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SENATE

STANDING COMMITTEE ON ENVIRONMENT,
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE
ARTS

ESTIMATES

(Budget Estimates)

TUESDAY, 22 MAY 2007

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**SENATE STANDING COMMITTEE ON
ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY AND
THE ARTS**

Tuesday, 22 May 2007

Members: Senator Eggleston (*Chair*), Senator Bartlett (*Deputy Chair*), Senators Birmingham, Kemp, Lundy, Ian Macdonald, Webber and Wortley

Participating members: Senators Adams, Allison, Bernardi, Boswell, Bob Brown, George Campbell, Carr, Chapman, Conroy, Crossin, Chris Evans, Faulkner, Ferguson, Fielding, Fieravanti-Wells, Forshaw, Heffernan, Hogg, Humphries, Joyce, Lightfoot, Ludwig, Lundy, Marshall, Sandy Macdonald, McGauran, McLucas, Milne, Moore, Nash, Nettle, O'Brien, Parry, Payne, Robert Ray, Siewert, Stott Despoja, Watson and Wong

Senators in attendance: Senators Allison, Bartlett, Birmingham, Bob Brown, George Campbell, Crossin, Eggleston, Fielding, Heffernan, Kemp, Ian Macdonald, McLucas, Moore, Nettle, Ronaldson, Siewert, Stephens, Webber, Wong and Wortley

Committee met at 9.05 am

ENVIRONMENT AND WATER RESOURCES PORTFOLIO

Consideration resumed from 21 May 2007.

In Attendance

Senator Abetz, Minister for Fisheries, Forestry and Conservation

Department of the Environment and Water Resources

Executive

Mr David Borthwick PSM, Secretary
Ms Anthea Tinney, Deputy Secretary
Mr Gerard Early, Acting Deputy Secretary
Mr Howard Bamsey, Deputy Secretary
Dr James Horne, Acting Deputy Secretary

Approvals and Wildlife Division

Ms Alex Rankin, Acting First Assistant Secretary
Ms Vicki Middleton, Assistant Secretary, Environment Assessment Branch
Ms Tania Rishniw, Acting Assistant Secretary, Environment Assessment Branch
Ms Kerry Smith, Assistant Secretary, Wildlife Branch
Mr Mark Flanigan, Assistant Secretary, Policy and Compliance Branch

Australian Antarctic Division

Mr Tony Press, Director
Mr Rod Allen, General Manager, Corporate
Ms Virginia Mudie, Deputy Director, Policy Coordination

Bureau of Meteorology

Mr Gary Foley, Acting Director of Meteorology
Dr Louise Minty, Special Advisory, Water Information

Corporate Strategies Division

Mr David Anderson, First Assistant Secretary
Mr Darren Schaeffer, Chief Finance Officer

Environment Quality Division

Dr Barry Reville, Acting First Assistant Secretary

Great Barrier Reef Marine Park Authority

Hon. Virginia Chadwick AO, Chairman
Mr John Barrett, Acting, Executive Director
Mr Andrew Skeat, Executive Director
Mr Peter Cronin, Acting Director, Corporate Services

Heritage Division

Mr Peter Burnett, First Assistant Secretary
Mr Terry Bailey, Assistant Secretary, Heritage Assessment Branch
Mr Theo Hooy, Assistant Secretary, Heritage Management Branch
Mr Greg Terrill, Assistant Secretary, Heritage Strategy Branch

Industry, Communities and Energy Division

Mr Gerry Morvell, First Assistant Secretary
Mr Tas Sakellaris, Assistant Secretary, Energy Futures Branch
Mr Denis Smedley, Director, Renewable Energy Development Section
Mr Warren Hughes, Director, Finance, Divisional Support Unit

International Land and Analysis Division

Mr Ian Carruthers, First Assistant Secretary
Mr James Shevlin, Assistant Secretary, International Climate Change Branch
Ms Shayleen Thomsson, Assistant Secretary, Strategies and Analysis Branch

Water Assets and Natural Resources Division

Mr Tony Slatyer, First Assistant Secretary

Water Resources Division

Mr Malcolm Forbes, Acting First Assistant Secretary

Marine and Biodiversity Division

Mr Stephen Oxley, Assistant Secretary, Marine Conservation Branch
Dr Charlie Zammit, Assistant Secretary, Natural Resource Management Policy Branch

National Water Commission

Mr Ken Matthews, Chief Executive
Mr Malcolm Thomsson, Deputy Chief Officer
Mr Steve Costello, General Manager, Water Programmes Group
Ms Kerry Olsson, General Manager, Water Reform Group
Mr Matt Kendall, Project Director, Water Science Group

Natural Resource Management Programmes Division

Ms Kelly Pearce, Acting First Assistant Secretary
Mr Hilton Taylor, Assistant Secretary, Australian Government Natural Resource Management Team

Office of the Renewable Energy Regulator

Mr Christopher Branson, Acting Renewable Energy Regulator
Mr Amar Jot Singh, Acting Office Manager

Parks Australia Division

Mr Peter Cochrane, Director of National Parks

Policy Coordination Division

Mr Mark Tucker, First Assistant Secretary

Mr Luka Grey, Budget Manager, Policy Development Branch

Supervising Scientist Division

Mr Alan Hughes, Supervising Scientist

Mr Richard McAllister, Assistant Secretary, Office of the Supervising Scientist

Sydney Harbour Federation Trust

Mr Geoff Bailey, Executive Director

CHAIR (Senator Eggleston)—We are resuming estimates this morning. I have to make a short opening statement, which is the standard opening statement, so if you have heard it before please bear with me. We continue the examination of the Environment and Water Resources Portfolio in accordance with the agenda. Minister, do you wish to make any comments?

Senator Abetz—No, I do not.

Senator McLUCAS—I have a proposal, Chair, because we are long way behind where we wanted to be. I propose that we break the time that we have into some agreed time frames. Can I offer up a suggested time frame?

CHAIR—You can do that, but you do have to bear in mind that—

Senator Abetz—Should that be a matter for a private meeting for the committee?

Senator McLUCAS—I do not do that in Health and Ageing. It is often useful to officers of the department to know what I am proposing. If it is agreed by the group, then we all know where we are.

CHAIR—You have said that we are behind, but estimates have their own life and people ask questions. Any senator can come in and ask questions.

Senator McLUCAS—That is right; however, if you have a bit of a feel for the time we all want to allocate to certain outcomes, at least there is some management of the whole process. This is no reflection on you, Chair.

CHAIR—We can try, but we cannot preclude or prevent any senator from asking questions. That has to be borne in mind. Please tell us about your proposal.

Senator McLUCAS—I suggest that we work on Parks until 9.30, the Office of the Renewable Energy Regulator from 9.30 to 10.15, cross-portfolio issues from 10.15 to 10.45, Approvals and Wildlife from 10.45 to 11.30 and the AGO's Industry, Communities and Energy Division from 11.30 to 12.30, when I dare say we would break for lunch.

CHAIR—We break at 1 pm. This is okay, but this is the ALP's view. The Greens may wish to ask questions.

Senator SIEWERT—I can tell you that I will not be finished Parks by 9.30.

CHAIR—So there you are.

Senator McLUCAS—Given that it is 9.10 already.

CHAIR—We have already found another party that does not agree. We can try to get through things as expeditiously as possible, but I do not think we can agree to set time limits dictated by one party.

Senator SIEWERT—We could agree to go to AGO at a certain time if that is convenient for everybody.

Senator BIRMINGHAM—Perhaps we could make the most of the time between now and the morning tea break, and then Senator McLucas and Senator Siewert can discuss over the morning tea break any particular issues they wish to bring forward or agree on rather than take up another 10 minutes of this morning's hearing.

Senator Abetz—That sounds like a very sensible suggestion.

CHAIR—If there is further discussion, I think we should go into a private meeting rather than have this recorded on *Hansard*. We will seek to move expeditiously. One of the problems yesterday was that a lot of time was spent early in the afternoon on a subject which need not have occupied anything like the time it did. So it is a matter for senators to exercise some discipline and focus in their questions. Let us proceed.

Senator McLUCAS—I have a couple of questions on parks. I understand that at the last estimates, National Parks indicated that the AGO, in conjunction with Parks Australia, commissioned a report looking at the impact of climate change on marine and terrestrial reserves, including Kakadu. Has that report been completed?

Mr Cochrane—No, it hasn't. There are two reports and we are expecting both of them in June. The complexity of the issues that have been raised has warranted the consultants taking a longer time.

Senator McLUCAS—What is the nature of the two reports?

Mr Cochrane—We have commissioned one on the implications of climate change forecasts for Commonwealth reserves—that is the 20 reserves that we are responsible for—and the second one, which is a larger one and being done by CSIRO, is looking at the implications of climate change for the national reserve system. That is the entire system of protected areas across Australia.

Senator McLUCAS—You are expecting them to be finished in June?

Mr Cochrane—Yes.

Senator McLUCAS—Then will they be released at that point?

Mr Cochrane—That is the objective; absolutely.

Senator McLUCAS—They will be released then?

Mr Cochrane—Yes.

Senator CROSSIN—Can you give me the total amount in the budget for parks that will be just dedicated to the Northern Territory?

Mr Cochrane—I think I can do that. I can give you the amount for Kakadu, Uluru-Kata Tjuta and the Darwin office. Are you asking about the amount that we will spend in the Northern Territory, excluding Christmas Island and the Cocos islands?

Senator CROSSIN—Yes.

Mr Cochrane—For next year or this year?

Senator CROSSIN—Both if you like.

Mr Cochrane—I can give it to you for both but you will just have to bear with me because it is not at the top of my head.

Senator CROSSIN—I think we can forgive you for that.

Mr Cochrane—The proposed budget for 2007-08 for Kakadu is \$18.074 million plus \$3.2 million for capital; Uluru-Kata Tjuta is \$11.765 million and this year we have got \$17.85 million capital, because there is a capital injection of \$15 million for the sunrise viewing area.

Senator CROSSIN—That is for the viewing platform, isn't it?

Mr Cochrane—That is correct. In the Darwin office we have got \$1.5 million and \$0.48 million for the executive in Parks North. So that is the summary of the Northern Territory budget expenditure proposed for parks. Those are the draft budgets for this year. They have not been completely signed off but they will be very close to that.

Senator CROSSIN—How does that compare to last year?

Mr Cochrane—I have the equivalent figures for Kakadu. The total budget for Kakadu—a full year forecast—for this year is \$19 million. I will have to find capital separately. For Uluru it is \$12.69 million, for the Darwin office support area it is \$2 million and for the Parks North executive it is \$0.39 million.

Senator CROSSIN—So there is actually a reduction in the Kakadu and Uluru operating costs?

Mr Cochrane—You have asked for total budgets and they will include additional funds that we may have received for specific purposes. For example, this year we received some additional money from the department for an extra HR position in the Darwin office. We have got a couple of others—

Senator CROSSIN—But that is not in the Kakadu or Uluru budgets though, is it?

Mr Cochrane—That is in the Darwin office budget.

Senator CROSSIN—That is in the Darwin office budget, yes.

Mr Cochrane—We also received some additional diesel fuel credits for both Kakadu and Uluru, I believe. We get credits under the government scheme. They come in in odd lumps, depending on when we claim them. Also, as a result of cyclone Monica we had half a million dollars worth of insurance recoveries this current year for Kakadu. We also received additional income this year at Uluru from the Department of Industry, Tourism and Resources for the Sunrise project. They made a contribution of \$600,000 towards that project. Those were abnormal items, if you like.

Senator CROSSIN—They are reflected more in your annual report than in the PBS, aren't they?

Mr Cochrane—Those items would be covered in the annual report, yes.

Senator CROSSIN—They are not part of this \$18 million and \$11 million, are they?

Mr Cochrane—In terms of the forecast for next year?

Senator CROSSIN—Yes.

Mr Cochrane—That is the base at the moment. If there are abnormal items then we will report them as they come in.

Senator CROSSIN—I see. And the \$19 million and the \$12 million for this year does not include—

Mr Cochrane—The \$19 million will certainly the diesel fuel rebates and the insurance recoveries. They will be the main additional things in Kakadu. That is nearly \$800,000 additional that has come in.

Senator CROSSIN—I am happy for you to take this on notice. I have asked consistently for a breakdown of the annual infrastructure and maintenance for both Kakadu and Uluru, for quite a number of years. I just wonder if you could update that table for me.

Mr Cochrane—Yes, absolutely.

Senator CROSSIN—You will not be surprised that my next question will be: what is the breakdown now of visitor numbers to Kakadu? My last set of answers shows me a 2004 figure. Do you have an update of that?

Mr Cochrane—Yes, but bear in mind that since 2004 we have been counting visitors through the calibrated traffic counter figures. You asked me a series of questions about that.

Senator CROSSIN—Yes, I did.

Mr Cochrane—I can now report that in the calendar year 2005, from those calibrated vehicle counters we recorded 202,507 visitors in 2005, and in 2006 we got 209,506. So there has been an increase of almost exactly 7,000.

Senator CROSSIN—I see. So are you counting them the same way then?

Mr Cochrane—Yes, that is right. We are recording all the vehicles and then, quarterly, doing surveys to work out how many people in each.

Senator CROSSIN—I do not think we will go there again.

Mr Cochrane—Thank you.

Senator CROSSIN—I am really just after an update about the supplementation of the fees. Does the money that you have provided in the forward estimates for Kakadu—the \$18 million—include, or is the supplementation as replacement for the park fees, a separate amount?

Mr Cochrane—No, it is not separate. It is included in that. So there is a figure of about \$4.8 million included in that, which is Kakadu fee supplementation.

Senator CROSSIN—Right. And is that for the 2007-08 year?

Mr Cochrane—Yes.

Senator CROSSIN—Okay. Can you bring me up to date with how much the traditional owners have received in the last two years? Is it calculated on the same basis as it was previously?

Mr Cochrane—It started on a flat fee basis, at \$1 million a year, which was slightly in excess of what they were receiving as a proportion of the gate fees.

Senator CROSSIN—Was that in 2004 and 2005?

Mr Cochrane—Yes.

Senator CROSSIN—What happened last year?

Mr Cochrane—That is a good question. I am not sure that I have that number with me. I will provide it for you on notice.

Senator CROSSIN—You can just take it on notice. Are they still getting a flat fee, whatever that is? I thought it was to be calculated at 38.8 per cent of the revenue.

Mr Cochrane—That is still in the lease but, as we do not have the revenue from the entry fees, it was replaced by agreement with the Northern Land Council and traditional owners with a flat fee, which was then to be indexed on visitor numbers as they changed but not decreased.

Senator CROSSIN—So we are looking for a fee for last year?

Mr Cochrane—Yes.

Senator CROSSIN—My understanding is the agreement for supplementation was to last for four years. Is that correct?

Mr Cochrane—That is correct.

Senator CROSSIN—So that will take us through to the end of 2008?

Mr Cochrane—That is correct, to the middle of calendar year 2008.

Senator CROSSIN—Have there been any discussions about what the future might be for providing this payment to traditional owners come the middle of next year?

Mr Cochrane—We have had discussions about it but, as it is a lapsing measure and it takes us through to the end of this forthcoming financial year, it is then a matter for the next budget to continue that.

Senator CROSSIN—So you are saying to me that that would be a matter of government policy?

Mr Cochrane—I am not sure that it is a matter of government policy, but it is a matter of the lapsing measure—

Senator CROSSIN—It is the decision of the government, essentially, is it?

Mr Cochrane—It was instituted as a lapsing measure, and it lapses on 30 June next year. To continue it, we would need to seek it.

Senator CROSSIN—To seek a commitment to it in next year's budget. Is that correct?

Mr Cochrane—That is correct.

Senator CROSSIN—You say you have had discussions. Have they been with the Northern Land Council?

Mr Cochrane—In terms of the future budget?

Senator CROSSIN—Yes.

Mr Cochrane—No, just within the department because it is really a matter for next year's budget.

Senator CROSSIN—Can I ask on what basis? To continue in the same way?

Mr Cochrane—That is what I would be seeking, yes. Or similar.

Senator CROSSIN—I do not think there is anything further there about Kakadu that I want to ask. Can I ask you now about Mutitjulu. Is there an allocated amount that Parks has against Mutitjulu in terms of expenditure?

Mr Cochrane—We have memoranda of understanding with the Mutitjulu Community Association for three sets of activities, three amounts. One of them is for just general environmental works in and around Mutitjulu. This includes things like rubbish collection and general clean-up, which is paid to them on a quarterly basis and is used to employ local people.

Senator CROSSIN—Paid to the council, or in this case the administrator?

Mr Cochrane—In this case, the administrator. We have an amount in the order of \$100,000, which pays for a position called the community liaison officer. Currently, because the community has been under administration, it is easier for us to employ that person directly. So currently he is a Parks person by agreement with the community and the Central Lands Council, but we see that as only a temporary measure until normal business is restored in the community. The fourth one is what we call community contracts, which is a sum of about \$400,000, which we use through the year for casual employment. So, if we need traditional owners to provide us with advice or if we have short-term projects such as feral animal tracking or burning, then those are employed through the community. The community manages that employment.

Senator CROSSIN—So generation of water and electricity is Parks' responsibility?

Mr Cochrane—That is our responsibility, yes.

Senator CROSSIN—And rubbish collection is also Parks' responsibility?

Mr Cochrane—We make a contribution to the community for some of that work. I do not believe we fund all of it, because the community bears some of that responsibility.

Senator CROSSIN—What is the allocated amount for electricity and water?

Mr Cochrane—I can get you what we pay for electricity and water, but we generate the power and supply the water for both the community and our own operations—for our own staff's houses, for the visitor centre et cetera.

Senator CROSSIN—So it is a total bill.

Mr Cochrane—Yes.

Senator CROSSIN—Who would be responsible for any maintenance or upgrade of infrastructure for water and electricity.

Mr Cochrane—We are.

Senator CROSSIN—What has happened there in the last two years? Have any works been undertaken or improvements made in that area?

Mr Cochrane—We progressively make improvements. In the last couple of years we would probably have had to replace one of the bores. The bores age in that environment, so we have had to redrill one water supply point. We certainly have a steady asset replacement program for things like diesel generators and pumps.

Senator CROSSIN—Finally, what are the current gate fees collected at Uluru?

Mr Cochrane—\$25 per adult.

Senator CROSSIN—What then happens with that money?

Mr Cochrane—It goes into the park budget. Last year it would have been about \$7.6 million, \$7.7 million.

Senator CROSSIN—How much of that is paid to the traditional owners?

Mr Cochrane—Twenty-five per cent.

Senator CROSSIN—Which goes into a trust fund?

Mr Cochrane—It is paid to the Central Land Council, in accordance with the land rights act. They then allocate it according to a mechanism that they have agreed with traditional owners.

Senator BOB BROWN—Going back to Kakadu, is there any reason why the Koongarra mineral lease has not been reincorporated into the park, as recommended by the World Heritage Committee mission in 1998 and, in principle, by the government in 1999?

Mr Cochrane—It is not my particular area of expertise because it is not actually in the park, even though it is surrounded by the park. It is the subject of a separate act, I understand, which has not yet been proclaimed. So it sits there in limbo. That is my understanding. I think it is administered by the Northern Territory department of mines in a similar way to the Ranger lease, except that there is no activity on it.

Senator BOB BROWN—That would be a matter for the Northern Territory or the Australian government?

Mr Cochrane—And/or the Department of Industry, Tourism and Resources, which bear responsibility for those sorts of matters. It is not actually a park matter, even though it is surrounded by the park. We have no control over that lease, and I have no policy responsibility for it, either.

Senator BOB BROWN—No, but the minister does. Perhaps the minister could tell the committee what the government's intention is with that area?

Senator Abetz—I will take that on notice.

Senator BOB BROWN—Have you had any input into this lease and the area within the park?

Senator Abetz—I will see what the minister says.

Senator BOB BROWN—Has the matter been discussed between you and the minister?

Senator Abetz—I do not know why you would think it would be discussed between the—

Senator BOB BROWN—Because you are here at the committee representing him, and it is a fairly obvious question to be asked.

Senator Abetz—No, it is not. I represent the minister and there have been no discussions between me and the minister on that.

Senator BOB BROWN—Nothing? We were discussing Macquarie Island last night—

Senator Abetz—There have been discussions between me and the minister on that.

Senator BOB BROWN—and the onus for that was passed across to you, Mr Cochrane. What is the current situation regarding Macquarie Island and the rabbit plague and the very belated program to deal with it?

Mr Cochrane—Can I first make clear what my responsibilities are. They are for the Commonwealth marine reserve—the Macquarie Island Marine Park, which is located offshore of Macquarie Island. Macquarie Island, as I am sure you are aware, is actually part of Tasmania and managed by the Tasmanian government.

Senator BOB BROWN—That is one description of it.

Senator Abetz—They have a responsibility.

Mr Cochrane—I do not have any direct responsibility for Macquarie Island itself and the coastal waters. The marine park starts three nautical miles off the island. We obviously have an interest, however, in the quality of the seabird habitat and other impacts on the marine park. There is certainly reference in last year's annual report to concerns about the state of the island and the potential impacts on seabird roosting and habitat.

Senator BOB BROWN—The department does not, through its World Heritage responsibilities, have a direct interest in what is happening on the island itself?

Mr Cochrane—I believe it does, but I think your next questions are best directed at the heritage division that carries the responsibilities for World Heritage properties around Australia.

Senator BOB BROWN—Just going back to the bird life, can you tell us about the impact of the rabbit and rat plagues on the bird life? What do you anticipate will happen if action keeps being put off?

Mr Cochrane—I have not been there myself but, from reports I have read and photographs I have seen, I believe it is extremely serious.

Senator BOB BROWN—Can you describe that to the committee?

Mr Cochrane—There are extensive areas in the park that were formerly well vegetated which are now no longer vegetated. There are land slumps—sea bird nests have been buried as a result of collapsing land forms. The prognosis is not good unless something is done about that.

Senator BOB BROWN—Is the interference with the sea bird nest an occasional thing, or is that threatening large areas of nesting?

Mr Cochrane—I do not have the information to tell you the extent of it; I am just reporting the photos I have seen. They suggest that, at least in places, it looks very serious.

Mr Borthwick—When we get to the heritage division, they should be able to give you a good description of what is happening there.

Senator BOB BROWN—I am happy to wait until then, thank you. The same might apply to the Tasmanian mainland World Heritage area, so I will also wait for that one.

Senator SIEWERT—I have a series of questions. The first one is about crazy ants. I note the amount in the budget. Is that what the crazy ant committee recommended?

Mr Cochrane—The committee recommended we adopt a 10-year strategy, and the government has funded the first four years of that strategy. I believe that a member of the committee has written to the minister to congratulate him and said that it was an excellent effort. That was a very pleasing response.

Senator SIEWERT—Just to clarify: they have the amount of money that was requested albeit that it is not for 10 years, it is for four.

Mr Cochrane—The government only provides money in four-year lots.

Senator SIEWERT—But that is consistent with the 10-year plan?

Mr Cochrane—Absolutely, and it will allow us to embark on the 10-year strategy.

Senator SIEWERT—I realise I may need to ask Assessments about a couple of these next questions. I note with pleasure the rejection of the current mining proposal. Are you aware of any more mining proposals?

Mr Cochrane—Not to my knowledge.

Senator SIEWERT—I want to ask about the money in the budget for contaminated sites on Christmas Island—which I now cannot find.

Mr Cochrane—It is under 'Territories'. It was my first knowledge of it as well, I must confess.

Senator SIEWERT—Do I have to ask Territories about that?

Mr Cochrane—I am afraid you will have to, because it is listed in the Environment budget statement as 'Territories', and it is not money that comes to us. It is not money we are spending.

Senator SIEWERT—So it is separate. I will ask Territories.

Senator Abetz—It is a pity that you will have to ask that somewhere else.

Senator SIEWERT—Yes, I am always running between the two committees. I now want to go onto the specific budget details, if that is okay. I am looking in both of these documents. Can you clarify: in the environment budget there is a figure of \$49.8 under terrestrial parks and reserves, and it goes up to \$52.8 for next financial year. Under 'Director National Parks, (g)(s)' there is \$16.9 million for this financial year and \$26.9 million for next financial year. How do those two figures relate to each other?

Mr Cochrane—I can answer that one, fortunately. Let me start with 2006-07. The \$49.8 million is made up of \$43 million that I received through the department as appropriation. It

also includes a figure for resources we receive from the department by way of corporate services. That is valued at \$3.3 million. We also get an allocation of the corporate overheads across the department, based on staff numbers I believe, which is \$3.5 million. So that gives you the \$49.8 million. For next year, the figure of \$52.8 million is made up of our appropriation figure of \$44.3 million, departmental funding of \$4.9 million and an allocation of corporate overheads of \$3.6 million, which is much the same as the previous year.

Senator SIEWERT—Yes.

Mr Cochrane—The second line figure is largely our goods and services revenue, so it is entry fees and other things that we receive. Next year the large jump is almost entirely due to the capital injection for Uluru.

Senator SIEWERT—I want to move on next to the money specifically for new allocations. Can you tell me whether there has been any increase in the allocation for new acquisitions?

Mr Cochrane—Do you mean for the National Reserve System?

Senator SIEWERT—Yes, for the National Reserve System.

Mr Cochrane—The budget figure for the program for 2007-08 is \$6 million—the same as the current year. But that had already been determined because that is the last year of NHT2.

Senator SIEWERT—That leads me to the next question. I note that all the programs have been rolled together under NHT3.

Mr Cochrane—I do not believe the government has made any decisions on the allocation of funds within NHT3 yet.

Senator SIEWERT—So you do not know, therefore, how much you are likely to have for new acquisitions for the NRS under NHT3?

Mr Cochrane—Correct.

Senator SIEWERT—I want to go back to some questions I asked last time and how they relate to acquisitions in the future. I asked a question last time about how much land still needs to be acquired to meet the targets for NRS. You answered that if you look at an estimate of 10 per cent—and I will come back to what that 10 per cent meant—it was 30 million hectares. Is that 10 per cent just met in the comprehensive test or is it built into that representation and also the requirements around threatened species and endangered species?

Mr Cochrane—It is based on representativeness. It would be 10 per cent of each of the 85 bioregions on the continent. Some of them, as you know, have far more than 10 per cent of them represented, but many of them have way under 10 per cent. So that 30 million hectares is based on bringing all bioregions up to at least 10 per cent.

Senator SIEWERT—Does it meet, then, the other requirements in a CAR reserve system?

Mr Cochrane—Not necessarily. We are interpreting adequacy at a level below bioregions because it is a very coarse filter. We divide those bioregions up into something like 403, I think, subregional ecosystems. So we are really looking at representation of those. But that is, if you like, the next stage.

Senator SIEWERT—If I can just clarify that we are not dealing with the other bits of the CAR reserve system. And I would also like to clarify the fourth point about endangered species and threatened ecosystems.

Mr Cochrane—When proposals come to us for acquisitions we certainly look at endangered species as well as endangered communities. They certainly factor in our decision making. It is not purely done on a representative basis.

Senator SIEWERT—Sorry, I was not meaning to imply that you filter those out. What I was getting at was: does the figure that you gave me last time, in answer to questions on notice, of 30 million hectares take those requirements into account?

Mr Cochrane—No.

Senator SIEWERT—Is that a fair assumption on my part?

Mr Cochrane—That is a fair assumption on your part. But it is fair to say that the biodiversity hotspots program specifically targets areas that are of high biodiversity value that might fall outside the comprehensive, adequate and representative system.

Senator SIEWERT—And next year that is 12.8 million?

Mr Cochrane—That is correct

Senator SIEWERT—And there is no ongoing figure, so presumably that is being picked up in NHT3?

Mr Cochrane—I am not sure. You will have to ask Land, Water and Coasts that question.

Senator SIEWERT—I will; thanks for that. I want to go into costings now because I want to work out how much should be allocated to acquisitions or how much the \$6 million that we have for acquisitions next year will buy. I have done some back-of-the-envelope calculations, which seems to be okay for the PM, so I thought I would try it. My understanding is that so far there has been acquired for the reserve system 21 million hectares at a cost of \$84 million. Is that right?

Mr Cochrane—Yes, that is correct.

Senator SIEWERT—And that is averaged across acquisitions—

Mr Cochrane—It includes IPAs.

Senator SIEWERT—IPAs and covenanting?

Mr Cochrane—At the moment we are not factoring the covenanting into the NRS; it is just acquisitions. At least until just recently, those 21 million hectares included 14 of IPAs and seven of actual acquisitions.

Senator SIEWERT—We calculated that the average cost of acquisition therefore was about \$4 per hectare.

Mr Cochrane—Yes—the cost of acquisition varies enormously.

Senator SIEWERT—Yes, so we did a calculation across IPAs—and we included some of the covenanting costs in there, which probably brings that cost down. So my calculations are that, if we continue to spend \$4 a hectare, to get 30 million hectares is \$121 million, to meet our 2012 target. Is that a correct calculation?

Mr Cochrane—I think it would be on the basis that you have suggested, but I am not sure that that is a particularly good basis on which to do it, because we are not actually acquiring land with the Indigenous protected areas, the IPAs, and therefore the costs to the program of working with Indigenous people and getting biodiversity outcomes on Indigenous land are far lower than they are for actually buying land. So you would need to treat those two things quite separately.

Senator SIEWERT—Okay. In that case how much of the 30 million hectares that would still be required for representativeness, for the 10 per cent—I will call it just the 10 per cent, because it is not meeting all the requirements of the CAR system—would you expect to acquire through IPAs?

Mr Cochrane—Indigenous land makes up something like 18 per cent of Australia. I cannot do the figure in my head, but let us say that it is 20 per cent of 800 million, so what is that—40 million hectares roughly?

Senator SIEWERT—We are going for a percentage of the 30 million hectares.

Mr Cochrane—So there is already more than 10 per cent of Indigenous lands in IPAs, taking that sort of rough number.

Senator SIEWERT—I am trying to work out how much it is going to cost to acquire, to meet even the 10 per cent requirement, for the 30 million hectares.

Mr Cochrane—Sorry, can I just backtrack for one minute. I have just given you a misleading figure there. I think 10 per cent of Indigenous lands is a slightly smaller figure than I have just indicated. Can we just take that on notice and do some calculations for you that might answer this, so that I give you something accurate?

Senator SIEWERT—Yes, okay. It is not just the percentage. To complete a CAR reserve system, obviously there are specific areas that you still need to target that are underrepresented in the system. I appreciate that it is not necessarily just saying that 10 per cent of Aboriginal owned land would then necessarily correlate to what is required to complete the reserve system. But what I am after is a more accurate figure of what it will cost to complete by 2012 to meet our obligations in the NRS.

Mr Cochrane—We can attempt that. As you would know, others have done that—WWF have attempted that—but it does involve some pretty significant assumptions about land values, the availability of land and when it might be available, of course, as well.

Senator SIEWERT—And, if it is possible, since we have now established that the 10 per cent is actually not meeting the full requirements of the CAR reserve system, could we also have what it would be likely to cost for a full CAR reserve system.

Mr Cochrane—Well, it is a matter of judgement as to what is enough. We are working on the assumption that 10 per cent is a reasonable minimum.

Senator SIEWERT—We established before that that is not meeting the other requirements. I want to quickly go back to the issue that Senator McLucas raised in terms of the climate change review. I would presume that any acquisition program would therefore be altered to reflect how we need to address climate change and adaptation.

Mr Cochrane—One of the specific terms of reference for the CSIRO study on climate change in the national reserve system is looking at to what extent we might need to adjust our acquisitions policy, but one of the more obvious conclusions that leaps out from even just thinking about it is that we need to do more in terms of connecting reserves together—so, improving connectivity. That is something we already factor into the reserve program. It is also something that is actively pursued by a number of non-government organisations such as Bush Heritage, who are looking at filling in gaps or making linkages. That is a matter that we take into account already, but I imagine that the CSIRO study will provide us with a little bit better advice on how we might take those things into account.

Senator SIEWERT—So they will provide advice on how you do it structurally. They will not do financial—

Mr Cochrane—No. We have not asked them to advise on the financial consequences of any of these.

Senator SIEWERT—Have you spoken to government about the likely requirement for increased funding to address climate change in the reserve system?

Mr Cochrane—No. Already we recognise the need to adapt our management to changing circumstances. The major issue with us for climate change is that things will change more rapidly than they have in the past; therefore, we will have to be able to adapt more rapidly. Having said that, we are moderately confident that our capacity to adapt our management regimes gives us the flexibility that is needed, but your question probably goes to the issue of whether we have got the resources that are needed to respond quickly. I cannot answer that question yet because we are still looking at what the forecasts are and what sort of speed of adjustment we might need to make.

Senator SIEWERT—Okay; so, watch this space, and we will ask you at next estimates. Is that the message?

Mr Cochrane—When the CSIRO study comes out, there will be a lot to talk about in what that means for us—and not just us Parks Australia but us nationally.

Senator SIEWERT—With regard to the IPA system, was money allocated in the budget for employment opportunities?

Mr Cochrane—That is a separate program, Working on Country.

Senator SIEWERT—Will that be run by you?

Mr Cochrane—No. That is being run by the department in another division, the Policy Coordination Division.

Senator SIEWERT—All right. I will ask Policy Coordination about it. Will you be coordinating with that for—

Mr Cochrane—I imagine we will have an advisory role internally within the department on that.

Senator SIEWERT—All right. I will ask Policy Coordination. Was there any increased funding for IPAs in the budget?

Mr Cochrane—The budget for 2007-08 is \$3.19 million, as it was this year, from the NHT. That is the base funding that goes into that.

Senator SIEWERT—But there was no increase there?

Mr Cochrane—Not out of the NHT, no.

ACTING CHAIR (Senator Bartlett)—I will encourage a nudging along.

Senator SIEWERT—Yes. I want to ask about freshwater systems.

ACTING CHAIR—Okay, we just have a lot to get through.

Senator SIEWERT—I have one last question then. I will put the rest on notice. Has any specific funding been allocated for freshwater systems in the budget?

Mr Cochrane—Not to Parks, and I am not aware of any specifically. There are a number of workshops going on in terms of looking at freshwater ecosystems and identifying what might be the best way to secure the conservation of high-value-conservation aquatic systems. The staff from the National Reserve System Program are participating in that because clearly the national reserve system is one way of dealing with protecting aquatic systems.

Senator SIEWERT—Thanks. I will chase that in water as well.

ACTING CHAIR—With regard to the \$15 million for the Uluru viewing platform, which sounds very good, I noticed in the release announcing it that Minister Bailey said that this new viewing area:

... opens up the prospect of new business opportunities for the tourism industry and Aboriginal people.

Is that just a general statement about how this will bring more people here and therefore more opportunities or are there specific opportunities planned, particularly for the traditional owners, flowing from this project?

Mr Cochrane—The latter. The design for the new area specifically includes both a performance space, so that events can take place at the new viewing area, and an area which will be hardened and specifically allocated to Indigenous enterprise opportunities. We have already had some preliminary discussions with representatives from the community who are interested in a small, portable cafe at the sunrise area as a business. I would be very happy to table the current plans for the viewing area, but they clearly identify areas for Indigenous business opportunities. We see that having a large number of people in a concentrated spot offers the potential for a number of small businesses.

ACTING CHAIR—Thank you. If you could table that I would be interested to see it. Thank you for your time. I hope the Senate committee report into Parks was to your satisfaction.

Mr Cochrane—It was a lot of work. It gives us opportunities.

[9.52 am]

Office of the Renewable Energy Regulator

ACTING CHAIR—We now have representatives from the Office of the Renewable Energy Regulator. Who has questions for these folk?

Senator BOB BROWN—I want to begin by asking what studies have been made of the reliability of different energy generation technologies over the period to 2050, by which time, according to the IPCC, we should be looking at a very large reduction in emissions. They would want to see 50 per cent. I know the Australian government has not set a target, but what studies have you done about the reliability of the options that would need to be encompassed or available?

Mr Morvell—I am not quite sure what you are looking for. I do not know that we have commissioned any studies that specifically look at reliability of technologies into the future.

Senator BOB BROWN—What about reliability of technologies now?

Mr Morvell—I think all of the technologies that are available today are technically reliable. They have different characteristics. There is a range of costs associated with them, which is one of the challenges that government and industry face in choosing technologies. The other issue relating particularly to the renewable energy technologies is the intermittency of the generation from them.

Senator BOB BROWN—What studies have you done on that?

Mr Morvell—I am not aware that we have done any specific studies on it. There is a body of work available from industry and academia that we would draw on, but I do not know that the government has commissioned any specific studies on that.

Senator BOB BROWN—Why not?

Mr Morvell—There has not been a need to. Any information that the government wanted is readily available in the marketplace, as I said, either from academia or from industry, who are running facilities and can provide detailed information.

Senator BOB BROWN—Can you give me an outline of the reliability of wind energy for the grid?

Mr Morvell—In the Australian context?

Senator BOB BROWN—Yes.

Mr Morvell—There is an area of Australia, represented by the southern portions of the Australian coastline, where the wind resource is a fairly reliable source.

Senator BOB BROWN—What I am looking for here is a specific study on the reliability of existing wind energy feeding in and out of the grid.

Senator Abetz—I think what Mr Morvell was indicating to you was that Australia is a large continent; therefore, to give a generic response may not necessarily be helpful. I think he was getting to the point that in our own home state the Woolnorth wind farm has substantial energy efficiencies there because of the wind source, which may not be replicated in other parts of Australia.

Senator BOB BROWN—No, Minister, I am not asking about that. I am asking about the reliability of the wind resource feeding in and out of the grid. That is a different question.

Senator Abetz—No, it is not. The reliability of it feeding into the grid depends on the amount of wind and energy generated in different areas.

Senator BOB BROWN—Thank you, Minister. If it is not, you tell me what the reliability is of the wind energy feeding in and out of the grid. Could you give me an outline on that from your own knowledge?

Senator Abetz—What Mr Morvell was about to indicate was that there is a variability factor, depending on where—

Senator BOB BROWN—That is why—because there is a variability factor—we now need to get to the specifics. What is the variability?

Senator Abetz—I do not have the variabilities of all the different farms—

Senator BOB BROWN—That is why I am asking your expert here.

Senator Abetz—Stop trying to play the funny games, Senator Brown. You were trying to get a generic response, and I was indicating to you—

Senator BOB BROWN—All I am asking for is specific information and getting none so far.

Senator Abetz—I was indicating to you that you were trying to push Mr Morvell in a particular direction that he was not going in.

Senator BOB BROWN—I was asking for information. Do you have it or don't you, Mr Morvell?

Mr Morvell—We do not have the specific information on the reliability of each wind farm. There is an average across the industry, which is called a capacity factor, which is around 35 per cent. I would want to check the exact number, but it is of that magnitude. In other words, 35 per cent of the theoretical power out of a wind farm is actually generated, so that takes account of the energy losses through inefficiency in the equipment, the transmission and the variability of the fact that the wind does not blow some of the time.

Senator BOB BROWN—How is it configured to meet the wind providing power to and from the grid?

Mr Morvell—That is not the problem in the Australian National Electricity Market because the market runs on the basis of a forecast demand by the market manager, and electricity-producing generators bid when they believe they can produce and make money. As it currently stands, the demand is generally so high that all of the generators across Australia, whether they are renewable, coal based, or gas based, are able to bid and operate effectively in the marketplace.

Senator BOB BROWN—Can you tell the committee what the figures are for the potential nuclear generation and what down time might be required for maintenance of the nuclear option, which the government has on the slate?

Mr Morvell—We have not done any work on that and I do not have those figures.

Senator Abetz—For the record, I do not know what you mean by 'on the slate'. Just to be absolutely clear, the government is looking at all options but not ruling any in or out. I do not want it to be suggested that 'it is on the slate' means that we are absolutely committed to it. We are looking at all the options.

Senator BOB BROWN—So you are not absolutely committed to it?

Senator Abetz—That is right. We are looking at all the options, keeping an open mind, unlike others.

Senator BOB BROWN—Which others?

Senator Abetz—You and the Labor Party, which has ruled out nuclear power, irrespective of what the science might show us about the benefits of reducing greenhouse gases. We are saying, ‘Let’s keep an open mind on it.’

Senator BOB BROWN—What is the international best practice down time for nuclear generation?

Senator Abetz—I do not know that figure, and I assume you do not either and that is why you are asking the question.

Senator BOB BROWN—You are here to answer the questions, Minister, and I am here to ask them, and you are not doing too well so far.

Senator Abetz—That is your pathetic assessment, but I do not think others would share that view.

Senator BOB BROWN—Does the figure for nuclear power include accidents of low probability but high impact? Will you be looking at that in assessing the potential of nuclear power into the grid?

Senator Abetz—I am happy to say to you that we as a government will look at all considerations in relation to the pros and cons of any energy source, and down time is clearly one of the things that you would need to factor in for any power source.

Senator BOB BROWN—But, as energy regulator, that has not been looked at yet?

Senator Abetz—That is more for the provider.

Mr Borthwick—Senator, this is really the responsibility of the Department of Industry, Tourism and Resources; it is not a matter that comes within our bailiwick.

Senator BOB BROWN—The reliability of the system is very much under the bailiwick of the energy regulator. You cannot have a system where major input from any component of it could be unreliable, because otherwise you affect hospitals, you affect industry and you affect the domestic sector. What I am trying to get to here is the regulator’s estimate of the reliability of the system, with the different energy forms which are now being countenanced by not just this government but governments around the world.

Mr Morvell—Perhaps I should just clarify: the responsibility of the Office of the Renewable Energy Regulator relates solely to the administration of the mandatory renewable energy target. They are not the regulator of the energy market in Australia. That is a function performed by a body called the National Electricity Market Management Company, which is a Commonwealth-state body, and they have managed the whole of the electricity market. The policy responsibility of that in terms of the Commonwealth interaction rests with the Department of Industry, Tourism and Resources.

Senator BOB BROWN—The reliability of it is not a matter that you are interested in?

Mr Morvell—It is not a matter that is a factor in the renewable energy target legislation.

Senator Abetz—A lot of things may be within their interest but, at the end of the day, it is what they are required to do that is important.

Senator BOB BROWN—I am just establishing that the reliability of it is not a matter that comes under your bailiwick or is of interest in your case?

Mr Morvell—The reliability of the renewable energy sources that are listed under the mandatory renewable energy target legislation is a matter of interest to us, but it is basically a marketplace matter. If a company or an organisation has a reliable source of energy, which is one of those listed, then we would expect that they are playing in the marketplace.

Senator BOB BROWN—But is it not of interest to you, or the government, to ensure that there is a reliable supply of energy?

Mr Morvell—Most definitely.

Senator BOB BROWN—You will agree that all forms of energy have a degree of unreliability for unforeseen—for overhaul, for maintenance down time?

Mr Morvell—That is correct. That is what is called the capacity factor. So there is a theoretical potential out of a standing capacity of any generator, but in fact it only produces at a certain percentage. And, as I said, for wind it is down as low as 35 per cent; for the coal based generators they operate in the order of 80 per cent to 90 per cent capacity factor. They would be rated highest in terms of reliability.

Senator BOB BROWN—Obviously, you do not want all the coal stations—80 per cent or 90 per cent of them—being maintained or taken off the grid at the same time. How is that regulated?

Mr Morvell—Whether a generator is on line or not is a matter for the owners of that generator. All of the generators in Australia in the National Electricity Market have access to the forecasting information of demand that is produced by NEMMCO. Once they have that forecast, which goes out for a long period as well as for very short periods, the generators factor in and schedule their maintenance programs so that they can maximise their down time when the demand is at its lowest.

Senator BOB BROWN—With the various forms of renewable energy, how much is budgeted to look at the reliability of the renewable energy forms—solar, solar thermal, wind and so on?

Mr Morvell—In terms of the government undertaking budget allocations for those studies?

Senator BOB BROWN—Yes.

Mr Morvell—Nothing that I am aware of.

Senator BOB BROWN—Has any assessment been done about the variability or reliability of nuclear as a potential entrant to the market?

Mr Morvell—Not by this portfolio that I am aware of.

Senator BOB BROWN—Thank you.

Senator McLUCAS—Can you give me an indication of the current status of MRET?

Senator Abetz—That is a pretty broad question.

Senator McLUCAS—Yes. What is it in terms of gigawatt hours?

Mr Branson—The status can be defined in a number of ways. I will just run through a few of them, if you like. In terms of the potential generation of renewable energy in 2007 from the known installed capacity, we estimate about 6,400 gigawatt hours compared with the target for 2007 of 5,600 gigawatt hours.

Senator McLUCAS—The target for 2007 is?

Mr Branson—It is 5,600 gigawatt hours. We have an estimate of the availability from the current installed capacity of 6,400 for 2007.

Senator McLUCAS—We are over it. We have reached the target and gone further.

Mr Branson—The interim target for 2007 is not the final target for the measure; that is the interim target. Each year has an interim target and a final target.

Senator McLUCAS—What is the difference between an interim and a final?

Mr Branson—The measure is set up with the target of 9,400 due to be reached in 2010. Each of the years up to 2010 is what we call ‘the interim target set’, which is less than 9,500.

Senator McLUCAS—What is the difference between an interim target and a final target for any one year?

Mr Branson—The final target for the measure is in 2010 at 9,500. Each of the interim years up to 2010 is the interim target.

Senator McLUCAS—I understand.

Senator BIRMINGHAM—Rather than having a target for 2050 for something without anything in between.

Mr Branson—Yes. We are building to the final target.

Senator Abetz—A very salient point, Senator.

Senator McLUCAS—So we have achieved the interim target for 2007?

Mr Branson—Yes.

Senator McLUCAS—What percentage of total electricity generated are those gigawatt hours?

Mr Branson—The question of total electricity is a little bit difficult for ORER because we do not deal in total electricity. We deal in electricity that is part of the measure, which is a subset. The total renewable that we deal with is that which is accredited through MRET, which is a subset of total renewable in Australia. Similarly, we deal with a component of total electricity. So we do not have any specific knowledge of a percentage for Australia as a whole. We can give various percentages for the information that we deal with in MRET.

Senator McLUCAS—So it is various percentages for the information that we deal with in MRET.

Mr Branson—If we were to express what you have asked for as a percentage of the MRET renewable electricity as to what we regard as liable electricity, which is the best

estimate that we have of total electricity, in 2006 the figure would be approximately nine per cent.

Senator McLUCAS—My recollection is that when the MRET was established the 9,500 gigawatts were going to be two per cent of the market. Is that right?

Mr Branson—It represented an additional two per cent at that time.

Senator McLUCAS—What is the percentage likely to be at 2010?

Mr Branson—It is a little bit hard to say. Of course the 9,500 at the time the target was set—and the target was 9,500, not two per cent—represented about an additional two per cent. Since that time renewables have grown and the total electricity in Australia has grown. We are unable to estimate the figure for 2010; it may well be different from two per cent because, as I said, the target we were homing in on was 9,500, not two per cent.

Mr Morvell—Can I supplement that answer. At previous estimates, we have indicated that the government is aware that that percentage will be somewhere in the order of one per cent or slightly under in total.

Senator McLUCAS—The 9,500 gigawatts?

Mr Morvell—That is correct.

Senator McLUCAS—And that is at 2010?

Mr Morvell—No, that is at 2020, at the end of the measure. It is due almost solely to the projected growth in the overall size of the electricity market.

Senator McLUCAS—Can we bring that back to 2010? What proportion would it be in 2010?

Mr Morvell—I am certainly not aware of that figure. Logic says it is somewhere between one and two per cent, but just where I am not certain.

Senator McLUCAS—So, over time, the proportion of renewable energy of the total energy being generated is reducing?

Mr Morvell—Not necessarily. We are talking specifically about the 9½ thousand gigawatts required under the MRET legislation. There are other drivers for renewable energy in the marketplace. The GreenPower initiative, under which individuals can purchase new renewable energy by paying a premium on their electricity bill, is another mechanism through which renewables can grow. Victoria has the Victorian Renewable Energy Target and New South Wales and Western Australia have both indicated they intend to establish those. For the whole of the market, it could well be that renewable energies are continuing to grow.

Senator WORTLEY—You said ‘under one per cent’. How much under one per cent by 2020?

Mr Morvell—I am not aware that I have got an accurate figure, but it would be somewhere around 0.9 per cent. It is fairly close to one per cent. It is all based on what the estimates are of the size of the electricity market in 2020. That changes over time, so from year to year that figure, as a percentage, will move. We have stuck with the figure in the order of one per cent.

Senator McLUCAS—Does the office monitor investment in renewable energy?

Mr Branson—We do in a sense. We have no specific statutory role in doing that; we do it from the point of view of planning and planning our internal resource allocation.

Senator McLUCAS—Let us put aside the state schemes—I think that is important—and look at the broader market. Do you look at what the drivers for that investment are?

Mr Branson—No, we have no need to do that.

Senator McLUCAS—What does the office think will happen to investment once we reach the MRET?

Mr Branson—We have no specific knowledge of what will happen.

Mr Morvell—If I may add to that, we have indicated at a previous estimates hearing that the government is aware that, as a measure, the investment that is required to meet that target of 9,500 gigawatts is largely met around this time. It has been known for some time that 2007 would be about the time that the investment would start to decline as a result of this measure.

Senator McLUCAS—This year?

Mr Morvell—This year.

Senator McLUCAS—On what basis do you make that judgement?

Mr Morvell—It is primarily on the advice of industry and extrapolating the data that the Office of the Renewable Energy Regulator has about the number of accredited power stations that have been established to meet that target.

Senator McLUCAS—Which moves me to the next question: how many projects are generating renewable energy certificates?

Mr Branson—There are over 200—249 to be exact.

Senator McLUCAS—Have we asked for a list of those previously?

Mr Singh—The list is publicly available on the REC registry. It is available in various formats. You can look at it under different renewable energy sources. You can look at date of accreditation and you can look at the details as well.

Senator McLUCAS—Thank you. Moving to the state schemes, are you monitoring what state schemes are in effect and what is occurring there?

Mr Branson—Again, we do not have a particular role in terms of monitoring the state schemes. However, we do have an interest in talking to people and vice versa. So we are aware at least, in terms of our travels, that various different state schemes have been proposed and are being implemented.

Senator McLUCAS—How many state schemes are there?

Mr Branson—When you say ‘state schemes’, I interpret your question to mean MRET-like schemes.

Senator McLUCAS—Yes.

Mr Branson—The only one that I think has moved to the point of being implemented is the Victorian scheme. A New South Wales scheme has been mooted as well. I am not sure of the status of that one.

Senator McLUCAS—Do you keep an eye on how much renewable energy is being generated through those MRET-type schemes.

Mr Branson—Again, the Victorian scheme is the one that in my understanding is further developed, but it is not actually up and running as such at this point in time.

Senator McLUCAS—Going to the percentage of renewable energy by technology, can you provide the committee with an understanding of what proportion is being generated by the different types of technologies?

Mr Branson—Yes, I can.

Mr Singh—That information is actually available on the REC registry website. That website gives the amount of renewable energy certificates that have been created under various renewable energy sources. They can also be looked at in terms of generation years from 2001 till now. It is all live data: it gets changed every second as people make more and more certificates. Your question was about the percentages. I have here the top five renewable energy sources. I will just find where that is.

Mr Branson—I could answer your question in a slightly different way in terms of the number of accredited power stations, which is a reflection of the percentage. The top ones are bagasse, which is a product from sugar cane; the hydro stations, of course; landfill gas; solar; and wind. We could provide you with the full list, but those are the top ones.

Senator McLUCAS—That is what you were going to give me, too, Mr Singh?

Mr Singh—I was actually talking in terms of renewable energy certificates. The top five renewable energy sources which have produced the maximum number of RECs, from highest to lowest, are hydro, wind, solar water heater obtained, followed by bagasse and landfill.

Senator McLUCAS—Has the office done any work on an emissions trading scheme?

Mr Branson—No.

Senator McLUCAS—Mr Morvell, has your department done work on an emissions trading scheme?

Mr Borthwick—The only work that has been done on an emissions trading scheme is in the context of the task group commissioned by the Prime Minister.

Senator McLUCAS—What involvement does the Department of the Environment and Water Resources have in that?

Mr Borthwick—I am a member of the task group. We have several officers seconded to the secretariat in the Department of the Prime Minister and Cabinet.

Senator McLUCAS—What expertise do the departmental officers have that are providing advice to the task group?

Mr Borthwick—It is the head of the division that Mr Morvell is acting in. He has been seconded to the secretariat. There is also an officer who has some economic skills.

Senator McLUCAS—We will leave that there. Apart from MRET, what other government renewal energy programs are there?

Mr Morvell—The government has put in place a wide range of renewable energy programs. They are targeted at different measures. Some have historical beginnings, which mean they were put in place some years ago and are winding down. All of those programs are targeted at the development of the technology and industrial applications. We administer the Renewable Energy Development Initiative jointly with the Department of Industry, Tourism and Resources. It is focused on bringing renewable energy technologies through—from research into the marketplace.

The other program that has a historical context and is very similar is the Renewable Energy Commercialisation Program. Historically, there was the Renewable Energy Equity Fund, which is continuing although it is almost complete. The government decided to establish this, along with a number of other industry equity funds, to inject equity into good ideas and to bring them into the marketplace. The Remote Renewable Power Generation Program, which is a very significant program—currently running at about \$330 million over about a 10-year period in two tranches that the government put in place—is focused on both the application of renewable energy in remote areas, on cattle stations and remote communities, and also bringing through very large-scale projects in off-grid situations where renewables have a far greater chance of being commercially viable at an earlier stage. We also have the Photovoltaic Rebate Program, which the government both extended and enhanced in the recent budget.

Senator McLUCAS—Let us go through those. I think there are few more that we could talk about as well. The Renewable Energy Development Initiative is a joint initiative with Department of Industry, Tourism and Resources?

Mr Morvell—That is correct.

Senator McLUCAS—How much is allocated from the Department of the Environment and Water Resources into that program?

Mr Morvell—The government appropriated \$100 million to that measure. The appropriation is to the Department of Industry, Tourism and Resources. However, both ministers—the minister for industry and the minister for environment—have to approve the projects. The administration of that program involves an assessment panel, managed by AusIndustry, and on that assessment panel both of the departments are represented at senior levels.

Senator McLUCAS—So \$100 million was appropriated when?

Mr Morvell—In the 2004 budget, as part of the energy white paper.

Senator McLUCAS—You may not have this data, but what was the appropriation for 2006-07?

Mr Morvell—I do not have that figure; I would have to get that from the Industry portfolio, but I could certainly provide it.

Senator McLUCAS—All right, could you—

Mr Morvell—Take that on notice? Yes.

Senator McLUCAS—give me the appropriation for the last completed financial year—because we will not have this data for this year—and then the spend for that program.

Mr Morvell—Yes.

Senator McLUCAS—The Renewable Energy Commercialisation Program is funded from?

Mr Morvell—In this portfolio.

Senator McLUCAS—What was the appropriation for the last financial year?

Mr Morvell—Can you just give me one minute to grab my other folder, because I brought my folder related to the mandatory renewable energy target and you are now into the other part.

Senator McLUCAS—I apologise for meandering.

Mr Tucker—While Mr Morvell is searching for his material, you will find in appendix 1 of the Environment Budget Overview all the climate change breakdowns across years, and there is also a reference there to the Renewable Energy Development Initiative. In there, it does not have a specific allocation per year. There is a footnote that says the total of the program is as Mr Morvell described it, but it is not allocated out over the years at this time. It is a bit of a demand driven program.

Senator McLUCAS—I suppose I am looking for what the expenditure has been for completed financial years from its beginning. Also, the other figure that would be useful to know is the expenditure in the current financial year.

Mr Tucker—Mr Morvell may have that, but just in terms of the overall budget initiatives as they relate to renewables, I am just pointing out that that particular table has all the initiatives in it.

Senator McLUCAS—Thank you.

Mr Morvell—Would you mind just reminding me of the question? You were looking for the figures over the life of the measure?

Senator McLUCAS—Yes, please.

Mr Morvell—This is the Renewable Energy Commercialisation Program. Over the life of the measure: in 1999-2000 it was just over \$3 million; 2000-01 was \$5.1 million; 2001-02 was \$8.9 million; 2002-03 was \$9.2 million; 2003-04 was \$9.7 million; 2004-05 was \$2.9 million; 2005-06 was \$2.2 million; and 2006-07 is \$1.6 million.

Senator McLUCAS—And how do they compare to the appropriations for those? Let me ask the question differently: what is the underspend?

Mr Morvell—This table does not show the underspend. There has been movement of funds from one year to the next as projects have not met their milestones, but there has been no underspend—there has been no take-back by the government of any of that money that was appropriated. It clearly took—

Senator McLUCAS—You keep moving it forward into the next year?

Mr Morvell—It took longer, and that was just the reality. When you are in industry development and commercialising technology space, there are all sorts of reasons why projects will be delayed. So the program overall has probably taken one to two years longer than was originally envisaged, but there has been no technical underspend which has seen any money go back to public revenue.

Senator McLUCAS—What was the underspend on the Solar Cities program in the last financial year?

Mr Morvell—There has been no underspend in that program. The time it has taken to do the evaluation and assessment of the proposals, the approvals and then the contract negotiations has meant that we have moved most of the appropriation from this year into next year.

Senator McLUCAS—So, in this current year, what was the appropriation?

Mr Morvell—The amount that was moved from 2006-07 to 2007-08 was approximately \$17 million.

Senator McLUCAS—So \$17 million was allocated for this year and not spent?

Mr Morvell—That is correct.

Senator McLUCAS—That has not been returned to revenue?

Mr Morvell—No, but it has been moved forward.

Senator McLUCAS—It was just not spent.

Mr Morvell—It has been moved forward because the contract negotiations, and therefore the commencement of the project and achievement of milestones has not been made.

Senator McLUCAS—What was the underspend in the Low Emissions Technology Demonstration Fund?

Mr Morvell—We have moved forward \$50 million from 2006-07 to 2007-08.

Senator McLUCAS—Out of a total of how much, please?

Mr Morvell—Out of \$50 million. All of the—

Senator McLUCAS—All of the money was moved forward?

Mr Morvell—All of the money. That is a reflection of the contract negotiations for the six proposals that were approved continuing. There was no scope for any of the projects commencing and meeting a milestone in this financial year. When the government established Solar Cities and the Low Emissions Technology Demonstration Fund they gave indicative budgets but it was always understood that once contracts had been let and we had a detailed understanding of the milestones we would reschedule those payments. So what you see with those two very large movements of funds is something that was entirely anticipated.

Senator McLUCAS—I just wonder why it was appropriated if it was never going to be spent. I can wonder that. How much was underspent in the Renewable Remote Power Generation program?

Mr Morvell—We have moved \$14 million of that expenditure from 2006-07. That is largely due to actual delays in projects meeting their milestones. So that is somewhat different to the first two we just covered.

Senator McLUCAS—This is a program that has been in operation for some years now.

Mr Morvell—Yes.

Senator McLUCAS—Is that a collective underspend or is that just something that has just happened in the current financial year?

Mr Morvell—It is not an underspend, because the money is still committed contractually and will be paid out; it is just that the timing of the payment has moved. I suppose, in the end, it reflects pressure that has built up over a period of time rather than any single event.

Senator McLUCAS—Pressure that has built up over time? Does that mean there is not much call for the program any more?

Mr Morvell—No, there is very strong demand for this program. The money that was allocated originally for this program was allocated on the basis of a formula that was dictated by the amount of diesel fuel excise paid by various states. That meant that there was an allocation that reflected a budget perspective of where the money should go rather than a demand for renewable energy technologies. In South Australia we ran out of the allocation two years ago. In Queensland it ran out last year and there was an enormous demand in Queensland that was not satisfied. In August of last year the government agreed to extend this program for a further four years and allocated an additional \$123 million from 1 July 2007. We are working through, with all of the states at the moment, on the formula for distributing those. It will be very different formula because it is no longer tied to the diesel fuel excise. So there is a very large unsatisfied demand but our difficulty in the past was that the allocations were not based on where the demand lay but on where the diesel fuel excise came from.

Senator McLUCAS—I understand. The advanced electricity storage technologies; what was the underspend there?

Mr Morvell—We have moved \$4 million forward from 2006-07 to 2007-08.

Senator McLUCAS—Why was that?

Mr Morvell—The projects which were finally assessed and approved by ministers and announced recently had not reached the point where milestones were going to be achieved by the project proponents so—again this is a timing issue—we moved the funding forward to next year.

Senator McLUCAS—Can you confirm that there is an under expenditure—you could call it an underspend—or appropriations that have not been spent in the current financial year of \$89 million for renewable energy programs operated by the Commonwealth?

Mr Morvell—I cannot confirm that because there are no underspends in the—

Senator McLUCAS—I am talking about money that has been appropriated that has not been spent but moved forward into the next financial year.

Mr Morvell—There is money that has been moved forward, and we have just been through all of those that relate to renewable energy, although most of the Low Emissions

Technology Demonstration Fund relates to clean coal technology or fossil fuel. There is only one of those that is a renewable energy technology. Solar Cities is more than just renewable energy technology because it deals with the application of technologies in the electricity market.

Senator McLUCAS—Let us put it under the banner of climate change rather than renewable energy.

Mr Morvell—Under the banner of climate change, I think in the moneys that we have just covered—and let me just make sure I have got them all covered—there were a couple of smaller amounts in relation to the Greenhouse Gas Abatement Program that has moved.

Senator McLUCAS—How much is that?

Mr Morvell—That is \$2.8 million, and the Alternative Fuels Conversion Program is \$0.7 million. These are all documented in the portfolio supplementary additional estimates statements. On the basis of that order of magnitude your approximate \$80 million is about right.

Senator McLUCAS—So \$89 million of money not spent this current year is about right.

Mr Morvell—That is correct, it was not expended this year.

Proceedings suspended from 10.38 am to 10.52 am

Department of the Environment and Water Resources

ACTING CHAIR—We are up to the department itself and these general cross-portfolio areas, which in my experience can tend to run into questions on everything, so I am keen to keep them to genuine cross-portfolio areas. We do have the Policy Coordination Division, the Corporate Strategy Division and those sorts of people.

Senator Abetz—Be careful. You are sounding like a government senator talking like that, but I welcome your suggestion for the committee.

ACTING CHAIR—I know that there are key areas that people are wanting to get to, so I just want to make sure that this part does not blow out. If there are questions in this area that come up that people think are specifically and clearly within a particular division then I am happy to have them redirected to that division, but I am sure there will be one or two that are generally cross-portfolio.

Senator McLUCAS—I want to go to questions on advertising. For each agency and the department in the minister's portfolio area, what, as a total figure, was spent on advertising campaigns in 2006-07 and what is projected for 2007-08?

Mr Tucker—My division runs the public affairs area for the department. Your question was in relation to advertising for this financial year. In terms of expenditure to date, for market research we spent \$137,000. In terms of advertising itself, we spent \$2.1 million. This is a breakdown we provide to the committee in our annual report each year, so I am just going through the categories that we are required to report upon in our annual report. In terms of what we call direct mail, we spent \$50,000. That is expenditure to date.

In terms of future arrangements, it is up to the government to decide how it wishes to spend on those, but there was a measure in the budget which was set out in the Environment Budget

Overview under 'Climate Change', which was the Climate Change—Small Business and Household Action Initiative of \$55.3 million over five years. That is a specific one in relation to informing people about tips for efficiency and reducing greenhouse gas emissions, and because of that we will need some advertising, clearly. Also, in the course of our programs, whenever we have public calls for grants—for example, Envirofund or Community Water Grants—there is always a component there. We go out there to invite people to apply, and that is counted in these types of figures.

Senator McLUCAS—So that sort of advertising in the 2007-08 allocation—can you break that down for me a little bit more? That 2007-08 allocation of 53.3 over five years, how much is in—

Mr Tucker—That is over five years.

Senator McLUCAS—Yes.

Mr Tucker—I will have to get the figures from the area. We have it, but it will take a little while to find. Otherwise we can take it on notice if you want to move on to other questions.

Senator McLUCAS—If someone could bring it up—but let us go back to the 2006-07 figures while that is coming. What was the \$137,000 on market research for?

Mr Tucker—Hang on, I am just getting the other figure for you now. Going back to your question about the \$53 million Greenhouse Friendly household action, the projected spending is \$29 million in the next financial year, \$16.5 million in the year after, \$6 million in the third year and \$0.65 million in the fourth year.

Senator McLUCAS—That is 2010-11?

Mr Tucker—Yes. I have not got the fifth year figure in the table because it is only a four-year table, so whatever is left over would be the last year.

Senator McLUCAS—There will not be much left over.

Mr Tucker—That is probably quite right, but that is the breakdown.

Senator McLUCAS—Let us talk about that before we go back to the current year. What is the \$29 million proposed to be used for?

Mr Tucker—I will have to call on the assistance of my colleagues from the Australian Greenhouse Office. They will manage the content of the program. I have the skill set under my management, but we work with the areas concerned to design the programs.

Senator Abetz—Has it been determined yet, or are we going to get advice on how to best communicate it?

Mr Tucker—As the minister has just said, there are still a lot of decisions yet to be made by the government. We will go forward with proposals, but the government will decide how the program looks, the timing and content.

Senator McLUCAS—But some decisions have been made about the allocation of that \$29 million already?

Mr Tucker—Again, I will have to call on my Greenhouse Office colleagues, but there were certainly—I am not sure decisions have been made. Certainly we have been given a

budget allocation and a task to bring forward to the government for it to consider how it wishes to proceed, but I will have to rely on Mr Morvell to see if there are any particular decisions being made.

Senator Abetz—As I understand it, no actual allocations have been made to television or print media, but it is a question of getting advice as to how best to communicate the message. That happens with nearly every government campaign.

Senator WORTLEY—So the money has been allocated for the year, but there are no projects—there is nothing you can give us any information on. Is that correct?

Senator Abetz—As I understand it, an allocation has been made for educating the public in this particular area to encourage them to undertake some better practices. The question is how best to communicate that. Undoubtedly what will occur is that good advice will be sought from experts in the field on whether that ought to be direct mail, TV, radio, glossy magazines or whatever, and that then determines the campaign.

Senator WORTLEY—Has any of that \$29 million been allocated? Are there any projects in the pipeline that we can know about today? Are there any campaigns?

Mr Tucker—I do not think so.

Senator WORTLEY—No. So it is just sitting there at the moment?

Senator Abetz—Yes. For use in the next financial year. We have not hit that yet.

Mr Tucker—This is quite normal practice for these campaigns. As the minister said, we rely on significant external advice, which is then taken to the government to consider how it wants to proceed.

Senator WORTLEY—So we would assume that in relation to that there have been no bookings made for television, print or anything?

Senator Abetz—No.

Senator McLUCAS—Coming back to the market research, what was the \$137,000 spent on?

Mr Tucker—It is broken down into three topics. Firstly, for Defeating the Weed Menace, \$27,000 was paid to a company called TNS Social Research. Again, this is how we reflect these details in our annual report. Another topic was for forest stewardship and \$70,800 was paid to a company called Ipsos. The third component was for the Open Mind Research Group, which was looking at a tag-line concept for environmental programs to give them some sort of common recognition. We have lots of labels and that does confuse people in the public mind. There was some testing of whether we could come up with something that gave people a better understanding, and that cost \$31,900.

Senator McLUCAS—I think you described the advertising scheme for this current year as \$2.1 million.

Mr Tucker—That is right. Envirofund was \$1.5 million, which was to advertise for people to apply for the Envirofund grants. I am rounding up figures here, so some of them might not tally exactly. Community Water Grants was half a million dollars. The *Duyfken* visit was \$155,000.

Senator McLUCAS—And the direct mail campaign?

Mr Tucker—Complete Mail and Warehousing received \$4,000. I have not got these listed for the actual programs but they would be disassociated with Envirofund and Community Water Grants. There is a gap in the table I have here. The other one was for Canberra Mailing and Envelopes for \$46,000.

Senator McLUCAS—Who were they? Was it Canberra Mailing—

Mr Tucker—Canberra Mailing and Envelopes was the company that received \$46,000.

Senator McLUCAS—What was that for?

Mr Tucker—I do not have the figures for the actual programs, but it would have been for both Envirofund and Community Water Grants.

Senator Abetz—We have found, for what is worth—and I have some knowledge of this from a previous portfolio—that contact with community groups through the direct mail system seems to be very helpful in raising consciousness. We can target our message very effectively and very cheaply rather than splashing it around in other media.

Senator McLUCAS—I would not like to make aspersions about who might be splashing advertising money around. That direct mail program is quite cheap—

Senator Abetz—Yes.

Senator McLUCAS—in comparison.

Senator Abetz—That is why, as a government, we seek the most effective use of the taxpayers' dollars to get the message across with each campaign.

Senator McLUCAS—The total expenditure on advertising in your department, Mr Tucker, covers what areas?

Mr Tucker—It covers all those divisions listed for the department as a whole.

Senator McLUCAS—And the departments?

Mr Tucker—That is the department and then there is the portfolio, which includes the wider agencies. They may have their own activities.

Senator Abetz—But you are asking about campaigns.

Senator McLUCAS—Yes. In terms of the portfolio, how would I find out what other agencies have spent on advertising?

Mr Tucker—We would have to ask each of them. We can take that on notice. I was just trying to recollect whether there have been any. We would certainly know about them, but it is not in my head at the moment. We would be aware if other parts of the portfolio did conduct campaigns.

Senator McLUCAS—Could you take that on notice. For example, I know that the Great Barrier Reef Marine Park Authority spends a considerable amount of money on advertising. I dare say that other agencies do as well.

Mr Tucker—We can take that on notice.

Senator Abetz—On campaign type advertising, advertising for positions, or giving public notice of a closure or something like that? Depending on how you target the question, there will be a lot of work or not so much, so can we define what you are actually interested in to assist the officials?

Senator McLUCAS—I do not want to know the cost of the advertising for the replacement of the chair of the authority, but I would not mind knowing how much it cost to run the ‘Keep the reef great’ campaign, for example. So it is not the run-of-the-mill administrative advertising that is required but more—

Senator Abetz—The educational type campaigns.

Senator McLUCAS—Well, let us not call them ‘educational’, because that could exclude some of them. Let us call them ‘campaigns other than administrative’.

Senator WORTLEY—Information campaigns, perhaps—in very broad terms.

Senator McLUCAS—Political advertising could be included as well, I suppose.

Senator Abetz—I do not think you will find any.

Senator WORTLEY—Minister, some of the agencies are here, and I am sure that they would have those details. So, for those agencies that are here, could we get those details today. In fact, most of them are here, I believe. I am sure that they would have brought that sort of information with them to budget estimates.

Senator Abetz—Chair, when are we breaking for lunch?

CHAIR—One o’clock.

Senator Abetz—Would it be acceptable to come back to this and allow each agency to provide that which they have by then?

Mr Borthwick—No, most of the agencies are not here, actually, because they were dealt with last night. There is only the Great Barrier Reef Marine Park Authority.

Senator Abetz—Sorry.

Senator WORTLEY—No, there was only one dealt with last night, wasn’t there? That is my understanding.

Senator McLUCAS—It is a number. A phone call could be made.

Senator WORTLEY—A phone call would be fine.

Senator Abetz—Yes, but there are a lot of other officials here, who are very busy at the moment with the estimates, so—

Senator WORTLEY—Minister, if I may: I believe that all of those agencies would have that information. They are either here or have appeared here. It is the department.

Senator Abetz—There is no doubt about that; it is just a pity that the question was not asked when the officials were here. And now, trying to get other officials to make phone calls et cetera—

Senator McLUCAS—That is why it is called ‘cross-portfolio’.

Senator WORTLEY—Yes, I would have thought cross-portfolio was the area for it to be asked under to get that information, but this afternoon would suffice.

Senator Abetz—Cross-portfolio is not across agencies, is it?

Mr Borthwick—No, each of those agencies is a separate entity in its own right.

Senator WORTLEY—We will be going until 11 o'clock tonight, so could we have that information this afternoon?

Senator Abetz—That is why I suggested that we could see what might be able to be done by lunchtime, but there are no promises, because it will be quite an amount of work.

CHAIR—It can all be taken on notice anyway, Minister.

Senator WORTLEY—Yes, but we would like the information this afternoon.

Senator Abetz—I know what you would like. The question is whether it is possible.

Senator WORTLEY—If it is easy to access—and I am sure it is not difficult—

Senator Abetz—Yes, that is right. That is what I have said: let us visit what they have at about 10 to one.

Senator WORTLEY—If the work has not been done and they have to go and do the work, I would be surprised.

Senator Abetz—Well, we will see whether you are surprised or not.

Senator McLUCAS—Is any of the allocation of \$53.3 million for the current year?

Mr Tucker—Sorry, I missed the beginning of that question.

Senator McLUCAS—The allocation that you told me about earlier of \$53.3 million over five years for climate change—sorry, have I misunderstood that, Mr Tucker?

Mr Tucker—The \$53.3 million begins next financial year.

Senator McLUCAS—No money has been allocated in this current year?

Mr Tucker—No.

Senator McLUCAS—Is there any money from the 2006-07 year that is being allocated toward climate change campaigning in the broad sense?

Mr Tucker—You are testing my memory. There are always, if you like, ideas, but it is up to the government to decide what will proceed. I am not sure whether we have done anything in this area at this time. I do not know whether you know, Mr Morvell?

Mr Morvell—There is no specific allocation in this year's budget for this purpose. However, some of the normal expenditure on staff who work in communications activities would be contributing now to the development of ideas and planning for next year. But it is not identified as such in the budget.

Senator McLUCAS—That is a normal departmental operation?

Mr Morvell—Just normal departmental costs, yes.

Senator McLUCAS—What sort of planning is being done by those staff members?

Mr Morvell—Now that the government has decided to proceed with it, they are working through the issues of market research, who would run the campaign, what it would look like, public relations elements and elements that deal with what you can do in the household to reduce your greenhouse gas emissions. There are a number of staff working on those things, but some of those are ideas that have been worked on for some time. They could have come out in any other way; they could have come out in the normal course of the development of programs by the government. In relation to the specific campaign that this money refers to, that is not identified as such.

Senator McLUCAS—Has market research been undertaken on the climate change proposal to this point?

Mr Morvell—I am not absolutely sure. I would have to come back to you on that one. I am just not sure of the status of the particular elements. I know that we have staff who are working and planning, but I do not have information on the extent of what has actually occurred at this point.

Senator McLUCAS—No placements have been booked?

Mr Morvell—Not that I am aware of, no.

Senator McLUCAS—Design work?

Mr Morvell—Certainly there has been some conceptual work and initial discussions with designers have commenced. I am certain that it has not resulted in expenditure of funds, and I am not sure of the exact point of any contractual arrangements.

Senator McLUCAS—Is there someone here who can give us that information?

Mr Morvell—If you let me take that on notice, I will come back to you during the day on the specifics of where we are with some of those things.

Senator McLUCAS—We might come back to that, Chair, at a later point—maybe after lunch. We could come back after lunch and look at advertising generally.

CHAIR—If that is what you would like to do, Senator.

Senator McLUCAS—We want to look at the agency expenditure as well.

CHAIR—So long as we keep on progressing down the agenda, I am happy.

Senator Abetz—The good news is that we finish at 11 o'clock tonight no matter what. So however senators use their time is up to them.

CHAIR—The next group is approvals and wildlife.

Senator McLUCAS—We will come back to those advertising questions after lunch.

Senator CROSSIN—I want to touch on a couple of areas quickly. One is the changes under the EPBC Act—the environment and heritage bill in 2006. Did your department give any advice, have any advice or have any conclusions about the effect of the changes last year in the EPBC Act in relation to any national radioactive waste facility?

Mr Early—There were no changes to the legislation that had any impact on nuclear matters.

Senator CROSSIN—Did you get any legal advice to that effect when you saw the drafting of that legislation?

Mr Early—There is nothing in the legislation that changed what was there previously in relation to nuclear.

Senator CROSSIN—As I understand it, it does change the way in which site approval processes can be handled in the event of a national nuclear waste facility—does it not?

Mr Early—No, Senator.

Senator CROSSIN—Would you expect the EPBC process for the site approval to be the same as those before the act was changed?

Mr Early—That is right.

Senator CROSSIN—Exactly the same?

Mr Early—Yes.

Senator CROSSIN—Would the minister's powers be exactly the same?

Mr Early—Yes.

Senator CROSSIN—Would the process be different for the three identified Defence sites from a site nominated, say, by a land council? That is, would the process be different on Commonwealth land as opposed to non-Commonwealth land?

Mr Early—The only difference would be that, if it was Commonwealth land, the environment would be the matter protected. If it was non-Commonwealth land, as well as the matters of NES, that would be the Commonwealth—it would be the environment. Although, having said that, that is not correct, because for the nuclear actions the environment is the matter protected, so it probably would not make a lot of difference. There would be an added matter protected, being Commonwealth land; that is all.

Senator CROSSIN—All right. You are suggesting that there are no changes. Advice that I am getting from people who have looked at the changes suggests that the approval process for a radioactive waste facility would be different under the new act. You do not believe that is the case?

Mr Early—No.

Senator CROSSIN—Was that a consideration in the drafting of the legislation?

Mr Early—As I said, there were no changes in relation to nuclear, so it was not a matter that was considered.

Senator CROSSIN—Has your department begun any work on the Northern Territory sites in relation to the examination of the proposed waste facility?

Ms Rankin—At the moment we have not. We are still waiting on the advice on the preferred selected site.

Senator CROSSIN—Okay. My understanding is that you have made some contact with ARPANSA, have you not?

Ms Rankin—We have, yes.

Senator CROSSIN—So you have started to do some work on or consideration about the waste facility. What was the nature of your advice to ARPANSA?

Mr Early—We did not give advice to ARPANSA. We have consulted with ARPANSA about doing an assessment jointly so that it can be as easy for members of the community to deal with as possible. Rather than us having two separate assessments, which were both required under our different pieces of legislation, we will cooperate to the maximum extent so we can do a seamless process—but that is the extent of our discussions.

Senator CROSSIN—Will the site assessment process—the EIS—be predominantly conducted by your department or by ARPANSA?

Mr Early—The proponent would be required to produce the EIS, and it would have to be assessed by ARPANSA under its legislation as well as by this department under the EPBC Act.

Senator CROSSIN—What is the arrangement? Will your assessment count, or will it be the same assessment ARPANSA does? Are you doing it on their behalf?

Mr Early—No. It will be a joint process. We are aiming for there to be one document for the community that will cover all the requirements under the EPBC Act as well as under the ARPANS Act. For example, when the South Australian proposal was done a number of years ago, there were two quite separate assessments, which was confusing for members of the community because they had different documents to consult to decide what was going on. So we are aiming to make a process whereby all the information is in one place and will suit the requirements of both the EPBC Act and the ARPANS Act.

Senator CROSSIN—But that does not preclude two separate assessments?

Mr Early—No. The Minister for the Environment and Water Resources will have to consider it with his responsibilities under the EPBC Act and ARPANSA will have to issue licences and all the things that they have to do under their act.

Senator CROSSIN—Can I just go to the Tiwi Islands. I understand that the federal Department of the Environment and Water Resources has spent a number of days on Melville Island investigating complaints against the Great Southern Plantations forestry. What was the nature of that investigation?

Ms Rankin—At the moment, we have officers up there investigating claims that there have been some breaches of the conditions of approval for the Tiwi Islands forestry operation.

Senator CROSSIN—How many officers? When did they go?

Ms Rankin—I would have to take the exact details on notice, but we have probably had about three officers visit on three separate occasions in the last couple of months.

Senator CROSSIN—Are you talking about breaches of the forestry agreement?

Ms Rankin—No—of the conditions of approval.

Senator CROSSIN—What are the nature of those breaches?

Ms Rankin—At the moment, they are only alleged breaches. Obviously I cannot go into great detail because it is a matter under active investigation, but they primarily deal with the buffer zones around areas that were required to be protected under the conditions of approval.

Senator CROSSIN—Is that the only area?

Ms Rankin—Primarily. There are also some issues under investigation in relation to survey work that was required to be undertaken prior to completion of tranche plans.

Senator CROSSIN—Can you provide this committee with the conditions of approval?

Ms Rankin—Certainly. I think they have previously been tabled, but we can provide them again.

Senator CROSSIN—I am not sure that I have them.

Ms Rankin—They are on our website.

Senator CROSSIN—So I have to trawl through your website and try to find them?

Ms Rankin—We can certainly supply them to you.

Senator CROSSIN—When did your officers first go up to the Tiwi Islands?

Ms Rankin—We visited the Tiwi Islands in the middle of last year in relation to ongoing discussions with them about their requirements under the act. We only became aware of the formal complaints about potential breaches late last year and, since then, we have had a number of officers visit the island to investigate them.

Senator CROSSIN—Have the officers gone from the Canberra or Darwin office?

Ms Rankin—From Canberra, in conjunction with the Northern Territory department.

Senator CROSSIN—I see. When did the investigation formally start?

Mr Flanigan—We received a request from the Northern Territory Environment Centre in February this year. They provided us with some preliminary information. At around the same time, we also received information from other contacts. As my colleague pointed out, this is an active investigation at this stage, so you will forgive me if I am a little circumspect about some of the details at this point in time. We essentially commenced the investigation on the basis of two strands of concern. There was also a voluntary audit undertaken by the proponents which was provided to us last year. It initially looked like everything was being run according to the approval but, with a little deeper probing, we found that there were some issues that warranted further investigation. At this point in time, that is really the stage we are at.

Senator CROSSIN—Is the company required to provide scientific reports?

Mr Flanigan—They are required as part of the approval to provide us with a formal audit this year, which they are currently going through the process of—

Senator CROSSIN—When is that due?

Ms Rankin—Before the end of October this year.

Senator CROSSIN—What other reports are required? Are there any research studies or monitoring plans?

Ms Rankin—Unfortunately I do not have the form conditions in front of me, but they are required to provide what we call ‘tranche plans’ that set out the proposed harvesting regime

for the next round of harvesting. In addition to that, they are supposed to provide us with copies of survey results for a number of the threatened species that are on the island.

Senator CROSSIN—Have they done that in either of those areas?

Ms Rankin—Yes, they have. For some species they are still working out the best methodology for adequate surveys, but they are currently undertaking surveys for those species.

Senator CROSSIN—When is this investigation due to finish?

Mr Flanigan—We have not put a discrete timetable on the investigation. It is active in that we are continuing to have contact with the company and with the Northern Territory government on the process. The nature of a compliance investigation of this does depend somewhat on the information that we uncover as we go forward in the investigation, so it is not possible to put a discrete timetable on when it will conclude.

Senator CROSSIN—Are you suggesting that the company have cleared land that they were not given permission to clear? Is that correct?

Mr Flanigan—The condition required certain buffers around certain features like creek lines and certain habitats. The concern that we are principally investigating is that some of the clearing extended into those buffers. It is quite variable. One of the complicating features is exactly how you identify where the buffer areas should be on the ground, but—

Senator CROSSIN—On the ground as opposed to the maps that I have seen?

Mr Flanigan—On the ground as opposed to the maps; that is right—translating from maps to on-the-ground situations. The company themselves at this stage are being quite open in their dealings with us and effectively they have opened their books to us to have a thorough investigation. At the moment we are trying to document exactly where the breaches may have occurred—if breaches have occurred—and the extent of them. At this stage we are still compiling that detailed information.

Senator CROSSIN—When you say the company have opened up their books to you, aren't they obliged to do that if there is a possible breach?

Mr Flanigan—When you are in these sorts of situations, it is my experience that companies have a couple of choices. They have legal rights and they can put everything to the test if they wish and require us to do things like exercise search warrants and argue every step of the investigation through the courts. The engagement we have with the company at the moment is not of that type; it is one where, to the extent that they themselves are acknowledging that there may have been some breaches of the conditions, they are at the moment operating in a very open way with us in trying to resolve those problems.

Senator CROSSIN—What are the sanctions if the breaches are proven?

Mr Flanigan—We have a compliance and enforcement policy that the department operates under, which provides for a range of responses to any potential breaches of the legislation, once proven, and we will apply that policy to our decision making once we have completed the collection of the information as part of the investigation. I cannot quite recall the maximum penalty that is available under the legislation for a breach of conditions. I will get it for you shortly.

Senator CROSSIN—Perhaps while you are looking for that I will go to Christmas Island and the decision on Christmas Island not to extend the mine leases. I understand that the department claims that an independent analysis was conducted which suggested that the clearing of the primary rainforest was likely to contribute to the extinction of a number of listed and threatened migratory species. Who conducted that independent analysis?

Ms Rankin—That was conducted by Dr Libby Matiske.

Senator CROSSIN—From the department?

Ms Rankin—No, she is an independent consultant.

Senator CROSSIN—Where is she based?

Ms Rankin—She is based in WA. I am not sure if I have the name of her company here.

Senator CROSSIN—In conducting that independent analysis, did she travel to the island?

Ms Rankin—Yes, she did.

Senator CROSSIN—Did she speak with the Christmas Island Phosphate Company?

Ms Rankin—I understand she did, yes.

Senator CROSSIN—I understand that there have only been three other proposals which have been rejected under the EPBC Act. What are those?

Ms Rankin—The three that have been rejected were a proposal to electrocute flying foxes on a lychee farm in North Queensland, a proposal for a family to build a house near the heritage area on Norfolk Island and clearing on Kangaroo Island that would have affected critical habitat of the red-tailed black cockatoo.

Senator CROSSIN—What is a possible process now in terms of this decision? Were any of those three previous decisions that have been rejected appealed?

Mr Early—No.

Senator CROSSIN—So is there a possibility under the act to appeal the minister's decision?

Mr Early—The only possibility would be to take action in the Federal Court.

Senator CROSSIN—So you can appeal the decision?

Mr Early—We would argue that there is no basis for appeal—

Senator CROSSIN—I understand that you would do that.

Mr Early—but if the company feels as though it wants to throw a bit of money away it could take action.

Senator CROSSIN—My understanding is that the company has already spent a million dollars over the last five years satisfying continual requests from the department in relation to this EIS. At any stage were there discussions between yourself and the company about the possibility of this request being not satisfied?

Mr Early—There have been numerous discussions. I personally had discussions with the company when this proposal was first put in and I made it very clear to them that it would be

an extremely difficult proposal to be accepted, given the nature of Christmas Island. So they have been under no illusions from the very beginning.

Senator CROSSIN—My understanding is that the minister was expected to make an announcement on 20 February about this, but the press release did not go out until 30 April. What was the delay and why?

Ms Rankin—We cannot comment on the reason for the delay in the minister's office.

Senator Abetz—Or the alleged delay. I do not know if the minister was anticipating to do something on 20 February or if there was a delay. I will take that on notice.

Senator CROSSIN—The 20 February is actually a statutory date. That is my understanding. I am just wondering why that statute was not met.

Mr Early—There are occasions when the statutory time frames are not met. The minister and the department make every effort to ensure that we meet statutory deadlines, but from time to time there are reasons why they are not met.

Senator CROSSIN—What was the reason this time?

Mr Early—This was something that the minister was considering and the statutory deadline was not met. But it does not impact on the decision itself.

Senator CROSSIN—There has been a suggestion that perhaps the decision was likely to be well-received by some of the groups. Does that mean some groups on the island or some groups nationally?

Senator Abetz—What are you referring to? You said that it was understood that it would be well-received. According to whom?

Senator CROSSIN—We are talking about the decision on Christmas Island.

Senator Abetz—Yes, I know that.

Senator CROSSIN—So the decision to not extend the mining leases. I understand that, according to the department, there is a suggestion that it would be well-received by some groups. Which groups would you be referring to?

Senator Abetz—Did the department make that—

Ms Rankin—I am not aware of us publicly making that sort of claim.

Senator Abetz—That is why I want to know the source of the senator's assertion so that we know exactly what we are dealing with.

Senator CROSSIN—I am not revealing my sources to you. I just want to know if you have a view that this would be well-received by some groups.

Ms Rankin—All I can say is that we received a number of submissions on the proposals and many of them were opposed to it, so you can assume that those who were opposed to it when they made comments would have been happy with the decision.

Senator Abetz—It is very rare when a government, a department or whoever makes a decision that there will not be some who will welcome it and others who will oppose it. That is the way of the world. Unless there is something more specific, I am not sure that we are getting anywhere.

Senator CROSSIN—I think we will get quite a fair way here. I have a document in front of me, which is a media briefing note produced by the department, that says that this decision is largely against expanding the mine and that it ‘is likely to be well-received by some of these groups’. What groups would you have been referring to in this media briefing note?

Senator Abetz—By ‘some of these groups’, if that is the terminology, I assume that the groups would have been referred to earlier in the document. Otherwise, it would not really make sense.

Senator CROSSIN—That is right, it does not make sense to me. That is why am asking questions about it.

Senator Abetz—Instead of playing blind, can we have a look at the document?

Senator CROSSIN—I am happy to give you a copy, because it is a document that the department has produced itself.

Senator Abetz—Yes, but as you might imagine, they produce lots of documents, and I assume they have not brought them all with them.

Senator CROSSIN—I think you full well know the briefing note I am referring to. It is dated 9 March.

Senator Abetz—I do not and I do not think the department knows it. Can we have a copy?.

Mr Early—I think I know the document you are referring to, Senator.

Senator CROSSIN—Do you have a copy of that document in front of you?

Mr Early—The document says nothing much more than that there were some people who will support this decision and some people who will not support the decision. It is not unusual for the minister to consider the media consequences of an announcement.

Senator CROSSIN—I am simply asking if you can clarify for me what you mean by ‘groups’—which groups would be supportive of the announcement? I do not think it is an unusual or a quaint request.

Mr Early—As Ms Rankin said, there were 413 submissions, of which 311 were opposed to the proposal. So any number of those 311, I guess.

Senator CROSSIN—When you made such a statement as this, what groups did you have in mind? Are you talking about the chamber of commerce on the island? Are you talking about environmental groups?

Mr Early—Certainly both the chamber of commerce—

Senator CROSSIN—I am asking you to be specific about what groups you would have thought about.

Mr Early—Certainly the chamber of commerce have supported the decision, as has a number of conservation groups. That was to be expected, as was perhaps that the union and the company itself would oppose the decision. It was fairly obvious, I would have thought.

Senator CROSSIN—I want you to be obvious. I want you to specify for me what groups you would have been referring to in drafting this briefing note?

Mr Early—I have just told you. The chamber of commerce and a number of conservation groups that have made comments.

Senator Abetz—It stands to reason that if you had however many submissions and there were 311 or whatever opposed and then that is the department's decision and you say some groups would welcome it, that 'some' would be a generic coverage of those that have put in submissions.

Senator CROSSIN—How many submissions did you receive?

Ms Rankin—413.

Senator CROSSIN—Are they all on the website?

Ms Rankin—No.

Senator CROSSIN—Do you get a copy of these submissions? Are they made public?

Mr Early—They are not made public, but they are part of the process.

Senator CROSSIN—Can you provide me with a breakdown of how many of those were from individuals, how many were from organisations and how many were from companies?

Ms Rankin—Yes, but we would have to take that on notice.

Senator CROSSIN—How many are you saying were against the proposal?

Senator Abetz—311.

Senator CROSSIN—I am still not satisfied with your answer that to put in a briefing note that this would be well-received by some of these groups is satisfactory. I want to know exactly what groups you would have had in mind in drafting this.

Senator Abetz—I think we have been through this. The English language is pretty clear in relation to that: 'some groups'. When you say that you undoubtedly have the intention to be generic without specifying particular groups. I dare say that, in the aftermath, the assertion that some groups would welcome it has been proven to be correct. I would assume that some groups have welcomed the decision.

Senator SIEWERT—We did.

Senator Abetz—Senator Siewert, you have been moving motions saying good things about the fisheries portfolio as well—I am starting to worry!

Senator CROSSIN—So, Mr Early, if in fact this is taken to the Federal Court, my understanding is that this would be the first matter to be challenged under the EPBC Act. Is that correct?

Mr Early—No, there have been a number.

Senator CROSSIN—Can you provide me with a list of those?

Mr Early—Yes, certainly.

Senator Abetz—There have been a lot of court challenges, as I understand it, under the EPBC Act. Previously you asked, I think, about the three that had been disapproved under the EPBC Act.

Senator CROSSIN—That is right.

Senator Abetz—None of those have been challenged in court as yet. Is that right?

Senator CROSSIN—That is right. So what number are you then on?

Senator Abetz—So you then asked about any challenges under the EPBC Act, which is not in that area.

Senator CROSSIN—Well, I mean in relation to this area.

Senator Abetz—Yes. In this area there have not been any, as I understand it, so this would be a first.

Senator CROSSIN—This would be the first, then?

Senator Abetz—Yes.

Senator CROSSIN—Let us get that clear on the record then, if that is the case.

Senator Abetz—Yes, on that specific area.

Senator CROSSIN—Is there any mechanism by which the minister's decision can be overturned?

Ms Rankin—Except through a Federal Court challenge.

Senator CROSSIN—Only through the Federal Court challenge?

Mr Early—Even then, if the Federal Court thought that the minister had acted illegally in approving the project, it would refer the decision back to the minister. The Federal Court does not have the power to actually overturn the decision. If it felt that the minister had acted illegally, it would advise the minister and ask the minister to make another decision.

Senator CROSSIN—And either start the process again or revise aspects of the decision?

Mr Early—It would depend. As I say, I do not expect that to happen, but, if it were to happen, it would depend on what the court said.

Senator CROSSIN—Okay. So the act prohibits any decision being overturned—is that right?

Mr Early—Unless it is overturned subsequently by the minister having to make another decision.

Senator CROSSIN—I see. I might put some further questions on notice then, if that is the case. Thanks for that. Just before I do that, I want to ask several more questions. Is the independent analysis that you received from your sources publicly available?

Mr Early—I am not sure whether it is publicly available, but it was certainly given to the proponent, and they subsequently made comments on it.

Senator CROSSIN—I see. Finally, have you done any research into or work on the pipistrelle bat that is in question in the mining leases? Have your officers done any fieldwork or any research about its habitat?

Mr Early—Parks Australia North have done some work on the pipistrelle bat which was the subject of a discussion at the last estimates hearings, so certainly there has been work done, yes.

Senator CROSSIN—Would the mine be aware of that work? Did you make that work available to the mine, the company?

Mr Early—There were substantial discussions with the mine all the way through the process, so I imagine so, but I would have to take that on notice.

Senator CROSSIN—Thanks.

Senator BOB BROWN—I want to ask a question about the ulcerating disease of platypuses in Tasmania.

Senator SIEWERT—Is that here or the biodiversity section?

Ms Rankin—We are not aware of this.

Mr Early—This is the right spot. No, we do not have any information about that.

Senator BOB BROWN—This is a disease that is more than decimating; it is potentially leading to wipe-outs of populations. It has been in the river systems for 25 years now. It is a frog fungal disease. It is right across northern Tasmania, in all the river catchments into the World Heritage area, and has a very high death rate, with ulceration of the head, tail and body. It is caused by *Mucor amphibiorum*, which is a frog fungal disease, but it is not known to have spread to the frogs, because that has not been studied. Can you find out for me what assessment of this really tragic disease has been done by the Commonwealth, what information you have about it and what action has been taken or is contemplated?

Ms Rankin—We can certainly find that out but I am certainly not aware of anything myself. We can see if there is anywhere else in the department that has done any work.

Senator BOB BROWN—Thank you. The Tasmanian devil facial ulcerating disease is widely publicised. This has a huge death rate—and a pretty nasty death at that—for the Tasmanian devils. Can you say how much money the Commonwealth has allocated to the future study of this and how the search for a cure or a halt to this disease is going?

Ms Smith—The Commonwealth has allocated \$1 million over each of the last two years into devil facial tumour disease research and has committed a further million dollars for the next financial year.

Senator BOB BROWN—What is that going to be spent on?

Ms Smith—A range of activities. The Tasmanian government is running the Tasmanian Devil Facial Tumour Disease Program, but we are assisting, obviously, from the Commonwealth level and there is a range of scientific research into the disease itself and the nature of the disease, how it is transmitted and its effects on different types of devils. There is a whole range of scientific endeavours going on that are being funded with that money.

Senator BOB BROWN—Has the Tasmanian government or anybody else sought more funding than \$1 million per year for a disease that has a fatality rate of 100 per cent and is spreading inexorably across Tasmania?

Ms Smith—The Tasmanian government are putting in funding as well and they sought funding from the government. They did not specify a figure. The government responded by committing to another million dollars next financial year.

Senator BOB BROWN—It seems to be a very small amount for such a catastrophic disease. There is work into both the disease-causing organism and the vector—it is pretty well known that it comes through bodily contact between the devils—but can you tell me what the state of play is in determining how the disease originated and what the spark might have been that set off this catastrophic process?

Ms Smith—I am a lay person, so forgive me if I am not across all the scientific jargon, but essentially it has been determined that, as you say, it is transmitted by contact—by biting—so it is direct transmission of the tumour cells. Often this is during mating, which is part of the cause. My understanding is the science has not resolved how it started. There has been a lot of investigation through toxicology tests and different sorts of scientific tests, but to my knowledge there is no decision yet on how it started. It could just have been that one devil for some reason got it and then transmitted it.

Senator BOB BROWN—Are you aware that there is a need for more funding—that scientists need more funding to be able to explore all the opportunities for finding both the original cause and a potential cure?

Ms Smith—The Tasmanian government is seeking other funding from international sources. There has been a range of offers. There are a lot of scientists around the world who are offering assistance. I understand the Tasmanian government has been seeking assistance through notable Australians. Companies like Qantas have set up Tasmanian devils that you can put money into—those sorts of things. There are a lot of community campaigns going on, too, to raise funds and as part of the education of the population on the issues.

Senator BOB BROWN—Minister, why is there a search for public and international funding for research into the Tasmanian devil facial tumour disease, and why is the government not providing that funding?

Senator Abetz—The government is providing funding.

Senator BOB BROWN—Yes, we have heard that.

Senator Abetz—A lot of people also want to make a contribution because they see the desirability of finding a cure and finding out why it has happened. You and I walk past a Tasmanian devil on a weekly basis in the Qantas and Jetstar exit lounge of Hobart Airport—and I think there might be one in Melbourne Airport as well; I am not sure—where people can make a free will donation. I do not know who initiated that, whether it was the Tasmanian government, whether Qantas did it off their own bat or whether it was the airport authority. I think that to partner with the community at large and people in other countries on something like this is a good thing and something that we should all celebrate and support. I am not aware that there has been a request for more government funding for this. I have had some personal discussions—in my role as a senator for Tasmania, not in any other role, I hasten to add—with some people who are concerned about this. You have to let the science take its course. I am not aware at this stage that a lack of money has necessarily stopped a particular area of research at this stage. If that comes to our attention, I dare to say publicly that we would look at it.

Senator BOB BROWN—So you think that \$1 million for the next year is adequate?

Senator Abetz—\$4 million has been made available.

Senator BOB BROWN—For next year?

Ms Smith—\$1 million for the next financial year.

Senator BOB BROWN—No, the minister said \$4 million.

Senator Abetz—Yes, in total, that is what the Australian government is—

Ms Smith—It is \$3 million.

Senator Abetz—Is it \$3 million?

Ms Smith—It has been \$1 million a year for the last two years and there is a commitment of \$1 million for the next financial year as well. So that is \$3 million over three years.

Senator Abetz—I do not know why I had the figure of four in my mind. It is \$3 million; I stand corrected on that. At the end of the day, you could ask me whether I thought \$30 million would be enough. Quite frankly, I do not know. What I do know is that there does not seem to have been any further request. Money in of itself is not necessarily a solution; it is getting the scientific information together. I understand that nobody at this stage has asserted that a lack of funding is hindering the scientific research, but if somebody is making that assertion I am sure the minister and the government would be happy to look at it.

Senator BOB BROWN—The assertion is being made because there have been efforts to raise funds overseas, as you know. I am wondering why the government is putting a piffling \$1 million into this very serious—

Senator Abetz—It is \$3 million. Research is not going to be discovered within 12 months on something like this. It has been ongoing and there is ongoing funding being made available by the Australian government.

Senator BOB BROWN—A piffling \$1 million in the next year. I ask you why researchers—

Senator Abetz—What should it be?

Senator BOB BROWN—are having to go overseas and have coin collections at airports for such a serious problem which needs urgent and expanded scientific investigation. Is the government happy with that situation?

Senator Abetz—I suppose you would make the same criticism of the coin collection undertaken on behalf of UNICEF by Qantas. You would condemn that as well.

Senator BOB BROWN—I condemn the government's failure to provide adequate overseas aid, but that is not what you are here to answer to.

Senator Abetz—I see it as working in partnership with the community because there is a good degree of good will within the community towards UNICEF and towards Tasmanian devils and, as a result, people are willing to make contributions. I do not see that as a negative; I see that as a huge positive and a great compliment to the society in which we live.

Senator BOB BROWN—Beyond the waffle—because that is what it is—there is a very serious problem here, Minister. The sum of \$1 million is far from adequate to do the scientific research that scientists want to do on this problem.

Senator Abetz—That is your unsubstantiated assertion. Nobody has come to the government and said, ‘We need X million dollars to find a cure.’ Nobody has come up with that figure. According to you, if we were to say \$2 million, it would be piffling; if it were \$10 million it would be piffling.

Senator BOB BROWN—How did you arrive at \$1 million for the next year?

Senator Abetz—All assessments are made as to what would be a reasonable figure in normal circumstances.

Senator BOB BROWN—I heard.

Senator Abetz—Ultimately it is by the government, because we make the decision as to how much money is made available for these things.

Senator BOB BROWN—There you go: \$1 million is adequate, in your view.

Senator Abetz—Along with others. Let us not forget that the \$1 million is not the totality of the effort.

Senator BOB BROWN—It is the totality of the Commonwealth’s effort, and it is far from adequate. I am wondering why it is that the Commonwealth is ensuring that scientists have to go to the public and go overseas to raise money, for goodness sake, for this crisis for the Tasmanian devil.

Senator Abetz—It is interesting to note that \$5.8 million has been made available by the Australian and Tasmanian governments to Tasmanian devil facial tumour disease research. So in respect of the ‘piffling \$1 million’, with partnerships et cetera, we are looking now at a figure not of \$3 million but of \$5.8 million. As is so often the case, to try to grab a headline, people only tell half the story.

Senator BOB BROWN—You should not fear the headlines, Minister. I am asking you about the allocation of \$1 million by the Commonwealth, from a budget of over \$200 billion, for the next year, leaving scientists to have to go to the public domain to raise money to do the research that is essential for a disease that is marauding the Tasmanian devils and has a 100 per cent fatality rate.

Senator Abetz—Let us get this clear: are you for or against the public campaign for money?

Senator BOB BROWN—I am just saying that the Commonwealth—

Senator Abetz—Are you for or against this public campaign?

Senator BOB BROWN—I am saying that the Commonwealth should be paying the money.

Senator Abetz—What it means is that extra money has been made available for research. Your condemnation of that just astounds me. I would have thought you would celebrate that and say that this is a wonderful indication of our Australian community’s willingness to dig into its own pocket to make a difference for one of our icon animals.

Senator BOB BROWN—To make up for your abject failure to ensure that this research is adequately funded through the Commonwealth purse. That is what I am talking about. There is no point in going on with this.

CHAIR—I agree with you. We are going round in circles. I suggest we move on.

Senator Abetz—That is not what you are talking about; you are mindlessly asserting things when I am giving you a focal figure of \$5.8 million. Yes, there are international researchers willing to assist us with this. I think we ought be celebrating that rather than condemning it.

CHAIR—Let us hope there is a solution found. Let us move on.

Senator BOB BROWN—There will not be one with \$1 million a year from the Commonwealth, I can assure you, Chair.

CHAIR—You never know, Senator Brown.

Senator Abetz—That is a terrible reflection on the scientists who are working as we speak to find a solution to this problem.

Senator BOB BROWN—Don't be a blame shifter, Minister. I am moving on from you and your inadequacy.

Senator Abetz—You are condemning in a terrible way the hard work of these scientists, who are working as we speak to find a solution to the problem. To say that, as a result, they will not find a cure is basically saying that they should pack up shop and no longer bother with the excellent work they are doing. I want to encourage them through this forum by saying that they have the support of the Australian government, the Tasmanian government and the overwhelming support of the Australian people and elements of the international community. I encourage them to get on with the excellent work they are doing.

CHAIR—We might go to Senator Siewert now.

Senator BOB BROWN—I wish you better luck, Senator Siewert.

Senator Abetz—There might be more intelligent questions. We have come to expect that from Senator Siewert.

Senator SIEWERT—I have some general questions around the budget, and then I have some specific questions about some projects.

CHAIR—Something on the budget? Shock!

Senator SIEWERT—An additional \$70.6 million has been allocated in the budget over four years for, as I understand it, improvement in assessment performance, delivering a new strategic approach for protection of heritage areas, certain species and creating a new list. I have seen a breakdown over the years, but what is the breakdown for those specific components? What does it actually mean?

Mr Early—We are still working through that, but I can give you a rough idea of what we are doing. We are basically looking at improvements in three areas. On compliance and enforcement, we currently have an environmental investigations unit which will, in effect, almost double. We currently have one compliance section. We will have two compliance sections and, in addition, a monitoring and audit section. Basically, we are creating a compliance and enforcement branch, so a very substantial increase in our compliance and enforcement capabilities.

Senator SIEWERT—How many people do you now have doing those functions you have just articulated?

Mr Early—We have about 21 and we will be going to 45—something like that. That is one element. The other element you mentioned was the strategic assessments. We will be putting more effort into strategic assessments and trying to, if you like, get a bit ahead of the game instead of adopting a project by project approach, which I think we have discussed previously at Senate estimates. That is another element.

Senator SIEWERT—How many resources are going in there?

Mr Early—Currently we have only one relatively small section of about seven people who do strategic assessments and, with a couple of sections, we are going up to about 20.

Senator SIEWERT—Have you yet prioritised how you are going to go about that? Is it going to be thematic, regional?

Mr Early—Whatever, yes—regional and thematic. Basically, the act provides that flexibility, so we will be looking to do a range of things. It requires, as I think I mentioned last time, a cooperative approach with the states and territories, so it largely depends on what comes forward. The other element of the funding will simply go to improving our overall performance in meeting statutory deadlines, enhancing and improving our information about threatened species and updating lists and that sort of work.

Senator SIEWERT—I want to come back to that and the ANAO audit. With respect to monitoring and compliance, how are you going to go about that? I know that we touched on it before, but that was before you received these new resources. Will you be picking specific projects?

Ms Rankin—We have a compliance and audit program that will be enhanced with the additional resources. Effectively, it is a combination of both a random program of audits, as well as some targeted audits, based on risk assessment. Obviously, the compliance activities are reactive to reports of breaches or things that come to our attention.

Senator SIEWERT—Will all the 45 staff be based in Canberra?

Ms Rankin—Yes.

Senator SIEWERT—I know I have asked this question before, and I do not know whether you have finalised it. In terms of the audit materials becoming publicly available—

Ms Rankin—We did find the answer to that question for you. Summaries of the audit reports will be made publicly available on our website, and my understanding is that the forward reports can also be made available on request.

Senator SIEWERT—We had the Traveston Dam hearing a couple of weeks ago and I asked about Paradise Dam. I understand there is an assessment currently being undertaken?

Ms Rankin—It will commence in June.

Senator SIEWERT—At that time, it was unclear whether it would be publicly available. Are you now saying that will be publicly available?

Ms Rankin—Yes.

Senator SIEWERT—Moving on to strategic assessment—I am aware I will get the chop soon—I asked about the Kimberley last time. You have now got new resources. I wonder whether you have further considered the Kimberley region? Have you had discussions with Western Australia about that?

Mr Flanigan—Was the question specific to the Kimberley?

Senator SIEWERT—It is about the Kimberley, yes. You will probably be aware that there are a vast number of proposals currently on the drawing board for the Kimberley, for the marine coastal environment as well as terrestrially, and the State of Western Australia seems to be dragging its feet about doing any strategic planning, regional assessment or cumulative impact assessment. What role is the Commonwealth intending to take there in terms of perhaps doing a strategic assessment or engaging with the state to encourage them to do some sort of better planning?

Mr Flanigan—We are aware of some of those ‘over the horizon’ projects that are currently being planned.

Senator SIEWERT—They are not ‘over the horizon’; they are here and now. They are talking to the community about them.

Mr Flanigan—It is certainly one of the areas where we think these more strategic approaches to business could pay dividends. I think it would be a bit premature to say we have actually had substantive discussions with Western Australian colleagues about embarking on such an exercise. We have yet to put the branch in place, if you like, and formalise these things. That area is certainly one that is high on our list of priorities for encouraging a relationship with the state.

Senator SIEWERT—What timelines do you have for establishing the expanded unit and setting your priorities?

Mr Flanigan—We are actually right in the middle of our staff consultation process at this point in time. That is due to conclude by the end of this week or the beginning of next week. At this stage, our plan is to move to the new structure at the beginning of the financial year. As soon as we do that, we will start our priority setting processes and the like.

Senator SIEWERT—How will you undertake your priority setting process? Will you have a community consultation with key stakeholders, or is it projects that you know are on the drawing board?

Mr Flanigan—Some of it will be a little reactive. The principal model we want to operate on is one where we work cooperatively with state or local planning agencies.

Senator SIEWERT—Did you say planning?

Mr Flanigan—Yes, planning agencies—potentially, local governments and those types of groups. We cannot require them to put their plans to us for strategic assessment. We will be looking for partnerships with willing participants. Our priority setting process will be determined by looking for places where we think there are fairly large numbers of matters of national environment significance that require protection and potentially where there is lots of development pressure which could have an impact upon them. They will be the sorts of things that will go into our priority setting process. In circumstances where we do not get a partner

coming forward to work with us in a planning exercise, we have another model which would allow us to prepare information about the protected matters in a region and the questions about significance for those things and, by that mechanism, influence the decisions of the state people, the proponents and our own decision making, should projects come in the normal project by project assessment approval process.

Senator SIEWERT—Will the Kimberley be one of those areas where you will do that more proactive work?

Mr Flanigan—Discussions are yet to be had.

Senator SIEWERT—Do you mean within your department?

Mr Flanigan—Within the department and with our colleagues in Western Australia.

Senator SIEWERT—So you have not had any discussions with planning in Western Australia yet?

Mr Flanigan—Not about the Kimberley at a formal level. We have had some discussions about the way forward in the Bunbury Busselton area where we have been doing a bit of this more proactive work off our own bat.

Senator SIEWERT—You are a bit behind the eight ball down there.

Mr Flanigan—We are a bit behind the eight ball; we are playing catch-up. As it happens, I wrote to the head of DEC on Friday suggesting we have discussions about looking for alternative options where we could do these things.

Senator SIEWERT—All over the state?

Mr Flanigan—In the state in general.

Senator SIEWERT—That was to—

Mr Flanigan—Kieran McNamara and to Greg Martin, the CEO of the planning department.

Senator SIEWERT—Thanks. I am going to continue following up on that one for the Kimberley. I will just go back to areas of national environmental significance. Linking that to the proactive approach you would be taking, would you then, for example—I will focus on the Kimberley as it is a bit of an obsession at the moment—look at the Kimberley and what matters of national significance there are in that region both marine and terrestrial?

Mr Flanigan—Yes.

Senator SIEWERT—I will now ask about this report, which I know you will all have read very carefully. I do not have time to go through and ask about each recommendation, but could you give me a general rundown to the way that you are responding? Also, I might put some specific questions on notice.

Mr Early—The department pretty much accepted the response.

Senator SIEWERT—I saw the department's responses which were all very general.

Mr Early—We will be aiming to implement the recommendations of the ANAO. Some of them will take probably a couple of years, to update lists and so forth. Certainly one of the principal considerations in using new resources will be: firstly, to respond to the government's

requirements and the minister's requirements for what he wants us to do under the act; and, secondly, to implement the recommendations of the audit report.

Senator SIEWERT—There are some that specifically relate to resources and I will ask about those now, but then I want to come back to the one that relates to NHT. There are a number that relate to adequacy of resources and the fact that more resources are needed for capacity. Regarding the \$70 million that has been provided, was that assessed against your requirements to complete these tasks, or was it a figure that was just plucked out of the air?

Mr Early—No, it was not a response to the audit report; it was developed almost in conjunction I suppose. We believe that that level of funding will enable us to respond positively to the auditor's report. We believe that we will be adequately funded to do all of the things that the auditor has pointed out.

Senator SIEWERT—You said the extra \$70 million was for compliance, enforcement, strategic assessment and overall performance. How much money was allocated in addition out of the \$70 million for overall performance?

Mr Early—We are in the process of working that through at the moment. We can take that on notice. There is certainly a substantial amount in both staff funding and some program funding to get some of the scientific work done that we need to do to update, for example, the threatened species list and things like that. It is better that I take that on notice because it is an evolving process. That is why I was talking in generalities beforehand.

Senator SIEWERT—If you would, that would be appreciated. I want to ask you a specific question about No. 37, which refers to NHT effectiveness. Sorry, it is in the executive summary; I know there is a whole discussion about it. It says that biodiversity conservation has not been a high priority for NHT funded regions. That has been a concern of mine for quite some time. How do you intend to deal with that specific issue?

Mr Borthwick—I will answer that question and you can ask more about it when you come to the natural resource management programs. One of the things that we are going to talk about to our state partners and to the local catchment groups is the matter of trying to get a greater focus on those matters of NES in terms of the catchment management plans. That is going to be the most important way of addressing greater focus on biodiversity.

Senator SIEWERT—With all due respect, I would have thought that for the last three or four years of NHT2 that you would have been doing that.

Mr Borthwick—No. I think it has been a gradual evolution. When we started off with NHT1, it was very much project specific. Then we got to the landscape process with NHT2 at the catchment level. But even at that level, a lot of the priorities were reflecting things that were important for the local people, and it needed to be that way because we were tapping into a lot of voluntary goodwill. What we are trying to do is ratchet it up a bit to focus on things that are nationally important.

Senator SIEWERT—What you did during the NHT2 was roll in a lot of the funding that used to be in separate buckets for specifically aimed biodiversity projects that, in the old days, were not related to NRM, although they were part of NRM—I am not saying that they were not. What happened then was that the regions were not focused on World Heritage funding, for example; it was rolled in. To a certain extent, NRS was rolled into that regional approach.

My interpretation of the ANAO report is that the regional groups were not picking up on the biodiversity.

Mr Borthwick—Yes, that is what I am saying. In relation to that proportion of the NHT which goes to the regional groups, we are going to try and encourage them and work with them in partnership to put a greater emphasis on matters of national environmental significance.

Senator SIEWERT—How?

Mr Borthwick—Through the development of their plans, which are then authorised by the NHT board.

Senator SIEWERT—All the plans have been authorised by the NHT board since it started.

Mr Borthwick—Yes, but we have just got funding for NHT3, so to speak, from the end of this coming financial year for another four years. So those plans will progressively come up for review during that process.

Senator SIEWERT—I know I have to ask NHT questions later this afternoon, but is there additional funding to deal with that in the new round?

Mr Borthwick—Not specifically in terms of the \$395 million. The allocation of that will have to be determined. But I draw your attention to the national stewardship component, which is another \$50 million, which will focus on a few high priority areas.

Senator SIEWERT—Will that focus on only matters of national environmental significance?

Mr Borthwick—Yes, it will.

Senator SIEWERT—The stewardship program is purely focusing on matters of national environmental significance?

Mr Borthwick—Yes, in terms of purchasing or contracting for those matters on private lands. The budget papers highlighted a couple of initial priorities for that program. One was box gum land, I think, in New South Wales, Queensland and Victoria, and the other one was a Ramsar wetland site. They will be some initial priorities. The idea is to focus very much on those matters of NES through that program. I think it might be the Myall Lakes, but I will confirm that.

Senator SIEWERT—I have further questions on that issue, but I will put those on notice because I want to ask a few specific questions now.

Mr Tucker—I could perhaps augment the secretary's comments on biodiversity. We have made some internal reallocations under our departmental funds of a very small amount of NHT money to better map so that people understand where nationally listed threatened species are. We have probably been a little bit remiss ourselves in not giving people enough information about locations and protection measures. So we are trying to do some further analysis internally to assist regional groups understand those plus give us a better basis for our own investment decisions as we come up through the NHT in the future.

Mr Borthwick—I have been informed that it is the Myall Lakes.

Senator SIEWERT—I turn now to some specific assessments. Should I be asking you or the wetlands mob about the clearing of the Gwydir wetlands?

Senator HEFFERNAN—Can I ask a question about the Gwydir before you?

CHAIR—With respect, she started asking a question.

Senator HEFFERNAN—I know, but she is used to me.

Senator SIEWERT—That does not make it okay! You have been notified about Gwydir?

Mr Flanigan—Yes, we have.

Senator SIEWERT—When were you notified?

Mr Flanigan—About the middle of April by New South Wales officials.

Senator SIEWERT—It is my understanding that it is not in a Ramsar site?

Mr Flanigan—That is correct.

Senator SIEWERT—Is that why your permission or your involvement was not sought as a trigger?

Mr Flanigan—I cannot possibly say why our involvement was not sought. It is a clearing undertaken by a private individual, as we understand it at this stage.

Senator HEFFERNAN—When did they start?

Mr Flanigan—I do not have the dates for that but we understand it was in the last few weeks.

Senator SIEWERT—It started in the last few weeks?

Mr Flanigan—After we were notified, so some time prior to the middle of April.

Senator HEFFERNAN—You have not bothered to find out?

Mr Flanigan—We are still seeking those details. We have been trying—

Senator HEFFERNAN—This does not happen overnight. To do that job would have taken a good while. It would have been very noticeable to every bugger in the district. As Senator Siewert would know, this is the same as those banks in the lower Macquarie that are there and should not be there. They divert the water that is allegedly going down to the bloody wetlands but which ends up on private property all the time and everyone turns a blind eye, including the New South Wales government. Anyhow, I will come to that.

Senator SIEWERT—How many hectares?

Mr Flanigan—It is in the order of 500 hectares.

Senator SIEWERT—‘In the order of’? The media are saying 500 to 700.

Mr Flanigan—We have not accurately mapped it at this stage. That will be part of the ongoing investigation.

Senator SIEWERT—I presume the New South Wales government informed you.

Mr Flanigan—The New South Wales government informed us. We established some years ago an Australian environmental law regulators network, which is a grouping of ourselves and the state environment protection agencies and land clearing agencies. We use that network as

a mechanism for exchanging information about potential breaches of our legislations. We also use it as a mechanism for pooling resources when we have investigations that come under both jurisdictions. This is one of those cases.

Senator SIEWERT—Is my understanding correct that they have informed you of the clearing that had occurred? Had they informed you that they had an application to clear?

Mr Flanigan—Like a lot of these things that go to compliance issues, we have to be a bit careful. It is an active investigation, but as I understand it the answer to that question is no.

Senator HEFFERNAN—Was there a whistleblower?

Mr Flanigan—No, this was part of normal—

Senator HEFFERNAN—Did someone just go for a drive and say, ‘Oh shit, what’s happened here?’

Mr Flanigan—As I was trying to explain, we have an arrangement with a number of jurisdictions in which we share information. This is part of a routine sharing of information that goes on between joint regulators; it was not a whistleblower situation in this circumstance.

Senator HEFFERNAN—But does someone go for a drive or fly over?

Mr Flanigan—As I understand the sequence of events, and this is third hand, another party informed New South Wales and then New South Wales informed us.

Senator SIEWERT—Of the extent of the illegal clearing?

Mr Flanigan—Of the fact that clearing had occurred. And that is often the way these things progress.

Senator HEFFERNAN—By the look of the photo, Senator Siewert, it looks like it has been cleared and raked.

Senator SIEWERT—Yes.

Senator HEFFERNAN—Give me a break! I know how much activity that takes. Someone was turning a blind eye to it, obviously.

Senator SIEWERT—Was there an application to clear made to New South Wales?

Mr Flanigan—I cannot confirm or deny that at this stage; I do not know.

Senator SIEWERT—If an application in New South Wales is made to clear, is it referred to the Commonwealth?

Mr Flanigan—Not necessarily. Under the legislation, the owners need to make a separate application to the Commonwealth. This is not a concurrent situation. They require two approvals—one from the state and one from ourselves—if the action is likely to have a significant impact.

Senator SIEWERT—So there is not a situation where New South Wales—I am picking on New South Wales because it is the example, but it could equally be another state—does not let you know automatically just because it is going to impact on an area of national significance?

Mr Flanigan—No, there is no statutory obligation for New South Wales or for any other regulator to do such a thing.

Senator SIEWERT—Even through your network of environmental law?

Mr Flanigan—The network operates in that regard on an informal basis.

CHAIR—Are you saying that, if there is an issue with the environment and biodiversity act, there is no obligation for the state to inform the Commonwealth?

Ms Rankin—We have a landlord agreement with a number of the states as well. We have agreements about sharing of information about proposed activities in relation to the act. In this case, we have one with New South Wales. There is an expectation that, firstly, New South Wales would advise the applicant of the requirements of the EPBC Act to make sure that they are aware of that. We do work with each of the states to make sure that they are informing people who come to them about the Commonwealth requirements as well, where there is an overlap. My understanding is it is a requirement of the bilateral for information to be passed on.

CHAIR—The state government informs the applicant that there may be a Commonwealth implication but the state does not inform the Commonwealth that this application has been made?

Ms Rankin—We obviously carry out our own communication activities to try to make sure that people are aware of their obligations under the EPBC Act, but we also work with each of the states so that there is an awareness amongst them and consultants that when people come to them—

Senator HEFFERNAN—They know what the bloody score is.

Senator SIEWERT—Had the owners of the area that has been cleared approached the department and applied to clear or told you that they have applied to New South Wales to clear?

Ms Rankin—We have no record of receiving any referral or application.

Senator HEFFERNAN—Have New South Wales been gracious enough to let the Commonwealth know when they thought this exercise commenced, or haven't they bothered to find out?

Mr Flanigan—We are in a dialogue with the New South Wales officials—

Senator HEFFERNAN—What did they say? After Christmas or two years ago or 10 minutes ago?

Mr Flanigan—That is still one of the facts—

Senator HEFFERNAN—That would be the first question I would ask. Wouldn't 'when did this start?' be a commonsense question? Why don't we ask them this afternoon and get back with an answer here today.

Mr Flanigan—The key question we are exploring at the moment is who did it and whether or not it was likely to have had a significant impact. Provided it started some time after 2000, it is subject to our legislation. I have been away from the office for a few days, but all the current indications—

Senator HEFFERNAN—But surely the first question the investigators would ask is: when did the contractor first put the ripper in?

Mr Flanigan—We will be seeking information on who did the clearing and when they did the clearing. We will be seeking evidence as to whether or not it had a significant impact. Those are all parts of what is currently under investigation.

Senator Abetz—There may potentially be—I am just flagging this as a possibility—prosecutions arising from this. If we have public assertions as to when it is alleged to have occurred on the first or second day of investigations that then might prove to be wrong, prosecution authorities could be put in a difficult position. I can understand the angst and disappointment, but I also think we need a degree of caution as to how we approach this topic to ensure that we do not prejudice—

Senator HEFFERNAN—Sadly, I am aware that the driver in courts is the law and not the truth. That is why you get a lawyer.

CHAIR—The minister has sounded a very sensible note of caution.

Senator Abetz—If people are interested in the protocols between the state and federal government on how the information is passed on in these circumstances, I think that is a general line of questioning that would be appropriate.

Senator Webber—I am sure Senator Siewert understands the sensitivities, so perhaps we could go back to her line of questioning.

Senator Abetz—My intervention was in relation to my good friend Senator Heffernan, not Senator Siewert.

Senator WEBBER—I appreciate that. I was trying to refocus our discussion so we can all deal with the issues.

Senator Abetz—I am here to help.

Senator SIEWERT—Can I go back to how that informal process works. It seems to me that it works when there has been a breach but it does not work when you have had an application. Is that a correct understanding? I do not want to misunderstand.

Mr Early—It is an informal arrangement. The bilateral agreement has both sides making best endeavours to cooperate with each other—us with the states and the states with the Commonwealth. But there is no formal, legal requirement. As you can imagine, especially in states where there is a regional network, it varies from place to place. Some people let us know and others do not. That is the nature of the way it works, unfortunately.

Senator SIEWERT—How is this going to work under the new procedures for the Murray-Darling? How is it going to work under the proposal that the Commonwealth takes control of decision making for the whole of the Murray-Darling? Have you been consulted about that?

Mr Early—We have, but I think it is probably something for the water people to—

Senator SIEWERT—I will ask the water people, obviously. This comes to the heart of my concerns about taking control, which I touched on last time, and the natural resource management and all the other decision-making processes that are required to adequately manage water resources and issues of environmental significance that relate to water. Ramsar

wetlands is a classic example. Has there been any negotiations or processes developed for how approvals will be dealt with so that this does not happen? It seems incredible to me that this has happened—that a Commonwealth agency did not know about it until after the fact.

Mr Early—The state agency did not know about it until after the fact either, apparently.

Senator SIEWERT—I understand that there is some issue around whether there was an approval sought.

Senator HEFFERNAN—But that fails the commonsense test. Believe me, you do not clear 1,500 acres and rake it and rip it without all the neighbours knowing about it.

Senator Abetz—What you have said is on the record, but can I suggest we do not invite a response.

Senator SIEWERT—Can we go back to the question I asked.

Ms Rankin—Could you clarify your question.

Senator SIEWERT—Is there an intent to renegotiate the bilateral now that a new process has been put in place for management of the Murray-Darling system?

Mr Borthwick—The legislation that has been drafted and discussed with the states in that regard will be setting out, I think, the relationships between water management and natural resource management. I think you will have to wait to see the draft legislation. It does not in any way detract from the focus of the EPBC Act to focus on matters of NES in terms of that legislation. But it will not go to what I understand is your notion that someone might plough a paddock or fell a tree or do something else. It requires that to come to our notice, and it can come to our notice either through the process that has been described, through a neighbour dobbing in a neighbour, through a regional catchment committee et cetera. I do not think it will bear on our capacity to uncover mischief in terms of the EPBC Act.

Senator SIEWERT—I appreciate that if someone does something illegal. I am sorry, that does not follow process; I should not say ‘illegal’. But the other question relates to approvals or applying for a permit to clear. I understand that there is some conjecture as to whether a permit was applied for. If it were, as I understand it New South Wales is not required to tell you that an application to clear has been applied for.

Mr Early—There is no legal requirement on New South Wales—or anybody else for that matter—to tell us. Sometimes they do and sometimes they don’t.

Senator HEFFERNAN—Is that because it is outside of Ramsar?

Senator SIEWERT—And there is no informal process?

Mr Early—If we tried to tell the states that they had to tell us every time they were doing something, I suspect I know what the answer would be. Basically we try to do this cooperatively and, as I said, it varies, as an organisation varies itself.

CHAIR—It seems very ad hoc to me. If there were an issue covered by the Environment Protection and Biodiversity Conservation Act in a state, I would have thought that, under your bilateral agreements, it should trigger a process under which you are informed that there may be an issue.

Mr Early—We certainly have that as an intention of the bilateral agreements, but it is not legally binding. Often these things are a matter of judgement, too, Senator.

Senator HEFFERNAN—Senator Siewert and I work on a different committee in a different phase of this. In the same way, your department must know that there are unlicensed banks in the Macquarie wetlands that are diverting water from the nominated two wetlands onto private property owned by an international agriculturalist. We all know about it. We have sat there for years—haven't we Senator Siewert?—wondering why it no-one has got the gumption or the guts to do something about it. They all seem to be shit scared to do anything—pardon my language. It is a disgrace.

CHAIR—It is the fifth time, Senator. I would prefer you didn't use that kind of language.

Senator Abetz—We do not have to put up with that.

Senator HEFFERNAN—I apologise for that.

CHAIR—You have done it five times.

Senator HEFFERNAN—It is a disgrace but nothing has happened about it, in much the same way as the earthworks in the Lower Balonne, which are a total disgrace—and we will come to that later in this hearing. No-one seems to care. We have the photographs. Senator Siewert and I have taken the evidence on the Macquarie issue in official hearings. Not a thing has happened.

Mr Flanigan—On the particular issues around the Macquarie Marshes, we are, and have been for some time, in a joint project with New South Wales around those issues—around the marshes and around diversion. Some of those things have been actually—

Senator HEFFERNAN—Just go and knock them down.

Mr Flanigan—With respect, we are unable to do that. We have to go through proper processes of evidence gathering and putting things to the test.

Senator HEFFERNAN—But they are unlicensed banks that are diverting water that is destined for the wetlands and they are putting pressure on other irrigating users because, they say, the water is not getting through. There is plenty of photography—it is all there. Do we need to have a public outcry or a placard operation at the front gate of the property?

Mr Flanigan—All I can say is that we are aware of those allegations in that area and they are under active investigation.

Senator HEFFERNAN—They are not allegations; it is happening.

Senator SIEWERT—Have you got the photos that have been provided?

Mr Flanigan—Pardon?

Senator SIEWERT—Have you got the photos of some of the illegal banks and siphoning?

Mr Flanigan—I am not sure. I would have to consult our files back in the office.

Senator HEFFERNAN—Has anyone from your department been and had a look? The first thing I would do is go and have a look.

Mr Flanigan—Yes, I have had field officers out there.

Senator HEFFERNAN—And they confirm it?

Mr Flanigan—I do not want to be drawn into what they have and have not found but there is an active inquiry going on into those issues around the Macquarie Marshes.

Senator SIEWERT—Going back to the Gwydir—I will get there eventually—are you sending up people to look on the ground?

Mr Flanigan—We will, yes.

Senator SIEWERT—What is your timeline for the investigation?

Mr Flanigan—It is a bit like the one we discussed earlier today. We are in the process at the moment of doing our background searches, gathering all the necessary information and seeking out answers to questions like the ones you have been putting. Then we will schedule a field trip and we will take an expert with us to judge whether or not the particular clearing meets the threshold of the significant impact. Then we will conduct interviews with the parties involved.

Senator SIEWERT—When you are doing that assessment, you will obviously look at issues of national environmental significance in terms of, as they relate to the Ramsar wetland, any threatened species. Is that right?

Mr Flanigan—That is right; migratory species.

Senator SIEWERT—Do you carry out a separate investigation to New South Wales?

Mr Flanigan—We are in the relatively early stages of that. We have options where we can either conduct a completely joint investigation where we share the information. On some occasions we run concurrent investigations. So if we are, for example, going to the property, which can be quite disruptive for landholders when they get warrants and official interviews done, we will often do that together so that there is only one visit. But those sorts of details will be worked out as we take this project forward.

Senator SIEWERT—Will New South Wales provide you with all their information? For example, if there had been an application to clear, they will provide that information to you?

Mr Flanigan—We will seek the necessary information. We have different ways in which we can get that information if we require it.

Senator SIEWERT—Are they required to give it to you?

Mr Flanigan—No. Jurisdictions gather their own information for their own purposes. There are a whole load of legal constraints around how that information can be shared between jurisdictions that relate to the questions like privacy, the ways in which the information was gathered and the legality of the information—that sort of thing.

Senator SIEWERT—This is purely conjecture but if there had been an application to clear, would New South Wales be required to provide that information to you?

Mr Flanigan—No, they are not required to provide that information to us. If we think of this as a hypothetical case, whether there had been an approval from New South Wales would be immaterial to whether there had been a breach under the EPBC Act.

Senator SIEWERT—I take your point. I have another question about the Mary River. I know there is an ongoing assessment. Has any potential impact on the reef been taken into account in your assessment?

Ms Rankin—Yes, we are looking at impacts on World Heritage areas and on the Ramsar wetlands.

Senator SIEWERT—We also briefly touched on the northern interconnector at the inquiry into the Traveston Dam, so I will try not to go over old ground. I understand that a decision has been made not to assess the interconnector.

Ms Rankin—That is right. Since our evidence before the inquiry, we have had a request from the Save the Mary River Coordinating Group for a reconsideration of that decision.

Senator SIEWERT—What is the time line for the determination?

Ms Rankin—We have to publish that information on the web site and invite public comment, as well as comment from the Queensland proponent, for that reconsideration. I think we have 20 business days to make that decision.

Senator SIEWERT—I appreciate that it is under consideration. Thank you. I will put my other questions on notice.

Senator HEFFERNAN—In terms of that same inquiry, which Senator Siewert and I are both on, the Paradise Dam EPBC conditions—

Senator SIEWERT—I asked about that a little earlier. It is commencing in June.

Ms Rankin—That is right.

Senator SIEWERT—Since we last asked, we have been told the information will be publicly available.

Senator HEFFERNAN—Which just goes to show that you do not have to be a Green to be green.

Senator NETTLE—I want to ask about the Anvil Hill coalmine and a decision on that in relation to the EPBC Act.

CHAIR—Is this heading right?

Senator NETTLE—Yes, it is an approval under—

CHAIR—I thought it might be under ‘Industry, Communities and Divisions.’

Senator NETTLE—I thought so, too, but I was advised—

CHAIR—What does the department think? Is this appropriate?

Ms Rankin—It is.

Senator NETTLE—When was the Anvil Hill decision made?

Ms Rankin—It was made on 19 February this year.

Senator NETTLE—That was the decision that—

Ms Rankin—Not a controlled action decision.

Senator NETTLE—What is the basis of that decision?

Ms Rankin—That it was unlikely, based on the information in the referral, to have a significant impact on matters of national environmental significance.

Senator NETTLE—What kind of assessment was done by the department in forming that decision?

Ms Rankin—As with all referrals, we basically have 20 business days from the time the referral is provided to us to make an assessment, based on the information provided in the referral documentation, plus any comments we receive on that during the public comment period. We obviously take into account information on our own departmental web sites about threatened species, locations and threatening processes for those threatened species. Also, whether there are any recovery plans available, what sort of information is available from those and things like climate change, particularly in relation to large coalmines.

Senator NETTLE—Do you do an assessment of the impact on climate change of the mine?

Ms Rankin—We do an assessment of what level of greenhouse emissions are likely to arise from, in this case, the coalmine and, in that regard, whether additional climate change emissions are likely to have a significant impact on a matter of national environmental significance.

Senator NETTLE—So are you assessing just the construction of the coalmine or the burning of the coal that comes out of the coalmine?

Ms Rankin—In this case, it was just the construction—the extraction of coal from the coalmine.

Senator NETTLE—Sorry? The construction of the coalmine and then—

Ms Rankin—But we do take into account the potential level of emissions from downstream burning of coal as well.

Senator NETTLE—You do take that into account?

Ms Rankin—Yes, we do, and we did in this case.

Senator NETTLE—Did you do an assessment about what you think will be the impact of the Anvil Hill construction on greenhouse gas emissions? Can you give us some information about that?

Ms Rankin—We found that the proposed action will extract around 10½ million tonnes of—this is all very technical—

Senator NETTLE—Yes, that's cool.

Ms Rankin—run-of-mine coal. That is before washing. That will result in approximately 7.98 million tonnes of product coal each year. Then we assumed that all of that coal is consumed by end users and burnt. That would lead to an average greenhouse gas emission equivalent of around 12.4 million tonnes of CO₂ equivalent per annum, which is around 0.04 per cent of current global greenhouse gas emissions.

Senator NETTLE—Just to make sure I have got that: 12.4—

Ms Rankin—Million tonnes of CO₂ equivalent.

Senator NETTLE—Per?

Ms Rankin—Per annum.

Senator NETTLE—Information that I understand would be: that is like the equivalent of the New South Wales transport emissions. Is that right?

Ms Rankin—I do not know that.

Senator NETTLE—But can you give me a common understanding? Is that equivalent to, for example, a third of Australia's transport emissions? What is that equivalent to?

Ms Rankin—I am sorry; I do not have that sort of comparative figure in front of me, although what we use is the broad percentage of global emissions, which we worked out as 0.04 per cent of annual global greenhouse gas emissions.

Senator NETTLE—What about what proportion that is of the greenhouse gas emissions that come from Australia's coal exports or New South Wales coal exports? Can you give me that kind of comparison?

Ms Rankin—I do not have that in front of me.

Senator NETTLE—So what kind of comparison can you give me to make that figure meaningful and understandable to me—and the general public?

Senator Abetz—Surely that should not be the test—but we understand what you are getting at.

Senator NETTLE—I think it is important.

Senator McLUCAS—What is the proportion of Australia's emissions?

Ms Rankin—We would have to take this on notice—or I can see whether any of my Greenhouse colleagues are around to be able to find some of those broader figures.

Senator McLUCAS—We know what it is of global emissions; we should be able to work out what it is of Australia's emissions.

Ms Rankin—Australia's annual global greenhouse emissions are 560 million.

Senator NETTLE—All right. So divide that by—what is it?—12.4. What percentage is that? I should actually do it, shouldn't I.

Ms Rankin—It is 2.2 per cent. We just had somebody with a calculator.

Senator NETTLE—Did you say to me before that that is not a significant—what was the language that you used?

Ms Rankin—We have to assess whether that level of emission is likely to have a significant impact on a matter of national environmental significance.

Senator NETTLE—So, if we have an increase in Australia's greenhouse gas emissions of 2.2 per cent, are you saying that that is not a significant impact on a national environmental issue for Australia?

Ms Rankin—Firstly, we were trying to get a comparative figure there, so it is not definite that it is a 2.2 per cent increase on Australia's global emissions, particularly if the coal is for export.

Senator NETTLE—I will go on to that next.

Ms Rankin—So what we have to be able to assess in terms of a project like the Anvil Hill coalmine is whether that level of emissions can be demonstrated to have or is likely to have a significant impact on something like a list of threatened species, migratory species or a World Heritage area, using our significance guidelines to be able to make that assessment.

Senator NETTLE—So it has to have a significant impact on an issue of—

Ms Rankin—National environmental significance.

Senator NETTLE—Is climate change an issue of national environmental significance?

Ms Rankin—It is not listed as one under the act, no.

Senator NETTLE—It presents some challenges for us as a country if climate change is not significant national environment issue.

Mr Early—It is not a matter of national environmental significance under the EPBC Act. No-one is saying that is not a matter of national significance.

Senator NETTLE—If it is not a nationally environmentally significant issue under our national environment legislation, what other mechanisms can we use for addressing climate change?

Mr Early—There is a whole range of programs and policies under the Australian Greenhouse Office that go to the issue of greenhouse gases. The EPBC Act was never intended to deal with every single environmental issue facing the country.

Mr Borthwick—The government's policy is directed at meeting the 108 per cent target between 2008-2012.

Senator NETTLE—I have a little bit of an understanding about government's policy.

Mr Early—You would then appreciate that there is a whole raft of policies directed towards that. Whether or not that comes from one coalmine or transport is of secondary importance to the attainment of the level we are talking about.

Senator NETTLE—We are looking at the issue of coalmines. What mechanisms do we have, if we do not have environment legislation, for assessing the impact of new coalmines on climate change?

Mr Borthwick—Other than the assessment that is undertaken that Ms Rankin has just outlined, there is no specific legislation.

Senator NETTLE—But that does not assess climate change. That does not consider climate change to be significant. You are telling me that Australia has no mechanism for assessing the impact of new coalmines on climate change. Is that correct, because that seems to be what you have just told me?

Senator HEFFERNAN—The effect of further use of, or the extraction of?

Senator NETTLE—I will get to that, but I am just dealing with this bit first.

Mr Borthwick—There is no mechanism to regulate it, but there are a lot of policies directed at trying to capture, for example, emissions from coalmining. So there are other ways

of dealing with the problem, but it is not through this act, other than through what has been explained to you.

Senator NETTLE—So when there is approval for a new coalmine, there is no mechanism for assessing the impact of that on climate change?

Mr Borthwick—Other than what you have heard, no.

Senator NETTLE—But what I have heard has been an explanation of how climate change is not a nationally significant environment issue. So the EPBC does not look at climate change—

Senator Abetz—Under the legislation.

Senator HEFFERNAN—Is it the extraction or the use?

Senator Abetz—Under the legislation.

Mr Borthwick—There are two effects: it can be the extraction, which leads to what is called fugitive emissions and the burning—

Senator NETTLE—I want to get back to that question that Ms Rankin raised about the issue about coal exports, but what I am looking at right now is the approval of new coalmines. You have explained to me the process of approval for new coalmines and you have indicated that climate change is not an issue of national environmental significance. From that, the only thing I can take is that there is no process under federal environment legislation for assessing the impact of a new coalmine on climate change. Am I wrong?

Mr Borthwick—No, that is right.

Senator NETTLE—That is right, yes.

Senator HEFFERNAN—Is that focused on the extraction?

Senator NETTLE—Perhaps one of the things I can move to is the exports.

Senator HEFFERNAN—No, the extraction, not the uses of it or the—

Senator NETTLE—She went through extraction, but I have not got to exports yet. We will get there.

Senator HEFFERNAN—You have not got to extraction yet, have you?

Senator NETTLE—Yes. Perhaps you were not listening. You raised an issue when you were talking about how you assess the impact of the coalmine. Do you look at the impact of the burning of that coal or not?

Ms Rankin—As I mentioned, we assume that all of the coal is burnt when coming up with our calculations about potential contributions to greenhouse gases.

Senator NETTLE—And you are not distinguishing where it is burnt?

Ms Rankin—No. I think that was just a point in relation to the 2.2 per cent of Australian emissions. We were using that as a broad comparison rather than saying that we do not know where this coal is ending up, so we cannot be definitive about that.

Senator NETTLE—So that still adds to the total figure but the problem is that, when we get to the total figure of 2.2 per cent, climate change is not something you include. I am just

trying to understand your process. The problem seems to be that there is no assessment on climate change.

Ms Rankin—The assessment is not on whether a 2.2 per cent increase in emissions of greenhouse gases is significant. That, as mentioned, is something that we cannot consider under the act—whether that likely level of increase is going to have a significant impact on a matter of national environmental significance.

Senator NETTLE—So what are we going to do? If we as a country are tackling the issue of climate change and new coalmines are being built—I cannot remember how many there are in New South Wales; there are over 15 new coalmines on the board—and we do not have a mechanism for assessing the impact of this on climate change, what are we going to do?

Mr Borthwick—As I explained, there are other measures directed specifically at tackling emissions from coalmining.

Senator NETTLE—But you said to me that there is no environmental legislation that deals with the impact of new—

Mr Borthwick—No, but there are grant mechanisms such as the Low Emissions Technology Demonstration Fund. We are looking at being able to capture methane from coalmines, which was a measure referred to in this budget. There are other measures. You do not necessarily have to look at a regulatory response to this issue.

Senator NETTLE—Are you putting forward that we should not regulate the impact that the construction of new coalmines has on climate change?

Mr Borthwick—The federal government has not decided to do that.

Senator Abetz—It is not for the department to comment on that.

CHAIR—It is a government decision.

Senator NETTLE—You can have a go then, Minister.

Senator Abetz—At the end of the day it would be a government decision. Of course it is quite obvious that, at this stage, no such decision has been taken.

Senator NETTLE—Is that being reviewed?

Senator Abetz—I am not aware of that; I can take that on notice.

Senator NETTLE—I would appreciate it if you could do that. Perhaps the officials at the table are able to provide us with some information about what impact coalmining has on Australia's greenhouse gas emissions. I would imagine that it would be pretty significant. I do not know if there is anyone who can provide us with that.

Senator Abetz—I do not know what emissions are occasioned by the actual act of mining. Clearly there would be some.

Senator NETTLE—And the export of coal. As Ms Rankin has explained, the process is not just about the construction of the mine and the extraction of the mine; an assessment is made about the burning of the coal, whether it be in Australia or elsewhere. I do not know if Ms Rankin or anyone else is able to provide us with an idea of what contribution the

coalmining industry and the burning of the coal makes to Australia's overall greenhouse gas emissions.

Mr Borthwick—We can take that on notice. We will have that information.

Senator NETTLE—Surely that is something that—

Mr Borthwick—But it is not done by this division. You will get an opportunity later in the day when you talk to the Australian Greenhouse Office. We will try and make sure that we have that information when those divisions are before us.

Senator NETTLE—I look forward to that opportunity. Perhaps the minister at that point will be able to indicate whether the government is looking at this issue. Minister, I am very happy to ask that question when we get to the Australian Greenhouse Office. Perhaps at that point you will be able to indicate whether the Australian government is looking at the issue of the impact of coalmining and our greenhouse gas emissions and how that intersects with the regulation of coalmining.

Senator Abetz—The regulation of coalmining, as I understand it, to a large extent is a matter for the states and not for us. Also, when you have a look at all of this, you would also need to have a look at the total picture and I was just getting some clarification. For example, if the coal that is to be taken from Australia to be used for energy is black coal that is substituting for brown coal then in fact it might be of benefit to the environment that people are burning Australian black coal rather than their own domestic brown coal, which is dirtier. Therefore, by burning Australian coal you might in fact be doing the atmosphere a favour. I do not know if that is the case, but simplistic arguments do not necessarily assist the cause. That is why we need the full picture.

Proceedings suspended from 1.00 pm to 2.18 pm

Senator NETTLE—I want to ask about the water assessment as a part of the decision around Anvil Hill: have you looked at how much water the mine is going to use?

Ms Rankin—I do not think that was a specific consideration. We were primarily focused on impacts of the mining operation on the threatened species that are located in the region at the mine.

Senator NETTLE—So you did not look at how much water the mine was going to use?

Ms Rankin—Looking through my statement of reasons, not specifically, no.

Senator NETTLE—You said the main impact was threatened species. The main thing that you looked at was threatened species?

Ms Rankin—Those are the remaining matters of national environmental significance that are considered likely to be impacted by the mine that we had to assess.

Senator NETTLE—So waters were not one of those?

Ms Rankin—No.

Senator NETTLE—You said you had a statement of reasons. Of the matters of national significance, you said threatened species.

Ms Rankin—Threatened species, that is it.

Senator NETTLE—That is what you looked at for Anvil Hill?

Ms Rankin—What we look at is the full range of potential matters of national environmental significance and narrow it down to the ones that are most likely to be affected. In the case of Anvil Hill, surveys found a number of threatened species in the area and so that is what we specifically paid most of our attention to during the referral assessment.

Senator NETTLE—In looking at the threatened species, did you look at the impact of, say, climate change on the threatened species?

Ms Rankin—As I discussed before lunch, we did consider the extent to which the potential increases in greenhouse gases arising from the Anvil Hill coalmine would have impacted on those threatened species.

Senator NETTLE—What did you find?

Ms Rankin—It was difficult to prove that it was likely to have a significant impact on the threatened species in consideration.

Senator NETTLE—Did you say that it was difficult to prove that it would have a significant impact?

Ms Rankin—There is not enough evidence to say that an increase of the amount of 0.04 per cent of global greenhouse emissions would have a significant impact on the threatened species under consideration.

Senator NETTLE—When you say there is not enough evidence, why is that? Is it because there was not enough study done?

Ms Rankin—What we have to say is that there is a significant impact resulting from this development. We have got a whole range of significance guidelines. That means that it is going to either remove an important population or increase the levels of extinction or endangerment of a species, and there is no evidence to say that an increase of that nature has a direct effect on those threatened species.

Senator NETTLE—I was going to your statement that there was not enough evidence. Are you saying that there was not enough evidence because we did not do enough study, or because we only looked at one study and if we had looked at three there might have been enough evidence? That is what I am trying to get to when you are saying that there was not enough evidence that it was going to have an impact.

Mr Early—The issue is whether a significant impact is likely and, from the evidence that was available, the decision was taken that there was no significant impact likely as a result of the proposal.

Senator NETTLE—What evidence did you look at?

Mr Early—Essentially in terms of climate change it was those figures that we mentioned before.

Senator NETTLE—Apart from that, you are telling me that you are making an assessment about the impact on threatened species?

Mr Early—Yes. There are surveys done and we have our own databases in the department in terms of the species that are likely to be in the area.

Senator NETTLE—So just off department databases. This is what I am trying to get a sense of. What did you do?

Mr Early—Given that I discovered at lunch time that we are being taken to court over this decision I think it would be better if we just gave you a copy of the statement of reasons, which spells it all out in all the documentation that the decision was based on.

Senator NETTLE—That would certainly be a helpful thing to do but what I am trying to get an understanding of is what was done to right it? For example, were there any field studies carried out?

Mr Early—As I said, I would prefer to table the documentation and then you can read that because, if we go into a shorthand way about what was done, given that there is a legal case involved, that would probably not be appropriate at this stage.

Senator NETTLE—You have indicated to me that you were looking at threatened species. I would like to understand in looking at threatened species what you have done about the impact of water availability on those threatened species. You can answer this in a slightly more general sense if you want to. For example, I do not know what threatened species you looked at, but when I asked you the question about water I was saying how much water is the mine going to take, because if the mine is going to take the bulk of the water availability in that region there is not going to be much left for other things which is going to impact on the threatened species. So what I want to understand is: in looking at threatened species do you look at the impact of water use of the mine on those threatened species? Do you look at that?

Ms Rankin—We have to look at every situation on a case by case basis. Certainly in other assessments where there is a direct relationship between, say, drawing water from aquifers and potential threatened species, we look at that. There is a whole range of matters that we have to consider and we come down to the principal impacts from developments, which are primarily from clearing of habitat, additional interruption of areas where their populations, key nesting and breeding sites are, removal of additional noise, additional disturbance and those sorts of things. They are the primary things that we look at because they are the things that are known to have a significant impact on species.

Senator NETTLE—Did you look at any threatened species in this instance for which those water issues that you have raised around breeding habitats would be significant? I do not have the statement of reasons in front of me. I do not know what threatened species you looked at. Is there a bird that was living in the wetland that is going to be impacted on from the mine taking water out or not?

Mr Early—The threatened species that were identified as relevant in the area were not impacted by that issue.

Senator NETTLE—What were the threatened species? Can you table it?

Ms Rankin—There are four individual vulnerable plant species including a donkey orchid, two plant species *commersonia rosea* and *pomaderris reperta*, and the large-eared pied bat.

Senator NETTLE—Did you look at the impact of climate change on those species? In the nature of your looking at them being a threatened species, do you do an assessment where you

note that there is no water around, there might not be any water for the orchids and the climate change is going to have an impact on the habitat of that orchid? Do you look at that?

Mr Early—Yes. This gets back to the discussion we had earlier. The impacts of the increase in greenhouse gas as a result of the proposal we determined on the basis of the evidence available in that it would not be likely to have a significant impact on any of those particular species.

Senator NETTLE—Did you do any study for making an assessment about the impact of those factors on the threatened species? Was there any fieldwork done or was it purely on the information that you had in your database?

Mr Early—The information in the database, the surveys that had been done previously and the information in the referral.

Senator NETTLE—You did not do a proactive study; it was all on the basis of literature that was made available to you in the application and your database?

Mr Early—And the information in our database which is also developed through surveys and so forth.

Senator NETTLE—Did you do that separately or with the state government?

Mr Early—No, separately.

Senator NETTLE—So it is your database?

Ms Rankin—The statement of reasons outlines all of the documents that we relied on in making the decision.

Senator NETTLE—Can I get that? We just need to make sure that we have a copy of this.

Senator IAN MACDONALD—Following our discussions with you on the Traveston Dam inquiry that this committee is undertaking, has there been any movement since then in any additional resources going into research of the lungfish and what its current status is and what the impact of the Paradise Dam might be on the lungfish?

Ms Rankin—Prior to the inquiry evidence we gave last time, we undertook some work last year to get all of the species information in relation to the lungfish, the Mary River turtle and the Mary River cod updated to the best currently available information. We had the profiles on our threatened species database updated to pick up as much information as is currently available on those species. In the draft terms of reference for the EIS for Traveston Dam there is a requirement for them to consider the current status of the lungfish, including potential interactions with the impacts of the Paradise Dam.

Senator RONALDSON—Who gathered that information to update it?

Ms Rankin—I do not have the details in front of me, but we would have gone out to species experts in Queensland.

Senator IAN MACDONALD—There is a woman, a professor, who gave evidence before our committee who is a recognised expert—

Ms Rankin—Lisa Johnson?

Senator IAN MACDONALD—I assume your department or the relevant officers would have read with care her evidence to the committee?

Ms Rankin—Yes, we did.

Senator IAN MACDONALD—Okay. That is all I have.

Senator NETTLE—I will give you an example, although it is not a specific one. The journal *Nature* talks about the 37 per cent of terrestrial species that are going to be made extinct from now until 2050 because of climate change. I am not saying that specific thing, but did you look at that in making a decision on the impact of climate change on the threatened species? That is the sort of assessment I am talking about. I am not talking about that region, but what is the impact of climate change on the threatened species?

Mr Early—It gets back to what the EPBC Act says. Basically, what we are looking at is a particular project and the impacts of that proposal.

Senator NETTLE—So you do not look at the overall impact of climate change on those threatened species—

Mr Early—We look at the context but you cannot be accrediting, if you like, that sort of impact to one particular project. We have to work on the basis of what the likely impacts of that particular project might be. That is the way the legislation is drafted. We had some discussion earlier on about taking more strategic approaches in terms of strategic assessments and regional assessments which may actually allow us to bring more of that kind of flavour to the work, but in terms of individual projects the act is quite specific. We are looking at the likely impacts of a particular project. Apart from the sort of contextual nature, we cannot take into account those sorts of considerations.

Senator NETTLE—Even though this mine is going to increase the carbon dioxide in the atmosphere by the percentage that you gave me, twelve point something million tonnes, you still do not look at the impact that that contribution is going to have on the threatened species?

Mr Early—That is exactly what we look at, but if you look at that contribution, the judgement is made, and in fact the courts have upheld this sort of judgement in the past, on the impact of that increase in climate change given that the global situation is not likely to have a significant impact on any threatened species in that particular region within Australia.

Senator NETTLE—I am happy if you want to move on because we are not getting anywhere. Thanks, anyway.

[2.32 pm]

CHAIR—We will now move to advertising.

Senator McLUCAS—We did start talking about some portfolio issues earlier this morning and we decided to defer it till after lunch.

CHAIR—I was not here, I think, at that stage. I am not sure.

Senator McLUCAS—Pardon me. I am sorry, you might not have been here.

CHAIR—We are doing advertising now, cross portfolio.

Senator McLUCAS—Mr Tucker, you might have some data for us, please?

Mr Tucker—In relation to your question before lunch, I might just give some caveats on this. Firstly, because it has been done quickly and I have not had a chance to speak directly to each of the agencies concerned, so I think we should probably say it is subject to correction. I suppose the other caveats are that what we have asked her to do is, if you like, not include their normal advertising for things such as positions vacant and those sorts of ordinary day business, plus, if you like their operational advertising. An example might be the Sydney Harbour Federation Trust having an open day and inviting people to those.

Senator McLUCAS—Sure.

Mr Tucker—With those sort of provisos, I can inform the committee that advertising by the Sydney Harbour Federation Trust for this year is nil. The National Water Commission is nil. The Bureau of Meteorology is nil. The Director of National Parks is nil. The Great Barrier Reef Marine Park Authority I have been informed has had two campaigns, one called Don't Be The Catch of the Day, the zoning education advertising, which was \$140,000, and also one by Reef House on water quality advertising, which was \$41,000.

Senator Abetz—This is what the Labor Party call political advertising that they would ban—

Senator IAN MACDONALD—I would have to say that that is an outrageous answer. It does not at all fit in with the Labor Party's strategy.

Senator McLUCAS—Can we just ask a question on that, Mr Tucker—

Senator Abetz—The people of Australia should be very mindful, especially the friends of the Great Barrier Reef, that if Mr Rudd were to abide by his election promise it is these sort of campaigns to help protect the Great Barrier Reef that would be knocked out—

Senator IAN MACDONALD—It has been a very effective campaign—

Senator Abetz—Yes, very effective.

Senator McLUCAS—Mr Tucker, the first one is a zoning plan, \$140,000, and the second one was?

Mr Tucker—It was water quality advertising. I do not have any of the details with me because, again, we did this in a hurry and I have not had a chance to speak to them. I have only got some shorthand here of the actual titles and the dollar amounts.

Senator McLUCAS—My recollection is that the Great Barrier Reef Marine Park Authority had quite an extensive campaign, which I was quite happy about, called Let's Keep it Great. Do you remember that TV campaign?

Senator IAN MACDONALD—That was last year, I think. If you are going to get this on notice, perhaps you should add the last couple of years as well for comparison. I think you will find the GBR—

Senator McLUCAS—I thought it was in this current year.

Mr Tucker—As I said, there are one or two things we may not have picked up in doing this quickly, but I think it gives you an idea of the quantum we are spending on this. The material I provided to the committee before on the department remains accurate.

Senator McLUCAS—So that is all the agency expenses?

Mr Tucker—That is all the agencies.

Senator McLUCAS—Thank you for that. You gave me an understanding of expenditure to date in the 2006-07 year on market research advertising and direct mail and those figures were expenditure to date, I understand?

Mr Tucker—Correct.

Senator McLUCAS—Then you also gave me some information about the climate change program that is, I understand, to start at the beginning of the next financial year?

Mr Tucker—We have been appropriated the funds for the beginning of the expenditure next financial year.

Senator McLUCAS—Can you now tell me what is proposed for the rest of this financial year?

Mr Tucker—It is up to the government to decide what it wants to proceed with for the rest of this financial year, and any year for that matter. The only other one that we have in the pipeline at the moment is one about weed control, defeating the weeds menace. The government may decide not to proceed with that, but that is one where we have currently got some ideas before the government.

Senator McLUCAS—There is not a proposal to do an information campaign on climate change?

Mr Tucker—We have the appropriation for next year for that money. We have no appropriation at the moment to deliver that program. That was in the budget package.

Senator McLUCAS—Is there a proposal to do a mail-out between now and the end of June?

Mr Tucker—I will have to take that on notice. I do not recall that. We are doing developmental work for the campaign for next year and that is the only appropriation that we have for that particular piece of work, but nothing comes directly to my mind.

Senator McLUCAS—When is it proposed then for the information and advertising campaign about climate change to commence?

Mr Tucker—That is subject to the government's decision.

Senator McLUCAS—Has any development work been done at all on climate change?

Mr Tucker—As I mentioned a moment ago, we are doing developmental work for the new measure that was announced in the budget. The government will take a decision when it sees fit as to how that campaign will be finally constructed, its timing and the delivery mechanisms.

Senator McLUCAS—Who is doing that development work?

Mr Tucker—The development work is being done by the Australian Greenhouse Office and public affairs people in my division.

Senator McLUCAS—No external agencies have been contracted?

Mr Tucker—I understand that we have identified the agencies that we will be partnering with to give effect to the campaign, but as of yet we have spent no funds because we have no appropriation for the campaign.

Senator McLUCAS—And they have done no work in the external agency?

Mr Tucker—They will begin their work, I think, fairly shortly, but it will not be obviously coming to fruition until next year.

Senator McLUCAS—What is the nature of the development that has been done?

Mr Tucker—It is the same with any communications campaign of this type—through market research in terms of the things that generate, I suppose, people's attention and action. In this particular campaign what we are talking about is the impact that individuals, households and businesses can make in reducing greenhouse gases through energy-saving measures, through personal action, action at the workplace and action in the household. We know from results that we have got from previous market testings of people's interests in climate change that people want information on things that they can do. So what we will do is look at the sorts of things that resonate with people, that grab their attention and that change their behaviour. We will then look at ways in which that can be presented to people that again catch their attention and get the maximum results for the expenditure and then we will look at the different modes of delivery, whether it be through mail-out, newspapers or television. All of that will go into the mix for the government to make a final decision on how it wants the arrangements delivered.

Senator McLUCAS—Have you developed a brochure?

Mr Tucker—No, no brochure has been developed.

Senator McLUCAS—Has a draft letter from the Prime Minister been developed?

Senator RONALDSON—I am finding it very hard to hear the questions.

Senator McLUCAS—Sorry.

Senator RONALDSON—It might be the volume.

Senator McLUCAS—Has a draft letter from the Prime Minister been developed?

Mr Tucker—A draft letter, did you say?

Senator McLUCAS—Has a letter, in draft form, I imagine, been written to go over the signature of the Prime Minister?

Mr Tucker—Not that I am aware of.

Senator McLUCAS—Is there someone who might be aware of these things?

Mr Tucker—I do not know if my climate change colleagues have any more detail, but we are in very early days. There could be people at lower levels getting material ready, but it has not come through any clearance process through us further up the line.

Senator McLUCAS—Is there someone from the Greenhouse Office here?

Mr Tucker—That would be Mr Morvell, but I cannot see him at the moment.

Senator McLUCAS—Are there any other departments or what we call divisions here working on climate change advertising?

Mr Tucker—All communications campaigns come through my division, and large advertising. We have a service relationship with other divisions, such as the AGO divisions. I have a service relationship with the Natural Resource Management Programs Division, for example. If there was anything planned in that regard, we would definitely know about it.

Senator McLUCAS—Could we come back to this when Mr Morvell is here? I daresay he has not left the building.

Mr Tucker—I am not sure where he is, but if you wish to do that. I do not know the detail, but there is nothing wrong with a pamphlet being developed on climate change going out for any purpose that is not necessarily under this campaign. So there may be some other information document that we normally would publish that I am not aware of that might have been done in the AGO. But in terms of the campaigns that we are talking about, I am not aware that anything has been developed to the extent to which you are suggesting.

Senator McLUCAS—Going back to the original question in terms of what campaigns are planned from now to the end of this financial year, you said you thought there was one on weeds but it had not been ticked off on?

Mr Tucker—That is correct.

Senator McLUCAS—What was going to be the cost of that if it gets ticked off on?

Mr Tucker—I would have to take that on notice. I do not have that detail with me.

Senator RONALDSON—And what would their names be?

Mr Tucker—It is Defeating the Weed Menace. It is basically trying to get to gardeners and nurseries in terms of the types of plants that we can buy from nurseries that can turn into very large weed problems for Australia, and an education campaign trying to make sure that people understand the potential weed problems associated with common garden plants.

Senator RONALDSON—Indeed, I think those matters were raised in the national parks inquiry report that the committee brought down, that very serious issue.

Senator McLUCAS—Were any of the campaigns referred to the ministerial committee on government communication for this financial year?

Mr Tucker—In accordance with government policy, all campaigns are referred to that committee.

Senator McLUCAS—And what dates were the necessary approvals granted?

Mr Tucker—I would have to take that on notice, and I do not have the detail, but they all would have received their approvals in time to allow us to proceed in this manner for this year. Clearly, for the small grant campaigns, when we are advertising for people to apply for Envirofund grants, that is these days a fairly matter-of-course approval, because we have been doing it over a number of years. That is usually done fairly quickly. We have also grown accustomed, if you like, to their timetable, how much we need to go in advance to get the appropriate approvals so we can advertise. Those ones are quite straightforward. But I could easily obtain those dates for you on notice.

Senator McLUCAS—Thank you for that. Could you also take on notice the dates of the campaigns beginning and completing for those information campaigns that have completed?

Mr Tucker—We can do that.

Senator McLUCAS—And start dates for those that are still on track?

Mr Tucker—They would be projected start dates.

Senator McLUCAS—Sorry, I am thinking of things that are happening right now. We know the start date, but we do not know the end date.

Mr Tucker—I should say there are occasions when we bring forward campaigns when the government may have a different view on not even proceeding with it. There will be times when we may begin something but it never comes into effect.

Senator McLUCAS—Sorry, Mr Tucker?

Mr Tucker—I said there will be times when we come up with ideas for campaigns that we will take forward through the approval process, and the government will not agree with that campaign, will think it is not worth doing and it will not be pursued. It is not a clear, ‘We have had an idea; it’s going to happen’ type of process.

Senator McLUCAS—For each of the campaigns that we have talked about, could you provide the total cost of each information and advertising campaign, and then break that down into any market research, including opinion polling, that you might have done and any evaluation following a campaign?

Mr Tucker—I can do that. I think I probably have provided you all the material previously in my evidence, but I will check to see if there is any more information.

Senator McLUCAS—What I have—and rather than go back over it, is—

Mr Tucker—Market research.

Senator McLUCAS—Market research, advertising and direct mail.

Mr Tucker—Advertising and direct mail.

Senator McLUCAS—And that is the way you dissect it in your department, is it?

Mr Tucker—We dissect it that way because that is the way we are required to report in our annual report, and for consistency and transparency to help people understand it we break it up that way. But if there are further things that I should have disclosed, I will provide that.

Senator McLUCAS—What is the tender process you use for commissioning various advertising agencies?

Mr Tucker—Again, that decision-making process is determined through the committee that we spoke about before. We will again come forward with various proposals, but the government approval processes decide the way that they wish to proceed in terms of going through tender processes.

Senator McLUCAS—So they tender it or do you just—

Mr Tucker—No, we will do the tendering process, but it is after a decision is made on the way to go.

Senator McLUCAS—Yes. So the committee makes a decision and then you—

Mr Tucker—We give effect to it.

Senator McLUCAS—And how do you then let those tenders?

Mr Tucker—We may have an open tender and we would go through a select process. My understanding, too, is that there is also, for want of a better phrase—I am not exactly sure what the phrase is—like a panel of providers, shall we say, who are very good at doing the job that is required and it may be that we go to that panel to get the best bid, or we might find a circumstance where there is just a particular piece of subject matter that somebody is just dead set expert in that we know will do the job fantastically, and we will get them to give us a quote and, if it is acceptable, proceed.

Senator McLUCAS—For each of the tenders that you have let—three market research tenders—I dare say the advertising costs are placements in newspapers? Is that—

Mr Tucker—The particular campaigns I described to you before, community water grants and Envirofund, yes, would be advertisements in newspapers.

Senator McLUCAS—They were all newspaper advertising? Do you have an agency that places those ads for you?

Mr Tucker—That is right.

Senator McLUCAS—How do you select that agency?

Mr Tucker—That agency, again, is selected through the process that the government has put in place through the committee concerned.

Senator McLUCAS—Was it tendered?

Mr Tucker—I would have to take that on notice; I do not have the detail of each one. But my recollection, again, is that there is a panel of providers who can do this that are selected from.

Senator McLUCAS—Could you provide, then, for each of the tenders that were let the number of tenderers and the time line from announcing the tendering process to completion of that process?

Mr Tucker—We can do that on notice.

Senator McLUCAS—Is Mr Morvell back yet? Thank you. Sorry to drag you away from wherever you were. Mr Tucker was unsure whether there had been some development work on climate change that you might have had more knowledge about. Are you aware of the development of a brochure?

Mr Morvell—I am aware that there is work going on looking at a number of things that could go into the campaign, but nothing has been finalised.

Senator McLUCAS—That work is happening in your department?

Senator RONALDSON—It is probably fair to point out to the witness that he is not required to disclose matters that might form confidential communications between the department and the minister, which is longstanding practice on these committees.

Senator McLUCAS—That is—

Senator RONALDSON—I do not know what the answer is. I thought as a matter of fairness I should indicate that to the witness.

Senator McLUCAS—I am sure Mr Morvell knows that. He has been here a while. What sorts of things are being developed?

Mr Morvell—At this stage we have a brief from the government and a mandate to proceed with the development of a campaign. It is at the very early stages of looking at what might go into it and how it might be run. But there have been no decisions taken on the nature of any of the specific activities except in a very broad sense, that there would be an element of education and information about climate change. That is a response to a very clear signal from the community that, as they have become concerned about climate change, they want to know more about what it really is and how it would impact and, secondly, what they can do about it as individuals. That is the focus of this campaign; it is focused on households and household action.

Senator McLUCAS—Mr Tucker said that there had been some discussions with an external agency to the department.

Mr Morvell—As part of the early planning there have been discussions with several agencies about who could run it and what the nature of those campaigns would look like.

Senator McLUCAS—But no contracts have been signed as yet?

Mr Morvell—No contracts involving placement of any material or final decisions have been made.

Senator McLUCAS—Or contracts of engagement with any companies?

Mr Morvell—There was a contract of engagement of a market research company, and I believe that is all that exists in contractual terms. All of the other elements are still under development.

Senator McLUCAS—Who is that company? Who is the contract with?

Mr Tucker—It is Blue Moon.

Senator McLUCAS—Shat do they do?

Mr Tucker—They do market research.

Senator McLUCAS—There is a song about them. What is the nature of the contract between the department and Blue Moon?

Mr Tucker—I do not have the details with me. It would be a normal contract that we have for these types of campaigns for doing a market research initiative. I imagine it would cover some of the things I described before. What are the things that will grab people's attention, that will get them to change behaviours and take personal action to reduce greenhouse gas emissions.

Senator McLUCAS—How are they intending to conduct that research?

Mr Tucker—Again, without having the material before me, I imagine it is the same method that is used for market research for all campaigns in terms of speaking to a cross-section of people to see their reaction.

Senator Abetz—What market research is usually on about with campaigns such as this is to try to get a snapshot as to where the community is at at that moment about the particular issue, what issues are of concern to them and then what issues they might engage in or on and then how you can facilitate that.

Senator McLUCAS—Focus groups?

Senator Abetz—Yes.

Senator McLUCAS—Surveys and that sort of work? That work is under way now, is it?

Senator Abetz—Yes, the market research, yes.

Mr Tucker—It is about to begin.

Senator McLUCAS—Have any contracts been signed. Have there been any moneys—

Mr Tucker—As I said, we have no budget for it this year and it is not expected to be completed until the following financial year.

Senator WORTLEY—Was there a tender for the contract or was it allocated?

Senator Abetz—There have been a number of questions about this. For anything that goes through MCGC, the GCU, which is the Government Communications Unit, draws off its panel of registered companies and usually they select about half a dozen, inviting them to pitch, or show their wares, their experience or whatever and how they would conduct. And then usually a shortlist of two is supplied by GCU to MCGC, which is the Ministerial Council on Government Communications. Those two short-listed ones usually then submit to the MCGC and then a final decision is made. That is with all the campaigns. Every now and then if there is an urgent one there is a fast-track, but that is a very rare occasion.

Senator WORTLEY—Given the time frame, we would assume that that was the procedure that they were doing?

Senator Abetz—Unless you hear otherwise from us, I think you can assume that was the procedure.

Mr Tucker—I can confirm there was a shortlist of two that were interviewed and a decision made, and that was from a longer tendering list in the first instance.

Senator McLUCAS—When did that happen?

Mr Tucker—I do not have the date with me, but I can easily take that on notice.

Senator McLUCAS—I understand the website is to be designed. It is in this document. Is that part of the considerations that the Greenhouse Office is going through at the moment?

Mr Morvell—Yes, the second stage of the campaign, following information awareness, is being able to respond positively to those householders who wish to take action. The issue of the website is to construct a greenhouse gas calculator for the home, which would enable people to identify the full range of their emissions, the solutions for reducing them and then hopefully the ability to purchase offsets so that in fact they could become greenhouse neutral across the whole of the household.

Senator McLUCAS—How much is notionally allocated to the website design, construction and operation?

Mr Morvell—That information has not been determined yet. We are at the early stages of identifying the planning for the website, and that includes what would be necessary to go into the design and what would be necessary to go into the technical background of the calculator. We are working through those at the moment, but we do not have figures on the actual budget. We are working within a total envelope of the appropriation set by the government.

Senator IAN MACDONALD—Do you anticipate that as a result of this advertising campaign Australians generally will increase their awareness and therefore be able to do something personally to restrict greenhouse gas emissions? Is that what the campaign is about?

Mr Morvell—Yes. The household emissions sector is responsible for some 20 per cent of all of our national emissions. The government has been lobbied and approached by many in the community. We would like to take action ourselves, but we are unsure of what to do, and hence this campaign grew out of that concern that we need, firstly, to educate so people understand what it is and how they impact, because most people do not fully appreciate that, but then to provide them with the tools by which they can do their emission reductions.

Senator IAN MACDONALD—Do you have a goal of what you would like to see as a reduction in greenhouse gas emissions as a result of this campaign?

Mr Morvell—No, we have not set any specific target. How far people go in action is going to be dependent on how they appreciate the problem, and at the moment there is across the community a very poor understanding of the nature of the problem.

Senator IAN MACDONALD—So how good the advertising campaign is in a short—

Mr Morvell—In part that, but also the people's understanding. They need to be educated about what it is they are doing; that it is more than light bulbs, it is their whole lifestyle.

Senator IAN MACDONALD—Is there any other way besides advertising such that you can get the public to engage? Perhaps we can get local members to write to their constituents or something. Is there any other way you can think of that you could get this message out if you were not advertising? We could save a few bucks advertising, I guess.

Senator McLUCAS—Fifty-three million.

Mr Morvell—Sorry?

Senator McLUCAS—Fifty-three million.

Senator IAN MACDONALD—What price greenhouse gas emissions?

Senator RONALDSON—What price the spread of weeds throughout the nation?

Senator IAN MACDONALD—Indeed. I know the answer to that. It is \$4 billion a year.

Senator RONALDSON—Indeed, it is a terrible problem.

Senator Abetz—These are the campaigns Labor would stop.

Mr Morvell—There is a range of ways of getting to the community, but I think in this day and age some form of concerted national communication information is regarded by all governments as the most effective way of proceeding. That does not mean you could not use

alternatives, and some of those we may still use. As you said, local members helping them with education campaigns is always an effective—

Senator IAN MACDONALD—I would not recommend that. You would only get 50 per cent trying actually.

Mr Morvell—We would need to educate some of the local members about the nature of the problem in the first instance.

Senator IAN MACDONALD—Yes. That would even be more expensive, I would say.

Senator McLUCAS—Has there been any advice to the minister on the nature of the education campaign or the work that you have done to date?

Mr Tucker—Perhaps I could answer that. All material that goes through to the government approval process has agreement of the minister who is responsible.

Senator McLUCAS—So the minister would be aware that Blue Moon has been contracted?

Mr Tucker—He certainly knew they were on the short list. We have not put up a separate note to him to say that was the outcome, but he certainly knew they were on the short list, and his office would know the outcome.

Senator Abetz—Whether the minister personally would know is something that may be speculated on. But what happens is that, when there is an education campaign, in this case with the environment department, the minister, but usually the chief of staff or an official from his office, sits in and makes a contribution to the MCGC discussion and a decision-making process, and therefore they would be aware of what determination the MCGC has made.

Senator McLUCAS—Rather than just the employment of Blue Moon, is there a broader proposal that would have been provided to the minister? It is \$53 million. We cannot send a little bit to Blue Moon and then a bit more to someone else.

Senator Abetz—No.

Senator McLUCAS—There has to be a plan.

Senator Abetz—Yes, of course, and what happens is that there is a brief that is usually provided by the department that goes to the minister, which then goes to the MCGC, which goes through the issues—purpose of the campaign et cetera—and then in-principle approval might be given. Then you go through the next stage, and GCU provides MCGC with a short list et cetera.

Senator McLUCAS—Yes, you have explained that.

Senator Abetz—Things then move from there—a PR company and then ultimately a communications or advertising company as well usually. But it usually starts with market research, not surprisingly.

Senator McLUCAS—Yes. I did have a couple of very brief questions.

CHAIR—It is your call, of course.

Senator McLUCAS—Has Crosby Textor undertaken any services for the department?

Mr Tucker—I think we have answered that question before, and I think the answer, from my memory, is no, but I can go back and confirm that.

Senator McLUCAS—Thank you. I will put those on notice so that you can answer them in full.

Mr Tucker—Mr Chairman, if I can just add one piece to my evidence with your indulgence? I have just been informed that there is one other campaign that is coming up. It is another Envirofund campaign for a Coastcare round that will be starting in a few weeks.

[3.05 pm]

CHAIR—I now call Corporate Strategies, Environment Quality and Heritage together.

Senator SIEWERT—Where are we up to with Burrup?

Mr Burnett—I think the most important development is the statement that the minister made on 17 April that he intends to list the Dampier Archipelago, including Burrup, on the National Heritage List by the middle of the year.

Senator SIEWERT—My understanding is that that excludes the Pluto site. Is that correct?

Mr Burnett—No decisions have yet been taken on boundary.

Senator SIEWERT—Who are you consulting in terms of the proposed boundary?

Mr Burnett—The minister has received, as you would probably recall from the last time we discussed this, a large number of submissions. Mr Bailey may be able to give evidence about how many submissions we received.

Mr Bailey—I am not sure of the total numbers. We have had three consultation rounds: the call for public comments at the initial stage; the owner/occupiers and Indigenous people with a right or interest; the 324G consultation phase; and then late last year we had a 324H consultation phase. Within that there are probably a total of under 50 submissions through those processes. They range from private individuals right through to the latest one, being a 'GetUp!' website sort of thematic consultation process.

Senator SIEWERT—Are you getting lots through that process?

Mr Bailey—We had nearly up to 20,000 emails, I think, from memory.

Senator SIEWERT—I may have misread the minister's media release, but I thought that he said he was undertaking talking to stakeholders?

Mr Burnett—He was talking to stakeholders at the time—on 17 April, I think the date was—he was in Western Australia, and he had met with Indigenous representatives, representatives from the industry and also state government representatives.

Mr Bailey—And the shire as well.

Mr Burnett—The Shire of Roeburne, and I think there was a meeting with the National Trust.

Senator SIEWERT—That is what I was going to ask about. He met with the trust as well?

Mr Burnett—Yes.

Senator SIEWERT—Do you meet with all the Indigenous representatives, all the groups that take responsibility for the Burrup?

Mr Bailey—The arrangement was run through the Murujuga Aboriginal Corporation on behalf of the three groups associated, so they arranged the representations.

Senator SIEWERT—Timing is midyear, is it not, but there has been no progress on an actual date? Last time I asked whether the minister had talked to the North-West joint venturers, and I have had a response to a letter that I wrote to him. Have there been any meetings since then with the North-West joint venturers?

Mr Burnett—I am not aware of the minister meeting with that party.

Senator SIEWERT—Has the department?

Mr Bailey—There have been no meetings between the minister and the North-West venturers, because there are six companies involved. We as a department have had meetings with only the partner which runs the joint venture on behalf of the other venturers.

Senator SIEWERT—Which is Woodside?

Mr Bailey—Woodside North-West Shelf venturers.

Senator SIEWERT—On behalf of all the joint venturers?

Mr Bailey—The operator for the North-West Shelf joint venturers?

Senator SIEWERT—Yes.

Mr Bailey—We take it that they are the operator on behalf of the joint venture partners.

Senator SIEWERT—Were those discussions about the actual nomination itself or were they about the proposition that the community is putting forward about moving Pluto to that site?

Mr Bailey—They were about the assessment for the National Heritage listing, because the other aspects do not fall within our responsibility of conducting the assessment.

Senator SIEWERT—I have some questions about Ningaloo. I note that you have given me a written answer. If I recall correctly, I do not think the Western Australian government have satisfied you in terms of their consultation with the pastoralists. Is that correct?

Mr Burnett—That is correct. I think the written answer advises that the previous minister wrote back to WA in May 2006, reiterating his position and there has been no ministerial level correspondence since. Nothing has changed.

Senator SIEWERT—Has the current minister reviewed the issue since he has taken over the portfolio?

Mr Burnett—Not that I am aware of. We are still waiting for Western Australia to respond to former Minister Campbell's concerns.

Senator SIEWERT—So there has been no progress on it?

Mr Burnett—That is correct.

Senator SIEWERT—A question that I should have asked on Burrup—but I sort of jumped the gun—concerns the broader issue of the budget and funding for the portfolio. Can you tell me what allocation there is specifically for World Heritage?

Mr Burnett—If you are talking about World Heritage grants to the states in—

Senator SIEWERT—For World Heritage management—grants as well.

Mr Burnett—There is an allocation under the Natural Heritage Trust. In the current financial year, 2006-07, that allocation was \$7.9 million. For 2007-08 it is the same figure. Of course, we do spend money on World Heritage through our own departmental activities. But I take it you mean grants, and they go principally to the states which administer most of the World Heritage areas.

Senator SIEWERT—So essentially there has been no increase in this financial year?

Mr Burnett—That is correct.

Senator SIEWERT—As I understand under NHT3, there have been no decisions made on any of the different granting streams?

Mr Burnett—That is correct. There is only the announcement in the current budget of the overall amount for NHT3.

Senator BARTLETT—Does the measure in the budget to do with what are called ‘environmental protection policy activities’ come under your patch of environmental quality?

Dr Reville—That is my patch.

Senator BARTLETT—How will that \$38 million over four years be broken down? What things will it be targeted at?

Dr Reville—The \$38 million—which is the total cost to the Commonwealth—includes things like corporate overheads and activities within the Environment Quality Division. It also covers some amounts which are now in other divisions which include the Water Efficiency Labelling Scheme. It includes some education activities and some environmental reporting activities which are now housed in other divisions. The remaining funds which remain within the Environment Quality Division basically cover the full activities of the division and so they will be dealing with a range of issues to do with air quality, fuel quality, oil recycling, product stewardship issues, chemicals management, some of the ozone protection functions, hazardous waste and also some of the biotechnology advice. So it is basically covering the whole spectrum of the division.

Senator BARTLETT—So this is continuing on from the program or policy that has been in place for, I think, three years. Is it possible to give us a breakdown of how that money has been spent—maybe on notice—through to the end of June, and which areas it has been focused on, in amongst all those things like air quality, fuel quality, oil recycling, et cetera?

Dr Reville—We could take that on notice, but could I just identify that part of the \$38 million is dealing with the fact that two major programs have recently finished, or will finish at the end of this financial year. One is a large component of Measures for a Better Environment, which, as you are probably aware, covered a spectrum of these activities. The rest of Measures for a Better Environment finish at the end of next financial year. The other

major program that finished was A New Tax System, which dealt with many of the oil recycling diesel issues and those sorts of things. They are coming to an end at the end of this financial year. Basically, the functions that were covered under Measures for a Better Environment and also the issues under the so-called ANTS scheme are coming to an end at this stage.

Senator BARTLETT—Are they going to be folded into this new package of money?

Dr Reville—Some of those activities were specific projects which have been successfully completed and therefore they do actually come to a full end. But there are a number of core functions—for example, that spectrum of issues I just ran through, the administration of legislation within the division, those sorts of things, which are continuing functions and which were funded under the funding previously—that will be continued as part of this \$38 million allocation.

Senator BARTLETT—Are you able to give us a breakdown of how it has all been spent up to the end of the current year? Would it be reasonable to assume to be a roughly similar allocation of or disbursement of the new bunch of money over the forward four years or is it—

Dr Reville—The new funding will cover the full spectrum of activities the division previously did, minus those parts of Measures for a Better Environment and the other dedicated funding programs which had specific endings, where the function has been achieved, but we would be happy to take on notice and provide you with some more information on the details.

Senator BARTLETT—Any sort of indication of how the future funds are going to be broken down would be good. I want to also ask about the announcement about the funding for Indigenous environmental jobs, the funding to buy environmental services for Indigenous communities. Is that corporate services?

Mr Borthwick—That is the Policy Coordination Division.

Mr Tucker—It is me, Senator.

Senator BARTLETT—I just want to get an idea of how it is anticipated that will work. I note that in the announcement that the department is going to begin talking with Indigenous organisations and land councils, which gives me the impression it is fairly early stages about where the resources are going to be directed and to where the jobs are going to appear. Are there any sort of initial indications that we can get? Given its environmental area for this part of the package, is it going to be in IPA areas or national parks or those sorts of things?

Mr Tucker—Yes. You are right, it is early days and we want to make sure we do hold quite a number of consultations and discussions with relevant organisations and bodies to design something that we think is going to be a success. One of the things that we are looking for up front is exactly that. To try to put factors into it that will make it a successful program because we know that these things can be very difficult to deliver and we do not want to bite off more than we can chew or perhaps a very difficult area and essentially have the program fail. We would like to be able to have a successful program and if it proves to be highly successful then maybe subsequent governments may consider even expanding the program in terms of Indigenous employment for environmental initiatives. With that background, one of the areas

that we will be looking at is whether we can piggyback on to some of our IPAs. We also have an environment schedule with the Northern Territory government, which the secretary co-chairs with his counterpart in the Northern Territory. In terms of improving delivery arrangements to Indigenous people and the benefit of having, if you like, a bilateral relationship already with the Northern Territory plus a part of Australia that has a large Indigenous population probably means that will be another area of our focus. We are yet to work through that detail and we will be doing that over the coming months and doing a fairly detailed implementation plan. One of the things that we are wary of is that we do not want to have this program essentially used as a cost shift for our own current funding, so with our own parks we are at the moment thinking that we may not go with our parks because we have other arrangements with communities there. This is still subject to discussion and finalising it but it just exposes you to some of our thinking at the current time.

Senator BARTLETT—Just on that point, you were saying it is not going to be just substituting existing jobs but, from my understanding of the way it was presented, it is going to be building on existing CDP jobs or positions perhaps?

Mr Tucker—Yes. As you know, there is a change in CDP arrangements but the current thing with this program is to deliver in remote communities, so the CDP will still exist in those remote communities at the current times. However, one would hope that some people who are currently on CDP might come into this program essentially in full-time employment for the life of the program. So again how that plays out in a particular case and place will depend on each circumstance. We definitely see it as additional money to our own programs. The other important thing is that it is an environmental initiative of which employment is a component to deliver the environmental results.

Senator BARTLETT—From the way it is presented to date and the way you are explaining it, it sounds extremely positive potentially but I guess the thing that I am trying ascertain is whether transferring a CDEP job into a full-paid job is good, but it is still just a single job that is already being performed to some extent. Whether it is actually going to be a new job and from what you are saying it is not going to be just plopping a bit extra over the top of work that is already being done by people in IPAs or whatever. The intent will be for new jobs.

Mr Tucker—That is certainly our intention and the other part of our design is that we will work closely and have contact regularly with DEWR, which runs CDEP, to make sure we maximise the outcomes of the new initiative for Indigenous communities.

Senator BARTLETT—It should not lead to any overall decline in itself anyway in CDEP places. It should be those, plus jobs on top.

Mr Tucker—Certainly we do not see it that way. From our discussions to date with DEWR, they do not see it that way either.

Senator BARTLETT—You are saying at this stage you are looking for remote regional areas. Is that a policy decision or is that just where it is assumed it is more likely to be the environmental services work that you are doing?

Mr Tucker—Exactly the latter. We have large parts of Australia which still have very good quality and environmental values. They tend to be in remote areas and Indigenous

communities tend to be the communities that remain there. As far as we can see, we can get a positive environmental benefit plus a positive social and economic benefit to those communities concerned.

Senator BARTLETT—I appreciate what you said about starting to talk with organisations like land councils. Are there mechanisms for people out there who think that the vast diversity of Indigenous groups can somehow proactively plug in to you guys?

Mr Tucker—As you are perhaps hinting, the consultation processes with Indigenous people and Indigenous communities can be quite complex and lengthy. Not only do we have the land councils that we interact with, we also have a committee which is established under the EPBC Act, called the Indigenous Advisory Committee, which is a statutory based advisory committee of Indigenous leaders from around Australia, and that committee has agreed to be another source of advice to us and to the minister on delivery of the program and its design. We will also take a number of consultations with various community groups. We interact already with a number of communities on current programs that we have, whether that be an Envirofund Grant or whether it be an Indigenous Heritage Grant. We have a number of contacts already with other communities, and we will be looking to use the full suite of capacities we have to get people's views into a properly designed program.

Senator BARTLETT—Thank you.

Senator BOB BROWN—I want to ask about Macquarie Island. What is the state of play there?

Mr Burnett—On the ground?

Senator BOB BROWN—Yes.

Mr Burnett—I will ask Mr Hooy to answer those questions because he has been there recently.

Mr Hooy—I was there about four or five weeks ago and it is fair enough to say that the impact of rabbit grazing is very extensive across the whole island. It is difficult to find places where there is not evidence of rabbits. In certain places the impact of the rabbits is quite devastating. In those locations they are there in extremely high numbers. The whole side of the hill looks as if it is moving on occasion. There is almost a complete kill of the native tussock grass. The rabbits undermine the tussock grass and some of these tussocks are 100 to 120 years old. They have created landslips down the side of the hills. There is a broadleaf plant with the common name of native cabbage that has been eaten out by the rabbits to the extent that they actually burrow down and eat the tap root. Further up the slopes, the apparent impact of rabbits falls away and on the plateau there have been rabbits there for many years and what you get there is not quite so dramatic, but there is clear evidence from some enclosure plots that the impact of the rabbits, even up there, is quite extensive. The landslips have on at least one occasion killed some king penguins. It has literally buried them. In other areas the landslips have taken out at least the nesting sites of some albatross. So it does vary across the island but in those areas where impact is heaviest it really is very dramatic indeed.

Senator BOB BROWN—How long has this process taken to unfold since the cats went?

Mr Hooy—This is not the first rabbit plague that the island has had. The numbers were building up in the 1960s and there may have been plagues earlier. The 1960 one was effectively dealt with by the introduction of myxomatosis in 1978, and by about 1985 the estimate was about 90 per cent of them had been killed. Since then myxomatosis has lost its effectiveness and CSL no longer produces mixo. Calicivirus is not effective in that cold and wet environment. So you could say since about 2002 there have been indications that the rabbit numbers were building up again and starting to escalate quite rapidly.

Senator BOB BROWN—Is there any myxomatosis on the island at the moment?

Mr Hooy—There is and if you walk around you will see the odd rabbit affected by myxomatosis—

Senator BOB BROWN—I saw some footage on TV.

Mr Hooy—Yes. For every one that is affected by myxomatosis there would be hundreds that are healthy and reproducing.

Senator BOB BROWN—Presumably resistant?

Mr Hooy—Yes, one would imagine so.

Senator BOB BROWN—Do you know how much it would cost CSL to produce myxomatosis vaccine?

Mr Hooy—No. We have started to look at that but it is more than just a case of producing more vaccine. We would need a new strain, a new variety, more virulent than what is on the island at the moment. Whilst we do not have the figure for the cost, the expectation is that it would take a considerable period of time just to do the research to develop a new strain and then the release. As I said, with the initial myxomatosis release, the period took from about 1968 to the mid-1970s to really get going, so seven years in that case.

Senator BOB BROWN—What is the best plan of action?

Mr Hooy—It depends on what you are trying to achieve. If you are trying to achieve eradication it is a lot harder than if you are just trying to control the rabbit population. The proposal that is currently before government is an eradication program. It is an eradication program not just for rabbits but also for rats and mice, and that is important because it is arguable that, whilst the rabbits cause more apparent damage, the rats in terms of the impact on seabirds, particularly the smaller seabirds, are just as significant. The current proposal is for an eradication program for rats, mice and rabbits, and that is not inexpensive. The figure that is currently estimated is \$24.6 million.

Senator BOB BROWN—How long would that process take? Could it be done in one season?

Mr Hooy—No. The overall total plan is estimated to take eight years, three years for the build-up, and there is a lot required there in terms of quarantine protocols, and what have you. Probably the largest delay, though, is the breeding-up of dogs that are sufficiently trained to operate in that environment. The estimate there is about three years, and that is going on the experience of the New Zealanders, who I think are probably the world leaders in this area. Then there is what is called the five-year on-ground eradication program. The first part of that will be extremely intense, a massive campaign to poison the rabbits, and then an immediate

follow-up campaign—it is estimated that the poisoning will take about 95 to 99 per cent of the rabbits. We are talking very, very rough figures here, but that still leaves, perhaps, 5,000 to 6,000 rabbits, maybe more, that have to be hunted down literally individually. Immediately after the eradication program, before the vegetation starts to recover, before the rabbits really start to build up again, a very strong hunting program is proposed, and it is estimated that that would go for at least two years with 14 dogs and seven hunters and then there would be a number of years of very intense monitoring after that. That effort is primarily aimed at the rabbits. The evidence from the New Zealanders, based on work they have done on their own islands and on French sub-Antarctic islands, is that the rats should all be killed in that bait drop. Both the French and the New Zealanders have had very, very good success with rats on bait drops. The reality is if you miss a couple of rats, you have just lost the rats and there is no way to catch up, whereas with the rabbits, of course, there is an intensive follow-up. It is a little bit more problematic with the mice. The evidence seems to be variable in terms of how successful that would be, but it does still look as if it would have a good chance of success.

Senator BOB BROWN—Are the dogs available from the New Zealanders or the French?

Mr Hooy—No, they actually have to be trained up from scratch. There are none off-the-shelf, so to speak. The situation with the island is that there is so much wildlife there that these dogs would literally be stepping over baby penguins or stepping around baby penguins to track a rabbit, and what have you. The amount of training and the amount of control that is required is very intense.

Senator BOB BROWN—I should ask the minister this. The Tasmanian government, as we know, agreed on a fifty-fifty funding, and then withdrew, and the Commonwealth said, ‘Well, we’ll pay half.’ Is there a stalemate there or is there some way out of this terrible situation on Macquarie Island?

Senator Abetz—It is a terrible situation but I live in hope that something might be able to be achieved with the Tasmanian government. That is what we are working on. The history of it has not been too flash, but I hope that we can get the Tasmanian government to look forward and partner with us in the way that they should.

Senator BOB BROWN—Is there some move afoot that gives meat to that hope, or is it—

Senator Abetz—I am always a very optimistic person. I always live in hope. The doors have not been closed on us and I think that is what gives us hope that the discussions can continue and be achieved.

Senator BOB BROWN—What negotiations are underway at the moment?

Senator Abetz—From time to time, as I understand it, departmental officials talk. I am not sure when the last discussion was held between ministers Turnbull and Wreidt, but I would hope that some progress could be made.

Senator BOB BROWN—Could you find out when that happened and when further discussions are scheduled between the ministers?

Senator Abetz—Yes, I am happy to take that on notice.

Senator BOB BROWN—Do you expect that there will be a resolution before the next summer? Based on the evidence, we surely cannot wait another summer to get the action plan underway?

Senator Abetz—Should I speculate on whether I think it is going to be resolved, or not, before next summer?

Senator BOB BROWN—No, I am really not asking for speculation. You just said that there are reasons for hope—

Senator Abetz—There always is, and I do not put it any stronger than that. We have reached stalemates in the past but doors have not been permanently closed and locked, so—

Senator BOB BROWN—But nothing has changed in the last month?

Senator Abetz—Discussions are continuing, as I understand it, but just because people are talking does not mean that it will necessarily be resolved. Whilst there is talk there is hope; I suppose that is the best way I can summarise it.

Senator BOB BROWN—If the government does not—

Senator IAN MACDONALD—What is the interaction between—

CHAIR—Senator Brown is still finishing his questions.

Senator IAN MACDONALD—I thought he had finished.

Senator BOB BROWN—No.

Senator IAN MACDONALD—Are you going to finish before the time limit is finished?

Senator BOB BROWN—We will see. The question I was going to put was will the Commonwealth contemplate next summer passing in the absence of state government action without getting this action plan underway?

Senator Abetz—That is a hypothetical question. I would still like to think we can partner with the Tasmanian government to get things underway.

Senator BOB BROWN—If the Tasmanian government does not partner, what is the Commonwealth's option to leading this problem?

Senator Abetz—That is the hypothetical. You are saying 'if', and I am saying that when you start a question with 'if' it presupposes that you are asking to deal in the area of the hypotheticals. We are still working flat out to be able to partner with the state government.

Senator BOB BROWN—The difficulty, of course, is that this summer did pass—

Senator Abetz—We know that.

CHAIR—The minister said it is hypothetical, so—

Senator IAN MACDONALD—What powers does the Commonwealth have for unilateral action in part of Tasmania?

Senator Abetz—I have just had it confirmed to me that we cannot. Macquarie Island is part of the sovereign state of Tasmania, so whilst we can be as willing as we want to be, and I think have been—we have always said 50 per cent on the table, and then when the figures were shown to be rubbery and a lot more, I think within a matter of a day, or whatever,

Minister Turnbull or Campbell said, ‘Yep, we’ll match the new higher figure at 50 per cent.’ But at the end of the day—

Senator IAN MACDONALD—Senator Brown’s hypothetical is more than hypothetical. It is impossible unless the state government are on side. That is my understanding.

Senator BOB BROWN—Have you got legal advice on that?

Senator IAN MACDONALD—Could I just ask you—

Senator Abetz—Well, I think we all know that Macquarie Island is part of the sovereign state of Tasmania.

Senator BOB BROWN—It is also part of the world heritage area—

Senator IAN MACDONALD—Could I just ask a question in relation to the cats, mice, rats and rabbits? What is the interaction—

Senator BOB BROWN—Senator—

Senator IAN MACDONALD—Senator Brown, you have had most of the 45 minutes that has been set aside for this and the rest of us do have an opportunity of questioning. It is not entirely for you.

Senator BOB BROWN—Do not be so rude. Just take the opportunity and I will go back to it in a moment.

Senator IAN MACDONALD—Well, I have tried to interfere but, Senator Brown, you have been hogging the limelight. We do want to share the questions around. So thank you.

CHAIR—Go ahead, Senator Macdonald, please.

Senator IAN MACDONALD—Could I just get your comment on the interactions between the cats, the rats, the mice and the rabbits?

Mr Hooy—I do not really feel expert to talk on that. They have all been on the island for a considerable period of time. I think you might be referring to the fact that with the removal of the cats we seem to have an explosion in the rabbit population. I would point out that there was a major outbreak of rabbits in the 1960s, early seventies, when there were cats on the island. So I think we are talking about a fairly complex system where the current outbreak of rabbits may be associated with the removal of cats. They may have accelerated it, but I think it is really in the realm of speculation.

Senator IAN MACDONALD—If we could go back 10 years, would we have approached the cat eradication program in the same way? Are there any second thoughts about that, with the benefit of hindsight?

Mr Hooy—No, I do not think so, because the cats were removed for a reason. They were creating a severe amount of damage to the wildlife on the island. What possibly should have been done when myxomatosis was at its most effective was probably an intensive shooting campaign should have been undertaken to try and eliminate the remainder of the rabbits. The population at that stage had got down to 10 per cent of what it had been previously.

Senator IAN MACDONALD—Has calicivirus gone off the acceptable list?

Mr Hooy—No, it is still quite acceptable and I am sure the Tasmanian government would be pushing strongly to use it. It is just that the evidence is that calici does not work effectively in cold and particularly wet environments. In desert environments it works quite well.

Senator IAN MACDONALD—Okay, thank you for that. Back to Senator Brown. He is not here.

CHAIR—We have two minutes to go before we reach the agreed time. Senators Siewert and McLucas?

Senator Abetz—Possibly one further one from Senator Macdonald. I think what Senator Macdonald was getting at—

Senator McLUCAS—I think the chair was asking if Senator—

Senator Abetz—Sorry. Do you have a question, Senator Siewert?

Senator McLUCAS—If you just wanted to fill in the time.

Senator Abetz—All right.

CHAIR—To be fair to the minister, you did not indicate that you did, Senator. Please proceed if you do.

Senator Abetz—I had a matter of interest to follow up, but I can do that privately.

Senator SIEWERT—I just wanted to go back to the Ningaloo issue. It was May 2006 when the minister wrote, was it not? So it has been a year with no action from the Commonwealth on it at all; is that right?

Mr Burnett—No action from Western Australia in terms of communicating back to the Commonwealth in response to concerns that the Commonwealth minister had raised.

Senator SIEWERT—My understanding is that the minister wrote to the Western Australian government and Western Australia wrote back. What did they say when they wrote back that time?

Mr Burnett—You are testing my memory. I think the gist of the letter was that it did not address the concerns that Senator Campbell had raised about the rights of pastoral leaseholders. I think the tenor of the letter was to advise Senator Campbell about some plan, draft boundaries and things that the Western Australian government had released for public comment. Is that correct, Terry?

Mr Bailey—That is correct. The Western Australian government established a community consultative committee. The community consultative committee from memory came up with, I think, 14 different boundary variations for Ningaloo. Then the Western Australian government advised of a preferred boundary. The concerns were raised, and it is one of the aspects of the operational guidelines of the world heritage convention that appropriate consultation needs to be conducted with all those people that are affected with the site as well as involved in the site. The concern was that there had not been thorough consultation around those boundaries, and those concerns were expressed by property owners within the boundary.

Senator SIEWERT—If somebody writes to you about anything in the world heritage area do you normally hold up a nomination?

Senator WEBBER—It is a question of adequate consultation.

Senator SIEWERT—Exactly.

Mr Bailey—Sorry, just to clarify—

Senator WEBBER—As someone from Western Australia who has been intimately involved in the consultation process, what is the Commonwealth's definition of what adequate consultation is?

Mr Bailey—I will just clarify two aspects. The boundaries that were included within the place included a number of leasehold areas.

Senator WEBBER—Yes.

Mr Bailey—So concerns are expressed by leaseholders about the implications of world heritage. The request was for the Western Australian government to continue negotiations and discussions with the leaseholders and over the last year the Western Australian government has continued to do that. So we have asked appropriate consultation to occur between the Western Australian government and the leaseholders to give an indication of the implications of world heritage listing for those property areas.

Senator WEBBER—What is your definition of appropriate? You have said 'adequate' and you have said 'appropriate'. This has been an ongoing issue in Western Australia and I have seen numerous pieces of documentation between the state government and those leaseholders. Your implication seems to be there has not been adequate or appropriate consultation. What is that definition?

Mr Burnett—The issue is that the Western Australian government has not yet come back and advised the Commonwealth government of a response in relation to concerns that the Commonwealth minister raised.

Senator WEBBER—Mr Bailey has just said that you told them you want adequate and appropriate consultation. I want to know what that definition is.

Mr Bailey—The minister in his correspondence to the Western Australian government requested that I conduct a consultation and come back with discussions from the lease owners and advise on the outcome of those discussions with the lease owners. Now, there has not been any correspondence back from the Western Australian government outlining how the concerns of the lease owners have been addressed in the boundary discussions.

Senator WEBBER—How many lease owners are involved?

Mr Bailey—Through the whole area?

Senator WEBBER—No. How many are involved where the obstacles are, where there is not agreement?

Mr Bailey—I would have to count the number of leaseholders—and I could not give it to you off the top of my head—of those that are part of the 2015 exclusion zones that have been listed for resumption. There is one that has expressed considerable concern.

Senator WEBBER—One, that is right.

Mr Bailey—And a number of others that have expressed concerns with their association.

Senator SIEWERT—It was notified in 2000, I think it was.

Senator WEBBER—Yes. Senator Siewert says it was notified in the year 2000. This has been an ongoing issue with one leaseholder. Is that it?

Mr Bailey—Concerns have been expressed from the representatives of the leaseholders as well.

Senator WEBBER—Okay. How many are involved in that?

Mr Bailey—I would have to take that on notice.

Senator WEBBER—That would be good if you would. It is my understanding there are not that many more than one. It is certainly not double figures.

CHAIR—Okay. We are now ready to break for afternoon tea.

Proceedings suspended from 3.47 pm to 4.05 pm

CHAIR—We do not have the minister but I presume we will be able to continue without him to get going.

Senator McLUCAS—I would like to ask some questions about the Greenhouse Challenge. Just so I get the language right, how does it work?

Mr Morvell—Greenhouse Challenge?

Senator McLUCAS—I think it is called Greenhouse Challenge Plus.

Mr Morvell—It is a measure that was designed to provide a structured opportunity for industry to participate in reducing their greenhouse gas emissions through voluntary action and have some recognition of that in terms of effectively being able to operate under the banner of the government endorsed measure. It gave them the ability to go out to the community, their own shareholders and employees to make it clear that they had a government imprimatur for what they were doing. It also provided the government, on the reverse side, with the opportunity to engage with industry in a structured way about how they could go about reducing their emissions in the past years and in the coming years.

Senator McLUCAS—When a company decides to be part of Greenhouse Challenge Plus what do they have to do?

Mr Morvell—They register as a member. They then undertake to develop an action plan to reduce their emissions and they report on those emission reductions.

Senator McLUCAS—Do they have to do a baseline assessment of their emissions at the point of joining?

Mr Morvell—Yes. As part of their action plan, they need to have an understanding of what their emissions are, so there needs to be a baseline to work from, again, from the point of view of being able to establish for themselves that they have reduced their emissions and also for the government in terms of accounting for those emission reductions as part of our greenhouse gas mitigation measures.

Senator McLUCAS—How do you verify that baseline work?

Mr Morvell—It depends on the company and the industry sector but we have a range of experts who are able to provide input to us and to companies on what are the baselines for a

particular sector, a particular industry or a particular technology. There is a range of things. It would have to go down to the specifics of a company or a sector to work out precisely what method was used.

Senator McLUCAS—Is that done independently?

Mr Morvell—The answer is, yes. It is independent of the companies, but from the government's point of view we provide that support.

Senator McLUCAS—The government employs a person to verify the baseline?

Mr Morvell—Yes, that is correct.

Senator McLUCAS—I take your point that there is a range of ways you employ someone to do that, but if it was a large emitter—a power company, for example—how would you do that?

Mr Morvell—For the power generation sector in particular there is a slightly modified program which has run for many years under the banner of the Generator Efficiency Standards measure. All of the major generators and I think all of the generators are now signed up to the GES program, as it is called. Under that program we have a technical assessment committee, which has established a methodology for determining not only baselines but also what emissions reduction could be established through various actions undertaken. In that particular program the companies that are signed up are required to develop an action plan and commit to undertaking those implementing actions to reduce their emissions. That is an ongoing program that will take some years to implement. All of the companies are working through the issue of their action plans. I am not sure that I have got the precise numbers but I can get those for you.

Senator McLUCAS—The precise numbers of?

Mr Morvell—The companies who have completed their action plans and moved to the next stage of implementing those plans.

Senator McLUCAS—It would be good if you could provide that. Thank you. I probably chose a bad example in going to a power company. Can you give me an example of what sort of verification would be undertaken for a company that is emitting less greenhouse gas?

Mr Morvell—A lot of this specific information would be available on our website. I am just looking down the list of things that I have in front of me. For example, there are cement, aluminium, petrol refinery, mining, oil and gas exploration—companies in all of those sectors have joined and are implementing programs that are based around an independent assessment of their baseline and the actions they take. We have developed a set of independent verification guidelines that are available and were released just under two years ago. I am not sure that I have got any other specific detail with me.

Senator McLUCAS—I have a hypothetical question. Let us say that an accountancy firm decides to join. They are not large emitters. How would you verify their baseline?

Mr Morvell—I am not entirely certain what we have by way of accounting firms joining Greenhouse Challenge.

Senator McLUCAS—I am trying to think of something as an example.

Mr Morvell—This covers a broad range of industry sectors. Wineries have joined. When they join, we do an assessment. We have an independent assessment of what their baseline is. That is worked out with the company, and then they identify the things that they can do to reduce their emissions.

Senator McLUCAS—Is the government quite confident that the baseline information is accurate?

Mr Morvell—Yes.

Senator McLUCAS—On what basis can you be that confident?

Mr Morvell—We engage a range of independent experts so we get the best advice we can as to what are the baselines and the opportunities in each sector. So on the basis of Australian expertise, our experts are as good as any in the world and we are fairly confident that we have the right level of understanding of the commitments that are being made. We also engage widely internationally in terms of interaction with other countries that are doing similar things. Our staff from the organisation regularly interact with administrators of similar schemes in Europe and America, so we have a good understanding of what is possible on a global basis.

Senator McLUCAS—When the action plan is agreed to, how do you monitor that?

Mr Morvell—We have an online reporting system known as OSCAR where companies record all of the information that they have, and it is through that mechanism that we have streamlined the collection of the data and the information and the reporting through that system.

Senator McLUCAS—How do you verify that the information that has been entered by the company is correct?

Mr Morvell—We use our independent experts to verify on a regular basis what has been provided.

Senator McLUCAS—Who pays for that?

Mr Morvell—We do.

Senator McLUCAS—The government pays?

Mr Morvell—The government pays for that.

Senator McLUCAS—Do they physically go and have a look at the company's operation?

Mr Morvell—For some of them they definitely do and for others it may not be necessary to visit them to establish the veracity of the abatement being claimed. I do not have specifics of the timings and the like on how those verifications are done, but I could provide you with additional information.

Senator McLUCAS—How many agreements have been verified?

Mr Morvell—I am not sure I have that information. I would have to take that on notice to get you a number.

Senator McLUCAS—Is the total number 750-odd?

Mr Morvell—That is the number of members we have. So that represents the commitment from various companies to participate. They are of course all at various stages of developing their plans. To go down into the detail of who is at what stage, I would have to take that on notice.

Senator McLUCAS—I would appreciate if you could do that, but is it 100 or is it 600?

Mr Morvell—No, I do not know.

Senator McLUCAS—Could you provide us with the number who have had their action plans agreed? I think that is probably the right language, isn't it?

Mr Morvell—I do have information on the total number of independent verifications that have been completed to date. It is 85.

Senator McLUCAS—Just so I am very clear, the independent verification is of the baseline emissions?

Mr Morvell—And their plans, emissions and claims.

Senator McLUCAS—So 85 of a total of 750?

Mr Morvell—That is correct.

Senator McLUCAS—You will have to take this one on notice. All of the different companies would have different projected reductions.

Mr Morvell—Yes.

Senator McLUCAS—I am just wondering what proportion of the projected reductions that 85 represents.

Mr Morvell—I would have to take that on notice. The reflection of 85 out of 750 is not intended to suggest that we intend verifying the whole 750. Sorry, I have to be careful. We will verify, but it may not be that we will do an independent verification of the whole 750. Where we have companies operating in the same sector and doing similar activity, once we have established the technical veracity of the claims being made through an independent verification, that will allow us to make judgements about the claims made by similar companies doing similar actions without going to the expense of having an independent verification. In other words, we would verify internally rather than going to the expense of having an independent review.

Senator McLUCAS—What proportion, therefore, do you predict will not have an independent verification?

Mr Morvell—I do not know the answer to that. I would have to check.

Senator McLUCAS—It would be good if you could. So really we have only 85 members who have an action plan that is being monitored; am I right to understand it that way?

Mr Morvell—No. This is a voluntary program, so we are not—and this was never intended—monitoring the implementation of all of the plans. This is a matter for the companies to commit to the actions, develop their action plan and then report on it. We will facilitate all of that and we will run the reporting system, so we will have all of the

information sets coming in. But as it is not a regulatory measure, we have no intention of monitoring each of the 750. I think it would be very difficult to do that.

Senator McLUCAS—I could nominate my company—and I do not have one; just so this is easy to talk about—and it is like this other company. I could just input data and you would never know what I was in fact doing.

Mr Morvell—No. We will internally verify that what you are putting on the database is consistent with what we understand you could achieve as that company behaving in that manner. So there will be an assessment made internally about each of the claims being made about verification.

Senator McLUCAS—But I might not have changed my business practice at all?

Mr Morvell—It would be unusual to find companies behaving in that manner. But will we have 100 per cent of people behaving in a proper manner? Perhaps not, but—

Senator McLUCAS—It would be nice to have a green tick from the government.

Mr Morvell—It would.

Senator McLUCAS—I acknowledge that being able to promote yourself as being part of the Greenhouse Challenge is a business positive.

Mr Morvell—That is correct.

Senator McLUCAS—But I am concerned that there may be companies that get the green tick but we do not really know whether they are doing anything to lessen their greenhouse impact.

Mr Morvell—As I said, we do internally monitor the claims and make judgements about behaviour. If we thought there was anything untoward going on, we would investigate further and we would be quite happy to have that independently verified. I am not aware that we have had anyone draw such a practice to our attention. We have had a number of members of Greenhouse Challenge not renew their membership. Clearly, in that circumstance, there were some companies that have either joined on the basis of wanting to learn about emission reduction opportunities and then perhaps, as in the case of your hypothetical canning firm, discovered that there really was not a lot of opportunity for them, because of the nature of the way their company was structured, and therefore decided not to renew their membership. It may also be that there are some companies out there in the category you have alluded to that perhaps thought they may be able to do more but did not really want to do it and decided to withhold their continuing membership.

Senator McLUCAS—How many did not renew, or have let their membership lapse?

Mr Morvell—Since January 2006 we have had 86 members withdraw, and during the same period we had 79 new members.

Senator McLUCAS—So that is 2006 to present?

Mr Morvell—Yes.

Senator McLUCAS—Is that a trend that is reflected, say, in 2005?

Mr Morvell—I do not have those figures. It may well be. I would be surprised if there is any significant difference in terms of trend. Voluntary measures are something the government has been pursuing for a number of years. As I said a while ago, there are companies that have joined to find out if this a pathway for them, and then found out it was not of great value and have withdrawn. I think that will always be the case; we anticipate that there will be this sort of turnover. I do not think there are any trends that I am aware of that would suggest that those figures I have given you are any different than earlier years. But, again, I could check that for you.

Senator McLUCAS—If that is not the trend, could you come back to us? Otherwise it can stand. Can the department verify how many tonnes of greenhouse gas the program has been responsible for abating?

Mr Morvell—Of the top 10 reported abatement actions—so this includes energy efficiency, fuel switching, coal seam methane drainage, flare reduction, boiler upgrade, sinks, renewable energy technology, cogeneration and transmission loss reduction—they have delivered 37.9 million tonnes of abatement since 1995.

Senator McLUCAS—And 1995 till?

Mr Morvell—To date. Those figures are as of 30 April this year.

Senator McLUCAS—How can we be confident that that is in fact the figure?

Mr Morvell—It goes back to my earlier point that we facilitate the action with the companies, so we develop relationships with them to understand what they are doing and what they can possibly do. We do independent verifications on a range of those, and we are able to extrapolate those independent verifications into our own internal assessments of the claims of companies. We have a very high level of confidence that those figures are as reported.

Senator McLUCAS—Even though you have not had complaints, do you do spot audits of a company's claims?

Mr Morvell—We do assessments and we do use our independent experts to do that, but I would not like to characterise them as spot audits simply because of the voluntary nature of the program. We do work with Challenge members to ensure that what we are getting is accurate.

Senator McLUCAS—I am going back to the company that is not doing the right thing, and I am wondering how many of those companies might be out there.

Mr Bamsey—I have had some contact with companies that have joined Challenge Plus. This is usually quite a significant event for a company, often involving signoff at board level, signature by the CEO, picture opportunities on presentation of the certificate and that sort of thing. It is quite a big thing for a company. We have very high representation in a number of sectors of the companies in the sector—that is, your company's competitors would likely be members as well—and because we maintain liaison, as Mr Morvell said, with the companies as we develop the relationship and as we work through the various drafts of the agreement that we sign with them, we have industry advisers in the AGO who keep in contact with companies. All of those measures reduce the likelihood of companies deliberately deceiving

us about what they are doing. Your company's competitors would no doubt be aware of what you were claiming and what your business practices were. Your staff certainly would be aware.

One of the really interesting aspects of the way Challenge Plus works is that we hear from many members that they get very positive reactions from their staff when they join, and it has a sort of transformational influence on staff attitudes. For example, there is a well-known case, that of one of our very first members. When the company joined, one of its engineers was walking around one of its sites in the north-west and noted that, as had always been the case, the electrical equipment on the site—transformers and so on—was painted grey. Because he had just been part of the company process in joining Challenge, he thought about painting it white as a way of cooling it down, reducing the load and saving emissions. It is that sort of staff participation that builds interest in companies.

I visited one a year or two ago that had joined, and just the fact of joining, once again, had prompted people to recognise that they did not switch machines off at lunchtime. They did that and reduced their cost and reduced emissions. There are all sorts of influences on companies.

Senator McLUCAS—It is about culture change?

Mr Bamsey—I think so. It seems a very widespread phenomenon in the membership, and one of the things that is valued. Many companies have said to us that it is suddenly understanding their emissions, getting a picture of their emissions profile that they simply never had before and never thought about that does motivate them from the top to the bottom to try to find opportunities to reduce them.

Senator McLUCAS—You said there are numbers who do not meet their action plan. Does the action plan actually identify tonnes of greenhouse gases or the series of actions to be undertaken? Does it quantify the reduction?

Mr Morvell—The short answer is, yes, it does. The whole point of taking action is to reduce their emissions. They identify what they can achieve and set about implementing those. Clearly the intention is to get what they aim for. Whether they all achieve them or not is another matter.

Senator McLUCAS—What proportion of companies are not meeting the action plan they have described?

Mr Morvell—I do not think that is a statistic that we keep. They join and establish an action plan and then it is a voluntary program so they are implementing and they report as they go through and complete their actions and identify the abatement they have achieved. We do not hold them to account to deliver on the program in the same way as a regulatory framework would.

Senator McLUCAS—You said that the GES has a technical assessment committee. Who is on that committee?

Mr Morvell—I would have to take that on notice to give you the specifics but there are a number of experts from the power generation sector—so there are representatives from a couple of the power generation companies—there are some technical experts who operate in

the world as private consultants who do assessments for industry, the private sector and government, and I believe there may be one or two experts from academia.

Senator McLUCAS—Could you provide those names?

Mr Morvell—I can provide you with the details of who is on that committee.

Senator McLUCAS—Is Greenhouse Challenge Plus considered to be a major initiative for the department or the AGO?

Mr Morvell—It certainly is. It is one of the key measures designed specifically to bring about greenhouse gas reductions in industry.

Senator McLUCAS—I will leave it there.

Senator ALLISON—I have some questions about energy efficiencies. Just leaving aside the voluntary program with industry, in departmental terms what sort of priority has been given at present to abatement through energy efficiency?

Mr Morvell—Are you referring to the department?

Senator ALLISON—Yes.

Mr Morvell—That is the Department of the Environment and Water Resources. I would have to ask my colleagues to provide the answer on that one.

CHAIR—Would you like to clarify what you mean?

Senator ALLISON—It does not sound like it needs clarification.

Mr Anderson—The department has a certified EMS in place and we are also a member of the Greenhouse Challenge Plus program.

Senator ALLISON—Is this the department that you are talking about?

Mr Anderson—This is the department. I am sorry, I missed the front end of your question.

Senator ALLISON—I am talking whole department—not just the way the department does business but in policy terms.

Mr Borthwick—You are talking about energy efficiency users across the economy?

Senator ALLISON—I am indeed.

Mr Borthwick—When you said ‘the department’, we assumed you meant the department, but it is back to Mr Morvell.

Mr Morvell—Our energy efficiency measures operate across a number of activities characterised by a cooperative program with the state governments under the Ministerial Council on Energy where we have a program called the National Framework for Energy Efficiency through which we have identified measures that we pursue.

Senator ALLISON—What would be the major ones of those? What are the big ticket items with big abatement?

Mr Morvell—Some of the big ticket items that deliver very clear abatement are those related to the minimum energy performance standards. This is the program through which we improve the energy efficiencies of appliances and equipment. You would have seen that over

many years in terms of the label energy rating of appliances in shops, with fridges and the like.

Senator ALLISON—Yes.

Mr Morvell—In more recent times it is reflected in the decision by government to do a minimum energy performance standard for lighting in homes, and that is to introduce compact fluorescent light globes.

Senator ALLISON—The globes, yes.

Mr Morvell—So that is probably the flagship issue that we deal with for energy efficiency.

Senator ALLISON—Is that it?

Mr Morvell—No, the government has introduced legislation which is administered by the Department of Industry, Tourism and Resources, who we work closely with, on energy efficiency opportunities which require the top 250 energy users in the country—

Senator ALLISON—That is what we have just been talking about and I am saying to leave that aside.

Mr Morvell—No, this is quite separate from that. This is a mandated measure requiring the companies to look at their energy use, to audit their energy use.

Senator ALLISON—I am sorry to interrupt you, but I thought that is what you were talking about earlier. I am familiar with that program. It is not?

Mr Morvell—No, it is separate.

Senator ALLISON—You were talking about the Greenhouse Challenge before?

Mr Morvell—Greenhouse Challenge is looking at all of your greenhouse gas omissions.

Senator ALLISON—I am sorry, I am familiar with that program, so you do not need answer about that. Any others?

Mr Morvell—No, I think they are the major ones. Sorry, can I correct myself? The other one of course is building energy efficiency where we work, again through Commonwealth-state operation and with our colleagues in the industry portfolio and the Building Codes Board, to improve the standards on new buildings to improve their energy ratings, and that is quite a significant effort on—

Senator ALLISON—That is commercial as well as domestic, is it not?

Mr Morvell—Yes.

Senator ALLISON—In terms of departmental expenditure in those areas of energy efficiency, do you have a separate department for energy efficiency and, if so, what is its budget?

Mr Morvell—Our action on energy efficiency program in budget terms for 2006-07 is \$6.7 million.

Senator ALLISON—And that covers all of those areas we have just been talking about?

Mr Morvell—It covers all of those areas. It also includes a small amount on transport energy efficiency that we do which is really focused on travel demand management rather than on the technology in the transport sector.

Senator ALLISON—Roughly what percentage of the total budget is \$6.7 million?

Mr Morvell—Of the whole climate change budget or the whole of the department?

Senator ALLISON—The climate change, greenhouse budget.

Mr Morvell—For 2006-07 it is probably in the order of five per cent on the basis that \$114.4 million was the budget this year for 2006-07 for all of the climate change measures.

Senator ALLISON—That is quite low given, one would argue, the opportunities in energy efficiency. Would you agree with that?

Mr Morvell— I would not characterise the level of expenditure required for energy efficiency as low. It is probably our most efficient expenditure in terms of the abatement we achieve. In part that is because some energy efficiency measures have very short payback periods. The issue that we are trying to address is to get the cultural change in the community and industry so that people do undertake those measures that have paybacks for, say, three or four years. You do not need to spend large amounts of money. This is about changing perception and dealing with the barrier. The abatement that we achieve under our action on energy efficiency program in 2010 will be 12.7 million tonnes per annum and in 2020 it will be 29 million tonnes per annum. So there is a quite significant return on that investment.

Senator ALLISON—What are the annual abatement levels for the intervening years between now and 2010?

Mr Morvell—We do not have that information.

Senator ALLISON—Is that because it is minimal?

Mr Morvell—No, it is because these measures all have estimates of abatement. When the measures are identified they take several years to implement. For example, the compact fluorescent light globes will deliver four million tonnes over the period to 2012. So whilst it takes several years to move through the process of improving the standards and getting the market to respond, it will deliver four million tonnes over that period. After that it will deliver four million tonnes per annum. So our judgements about abatement are looking at what is the long-term prospect of abatement rather than what we will get next year because—

Senator ALLISON—But if you can measure 2010 surely you can measure 2008 and 2009?

Mr Carruthers—The analytical work around the measures is driven from my division as part of our overall work on emissions projections. In line with the international practice for reporting under the United Nations climate change convention, the focus upon the emissions savings for measures is standardised in these international reports for 2010 as the first milestone, and that also lines up very well with embracing a Kyoto target period of 2008 to 2012.

Senator ALLISON—How does it do that? If you do not have any abatement until 2010, how does it in any way affect the ability to meet Kyoto targets?

Mr Carruthers—The abatement from the measures will ramp in progressively over time.

Senator ALLISON—That is what I am asking. What is your estimate of how it ramps in? In 2008 and 2009, is that not ramping in—

Mr Carruthers—Yes.

Senator ALLISON—or what period are you referring to?

Mr Carruthers—It ramps in and we report specifically for the years 2010 and 2020 in accordance with international practice. So we really focus the analytical work on those two time points and we really give less attention to and we do not report specifically on, if you like, the pathway for each of the individual measures. That would be embedded within the analytical work done by the technical specialists in various entities but it is not something that we explicitly focus on in the reporting. As I said, the focus is really for 2010 and 2020.

Senator ALLISON—So let us focus on the changeover of light globes. This is not dependent on people's attitudes or bringing people along with you; it is dependent on a set date by which the sale of other kinds of globes becomes prohibited, is that right? Surely we can figure that out?

Mr Morvell—That is right. There is a process to be gone through in setting in train the minimum energy performance standard.

Senator ALLISON—No, I am talking about the light globes—the changeover from ordinary globes to the energy efficient globes.

Mr Morvell—That is correct. That is what I was referring to. There is a process we go through. It does not happen by decree at some point. We have to go through a process of identifying the standards, setting them into a regulatory framework and then allowing that to move through the market so the market responds over time, so it cannot happen in one go and leave a stranded asset of all of the light bulbs that retail shops have purchased suddenly being of no value on a certain date. They need time to change over so we do not have disruption to the market.

Senator ALLISON—What did the minister announce by way of time frame?

Mr Morvell—He announced the time frame that it will take a couple of years to implement. By 2010 we will be into a period of compact fluorescent globes being the only available globes in the marketplace.

Senator ALLISON—What happens in the transition?

Mr Morvell—I am not quite sure what you are after in terms of what happens in the transition. It is a period of time in which we have to get the market to respond to a new standard. We do not manufacture light globes here in Australia so those that do not meet the standard will no longer be imported.

Senator ALLISON—Does that happen in 2010?

Mr Morvell—By 2010 you will start to see the impact of there being no incandescent light globes being available in the marketplace.

Senator ALLISON—But they will be able to be imported and sold up until 2010?

Mr Morvell—Yes.

Senator ALLISON—So there is no transition as such. You are just giving the industry warning.

Mr Morvell—We are certainly giving the industry warning, but you will also in that time clearly have the market responding. In fact, we have already seen that with consumers already increasing the consumption of compact fluorescent globes. I should not use the word ‘consumption’; they are increasing the purchase of those. So over time you will see the market changing through effectively a voluntary response in the community, but that will be backed up by a clear regulatory response over the couple of years.

Senator ALLISON—You have provided the figure in abatement for 2010 and 2020 for all of those measures at 12.7 megatonnes by 2010. Is there a breakdown of that 12.7 megatonnes for each of those measures: the appliances, the building efficiency, the light globes and the 250 industry audit related abatement?

Mr Carruthers—I am not sure if we do publish material down to that level of fine detail.

Senator ALLISON—How do you arrive at your 12.7 megatonnes?

Mr Carruthers—I said I am not sure that we publish in that fine detail. What we do make available each year with the release of the emissions projections, which typically occurs at the end of each calendar year, is to publish an overview document which we title *Tracking to Kyoto* that sets all this out for all the sectors in terms of the base line emissions and in terms of the effect of the measures and we present information on the measures. We also have on our website technical reports for each of those sectors, which again are broken down for the measures. I would need to check my memory; I do not think they go down to that fine aggregation in those technical reports. But that certainly is all taken into account in the modelling that is done by the economic entities. You need to bear in mind that it is not as simple as taking one particular action. There are all sorts of linkages that go on in the economy and in energy use so you cannot just add everything up from the bottom to get the correct result. There is a whole modelling framework in which that is done.

Senator ALLISON—How did you add it up? Can you provide the inputs into the 12.7 megatonnes? The reason I ask is that it is a fairly precise amount. It is not about 25 megatonnes; it is 12.7. So there must have been some mathematical—

Mr Carruthers—Yes, there is. There is a series of technical studies that are done by independent specialist analysts and we produce the—

Senator ALLISON—Can a breakdown be provided?

Mr Carruthers—Yes. The composite work of all the technical analysts is in these technical reports on our website. I would be very happy to send them to you.

Senator ALLISON—I am not sure that I need to see the technical reports, but can a list in each of those areas of the anticipated abatement be provided?

Mr Carruthers—For example, the split-out according to the effect of washing machines versus a series of other electrical appliances versus other energy efficiency stances? Is that what you are looking for, that level of aggregation?

Senator ALLISON—I would be quite happy with a split of the appliances, building efficiency, light globes and the voluntary measures, but I am sure it would be interesting to know which of the appliances was providing the greatest—

Mr Carruthers—We can certainly give it to you at the greatest level of disaggregation which we produce. I am suggesting that it does not come down to teasing out the distinction between each and every whitegoods appliance because there are all sorts of interactive effects that go on in the modelling there that will sort of bring that together as, if you like, various parcels. But we will give you the level of detail which I am pretty confident will reflect the story you are describing.

Senator ALLISON—I know we are talking electricity use and there is a similar standard and a rating system for water use which has a relationship, I would have argued, with energy. Is there any sign of there being mandated standards in water efficiency any time soon?

Mr Carruthers—That is perhaps a question you could take up with the water division later in this sitting.

Senator ALLISON—I will do that. But as a preface to the question, it seems to have an energy element to it.

Mr Morvell—There is ongoing discussion between the staff in our division who deal with energy and appliances and those in the water divisions who are looking at this issue of ratings for water use. I am not sure where they are at in terms of a decision on the issue of ratings for water appliances and water use, but certainly the interaction between the two is one of the areas where there is ongoing discussion. There have been no decisions as such.

Mr Borthwick—You might explore this further when we have the water division, but the Water Efficiency Labelling Scheme applies, from memory, to about half a dozen different things. We are exploring with the states the scope for extending the Water Efficiency Labelling Scheme to a greater range of household appliances and that is ongoing. But you can get an elaboration later.

Senator ALLISON—I was more interested in the shift from rating to standards. That was the indication that was provided by the government at that time, that we would start with a rating system and then we would over time ratchet down or up, depending on your perspective, the standards to make compliance with the tightest standards a requirement.

Mr Morvell—We always raise the standards. We are doing that in the energy sector in the appliances. The discussions with what our colleagues are doing with water are centred around trying to understand what is the learning experience we have been through with the energy systems that could be applied in the water systems. I just do not have the sense of where they are at. As the secretary said, I think that is something you could pursue with our colleagues.

Senator ALLISON—So energy performance on appliances would include, say, washing machines? That is the most obvious, where a lot of water usually means a lot of energy.

Mr Morvell—Yes. Washing machines and fridges are probably the two most important and significant that people have seen. Lighting is sort of the next cab off the rank and we are also exploring the issue of stand-by power, which is the power when you have your television set turned on at the power point but turned off at the appliance. It is still using power, it is still

consuming power, so that you can walk into the room with your remote control and turn it on and it comes on very quickly—

Senator ALLISON—Do you have an estimate of the abatement possible from changing that standard so there are not only fewer of those little lights going on all the time but that there is no downside to turning it off at night or when you are not using it?

Mr Morvell—I do not have the figure but I understand that the potential saving is around 90 per cent of the power use. I would have to take it on notice and get you an actual—

Senator ALLISON—Ninety per cent?

Mr Morvell—Ninety per cent of the stand-by power we use today is not necessary. In other words, you could—

Mr Bamsey—That is if we go to a one watt standard for stand-by appliances. Stand-by appliances, as I recall, consume about 10 per cent of the electricity used in your home.

Senator ALLISON—Not exactly; as I understand it, 10 per cent of the appliance use, not the electricity used in the home.

Mr Bamsey—I think it is actually the electricity.

Senator ALLISON—Would you check that?

Mr Bamsey—Yes, we will check that. It is a remarkably high number.

Senator ALLISON—My understanding is that it does not include lighting, for instance, or electric ovens, or—

Mr Bamsey—I will check that.

Senator ALLISON—I have a question about consultancies. You talked about modelling being done by an outside organisation. Is it possible to get a list from the department of the consultancies in energy efficiency, who is doing them and what they are for?

Mr Morvell—We can certainly provide you with a list of the consultancies we have undertaken over the last year. Is that the sort of time frame?

Senator ALLISON—Are there any consultancies looking at the prioritising, if you like, or somehow documenting the opportunities for abatement in efficiency?

Mr Morvell—Not that I am aware of, that have been undertaken in the last year. We certainly looked at that issue when we were developing the energy efficiency opportunities legislation that I mentioned earlier, which we ran through with our industry portfolio colleagues. There has been some consulting work done with the states under the National Framework for Energy Efficiency. I am looking at one of the opportunities, but I will review all of that and provide you with a list of the consultancies and any reports that have come out of that.

Senator ALLISON—Could you also report on the opportunity for street lighting? It is my understanding that it is extremely high with, again, short payback periods, but local government is not doing it because of the up-front cost, despite the short payback period. Has there been any work done by the department on that and why does that not appear as one of the top priorities?

Mr Morvell—We have done some recent work on that. There is some information already available on our website on this but I will have a look at precisely what we have done in terms of any further analysis. But you are quite right, there is a significant opportunity there, and like many other things in the energy efficiency area, it is the up-front cost that is the barrier to implementation.

Senator ALLISON—Which, despite the short payback period, is the problem with industry too, isn't it?

Mr Morvell—That is correct.

Senator McLUCAS—I was just going to tack on the back of your question on consultancies to ask if I could get a list of all the reports that the department has commissioned on impacts of climate change, not necessarily on energy efficiency, but more broadly, including any work that has been done on biodiversity or tourism or on agriculture or water supplies. And can you extend your time back 18 months?

Senator IAN MACDONALD—If my memory serves me correctly, I am sure you asked for this last time.

Senator McLUCAS—If that is the case then we will have it between February and now. The one question I did want to know today was: are there any reports that have been completed and are not yet released?

Mr Morvell—On the subject of?

Senator McLUCAS—Climate change.

Mr Morvell—Impacts?

Senator McLUCAS—Impacts.

Mr Carruthers—I cannot think of any. Sometimes there is a short delay between completion in the department and a suitable moment for a release event if it is a public release. But as far as I am aware, I think all completed reports have been published. I would really need to take that on notice and just double-check that there is not something that has escaped my eye.

Senator McLUCAS—Thank you. Has there been any work undertaken on the risks from climate change to water supply catchments, supplying both cities and regional towns?

Mr Carruthers—We have quite a bit of work in progress in that territory. There was an announcement by the minister a few months ago—I cannot remember the exact date now—on a joint project involving the Murray-Darling Basin Commission, the Australian Greenhouse Office, the state of Victoria, one or two other organisations and the so-called South East Australia Climate Initiative that is looking at essentially the Murray-Darling Basin and developing our science capacity to understand the impacts of climate change in the Murray-Darling Basin. I think that is a \$7 million program being led through the CSIRO and the Bureau of Meteorology. That project is in progress over several years. There is another study in progress through the CSIRO, jointly funded by the National Water Commission and the Australian Greenhouse Office, looking at the subject of impacts of climate change on water resources. That, again, is a work in progress.

Senator McLUCAS—Is that second study that you are referring to looking at impacts on climate change more broadly than simply the Murray-Darling, or is it catchment by catchment?

Mr Carruthers—No, it is looking nationally and it is looking at basin levels, not the small catchment level but at whatever the standard categorisation is of river basins.

Senator McLUCAS—Senator Allison, within this area I was going to move on to a slightly different topic. Is that all right? How was the department involved in developing the government's nuclear energy strategy announced by the Prime Minister in April this year?

Senator IAN MACDONALD—Is that a matter for this department?

CHAIR—Nuclear comes under this department.

Mr Borthwick—To the extent that nuclear matters are raised, it is addressed by the Approvals and Wildlife Division. We can have Mr Early here if you want to ask a question or two.

Senator McLUCAS—Thank you. Mr Early, I essentially just want to know how the department of environment, including its agencies, was involved with the development of the government's nuclear energy strategy that was announced in April?

Mr Early—How it was developed? The department was represented on the uranium industry framework. I was the representative for that and there have been IDCs and, of course, the department made a submission to the Switkowski report. It has been involved in a way that a number of departments would have been involved in those inputs.

Senator McLUCAS—In the drawing up of the strategy as it was released, was the department of environment involved in that?

Mr Early—We were involved, as I say, in the IDCs which were chaired by the Department of Industry, Tourism and Resources. So they provided advice to the government as a result of those IDC processes. I would say we were involved in a whole-of-government approach, but detailed questions should really go to ITR.

Senator McLUCAS—Are there any funds in this year's departmental budget or in the forward estimates for the implementation of the nuclear strategy?

Mr Early—No.

Senator McLUCAS—Has the department been asked to provide advice to your minister on nuclear power?

Mr Early—Not on nuclear power. We will be providing advice to the minister in relation to the Prime Minister's announcement of the commitment to repeal the prohibitions in the EPBC Act.

Senator McLUCAS—What is the time frame for bringing that report?

Mr Early—We will be providing advice to the minister fairly shortly. Obviously there are government processes to go through in terms of legislation— getting a time in the legislation program, getting drafters, that kind of thing—but essentially the department is moving to implement the policy as announced by the Prime Minister. We will be advising our minister shortly on the processes to achieve that.

Senator McLUCAS—Has the minister requested or have you provided advice on the environmental impact of nuclear power?

Mr Early—Not from my division.

Senator Abetz—As I understand it, each 1,000 megawatt black-coal-fired power station that might be displaced by nuclear power would emit around six or seven million tonnes of carbon dioxide per year. So that is the sort of benefit undoubtedly that we would be looking at and that is why we are actively considering this.

Senator McLUCAS—It was not the question I asked but, anyway, I will ask it again.

Senator Abetz—I am sorry, I thought it was, that you were looking at the environmental impact.

Senator McLUCAS—The environmental impacts of nuclear power.

Senator Abetz—Yes, and the environmental impact would be, for 1,000 megawatts, six or seven million tonnes of carbon less.

Senator WONG—Clearly you have already made your mind up about the appropriateness of nuclear power stations.

Senator Abetz—No. I was asked about the environmental impact. There are also economic impacts, lead-in time impacts et cetera, which are all being considered by us. Unlike others, we have not closed our minds. We are just happy to have a full analysis of all the various options but, in relation to the environmental aspect, I just happen to have a briefing note available that I was able to refer to.

Senator ALLISON—Has work been done by the department on suitable sites for reactors?

Senator Abetz—Not that I am aware of.

Mr Borthwick—No.

Senator ALLISON—Why not?

Senator Abetz—Because we have not even reached the stage of deciding whether we are going to have nuclear power and so it is all very hypothetical. Every other political party seems to have closed their minds to it. But, like Europe and other countries, we are looking at whether or not it is an option that we should be considering further; that is what we are doing.

Senator ALLISON—So how can you know whether you will proceed if you do not know whether there are suitable sites or not?

Senator Abetz—There are many bridges still to be crossed and we might not even cross them all. I would have thought, at the very end of the day, one of the issues might be: all right, we have now finally decided, let us start talking sites and see if there is an appropriate site. I am no expert on this and I am sure departmental officials will correct me. In relation to stability, geological stability and security, I would have thought, in general terms, the Australian landmass would lend itself to that possibly better than some other countries that have had nuclear power for decades without difficulty. But, having said that, I do not seek to prejudge anything.

Senator ALLISON—So there will be no areas precluded—national parks, for instance?

Senator Abetz—Yes. I think you even know better than that. That is a stunt that you can try to run. World heritage areas have not been precluded. At this stage, as I understand it, it still would be illegal, would it, to have a nuclear facility in Australia, so—

Senator ALLISON—What do you mean by ‘at this stage’?

Senator Abetz—Right now, at this stage, on 22 May 2007, it is illegal to have a nuclear power facility in Australia and so, therefore, to assert that we have not ruled out national parks or world heritage areas is correct. But you should be honest with the people and also tell them that, at the same time as you are making these assertions, it is illegal to have a power station anywhere in Australia.

Senator ALLISON—So would it be illegal after the changes to the EPBC, which make it illegal at the present time? I thought you said a moment ago that that was what the department was working on—changes to the EPBC to remove the prohibition.

Senator Abetz—I was not answering that—

Senator ALLISON—I am sorry. Mr Early I think said that.

Senator Abetz—Yes.

Mr Early—Even then, of course, it would be illegal without the appropriate assessment and approval processes.

Senator ALLISON—So when will a geological assessment or a climatic or a population or proximity to waterways, or whatever—will there be guidelines as to what makes a suitable nuclear reactor site and what does not?

Mr Borthwick—First of all, there has to be the change in the legislation. Secondly, I do not expect—

Senator ALLISON—I am sorry, Mr Borthwick, why does that follow?

Senator Abetz—It is still illegal.

Mr Borthwick—Because it is illegal to have a site.

Senator ALLISON—It is not illegal to talk about it; we all know that.

Mr Borthwick—Yes, but—

Senator IAN MACDONALD—It is a free country.

Mr Borthwick—I am stepping through the processes, should it become legal, where it would be subject to EPBC assessment, and we have not looked at that because it is a hypothetical situation. But what would be customary in those sorts of situations would be that we would be assessing proposals as they came forward. We would not be involved in trying to determine where it should be located. That might be the responsibility of other departments but we would try and stay at arm’s length from that process so that we could form an independent assessment and not be compromised in our capacity to take that.

Senator ALLISON—Mr Borthwick, how does that compare with the nuclear waste repository?

Mr Borthwick—It is exactly the same way it was handled—will be handled in that instance.

Senator ALLISON—So there was no assessment of suitability of sites?

Mr Borthwick—Not involving us, no.

Senator ALLISON—Sorry, Mr Borthwick, involving who?

Senator Abetz—At the moment there is no assessment of suitability of sites where it is stuck in containers in our capital cities.

Mr Borthwick—Not involving our department. Once a possible site is selected for low emission—

Senator ALLISON—Yes. I heard you say that but I asked you to compare with the process that took place for identifying a suitable nuclear waste repository, and I asked you to compare the two processes.

Mr Borthwick—It is very similar.

Mr Early—They are exactly the same. Basically we were not involved and we would not be involved in selecting a site for a radioactive—

Senator ALLISON—That is not what I asked. I did not ask whether you would be selecting a site. I asked whether the department would be developing some guidelines, some protocols, some understanding of what would make a site suitable; in other words, you rule out some but not others.

Mr Early—No. We would not do that because that would be compromising our capacity to do a proper assessment once a proposal came forward.

Senator ALLISON—I take you back to the waste dump.

Mr Early—We did not issue any guidelines or anything on it.

Senator ALLISON—I am sorry to disagree with you but I recall being part of a process, a very extensive, very lengthy process, to identify geologically and in population senses what areas of Australia were acceptable and suitable for a nuclear waste dump. Is that or is that not the case?

Senator Abetz—That may well be the case but not with these people.

Mr Early—Yes. That was not run by this department.

Senator ALLISON—So which department will do this for a nuclear reactor?

Senator Abetz—That is very hypothetical.

Mr Early—That is a hypothetical but in the case of the nuclear waste proposal it is being done by the Department of Education, Science and Technology.

Senator ALLISON—And they will have the expertise on the environment to determine whether particular classes of sites—not sites specifically, but particular classes of sites—are suitable or not?

Senator Abetz—No, but they might have the expertise in the science area and they may then get information in on the environmental aspects from other departments. It would be like asking this department: well, what scientific expertise do you have? If this department were to be making any decisions, they would be relying on the science sector.

Senator ALLISON—So no work will be done prior to applications being made for nuclear reactors as to the suitability of the site?

Senator Abetz—This is very hypothetical.

Senator IAN MACDONALD—Very.

Senator ALLISON—No, it is a simple question.

Senator Abetz—We are nowhere near—

Senator ALLISON—It is a simple question. Will work be done or will work not be done?

Senator Abetz—I know it is a very simple question but unfortunately it reflects on the simplicity of the senator, because what I am saying is that this is hypothetical. No decision has been made in relation to nuclear power in this country. So asking who is going to decide what, how, where and when is absolutely hypothetical. A decision may be taken that, for whatever reason—for economic reasons, for example—nuclear power is not a goer in Australia and, if that is the case, we will have spent all this evening talking about who might be approving something that is never going to happen.

Senator ALLISON—One reason for not proceeding might be that there are no suitable sites. How do you know? How can you make the decision unless you have done that work?

Senator Abetz—With a home site, as well, what you usually do is decide that you are going to build the house, then you go along looking for an appropriate home site. You do not, without any thought of building a house, go looking around for a home site. You go through the logical process. It would be a funny thing to see people saying, 'This would be a good home site. Are you interested in building a home?' 'No, not at all, just interested.' Let us get real on this. I know it might grab a good headline and assist the Democrats in the coming election campaign, but we do need a reality check.

Senator ALLISON—There is no difference between a home site and a nuclear reactor in terms of finding a location?

Senator Abetz—Here we go.

Senator ALLISON—You said it. You used that as an example.

Senator Abetz—You are talking a leaf out of Senator Brown's book in trying to get headlines out of this committee with the sparsest of evidence to support it.

Senator McLUCAS—You are talking about 800 square metres.

Senator ALLISON—So there is no work being done by the department at all on this question?

Senator Abetz—No.

Senator IAN MACDONALD—Can you tell me what the department's involvement is in the clean coal technology?

Mr Morvell—We have a very significant role along with our colleagues in the industry portfolio. It is reflected in a couple of the measures. Firstly, the government's flagship Low Emissions Technology Demonstration Fund, for which our portfolio is responsible for the appropriation but we administer jointly with the industry department. In fact it is AusIndustry

that administer the program on our behalf. Under that program, of the \$410 million that has been allocated out of the \$500 million, five of the six projects relate to clean coal technologies. One relates to gas technologies—the Gorgon project in Western Australia—but it has a crossover because it is about geological storage of captured CO₂. That is probably the most important aspect in terms of practical action for approaching clean coal technologies. There are two other areas where we are working. One is that we are providing funding to the CRC, that is, the Cooperative Research Centre for Greenhouse Gas Technologies, known as the CO₂ CRC, to undertake a pilot monitoring and verification project for geologically stored CO₂ in Victoria. This is a project being run in cooperation both with the Victorian government and with industry to develop the monitoring technologies that will be needed in the future if we move to commercial-scale geological storage of CO₂. The third front that we are working on is the regulatory front. We have worked closely with our colleagues in the portfolio in looking at the issue of offshore geological storage of CO₂, both on a domestic front where our colleagues in the industry portfolio are leading a process right now of looking at the necessary regulatory framework to identify and manage the sites offshore with either saline aquifers or depleted oil and gas reservoirs. We are also working with our colleagues and have completed a task of reviewing the London protocol, which sets the international framework for dumping at sea, which had some unintended barriers in relation to storage under the seabed where there was no impact on the sea columns. So the international community have changed the rules under the London dumping convention to allow geological storage offshore.

Senator IAN MACDONALD—Has that been done?

Mr Morvell—It has been done.

Senator IAN MACDONALD—When was that, approximately?

Mr Morvell—I think that was about six months ago that it was completed.

Senator IAN MACDONALD—That is close enough.

Mr Morvell—About that time frame, and out of the process in Victoria with the Otway Basin Pilot Project that I mentioned earlier, we have commenced a dialogue with our colleagues in the state agencies in regard to onshore geological disposal of CO₂ to ensure there is a consistency in environmental management of those sites with what might occur offshore.

Senator IAN MACDONALD—Thank you for that. I do not want to keep the committee too long because I want to share questions. Just talking about energy and the environment there seems to be and has been, as I have detected for a long time, an aversion to hydroelectricity from an environmental point of view. Is that still in-vogue thinking? Why do we not have more hydroelectricity in Australia?

Senator McLUCAS—Because we are not all Tasmanians.

Mr Morvell—There are probably a couple of ways to look at that. In terms of Australia the opportunities for large-scale hydro left in Australia are not large. There are only a few possibilities that have ever been identified for large-scale hydroelectricity generation. In other countries it is certainly true that there has been a backlash from communities who were or have been moved as a result of very large-scale dam construction and flooding of river valleys, so from that perspective in terms of large-scale hydro impact on communities and in

some environmentally sensitive areas there has been a backlash, but what has clearly opened up in recent times is the opportunity for small-scale hydro using more efficient turbines which do not have the same impact in terms of having a large storage requirement but can still generate large amounts of hydroelectricity from smaller units on a more distributed basis.

Senator IAN MACDONALD—You do not need a hydro on a dam to have those social impacts, as we are hearing about in the Traveston Dam, and again perhaps coming from the Burdekin delta. I can never quite understand why the Burdekin Dam wall is not raised to provide clean and, I would assume, relatively cheap and efficient hydro power. The plans are all done. You will inundate a bit extra of a mass that I am sure contains no significant ecological communities at all and certainly have no social impacts because there are very few residences up there. Has that ever been considered? I do not suppose your department would initiate it but can you give me a comment about the Burdekin Dam, for example, and whilst there, if climate change and greenhouse gas emissions are such a serious issue for the world, could we think of using new technology hydro plants to go into some pristine areas that do not need to be dammed but the actual flow of water could turn a wheel, like in Tasmania with the Gordon River, or something like that—fast-flowing stream, new technology with hydro plants? Surely you would not do that if there were not problems elsewhere but, if the world was coming to an end because of climate change, perhaps those are things that particularly your department should be looking at. Has any work been done on either of those two sorts of things?

Mr Morvell—I am certainly not aware of any consideration or discussions about either of the possibilities of the Burdekin Dam or the Gordon River, which you would appreciate would be a fairly sensitive issue.

Senator IAN MACDONALD—I am specific on the Burdekin. People are so concerned about greenhouse gas emissions and I am sure you have got to make a decision on which is worse.

Senator Abetz—At the time it was suggested by certain green activists in Tasmania that there could be a coal-fired power station in the Fingal Valley instead of the Franklin power station, but of course that is well in the past.

Mr Morvell—Senator, clearly one of the issues that would have to be addressed is the availability of water. Therefore, the number of opportunities will be limited in Australia, particularly if you look at some of the scenarios on climate change impacts, which suggest a drying of much of the continent.

Senator IAN MACDONALD—But not in the north, where the Burdekin is.

Mr Morvell—Not in the north. But the opportunities to transmit power right across the continent are not as great because of the transmission losses. I co-chair the Renewable Energy and Distributed Generation Task Force under the Asia-Pacific Partnership, where we are working closely with China and India on opportunities for installation of distributed generation, whether it is microturbines of the sort you have alluded to fitting into the smaller scale structures or into stream flows. The opportunities are quite enormous without significant impact either socially or environmentally, and that is so particularly for India. At a recent meeting of the task group, that was one of the areas where the Indian industry and the Indian

government were very keen for Australian technology to be applied, and it is one of the areas we continue to look at. If you look at this issue on a global basis, you will see there are enormous opportunities for such technologies without the significant impacts that you would get with the large-scale dams.

Senator IAN MACDONALD—Thank you. That gives some hope to an otherwise bleak picture, and I am delighted to hear that. No doubt a lot of the activists will take up that cause.

Senator McLUCAS—Can you advise the committee how many departmental staff are working on the Asia-Pacific Partnership on Clean Development and Climate?

Mr Bamsey—I think we would have to take that on notice, because typically quite a large number of people are involved from time to time in looking at particular project proposals or assessing them, even for those for whom AP6 involves a large part of their time. I do not think we could give you a figure without doing some thinking about that.

Senator McLUCAS—Are you telling us that no-one is working on it full time?

Mr Bamsey—We have some who are full time.

Senator McLUCAS—Did you say three?

Mr Morvell—Because I co-chair the Renewal Energy and Distributed Generation Task Force I currently have three staff working on that on a full-time basis, working with Korean counterparts.

Senator McLUCAS—But that is specifically on that task?

Mr Morvell—It is very specific; that is correct.

Senator McLUCAS—Broadly, we do not have a unit in the department anywhere that is charged with running our involvement in that program?

Mr Bamsey—Mr Carruthers and I are just discussing it and thinking that probably half a dozen FTEs would be an approximate number, but we will check and, if it is significantly different from that when we have thought a bit about it, we will let you know.

Senator McLUCAS—And that includes Mr Morvell's three?

Mr Bamsey—Yes.

Senator McLUCAS—That is fine. How many departmental staff are working on the forthcoming APEC meeting?

Mr Bamsey—To date we have had no significant involvement on the climate change side in APEC, and I am not aware that elsewhere in the department there has been significant involvement, either. We have attended a few meetings but have not as yet had any significant involvement.

Senator McLUCAS—The Department of the Prime Minister and Cabinet is running that program?

Mr Bamsey—That is DFAT.

Senator McLUCAS—Sorry.

Mr Bamsey—I know of meetings at DFAT at one stage.

Senator McLUCAS—I turn to the Global Initiative on Forests and Climate. What sort of personnel input do we have in that?

Mr Carruthers—We would have about three staff on that.

Senator McLUCAS—What sort of work do they do in that particular program?

Mr Carruthers—It is a young initiative, and we have had staff very much supporting the minister in the early thrust of Australia engaging at a political level with other countries in establishing a foundation of interest across key countries. We have been putting in place the management arrangements for the initiative of its delivery across the Department of the Environment and Water Resources, the Department of Foreign Affairs and Trade, AusAID and the Department of Agriculture, Fisheries and Forestry. We have been paying particular attention in the early stage to implementation of the technical monitoring capability that we will be offering to neighbours in our region. We see that as an early foundation step for the success of the venture, and we have been having some exploratory discussions on early potential project ventures in our region.

Senator McLUCAS—Can you remind me where Australia's funding is coming from?

Mr Carruthers—The moneys have been appropriated to the environment department, to AusAID and small amounts to the foreign affairs department and to the agriculture and forestry department.

Senator McLUCAS—How much did Environment have?

Mr Carruthers—An amount of \$32.75 million over five years for the environment department.

Senator McLUCAS—Is it possible to give me the breakdown for the current year, the next budget and then the out years?

Mr Carruthers—It looks as though it is \$3.443 million in 2007-08.

Senator McLUCAS—So \$3.44 million in 2007-08?

Mr Carruthers—Yes. And the out years?

Senator McLUCAS—Yes.

Mr Carruthers—It is \$5.089 million in 2008-09, \$6.38 million in 2009-10 and \$5.18 million in 2010-11. My sheet is missing for the fifth year, but take it as the difference between \$32 million and whatever that adds up to.

Senator McLUCAS—You do not happen to have the amount that has been allocated to AusAID, DFAT and Agriculture?

Mr Carruthers—No, they are not correct. How about we give those to you on notice and set them out for you?

Senator McLUCAS—It is a bit a naughty of me asking you these questions, because I am asking you questions of another department. But if you have them, that would be great.

Mr Carruthers—I do not know that we have the full detailing, but we can give you, I think, the aggregate split-outs.

Senator McLUCAS—If it is possible to get them broken down, that would be terrific.

Mr Carruthers—Yes.

Senator McLUCAS—How many other countries have provided funding for the Global Initiative on Forests and Climate?

Mr Carruthers—It is very early days yet. The government only announced this new initiative a month ago and, as I indicated in my earlier comments, we are heavily involved in the process of political engagement, particularly through Minister Turnbull and at a senior officials level. Very strong interest is being expressed by a range of developed and developing countries, particularly developing countries in our regions. We are talking with some of the key multilateral organisations, such as the World Bank, which is expressing a keen interest in engaging with Australia in this area. We are very confident that there will be, if you like, a marshalling of resources worldwide, but at this time we really do not have that in any concrete form. We are not really envisaging, if you like, a fund here. We are talking more about partners coming together and co-contributing resources and capabilities into this, matched to particular project situations or country situations.

Senator McLUCAS—I am just trying to think how you get this strategic approach in that sort of arrangement. If you are going to have moneys coming from America, France and Australia going into Indonesia, Papua New Guinea and the Solomon Islands, I do not know where the strategy is going to come, if you do not have one entity that is going to be thinking those things through.

Mr Bamsey—There is certainly burgeoning interest in sustainable forest management, reducing greenhouse emissions from forests across the world and in different forums. There is a need for some general, probably pretty loose, coordination of this. We are thinking about options for improving that coordination at present. We have been talking in the region to a range of different countries and agencies that are interested in working in some of the regional countries to try to improve our sense of the level of interest and the breadth of it, and we need to do a little bit more of that, I think, before we can be conclusive about just what precisely would be useful in improving coordination.

CHAIR—Senator McLucas, you are quite a long way out of your—

Senator McLUCAS—Yes.

CHAIR—You had an agreement with other parties.

Senator IAN MACDONALD—Could I just put one question on notice? Could someone give me a list of contributions that have been made to hydro projects under the MRET process for funding? I am told there have been a number of MRET projects that have supported hydro. Could I have a list of those? Is it accurate that there have been some?

Senator Abetz—There are some that have driven extra efficiencies, I understand. Do we have such a list?

Mr Morvell—We do not have it here, but we can provide that.

Senator Abetz—Yes, it is obtainable.

Mr Carruthers—Before you move the session along, we undertook just before the lunch break to provide some information about emissions from extraction of coal from coalmines. I will pass that information to the committee secretary.

CHAIR—Thank you very much.

Senator ALLISON—Is the Kwinana project one of the five going to clean coal and, if so, how much money did it receive?

Mr Morvell—That is a project that is proposed and it has not received any financial support from the Commonwealth government.

Senator ALLISON—So it is not one of the five?

Mr Morvell—No, it is definitely not.

CHAIR—It is Rio and BHP, I think, is it not? We thank you for appearing. We now call Marine NRM and Policy Coordination. Perhaps we had better start with Senator Siewert.

[5.40 pm]

Mr Tucker—Mr Chairman, while those officers are making their way to the table, could I just mention a couple of things to the committee in terms of the question of Senator McLucas on the previous divisions and just to clarify also the question that Senator McLucas asked me earlier. The senator asked for the breakdown for the Global Initiative on Forests and Climate per agency per year. It is on page 146 of Budget Paper No. 2. It actually has the breakdown for each agency across the four years. You asked me a question about a draft letter and a brochure.

Senator McLUCAS—Yes.

Mr Tucker—I think I misunderstood your question. I thought you were asking me a question about whether it was actually produced as a final product in terms of publicity material. I think what you were really asking me was: as part of the market testing was there a brochure and a draft letter? I can confirm that was part of the market testing. I misunderstood your question.

Senator McLUCAS—So there has been a brochure developed as part of the market testing?

Mr Tucker—Yes. There has been a draft, a mock-up.

Senator McLUCAS—Was that brochure developed by Blue Moon?

Mr Tucker—We would have had input to it. I will have to confirm that. I imagine it was probably done by the department, because we have the knowledge of the content.

Senator McLUCAS—There was a letter—

Mr Tucker—A draft form.

Senator McLUCAS—a draft form of letter that was to go from the Prime Minister?

Mr Tucker—And that is quite normal with communications. But I misunderstood your question, thinking that you asked me about a final communication product.

Senator McLUCAS—And that is being market tested at the moment?

Mr Tucker—That is correct.

Senator McLUCAS—Is that through that Blue Moon contract?

Mr Tucker—That is correct.

Senator McLUCAS—What else is part of the package that is being market tested?

Mr Tucker—I would have to take that on notice. I do not have all the material with me.

CHAIR—Senator McLucas, I think we have to move on to Senator Siewert.

Senator SIEWERT—I have marine questions, NHT questions and then some very specific NRM questions. Perhaps I will start with the NHT questions first. My understanding from the budget papers is that at the moment there is one lump sum allocated to NHT3, but then decisions have not been made about program areas or in fact whether there are going to be program areas. Is that a correct understanding?

Ms Pearce—Yes, that is correct in the sense that we are still discussing how we firstly might break down to investment streams, and then also we will be discussing what happens at the national level, if you like.

Senator SIEWERT—When will a decision be made about investment streams?

Ms Pearce—The actual investment streams, probably in the next week or so.

Senator SIEWERT—When will announcements be made on that?

Ms Pearce—We will not actually be announcing those until we have gone through the process of negotiations of the bilaterals.

Senator SIEWERT—So when you talk about investment streams, are we talking again about Rivercare/Landcare? Actually, I will come back to Landcare/Bushcare. Is that what you mean by ‘investment streams’?

Ms Pearce—No, that is not what I meant by ‘investment streams’. When we talk about investment streams we are talking more about the national investment stream, which is where things like the national reserve system, coastal catchment initiatives and a whole range of other national initiatives come from and the regional partnerships investment stream, which is bilaterals with the states and then money going into state and regional bodies. We have a local investment stream, which in essence is Envirofund with some other small bits and pieces here and there sometimes. In essence, it is a small grants program. The only other local thing that we have is part of the threatened species network; there is a small grants component under that.

Senator SIEWERT—So the decision will be made within weeks about those allocations and what will be national, regional or local?

Ms Pearce—In essence, I think we have already said in the press releases that Envirofund will pretty much go along as it is. It then becomes an issue between what goes into the national stream and what goes into the regional component. The regional component largely will spin around the whole issue of how much state governments are willing to contribute to a bilateral agreement.

Senator SIEWERT—And negotiations for the bilateral start?

Ms Pearce—They started in some senses before the budget decision, but not around money. We had our first one in South Australia probably back in February. We have had two discussions with South Australia, one with Queensland and we are about to do another one of those next week.

Senator SIEWERT—And these are bilaterals? You are not going to multilaterals in terms of involving the community in the discussions?

Ms Pearce—There are some sort of consultative processes going on between the states and regional bodies, but we are not signing multilateral agreements. We are signing bilaterals between the state and territory governments and the Australian government.

Senator SIEWERT—In terms of the way investment decisions are going to be made from now on, and I think you know what I mean, what is the new approach going to be? I note we had discussions previously about how priority investment will be determined, particularly at a regional level—for example, SIF—and we have had discussion here every time I have been here and also over in DAFF. Is there going to be a new approach to how investment decisions are made?

Ms Pearce—It depends what you mean by a new approach. The infrastructure for decision making is there already in the sense that we are relying on regional plans as being an expression, if you like, of the community, the states and the Australian government's priorities within a region. The issue is investing in those priorities, and in that sense we know that we need to learn from where we have been on things like some of the investment and target more effectively. The secretary discussed earlier that we—the Australian government—as investors need to be much better at expressing what we believe the priorities are spatially. That does not mean that that pushes the community out. After all, once you get down to a regional level you are talking about a discussion between the state, us and the community about what the priorities are, so there is a bit of give and take in that. Nevertheless, one of the things that we could have done better, and now do better because we have much better information, is to express ourselves more clearly about what are our priorities in a spatial sense.

Senator SIEWERT—In other words, the issues that we were talking about previously of ensuring that the particular biodiversity requirements are met will be met through the Commonwealth strongly pushing those at a regional level?

Ms Pearce—That is right.

Senator SIEWERT—Why did that not happen last time?

Ms Pearce—I am not sure that it has not happened.

Senator SIEWERT—This says that it has not.

Ms Pearce—Yes, but part of our problem is being able to measure and trap the information. A lot of what we do actually benefits biodiversity. Does it benefit specifically threatened species? That is somewhere that we can improve our targeting. But as far as benefits to biodiversity are concerned, when we did the evaluations of a whole range of different themes, I think every single one of them came up with a view that that particular theme could be better served. It then becomes a question of prioritisation and, if indeed we want to take on board what the ANAO has said, again, we need to be better at expressing that. We went into the regional model because we could not adequately specify spatially what we wanted and that has been quite a beneficial process. We have been evolving and learning. We are now in a much better position to be able to go forward and do that more effectively. It has been a learning process for everybody. So why did we not do it better? It is a process of learning, getting the data and now going forward and doing it better.

Senator SIEWERT—I would like to go back to some of the details on the figures. My understanding from the current figures is that if you add up what will be spent in the next financial year for NHT2, it is \$436 million, if you combine the Heritage Trust and the National Action Plan. Is that correct?

Ms Pearce—It is slightly higher than that. It is \$342.5 million for the trust and \$90 million for the National Action Plan.

Senator SIEWERT—That adds up to about what I said.

Ms Pearce—Yes.

Senator SIEWERT—The budget plans that were announced on budget night stated that funding for NHT3 was going to be \$395 million. To me, that looks as though there is an actual reduction in the spending when you combine NHT2 with NAP. The first year of funding for the NHT round 3 is actually going to be reduced. Is that a correct analysis of the figures or have I missed something?

Ms Pearce—The \$395 million is an average, if you like, of the last six years for the NHT and seven years for the NAP, so in a sense it is not an overall reduction in funding in an average sense. Yes, it is a bit of a decline from the 2007-08 year, but that is because we have added more funds to that year compared with others.

Senator SIEWERT—Is that rolled over because it has not been spent?

Ms Pearce—No. For some of the earlier years we have a bit of a peak in expenditure, and that is because we have had WA starting three years late and that kind of thing.

Senator SIEWERT—We will not go there.

Ms Pearce—So there is a peak, if you like, in the last couple of years but the additional \$32 million in the NHT is a deliberate strategy as far as preparing ourselves to move into NHT3. Some of it is going towards bridging a bit of a gap for some of the regions because some of them have spent very effectively, done very well and they have got a bit of a dip. So some of it is to buffer that and some of it is looking at these issues of spatial prioritisation and being able to do that kind of work better.

Senator SIEWERT—So the argument is that there was a bit more issued very deliberately and then it goes back to normal next year?

Ms Pearce—That is right.

Senator SIEWERT—Can you tell me why we still have a Landcare program?

Ms Pearce—Do you mean the National Landcare Program?

Senator SIEWERT—Yes. Why have all of the other funds been rolled in together? We may differ on whether we think that is a good idea but that has all been rolled together, and we have again funded a specific Landcare program. I do not understand the argument that we have rolled everything together for NRM, but we have a separate Landcare program.

Ms Pearce—Technically, it is not our portfolio's question to answer, but I can answer it.

Senator SIEWERT—I will ask them as well tomorrow.

Ms Pearce—You will probably get the same answer.

Senator McLUCAS—Why is that?

Ms Pearce—Because it is in our brief. In effect, the view is taken that there are parts of the agricultural industry that our other programs do not reach, that it is worth while continuing to use those funds to reach that part of the industry. So, in that sense, that separation, even though we will work very closely together, is a way of engaging those members of industry who do not engage necessarily with our other programs.

Senator SIEWERT—The same argument could be made for environmental protection and the funding that has been rolled in together. For example, World Heritage funding rolled into National Heritage Trust and a whole lot of other programs rolled into National Heritage Trust. The same argument could be used for that as could be used for the Landcare argument, yet Landcare now stands outside as the sole program. It stands outside NHT3.

Ms Pearce—That was the government's decision.

Senator SIEWERT—I will ask next door for that one.

Senator IAN MACDONALD—That is a very good question.

Senator SIEWERT—I would like to ask about the stewardship program. This morning we heard that is going to be targeted at areas of national environmental significance.

Dr Zammit—That is right.

Senator SIEWERT—We did not go into a lot of detail about how applications are going to be made, although two examples were used. I think one was a Ramsar wetland and the other was box gum woodland. Is it purely going to be targeted at areas of national environmental significance?

Dr Zammit—That is right. The idea for the stewardship program picks up on a point that my colleague has just made about better targeting for endangered species in communities. The program is specifically designed to target those matters and, to get the program rolling, as a priority starting point to begin the program we picked an extensive landscaped scale endangered community, like box gum woodland, which has about five per cent left nationally. It was a practical decision from 25 or more endangered communities on the list. We need to begin somewhere and we chose that particular community to start.

Senator SIEWERT—Do we have a map? Is a map available?

Dr Zammit—Yes, we do.

Senator SIEWERT—If it is in here, I have missed it.

Dr Zammit—No, I do not think it is in here. I had one and it is on the web.

Senator SIEWERT—Is it on the web?

Dr Zammit—It is on the web.

Senator SIEWERT—I will get it off the web. So it is the wetlands.

Dr Zammit—The Myall Lakes wetlands.

Senator SIEWERT—It was the Myall Lakes?

Dr Zammit—Yes.

Senator SIEWERT—Are those two for the first year of the program?

Dr Zammit—It is not so much bounded by time but by getting the program going.

Senator SIEWERT—I am not saying that it will just be funded in the first year but for the first year they will be targeted?

Dr Zammit—That is right.

Senator SIEWERT—How will it roll out after that? How will the specific species be selected?

Dr Zammit—We are starting now to build the governance arrangements for the program and part of that is to bring in scientific experts and risk managers to help us identify where else we might want to prioritise across the matters of NES. It is a spatial point. We need to be looking for places where we can sensibly invest and we have a set of criteria to help us think through how to choose from what is actually quite a long list of possible investments to hone it down to the next one to invest in and then the one after that.

Senator SIEWERT—Is there going to be consultation with various NRM groups?

Dr Zammit—Yes. We are doing informal consultations now and we will establish a consultative group within the broad and formal arrangements for the program. We will establish a group that will be representative to help us think through the rollout.

Senator SIEWERT—Will this be tied with a covenanting program?

Dr Zammit—Not specifically but optionally. We are going into the market, running tenders and we will specify an investment principle which says we will pay more for more security so landowners can then choose if they want to provide a covenant as part of their bid. On the arithmetic it will be worth more.

Senator SIEWERT—I would like to ask why the Commonwealth is investing because this is quite a significant investment. Why would you be investing if you cannot at least have that minimum level of security of a covenant? I understand there is up to 15 years available for funding. Surely if we are funding for 15 years with that level of investment from the community you would expect longer term security?

Dr Zammit—I understand that argument and we have talked through it a lot over the design of this work and came to the view that, in the first instance, because this is a new way of protecting biodiversity, the principal goal is to keep the market as wide as possible. Evidence from other programs and internationally suggests that, if you force a covenanting requirement at the outset, you will simply reduce the number of landowners who want to participate.

Senator SIEWERT—What do we do in 15 years time when you stop funding it?

Dr Zammit—That is a good question.

Senator SIEWERT—We have protected it for 15 years.

Dr Zammit—That is a good question.

Senator SIEWERT—As you can tell I am shocked that we would be entering into these sorts of arrangements without expecting a covenant.

Dr Zammit—It may be, depending on how the market plays out, that we will preferentially buy covenants over anything else.

Senator SIEWERT—You will be funding for certain levels and then people will then say they are prepared to go with a covenant?

Dr Zammit—What we want is to protect the conservation values in say box gum woodland. We will have a series of management outcomes that we will want to achieve. We will invite landowners to put out proposals to achieve those. We will not specify how to do it. We will specify the outcomes. It may be improvements in condition, improvements in extent, managing land uses that are compatible with the assets, and allow the market then to decide what kinds of actions and for how long with what kinds of certainty. We will pick from that in the first instance. It may be that in two years time we will go back to government and say this is not working, we need to be tighter on the covenanting. We just do not know yet. The first goal is to open up the market and see how it responds.

Senator SIEWERT—I apologise if you answered this before and I missed the significance. I asked you about how you were going to get advice on rolling the program forward. Who is going to assess the applications?

Dr Zammit—The design at the moment is to contract third party service providers that will provide us with an initial technical assessment. We will outsource the business of running the covenants because it is too much for the bureaucracy to handle.

Senator SIEWERT—Business of running the covenants as the program or specifically when applications come in? There is the program and all your outsourcing is assessing the applications?

Dr Zammit—That is right and then it goes with an advice list.

Senator SIEWERT—Will they be required to consult the relevant regional group or is this being done outside that process?

Dr Zammit—We have not thought that through yet. It is possible that they will. There is no reason why they should not.

Senator SIEWERT—It seems to me that obviously you are going to get the best bang for your buck depending on where it is in the catchment and all those sorts of things.

Dr Zammit—We are going to have conversations with the regional groups in the coming months because they are interested in the program inevitably, so we will have a conversation with them soon.

Senator SIEWERT—I would love to ask more questions there, but there are a couple of urgent ones that I would like to ask on drainage.

CHAIR—It is 6 pm, which is the dinner break, so we will be breaking.

Senator WONG—I would like to clarify. I understand Senator Siewert has further questions in this area.

Senator SIEWERT—Yes.

Senator WONG—Also as a result of Mr Tucker’s evidence, we will need to come back to a couple of questions. In terms of the committee, I would like to clarify what is occurring from our perspective.

Senator Abetz—That is up to the committee.

CHAIR—That is a committee decision.

Senator WONG—Yes. I would like to put something else.

CHAIR—Let us just conclude this hearing.

Senator WONG—I would like to explain that the officers will be—

CHAIR—This is all going on to *Hansard*.

Senator WONG—Yes, and I would like it on *Hansard* because I am requesting that these officers be retained after the break.

CHAIR—They can be.

Senator WONG—Thank you.

Senator IAN MACDONALD—I object to that. We have had a decision that we move on.

CHAIR—We will just close the meeting.

Proceedings suspended from 6.02 pm to 7.03 pm

Senator SIEWERT—I had asked a question about funding for drainage. You had said that several of the project proponents had actually asked for stage II. The answer was addressing my question 53 from the previous round. I had asked in particular about the Yarra Yarra funding proposal and also the Yilgarn engineering design plan. In answer to my question you said:

The proposal to undertake the Yilgarn engineering design plan was considered by the joint steering committee and approved by ministers and half a million dollars has been allocated from the West Australian Strategic Planning Reserve component to undertake the engineering design plan.

When was that funding allocated? Do you know the bit I am talking about now?

Ms Pearce—This is testing my memory. I am checking whether I have a date for that. My memory of it would have been that it was in the previous financial year to this one, 2005-06, that it was initially allocated, but it is running across into this financial year, from memory, I think.

Senator SIEWERT—It says:

The Avon Catchment Council is actively involved in and supports the project.

Is that the project for the feasibility proposal?

Ms Pearce—That is right. They are actively involved in—and, in fact, we are running that project through the Avon Catchment using a steering committee and other governance arrangements.

Senator SIEWERT—But it is only the feasibility study that they support, not the full project, which they wanted a lot of money for?

Ms Pearce—That is right. We basically asked that they start at the beginning, which is with feasibility, design, looking at the whole system that they are talking about and what the options might be.

Senator SIEWERT—Do you know who the consultant is undertaking that feasibility study?

Ms Pearce—Not off the top of my head. I will have to take that on notice.

Senator SIEWERT—And is there a requirement that it be independently reviewed?

Ms Pearce—I cannot answer that one either. I cannot remember. I can get DAFF to answer that one tomorrow, if you like—

Senator SIEWERT—Yes.

Ms Pearce—if you are going to be at that—

Senator SIEWERT—I will be there.

Ms Pearce—Yes. So we will do that overnight and we will give you the answer tomorrow.

Senator SIEWERT—That would be much appreciated. Also, do I understand your answer on the Yarra Yarra question correctly, that stage I has been approved and constructed? It was a bit unclear to me whether stage II had been. As I recall from question 53, Yarra Yarra was a two-stage project. Stage I had been approved but stage II had not been. It is unclear from your answer whether Yarra Yarra Stage II has been approved.

Ms Pearce—I do not know the answer to that. Again, we can bring you that answer tomorrow in the other portfolios.

Senator SIEWERT—That would be much appreciated. I have a couple of marine questions as well, while I am on a roll and no-one else is asking questions. Can we go to marine and whales? At last estimates we were asking about whales and we were asking about the plan for next year, for this coming summer. My understanding of the situation is that they were not in Australian Antarctic waters last summer, they were in the Ross Sea, and that you were yet to see the full plan for the next coming summer? Is that a correct position from—

Mr Oxley—Firstly, the majority of our whale expertise is actually in Alaska at the moment representing Australia at the International Whaling Commission. In relation to your question, I presume you are asking about Japan's proposed scientific whaling program.

Senator SIEWERT—Yes.

Mr Oxley—The information I have about last season's whaling program is as you have suggested, that is, that there were no whales taken in the Australian whale sanctuary in the 2006-07 period. I am unaware as to whether the scientific committee has yet considered Japan's proposal for next financial year, but I can take that on notice.

Senator SIEWERT—If you can take that on notice, that would be appreciated. So that there is no misunderstanding, when you see if they can consider it could you supply details of the plan, if it is available, please?

Mr Oxley—I undertake to do that, yes.

Senator SIEWERT—Thank you. I appreciate that the experts are not here, so you may have trouble answering the next question, but has the department reviewed the further advice that has been made available by I4 on the possibility of successful legal action?

Mr Oxley—My understanding is that there has been some advice provided to the Australian government by the Attorney-General's Department in relation to the prospects of legal action against the Japanese, but I have not seen that advice and I think it is probably a question that would be better addressed to the Attorney-General's Department.

Senator SIEWERT—When was that advice provided?

Mr Oxley—I cannot tell you that, I do not know, but I can probably find that out for you.

Senator SIEWERT—I am not trying to trick you into answering the question. What I am trying to find out is: was further advice provided following the most recent legal advice from I4 and Professor Rothwell?

Mr Oxley—I cannot answer that question. I do not know.

Senator SIEWERT—So all you are aware of is that AG's advice was provided at some stage, but you do not know if it has been updated since Mr Early's—

Mr Early—If I could answer that. It was provided following the recent legal advice from Professor Rothwell.

Senator SIEWERT—Has the department had access to that advice? Or was that directed to the minister?

Mr Early—We have had access to it, yes.

Senator SIEWERT—What was that advice?

Mr Early—That is a matter that I would have to ask our minister to answer, I think. We do not normally divulge legal advice.

Senator SIEWERT—I will try AG's. I will leave it there. My other questions would follow on from what action you may be taking following the legal advice. Let us try that one. What action might you be taking following provision of the legal advice?

Mr Early—That is a matter for the minister.

Senator SIEWERT—It was worth a try.

Senator McLUCAS—Just on whales, has the department sought or provided advice relating to the Humane Society International's legal action against Kyodo Senpaku for killing whales in Australia's Antarctic Whale Sanctuary?

Mr Early—Sorry, I missed the start of that.

Senator McLUCAS—Has the department sought or obtained legal advice relating to the Humane Society International's case?

Mr Early—The Attorney-General intervened in that case. That is on the public record and that represents the Australian government position in relation to that case.

Senator McLUCAS—So clearly advice was sought but not necessarily by your minister?

Mr Early—It was a whole-of-government legal position.

Senator McLUCAS—We have some other questions about numbers, but we will put them on notice.

Senator SIEWERT—For the North Marine Bioregional Plan there was an allocation in the budget, I understand; is that correct?

Mr Oxley—The North Marine Bioregional planning process is ongoing, so in the 2006-07 budget there was an allocation over a four-year period for the marine planning process. That continues on into next financial year. That process has begun for the north region.

Senator SIEWERT—Is Senator Macdonald coming back to ask questions?

CHAIR—I do not know. He is not here. Nature abhors a vacuum; you should ask questions.

Senator SIEWERT—I will ask one final one. This may not be a question that you want to answer. You will probably tell me to go next door and ask DAFF tomorrow. In terms of protecting Australia's agriculture and environment from potential new weed threats, are there any allocations for this financial year? There are no ongoing financial commitments to that. Is that because that program is finishing?

Ms Pearce—I think you are right in that you would need to ask DAFF that question.

Senator SIEWERT—It seems that funding for a number of weed programs is actually finishing, with no ongoing projections for funding for those programs?

Dr Zammit—That is true for the Defeating the Weeds Menace program.

Senator SIEWERT—Sorry?

Dr Zammit—There is a program called Defeating the Weeds Menace program. That is true for that one. It ends in the middle of next year.

Senator SIEWERT—I will ask DAFF. Thank you.

Senator McLUCAS—Mr Tucker, can I quickly go back to the comments that you gave us before we rose for dinner? I think you have said that the department has developed a brochure and a letter to go over the Prime Minister's name that you are currently market testing. Is that right?

Mr Tucker—As I mentioned before, there is a company involved in market testing. When you asked me the question about the letter and brochure I misunderstood your question and I clarified it before we broke that in the market testing process there is a brochure which includes a draft foreword as part of the material that is being tested in the normal testing of these types of arrangements; that would then go into the government's decision-making process about how they would like to put a final product together.

Senator McLUCAS—The foreword is part of the brochure, is it?

Mr Tucker—That is correct.

Senator McLUCAS—So, I am not talking about two items here?

Mr Tucker—Unless we are talking about something different again, but that is my understanding, I think, of what you were referring to earlier in the day.

Senator McLUCAS—Is anything else being market tested as part of that proposal?

Mr Tucker—I do not think it is appropriate for me to go into detail but, again, normally in these processes there are testings and there will be testings of the types of material that would inform an information and communication campaign. As a result of that plus other work it will come back to the government's decision-making process and they will decide the final products, the final timings, the final media to use and the distribution between all that. It is part of the government's decision-making process.

Senator McLUCAS—Is there a draft television ad, for example?

Mr Tucker—I would have to take that on notice. I have not got all the detail in front of me. Again, those sorts of things will be tested during the process, but I am not exactly sure when. And usually they are the sorts of things that the MCGC and the government will take into account in the way it wants to run the process as well.

Senator McLUCAS—Is this market research work being done by Blue Moon? We sort of talked about Blue Moon this morning—

Mr Tucker—Yes, that is correct.

Senator McLUCAS—It is being done by that company?

Mr Tucker—Yes, that is correct.

Senator McLUCAS—Was there a tender process for this company to undertake—

Mr Tucker—We talked about that earlier in the day, so, yes, it goes through the normal tender processes. Again, I have not got the detail with me, but as the minister explained, there is a normal tender processes by which these things are decided upon, and I confirmed that it went through the normal tender process.

Senator McLUCAS—When was that tender let?

Mr Tucker—I have not got the dates. I would not hazard a guess. I can give that to you on notice.

Senator WONG—Can you tell us the commencement date of the contract?

Mr Tucker—No, I do not have that information.

Senator WONG—Who would have that information?

Mr Tucker—My staff would have that, but I have not got that contract with me. I do not know the date off the top of my head.

Senator WONG—Are we 2006-07?

Mr Tucker—No. The government announced on 4 March that it was proceeding so it is sometime between now and then.

Senator McLUCAS—Have there been radio advertisements developed to be market tested?

Mr Tucker—I have not got the material in front of me and, as I said, it is not usual for us to go into the detail. This is information to form the government's decision-making process. If you want to know what is in that, then it is actually best to ask the government. We have input and we manage that process but it is up to the government to decide what it releases and does not release.

Senator McLUCAS—Is the website work part of this market testing or is that separate?

Mr Tucker—Again, I am not sure if it is part of this, but it is quite normal that we would also test our products, such as the website, to make sure that they are useful to people, that people can interpret them, that the information is easy to find and they are highly useable. It would not be out of the question that we would test something like that.

Senator McLUCAS—So, probably in the whole package of initiatives?

Mr Tucker—Yes, I am not sure whether it is in this process at the moment because as we mentioned earlier in the day we are still developing what the website might look like to be able to give people the information that they are looking for.

Senator McLUCAS—Can we give it a name? We are talking about ‘this thing’, but does it have a name?

Mr Tucker—We refer to it as the name of the measure that is in the budget documentation.

Senator McLUCAS—So it is the climate change—

Mr Tucker—I will get you the exact name.

Senator McLUCAS—Thank you.

Mr Tucker—It is the Climate Change Small Business and Household Action Initiative.

Senator McLUCAS—You did indicate earlier today that this money was to come on line on 1 July. How are we paying the contractor?

Mr Tucker—Development work is our own staff time, so we have departmental resources that we use to meet the issues and priorities at the moment, and that is quite normal in the department. No money has been spent to date even though some development work is occurring. And as I said, our appropriation is for 1 July. I will have to confirm when the date of the current work will finish, but at the moment that is when our appropriation comes online.

Senator McLUCAS—The market testing will be finalised outside of this financial year?

Mr Tucker—I am not exactly sure on that, but I do know when our appropriation comes to us, on 1 July. The development work in terms of our staff time is within our departmental resources.

Senator McLUCAS—That is the question I am asking about, the work that is being done by—

Mr Tucker—My essential answer is that I do not know the answer to that question. I would have to confirm it.

Senator McLUCAS—How long would that take?

Mr Tucker—Probably tomorrow.

Senator McLUCAS—That would be good. You could provide that answer to the committee tomorrow?

Mr Tucker—Yes, I do not see any reason why we would not be able to do that.

Senator McLUCAS—Is part of the market testing questions about timing and when a campaign should and should not occur?

Mr Tucker—I do not know the answer to that question and, again, that is part of the considerations for the government's decision-making process.

Senator McLUCAS—It is a broader question. I am not talking about this specific program. It is a broader question around do you make decisions about when things should occur? For example, you would not advertise the cyclone season in August in Cairns?

Mr Tucker—There are sensible, logical times that you do things; for example, the Envirofund grants, and so on, are when the grant round comes up. I am not quite sure of the gist of your question. Again, the ultimate decision—

Senator McLUCAS—Are these discussions about appropriate timing for a—

Mr Tucker—The ultimate decision on timing is one for the government.

Senator McLUCAS—Right. But it is all part of the questions that you have asked the market researcher to ascertain?

Mr Tucker—I would not have thought so in this instance.

Senator McLUCAS—Okay. Others will make that decision?

Mr Tucker—Others will make that decision.

Senator McLUCAS—Further in terms of timing, if it is deemed that the program happen earlier than 1 July, what has to happen for that to occur?

Mr Tucker—The government can make a decision whichever way it sees fit and, obviously, if that were the case, then we would have to have a discussion with our department and finance and I suppose with the government about how appropriate funds could be brought forward.

Senator McLUCAS—Does the MCGC become involved in those timing issues?

Mr Tucker—Absolutely.

Senator McLUCAS—So they would make the decision along with the government, with the ministers, about when that would occur?

Mr Tucker—Yes. That is the normal process.

Senator McLUCAS—As part of your market testing arrangements, is it proposed that the brochure with the foreword from the Prime Minister will be mailed to people?

Mr Tucker—There has been no decision on any of those things. They are all to come subsequently.

Senator McLUCAS—But how would you get it out otherwise?

Mr Tucker—Any brochure is mailed. It has websites. As part of the testing the government may decide to do a completely different thing related to the feedback that it is getting. It might get very poor feedback that a brochure is even an appropriate communication mechanism. There is quite a decision-making process that has to happen here.

Senator McLUCAS—So you have not made any decisions about how it would be mailed out?

Mr Tucker—Again, the decisions are not us. Decisions are made by the government.

Senator McLUCAS—You would have, though, a notional cost per item? You would have to be providing that information to the government as a part of the advices to government?

Mr Tucker—We certainly know the costs of television advertising, newspaper advertising, brochures and direct mail from our experience, and they are the sorts of things that the government will take into account in designing what it believes to be the most effective communication strategy within the budget available.

Senator McLUCAS—And for this particular package, shall we call it, of advertising, have you done a unit cost?

Mr Tucker—Again, that will depend on the decision the government takes on—

Senator McLUCAS—Sorry, I am just talking about the ones that are being market tested now.

Mr Tucker—I am not sure I get the gist of your question. Are you asking whether the package that is being tested now has been costed?

Senator McLUCAS—Yes. You would have to have a notion. If it is going to cost \$20 for the package you would not bother market testing it, I hope. Maybe I am wrong. You would have to have a notion of what this entity is. Surely you would make a decision about whether this is even affordable before you go to the next expensive step of market testing. You would have to know what it costs, I would have thought.

Mr Tucker—Costs of brochures, if we are talking about a brochure, are highly variable. You can do a black and white photocopy, you can do a colour—

Senator McLUCAS—I am in politics; I know this stuff.

Mr Tucker—What I am saying is you can design a delivery to meet the requirements. It is not necessarily the other way around.

Senator McLUCAS—Yes, but you have a little package at the moment?

Mr Tucker—No. We have some things that are being tested, which the government will decide once that is completed what the next steps are. As I said, it is entirely within the government's prerogative to decide it does not even want to proceed to that; it may want to do it in another way. It is quite an open question.

Senator McLUCAS—So you cannot tell us the unit cost for the package that is being tested?

Mr Tucker—That is not for me to decide. That is for the government to decide.

Senator McLUCAS—But we know it? You would know it? You would know what the unit cost of the package is at the moment?

Mr Tucker—No.

Senator WONG—What are the various estimates of unit cost for this delivery that you have investigated?

Mr Tucker—We are nowhere near the point yet of what the cost would be of certain packages or elements of a package. What we are testing are the types of things that will resonate with people, which will get them to take action to reduce their greenhouse gas emissions. If it is a brochure, you can do a glossy one, which will cost more than a small black and white one. And there are a whole range of things in between. Given the size of the communication package that the government intends to spend here, I do not think the type of brochure is going to limit the extent to which decent material is produced.

Senator McLUCAS—Can we have the value of the tender to Blue Moon?

Mr Tucker—I do not have that with me, but we can get that answer.

Senator McLUCAS—Can you get that tomorrow?

Mr Tucker—Yes, we should be able to.

Senator IAN MACDONALD—Is this the area where I had asked about suggestions that intercepting Japanese whaling vessels will stop Japanese scientific whaling? Is it this area?

Mr Tucker—Yes.

Senator IAN MACDONALD—Do you know what law would give us authority for that sort of action?

Mr Borthwick—The answer is, no.

Senator IAN MACDONALD—You do not know or there is not a law?

Mr Borthwick—This is an area that we have discussed before, but the difficulty is that in the—

Senator IAN MACDONALD—Before in the Senate—

Mr Borthwick—No, not in this, in previous—

Senator IAN MACDONALD—In previous ones, yes. I am conscious of that and in fact I know the answer, but it has come up recently in media reports.

Mr Borthwick—The difficulty is that in Australian Antarctic waters, other than Herd Island and Macquarie Island, the Australian Antarctic waters off the Antarctic mainland, most countries do not recognise our claim to sovereignty over that water. It would be very highly problematic for Australia to intercept whalers in those waters.

Senator IAN MACDONALD—If my memory serves me correctly, neither the United States, Japan nor in fact most European countries recognise that Australia has any particular sovereignty in those—

Mr Borthwick—That is right. Overwhelmingly the majority of countries do not recognise Australian sovereignty.

Senator IAN MACDONALD—As I understand the Antarctic treaty, it is all about peace and science.

Mr Borthwick—Exactly.

Senator IAN MACDONALD—The treaty indicates that there is no ownership of parts of that. But to enforce what we claim as our right would clearly cause difficulties for the department and for the—

Mr Borthwick—It would cause major difficulties between Australia and other countries, not just the Japanese. In other words, the other Antarctic treaty partners for a start, but more generally.

Senator IAN MACDONALD—The United States, I think, would be very unimpressed; would that be right?

Mr Borthwick—I do not want to mention particular countries in terms of their views.

Senator Abetz—There is a very good article in today's *West Australian* on page 6, 'Law expert harpoons naval plan', in which a Professor Don Rothwell gives the benefit of his views, namely that any military arrests in Antarctic waters would cause alarm and not just with Japan:

There are ways to do it without using the military. The Antarctic treaty signed in 1959 deemed Antarctica to be a demilitarised zone making any use of military force against international law.

Of course, it is very interesting that here we seem to have another policy proposal where the full legal ramifications have not been considered. As a former Minister for Fisheries, both you and I would be interested in the Labor Party's reaction to when we announced the Triton to assist us in patrolling our northern waters against illegal fishing. We were condemned roundly by Warren Snowdon, Senator Ludwig, Senator Crossin—all sorts of people—for how barbaric we were that we were going to have the ACB Triton which, might I add, just on the weekend arrested six trochus boats, which shows the benefit of that sort of a vessel. They condemn our get-tough action up there, which is clearly within the law, yet they have the great desire to send our navy into waters where the sort of action they are proposing would be in breach of international law. You really have to ask what gives.

Senator IAN MACDONALD—Are you saying that in the north it is part of Australia, it is our EZ, where in the south it is an unrecognised claim?

Senator Abetz—That is right. There is a dispute. Under the Antarctic treaty system it is for the government of the flag state of each vessel to regulate the activities of its nationals in Antarctic waters. Under that treaty it is up to Japan to do any policing. Of course, as we all know—and Australia has taken a very robust view on this—the issue of whether this is scientific whaling or not is an issue. Of course, Japan says it is undertaking scientific whaling, which is allowed under the treaty, and therefore the chances are that any naval intervention would be illegal in any event, but especially given that they are doing it under some semi-cover of legality under the treaty it would place Australia in an even greater jeopardy position.

Senator IAN MACDONALD—Thank you very much for that. I am very interested in that issue. Going back to NHT2 and 3, are we happy—as a Queensland senator you will forgive me for being colloquial—with the regional body set up in Queensland, which I think is one of the only states where it is not a state government appointed grouping for the NRM bodies?

Ms Pearce—Western Australian also has a community based body structure, as does Tasmania. There has been a little bit of a tweak there; they have legislation that provides for

those bodies, but they are definitely community based. They are incorporated bodies. So as far as—

Senator IAN MACDONALD—Are they working okay in Queensland?

Ms Pearce—From our point of view, yes.

Senator IAN MACDONALD—From anyone else's point of view?

Ms Pearce—I must admit that I have not heard very much recently that would say that they are not. Certainly the reviews that we have done and Kim Keogh's report suggest that generally the regional model is working well across Australia. Obviously, there are some bodies that are very strong in terms of capacity, and others still need more support. There is a lot less of those now than there would have been two or three years ago. By and large I would say the Queensland bodies are working very well.

Senator IAN MACDONALD—It is the government's intention to continue on the existing arrangements, I guess, in Australia but in my instance in Queensland there is no suggestion that that will be reviewed.

Ms Pearce—No. We have been through the review process, with all of the governments signing up to the NRM framework at the NRM Ministerial Council in November last year. In effect, it puts regional investment there as one of the things that we want to pursue under future NRM arrangements. Certainly at this stage there is no intention to tamper with the structures that we have. There can be evolution improvements certainly, but no playing with the structures. The Keogh report basically said that would not be beneficial.

Senator IAN MACDONALD—Thank you, Chairman.

Senator McLUCAS—Can I just follow up on that?

Senator IAN MACDONALD—Senator, can you speak up?

Senator McLUCAS—Which regions of Australia do not have an NRM board?

Ms Pearce—It depends on how you define an 'NRM board'.

Senator McLUCAS—Or leadership group?

Ms Pearce—At the moment—

CHAIR—Can you speak closer to the microphone, please, Senator; nobody can hear you.

Senator IAN MACDONALD—We are working on the basis that what you are asking is very important and we would like to hear it.

Ms Pearce—I guess technically the Torres Strait, but there is definitely community consultation there. That has just been an issue of, again, capacity. We think that process is working well, and certainly the community seems satisfied with it. And Cape York, where, again, we have gone with a different approach. Again, that seems to be working well. It is early days, but at the moment it seems to be working along towards where we need it to go. What happens in the Cape certainly will depend on how things evolve there.

Senator IAN MACDONALD—But is not the TSRA doing it in the islands?

Ms Pearce—That is right, and everyone seems quite satisfied with that.

Senator IAN MACDONALD—That is community based. It comprises of the elected chairman of every—

Ms Pearce—That is true.

Senator McLUCAS—I think the difference in the Torres Strait is marginal. The issue is Cape York Peninsula. When will you review the current situation with Cape York?

Ms Pearce—We are probably fairly constantly looking and discussing what happens there and supporting it to evolve. That is more or less a work in progress. We do not actually have, to my knowledge—I will have to check—a defined ‘We will review it by this date’. But certainly it is something in which we have strong involvement and a strong watching brief on.

Senator McLUCAS—Do you intend to one day establish a community representative leadership group—I will use the broadest language that I possibly can—that is representative of the interests of Cape York Peninsula?

Ms Pearce—That is certainly something that would be a good outcome in the long run. When that might happen, I cannot say, and it is also something that involves the Queensland government. It is a process of discussion between ministers and between the government. As I said, it is a work in progress.

Senator McLUCAS—We will also keep watching it.

CHAIR—Thank you. I think that concludes that segment of these estimates. I thank you all for appearing and we now call the National Water Commission.

[7.40 pm]

National Water Commission

CHAIR—We welcome the water people here at last. If you wish to start, Senator Heffernan, you can start.

Senator HEFFERNAN—The worst case prediction, from the paper that the CSIRO and others put out, due to a reduction in runoff in the Murray-Darling Basin, climate change, farm dams, forestry, groundwater interception, et cetera, is about 11,000 gigalitres; would you agree that that is the worst case scenario? I find that hard to believe.

Mr Thompson—This is in the work that was done for the Murray-Darling Basin commissioned by CSIRO; is that right?

Senator HEFFERNAN—Yes, that is the one.

Mr Thompson—That sounds familiar. I do not have those numbers in front of me.

Senator HEFFERNAN—Yes. The best case scenario is a reduction of about 4,500 gigs; would you agree with that?

Mr Thompson—Would you mind asking that again?

Senator HEFFERNAN—I just wanted you to confirm that the worst case scenario, according to the CSIRO in that Murray-Darling Basin study, due to the variables—the climate change, fires, plantation, groundwater interception, et cetera, is 11,000 gigalitres in a mean runoff of 23,000 gigalitres?

Mr Thompson—As I said, I do not have those numbers here. The study that you refer to, the shared resources water resources study, I think—

Senator HEFFERNAN—And the best case is around 20-odd per cent at about 4,500 or 5,000 gigs. Has the Water Commission figured what that would actually mean to the landscape of the Murray-Darling Basin if any of that came through?

Mr Thompson—No, we have not, and I think part of the reason for that is that the work that was done for the Murray-Darling Basin Commission presented a very wide range of numbers, as you have said.

Senator HEFFERNAN—Yes, it certainly did. It varied from a few thousand gigs to some huge thing that would be a doomsday prediction.

Mr Thompson—That is right. I think the Murray-Darling Basin Commission identified that further work would need to be done in each of those risk areas, and some of that work is already in train. As I understand it, some of that work is also being picked up in the sustainable yield work being undertaken by CSIRO as a result of the Prime Minister's summit on Melbourne Cup Day last year.

Senator HEFFERNAN—It also points to the interception effect of the generally held belief that you put the trees in the highest rainfall country; obviously we have now learnt that, if you do that, not only have you got a risk of increasing salinity but also a huge, up to two and a half megalitres a hectare, interception of the forest. Do we have to revisit the wisdom of the 2020 Vision and where all the forestry ought to be?

Mr Thompson—That is a wider issue for government policy. I am not able to comment on that because I do not know.

Senator HEFFERNAN—That is all right.

Mr Thompson—As you know, under the National Water Initiative there are provisions for managing interception activities including forestry.

Senator HEFFERNAN—So why is it that even today if you want to plant a plantation forest at Delegate, or somewhere which has 30-odd-inch rainfall, you do not have to get an environmental plan or have a reference to the interception or give consideration to buying a water licence because your forest is going to take the water out of the riverine? Do we have a plan to have some sort of sensible environmental planning? Recently my committee flew over the Traveston Dam inquiry area and we noticed a whole lot of plantation forestry there where there have been no sums done on the interception impact to that. Is this a dead area in thought?

Mr Thompson—As I said, under the NWI governments are committed to put in place arrangements for managing those interception activities.

Senator HEFFERNAN—Bear in mind these are state issues.

Mr Thompson—That is exactly right.

Senator HEFFERNAN—Just to put it on the record, every river management plan in New South Wales three years ago had totally overlooked these issues, especially interception plantation effect. They had not brought it to mind.

Mr Thompson—Different states are at different points in addressing interception. That is true.

Mr Matthews—The in-state we will get to when we are through this National Water Initiative process is that, for catchments that are at or approaching full allocation, there would need to be an entitlement issued for new forestry and even in areas that are not near full allocations there would need to be a registration of those.

Senator HEFFERNAN—Thank you for that. With the future prediction on climate change and those other issues, if we go to the minimum impact of three or four thousand gegalitres of lost runoff, when you put that into the context of whether it is 500 gegalitres or 1,500 gegalitres that we are going to return to the system to help, it makes that look a bit of a problem, does it not? That is if you believe the signs. If I had a little mole there and the doctor said, 'I think that might be a melanoma; you had better get it off,' I would go and get it off. Our scientists are telling us this could well happen and I tend to believe them. So where are you up to in terms of the cooperation of the states coming through the denial phase in all this?

Mr Matthews—All the states have signed up to those commitments that I was talking about in the NWI. They are at different stages of implementing it but this will probably be drawn into sharper focus when the CSIRO study about water availability in the Murray-Darling Basin has run its course as well this year.

Senator HEFFERNAN—I obviously I do not want to go to it but I want to continue on with some Lower Balonne matters shortly. Obviously in view of all this and the fact that there is going to be at a minimum a 15 per cent reduction in rainfall that will produce all these outcomes, which will mean the bulk of the production in the Murray-Darling Basin, despite what you read in the press, is actually dry land production. So there is going to be a huge overhaul of what dry land farming could mean in 50 years time in the Murray-Darling Basin in view of all of that, so that is why I think it is very important that we go and have a look at what is up north. I presume that you would support the wisdom of leading with the science and calculating the land and water resources, while understanding by the way that it is a higher impact on the aquifer on the run of the rivers up there, which is up to 55 per cent average instead of 40-odd per cent down here. Have you got any commentary?

Mr Matthews—The commission does support the assessment of the Northern Australia Land and Water Task Force. We think it is work that needs to be done. We are fully in favour of it and will be assisting it where we can. We also think that the interception issue, including interception by plantations or forestry, is a very important issue down south. It is one of the things that we are focusing on in our work this year.

Senator HEFFERNAN—I would just ask whether the Water Commission would think it would have a role to play, for instance, in the tender documents for Ord stage 2, which involves 16,000 hectares of mostly black soil plain. They have not included any of the sandy, melon type country around it. Under their plan they are saying there are 300,000 gegalitres to be allocated to the 16,000 hectares and they are going to stack that at the rate of 17 gegalitres per hectare just as a sort of 1950s or sixties thinking was here where you had an area licence, rather than a volumetric licence. It seems to me that it is going to be a carpetbagger's heaven if they go ahead with it. There are no price signals in Ord stage 2 for water. Are you likely to be able to deliver some wisdom to the plan? Through you, Mr Chairman, I would like to

indicate what I mean by a price signal. Under the plan they have said 17 gigalitres per hectare is the maximum take-up of the country for sugar cane. So we will give everyone a sugar cane water right, but if I am a young bloke from down at Deniliquin or somewhere and say, 'I'm going to pitch my tent, dad, and go to pick a block out up here,' provided it is not set up by some carpetbagger mob and they maximise the profit when they capitalise it to sell it the first time, and also say, 'Look, I'm going to go to a higher level of technology for my water use and I do not need 17 megalitres per hectare, I only need five but I will sell the 12 to fund the technology—the pivots and the tape and that,' there is no provision in their plan to do that. Would you think it would be wise to have that in the plan?

Mr Thompson—One of the issues that they are facing in the Ord is that there is no scarcity of water. Therefore it is hard to—

Senator HEFFERNAN—\$1.12 per megalitre is the water charge.

Mr Thompson—It is hard to trade where there is no scarcity.

Senator HEFFERNAN—Isn't that a fundamental flaw having a price signal? They have a huge problem. Ord stage 1 has no capacity in its engineering to return the tail water. They put it back in the stream, for God's sake. You would be put in jail if you did that down here.

Mr Thompson—So then it relies on the government imposing a cap on the amount of available water and creating some scarcity so that it drives those efficiencies. That is one way of doing it. Unless the Western Australian government has an objective of developing and opening up that area, in which case what they should be seeking to do through the price is recovering the cost of delivery, storage and the cost of externalities, which might be salinity or—

Senator HEFFERNAN—At least stage 2 will have the engineering capacity to retain the tail water. I met a melon grower up there who leases four or five hundred acres off some bloke from Germany. He does not pay for his water because there is enough excess water coming down the channel from the other users. He just pumps it out and gets his water for nothing. So there is a lot of work to be done up there and obviously the task of the task force will be to do a SWOT analysis on what all this means. I have to say in the Northern Territory there is a complete ban on things like cotton, clearing and a whole range of issues. The big winners out of all this are going to be Indigenous communities because they own most of the country and it might be a new dawn for them. We have got a long way to go and I presume there would be a role for the Water Commission to bring some thinking to what has been a very non-thinking process up there. There has been some work done. There are some good guys up there but they have got a long way to go.

Mr Matthews—There has been a fair bit of work across Northern Australia. Northern Australia is one of our areas of focus in a program we call the Raising National Water Standards Program and, without going into too much detail, essentially that means that we tried to identify a number of areas that we think will be important for the long-term future of water management in Australia, and one of them is Northern Australia. We have provided some funds for TRACK, the Tropical Rivers and Coastal Knowledge coalition, which is a research unit that you might have come across and that is doing some good work. It has got a fair bit ahead of it, and there are some quite innovative new northern agricultural techniques

which are being developed and thought about there, including matrix agriculture. So there is a lot that can be done. You might have even said this yourself—the issue of avoiding making the same mistakes in the north as we made in the south is something that should be guiding us up there. We think that there are a lot of mistakes that can be avoided. It is pretty timely work.

Senator HEFFERNAN—I will just go to some of the mistakes of the south now. Has anyone got any idea of what science was provided in the Warrego and the Lower Balonne for their ROPs that were recently issued? I noticed the ROP for the Condamine-Balonne had on the top of the document that this is not government policy. I presume you know what that was code for. That was code for this is a document provided by the users as to what the plan ought to be. Have you got any commentary that you would like to make on the Condamine-Balonne ROP?

Mr Thompson—In the Queensland planning framework there are two stages of plans. The first is the water resource plan.

Senator HEFFERNAN—The water resource plan has to be for the Condamine-Balonne. The ROP was built before the WRP was put into motion. No-one will own up to that.

Mr Thompson—I am not aware of that. The water resource plan establishes the essential trade-off between the environment and consumptive uses and other users. You know the history of the Condamine-Balonne, but, as I understand it, for the Warrego there has been extensive scientific input into both of those plans.

Senator HEFFERNAN—By whom?

Mr Thompson—By Queensland departmental officials and others—the review which Professor Cullen undertook of the Condamine-Balonne plan.²

Senator HEFFERNAN—With great respect, Professor Cullen's science was a fraud. He even says that he was misquoted. He was given a set amount of money and a set amount of time and told by the St George reference group to do this bit of work. He did not even go over the border. Is that the complete science that we are relying on for this?

Mr Thompson—The commission does not look at individual water sharing plans or individual plans like the water resource plans or resource operations plans; we look at the process, and for Queensland in the 2005 assessment that we did under the national competition policy we found that Queensland processes, both in terms of consultation and the ecological input into those plans, were good processes. We stand by that finding.

Senator HEFFERNAN—Now they have got the ROP out there. The median flow is about 1,200 gegalitres for the Condamine-Balonne. Do you agree with that?

Mr Thompson—I do not have those numbers.

Senator HEFFERNAN—The mean flow is 900 to 1,000 gegalitres. The variability is 800 per cent. I presume you know that means it is a very irregular stream because the average variability would be 300 or 400 per cent in a lot of more reliable rivers?

Mr Thompson—Yes.

Senator HEFFERNAN—The median flow is 1,200. The ROP was designed by the users and the Top End users—Len Brazil and those blokes up the top—said, 'We can't deal with the

blokes down the south so we will agree to whatever they reckon is a fair thing, put it in the ROP and send it to Brisbane.’ Cullen’s science was a desktop sort of a study. I am hoping the Commonwealth will come to bear on this with a proper scientific review of the whole system before this draft proposal becomes reality, because it is a national disgrace. Cullen said that after they introduced the harvesting capacity—that is the 1,500 gigalitres of on-farm, off-river storage that has been built there for overland flow and harvesting—it would do serious damage to the system. He is never quoted on that. They get around that quote. In the ROP recently issued it was chaired by a woman called Leith Bouilly, who is the downstream neighbour and has a commercial-in-confidence arrangement with Cubbie Station. She has no infrastructure. She does have some bunded banks, because the original proposal was going to give them A and B licences as well as their extraction allocation. I think Cubbie has got an extraction allocation of somewhere around 70,000 or 80,000 gigalitres. Ms Bouilly did not have any licence but she had a commercial-in-confidence arrangement so she got cotton grown with a blunt axe, sledgehammer and no water licence, and that is none of our business. But she was the independent chair in the ROP process, and the outcome of the process is that the process grants an overland flow licence to Cubbie in three instances and to Bouilly on the same licence—on the same licence! That is 469,500 megalitres in the right set of circumstances and flow on top of 80,000 gigalitres for Cubbie of extraction licence. I am not too sure how they distinguish what is extraction and what is overland flow when it actually comes to doing it. Given that the mean flow is about 1,000 gigalitres, the median flow is about 1,200 and the variability can vary up to about 7,000 or 8,000 gigalitres, would that not be an obvious matter which you would want to apply a lot of science to, given that I am chairing the Traveston inquiry—sorry, Mr Chairman—in which we are arguing about whether we can extract five per cent from the Mary River to give a new primary source of water for the million-and-a-half new people that are going into south-east Queensland and there are all sorts of extravagant arguments being put about protecting the Ramsar site and the sandy straits, by the same people who are ignoring the argument of the Ramsar site in the Narran Lakes? Isn’t it time we had some fair dinkum science applied to all of this?

Senator WORTLEY—This is very interesting and very important too, but we are trying to get through quite a number of questions.

CHAIR—We will break it up into 20-minute segments.

Senator HEFFERNAN—Have I had my 20 minutes?

CHAIR—You are getting close to it.

Senator HEFFERNAN—Does anyone get the message?

Mr Matthews—That was a statement as much as a question.

Senator WORTLEY—That is a very good point.

Mr Matthews—It is not a backhanded comment, but there is no doubt that we do need more science in all of our river allocation decisions, and that is one of the things that the government is trying to do in the Murray-Darling Basin. It is one of the things that the commission tries to do when it assesses how the states are performing. For example, in New South Wales one of the outcomes of our national competition policy assessment was that they were not using science as well as they should be.

Senator HEFFERNAN—I will ask a question. Given that this ROP was based on the earthworks that were already done when the law was silent—no-one has broken the law, by the way—whatever the earthworks were and the bigger the bulldozer you used, under this ROP process that is the amount of water you were going to be allocated for overland flow. Given that the overland flow in that part of the state is unique in that it eventually flows back into the river when it goes overland further down, so you intercept someone else's riparian right further down, would it be reasonable for us to expect that before that ROP goes from draft to reality there would be a full, proper CSIRO based study into what it all means?

Mr Matthews—The federal government cannot impose that on Queensland. At the commission we get quite a bit of comment about that particular ROP but, as Mr Thompson was saying, the role of the commission is really to look at the process. You have made some good points about process, but the alternative would be to have every water sharing plant or equivalent all across Australia ticked off by the commission, and I wonder whether that would be a better outcome.

Senator HEFFERNAN—This is a most extravagant exception to the rules. We have just had the inquiry—Senator Siewert was there—into the Traveston Dam. The government officials cooperated magnificently in Queensland but they could not tell us what sleepers and dozers were even issued on the Mary River and what it all means because they do not understand it. That is the level. If you say you have ticked off the way they manage it, then it is wrong.

CHAIR—Thank you. We have got water for the rest of the evening. Obviously people are going to need time to develop their arguments or questions, so suppose we do it on a 20-minute each person or party basis.

Senator WONG—Senator Heffernan has just had 35 minutes.

CHAIR—No, he has not. He has had 22 so I suggest Senator Wong or Senator Siewert; whoever wishes to lead, please proceed.

Senator WONG—Who was before him?

Senator Abetz—There were other questions about—

CHAIR—Senator Wong, you can begin and we will give you 20 minutes.

Senator WONG—Firstly, how many staff are there in the Water Resources Division?

Mr Forbes—That is a good question. It would be pretty close to 30.

Senator WONG—Are you currently seeking to recruit staff?

Mr Forbes—Yes, we will be recruiting staff.

Senator WONG—How many positions are currently unfilled?

Mr Forbes—In terms of next financial year or this financial year?

Senator WONG—Both.

Mr Forbes—This financial year we are likely to go over budget so we do not really have the resourcing for any recruitment this financial year, but next financial year we are looking towards an expansion of close to 85 staff.

Senator WONG—An additional 85 in your division from 30?

Mr Forbes—Yes.

Senator WONG—Is that for 2007-08?

Mr Forbes—Yes.

Senator WONG—That is a very large jump in staff numbers between two financial years—30 to 85. How are you dealing with the shortfall in terms of functions that you are currently experiencing? If you need 85, which is where you are going to get to, 30 is a long way off that.

Mr Forbes—Yes, but that relates to the ramp-up for the National Plan for Water Security, and the development of the staff in the plan is associated with the modernising irrigation and overallocation components.

Senator WONG—Have you commenced any recruitment drive in respect of the 85 yet?

Mr Forbes—No. We have done a small internal call for staff, which has allowed us to recruit across both divisions about 20 staff. But we have not started an external campaign as yet.

Senator WONG—When will that start?

Mr Forbes—We are thinking of that over June, but we have not made a final decision on that.

Senator WONG—Is your answer in relation to 30 officers in respect of the Water Resources Division and the Water Assets and Natural Resources Division combined or just in terms of the Water Resources Division?

Mr Forbes—The 30 was just for the Water Resources Division.

Senator WONG—Mr Slatyer, how many staff do you have and how many are you proposing to have in the Water Assets and Natural Resources Division?

Mr Slatyer—I would have approximately 50 staff currently. Our ramp-up is far smaller than Mr Forbes's ramp-up, because our division is not responsible for the delivery of the major new programs. But we do have some new functions that would probably require 10 or 15 additional staff positions.

Senator WONG—In the budget papers did you get that increase in FTE?

Mr Slatyer—The resources overall through the National Plan for Water Security would allow for that.

Senator WONG—I have some questions in relation to Budget Paper No. 2 and the environment budget overview. Appendix 1 of the budget overview sets out a range of figures. I am particularly interested in the water items, and I wanted to go through and just clarify some points. I am not clear about the relationship between the figures in the environment budget overview and Budget Paper No. 2, so I wanted to go through them. For example, the overallocation in the Murray-Darling Basin is listed for the 2007-08 year in the EBO as \$15.7 million. In Budget Paper No. 2 at page 151 it is listed as \$27 million recurrent expenditure and \$1 million capital expenditure. Can you tell me how that works?

Mr Forbes—The \$15.7 million in the EBO, as I understand it, is the administered component. The \$27 million at page 151 of Budget Paper No. 2 relates to administered and departmental. So the difference between the \$15.7 million and the \$27 million is departmental.

Senator WONG—That is a bit odd, because appendix 1 lists at the top that ‘this table includes estimated expenditure for programs in a wide variety of government departments and agencies’ outside DEW. Sorry, that is in relation to extra portfolio expenditure. What is the administered fund?

Mr Forbes—Administered is essentially what you would call the program funds, which you have the ability to roll over from year to year if you spend them or you do not spend them, whereas departmental funds are essentially those funds that relate to staffing costs, travel and those sorts of issues.

Senator WONG—Of the \$28 million in the first year, \$13 million or thereabouts is staffing, salaries, travel et cetera?

Mr Forbes—Yes.

Senator WONG—When you say ‘administered fund’, my recollection from other estimates hearings is that there is usually quite a distinction between administered and departmental appropriations.

Mr Forbes—Yes.

Senator WONG—Administered is generally in accordance with a statute or some other set of guidelines or regulations associated with the expenditure of funds. So what is the instrument or instruments that will set the parameters for this administered appropriation?

Mr Forbes—These were the elements associated with the expenditure of funds associated with—

Senator WONG—There is a lot of ‘associated’ in that sentence!

Mr Forbes—Anyway, it is related to—

Senator WONG—Will there be a law passed that deals with this?

Mr Forbes—No. This is all administered under the FMA Act.

Senator WONG—So are the \$15.7 million, \$72.6 million, \$407 million and \$474 million all administered components? I am reading from the EBO.

Mr Forbes—No, because part of the first line—\$73.4 million—and going down the column—

Senator WONG—I am looking at each line item. I am currently on National Plan for Water Security, addressing overallocation in the Murray-Darling Basin. In your environment budget overview the figures do not correlate with Budget Paper No. 2. You have explained the difference to be a difference between departmental plus administered appropriation.

Mr Forbes—Yes. I am sorry, I thought you were reading down; you are reading across.

Senator WONG—I generally read line items across. What is the difference?

Mr Forbes—The difference between those two is that, as you go in 2008-09 from \$72.6 million in the EBO to \$85.9 million on page 151, the difference again is that the \$72.6 million is administered and the \$85.9 million is administered plus departmental.

Senator WONG—That is the same as the \$407 million versus \$423.8 million and the \$474.5 million versus \$495.8 million?

Mr Forbes—That is right.

Senator WONG—Is the same reason behind the distinct difference between, for example, the modernising irrigation in Australia line item—the disparity between the EBO and the Budget Paper No. 2? For example, in the 2007-08 financial year it is \$38.1 million in the environment budget overview, and it is \$53.3 million in Budget Paper No. 2.

Mr Forbes—Yes, it is exactly the same rationale.

Senator WONG—With respect to the Great Artesian Basin and Northern Australia, Budget Paper No. 2 has expenditure for the 2007-08 year, but there seems to be no expenditure in the EBO.

Mr Forbes—There are no administered resources in those years. There are no administered resources until the year 2009-10.

Senator WONG—For?

Mr Forbes—For the GABs1 phase 3.

Senator WONG—In Budget Paper No. 2, what is the \$5 million for 2007-08 and 2008-09? What does that relate to?

Mr Forbes—Will you direct me to where you are?

Senator WONG—Budget Paper No. 2. I am looking at the same line item—Northern Australia, Great Artesian Basin. On page 154 of Budget Paper No. 2, there is \$2.5 million and \$2.5 million in 2007-08 and 2008-09.

Mr Forbes—Yes.

Senator WONG—There is \$16 million and \$16 million for 2009-10 and 2010-11. What is the difference between that? I do not understand why that says that and the EBO says what it says.

Mr Slatyer—The departmental costs that are embodied in those programs are captured in the top line of the EBO under the heading ‘Sustainable Management of Water Resources’. I stand to be corrected, but I understand that the departmental costs associated with the management of that program will be incorporated in the number in that top line.

Senator WONG—Can you confirm that with someone, because that does not make sense to me. My arithmetic is not brilliant, but is it your proposition that the departmental component of these line items, where there is a disparity between the budget paper and the environmental budget overview, is captured in the top three lines or the top two lines or the top line of the EBO?

Mr Forbes—In the top two lines.

Senator WONG—The top two lines?

Mr Forbes—Yes.

Senator WONG—The arithmetic does not work in terms of the amounts that are actually announced in Budget Paper No. 2?

Mr Forbes—I suspect part of the figures in Budget Paper No. 2 include GABSI phase 2, not just phase 3. It is not included in the National Plan for Water Security, because the GABSI phase 2 is already existing funding. That might be the difference.

Senator WONG—Which one is correct? Is the environment budget overview correct or is Budget Paper No. 2 correct?

Mr Forbes—They are both correct.

Senator WONG—They are both correct with different figures?

Mr Forbes—You just need to have the right figures. Let me see if I can try to get to it.

Senator WONG—If you find it hard to get to, how are members of the public going to? Which one are they supposed to believe? Are they supposed to believe you are spending \$38 million on modernising water security or \$53 million, which is what the budget announcement said?

Mr Forbes—There is \$38 million in terms of administered funds, and the difference is that associated with departmental funds. So there will be whatever the total comes to between—

Senator WONG—\$53.3 million; that is my point. If you are saying the difference is made up in the top two line items, that cannot be right, because even for that line item only, you are looking at the difference between \$53 million and \$38 million, which is \$15 million, and you have only got \$7.6 million.

Mr Forbes—In the context of the \$73 million, going up to the top line, it is made up of a number of different activities, not just that associated with the National Plan for Water Security. It involves existing activities, which are ongoing. It is the departmental associated with the National Plan for Water Security, plus issues associated with GABSI, the Great Barrier Reef Coastal Wetlands activities, Murray-Darling Basin planning related issues, wetland issues, EPBC, Ramsar related issues, and Lake Eyre Basin issues. So when you add all of those up—

Senator WONG—Is this how I understand the evidence? We are pretty short on time, and I do not want to go through the arithmetic here. It is confusing, because the budget papers say different things. Is it your evidence that the ‘Sustainable Management of Water Resources’ line item at the top of the EBO consists of the difference between the administered appropriation, which is itemised in subsequent line items in that document, and the total expenditure, which is in Budget Paper No. 2?

Mr Forbes—In terms of Budget Paper No. 2, the areas we were reading from relate to the National Plan for Water Security.

Senator WONG—Yes.

Mr Forbes—In the top two lines for the EBO, it includes not only the departmental funding for the National Plan for Water Security but also ongoing departmental funding associated with other water functions. Do you understand that?

Senator WONG—I do understand. I just do not quite understand why it is that the government produces two documents that are inconsistent.

Mr Forbes—They are consistent when you add the numbers up.

Senator WONG—With respect, we have spent 20 minutes on it now.

Senator Abetz—You should have said 15 minutes.

Senator WONG—Twelve minutes, then. You have an environment budget overview that has different figures from your budget measures papers, so which one are we supposed to believe is the amount that the government is actually spending?

Senator Abetz—The good news is easier to believe.

Senator WONG—Do you want us to believe both, Minister?

Senator Abetz—Yes.

Senator WONG—That is a very typical Howard government line. It is like the fairness test and the non-fairness test.

Senator Abetz—I am telling you that it is not an inconsistency once it is explained to you. It is a question of whether you want to accept the explanation or not, and clearly you do not. So who has the next 20 minutes?

Senator WONG—Which figure is correct? They are both correct?

Mr Forbes—They are both correct.

Senator WONG—How much does it cost to prepare this EBO?

Mr Forbes—I do not have the answer to that.

Senator WONG—You do not have that?

Mr Forbes—No.

Mr Tucker—I can answer that for you. I asked the same question myself a couple of years ago when producing it. I cannot remember how much it is but we can get that answer for you.

Senator WONG—I probably have asked you this previously.

Senator Abetz—For the purpose of *Hansard*, since you waved something in the air, we are talking about *Protecting Australia's Future: Environment Budget Overview 2007-08*.

Senator WONG—The overview, which is the document about which I have been speaking for some time.

Senator Abetz—The long-term plan to protect and enhance Australia's natural environment, water resources and cultural heritage.

Mr Tucker—I have just been given the answer to that question by my staff. It cost us \$5,500 for 1,500 copies.

Senator WONG—You printed only 1,500 copies?

Mr Tucker—That is correct.

Senator WONG—I asked some questions of Prime Minister and Cabinet yesterday. Mr Borthwick, you may or may not have been briefed about them in respect of the FOI application?

Mr Borthwick—No, I was not.

Senator WONG—Who was the FOI officer in the department or who was the determining officer in relation to the Channel 7 freedom of information request on the National Water Plan?

Mr Borthwick—Russell James.

Senator WONG—Where is Mr James?

Mr Borthwick—He is not here.

Senator WONG—Who will answer questions in respect of this?

Mr Borthwick—Dr Horne or Mr Forbes.

Senator WONG—I would like to ask, firstly: can you confirm the number of pages captured by the FOI request?

Dr Horne—No, I cannot confirm the number of pages covered by the request.

Senator WONG—I thought that generally FOI determinations do refer to the length of the documents. Is that correct or incorrect?

Dr Horne—This one clearly does not.

Senator WONG—What is your understanding about the obligations on the department in terms of a determination of an FOI request? Do you understand that the applicant is supposed to have relevant information—for example, the numbers of pages contained in the documents captured by the request?

CHAIR—We will move on to Senator Siewert and we will come back to you, Senator Wong.

Senator WONG—I am happy with that.

Senator SIEWERT—I want to join in a little bit on the figures, and then I want to ask some more general questions about the plan. Can you first tell me why the allocation of resources to the overallocation section of the plan has been delayed? The substantive expenditure has been delayed to 2009-10. I thought from the Prime Minister's speech in January that the overallocation expenditure would be more upfront.

Dr Horne—In order to roll out the overallocation program, the first stage is firstly to get all states signed up to the plan itself; secondly, to have work undertaken by the CSIRO and associated agencies to determine where the overallocation is most serious; and, thirdly, to invite willing sellers in the areas where overallocation is the most serious to fix up problems. There will be a number of ways, and Mr Forbes can talk about some of the aspects of those programs. In some cases it will be works. For example, there may be parts of an irrigation system that people regard as being inefficient or unproductive and which make good sense to take out of production, and then there will be a proposal put by that area to the government, and entitlements as a result of that will be purchased by the government. That in a sense takes

time. The first step of that, getting the CSIRO work done and having that fed into—for example, in the Murray-Darling Basin—an overarching basin-wide plan is going to take 12 to 18 months minimum. What I am saying is that to get the systems in place it will take 12 to 18 months. Then you can ramp up and really attack the problem rapidly.

In the meantime there will be programs that we have got going now under the Living Murray initiative and under work that the Murray-Darling Basin Commission is doing that allow you to spend more money than we have spent in previous years addressing what is effectively buying back entitlements for the environment, which will in a sense take up that period between now and when the plan really gets into full gear.

Senator SIEWERT—When does the efficiency program money kick in?

Dr Horne—That will be ramped up also.

Mr Forbes—That starts next financial year. We see the modernising irrigation component and the overallocation component as integrated elements. Planning the way forward for them, we would be seeking that they work together, because overallocation components will be somewhat related to the sorts of business plans associated with the modernising irrigation components. As Dr Horne was saying, you will be identifying elements where you may need to be looking towards upgrading systems but, on the other hand, also taking parts of systems out of play.

Senator SIEWERT—I wish to ask some specific questions about the efficiency program in a minute, but I would like to stick to the numbers for the moment. What is the \$15.7 million that kicks in next year and the \$72.6 million expenditure the following year specifically for?

Mr Forbes—In terms of the modernising irrigation?

Senator SIEWERT—No, for the overallocation.

Dr Horne—They are the first elements of the program. They are saying that, whilst we do not expect there to be a massive amount of money spent in the first year of the overallocation, there will be some areas, which are acknowledged, where overallocation is a real problem. Everybody can see that and there will be proposals that will come onto the table fairly quickly. There will be low-hanging fruit, you might say. We intend to try to get those parts of the program going as quickly as we can. Some of those will be very clear. But in order that the program itself can be very well targeted, we need some of this other work that is already in the pipeline to come to fruition and to give us a clear indication of where we ought to be spending the money.

Senator SIEWERT—I understood that the CSIRO work was supposed to be reporting by November. Were they not given 12 months?

Mr Slatyer—That project will be reporting progressively during this calendar year.

Senator SIEWERT—I appreciate that it is going to be reporting. You told us last time that there is a milestone coming up. But it is due for reporting at the end of this year; is that right?

Mr Slatyer—Yes.

Senator SIEWERT—So that is the end of 2007. But the bulk of the money does not kick in then until two years from now, so it will take two years to analyse all of that data and then starting engaging?

Mr Forbes—In terms of the overallocation and the modernising irrigation components, we would be expecting to see across the 70 irrigation districts integrated business plans on the modernising the irrigation infrastructure and to create efficiencies, but at the same time also looking towards those areas that are overallocated, which would be identified by the CSIRO report, and also other activities that would help that assessment. We would expect the development of those plans to take 12 to 24 months, and that is why it takes about two years before the large money starts to kick in.

Senator SIEWERT—For both programs?

Mr Forbes—For both elements.

Senator SIEWERT—Although I notice the efficiency one kicks in a year earlier?

Mr Forbes—We would hope that in terms of the efficiency, modernising irrigation, there will be some low hanging fruit because we are anticipating that there will be some existing plans which we may be able to pick up quite rapidly.

Senator SIEWERT—I understand that the Murray-Darling Basin Commission had quite a detailed inventory of the status of a lot of the irrigation infrastructure. Is that correct? I have been told that on fairly reliable information.

Dr Horne—There would be some infrastructure within that is controlled by the Murray-Darling Basin Commission and it would have a good handle on its state of repair. The Murray-Darling Basin Commission would not have, I would think, a detailed knowledge of, for example, the private irrigation companies such as Murray Irrigation or Murrumbidgee Irrigation or Coleambally—

Senator SIEWERT—You said ‘you would think’. Have you checked? Has anybody checked? I know this sounds like an obvious question, but has anybody checked with the commission on the full extent of knowledge of all the data that they hold on the state of the irrigation infrastructure?

Mr Forbes—In developing the profiles we are very conscious of the Murray-Darling Basin Commission information. That helped us determine which would be the best profile for us to move forward on.

Senator SIEWERT—What do you mean by ‘profile’?

Mr Forbes—It means how quickly the funds would roll out against each of those program elements over the 10 years.

Senator SIEWERT—Does that mean against the specific infrastructure—which infrastructure would be updated?

Mr Forbes—Not necessarily against individual pieces of infrastructure, but in the context of where we are conscious that infrastructure is likely to need upgrading either in terms of bulk off-takes or in the context of where on-farm off-takes can also be improved.

Senator SIEWERT—Do you have access to their database?

Mr Forbes—I have not actually been actively engaged in that myself, but I know that my staff certainly intersect with the Murray-Darling Basin Commission staff and their data.

Senator SIEWERT—And have access to all of it?

Mr Forbes—I cannot say whether they have access to all of it.

Senator SIEWERT—What work are you aware of that the commission has done on overallocation?

Dr Horne—They published a report which Senator Heffernan earlier received—

Senator SIEWERT—I am aware of that.

Dr Horne—that you are talking about which is really the key document on overallocation at this point in time.

Mr Thompson—There is the water resources report, but there is also the independent audit group which does annual audits of each of the components of the basin against the basin cap. They view overallocation in terms of how they are going against the cap essentially, and that is what the independent audit group does.

Senator SIEWERT—I am still having trouble working out why it is going to take us two years to really significantly roll out this overallocation money.

Dr Horne—The plans which come forward are not plans which we create. We will go out to industry, out to the owners of the irrigation facilities, with a set of guidelines. We will obviously have meetings with the various groups out there and the various irrigation companies and say, 'We are seeking to achieve these objectives; we are seeking in the overallocation program to invite you to put on the table proposals which might shut down parts of some of the irrigation districts which might improve the efficiency of those irrigation districts.' They will have to then go away and think about that. Some of them are already doing it because some of them are already coming and talking to us and saying, 'Is this the sort of thing you are thinking about?' They will have to develop detailed plans which are basically investment proposals—

Senator SIEWERT—The irrigation—

Dr Horne—The irrigation companies. Let us by way of an example say there is a canal which leads off to a couple of properties at the end of it, which involves a large loss of water along the way to reach those properties at the end. They might come to us with a proposal saying, 'We can save X megalitres of water, or gicalitres of water, if we shut down this canal here,' and you offer a certain amount of structural adjustment fund or funds to take these farms out of production. We will assess all those against the objectives that we are trying to achieve through the plan of reducing overallocation in particular districts, looking at the districts where the hot spots are, if you like, and taking it forward.

Getting all that information, firstly, well anchored through the CSIRO report and then getting the data or the detailed proposals back from the companies, and then the companies actually engaging contractors to undertake the works in the case where work is required—that all takes time to track through those processes. The experience that we have had with other programs, and particularly the programs which we have running at the moment, indicates that all of those steps take time to actually deliver outcomes on the ground. That is why it looks as

though it takes a fair bit of time but, in fact, what happens if you look at the profile, for example in addressing overallocation, is that the administered resources go from a fairly modest \$16-odd million next year to \$72 million, then to \$400 million. So you are ramping up. The year after that, it is \$470 million, then \$470 million, so we reach a plateau. It takes a bit of time for people to get the proposals done, contractors organised and then you get into a fairly solid lump of proposals working its way through the system to address the core problem, which is a very serious problem.

Senator SIEWERT—Do you have an idea of how much water is owned by management investment schemes?

Dr Horne—No.

Senator SIEWERT—Does anybody?

Senator Abetz—I just thought Senator Heffernan had come back into the room.

Senator SIEWERT—I hope he is not listening. You have no idea?

Dr Horne—No, I do not.

Senator SIEWERT—There has been a concern expressed that there is a large amount of water owned by a number of managed investment schemes and that they may be trying to sell that water and it may significantly affect the market. Have you got a policy on how you are going to handle MI schemes?

Dr Horne—I think broadly the policy is that anybody is entitled to buy and sell water entitlements. There are some restrictions based upon whether you own land or do not own land that still exist, I think, in some jurisdictions, but beyond that the buying and selling of water is—

Senator SIEWERT—The point here is that, since the government's policy has changed, these companies who have previously bought up water and anticipated investing in managed investment schemes for agriculture are now not seeing the immediate returns. I am not making a comment on that, but in terms of government policy, what I am commenting on is the fact that these companies now own a significant amount of water and they do not necessarily want to continue with the investment schemes, and they may just see the overallocation money as a good way of selling out their investment.

Dr Horne—Let us just say if they sold their holdings of water to the government, that would take out of the consumptive pool a number of entitlements, which would mean that there would be a redistribution in the total pool between water for agriculture and water for the environment.

Senator SIEWERT—I appreciate that for some people that may be a positive outcome, other than it is also my understanding that by entering the water market they have been significantly altering the water price. So there is a cost then of how much they expect for a return for the water. What is the policy that you would apply to these areas of bulk purchase and how is it that it may not be strategic?

Dr Horne—I do not think I have any further comment on that.

Senator SIEWERT—Will you be developing a policy on how to handle it? The Macquarie Bank comes to you and says, ‘I have got 70 gigalitres.’ What do you do?

Dr Horne—It depends on what price they are offering.

Senator SIEWERT—Sorry?

Dr Horne—If there is a market with buyers and sellers and we enter the market as a purchaser, the environmental water holder will enter that market and look at the prices that are being offered for the different products and we will make decisions on that basis.

CHAIR—We might soon transfer to Senator Fielding in another couple of minutes.

Senator SIEWERT—I have actually got some questions for later about Ramsar and Macquarie Marshes. I want to go into some water management issues. I just want to touch on the water efficiency part of the program. When I was asking questions about this last time there were not any guidelines or there had not been time for any thought to be given about how the program was going to operate. For example, I recall I was asking about the issues around the 50 per cent return, is it going to be two for one and those sorts of issues. Has there been further thought given now to the way that those programs will operate? Is it going to be two for one? As I understand it, 50 per cent of the gains will be returned to the environment and to water security. How is the program going to run?

Mr Forbes—In the context of the development of the program, it has not been finalised as yet. We are still developing that, because we have spent most of our time concentrating on the dealings with the states in the context of the national plan and developing the legislation, associated activities and policies with that and also their contingency issues. But where we have been discussing and working with the development of the plan, we have got to the point where we know that, in terms of efficiencies, we will need business plans from irrigation districts. Those business plans will need to be coming from those districts and developed by them. We would certainly be looking to providing assistance for them to actually help them develop those plans because as were indicating before we are wanting an integrated plan which not only looks at infrastructure upgrades but also in the context of dealing with overallocation and potential structural adjustment issues associated with that. We are after quite an integrated delivery based around the plans which will be put together in each district.

Senator SIEWERT—Will funding then be delivered only on the basis of a district business plan? Is that how I understand—

Mr Forbes—That will be our fundamental premise.

Senator SIEWERT—The cockies cannot put up their hand outside the plan and say: ‘Well, I want some money for efficiency.’? They have to be part of a business plan, is that correct?

Mr Forbes—That is right. We will not be dealing directly from, if you like, Canberra to the paddock. We will be wanting to deal with it in the context of an integrated plan at a district level.

Senator SIEWERT—How does the sustainable yield process that the CSIRO is undertaking feed into this process? That will feed into the district planning process; is that right?

Mr Forbes—That will feed in within the context of where, if you like, we would be expecting the various district plans to be looking at the overallocation questions and how they are proposing to deal with those.

Senator SIEWERT—Where there is a significant environmental asset in a particular region, who makes the decisions about what broader requirements or environmental flows there are required for that particular asset, presuming it is a wetland, or something like that?

Dr Horne—Those decisions will be part of the responsibility. Well, there will be two parts to this. Within the Murray-Darling Basin itself, decisions will be made by the Murray-Darling Basin Authority. They will put together an overall basin-wide plan and within that plan will be, in a sense, an environmental watering plan. That environmental watering plan will indicate what are the key assets and what are the key things that need to be done within the plan. Clearly, it will be held by governments, plural, that there are certain water entitlements. And some NGOs, for that matter, might hold water in their own right, and they will look at the environmental watering plan and make decisions about how to use their water within the system.

Mr Slatyer—The basin environment watering plan will itself set out the key constraints around the water available for consumptive use and it will determine how much water should be made available for base flows of the systems and these kinds of things so that those ground rules for the system would be set out in the basin-wide plan and then at the catchment level, the catchment plans which would be developed by the state authorities would need to conform to those requirements. Similarly, when it comes to the environment watering plan which, as Dr Horn was saying, would specify particular assets and priorities and methodologies for figuring out how best to water important environmental assets, or the designated environmental assets, that would provide the framework in which any holder of environmental water would then have to make the decisions about the use of that water. That is the hierarchy of planning that we anticipate.

Senator SIEWERT—Will the existing water sharing plans be required to be altered? Sorry, Mr Forbes is looking at me. Obviously I have not explained myself properly. Will the existing catchment water sharing plans, where they exist, be required to conform to these new plans?

Mr Slatyer—At the point that they are being reviewed there would be a need to look at those existing water plans in accordance with their own terms to see what changes, if any, might be required. What the government has said is that the existing plans would be observed. But those plans themselves include review provisions. If we wish to recover water to achieve outcomes in the life of the current plans then that would be done through the programs that Mr Forbes has been explaining.

Senator FIELDING—I wanted to ask a couple of questions regarding the recent announcement on the \$25 million contribution to the super-pipe securing Bendigo's water supply?

Senator SIEWERT—You do not need to ask that, do you?

Mr Costello—I am responsible for that Water Smart Australia Program that that funding will be coming from.

Senator FIELDING—Could you just walk me through what role the department played in that decision?

Mr Costello—In terms of the National Water Commission?

Senator FIELDING—Yes.

Mr Costello—Yes, certainly. The process, if we go back to the beginning, started with a letter from the Prime Minister to the premiers. There was a discussion at COAG about the types of projects that the Prime Minister was looking for and he wrote to premiers inviting them to bring forward nationally significant and state significant and genuinely transformative projects. The Victorian premier nominated what is now called the super-pipe project as one of those. The Prime Minister set up some criteria and a bit of a process for that which involved the then parliamentary secretary, now Minister Turnbull, who met with Minister Thwaites and officials and had a presentation and discussion about the proposals. Further information was sought and further meetings were held and ultimately extra information was obtained from Victoria and the National Water Commission made an assessment of the proposal against the criteria put down by the Prime Minister and provided a recommendation to the minister and the minister awards funding.

Senator FIELDING—The area of Bendigo is thankful for that contribution; they are pretty pleased with that. They are very grateful, actually. Was there a request for funding or a contribution to the pipeline to also go through to Ballarat?

Mr Costello—Yes.

Senator FIELDING—How did that request differ against the criteria compared to the one in Bendigo?

Mr Costello—That project is still under consideration. One of the major factors that was different about that proposal was the level of contribution by the local authority which was around 10 to 12 per cent, whereas the Bendigo project had a much higher contribution by the local water authority, so Coliban Water compared to Central Highlands Water in Ballarat.

Senator FIELDING—What was the percentage contribution for Bendigo?

Mr Costello—That was a \$98 million project in all of which the Australian government is contributing \$25 million and Coliban Water and the state government are contributing the balance, so that is about a quarter of Australian government funding there. In Ballarat's case, that was a \$180 million proposal. The request was for \$90 million from the Australian government, \$70 million from the state and \$20 million from the Central Highlands.

Senator FIELDING—With regard to Ballarat, are you saying that that is not a final decision to not fund that at all, or is it still—

Mr Costello—It is still under consideration.

Senator FIELDING—Have you asked for more information at all from the state government with regard to that extension?

Mr Costello—We asked for information on the tariff impacts of the proposal under various funding scenarios and that information has been provided.

Senator FIELDING—What is there left for a decision to be made with regard to Ballarat? The water shortage in that area is quite significant. There are some fairly substantial businesses there that are actually feeling that they could run out of water pretty soon, and those major employers are actually the backbone of the community there. We are talking about thousands who would be affected eventually. What is left for that decision to be made?

Mr Costello—We certainly understand the gravamen of the situation there, but it is before the government for a decision.

Senator FIELDING—The decision on Bendigo was done because it was just a lower price? I am just trying to work out the difference between the two, because the needs are obviously great in both areas. One involved the extension of the super-pipe. I am just trying to work out why one got funding and the other one is still in the ‘to be decided’ basket.

Mr Costello—One was more clearly consistent with the criteria than the other, which is not to say what the decision will be. But it was also submitted some time before in more detail. We had that proposal through a Water Smart Australia process before the Prime Minister initiated this special call. We were well across it. The proposal that was further developed for the Ballarat extension was a later addition to that.

Senator FIELDING—Is the department aware of the urgency for the Ballarat region with the impending crises?

Mr Matthews—Can I make a couple of points? First of all, Mr Costello is speaking as a member of the National Water Commission, which is not part of the department. We are part of the portfolio, but we are separate from the department.

Senator FIELDING—Thank you.

Mr Matthews—My main point is that it is probably difficult for Mr Costello to go any further. The government is making a decision and, in a sense, as a public servant he cannot go much further about saying what is the difference between the two projects and, therefore, implicitly, what his advice is.

Mr Costello—Victorian Minister Thwaites has indicated that the project to Ballarat is going as fast they can make it go; it is not being held up by a decision of the Australian government on funding.

Senator FIELDING—Minister, do you have any feeling of when a decision will be made on the extension on Ballarat?

Senator Abetz—No, I have not. But if you want an answer from the minister, I am happy to take that question on notice.

Senator FIELDING—Thank you.

Senator RONALDSON—To whom should I direct my questions about the federal government’s \$10 billion water plan?

Senator Abetz—How about asking the questions and the relevant person will hopefully volunteer.

Senator RONALDSON—I want to talk about the situation in Victoria. The Victorian government reckons it has done a pretty good job with the current arrangements. Why should the Victorians sign up and what is in it for them?

Senator WONG—Are you asking the minister?

Senator RONALDSON—I am asking the minister; I am asking Mr Forbes; I am asking someone who can answer the question.

Senator WONG—Point of order.

Senator RONALDSON—I have asked a question.

Senator WONG—I am taking a point of order. Asking why the Victorian government should sign up is clearly seeking an opinion.

Senator RONALDSON—All right. What is in it for the Victorian government to sign up to this \$10 billion water plan?

Mr Borthwick—I will start answering that. Integral to the Prime Minister's announcement was an attempt to get integrated arrangements across the entire basin in contrast to the operations of the Murray-Darling Basin Commission and the ministerial council. Each state is represented on the commission and it is very difficult to form an overall basin view when different states take different positions. In other words, any state can veto an outcome.

The Prime Minister was very determined that we get an integrated national approach across the basin. All the jurisdictions within the basin agree in principle to the water plan in terms of the referral of powers, except Victoria. The government has made it very clear that the integration proposal would be very difficult without Victoria cooperating with the Commonwealth and referring the powers as the other states have suggested. Victoria and the other states will get out of it the unleashing of the \$10 billion to improve irrigation infrastructure, plus the moneys to reduce overallocation in the basin. That is what Victoria gets out of it.

We are in detailed discussions with all of the states, including Victoria, even though it has not agreed in principle to refer powers. We are hopeful that in the course of those discussions, and when it sees the legislation that we are proposing to introduce into the Commonwealth parliament, some of their unease will evaporate—if I can use that pun—and they will agree to the referral of powers. The great bulk of that legislation is now with the states,

Senator RONALDSON—For the life of me I can not understand why it does not, but I suppose that is commentary rather than a question. I understand that one of the objections from the Victorians, especially the irrigators, is that they want the Australian government to nominate a specific share of the efficiency moneys that will be available in Victoria. Is that a realistic ask? Why could you not do that?

Mr Borthwick—It is not strictly possible. Mr Forbes was going through the improvements in irrigation efficiency—which is from about \$5.9 billion. The process we are embarking upon is designed to ensure we get the best value for money for improvements in irrigation by identifying the hot spots and where we should focus our efforts in piping, lining or repairing channel. Half of the water from some elements of that program will accrue to irrigators and half will accrue to the Commonwealth and be held by an environmental water holder. Our key

objective is to spend that money where the cost-benefit ratio is the strongest rather than concentrating on an even allocation across the states.

Senator RONALDSON—So it is not possible to nominate a specific share of the efficiency moneys on that basis?

Mr Borthwick—No, but the government has made it clear that it will base its judgements about the basin on good science, good socioeconomic analysis and good cost-benefit analysis. We have no reason to believe, *prime facie*, that one state will be advantaged relative to another. We will be assessing it on its merits as it comes through.

Senator RONALDSON—A concern commonly expressed by the Victorians—both the government and the irrigators—is that the Commonwealth control will somehow water down the gains they feel they have made in recent years in water management. In other words, they feel they will be brought back to the pack. Could that be an outcome of a bigger role for the Commonwealth?

Mr Borthwick—It is very difficult to envisage, because a lot of money will be spent across the states. This is fundamental for improving the capacity of agriculture across the basin. We heard about that earlier this evening when Senator Heffernan was asking questions about some of the underlying threats to the water resource. To the extent that we can improve the robustness of the system by improving the delivery mechanisms, the better off farmers and other water users in the basin will be. That money is not being put in place by jurisdictions in the basin at the moment. The government has made it clear that those moneys will not be flowing unless there is a referral of powers.

Senator RONALDSON—The concern seems to be that you will be overriding what is widely perceived as pretty good water-related legislation at the state level. This is not designed to override the current arrangements in Victoria, is it?

Mr Borthwick—No, it is not. We have made it very clear that the existing rights or licences of water holders will be respected. But in the context of developing the basin-wide plan and the catchment authorities developing individual catchment plans consistent with the overall plan, if we need to enter the market to buy back water it will only be through willing sellers in the market. So, there will be no force majeure.

Senator RONALDSON—I think that will certainly allay the concerns of irrigators. I am very pleased to hear that. Another Victorian issue, again expressed by irrigators, is that they have a very certain future under their water sharing plans which I think, from recollection, go up to about 2020. Is that right?

Mr Borthwick—Yes.

Senator RONALDSON—There are undertakings from the state that they will not suffer any cuts in their entitlements in that entire period, even if some over-allocation is established during the life of their plan. Do you have a view on that? Will they be better off under the Commonwealth plan?

Dr Horne—I can answer to the facts, Senator. The fact is that all existing plans will be honoured under the proposal that is on the table. In the case of Victorian plans or the bulk water sharing agreements, that means they would continue until 2019 and they would be

reviewed at that point. If there was a need for any adjustments, that is, if during that period it was shown that there was a significant over-allocation in a particular area, the adjustment that would take place would be on market purchases rather than any pre-emptive reductions in entitlements of the irrigation community. In fact, under the current plan that exists in Victoria, the Victorian government is able to reduce allocations, or reduce entitlements of irrigators without compensation. Under the Australian government proposal there would be no actions of that sort. Any actions of the Australian government would be through purchases of entitlements.

Senator RONALDSON—I take it from that, that not only will there be retention, for want of a better word, of the current certainty; there will also be other benefits over and above that from the Commonwealth?

Dr Horne—Yes, I think that is a fair comment.

Senator RONALDSON—Can you give me a brief explanation of how the efficiency program will work? Just to put that into context, you have on-farm and off-farm elements and you will share the water 50:50 with the farmers. Do you envisage that this will work mostly through the major irrigation corporations, or will individual farmers be able to put forward a proposal? If so, what sorts of projects do you envisage will be able to be undertaken in both sectors, that is, on-farm and off-farm?

Mr Forbes—In relation to off-farm we would see that very much as the irrigation corporations. In the context of on-farm, it may well come through irrigation corporations, but it may also be farmers acting in concert with themselves—not necessarily at a district level; it could be at a smaller area level where farmers can work cooperatively together to put proposals forward. But we would want to make sure that those proposals have an integrated element to them because one-on-one proposals will not tend to address some of the broader water allocation questions we are trying to obtain which, essentially, is trying to get some savings as well as improved efficiencies in irrigation.

Senator RONALDSON—But there will be nothing to stop individual farmers putting forward a proposal?

Mr Forbes—We would see individual farmers putting forward proposals but it would be difficult for us to deal with them directly. We are hoping to set up arrangements where individual farmers can put forward proposals, but not necessarily directly to the Commonwealth. We may well have a devolved arrangement but we are still trying to work through those details to get to that point.

Senator RONALDSON—What sorts of projects would you envisage coming through?

Mr Forbes—We would certainly see proposals associated with the off-takes at the farm level, whether they are in the form of a district but also in the context of river off-takes, because we will need to deal with them differently than we would at a district level. In that context individual farmers will be important and in that context I think you will find we will be able to deal with individual proposals that look at off-takes but also at the sorts of infrastructure they will be placing on their properties to increase efficiencies of use. We are also trying to develop management tools for them so that they can make the right sorts of decisions to improve their irrigation efficiency up towards 90 per cent.

Senator RONALDSON—Sure. One of the key aspects of the plan obviously is the monitoring and measuring aspect, is that correct?

Mr Forbes—Yes, because in the end one of the outcomes that we seek is efficiencies, which essentially is water savings.

Senator RONALDSON—Quite frankly, I have to say I am a bit staggered that we have not been doing this far more effectively over a number of years, hence my very strong support for this under the plan. I think it is a very important aspect. What are the most tangible benefits of that monitoring role?

Dr Horne—The water element information of the plan clearly is a key anchor for the whole plan. It is a key area that really needs upgrading so that we understand the whole system much better and we understand how close we are to being in a sustainable world—or how far we are in an unsustainable world would be another way of putting it. So how much adjustment needs to take place? It helps us understand, going out as scientists and as the science gets better, what sorts of adjustments we might need to make in the future to maintain a level of sustainability with which we are all comfortable. If, as we think, the world may be a changing world, it also helps us get a handle on problems that probably have been ignored in the past. Earlier this evening we had a discussion about interception and how farm dams or plantations might be intercepting water before it gets into the major river systems; how much groundwater is being extracted; and what impact that is having on the overall sustainability of the system. At this point in time we really do not have a good handle on all aspects of that. A component of the plan that addresses those issues is quite critical to the delivery of key outcomes under the plan.

Senator RONALDSON—It actually underpins the whole move forward, does it not?

Mr Forbes—Yes.

Senator RONALDSON—That is why I am a bit staggered that anyone would stand in the way of it. I cannot understand it.

Mr Borthwick—Of the \$10 billion package there are two separate but much related aspects. There is \$620 million for metering, monitoring and accounting. That spending is absolutely vital, both to improve the operation of water markets so that we can feed it into the Bureau of Meteorology, which will be improving the water in the basin but more generally across Australia, and that second element is \$480 million, which will be going to the Bureau of Meteorology over 10 years.

Senator RONALDSON—I will get onto the bureau in a second because it was an interesting choice for someone to be doing that work. I will just go back a bit to the monitoring and measuring. Do we know what technology will be used for that?

Mr Forbes—We have not yet decided on particular technologies but, clearly, we are looking at technologies where there is significant accuracy associated with the metering, and associated with that, clearly, telemetry associated with the monitoring of the flows and volumes.

Senator RONALDSON—Just going back to your point, Mr Borthwick, the choice of the bureau seemed to be an interesting one.

Mr Borthwick—It was one that was deliberately chosen because the Bureau of Meteorology already has a water function within its existing legislation because of flood warnings and those sorts of things so it has already got a basis of expertise. Secondly it has an extremely high reputation for the quality of its data management. It operates already on a state-by-state basis so it has networks there in place.

Senator RONALDSON—Yes, okay.

Mr Borthwick—We are in the process of introducing legislative change. Given the integrity of the bureau and the high standing that it has, plus the fact that it has also got a water role in flood warnings and the like, that made it the ideal institution.

Senator RONALDSON—As I say, it was an interesting choice and I thank you for that explanation. I am sure they do a great job. Finally I want to get back to the irrigators. A concern that has been expressed in Victoria is that there will be a lot of New South Wales farmers cashed up with over-allocation buyouts or will simply turn that money into Victorian water acquisitions. The second market-related concern is that there will be an end of the current limit on trade out of districts that could leave many areas with stranded assets. What response do we give to people who have those concerns?

Mr Borthwick—The restrictions on trade out of districts has remained in place and they are embedded in the national water initiative. I think from memory it is a limit of about four per cent of trade out of districts and that is not going to be touched as a result of the Prime Minister's position. There is an in built arrangement for that four per cent limit to be reviewed. I am not sure at what year—2009, I am told—but that was already built into the National Water Initiative before the Prime Minister's plan. The Prime Minister's plan maintains faith with all aspects of the National Water Initiative. So there cannot be more trade out of the districts than is already built in.

Senator RONALDSON—So the concern about stranded assets has no justification?

Mr Borthwick—No, this has been an issue that is important. That is why that four per cent limitation has been put in place. There have also been discussions between New South Wales, Victoria and South Australia in particular under the current arrangements about suitable exit fees, et cetera. If a farmer sells, does he have to make an up-payment, in effect, to help alleviate this stranded assets issue. It is also an issue that has been looked at I think at the Prime Minister's request by the ACCC. I think those arrangements, while not ideal, are currently working, have been considered by the Natural Resource Management Ministerial Council and will be picked up and developed further, should the Commonwealth get a referral of powers.

Senator RONALDSON—Thank you. I think in fairness to my colleagues, although I have a number of other questions, I will pass to someone else.

Senator FIELDING—I have a couple of questions on this issue and I did not use up my 20 minutes. There was a fairly big concern about the level of detail from the Victorian government, and when I spoke with the Victorian Farmers Federation they were concerned about the detail. You are saying that detail has gone through—that legislation that has been sent to the states, has it? Is that what you are saying?

Dr Horne—We have had a number of meetings with the Victorian Farmers Federation and the minister has sent a number of letters with detailed responses to a large number of questions that the Victorian Farmers Federation put to the minister. There is legislation. While I do not want to talk about the legislation itself, the legislation is some 200 pages of legislation currently with the states which they are looking at. So there is a certain amount of detail in the 200 pages.

Senator FIELDING—Given the significance of it, has the committee got that same information at all that has been given to the states?

Dr Horne—No. In a sense it is a negotiation that is going on with the states at the moment. In due course the bill will come to the parliament for consideration by the parliament.

Senator FIELDING—So at this stage there is no chance at all of this committee getting a copy of what has been given to the states?

Mr Borthwick—I think that is a matter for the Government. But at this stage it is still negotiations and it is at a continuing delicate phase, especially vis-a-vis Victoria.

Senator FIELDING—I am sure my fellow Victorian senators will be asked a lot about this particular issue. Really it is very hard to answer questions without that level of detail. I thought that maybe the size of the plan, and given this committee's focus on \$10 billion, whether that should be also available to the committee.

Mr Borthwick—I think it would be premature to do that because it is complex legislation. Understandably the states will want to question some aspects and we might want to vary some aspects to reflect sensible comment that they might have. I think if we released that information at this stage it might prove to be a bit misleading as to what directions a government might eventually decide upon.

Senator FIELDING—Thank you.

CHAIR—We have finished a couple of minutes short but we might break and resume at a quarter to 10.

Proceedings suspended from 9.21 pm to 9.42 pm

Senator WONG—I refer to the PBS, pages 23 and 24 in relation to the National Plan for Water Security. Are you able to disaggregate into program level estimates for each of the measures referenced to the NPWS? Can you disaggregate, for example, modernising irrigation in Australia?

Mr Forbes—In terms of administered and departmental?

Senator WONG—That is there; it is in the appropriations against the PBS.

Mr Forbes—Yes.

Senator WONG—Within that, are you able to disaggregate any further?

Mr Forbes—Not at this stage.

Senator WONG—Why?

Mr Forbes—We have some generic ideas, but not specific ideas.

Senator WONG—So you have not actually worked out what the components of the \$38 million or the \$14 million will be.

Mr Forbes—We have some ideas about how that will be expended.

Senator WONG—Are there any notional state-by-state allocations in relation to any of the elements of the NPWS?

Mr Forbes—No.

Senator WONG—Have any contracts or commitments been entered into in relation to the expenditures proposed over the forward estimate period?

Mr Forbes—No.

Senator WONG—So there is no state allocation for South Australia?

Mr Forbes—No.

Senator WONG—We need a bit of work on the Murray River. Is this not an urgent issue? You are smiling at me. Is that a yes or a no?

Mr Forbes—I was not sure it was a question.

Senator WONG—You thought it was rhetorical. We think it is an urgent issue in South Australia and the lack of action is concerning, to say the least. I refer back to the FOI application. Section 36 relates to the deliberative process. As I understand the operation of section 36, a balancing exercise is required between the public interest issues and other matters that might militate against the document being released. The only public interest issue that seems to be outlined in your decision is that they relate to ‘internal working documents which can contain preliminary positions that are changed or do not represent the government’s final position. Therefore, I consider that the release of the documents could mislead readers as to the nature and details of the National Plan for Water Security’. Mr Forbes or Dr Horne—I am not sure to whom I should address these questions—do you really think the Australian public are unable to distinguish between a final policy announced by the Prime Minister and internal working documents?

Mr Forbes—I have not actually seen these documents. This decision was made by Mr James, so I am not in a position to judge one way or the other about how he came to his decisions. His reasons for decisions are set out in the letter that was attached to a letter to Mr Mackinnon. That is the only information I can go on. It is not up to me to interpret his reasons for decisions.

Senator WONG—What was the name of your office—was it the office for water or of water? I am referring to the PM&C office that Dr Horne mentioned.

Mr Forbes—It was the Office of Water Resources.

Senator WONG—When that was moved to DEW, did the Water Resources Division take most of the functions of that office?

Mr Forbes—Most of them, yes.

Senator WONG—Mr Slatyer, did your division take on any of the functions of that office?

Mr Slatyer—That office had a fairly overarching role in the Prime Minister's department. There would have been some activities in that office relevant to my functions. But, generally speaking, those functions moved to the water policy branch in Mr Forbes' division.

Senator WONG—When Prime Minister and Cabinet was asked about this, the evidence was that they originally received the FOI request. They then handed it to you and the argument, or the position, they put was that it was referred to your department because all the functions and documents associated with the Office of Water were transferred to your department and division. Would you agree with that?

Mr Forbes—Yes.

Senator WONG—You are the head of the division?

Mr Forbes—Yes.

Senator WONG—The division that now holds all documents related to the working up of the \$10 billion announcement.

Mr Forbes—Yes.

Senator WONG—And you now hold all the documents that the Office of Water previously held; correct?

Mr Forbes—Yes.

Senator WONG—Now you are telling me you have no idea which documents fell within the FOI request.

Mr Forbes—Because I was not the designated decision-maker.

Senator WONG—I think your evidence was more than that, Mr Forbes; I think you said you had not seen these documents.

Mr Forbes—I may have seen some of them. I may have read some of the documents on the attached documents list, but some of them I have not. I have not actually sat down with all these documents and read them in terms of the request under the FOI Act.

Senator WONG—Let us take it through this process. Were you aware of the FOI request being transferred from Prime Minister and Cabinet?

Mr Forbes—I was.

Senator WONG—When did you become aware of that?

Mr Forbes—I cannot remember the time, but certainly within the last six weeks or so, I would say.

Senator WONG—Were you aware of the request before or after the decision was made to reject it?

Mr Forbes—I was made aware of it afterwards.

Senator WONG—After the decision was made to reject?

Mr Forbes—Yes. I would not be consulted on that because if there were an internal review I may well be the person to undertake that review.

Senator WONG—Your division holds the documents?

Mr Forbes—Yes.

Senator WONG—Were you aware of any request from the FOI decision-maker for the documents to be provided to him—I think it is a him—for consideration?

Mr Forbes—No, I was not.

Senator WONG—Can anyone in your department tell me whether they were actually asked to provide these documents in order for someone to make a decision about them?

Mr Borthwick—The process is that the decision-maker determines the scope of the request and forms a judgment in terms of what—

Senator WONG—But they have to look at the documents to form that judgement.

Mr Borthwick—Which they would have done.

Senator WONG—I am very happy for someone else to explain that they were looked at, but Mr Forbes's evidence is that he was not aware of any request to forward those documents to the decision-maker. So how does the decision-maker get them?

Mr Forbes—But the decision-maker is actually within my division.

Senator WONG—Okay. What was the process to find out what fell within the scope of the request?

Mr Borthwick—I presume, but I was not a party to this—

Senator WONG—Does anyone know?

Mr Borthwick—I presume the decision-maker would have actually asked for the files associated with the national plan.

Senator WONG—Was anyone in this room asked for the files associated with the preparation of the national plan?

Mr Borthwick—Why would you expect any of us in this room to have been asked?

Senator WONG—Because this is where water questions were being asked. This freedom of information request has been rejected by your department, supposedly in relation to the biggest policy announcement in water in many years. So, yes, I would expect someone in the department to know whether or not somebody went and looked for all the documents associated with the development of this \$10 billion announcement.

Mr Borthwick—It was entirely within Mr James's competence, because he was in the Office of Prime Minister and Cabinet before he came to the department, and in the department to track down those documents and make a decision in accordance with the legislation.

Senator WONG—Dr Horne, when you were in the Office of Prime Minister and Cabinet did you deal with more than 22 documents in relation to the \$10 billion plan?

Dr Horne—There certainly would have been more than 22 documents, that is correct.

Senator WONG—I turn now to the Water Through Efficiency request for tenders project, which is identified on your website. Is that you, Mr Forbes?

Mr Forbes—Yes.

Senator WONG—Can you tell me what tenders have been opened?

Mr Forbes—All the tenders have been opened, Senator.

Senator WONG—In all states, or only in New South Wales? How does it work?

Mr Forbes—I have not been on the panel that was assigned to assess the tender, but all the tender documentation has been opened and already assessed.

Senator WONG—And that has been undertaken by DEW?

Mr Forbes—Yes. It was originally within the Department of Agriculture, Forestry and Fisheries and it was transferred over at the time of the formation of the new department.

Senator WONG—When was the closing of the tenders?

Mr Forbes—On 14 February 2007.

Senator WONG—Was that the originally advertised closing time, or was that altered?

Mr Forbes—No. As I understand it, it was altered and extended.

Senator WONG—Why was that?

Mr Forbes—It included a two-week extension to the original closing time to allow people time to consider the Prime Minister's announcement of the National Plan for Water Security.

Senator WONG—How many tenders were received?

Mr Forbes—Forty-nine tenders.

Senator WONG—How many of those were willing to sell at the relevant price?

Mr Forbes—The relevant price was three tenders below the price which was used as a benchmark.

Senator WONG—So, therefore, 46 were above?

Mr Forbes—That is right.

Senator WONG—Does that mean that the three below were the only ones that were acceptable?

Mr Forbes—That is right.

Senator WONG—So three out of 49 were willing to sell at the price that was set?

Mr Forbes—Set but not disclosed.

Senator WONG—How much water was involved?

Mr Forbes—For those below that?

Senator WONG—For those three?

Mr Forbes—I understand about 450 megalitres, of long-term cap equivalent volume.

Senator WONG—In total?

Mr Forbes—In total.

Senator WONG—Can you tell me how that was disaggregated amongst the three?

Mr Forbes—I do not have that before me, senator.

Senator WONG—I will not ask who they were but in which states were the tender applicants located?

Mr Forbes—I understand that they were all in New South Wales.

Senator WONG—Are you able to tell me the amounts of money involved?

Mr Forbes—I can certainly give you an aggregated figure—\$765,000.

Senator WONG—What is happening to the tenders now?

Mr Forbes—Currently they are going before the Murray-Darling Basin Ministerial Council for approval.

Senator WONG—Prior to this process did the department set some sort of target for how much water it hoped to recover through this tender process?

Mr Forbes—We allocated a certain amount of funds, senator, but I do not think there was any determination of what the volume expectation would be. But certainly funds were made available for the expectation of being able to obtain water.

Senator WONG—How much money was involved?

Mr Forbes—I do not have that figure before me.

Senator WONG—Does someone have it?

Mr Forbes—It is something about which we have to be careful, senator, because it was part of the tender process. So there are probity questions about how far you disclose that information.

Senator WONG—I am just trying to get a sense of the issue. You allocated a certain amount of moneys which obviously were predicated on assumptions about what you estimated you might be able to deal with. Frankly, I am trying to work out how close you got, or how far off it you were. So did you make 10 per cent, 20 per cent or 50 per cent of what you thought you might?

Mr Forbes—All I can say is that there were three tenders out of the 49.

Senator WONG—Were the 49 tenders more or less than you had hoped for?

Mr Forbes—I think 49 was a pretty reasonable return.

Senator WONG—And you got three of them?

Mr Forbes—We got three of the 49.

Senator STEPHENS—Just on that issue, Mr Forbes, did you have a target for efficiency in water? You indicated to us that you had a notional budget.

Mr Forbes—We had a notional budget.

Senator STEPHENS—Did you have a water savings target?

Mr Forbes—Not that I recollect, but because it was a tender we were after volumes for a certain price. We had a benchmark figure within that tender which we were prepared to look at below that line, but above that line we were not prepared to look at it. But that line is a figure that we are not prepared to disclose.

Senator STEPHENS—But internally you did not have a notional target that you were trying to achieve?

Mr Forbes—Not that I was aware of.

Senator STEPHENS—I want to have a look at the Clarence-Tweed river dams proposal that the minister commented on in the media on 12 April when he released the SMEC Australia report. The report makes interesting reading, but it makes the point that there were no detailed site investigations. Could you comment on that issue? Why were no site visits included in this report?

Mr Matthews—I welcome the question, but I will ask my colleague to answer it.

Senator STEPHENS—That was a quick flick.

Mr Costello—The purpose of the report was a preliminary desktop study to identify whether there were options which would be worthy of a further investigation. So it was very early in the process of taking projects from concept through to development.

Senator STEPHENS—When was that desktop study commissioned?

Mr Costello—I do not have the exact date but I would say it would have been November or December. I will confirm.

Senator STEPHENS—If you could confirm that for us, that would be good. And the cost involved?

Mr Costello—I think that was in the order of \$155,000, but I will also check the details.

Senator STEPHENS—If you could, also confirm that, thank you. So what happens now? Is there additional work for SMEC in relation to the proposed dams?

Mr Costello—There will be some additional work. Whether SMEC will be involved in that is to be determined. The commission was developing terms of reference for some further studies. They will need to go through our commissioners and the minister. Then we will be writing to the state governments, Queensland and New South Wales, asking if they would be willing to participate in further work.

Senator STEPHENS—Are you anticipating that that will go to the next meeting of the commissioners?

Mr Costello—There will be an update given, but it will probably go to another meeting after that as well. They will be given regular updates.

Senator STEPHENS—When is the next meeting of the commissioners scheduled?

Mr Costello—5 and 6 June.

Senator STEPHENS—And then after that? Is there a regular meeting schedule?

Mr Matthews—It will be early July.

Mr Costello—July.

Senator STEPHENS—I look forward seeing what happens next, given the support by the Prime Minister and the lack of support by the local members. Thank you, Chair. I just wanted to move on to some other issues. How is Senator Wong going?

Senator WONG—I have a couple of questions. This might have been asked while I was out of the room. Did we clarify what Assistant Minister Cobb's responsibilities are in respect of water?

Senator STEPHENS—No.

Senator WONG—You might recall on the last occasion, Mr Borthwick, I asked you some questions about the assistant minister's responsibilities and you indicated it was a matter yet to be fully worked out between the two ministers in the portfolio. We had some discussion about the organisational chart, which has the assistant minister, Mr John Cobb, kind of out here. Have you now been advised what he is responsible for?

Mr Borthwick—Yes, we have, but with respect to water, I think he is responsible for community water grants.

Senator WONG—What else is he responsible for?

Mr Borthwick—The Bureau of Meteorology, except matters relating to climate change and water, the Australian Antarctic Division, Parks Australia, the Supervising Scientist Division, a series of small grants programs, of which I have mentioned community water grants but also Envirofund grants, and there is a series of others. But I think we are quite happy to table the full list of his responsibilities.

Senator WONG—Thank you.

CHAIR—We are going to go to Senator Siewert next.

Senator SIEWERT—Can I begin where Senator Stephens left off and that is on the Northern Rivers investigation. When I asked the people from SMEC at our Traveston hearing a couple of weeks ago about this project, I asked them whether they take into account climate change and what rainfall figures they used. The response was, no, they did not take into account climate change. Did you ask them to do that?

Mr Costello—No. That was not a specific part of the terms of reference.

Senator SIEWERT—Can I ask why not?

Mr Costello—Because they were general terms of reference to look at the issue in the broad—a desktop study of available information. It was not about commissioning new research. It was a desktop study.

Senator SIEWERT—They did not necessarily need to do new research. They could have done a desktop study or some of the modelling around climate change or used the model that Queensland is using—not that I am endorsing that, but at least it took into account climate change. I fail to see why, if you are asking for information that could be used for making water-use decisions and water supply decisions for the future, climate change was not a basic requirement that you asked for.

Mr Costello—The report talks about the different characteristics of the catchments in south-east Queensland and northern New South Wales so we could not necessarily extrapolate from the models in Queensland to northern New South Wales.

Senator SIEWERT—I am sorry, you could not?

Mr Costello—You could not extrapolate, for example, impacts on Traveston Dam or Wivenhoe to that different catchment.

Senator SIEWERT—No, but they have used a rather creative model to factor-in climate change into the way they are downgrading their water supply. I am not saying you should use their models but even they have been factoring in climate change into their water supply figures. Why?

Mr Costello—As I said, it was a desktop study. All of those options require further detailed investigation. I take the point and we can build that into the further work on refining the catchment hydrology.

Mr Matthews—If I may add something, it was really a first stage of a narrowing process. The consultants identified around 40 different options that might be feasible or that someone claimed were feasible. So, in the normal style of a desktop scoping study, they took the whole range of probable to improbable options and they narrowed them to five of the most likely possibilities. Their own recommendations say that it now needs to be developed with the states and taking account of environmental and other issues which could certainly include the climate issues. But it was really at this stage identifying or narrowing the range of options.

Senator SIEWERT—I would have thought it would have helped to narrow it even further.

Mr Matthews—Yes. As I said. It was really just the first stage of a long process. I would readily agree with you that, as this project proceeds—if this project proceeds—there will need to be wider factors, including the climate change implications, taken into account.

Senator SIEWERT—Who developed the terms of reference for the study: was it the commission?

Mr Costello—Yes.

Senator SIEWERT—Okay. As I understand it, you were asked to do that by the minister.

Mr Costello—That is correct.

Senator SIEWERT—Did the minister ask you address particular terms of reference?

Mr Matthews—The minister did not give any instructions about the terms of reference but the minister, of course, as the minister responsible for and very interested in climate change, never misses an opportunity. But he accepted the logic of this narrowing of scope from 40 in this case to five.

Senator SIEWERT—Did you discuss the need for including climate change?

Mr Costello—Not with the minister, no.

Senator SIEWERT—Picking up from the conversation we had earlier—and I apologise—when we were talking about this previously we discussed the fact that it comes within your purview to provide advice on potential water supplies. Have you done this elsewhere in Australia?

Mr Costello—Have we done this anywhere else?

Senator SIEWERT—Provided advice that is more like desktop-type studies on potential water supplies?

Mr Costello—Not in this form. We are involved in a number of projects, supporting water planning projects around the place, looking at feasibility studies. A number of those are being undertaken, yes.

Senator SIEWERT—Is there any other example where you have initiated like you did in the Northern Rivers?

Mr Costello—Jointly with the New South Wales government we have initiated a study in water saving options in the Menindee Lakes which could involve some changes to the way the lakes are managed to identify potential for water savings. And very similarly, a number of options have been identified in the first part of that study. Then there will be a narrowing or a short-listing of options and further work done to do detailed investigations.

Senator SIEWERT—But that was in partnership with the New South Wales government.

Mr Costello—That is correct.

Senator SIEWERT—So you have not done it anywhere else in partnership with a state?

Mr Costello—No, I do not believe so.

Senator SIEWERT—I refer back to the tender issue. I want to clarify something because I think I misheard it or did not understand. As I understood it, there have been 49 tenders, of which three made the grade, and the 450 megalitres comes from those three.

Mr Costello—Yes.

Senator SIEWERT—I just wanted to clarify that. I refer back to the efficiency gains projects. I started asking a question and then we moved on, so I did not go back to how it is envisaged that specific projects will run. Perhaps you answered in terms of not having reached that point. Will it be two for one or one for one? How will that work in terms of funding? Once you start funding projects—

Mr Forbes—In the context of a delivery system, we would expect irrigation water service providers will be asked to contribute up to \$750 million. That is not necessarily two for one. On-farm irrigator contributions are not required. The proposals with proponent contributions will clearly be considered favourably.

Senator SIEWERT—There will be \$750 million from irrigator—

Mr Forbes—Water providers.

Senator SIEWERT—Is that to match the \$2 billion?

Mr Forbes—It is \$3 billion worth of works associated with modernising irrigation, of which we would expect \$750 million—

Senator SIEWERT—So, that is \$3 billion in works for \$750 million?

Mr Forbes—Yes.

Senator SIEWERT—Is that for the irrigation?

Mr Forbes—That is for the delivery systems efficiencies.

Senator SIEWERT—Then there is the on-farm component; is that correct?

Mr Forbes—Yes.

Senator SIEWERT—And that is the \$2 billion?

Mr Forbes—Yes. It is about \$1.6 billion.

Senator SIEWERT—What water returns are you expecting from the \$3 billion investment in the delivery system?

Mr Forbes—Under the plan, 1,500 gigalitres per year.

Senator SIEWERT—My brain is taking a long time to compute. Then we go to the \$1.6 billion for on-farm efficiencies; is that correct?

Mr Forbes—Yes.

Senator SIEWERT—How will that be delivered to the program?

Mr Forbes—When you say ‘delivered’—

Senator SIEWERT—Is that two for one?

Mr Forbes—No, that does not involve irrigators putting in dollar for dollar.

Senator SIEWERT—What does it involve?

Mr Forbes—It involves moving to sharing arrangements, as I recollect.

Senator SIEWERT—Is that the 50-50? Is that the program where 50 per cent of the water goes to the cocky and 50 per cent goes back?

Dr Horne—About \$1.5 billion has been set aside under improved on-farm efficiency. We will be sharing those water savings with irrigators.

Senator SIEWERT—What will the irrigators put in as part of the process; do they contribute?

Dr Horne—In that particular part of the program, irrigators will put in as much as they want. However, we will be seeking a certain amount of water per hectare from the proposals.

Senator SIEWERT—How much?

Dr Horne—It works out at around 1.2 megalitres per hectare, I think. It means that overall, if you have 1 million hectares of irrigated farmland, you will get about 1,200 gigalitres of water, and that will be shared between irrigators and the Commonwealth.

Senator SIEWERT—I am asking about this again because last time we talked about it you were not clear about how this program would operate. If we the community are putting in all the money, why are we not getting all the water?

Dr Horne—There is a subsidy component in this in order to encourage the irrigators to improve the efficiency of their farms.

Senator SIEWERT—If we are paying for all of it, why do we need any encouragement?

Dr Horne—If there is no benefit for the irrigators, why would they not do it at their own pace? We are trying to speed up the pace of reform. There are benefits to the system as a whole by increasing the amount of water that is available for the environment. If there were no benefit to the irrigator, the irrigator would say, ‘There is nothing in it for me, so why should I participate in your program?’ There has to be a benefit for the irrigator to make an investment. Some of the projects being undertaken will result in much higher savings per

hectare. So, in all likelihood, irrigators will put up proposals that save much more per hectare and they will put something on the table themselves to make the project work. That is, we will not put in the full amount of money on the table to make the project work if the irrigator can see a benefit.

Senator SIEWERT—This basically amounts to a subsidy. You called it a subsidy.

Dr Horne—Yes.

Senator SIEWERT—Does this have implications for trade arrangements because it is a new subsidy to agriculture?

Dr Horne—No, it is a proposal to produce a sustainable system for both the farming community and the environment. So it is an integrated package that has a number of elements, some of which will benefit the irrigation community and some which will benefit the environment. Taken as a whole, the package will result in a sustainable future for the system itself.

Senator SIEWERT—Has it been assessed against the provisions of the United States FTA or any other trade agreements? Has anyone who looks at trade arrangements for agriculture checked this subsidy?

Dr Horne—I cannot recall whether anyone has looked at that explicitly. I am told that there are provisions in the WTO for NRM programs such as this.

Senator SIEWERT—And it has been checked against that, has it?

Dr Horne—I have not personally done that. I can find out whether the program has been checked against that for you.

Senator SIEWERT—I would appreciate it if you would take that question on notice.

Dr Horne—I will do that.

Senator SIEWERT—Will the 1.2 megalitres per hectare be returned to the system? It is half of that, is it not?

Dr Horne—Irrigators will take half of that and the rest will be held by the environmental water holder, which will be the Commonwealth. That will be used to achieve certain environmental outcomes that are deemed meritorious under the basin-wide plan for the Murray-Darling Basin.

Senator SIEWERT—How did you arrive at the 50 per cent figure?

Dr Horne—Detailed stimulations were done on the basis of a wide range of papers produced on this issue to arrive at some judgements about whether a particular amount of money against the amount of water we were trying to extract from the system made it sensible for a farmer to engage in the program. A considerable amount of work was done by the NWC through its irrigation pool. The proposals put to it provided a lot of information. We used that to help us make some judgements. A range of papers have been produced and research work has been done in this area. A dozen or more papers in this area helped to inform the decisions we took in trying to shape the program. Steve Costello might want to say something more about this.

Mr Costello—That is an accurate description.

Senator SIEWERT—You referred to papers given to the NWC. What sort of papers were they; were they past funding proposals?

Mr Costello—Yes.

Senator SIEWERT—I have a couple of Ramsar questions and some specific questions that relate to the plan, but they also relate to some of the information that has emerged about the Macquarie Marshes.

CHAIR—We have four minutes.

Senator SIEWERT—Senator Heffernan referred to illegal extractions from environmental flows. How do you intend dealing with that under the national plan?

Mr Slatyer—Can you clarify the question?

Senator SIEWERT—I am not asking about the past, because we dealt with that this morning. At the moment it is ongoing. How do you intend dealing with illegal extraction of water from environmental allocations? It is occurring at the Macquarie Marshes and it is more than likely occurring elsewhere as well. How will you deal with that?

Mr Slatyer—Do you mean people using environmental water for purposes contrary to state law?

Senator SIEWERT—Yes, bunds, siphoning and so on.

Mr Slatyer—This will continue to be a matter for state penal provisions, if these are breaches of state legislation.

Senator SIEWERT—There is dispute about whether New South Wales thinks it is illegal. It relates to the Gwydir issue as well. Clearly, there has been a failure somewhere along the line in that the Commonwealth did not know until mid-April that trees were being cleared and that water was being taken illegally. In other words, natural resource management is not happening as it should.

Mr Borthwick—One of the fundamental premises for the Commonwealth wanting to get involved in the basin is to improve governance, including these aspects.

Senator SIEWERT—That is why I am asking.

Mr Borthwick—If it is occurring, it should not be. One of the reasons the Commonwealth wants oversight is to ensure that the states, which will be undertaking detailed river operations, and the catchment management authorities do what they are supposed to do.

Senator SIEWERT—How are you going to do it?

Mr Borthwick—A range of powers will be built into our legislation by which we can bring the states, catchment groups or farmers to account.

Senator SIEWERT—So it will be included in the legislation?

Mr Borthwick—Yes. But the onus will be primarily on the states to do this. If they are not operating across the 22 catchments in the basin according to what they have agreed to do, we will have to have some discussions with them about it. Our expectation is that the water licences will be administered as intended.

Senator SIEWERT—There are water licences and broader natural resource management.

Mr Borthwick—Yes.

Senator SIEWERT—Some of this may not necessarily relate to people's specific water licences.

Mr Borthwick—No, but if they are extracting water outside the provisions of their licences, they are in breach of those licences and action should be taken against them.

Senator SIEWERT—So you will use that.

Mr Borthwick—This will be integral to ensure that those licences are adhered to. Under this plan we are spending a lot of money on metering, measuring and monitoring; we are trying to tighten up the system so that farmers are not taking more than they should. If they are subverting the system, we would be concerned about that and we would want it addressed and tackled.

Senator SIEWERT—When will the legislation be made public?

Mr Borthwick—As we mentioned, we are still in discussions with the states about the legislation.

Senator SIEWERT—I appreciate that.

Mr Borthwick—That is yet to be determined. We are hoping to introduce it in parliament fairly shortly.

Senator SIEWERT—Fairly shortly?

Mr Borthwick—Whether it is June or August, we will see. It is that sort of timetable.

Senator SIEWERT—I understand the Ramsar review is being undertaken, and you have answered my question. It is to be done by June, and will the results be made public?

Mr Slatyer—That would be the government's decision. However, we are having the work undertaken on the basis that it could be released. The minister will make the final decision about how to publish that material.

Senator SIEWERT—You said that Pardoo is being considered for nomination and that it is on the minister's desk. Has there been any progress since that answer?

Mr Slatyer—No.

Senator SIEWERT—There has been no progress?

Mr Slatyer—That is correct.

Senator SIEWERT—Is there a timeline on when you expect that to come out?

Mr Slatyer—No.

CHAIR—Is that Pardoo Station?

Senator SIEWERT—It is a nomination; it is a river.

Mr Slatyer—I thought the senator was referring to Paroo.

Senator SIEWERT—I was clarifying that for the Chair.

CHAIR—Is that Paroo Station in the Pilbara?

Senator SIEWERT—No, Paroo.

Mr Costello—I would like to add some information to previous answers. Senator Siewert asked whether the National Water Commission had initiated any other studies into potential water sources. I was reminded by my colleagues that we did that in relation to the Botany aquifer in Sydney. We initiated a study to see whether there was some potential for sustainable extraction and managed aquifer recharge in that water resource as well.

Senator STEPHENS—When did you do that?

Mr Slatyer—That was in the middle of last year.

Senator STEPHENS—Thank you.

Mr Borthwick—In response to the matter we were previously discussing about making sure the system has integrity, the National Water Commission will be auditing the overall basin-wide plan which will be developed by the new Commonwealth Murray-Darling Basin Authority, and also the 22 catchment plans which will be developed by the catchment management authorities to be consistent with that overall plan. One of the things that they would be insisting on is that those plans have integrity in auditing, compliance and all those sorts of things.

Senator STEPHENS—Thank you for that.

Senator BIRMINGHAM—I would like to ask a few questions relating to specific projects in my home state of South Australia that I believe are proposed for funding through the National Water Commission, potentially through the Water Smart Australia initiative. I refer, first, to the Virginia pipeline extension. I wonder whether any of the officials would be aware of that project and whether they could inform me, initially, of its status and the benefits that it would bring.

Mr Costello—Yes, I can respond to that. That project was approved and announced for funding in October 2005 by the Australian government. A contribution of \$2.035 million was offered to the South Australian government. They have yet to take up that offer by signing a funding agreement. They have asked to revise the proposal. The initial objective of that proposal was to reduce stress on the groundwater resources of the Northern Adelaide Plains by providing an alternative source of water, which is recycled water instead of the use of groundwater. They have proposed some amendments to that and we are considering those changes.

Senator BIRMINGHAM—Do you have an estimate of the amount of recycled water that would be used, thereby reducing the reliance on groundwater and the output into the ocean?

Mr Costello—It is about 3,000 megalitres, or three gegalitres.

Senator BIRMINGHAM—So the South Australian government has not, as yet, provided matching funding for that proposal that would save some 3,000 megalitres from the underground aquifers?

Mr Costello—The issue is not so much matching funding; they have yet to take up the offer and start implementing the project. So they have not signed an agreement to accept that funding.

Senator BIRMINGHAM—Have they given any reasons as to why they are delaying it, as 2005 seems to be a reasonable period of negotiation?

Mr Costello—I agree that it is an unfortunate delay. They have been in negotiation with the community and the users of that water over how that project will be implemented.

Senator BIRMINGHAM—The next project to which I refer is the Glenelg to Adelaide Park Lands Recycled Water Scheme. It is a proposal about which I am somewhat aware—a project that the Prime Minister announced during the 2004 election campaign alongside the then candidate for Hindmarsh to recycle water out of the Glenelg Waste Water Treatment Plant. Could you provide the committee with an idea of the status of that one, Mr Costello?

Mr Costello—Yes. We received a proposal from the South Australian government for that project but we sought confirmation that the South Australian government would provide matching funding. One of the requirements of the election commitment was that the South Australian government would match the funding and they have not come forward with that matching funding. So, essentially, the project is in abeyance until they provide some matching funding for it.

Senator BIRMINGHAM—The funding for that project is \$25 million from the Commonwealth, and that is the matching amount that is sought from the state, is that right?

Mr Costello—Our funding on that was never approved because, as we were going through the assessment, one of the checks that we do is confirming that matching funding is in place, and it was not. So it has not proceeded through the approval process any further. We are now advised that it is in abeyance.

Senator BIRMINGHAM—Do you have any estimation of how much water would be recycled under that project?

Mr Costello—I would have to take that question on notice.

Senator BIRMINGHAM—If you could, please.

Mr Costello—Yes.

Senator BIRMINGHAM—I understand that the project known as Waterproofing the South was presented to the commission in October 2006, is that right? Could you provide us with an update on that one?

Mr Costello—In our call for proposals it would originally have come in, in June 2006. Again, the commission had to check to establish whether the conditions of matching funding were being met. We were not satisfied that they were and we went back to the South Australian government and the proponents, the local councils there, to seek confirmation of that matching funding. There have been further negotiations and development and we have now received further advice about that matching funding, which the commission and the government are considering.

Senator BIRMINGHAM—So we expect the commission to respond in the near future as to whether the revised proposal now meets the requirements for matching funding?

Mr Costello—Ultimately, the decision will be taken by the minister, we hope in the reasonably near future.

Senator BIRMINGHAM—In consultation?

Mr Costello—Yes.

Senator BIRMINGHAM—Again, do you have any estimation about the amount of water that would be saved or recycled through that project?

Mr Costello—I will take that question on notice as well and get back to you. I think it would be a number of gigalitres.

Senator BIRMINGHAM—Obviously that involves three projects, one of which has been in prolonged negotiation and one from which the state government has stepped away. Are there any other instances in South Australia or interstate that immediately leap to mind—you might wish to take this question on notice—relating to areas where state government delays, obfuscation or refusal has resulted in projects not proceeding?

Mr Costello—The Australian government offered to participate in and provide funding for a Victorian project—the Eastern Water Recycling feasibility study. However, we were never given access to that process; we were never invited to participate in it. The study was then published by the Victorian government without any involvement by the commission. So the value of our funding a process in which we were not involved and which was published without our involvement is certainly questionable.

Senator BIRMINGHAM—Beyond that, are relations all sweet and harmonious with the other states in relation to proposals being matched and proceeded with in a timely manner?

Mr Costello—It is a bit patchy but we work hard to overcome those issues and move forward.

Mr Matthews—The matching criterion is a very important one. The commission is required to give advice on to what extent a proposal has satisfactory matching arrangements. In certain circumstances the formulas could vary. Sometimes it is not a simple issue; sometimes it takes time. If we draw it to the attention of the state government there is a failure to match according to some formula. Sometimes it takes a lot of time to take it back through the state government processes, perhaps get authority from their cabinet, as sometimes happens, and come back with a revised proposal. So it has been a relationship that we have had to work on, that is, the relationship between the National Water Commission and the states. But it is a requirement that the Australian government has for its program and we have to prosecute that as best we can. But it has come up in quite a number of projects.

Senator BIRMINGHAM—Obviously the matching formula is that the Commonwealth overwhelmingly is providing cash or grant funding. The states put together a mixture of funds in kind, et cetera. Having regard to the complications that arise in negotiating, obviously, theoretically, \$2 million matches \$2 million. But the question is whether that money is being recycled, if you will pardon the pun.

Mr Matthews—That is one of the complications. We are reasonable and we are prepared to accept in-kind contributions, but we have to test the reality of those contributions. There are other difficulties as well, for example, the semi-government or subsidiary to government status of certain water authorities in certain states. Do we count that as separate funding or as state government funding? Our normal position is that we count it as independent of government, particularly for urban authorities. Not all states accept that, but the circumstances are different in different states.

Senator BIRMINGHAM—Have you encountered any reluctance on the basis of some of those water authorities where we are talking recycled water being piped through that might result in lost revenues to them, or even flowing to the state governments?

Mr Costello—No, I have not encountered any such resistance.

Senator BIRMINGHAM—Thank you, gentlemen.

Senator STEPHENS—I want to refer to two issues. First, I want to talk briefly about the National Plan for Water Security in Northern Australia, the Northern Australia Land and Water Taskforce and the role of the task force. Second, I want to look at the National Water Commission and the first biennial assessment process. Those are the two issues with which I want to deal. I do not know whether that will enable anyone to go home. I refer to the Northern Australia and Great Artesian Basin. The administrative milestones outlined in the portfolio document include the establishment of that Northern Australia Land and Water Taskforce. We heard a little about that tonight and it was announced by the Prime Minister in his speech on 25 January. I would like to know, first, whether the department was consulted about the establishment before the announcement.

Mr Borthwick—Were we consulted?

Senator STEPHENS—Were you consulted about the establishment of the Northern Australia Land and Water Taskforce prior to the announcement?

Mr Borthwick—It was one of the integral elements of the \$10 billion package. We were consulted prior to the Prime Minister's announcement.

Senator STEPHENS—I understand that there is a \$20 million allocation for the work of the task force.

Mr Borthwick—Yes.

Senator STEPHENS—Is that the same \$20 million in the portfolio budget statements that is marked as an additional \$20 million over five years offset from within the portfolio?

Mr Borthwick—I think it is \$20 million that is sourced from the National Water Commission. The National Water Commission—and Mr Matthews might elaborate—already had a program of work in Northern Australian resources and this lined up closely with it. It will be getting input as well as funding from the National Water Commission in servicing the task force.

Senator STEPHENS—Who drafted the terms of reference for the task force?

Mr Borthwick—It has been done within the department in consultation with the chair of the task force and our minister.

Senator STEPHENS—Was the department consulted about the membership of the task force?

Mr Borthwick—Yes, we were.

Senator STEPHENS—Did you provide some advice as to the appropriate membership of the task force?

Mr Borthwick—We provided advice, yes.

Senator STEPHENS—Has the membership of the task force been publicly released?

Mr Borthwick—I do not think so.

Mr Forbes—No, Senator.

Senator STEPHENS—Do you know when it will be released?

Mr Slatyer—Members of the task force first need to be approached and invited to participate. When all members have agreed and have gone through the necessary formalities the government would be expected to announce the membership of the task force.

Senator STEPHENS—Despite the fact that the media has reported the names of some members who have been approached?

Mr Slatyer—I understand that there has been some media reporting about that, yes.

Senator STEPHENS—I refer to how the task force will operate. Is it the minister's intention that members of the task force will represent interests—either individual interests or organisational interests? Will it be a representative task force?

Mr Slatyer—Our expectation is that it will not be a representative task force; that members will be appointed in their individual capacity.

Senator STEPHENS—There has been some discussion in the media about the lack of women on the task force. Has that issue been addressed?

Mr Slatyer—You will have to wait and see what the membership finally is, Senator.

Senator STEPHENS—Minister, you might be interested to know that Commonwealth influence on board appointments in your portfolio is particularly low. That is reflected in a report from the Office of the Status of Women.

Senator Abetz—Which one, Environment?

Senator STEPHENS—No, it was the Department of Primary Industries and Energy, so it was your predecessor. But you might bear that in mind when you are talking to your colleagues about this task force.

Senator Abetz—We can talk to the member for Hunter about that and another senator who has been demoted down the Senate ticket in favour of a male. We can get into that but I do not think it would serve anybody's purpose.

Senator STEPHENS—This is a serious issue. This significant national task force deserves to have the participation of some very fine women. It is a point that perhaps the minister can take on board when considering its membership.

Senator Abetz—It deserves to have the best possible people on it irrespective of their sex.

Senator STEPHENS—Except that the government has a commitment to increasing the participation of women on boards and task forces.

Senator Abetz—Yes, that we do without apology, but always premised not on tokenism or on quotas but on expertise.

Senator STEPHENS—One would not suggest that it was premised on tokenism. I then ask this question: is the task force being resourced out of the commission?

Mr Matthews—There will be a transfer of funds to the department and the servicing of the task force will be from the department. The commission will be making a contribution in the form of intellectual input, data input, analytical input and participation at various levels in that process.

Senator STEPHENS—Since the development of the task force concept and since the Prime Minister's announcement have you scoped out the resources that will be allocated to the task force? For example, will there be an executive officer?

Mr Slatyer—We have identified the secretariat support resources that will be required. An executive officer has been identified and appointed to that role in anticipation of the formal commencement of the task force. That officer will be an officer of my division.

Senator STEPHENS—Has that person commenced in that role?

Mr Slatyer—Yes. He is commencing work on the preliminary work necessary to assist in establishing the task force.

Senator STEPHENS—Is there secretarial support other than the executive officer?

Mr Slatyer—Not as yet, except for the high-level executive staff roles that we variously have. Once the task force is fully up and running we may well need to allocate one or two additional staff members to the secretariat role.

Senator STEPHENS—Is it intended that task force members will be remunerated for their contributions?

Mr Slatyer—In the normal course, people serving on these task forces who are not already holding public sector positions would receive a sitting fee and travel allowance-type assistance.

Senator STEPHENS—Has it yet been determined at the Remuneration Tribunal at what level it will be?

Mr Slatyer—Yes, it has been determined in so far as those arrangements, to our knowledge, have been indicated to prospective members, and the letters that have gone to them.

Senator STEPHENS—So the letters have actually gone out to them?

Mr Slatyer—As I said, I have not received back into the department as yet the final correspondence. That is why I was hedging my previous answer about what I expected to be the case.

Senator STEPHENS—Sure. It is late and I am sorry. The point you are making is that the letters have gone to the minister for signing but not to the individuals, or they have gone out to the individuals but not been responded to yet?

Mr Slatyer—The department has made available to the minister suitable correspondence for the purpose. I am not certain what the current status of that correspondence is.

Senator STEPHENS—Okay. I appreciate that. Do you anticipate that the task force will have the capacity to commission research in its own right?

Mr Slatyer—No. It will not have executive powers in itself, Senator, but we will have resources to commission that work that the task force feels is necessary.

Senator STEPHENS—And the terms of reference link very closely to the work of the Northern Australian Land and Water Futures Assessment. What is the status of that assessment?

Mr Slatyer—That assessment is administered with the commission.

Mr Thompson—It is jointly administered with the department. The scope of that assessment is still being worked through. I think the Prime Minister's national plan allocated \$20 million. That was for the task force and for the assessment, and the assessment will be jointly run by us.

Senator STEPHENS—So that assessment has not commenced yet?

Mr Thompson—No. The assessment itself has not commenced but there are bits of work that feed into that assessment which have commenced. Mr Mathews referred before to the track work, et cetera.

Senator STEPHENS—The terms reference for the task force indicate that an interim report will be prepared by late 2007. What do you anticipate that that report could contain, given that the task force is not in place and the assessment has not started. What do you think it will be able to contain by the end of the year?

Mr Slatyer—That is for the task force to determine, Senator, but it obviously will contain whatever preliminary findings the task force has been able to reach on the information available to it.

Senator STEPHENS—Okay. Thank you. That is all. I just want to talk very quickly, Mr Matthews, about the biennial assessment of the National Water Initiative. How did the submissions come about? Did you advertise or invite submissions for the assessment?

Mr Thompson—We advertised for submissions quite extensively in capital cities, national press and in regional centres, Senator. That was happening over late January-early February, I think. We also sent 146 letters to community organisations or relevant peak bodies, et cetera, and asked them to make a written submission or complete a survey. There was an option there to make a written submission or do a survey. We received 109 written submissions and 12 surveys. That written submission total probably does not include a couple of stragglers, but all the submissions are available on our web site.

Senator STEPHENS—How many were confidential?

Mr Thompson—As I understand it, none of them was confidential.

Senator STEPHENS—It is just that, on the website, the point is made that all submissions have been made publicly available on the web site, unless marked confidential. But there were none?

Mr Thompson—I understand there were none.

Senator STEPHENS—What happens next?

Mr Thompson—There are a couple of prongs to undertaking the assessment. The public consultation was part of it. We have just finished going around to each of the jurisdictions on

our first pass, visiting them, talking to them about progress which is being made against the National Water Initiative in their states and territories. We are preparing a draft. We had already prepared a draft report of that before we went to the states as a basis for discussion with them. We will be revising that draft and working through that again with commissioners and again with the states, hoping to finalise the assessment report in July this year.

Senator STEPHENS—For a meeting of COAG in July?

Mr Thompson—I am not aware that there will be a meeting of COAG. That is not up to us. But it is open to us to provide other reports to COAG out of session.

Senator STEPHENS—Okay.

Mr Thompson—But certainly the report is one of the reports that we provide to COAG.

Senator STEPHENS—I have some questions about some of the projects, but I will put those on notice. Thank you, Chair, and thank you everyone. I appreciate it.

CHAIR—Thank you, Senator Stephens. They were all interesting topics. That concludes this part of the estimates. I thank the minister, the officers and Hansard for appearing today, and the secretariat for their services. I close this session of estimates. We will be resuming in the morning to proceed with the Communications-Information Technology portfolio.

Committee adjourned at 10.59 pm