoken about.

Mr Beresford-Wylie—That is right.

CHAIRMAN—That is the one you will make available to the committee.

Mr Beresford-Wylie—That is correct. We will go back and see if we have copies of that documentation and whether it can be made available.

CHAIRMAN—I think the committee would be appalled if there were standards that were below those on the mainland with respect to the removal, storage and transportation of asbestos sheeting of any kind.

Senator SCULLION—I have a question, which I probably should have asked Environment Australia. I was very interested in the comprehensive waste disposal processes on Norfolk Island which involved the 60-foot drop more than anything else. I understand that people have looked at standards. There are some facilities being built on the island that the Commonwealth is associated with. But in questioning them on the island, it was clear that we ran out of things. Firstly, there were no standards available to have a look at the impact of ash from plastics which continues to be dumped, so is a major issue. Secondly, there was still going to be a point at which it was most likely, because of the absence of the capacity to use landfill and the value of the aquifer, that it would have to be taken off island. That seems to be a consistent approach. At the end of the day, we can do a few things here but we are going to have to shift some of our stuff off island. Have you considered or are you considering any strategic approach with budgets or how that may be achieved in the future?

Mr Mrdak—We have not.

Mr Beresford-Wylie—Obviously the Norfolk Island government is responsible for that waste management process on Norfolk Island. We know that the island administration has just published a comprehensive waste management and disposal strategy, which was funded by a Commonwealth grant. That waste disposal strategy makes a number of recommendations to the government, including the development of a waste centre, a community education program, recycling and treatment of refuse prior to burning. It is an issue for the government to consider what it is going to do about that waste management strategy and to provide a response. That is an issue for the Norfolk Island government.

Senator SCULLION—Are you saying that the Commonwealth government, quite respectfully, have no real interest in having a say in those matters apart from providing the environmental standards under which they must comply? There is a point at which they will not be able to comply with them on island.

It is all going to come down to service delivery. In any event, I do not believe the island has the capacity to deliver the sort of cost we are talking about for the removal of that sort of waste. Notwithstanding the current circumstances, I am saying, quite respectfully, that there must be physical and technical answers in terms of the storage and potential removal of the waste—obviously on ferries and things like that from time to time, when that becomes available—particularly radioactive waste from medical processes on the island or carcinogenic waste, which we have already identified through the establishment of environmental standards. I am looking not so much in terms of whether, yes, we are going to fix it or, no, it is not our responsibility, but clearly we set those standards. I think we can clearly see from the evidence that the island does not have the long-term capacity—and I am talking five or 10 years down the road. The strategy ends at the same sort of cliff face that the rubbish is currently being put over. I am asking: are you currently considering what is going to happen at the end of that? Clearly there are some issues, in terms of the strategy outlines, and we are all going to have to play some sort of a role.

Mr Mrdak—In essence, like you, we recognise that there are some limitations on where the strategy is at and where it takes us. We share your concerns about the capacity of the Norfolk Island government to deal with that situation in the future. At the moment, we have not gone beyond looking at where the strategy responsibility lies. As part of the work of this committee and the ongoing role we have in terms of the governance of Norfolk Island, if they were looking

for assistance then we would make every effort to assist them but, at this stage, like you, we have not gone beyond recognising that that will be a real problem in the future.

Mr SNOWDON—Bearing in mind that we do not have much time left, I would like to move on to Christmas Island. In relation to the resort, I understand Minister Tuckey has indicated that he is not prepared to issue a new licence; is that correct?

CHAIRMAN—It is a transfer of the existing licences.

Mr Mrdak—Do you mean the casino licence?

Mr SNOWDON—Yes.

Mr Mrdak—The casino licence, as you know, lapsed in 1998. You would know the history well from the committee. There has been no application or approach made, but during his visits to the island the minister has expressed his personal view that he would not support a licence application. Having said that, there has been no application for him to consider.

Mr SNOWDON—That is because people have been told not to bother.

Senator CROSSIN—Have you read the transcript?

Mr Mrdak—No, I am sorry but we have not seen the *Hansard* from your visit.

Senator CROSSIN—I see. I think you will find that Mr Asims gave us evidence that they actually had an operator who was interested in applying for the licence but they had heard that there was no point.

Mr Mrdak—I will have a look that; I am not aware of it. As I say, I know that, in discussions on the island, the minister has indicated his personal view but I am not aware of anything beyond that.

Mr SNOWDON—We had a letter tabled, which we will make sure you get a copy of, from Minister Macdonald. I am not sure who it was written to; it may have been to Mr Kwon. It undertook that the resort would be sold to operate as a resort and casino. It was very clear. So all the bidders were under the impression that they were actually bidding for the prospective casino licence—which they would have to apply for and go through an application process to get—plus a resort. Now we have a situation where it appears that the minister has indicated that he is not prepared to countenance an application for a casino licence. I know this is a very difficult question to answer, but do you have any idea how he believes the owners are going to get a return on their capital in purchasing the resort? The capital cost of that building was roughly \$80 million. The purchaser bought it for \$5.7 million or thereabouts, which is nowhere near its true value in terms of capital. I am at a bit of a loss to understand how he expects this to work.

Mr Mrdak—It is difficult for me to say. All I can say is that I have not heard the minister say that he would not countenance an application for a casino. What he has said in my presence during his visits to the island is that he personally does not see the merits of a casino. That is not to say that he precludes someone applying and going through the process. The decision at the

end of the day is his, but we have an independent statutory authority—the Casino Surveillance Authority—which is there under ordinance legislation. So there is a process there. I am not aware of any time the minister has ruled out anyone coming forward with a proposal. All he has expressed is a view—his view—but that is not in any way indicating how he as the minister would treat an application. I do not think he is in any way pre-empting a process. I think that is important. I know that sounds overly bureaucratic.

Mr SNOWDON—No. But if you could seek clarification on what the hell he does mean—

Mr Mrdak—What he really does mean?

Senator CROSSIN—You might not want to couch it in those terms.

Mr SNOWDON—Yes. Ultimately, his is the signature that goes on the licence?

Mr Mrdak—Yes, based on advice from the surveillance authority about the appropriate response.

Mr SNOWDON—That is right, but he could refuse to sign it, in which case there would be no licence?

Mr Mrdak—What I can do is seek to clarify the process. I do not think I could go to the minister's view—it is a bit difficult—to answer that for you.

Mr SNOWDON—I understand that. I would want to get an answer about whether or not, if David Kwon decides he wants to apply for a licence in six or 12 months, he will be given mail that says, 'Return to sender'. We want to know this because, clearly, it has a great deal to do with how they might plan future investment decisions for that and other developments on the island.

Mr Mrdak—As I said, I can only reiterate that the process is there. At the end of the day, it is a question that you might wish to put directly to the minister.

Mr SNOWDON—If we could get him to talk to us, we would.

CHAIRMAN—I would not be put off by what Mr Snowdon says. I have always found the minister to be a very kind, gentle and very approachable person.

Mr SNOWDON—With the demise of the previous proposal for the immigration detention facilities, what role does DOTARS have now with the proposal, specifically?

Mr Mrdak—It is relatively limited. We have completed our works that were part of the project. We will be involved with the Department of Finance and Administration, which now has the responsibility for the construction of the IRPC. We will be involved with that, along with other agencies like Environment Australia and others, when they need infrastructure and all of that. But it is relatively limited beyond that.

Mr SNOWDON—So the whole project management aspect now moves from DIMIA straight across to Finance and all you have done is provide the services that you are bound to provide as a Commonwealth agent on the island?

Mr Mrdak—That is correct. We have completed our housing project and our infrastructure projects—or we have nearly completed those.

Senator CROSSIN—Is the mud still slipping down the back of the 180 units or do you have that under control, finally?

Mr Wilson—We continue to work on that.

Senator CROSSIN—You do know that it is nicknamed Thredbo, don't you?

Mr Wilson—Yes, the island rang me and told me that the nickname was Thredbo.

Senator CROSSIN—For good reason, I think.

Mr Wilson—I hope not, senator.

Senator CROSSIN—It is empty, so if they all squash into each other it would not be a tragedy.

Mr Wilson—We continue to work on rectifying some issues associated with the housing, but we also have outstanding issues with the water supply to IRPC. We need to ascertain just how much water the IRPC will require, so that we can ascertain how much additional water we need to pump into the system to ensure that the settlement retains its current water availability and the IRPC is serviced. Again, I do not want to do the work before I know the precise volume of water I need to provide to the IRPC. So, until the design of the IRPC is completed, I will not actually undertake the necessary design works to provide the additional water. At least one point for the water will be in the Smithson Bight area which sits inside the national park. Unlike most of the other works associated with the IRPC, that will go through a full EPBC—we did not seek environmental exemption for that because of its location.

Senator CROSSIN—Questions about the renegotiation of the tender and the costs incurred in actually cancelling are all in DIMIA's area, are they?

Mr Mrdak—We have not been party to any of that.

Mr SNOWDON—In view of the overall responsibility the department has for the administration and development of the island, are you conscious of the detrimental impact the decision not to proceed with the detention facility has had on the local economy?

Mr Mrdak—I accompanied the minister during his visit in February when we met with the chamber of commerce and others. They have subsequently written to me and to the minister expressing their concern about the potential delays. In response to that, we have taken those concerns up with the department of finance to seek that they expedite, as much as possible, a continuation of the works.

Mr SNOWDON—Of the \$100 million which is set aside for the space facility, I think \$50 million was allocated for this in the last budget.

Mr Mrdak—That is right. It was of that order for this financial year.

Mr SNOWDON—How much of that has been spent and what was it spent for?

Mr Mrdak—There were three projects under that allocation: the Nui Nui port, the Linkwater Road and the airport. To date we have just about completed the Nui Nui port and some works at Flying Fish Cove. The Linkwater Road project is now at the stage of completing design, although we have some outstanding issues which APSC have recently raised with us about the design. So that is nearing bringing this to go to tender; we just have to sort out design. Regarding the airport project, a draft EIS is being considered by Environment Australia. That project will not proceed until such time as APSC commit to their project—unlike the port and the road, which we have taken out and advanced as part of the IRPC project.

Mr Wilson—To date we have expended about \$2.5 million on the port. On design work for the road we have expended about \$400,000.

Mr SNOWDON—I would like to pursue for a moment the issue of the airport. I understand that this money was made available to auspice the space facility. I also understood that they were seen as community infrastructure exercises which were to support the local population. I understood there was an acknowledgment that at some time they had to do something about the airport, because of the length of the runway and a whole range of other things. Given that—and correct me if I am wrong—the Commonwealth would, in any event, see a need to do the airport, why is it waiting for the space port facility to commence?

Mr Mrdak—While we as a portfolio would certainly like to see some enhancement of the airport, it is difficult to warrant at the moment, given the aircraft using the airport and the traffic. The government's decision, though, is that the airport expenditure is contingent on APSC, because that specific length of runway and the pavement weight they need is very much driven by their space launch requirements. The decision is contingent on APSC proceeding.

Mr SNOWDON—When was that decision made?

Mr Mrdak—In 2001.

Mr SNOWDON—The decision to make this \$50 million available was deliberately made in the context of the space facility kicking its stuff off?

Mr Mrdak—That is correct.

Mr Wilson—It was actually \$68.3 million, of which \$17 million was for the road and the port. The remaining \$50 million was for the remainder of the airport.

Senator CROSSIN—So they are both directly linked to the space project?

Mr Mrdak—When the government decided on the IRPC in March last year it brought forward the port and the road project, and uncoupled that from APSC. But the airport was not uncoupled, so we are unable to proceed beyond the design and environmental approval stage until such time as the APSC commits to the project and meets a range of conditions which the government has set before that money be released.

Mr SNOWDON—What sorts of conditions are they?

Mr Mrdak—They include completion of the technical safeguards agreement with the Russians; completion of financial closure and commitment that they have the funds; and also completion of all the necessary statutory approvals such as approval from Environment Australia and the like. There is a whole range of those types of conditions, which essentially means that APSC have to be able to demonstrate that they are in a position to commence their project.

Senator CROSSIN—Is the realignment of the road linked to the APSC?

Mr Mrdak—No.

Mr Wilson—We will undertake that work as soon as we get through some of the design and approval processes.

Senator CROSSIN—That is what I am saying. If the APSC is going slowly or not going ahead, why do you still need to realign that road?

Mr Mrdak—It is because of the Nui Nui port—to save traffic from going back through the settlement—and there are safety reasons for proceeding with the Linkwater Road. But, as I say, at this stage that is being held up by some last-minute design changes that APSC wanted because of the access to the resort.

Mr SNOWDON—I am sure this will happen in any event but, given that we are going to have to close, when the department get the *Hansard* from the Cocos and Christmas visits could they look at it and give us a supplementary submission on the issues that are raised within it?

Mr Mrdak—Certainly.

Senator CROSSIN—When you do so, could you specifically look at the issue of the youth club now being asked to pay rent of \$900 a year?

Mr Mrdak—Yes.

Mr SNOWDON—Senator Hogg raised that.

Senator CROSSIN—He raised that before he went?

CHAIRMAN—He raised it comprehensively and unambiguously.

Senator CROSSIN—Good. I did not see any spillage of blood on the floor when I came in so I assumed that he had not got to it!

CHAIRMAN—Senators do not have blood!

Mr Mrdak—I have undertaken to look at that issue.

Senator CROSSIN—You know the committee actually offered to run a chook raffle for them to get the \$900, in view of your meanness for charging that!

Mr Mrdak—Senator Hogg made that clear.

Senator CROSSIN—You got that message, did you?

Mr Mrdak—Yes.

Mr SNOWDON—I have one last question.

CHAIRMAN—You are notorious, Mr Snowden, for having one last question.

Mr SNOWDON—I want to go back to the issues raised on Cocos. The issue of the functions that Water Corp are currently carrying out was raised. Is there a process for that work being tendered?

Mr Mrdak—Do you mean the actual overall contract or the work that they subcontract?

Mr SNOWDON—I am not certain, but it was raised with me. You will notice it in the *Hansard*.

Mr Wilson—Do you mean the work that they do now or the contract that we currently hold with them?

Mr SNOWDON—I will explain it to you afterwards.

CHAIRMAN—Can you take that on notice?

Mr Mrdak—I will look at that specifically.

CHAIRMAN—Thank you for your attendance here today, Mr Wilson, Mr Mrdak and Mr Beresford-Wylie. If there are any matters on which we might need additional information, the secretary will write to you. You will be sent a copy of the transcript of your evidence, to which you may make editorial corrections. On behalf of the committee, I thank you once again for your attendance here today. I also thank the committee, the secretariat and Hansard.

Resolved (on motion by **Senator Lightfoot**):

That this committee authorises publication of the transcript of the evidence given before it at public hearing this day.
