



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

STANDING COMMITTEE ON ENVIRONMENT,  
COMMUNICATIONS AND THE ARTS

ESTIMATES

**(Budget Estimates)**

WEDNESDAY, 28 MAY 2008

CANBERRA

BY AUTHORITY OF THE SENATE



## **INTERNET**

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

The internet address is:

**<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to:

**<http://parlinfoweb.aph.gov.au>**



---

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

**Wednesday, 28 May 2008**

**Members:** Senator McEwen (*Chair*), Senator Bartlett (*Deputy Chair*), Senators Birmingham, Kemp, Lundy, Parry, Webber and Wortley

**Participating members:** Senators Abetz, Adams, Allison, Barnett, Bernardi, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, George Campbell, Chapman, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Ellison, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Heffernan, Hogg, Humphries, Hurley, Hutchins, Johnston, Joyce, Kirk, Lightfoot, Ian Macdonald, Sandy Macdonald, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Nash, Nettle, O'Brien, Patterson, Payne, Polley, Ronaldson, Scullion, Siewert, Stephens, Sterle, Stott Despoja, Troeth, Trood and Watson

**Senators in attendance:** Senators Abetz, Allison, Birmingham, Bernardi, Eggleston, Fielding, Johnston, Kemp, Lightfoot, Lundy, Ian Macdonald, Milne, McEwen, Parry, Siewert, Webber and Wortley

**Committee met at 9.01 am**

**ENVIRONMENT, WATER, HERITAGE AND THE ARTS PORTFOLIO**

**In Attendance**

Senator Wong, Minister for Climate Change and Water

**Department of Environment, Water, Heritage and the Arts**

**Executive**

Mr David Borthwick PSM, Secretary  
Mr Gerard Early, Deputy Secretary  
Mr Mike Callaghan, Deputy Secretary  
Dr James Horne, Deputy Secretary  
Mr Mark Tucker, Deputy Secretary  
Dr Diana Wright, Executive Policy Adviser

**Approvals and Wildlife Division**

Mr Peter Burnett, First Assistant Secretary  
Ms Vicki Middleton, Assistant Secretary, Environment Assessment Branch  
Ms Cathy Skippington, Assistant Secretary, Environment Assessment Branch  
Mr Mark Flanagan, Assistant Secretary, Strategic Approvals and Legislation Branch  
Ms Kerry Smith, Assistant Secretary, Wildlife Branch  
Ms Di Mead, Acting Assistant Secretary, Compliance and Enforcement Branch

**Arts Division**

Ms Lynn Bean, First Assistant Secretary  
Ms Lyn Allan, Assistant Secretary, Arts Development and Training Branch

---

Mr Mark Taylor, Assistant Secretary, Arts Policy and Access Branch

**Australian Antarctic Division**

Mr Mathew Sutton, Finance Manager

Ms Virginia Mudie, Deputy Director

**Australian Business Arts Foundation**

Ms Jane Haley, Chief Executive Officer

Ms Joanne Simon, Company Secretary

**Australia Council**

Ms Kathy Keele, Chief Executive Officer

Ms Robin Cowdery, Executive Director, Corporate Resources

**Australian Film Commission**

Mr Chris Fitchett, Chief Executive Officer

Mr Greg Brown, Chief Financial Officer, Director, Corporate Services

**Australian Film and Television and Radio School**

Ms Sandra Levy, Director

Mr Reza Bilimoria, Executive

**Australian National Maritime Museum**

Ms Mary-Louise Williams, Director

Mr Peter Rout, Assistant Director

Ms Joan Miller, Chief Financial Officer

**Bundanon Trust**

Ms Pam Thornton, Manager, Business and Operations

**Bureau of Meteorology**

Dr Geoff Love, Director of Meteorology

Mr Trevor Plowman, Chief Financial Officer

**Corporate Strategies Division**

Mr David Anderson, First Assistant Secretary

Mr Darren Schaeffer, Assistant Secretary, Financial Management Branch

**Culture Division**

Ms Sally Basser, First Assistant Secretary

Mr Paul McInnes, Assistant Secretary, Collections Branch

Mr Peter Young, Assistant Secretary, Film and Creative Industries Branch

Mr Paul Salmond, Assistant Secretary, Literature and Indigenous Culture Branch

**Environment Quality Division**

Ms Mary Harwood, First Assistant Secretary

**Environmental Water and Natural Resources Branch**

Mr Chris Schweizer

**Film Australia Ltd**

Ms Daryl Karp, Chief Executive Officer

**Film Finance Corporation**

Mr Brian Rosen, Chief Executive Officer

Mr Ross Pearson, Chief Commercial Officer

**Great Barrier Reef Marine Park Authority**

Dr Russell Reichelt, Chairman

Dr Kirstin Dobbs, Acting Executive Director  
Ms Margaret Johnson, Manager, Strategy and Policy Unit

**Heritage Division**

Mr James Shevlin, First Assistant Secretary  
Mr Theo Hooy, Assistant Secretary, Heritage Management Branch  
Mr Terry Bailey, Assistant Secretary, Heritage Assessment Branch  
Mr Greg Terrill, Assistant Secretary  
Ms Tracey Bell, Acting Assistant Secretary, Heritage Strategy Branch

**Industry, Communities and Energy Division**

Mr Ross Carter, First Assistant Secretary

**Marine and Biodiversity Division**

Ms Tania Rishniw, Assistant Secretary, Marine Conservation Branch  
Mr Andrew McNee, Assistant Secretary, Marine Environment Branch  
Mr Ian Cresswell, Assistant Secretary, National Oceans Office Branch  
Dr Charlie Zammit, Assistant Secretary, Biodiversity Conservation Branch  
Ms Donna Petrachenko, First Assistant Secretary

**National Gallery of Australia**

Mr Ron Radford, Director  
Mr Alan Froud, Deputy Director

**National Library of Australia**

Ms Jan Fullerton, Director-General  
Mr Gerry Linehan, Assistant Director-General, Corporate Services

**National Museum of Australia**

Ms Suzy Nethercott-Watson, General Manager, Operations  
Mr Mathew Trinca, General Manager, Collections and Content  
Ms Louise Douglas, General Manager, Audience and Programs  
Mr Ian Campbell, Acting Chief Finance Officer

**National Water Commission**

Mr Ken Matthews, Commissioner and Chief Executive Officer  
Mr Gary Bullivant, Corporate Manager  
Ms Kerry Olsson, General Manager, Water Reform Group  
Mr Matt Kendall, General Manager, Water Science Group

**Natural Resource Management Programs Division**

Ms Alex Rankin, First Assistant Secretary  
Mr Hilton Taylor, Assistant Secretary

**Old Parliament House and National Portrait Gallery**

Ms Jenny Anderson, First Assistant Secretary, Old Parliament House and the National Portrait Gallery  
Ms Kate Cowie, Assistant Secretary, Research, Exhibition and Programs  
Mr Andrew Sayers, Director, National Portrait Gallery

**Parks Australia Division**

Mr Peter Cochrane, Director of National Parks

**Policy Coordination Division**

Mr Malcolm Thompson, First Assistant Secretary

---

Mr Sean Sullivan, Assistant Secretary, Portfolio Policy and Advice Branch

**Screen Australia**

Ms Lyn Maddock, Interim Chief Executive Officer

**Supervising Scientist Division**

Mr Alan Hughes, Supervising Scientist

**Sydney Harbour Federation Trust**

Mr Geoff Bailey, Executive Director

Mr Nick Hollo, Deputy Executive Director

**Water Reform Division**

Mr Tony Slatyer, First Assistant Secretary

**Water Efficiency Division**

Mr Malcolm Forbes, First Assistant Secretary

Dr Rob Wooding, Assistant Secretary

**Water Governance Division**

Mr Ian Robinson, First Assistant Secretary

Mr Steve Costello, Assistant Secretary, Water Smart Programs Branch

**CHAIR (Senator McEwen)**—Good morning. We commence with the examination, by the Senate Standing Committee on Environment, Communications and the Arts, of the Environment, Water Heritage and the Arts portfolio, in accordance with the agenda. Under standing order 26 the committee must take all evidence in public session. This includes answers to questions on notice. The committee has fixed Thursday, 31 July 2008 as the date for the return of answers to questions taken on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance for questions at estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. Any claim that it would be contrary to the public interest to answer a question must be made by the minister and should be accompanied by a statement setting out the basis for the claim. An officer called to answer a question for the first time should state their full name and the capacity in which they appear,



and witnesses should speak clearly and into the microphones to assist Hansard to record proceedings. Mobile phones should be switched off.

I welcome Senator the Hon. Penny Wong, Minister for Climate Change and Water, and representing the Minister for the Environment, Heritage and the Arts, and I welcome portfolio officers. Minister, do you wish to make an opening statement?

[9.04 am]

**Department of the Environment, Water, Heritage and the Arts**

**Senator Wong**—Madam Chair, there is only one issue I want to bring to the committee's attention. I am not sure if opposition senators are aware of what the opposition sought in terms of the Senate Standing Committee on Finance and Public Administration. For various reasons, in terms of where opposition questioning was focused yesterday, the Department of Climate Change did not appear as timetabled yesterday. At that committee's request I have agreed to reschedule the Climate Change estimates to 7.30 tomorrow evening. Obviously, that means I will be unable to appear in this committee at the same time, so it is a matter for the opposition as to where they actually want me.

What I have indicated to the Finance and Public Administration Committee is that, if we are at the Arts component of this portfolio by 7.30 tomorrow night, then we can arrange alternative representation in that portfolio, but, as you know, Madam Chair, Senate standing orders do not allow me to have someone representing in my own portfolio area. The government has undertaken that in an effort to assist the opposition in their desire to ensure that Climate Change came on during the estimates.

**CHAIR**—Thank you, Minister, for that explanation.

**Senator PARRY**—Madam Chair, this leads into a matter on which I will ask the opinion of the minister, concerning why the Finance and Public Administration Committee has the Department of Climate Change. I understand it is from the Department of the Prime Minister and Cabinet. Who allocates those portfolios and why has it been allocated that way? Do you have a view that that particular department should be under the auspices of this committee for scrutiny?

**Senator Wong**—Through you, Madam Chair: Senator Parry, I would make a couple of comments. Firstly, I want to emphasise that the reason that the Department of Climate Change did not appear yesterday was as a result of opposition senators—

**Senator PARRY**—I understand that.

**Senator Wong**—If I could I finish, it was as a result of opposition senators choosing to spend a substantial amount of time on other portfolios.

**Senator PARRY**—Which is our role.

**Senator Wong**—As is your right. The consequence of that is, obviously, that the Department of Climate Change did not appear. You may recall that, when the former Prime Minister, Mr Howard, established the Department of Human Services, that department was also placed in the Finance and Public Administration Committee for estimates. In terms of the Department of Climate Change, I am happy to answer the question now, but obviously that is

not a matter for this committee. The Department of Climate Change is a department within the Prime Minister's portfolio. Accordingly, it therefore appears in the Finance and Public Administration Senate estimates. We are attempting, in the interests of cooperating with the Senate and cooperating with the opposition, to enable opposition senators to question the Department of Climate Change, notwithstanding that two days were spent during examination of the Prime Minister's portfolio on other agencies. What that does mean, though, is that I am unavailable from 7.30 tomorrow night in this committee unless opposition senators wish to speak to their colleagues in the Finance and Public Administration Committee and demand that I appear here. I am available to attend either committee, but I cannot be in both at the same time.

**Senator PARRY**—Do you have an opinion, Minister, as to whether the Department of Climate Change should be scrutinised by this committee?

**Senator Wong**—My view is that the Department of Climate Change is within the Prime Minister's portfolio and, under the arrangement the Senate has come to, the Prime Minister's portfolio is in the Finance and Public Administration Committee.

**Senator PARRY**—Do you have a view, though, that that should be under your particular portfolio rather than the Prime Minister's?

**Senator Wong**—The Prime Minister, Mr Rudd, has determined that the Department of Climate Change is within his portfolio. I can talk to you about why we believe, as a government, that is appropriate. It reflects the centrality of the challenge of climate change and the view that it is important to have that department located at the centre of government, which is in the Prime Minister's portfolio.

**Senator PARRY**—The portfolio arrangements around the environment and climate change just seem a mess, though. So the Prime Minister solely has decided that that is how it would fit in the structure? That was his decision only?

**Senator Wong**—Through you, Madam Chair: decisions around portfolio structures, ministers and the ministry are decisions for the Prime Minister. They were decisions for former Prime Minister Howard and they were decisions that Prime Minister Rudd made subsequent to the election in November. I am not sure I can assist Senator Parry any further.

**Senator PARRY**—Did you have any input into the say of the allocation or not?

**Senator Wong**—Senator Parry!

**Senator PARRY**—I am just asking the question; I am interested.

**Senator Wong**—This is Senate estimates. You are asking me about a decision the Prime Minister made shortly after the election.

**CHAIR**—Thank you, Minister. Just before we start, I understand the secretary wishes to make a statement. Is that correct?

**Mr Borthwick**—Yes, Madam Chair. I wish to table some corrigenda in relation to the portfolio budget statements for 2008-09. The first relates to page 74 of the PBS and table 3.1.4, 'Australian government Indigenous expenditure'. The amount of Indigenous expenditure under outcome 4 in the table is understated. We have already provided revised

table 3.1.4 to the committee chair and members, but I just make that statement for the record on this occasion. The second adjustment is to page 35 of the PBS at table 2.1.1, 'Total resources for outcome 1', and page 58 at table 2.1.3, 'Total resources for outcome 3'. I would like to table revised table 2.1.1 and revised table 2.1.3 to correctly show the Community Water Grants under outcome 1, instead of outcome 3. In other words, the numbers are the same and it was recorded against outcome 3, whereas it should have been recorded against outcome 1.

**CHAIR**—Thank you, Mr Borthwick. I will ask the committee if it is okay to receive that information. As there is no objection, that is approved and it is tabled. Are there any general questions of the department before we move to the Australian Antarctic Division?

**Senator KEMP**—Yes, thank you, Madam Chair, I have a number of general questions. For the record, and because of the press interest in this, can I ask the minister whether it was her, her staff or anyone from her department who leaked the letter of Martin Ferguson?

**Senator Wong**—I understand that Minister Ferguson has made a public statement in relation to this issue. If the senator has further questions in relation to this issue, can I suggest that they be addressed to Minister Ferguson's representative in the appropriate committee.

**Senator KEMP**—I think there is a view, Senator Wong, that a member of the cabinet has leaked this letter—and you are a member of the cabinet. I am asking you, in a straightforward question, whether it was you, a member of your staff or a member of your department who leaked this letter.

**Senator Wong**—I understand very clearly the conventions which apply to cabinet, including cabinet solidarity. If you have further questions about this issue, I suggest you ask them of Minister Ferguson's representative in the appropriate committee.

**Senator KEMP**—I think we will be asking cabinet ministers to make sure that they are on the public record, particularly in *Hansard*, as denying the fact or, if it be the case, confessing the fact they have leaked a letter. I am asking you, just for the public record, whether you have abided by all the proper cabinet conventions and whether it was not you, your staff or your department that leaked that letter. It is a very straightforward question. There are no tricks in that question.

**Senator LUNDY**—You think you are funny, don't you!

**Senator KEMP**—I do not think it is funny at all. I do not think Martin Ferguson thinks it is funny.

**Senator LUNDY**—You are not funny at all.

**Senator KEMP**—What is the answer?

**Senator Wong**—As I said, I am aware of and seek to honour the conventions which apply to cabinet, and I cannot assist you any further in relation to this matter.

**Senator KEMP**—Trying to cut through the verbiage, does that mean that you are saying it was not you who leaked the letter? Is that right?

**Senator Wong**—What I am saying is that I am not commenting on this issue. I told you that I am acutely aware of the conventions which apply to cabinet.

**Senator KEMP**—That is an amazing response!

**Senator LUNDY**—It is not an amazing response. You do not have a question to ask in the portfolio, obviously, so get on with it.

**Senator Wong**—I understand Minister Ferguson has made a statement about this, and if you have any further questions about these issues they should be directed to him.

**Senator KEMP**—All right, Madam Chair, I will move on. I think the committee will note that the minister failed to rule out that it was she who leaked the letter. We will leave it there. My next question to Senator Wong is: when did you receive a charter letter from the Prime Minister outlining your duties?

**Senator Wong**—I would need to take that question on notice.

**Senator Wong**—I do not recall the dates on which these issues were discussed.

**Senator KEMP**—The normal practice of a new government is that the Prime Minister sends out a charter letter to all his ministers. Senator Chris Evans at the February estimates indicated, I think—and I do not want to misquote him—that the charter letters were on the minister's desk.

**Senator Wong**—I think it was yesterday or the day before that these issues were discussed in the Prime Minister's portfolio estimates hearings with Senator Faulkner. I am not sure whether these issues were raised directly by you, but certainly they were raised by opposition senators. I do not have anything to add to the answers that were given or the questions which were taken on notice by Senator Faulkner in that portfolio. In relation to your direct question to me, that is a matter I would have to take on notice.

**Senator KEMP**—A charter letter is one of the most significant letters a minister receives. The charter letter outlines a minister's duties and the benchmarks by which a minister's performance will be judged. Senator Faulkner indicated that he had not received one, but my understanding is that Senator Sherry had indicated to his committee that he had. I will not press you on the date that you received it, but let me just ask: have you received a charter letter from the Prime Minister?

**Senator Wong**—As I said, I would have to take this question on notice.

**Senator IAN MACDONALD**—You must know whether you got a letter from the Prime Minister telling you what your duties are, surely.

**Senator Wong**—Through you, Madam Chair: I have asked to take this question on notice. I am not sure I can assist the senators any more in terms of these questions.

**Senator LUNDY**—They have no questions, so they waste their time on things like this.

**Senator KEMP**—To be quite frank, Minister, noticing how slow it is getting the answers back from your department and noticing how absolutely inadequate the information is that is provided to questions on notice, it is unsatisfactory to this committee. This is not a hard question. This is actually a yes/no. Have you received a charter letter—yes or no?

**Senator LUNDY**—Senator Kemp, I recall receiving answers to questions on notice from your portfolio on the day that the next estimates started.

**Senator IAN MACDONALD**—Madam Chair, we are asking the minister, not Senator Lundy.

**CHAIR**—The minister has indicated that she will take the question on notice. Senator Kemp, have you any further questions?

**Senator KEMP**—Yes. I do think that is an amazing response, I have to say. If you are taking it on notice, could you, with your staff, check in the course of the morning and perhaps be in a position to advise the committee in the next hour or so if a letter has been received or not.

**Senator LUNDY**—I actually have a question for the portfolio in relation to the expenditure of the budget.

**Senator KEMP**—This is not a question for the portfolio.

**Senator LUNDY**—I know it is your role, Senator Kemp, but I am keen to get on to the business that we are here for.

**Senator KEMP**—I do not think Penny Wong needs you to defend her, Senator Lundy.

**CHAIR**—We will get to you, Senator Lundy. Senator Kemp, please continue.

**Senator Wong**—Madam Chair, I have taken the question on notice. Obviously we endeavour to assist the committee and the Senate as expeditiously as is reasonably possible. I would note, however, that these questions, as I understand it, were canvassed of Senator Faulkner in another committee, so obviously we would need to see what is occurring in the context of that committee. But I have taken the question on notice and I will note Senator Kemp's request.

**Senator IAN MACDONALD**—Minister, this relates to your performance of your duties in this portfolio: what you are supposed to do, what the benchmarks are, what the government's intentions and goals are. It is a letter addressed to you, and it belies credibility to suggest that you do not even know whether you have the most important letter you will ever receive in your ministerial career, and that is the letter from the Prime Minister telling you what he expects of you, what duties you have and what responsibilities you have. You must know whether you received that or not.

**Senator KEMP**—Madam Chair—

**CHAIR**—No. Senator Macdonald has a question for the minister. Minister, can you please respond and then we will move on.

**Senator Wong**—Thank you, Madam Chair. As I have said, I am taking that question on notice. I note Senator Kemp's request that that be done as expeditiously as is reasonably possible.

**Senator IAN MACDONALD**—Are you seriously telling the committee that you do not know whether you have a letter from the Prime Minister? It just belies acceptance that you would not know whether you got a letter from the Prime Minister about your duties.

**Senator LUNDY**—Why not say that again in a louder voice so we can go through the same pattern of all your posturing of yesterday.

**CHAIR**—Senator Kemp, have you got a question?

**Senator KEMP**—Yes, I have. In the course of the morning I imagine that the department have listened to the question and I imagine that the minister's staff have listened to the question. We will return to it in the next hour or so to see whether we can discover if the minister has received one of the most important letters that a minister is due to receive.

**Senator IAN MACDONALD**—With respect, Senator Kemp, I do not think we should leave that.

**Senator LUNDY**—Nice try, Senator Kemp!

**Senator IAN MACDONALD**—Madam Chair, we are asking this minister about her role in the department and we are trying to find out whether she knows what she is supposed to be doing by the charter letter. Senator Lundy would never have received one of these, and is never likely to, but there are those of us who understand how important it is. I am sorry to suggest to Senator Wong that she is telling little fibbers, but it just belies acceptance—

**Senator LUNDY**—That is right out of order, Senator Macdonald—right out of order.

**Senator IAN MACDONALD**—That Senator Wong does not know whether or not she has—

**CHAIR**—Order!

**Senator LUNDY**—You cannot say that at an estimates committee or impugn the minister in that way, even when you put words like that around it.

**CHAIR**—Senator Macdonald, finish your statement. If there is a question, we would like to have it, but I do bring to your attention that the minister has already answered the question by saying she will take it on notice.

**Senator IAN MACDONALD**—I am asking the minister whether she expects this committee to believe that she cannot remember whether or not she has got a letter from the Prime Minister.

**Senator LUNDY**—She has taken it on notice.

**Senator IAN MACDONALD**—Is she telling us she cannot—

**Senator LUNDY**—She has taken it on notice.

**Senator IAN MACDONALD**—I am asking the minister whether she expects this committee to believe—

**Senator LUNDY**—She has taken it on notice. That is all you need to know.

**Senator IAN MACDONALD**—that she cannot remember—

**Senator LUNDY**—No, she has taken it on notice.

**Senator IAN MACDONALD**—whether or not she has got a letter from the Prime Minister. It just makes every other answer this minister gives subject to a great deal of suspicion.

**CHAIR**—Thank you for your opinion, Senator Macdonald. Which opposition senator is going to ask a question?

**Senator KEMP**—I think the point made by my colleague is well made. The thing which makes me worry about questions on notice is, of course, the way that you have responded to questions on notice, Senator Wong. One of the questions on notice that you were asked is—and it is not a difficult question; perhaps I might put it to the department—has the department got a list of election promises that the department is required to administer?

**Senator Wong**—So that officers can assist you, could you refer us to the number of the question on notice to which you are referring?

**Senator KEMP**—I am referring to question on notice No. 16. I am just checking with the department whether in fact they have a list. It is not a particularly difficult question.

**Senator Wong**—Perhaps I have a different number. The number I have for 16 is a written question from Senator Minchin.

**Senator KEMP**—That is right.

**Senator Wong**—Is the question you are referring to ‘It would be appreciated if the following information was provided on appointments, list of vacancies, all grants,’ et cetera? Is that the one you are referring to?

**Senator KEMP**—Part (e).

**Senator Wong**—I see. I will just see if we can assist you.

**Senator KEMP**—This has been asked of your department. It is actually not a difficult question.

**Senator Wong**—Senator Kemp, I am just getting a copy of the answer to see if we can assist you.

**Mr Borthwick**—Minister, the response to this table refers to a response to a parliamentary question on notice No. 170 which was asked of the Minister for Environment, Heritage and the Arts. I do not know what was said in that response.

**Senator KEMP**—Let us put that aside for a moment because I did not know that it would cause such confusion. Has the department got a list of the election promises made by the government that it is required to administer?

**Senator LUNDY**—You asked the right question first. You got your answer just then.

**Senator Wong**—Sorry; what was the question again?

**CHAIR**—Can you repeat your question, Senator Kemp?

**Senator KEMP**—I will do it for the third time. The question is straightforward. Has the department got a list of the election promises that it is required to administer?

**Senator Wong**—The secretary will answer.

**Mr Borthwick**—Minister, I gather Senator Faulkner took that question on notice in the last day or so and he said, I believe, that he would look at that from a whole-of-government perspective in terms of—

**Senator IAN MACDONALD**—But this is about you, Mr Borthwick. Have you got a list?

**Senator Wong**—Madam Chair, if Senator Macdonald could let the secretary finish, I think things would proceed much better.

**Senator IAN MACDONALD**—The question is whether you have got a list.

**Senator Wong**—Senator Macdonald, we have no objection to you asking questions, but—

**Senator IAN MACDONALD**—That is very generous of you—very generous.

**Senator Wong**—it might proceed more expeditiously if the secretary could actually be allowed to finish his answers before you ask the next question.

**Mr Borthwick**—I think, because Minister Faulkner took a question on notice there, that I need to take a lead from him. In relation to what was in the budget papers in terms of individual promises and what we are doing about them, I am happy to answer questions as we go through the estimates hearing. But, in terms of a list of what they all were, Minister Faulkner, I understand, wanted to come back and look at that in a whole-of-government context.

**Senator KEMP**—No. I was at the estimates with Minister Faulkner and I actually asked the question. Minister Faulkner said that he would check whether he had such a list, and we are waiting to see whether he has and whether it will be tabled. The secretary knows, as I know and the minister knows, that such a list exists, because all incoming governments require their departments, quite appropriately, to carry out the election promises that they have made. So I ask the secretary: could you just answer yes or no as to whether you have a list of the election promises that the department is required to administer?

**Senator Wong**—Madam Chair, obviously election promises are public documents. There is quite a lengthy water policy, as I think you know, Senator Kemp. You might have asked me questions about it previously. There were a range of policies, which obviously are available on the internet, and were distributed publicly during the election campaign. As I understand that Senator Faulkner did take this on notice in the Prime Minister's portfolio, I suggest that we liaise with him and what information we are able to provide we will provide.

**Senator KEMP**—Apparently you have not got a charter letter to tell you what you are meant to be doing.

**Senator IAN MACDONALD**—Or she does not know.

**Senator KEMP**—Now the department and you are hedging whether you have a list of the election promises that you are required to carry out. I have never seen this happen in a Senate estimates, I have to say. This is an astonishing development, in my view.

**CHAIR**—And your question is, Senator Kemp?

**Senator KEMP**—And my question is—

**Senator IAN MACDONALD**—Madam Chair, can I take a point of order with you?

**CHAIR**—Senator Kemp was about to ask a question.

**Senator IAN MACDONALD**—Can I take a point of—

**CHAIR**—Senator Kemp, are you deferring to Senator Macdonald?

**Senator KEMP**—He is taking a point of order.



**Senator IAN MACDONALD**—I am taking a point of order. Madam Chair, could you read out again for Mr Borthwick's assistance the advice you give at the beginning of the proceedings where witnesses are required to answer these things. They are not able to say, 'Well, Senator Faulkner in another estimates might have taken this on notice, so I'm not going to answer it.' If you could read out again for Mr Borthwick's benefit just what he is required to answer at this estimates, it might help us, and we can get the answer to Senator Kemp's question.

**CHAIR**—Senator Macdonald, Mr Borthwick has been at many estimates. I am sure he could recite the opening statement verbatim and there is no need for me to read it out again. There is no point of order. We will move on. Senator Kemp, to your question.

**Senator KEMP**—The question is a very straightforward one, and Mr Borthwick and I know fully what the answer to this is: does the department have a list of the election promises it is required to administer—yes or no? That is a different question to whether you will give me the list. This is just to ask whether you have a list.

**Mr Borthwick**—We are very aware of what the election commitments are. What we are required to deliver is what was in the budget papers.

**Senator KEMP**—Sure. So you have a full list of the election promises?

**Mr Borthwick**—No. It is not up to the department to interpret what the election promises were.

**Senator KEMP**—No, that is for the government.

**Mr Borthwick**—That is a matter for the government and for ministers.

**Senator KEMP**—Yes.

**Mr Borthwick**—The role of the department is to implement on behalf of the government what is announced in the budget papers and, as I indicated, we are certainly happy to go through all of those and explain.

**Senator KEMP**—I think you can now see, Secretary Borthwick, what a mess the government has got itself into over the most simple question. Senator Wong, does your department know all the election promises it is required to administer?

**Senator Wong**—Through you, Madam Chair: the secretary has already indicated that the department is very aware of what commitments were made during the election, and I would refer the senator to the public commitments which were made and, obviously, to which the government is held accountable. In terms of what the senator is asking, what I have indicated is that we will take that question on notice, as I understand Senator Faulkner has, and I am not sure what arrangements have been made within the Prime Minister's portfolio as a result of those questions. So I would like the opportunity to consider that and consider—

**Senator KEMP**—This is incredible.

**Senator Wong**—how Senator Faulkner is progressing that through the Prime Minister's portfolio. I am not sure I can assist Senator Macdonald any further.

**Senator LUNDY**—Half an hour has been wasted with this ridiculous stuff already.

**Senator KEMP**—Madam Chair, I have asked a straightforward question to which, I would have to say, every other minister in my experience would be able to answer yes or no—or insist that the department does know. Can we avoid the ‘Pennyspeak’ for a moment. So that the committee is absolutely crystal clear, can you assure this committee that your department is fully aware of all the election promises it is required to administer?

**Senator Wong**—I think Mr Borthwick has already indicated that the department is aware of the election commitments.

**Senator KEMP**—Can’t you say yes or no? Isn’t it possible, as a minister—

**Senator LUNDY**—I cannot remember you ever saying yes or no, Senator Kemp; or you, Senator Macdonald.

**Senator Wong**—That answer has already been given.

**Senator KEMP**—It has not been given.

**Senator Wong**—Secretary Borthwick has already indicated—

**Senator KEMP**—You have to take that question on notice? I will be coming back to this. This is outrageous!

**Senator Wong**—Madam Chair, that is not what occurred then. I indicated that Secretary Borthwick has already indicated that the department is aware of the election commitments.

**Senator IAN MACDONALD**—That is a put-up trick.

**Senator Wong**—What I have asked is to take on notice the issue of the provision of that, given that this information was sought in another committee of another minister representing the Prime Minister. That is not an unusual state of affairs. That has occurred, as senators would know, on many previous occasions in estimates committees.

**CHAIR**—Thank you, Minister.

**Senator KEMP**—At half past nine I am relieved to have got the answer that the department is aware of all the election commitments that it is required to administer. It took us half an hour to get that. Can we have the list? Seeing the department is aware of it, can we have the list? What is so secret about this?

**Senator Wong**—Madam Chair, I believe I have already dealt with that issue.

**CHAIR**—Yes, you have, Minister.

**Senator Wong**—I understand there is a request for a list. I understand the same request was made of the Prime Minister’s portfolio. I have sought to take the question on notice. Senator Faulkner, I understood, took the question on notice. I have not had an opportunity to discuss it with him. I understand that that is being sought by Senator Kemp and I have asked to take that question on notice.

**Senator IAN MACDONALD**—Who is running this portfolio, Minister—Senator Faulkner or you? The question was to Mr Borthwick, your secretary, about promises made in your portfolio. It is nothing to do with the Prime Minister and nothing to do with Senator Faulkner.

**Senator WEBBER**—If you read the budget papers you will find the government's commitments to implementing its election promises.

**Senator IAN MACDONALD**—We are not asking you questions, thank you, Senator.

**Senator WEBBER**—That is what Mr Borthwick said a quarter of an hour ago.

**CHAIR**—Order!

**Senator LUNDY**—Do not let logic get in the way.

**CHAIR**—Senator Macdonald, was there a question arising?

**Senator KEMP**—No, I have not finished, Madam Chair. I will be proceeding.

**CHAIR**—Sorry, Senator Kemp.

**Senator LUNDY**—Thirty-five minutes and counting.

**Senator KEMP**—In a previous life, I sat in the chair where Senator Wong is now sitting and I remember getting lectured by Senator Wong, at estimates after estimates, about the slowness of responses to questions on notice.

**Senator LUNDY**—What does that tell you?

**Senator KEMP**—I was anxious to make sure that that did not happen again, so I am absolutely stunned to discover that a straightforward question that was given to Senator Wong by Senator Minchin arrived here on 22 May. This is the famous question No. 16, which asked, 'Could you tell us what your election commitments are?' and which was too hard to answer. I ask the minister: when did she receive the answer to that question?

**Senator Wong**—Is this the one to which you were referring before, question No. 16?

**Senator KEMP**—This is the one where you were asked about all appointments that were made.

**Senator Wong**—The advice I have received, and this might explain the delay, is that this answer—or that aspect of the answer, because it was asked in every portfolio—is being or was coordinated by the Department of the Prime Minister and Cabinet.

**Senator KEMP**—So you are blaming Rudd, are you?

**CHAIR**—Can the minister finish her answer, please, Senator Kemp? You are making it very difficult.

**Senator Wong**—Thank you, Madam Chair. The advice I have just received is that that answer is coordinated across government by the Department of the Prime Minister and Cabinet. That question, as I recall, was asked of every portfolio. It is a little akin to the discussion we had previously where there are questions across all of government and all committees. It is not unreasonable, I suggest—through you, Madam Chair—Senator Kemp, for those whole-of-government issues to be coordinated by Prime Minister and Cabinet. Is the question: when did I first see that answer?

**Senator KEMP**—Yes.

**Senator Wong**—I do not have such a date.

**Senator KEMP**—Take it on notice.

**Senator Wong**—I am sure that even you, with your extraordinary powers of recollection and data recall, as a former minister would know that quite a lot comes across one's desk. I do not have a date in my head as to when every question on notice's answer came into my office.

**Senator KEMP**—Can I record that we have had an interesting discussion on this. It has been extremely unsatisfactory. I think that we will give the minister the chance to seek the information on the questions which I have put to her, which are simply not difficult questions. I suggest that in the course of the morning we return to this issue to see whether the minister can provide any further help to the committee.

**CHAIR**—Are there any further questions of the department?

**Senator LUNDY**—I have some questions for the Antarctic Division.

**Senator IAN MACDONALD**—Could I ask your departmental officials to indicate when they submitted that answer to you, because they will have records. You do not need to recollect, but the department will have that information.

**Mr Borthwick**—We will take that on notice.

**Senator IAN MACDONALD**—Mr Borthwick, in the last 10 years the department has always been easily able to say when they have provided letters to ministers.

**Senator Wong**—That is just not true.

**Senator IAN MACDONALD**—So what is different now?

**Senator Wong**—That is not true. I had that question taken on notice—in fact I think by you—on a number of occasions.

**Senator IAN MACDONALD**—I am asking for—

**CHAIR**—One at a time, Senators!

**Mr Borthwick**—At the last estimates hearing we took 96 questions on notice. I cannot remember the date on which we responded to each of those.

**Senator IAN MACDONALD**—I am not expecting you to, Mr Borthwick; you are the secretary of a very big department. But you have people sitting behind you with this information, which we all know they have.

**Mr Borthwick**—If we can get the information over the course of the day we will.

**Senator IAN MACDONALD**—Thank you. I have other questions on the overall portfolio.

**Senator Wong**—Ms Mudie is here from the Antarctic Division. Can I clarify whether we are able to get some sense of when she will be required?

**Senator IAN MACDONALD**—Within the next hour.

**Senator Wong**—That is fine.

**CHAIR**—That depends on other senators too, Senator Macdonald. I understand Senator Parry and Senator Siewert both have questions of the department. I am not sure about the senators on my left.

**Senator IAN MACDONALD**—Minister, when you first became minister, do you recall the department handing you a series of briefs on current issues plus a series of briefs on what they understood to be your election promises and how you might address them? Do you remember getting those briefs?

**Senator Wong**—Madam Chair, I am not sure how this relates to a Senate estimates committee. This is a transition to government issue. Senator Macdonald, I am not sure if you were in parliament when you won office on the last occasion. I do not believe you were a minister, but I am sure you would be aware there are a range of arrangements which have to be put in place when there is a change of government, including extensive briefings of the incoming executive. Obviously I, along with other ministers, received a range of quite detailed and extensive briefings when we came to government. I hope—and assume—that at some stage we will go to the budget papers, which is why we are here.

**CHAIR**—We all do, Senator.

**Senator IAN MACDONALD**—Senator Wong, in fact you may even have been given two briefs, two substantial booklets—one of what might happen with the coalition and one of what might happen with Labor. The department would have prepared briefs on each of those. Do you recall getting them?

**Senator Wong**—You may recall from your time as a minister that we are the executive. Ministers are not provided with advice which was provided to the previous government. Certainly I was never, that I can recall, provided with advice which would have been provided to the previous government had they been re-elected. That is not the way in which it works.

**Senator IAN MACDONALD**—This is not advice, Minister. Perhaps I could ask Mr Borthwick. Did you give a briefing based on the issues that you understood to be Labor policy—based on your understanding from newspaper reports and websites on what the government stood for—when the new minister came in?

**Senator Wong**—I am sorry, Madam Chair, I thought the previous question was in relation to an alleged or a supposed second brief, which would have related to the re-election of the previous government, and my answer related to that; that, no, obviously we are not provided with advice about—

**Senator IAN MACDONALD**—Minister, you deliberately misinterpreted that. It was about both. Forget the opposition. Forget the government.

**Senator Wong**—Senator—through you, Madam Chair—I understand that these committees can get somewhat willing, but to imply what my intention is is really not something that is within Senator Macdonald's knowledge.

**CHAIR**—Can you relate your question to the estimates process, Senator Macdonald.

**Senator IAN MACDONALD**—This is very much part of the estimates process.

**CHAIR**—Can you be a bit more direct about that, perhaps.

**Senator IAN MACDONALD**—It is very much part of it. We want to know what the department understands it has to implement. We are trying to find out which of the new government's election promises it has to implement.

**CHAIR**—We have had answers to that question for the last half an hour.

**Senator IAN MACDONALD**—No. I am asking Mr Borthwick whether he presented to the new minister a booklet, a series of briefings, on what he or the department understood—from the website, from newspaper reports—the new government stood for in the environment area. I am asking Mr Borthwick whether he presented that briefing. Again, it is a pretty simple answer: yes, he did, or no, he did not.

**Mr Borthwick**—Yes, we did give the incoming ministers a brief.

**Senator IAN MACDONALD**—Thank you, Mr Borthwick. I knew the answer to the question. For some reason, Senator Wong was not prepared to say that. Would it be possible to get a list of the headings of the brief which you gave to the minister on their election promises? In that way we can get what Senator Kemp was trying to get earlier on.

**Senator Wong**—What is being sought is aspects of the incoming brief to government. I note that the Howard government never released such a brief.

**Senator IAN MACDONALD**—They were never asked.

**Senator Wong**—They never released such a brief. I will take the question on notice and I will flag that it is highly likely that we will claim public interest in respect of some of that. You may be aware—certainly when you were sworn in to the outer ministry, Senator—that you are briefed on a range of issues when you come into the ministry. I am sure you would agree that not all of those are issues that would appropriately be put through an estimates committee process.

**Senator IAN MACDONALD**—Seeing as you raised the question I received a brief on four occasions, which I doubt that you will ever make.

**Senator Wong**—On any occasion did you release that brief?

**Senator IAN MACDONALD**—Was I ever asked?

**Senator Wong**—Would you have released it?

**Senator IAN MACDONALD**—Yes.

**Senator Wong**—You would have released it? Including if it included issues that were going to go before cabinet?

**Senator IAN MACDONALD**—What we are after is this. Your party made certain promises before the election in relation to the environment. We want to know what the department is doing about implementing the promises you made. It is a very simple thing. There is no trick in this, actually. Your obfuscation seems to suggest you are either not across the portfolio or you do not understand what your portfolio is. I know you have not got a charter letter yet—or you do not know whether you have got a charter letter. You will have to take it on notice to remind yourself whether you have got a charter letter or not. We really just want to know what work the department is doing in the context of allowing you to prepare your election commitments.

**Senator Wong**—Through you, Madam Chair: this government, unlike the previous government, does not have a category of non-core promises.

**Senator IAN MACDONALD**—What about fuel prices?

**Senator Wong**—When it comes to promises, one will remember, of course, Senator Macdonald, some of what occurred when you were on Dr Hewson's front bench. We are being very clear about the priority given to election commitments, and if Senator Macdonald wishes me to go through the budget papers to outline where we have delivered on our election commitments—for example, with \$12.9 billion in water, Water for the Future, which delivers on our urban and rural water election commitments—I am very happy to do so.

The question in relation to election promises has been asked. It is essentially being asked in a different format. I understand what the opposition senators are seeking. What I have said is that I will take the question on notice. I understand the same question has been asked across portfolios, including of Senator Faulkner in the Prime Minister's portfolio, and I have asked to take that question on notice to enable us to consider that. Our election promises are all on the public record, and we are held to account on them. They are on the public record, they are in our election policies, and a great many of them in this portfolio have been implemented in the budget which was handed down and which this Senate committee is scrutinising.

**Senator IAN MACDONALD**—That is a nice public promotion speech, Minister, but if you want to talk about non-core promises, tell us about grocery prices, petrol prices and bringing down the cost of living.

**CHAIR**—Have you got a question, Senator Macdonald?

**Senator IAN MACDONALD**—The minister just had a 10-minute soliloquy about how good she and her government are. I am just responding about the non-core promises. We are still waiting to see about fuel prices and inflation and all those sorts of things.

**CHAIR**—Senator Kemp, have you got a question?

**Senator KEMP**—I just want to make the point—

**CHAIR**—No. Have you got a question?

**Senator KEMP**—that all these promises are simply not on the public record, Senator Wong. I know that, because I and a number of my colleagues have looked very closely at the public record and we discovered, for example, a sports grant that we asked Senator Faulkner about—he having provided us with what he said was a comprehensive list—and this particular grant was not included in this comprehensive list.

**CHAIR**—It is not relevant to this committee.

**Senator KEMP**—It is relevant because Senator Wong said all these promises are on the public record. I have never heard of a situation in a Senate estimates committee where such straightforward questions as: 'What are your promises?', 'Could we have the list?' and 'Which departments are going to administer them?' have caused such concern to the ministers at the table and caused such embarrassment to the department. I do not know what the department think of a government that are simply not prepared to provide to the parliament a list of their election promises which are being administered by the department. I think the department would think this is one of the craziest experiences they have ever had. Anyway, the question has been taken on notice, and we have noticed that Penny understands that we are not going to be waiting for month after month to receive a non-answer, so I am sure that

Senator Macdonald and my colleagues and I will be returning to this issue in the course of the day.

**Senator IAN MACDONALD**—I have one further question on this, Minister. Could you indicate where your promise was to change the arrangements for the solar panels rebate? Could you identify when that promise was made prior to the election period? That is directly involved in this portfolio.

**Senator Wong**—I do not have officers at the table in relation to that issue.

**Senator IAN MACDONALD**—No, I am talking about election promises, not about the issue. The issue will come later, thanks, Minister.

**Senator Wong**—I might need some assistance here.

**Senator IAN MACDONALD**—I am sure your department do not have your election promises that they can look up. We have just spent half an hour being told they do not have them.

**CHAIR**—Senator Macdonald, I know many other senators will have questions about the same issue. Would it be appropriate to leave it till the agency officers are at the table?

**Senator IAN MACDONALD**—No, this is not about the issue.

**CHAIR**—Yes, I understand that.

**Senator IAN MACDONALD**—This is about the election promise. The minister is now getting her departmental officers to look up what the promise was, after being told for half an hour that they do not have them. I am not interested in the issue. We will come to that later. I am interested in the promise.

**Senator Wong**—This is obviously a matter within Minister Garrett's portfolio. My recollection is that the government's election commitment was to provide rebates for the installation of up to 3,000 power systems per year over five years. Our commitment was for \$150 million and an \$8,000 rebate. That is what the budget delivers. Obviously, a means test has been introduced, and I am happy to go to that issue if you wish.

**Senator IAN MACDONALD**—We will go to the substantive issue later. We cannot wait for that, actually. What I am after now is where the promise was to introduce the means test.

**Senator Wong**—The election commitment that I recall is to provide rebates for the installation of up to 3,000 household power systems over five years, to provide \$150 million, and to provide for a maximum household rebate of \$8,000, and those three election commitments have been delivered on.

**Senator IAN MACDONALD**—What about the non-core promise of the introduction of a means test on that to make it effectively unaffordable to install solar panels now?

**Senator Wong**—That is a matter of opinion.

**Senator IAN MACDONALD**—We will get onto that later, but where is the pre-election promise to introduce the means test?



**Senator Wong**—That is a matter of opinion. The election commitments were as I have outlined, and the government has delivered on those commitments. If you want to argue the merits or otherwise of the means test, it is obviously open to you to do so.

**Senator IAN MACDONALD**—Thank you for confirming, Minister, that this was not raised before the election and it was a promise that was not given and, in fact, is a breach of a promise to continue the program. That is all I have on this first section, thank you, Madam Chair.

**Senator Wong**—The program is continuing in accordance with the commitments that I have outlined.

**Senator PARRY**—I have some general questions of the department and the minister. How many staff, in particular DLOs, does Minister Garrett currently have? Also, how many staff are there in Minister Wong's office? You might want to take that on notice.

**Senator Wong**—I can answer for myself. You will recall the government did effect a reduction in personal staff of ministers, as from when you were in government, I think of 30 per cent.

**Senator PARRY**—Yes.

**Senator Wong**—I have two departmental liaison officers in my office. I think that evidence was given at the last Senate committee as well. I have one from Secretary Borthwick's department and, of course, one from the Department of Climate Change.

**Senator PARRY**—And Minister Garrett? Did you want to take that on notice?

**Mr Borthwick**—No. There are also two DLOs in Minister Garrett's office.

**Senator PARRY**—Are all these staff full time?

**Senator Wong**—More than full time, I think you would find.

**Senator PARRY**—Paid full time rather than working.

**Senator IAN MACDONALD**—Has it changed since you last gave the answers?

**Senator Wong**—I do not think so.

**Senator IAN MACDONALD**—Mr Borthwick, has it changed since you last gave this information to the committee?

**Mr Borthwick**—No, it has not.

**Senator IAN MACDONALD**—The question about Mr Garrett's private staff will be answered later in writing?

**Senator Wong**—Have you asked that?

**Mr Borthwick**—You have not asked that.

**Senator PARRY**—Yes, Mr Garrett's staff as well, and I am happy to receive the answer on notice.

**Senator Wong**—So we can be clear, you are seeking the personal staff positions for both the ministerial offices—my office and Mr Garrett's?

**Senator PARRY**—Correct, and, as Senator Macdonald rightly added, which was to be my next question, has there been any change since—

**Senator Wong**—There has been no change to the structure, as far as I am aware. Certainly in my office there has been no change to the positions allocated by the Prime Minister for cabinet ministers. I may have had staff actually filling those positions since we last met.

**Mr Borthwick**—There is a point of clarification here. On the immediate transition to government, it is customary for departments to provide additional staff to those DLO staff until recruitment processes are in place, and that would have been mentioned last time. At this juncture, there are two DLOs in Minister Wong's office and two—

**Senator IAN MACDONALD**—I think what Senator Parry is asking is: has there been any change since you last gave detailed information—

**Mr Borthwick**—No.

**Senator IAN MACDONALD**—not only of departmental staff, as I understand Senator Parry's question, but also of personal staff to both ministers? You will have to take that on notice.

**Senator Wong**—I will take it on notice in respect of both of us—certainly in respect of Mr Garrett, because we just want to make sure that is correct. I can indicate—and we will correct this if I am wrong—that I do not believe there has been any change in the number of positions allocated within the minister's office. I may have filled one or more positions since we last met.

**Senator PARRY**—But the total allocation has not adjusted?

**Senator Wong**—No. As I said, it is 30 per cent, across the ministry, less than your government.

**Senator PARRY**—What about salary levels? Have they increased or stayed the same for each of those positions, apart from normal CPI increases that may have occurred?

**Senator Wong**—I do not believe so.

**Senator PARRY**—So the structure is the same? Again, I am happy for you to take this next question on notice. Minister, I believe you travelled to Papua New Guinea with six of your ministerial colleagues.

**Senator Wong**—Yes. That is actually in my climate change portfolio. I do not have all those details here but, yes, there was a ministerial dialogue between Australia and Papua New Guinea. That was subsequent to the Prime Minister's visit to Papua New Guinea and the various announcements in terms of the bilateral relationship with Prime Minister Somare. A number of ministers travelled to Papua New Guinea for a ministerial-level dialogue with quite a number of members of the Papua New Guinean government. If you want further information about that, that was a climate change visit, not a water visit.

**Senator PARRY**—Are you happy to take it on notice from this committee?

**Senator Wong**—Yes. The relevant officers, in terms of climate change departmental officers, will be available from 7.30 tomorrow evening, and we will be happy to deal with those questions then if you wish.

**Senator PARRY**—I understand Minister Garrett attended also. Could you indicate why both of you attended?

**Senator Wong**—Again, I do not have all this information in front of me. The delegation was led by the foreign minister. The delegation included the trade minister, Minister Garrett, Minister Ferguson, myself and I think two parliamentary secretaries. I will have to take on notice the rest because I do not have the details in front of me. A great many issues were traversed at that meeting, in terms of what I think we are calling the forest carbon partnership with Papua New Guinea, in relation to looking at ways to avoid deforestation and forest degradation. Obviously, that was the issue I was primarily concerned with.

There may an officer here who can assist me, but a key issue for Minister Garrett to finalise on that visit was the Kokoda Track and the negotiations with Papua New Guinea about the preservation of that track, which is obviously a key concern for Australia. You may recall that we were very pleased that Minister Garrett was able to announce an agreement with the Papua New Guinean government in relation to Kokoda. There were matters being dealt with across a range of portfolios.

As the Prime Minister has made clear, we regard our bilateral relationship with a number of neighbours in our region as extremely important to resource. Papua New Guinea is obviously a very important regional neighbour, and it is a relationship where the Australian government is putting a deal of effort across a range of portfolios to deepen and strengthen the cooperation.

**Senator PARRY**—Would it have been more cost effective for the Commonwealth if either Minister Garrett represented you or you represented Minister Garrett rather than having both of you there?

**Senator Wong**—This is a ministerial-level dialogue, and I would hope that we would have bipartisan support for strengthening relationships with our region.

**Senator PARRY**—Absolutely. I am just asking whether it would have been more efficient.

**Senator Wong**—Obviously there were a breadth of issues. Minister Garrett and I are not entirely interchangeable.

**Senator PARRY**—So the answer is no?

**Senator Wong**—Apart from the fact that he is substantially taller than I, he deals with different issues in his portfolio. He was dealing, as I said, primarily with Kokoda. Other officers at the table may want to provide more information, because obviously I was focused primarily on climate change issues. This is a dialogue that your government also participated in, although perhaps there was less focus on it—but I do not really want to go into that issue.

I will put a caveat on this by saying that I am speaking from my memory—so I may have to clarify this information—but I think the next dialogue will be held in Australia, so it is turned around, and I think they are held annually. Someone may be able to assist me with that. Our delegation was substantially smaller, obviously, than the Papua New Guinean delegation. In addition to the ministers, including their foreign minister, who participated in the dialogue, the delegation also met with Prime Minister Somare.

**Senator PARRY**—Could we have some details about the staff that accompanied you and Minister Garrett, any media that accompanied you and what the media were invoiced, if they were invoiced, for any costs in relation to utilising a chartered aircraft, and also accommodation, if the media was accommodated by the department?

**Senator Wong**—Sorry, I did not hear that last bit, Senator Parry.

**Senator PARRY**—Was the media accommodated by the department? That can be provided on notice if you are comfortable to do it that way.

**Senator Wong**—I can indicate to you from my perspective that, in terms of personal staff, I think I took one staff member. Because I do not have the details, I will take on notice the other questions you ask about who else attended. So the question was costs?

**Senator PARRY**—Costs.

**Senator Wong**—Staff?

**Senator PARRY**—Who attended and what the department funded, basically.

**Senator Wong**—And media?

**Senator PARRY**—And media.

**Senator Wong**—I will take that on notice.

**Senator PARRY**—Thank you. My colleague has some more questions about this, Madam Chair.

**Senator JOHNSTON**—Mr Borthwick, in answer to question No. 90, the actual minister responded and said that to get to Bali he incurred travel expenses of \$5,502. Was that with Qantas, and which other destination was it via to get there? Was it first class, business class, economy class?

**Mr Borthwick**—I was in Bali with the minister, but I did not travel with him, so I do not know what airline he flew or what route he flew to get there. I will have to take that on notice.

**Senator JOHNSTON**—Which way did you go, Mr Borthwick?

**Mr Borthwick**—Via Singapore.

**Senator JOHNSTON**—Did you fly Qantas?

**Mr Borthwick**—I do not recall which airline I flew with.

**Senator JOHNSTON**—Could you tell me which airline it was? When I look at the business-class airfares from Sydney, Melbourne, Brisbane, and indeed Darwin, the return airfare business class to Denpasar is under \$3,000. I note that this fare is \$5,502. I take it it is a first-class Singapore Airlines fare via Singapore.

**Senator Wong**—Through you, Madam Chair: I think Mr Borthwick has indicated he will have to take on notice the details of that, but can I just make one point? My recollection is that ministers are entitled—

**Senator JOHNSTON**—I am not interested in what they are entitled to.

**Senator Wong**—The class of travel is something that is longstanding and I am sure—

**Senator JOHNSTON**—I am not interested in what they are entitled to. It is what they did that I am interested in.

**Senator Wong**—The class of travel is obviously a matter of public record and I think you will find ministers in your government probably flew in accordance with their entitlements.

**Senator JOHNSTON**—Rightly or wrongly, I am not interested in that.

**Senator Wong**—Can I just say that I think I flew via Singapore and, from memory—and again I can check this—the reason was that we were unable to get a seat to Denpasar. You might recall that was a very large international conference. I think 192 countries participated. I cannot recall the number of participants and observers, but it was in the thousands. So it was very difficult to get seats in and out of Indonesia. My recollection is that I flew Singapore, then Singapore to Bali on a different carrier.

**Senator JOHNSTON**—Thank you.

**Senator Wong**—I could be wrong, but I will check.

**Senator JOHNSTON**—So, Mr Borthwick, you cannot remember how you got to Denpasar?

**Mr Borthwick**—It was via Singapore, but I do not recall which airline I was flying with.

**Senator JOHNSTON**—Did you travel business class or first class?

**Mr Borthwick**—I travelled first class.

**Senator JOHNSTON**—Mr Garrett had accommodation for the five nights that he stayed in Denpasar and the expenses were \$5,832, which tells me that that was over \$1,000 per night. Could you explain that to us, please? My experience in Bali is that it is a battle to get anything at five-star level over \$500 a night.

**Mr Borthwick**—That was not an arrangement that we negotiated. I think that was the going rate at the time.

**Senator JOHNSTON**—Could you have a good look at that, and please take on notice that I would like a full and complete explanation as to who arranged your minister's accommodation in Bali? I take it it was at Nusa Dua or somewhere like that.

**Mr Borthwick**—It would have been negotiated through the Department of Foreign Affairs and Trade.

**Senator JOHNSTON**—He is your minister. I would like to know why he had accommodation in excess of \$1,000 per night in Bali, and I would like a detailed breakdown of that \$5,832—this is question No. 90 that you have already answered—for the five nights that he was there. That is just accommodation. He had other expenses on top of that of \$7,206. I would like to know what that accounts for too. He is your minister and I would expect you to know what those expenses were, because these expenses were probably remitted back to your department, were they not?

**Mr Borthwick**—I do not know who met those expenses, but I will take it on notice and give to you the detail that you have requested.

**Senator JOHNSTON**—You are not going to answer me by saying, ‘Go to another department,’ I trust?

**Mr Borthwick**—No, I said I will take it on notice.

**Senator JOHNSTON**—So you will find out what those expenses are? I want to know exactly what the \$7,206 additional expenses were over and above the very high, I think, \$5,832 per night, if you follow my line of inquiry?

**Mr Borthwick**—Yes.

**Senator JOHNSTON**—It looks very opulent to me, if I may be so bold.

**Mr Borthwick**—There were some functions which Australia hosted. For example, with New Zealand we jointly hosted a luncheon for South Pacific island ministers and their delegations. My understanding was that we co-hosted that with them, and there would have been other expenses like that. But I will give you the details you request.

**Senator JOHNSTON**—I would like the details of all of that, thank you. And I would like the details, if you could, as to precisely why the booking arrangements were made at such a time and in such a degree of urgency that all of the senior ministers had to go via Singapore or other destinations first class with, obviously, Singapore Airlines, whereas departmental officers and lesser ministers had lesser airfares and were able to get to the destination for approximately a third of the cost?

**Mr Borthwick**—That is an issue that is beyond this portfolio.

**Senator Wong**—That is right.

**Senator JOHNSTON**—Which portfolio is it, Mr Borthwick?

**Mr Borthwick**—It will be foreign affairs and trade.

**Senator JOHNSTON**—I will go there.

**Senator Wong**—Can I say that there is a range of assertions in that—

**Senator JOHNSTON**—All very fair and reasonable, I would have thought.

**Senator Wong**—There is a range of assertions and opinions, and they are your assertions and your opinions. We can get the information you have requested. You will recall that these bookings were made fairly late. I think it was 4 December that the ministry was sworn in, and I was in Bali about eight days later.

**Senator JOHNSTON**—9 December.

**Senator Wong**—Thank you for letting me know that. So even less—five days later. Obviously, all the arrangements had to be made in a very short time frame. As I said, my recollection is that I flew via Singapore. I assume that was because we were unable to get seats direct to Denpasar. I will take it on notice. We also had to change flights on the way back—certainly I did—because, as you might recall, the conference went over time; it went from the Friday night into the Saturday afternoon.

**Senator JOHNSTON**—I would like Mr Borthwick to give me the answers to all those matters concerning his minister.

**Senator Wong**—He has taken that on notice.

**Senator JOHNSTON**—With respect, Mr Borthwick, the minister was accompanied by one adviser. His travel costs were \$3,005. This is, again, question No. 90. The accommodation for that person was \$2,366 and he had other expenses of \$1,578, with expenses still to be acquitted when this question was received on 16 May. Could you advise me the full details of each of those pieces of expenditure, as to which airline was travelled, what class, via which destination, where the accommodation was had, what nightly rate was incurred and what precisely the other expenses entailed, including the sum yet to be acquitted to that. I understand that it might be some \$3,000 outstanding in addition to that.

**Senator Wong**—I am not sure where you get that information. The answer to the question on notice says that other expenses are still to be acquitted.

**Senator JOHNSTON**—Yes. I have my own sources, Minister. I do not work in a vacuum. Also, Mr Borthwick, with respect, two other officers of the Department of the Environment, Water, Heritage and the Arts attended the conference. The rest of the delegation was made up of officers who are now with the Department of Climate Change. One officer attended the conference from the 9th to the 16th. The other officer attended the conference from the 9th to the 15th. The total travel cost for these officers was \$5,537. I would like to know exactly which airline, what class and which destination they went via. Their accommodation was \$9,195. I would like to know the nightly rate and what other expenses were incurred in that nightly accommodation. They also incurred additional expenses of \$5,412. I would like to know precisely what that entailed.

**Mr Borthwick**—I will take that on notice too.

**Senator JOHNSTON**—I thought you would. Thank you very much, Mr Borthwick. Thank you, Chair.

**Senator PARRY**—I am still on general issues for the department. Minister, can the department provide a full list of all advisory boards which advise you in relation to environment and heritage matters?

**Senator Wong**—Me, as in the minister for water, or me, as in the minister representing Minister Garrett?

**Senator PARRY**—Let us take both so there is no ambiguity.

**Senator Wong**—That is fine. So that we are clear, you want a list of advisory boards?

**Senator PARRY**—All advisory boards.

**Senator Wong**—Within which parts of the portfolio?

**Senator PARRY**—Environment and heritage.

**Senator Wong**—That is Minister Garrett.

**Senator PARRY**—Could the list contain the name of each board member, remuneration, term of office, appointment date and expiry date; whether the classification is full or part time; number of occasions that the committee has met; any forward schedule of meetings; and any description of board duties or advisory panel duties. You will have to take that on notice, obviously.

**Mr Borthwick**—I would be happy to take that on notice.

**Senator SIEWERT**—I would like to ask about expenditure for Caring for our Country. Is it appropriate that I do it here?

**Senator Wong**—Can I be clear now: are we off general questions and are we moving to the agenda items? I ask because I will need to get the Caring for our Country people and I would have to ask Ms Mudie from the Australian Antarctic Division, who has been sitting here, to leave.

**Senator SIEWERT**—No. That is why I asked if it is appropriate to ask about the budget. It is an expenditure item but I am happy to leave it.

**Senator Wong**—Obviously we are in the hands of the committee. Things might proceed more expeditiously if we could follow the order of the agenda and deal with detailed questions about budget decisions or other matters within that outcome, if that would be possible.

**Senator SIEWERT**—Could we please clarify where we will be dealing with this?

**Mr Borthwick**—Caring for our Country would be under outputs 1.2 and 1.3.

**Senator SIEWERT**—That is my concern: it is, in fact, included under two outcomes.

**Mr Borthwick**—Yes.

**Senator SIEWERT**—So can I make sure, when I am asking the questions, that I am not going to get told to wait until outcome 1.4.

**Senator Wong**—Okay.

**Mr Borthwick**—There will also be some under output 1.4, because Caring for our Country brings together what were—

**Senator SIEWERT**—I am aware of that and one of the problems with this particular—

**Mr Borthwick**—We will make sure all the relevant people are here.

**Senator Wong**—What I can ask—and I am sure officers are listening—is that we deal with Caring for our Country at perhaps output 1.2. I would then ask officers from outputs 1.3 and 1.4 who have knowledge in the area of Caring for our Country to be available for the committee.

**Senator SIEWERT**—That would be appreciated. Can I also then clarify, before we get started—so that I do not get told that we are past the item and that in fact I should have asked about it a couple of items ago—if we will be dealing with wetlands in output 1.2 or will we deal with it under ‘water’? I ask that because last time I was told to leave it all until water.

**Mr Borthwick**—You should leave it under ‘water’ at outcome 3.

**Senator Wong**—So that is Ramsar sites?

**Senator SIEWERT**—Yes, Ramsar sites in particular.

**Senator Wong**—Okay. Again, I ask if officers who are relevant to that aspect could be available at outcome 3 for Senator Siewert.



**Senator SIEWERT**—I would also like to know whether we will deal with EPBC under output 1.4.

**Mr Borthwick**—It is at 1.5.

**Senator SIEWERT**—EPBC is under ‘Response to impacts of human settlement’?

**Mr Borthwick**—Yes.

**Senator SIEWERT**—So all issues related to anything under there are dealt with there.

**Mr Borthwick**—Yes.

**Senator Wong**—Relevant to EPBC.

**Senator SIEWERT**—Yes, EPBC.

**Mr Borthwick**—Yes.

**Senator SIEWERT**—Thank you.

**CHAIR**—Did you have any general questions, Senator Siewert?

**Senator SIEWERT**—No, because we are dealing with budget items under the specific items rather than generally.

**Senator IAN MACDONALD**—Minister, following on from Senator Johnston’s questions—and my staff are hopefully bringing up the details for me—the Bali conference had a budget item of, I think, \$37,000 for a reception or a party put on by the Australian delegation. Can you confirm, until my staff arrive with the details, exactly what the amount was?

**Senator Wong**—This has been the subject of a question on notice response and my recollection is that this was also asked in the Prime Minister’s portfolio because that hospitality was paid for by the department of finance—and this is question No. 85. It is in response to a question from Senator Minchin. That function is not acquitted for out of this portfolio.

**Senator IAN MACDONALD**—Can you confirm the amount for me? It was \$37,000, was it?

**Senator Wong**—I am not sure how that was broken down from where you got that answer, Senator Macdonald.

**Senator IAN MACDONALD**—I am probably working off the same answer as you. I do not have mine in front of me, unfortunately.

**Senator Wong**—I have an answer to question No. 85 but I recall overhearing this question being asked in Prime Minister and the Cabinet and there was some disaggregation sought. I am not sure what was provided. It is actually not something I can assist with. It is not in my portfolio or in the portfolio I represent.

**Senator IAN MACDONALD**—I accept that it was paid for by PM&C, but were you at the function, Minister?

**Senator Wong**—No, I was not.

**Senator IAN MACDONALD**—Was Mr Garrett at the function?

**Senator Wong**—I do not know.

**Senator IAN MACDONALD**—Can you take that on notice?

**Senator Wong**—Sure.

**Senator IAN MACDONALD**—I do not want to inquire into your personal life, but had you left? Why weren't you at what was obviously a pretty flash slap-up do?

**Senator Wong**—I was in negotiations, Senator Macdonald.

**Senator IAN MACDONALD**—You were working while the others were partying.

**Senator Wong**—No. My recollection of the answer given in Prime Minister and the Cabinet is that that was a function given by the Prime Minister for the entire Australian delegation, which included a substantial number of businesspeople as well as NGO representatives, but I would have to check that and refer you to the response which was given because, as I said, that is not within this portfolio. My recollection is that one aspect of the conference, which was a small room negotiation, was proceeding at that time and I was otherwise engaged.

**Senator IAN MACDONALD**—We both agree that the payment seems to have come out of Mr Rudd's department. I am trying to find out from your point of view—and it is a bit hard, if you were not there—or from Mr Garrett's point of view, what the purpose of the slap-up do was.

**Senator Wong**—That is your terminology, not mine, Senator Macdonald.

**Senator IAN MACDONALD**—It was a pretty expensive party.

**Senator Wong**—That is your terminology, not mine. I will have to take that question on notice and I would refer you to the answers given and taken on notice in the Prime Minister's portfolio.

**Senator IAN MACDONALD**—Thank you for that. I am wondering if there was a climate change or an environmental aspect for putting on a fairly expensive party—\$26,000, I think it was—for environmental lobby groups and other climate change insiders.

**Senator Wong**—I can tell you with whom I met from the Australian delegation, Senator Macdonald. I cannot tell you of every individual but I can tell you that the Australian delegation—this is the non-government side—did comprise businesspeople, so representatives from industry as well as representatives from a range of NGOs and other groups, so it was a fairly wide-ranging delegation.

**Senator IAN MACDONALD**—I would assume your department or Mr Garrett's department would have details of which 'environmental' NGOs were there. I wonder if you could give me a list of those particular NGOs who were there and how many people were (a) in the delegation and (b) attended the party that you are aware of.

**Senator Wong**—Senator Macdonald, my recollection is that, through answers given to the Finance and Public Administration Committee on notice, we have provided details of all members of the delegation, including non-government ones. That is my recollection. So I think that information, Madam Chair, has already been provided. If the information that has

been provided is insufficient, perhaps Senator Macdonald could point us to what aspect of it he regards as insufficient. That would be my first issue.

**Senator IAN MACDONALD**—Thanks, Minister. You may well be right.

**Senator Wong**—What was the second part of your question, Senator Macdonald?

**Senator IAN MACDONALD**—How many of them were in the delegation and is there any detail about how many were at the party?

**Senator Wong**—I do not know the invitation list for the party. I will have to take that on notice.

**Senator IAN MACDONALD**—Thank you. That is what I asked.

**Senator Wong**—I flag that I will probably refer that to the finance and public administration portfolio, where I think your colleagues asked the same question and it was taken on notice.

**Senator IAN MACDONALD**—Just confirm in writing to me that that has been answered elsewhere. Was there a second private party with a string quartet in the PM's villa for journalists after that main party? Are you aware of that?

**Mr Borthwick**—I have no idea.

**Senator Wong**—I have no knowledge of that. I would have to refer that question to the minister representing the Prime Minister.

**Senator IAN MACDONALD**—You were not there?

**Senator Wong**—I never attended such a party and I have no knowledge of what you are suggesting.

**Senator IAN MACDONALD**—Insofar as Mr Garrett is concerned, could I inquire, obviously on notice, whether he was aware of a second separate private party with a string quartet in the Prime Minister's villa for journalists? Can we get Mr Garrett's view on that too?

**Mr Borthwick**—We will take that on notice.

**Senator IAN MACDONALD**—That should not take long. If we could get it before the end of the next two days, that would be very helpful.

**Senator FIELDING**—Minister, the first area that I want to cover just generally is the Latrobe aquifer.

**Senator Wong**—I do not have officers here on that. That would mean bringing forward outcome 3 from tomorrow to now. I am happy to do that if that is what the committee wants, but I would have to bring officers from outcome 3 into the room and ask Ms Mudie from the Antarctic Division to move. I am in the committee's hands.

**CHAIR**—Other senators have questions about that as well, Senator Fielding, so we will need to deal with that under the appropriate output. Could the department indicate when that would be?

**Mr Borthwick**—Outcome 3.

**Senator FIELDING**—My questions were to the minister about what discussions she has had with the state government on that. So it does not affect the other officers at all really.

**Senator Wong**—I can deal with that. As I indicated to you in the chamber, I have written to the Victorian government indicating our preparedness to fund 50 per cent of the proposed compensation package, which from recollection is \$3.6 million.

**Senator FIELDING**—You have seen the media reports saying that there was going to be an 80 to 20 split?

**Senator Wong**—I would need to get the department here for those questions. We can provide some information on that, but I do not have those officers at the table.

**CHAIR**—Do you have questions of the department rather than on specific programs?

**Senator FIELDING**—Yes. I was not able to be here earlier today for the discussion about the charter letter, and I do not want to reopen a lengthy debate. I think you have taken that question on notice. For the benefit of the Senate, given the background to this issue, I was the one that raised the discussions in the February estimates with Prime Minister and Cabinet and, if I can go a bit further here, I was also in discussions on this very issue the day before yesterday and I drew attention to what Ms Belcher had to say in the Standing Committee on Finance and Public Administration on 18 February. Ms Belcher said:

The Prime Minister will be providing each minister with a charter letter that sets out priorities and some expectations in areas of policy and elsewhere.

Further on Ms Belcher said:

I know that letters have been drafted ...

That was back on 18 February. I think you need to find out about that now so we can have a discussion today on this topic. This is not something that has not been forthcoming. I raised it back in February specifically because I think ministers need to have their priorities set out by the Prime Minister and I think the general public deserves to know that this has happened, given that it was back in February and the letters were already drafted.

**CHAIR**—What is your question, Senator Fielding?

**Senator FIELDING**—Can the minister find out about the charter letter in the next hour or so so that this committee can ask questions about it?

**CHAIR**—Minister?

**Senator Wong**—I have taken that question on notice and I have also indicated that I understand the keenness of some members of the opposition, and now you, Senator Fielding, on this issue. We will endeavour to assist the committee as best we can. I would note that these questions were asked of Prime Minister and Cabinet and taken on notice by Senator Faulkner then.

**CHAIR**—Thank you, Minister. Are there any further questions of the department?

**Senator KEMP**—I think I can help my colleague Senator Fielding. These questions were pursued this morning. Senator Wong has been asked to consult with her department and her office to determine whether such a letter was received, and I have indicated that the committee will be returning to this issue in the course of the morning so that we can have a

definitive answer to what is, to be quite frank, a very good question from my colleague Senator Fielding and something which one would have thought would be comparatively easy to answer.

**CHAIR**—That has been taken on notice. Are there any further general questions for the department?

**Senator IAN MACDONALD**—Just one final one. Minister, did you have a drinks function at your office on budget night?

**Senator Wong**—A drinks function?

**Senator IAN MACDONALD**—Well, any sort of function—a celebration.

**Senator Wong**—No. I think the staff and I watched the budget speech before I went to a budget dinner, from memory.

**Senator IAN MACDONALD**—So you did not host any budget night functions yourself?

**Senator Wong**—Not that I can recall, no.

**Senator IAN MACDONALD**—I confess I have a very bad memory, but yours seems to be even—

**Senator Wong**—I am not sure what you are getting at.

**Senator IAN MACDONALD**—It was only a week or two ago.

**Senator Wong**—From memory, I think a couple of departmental officers came in and I think I gave one of them a Crown lager because he worked so hard on the budget. Does that count as hosting a budget function?

**Senator IAN MACDONALD**—No, I would not think so.

**Senator SIEWERT**—How much was it worth?

**Senator Wong**—It was a beer I bought myself, Senator Siewert.

**Senator KEMP**—It was not a fundraising function, was it?

**Senator Wong**—No.

**Senator IAN MACDONALD**—No raffle tickets? Could I ask the same question of Mr Garrett through you, obviously on notice?

**Senator Wong**—As is a matter of public record, there was a budget night dinner that cabinet ministers—in fact, the caucus—attended, which you would be aware of. I did attend that.

**Senator IAN MACDONALD**—I am wanting to find out whether your office or Mr Garrett's office had any particular budget night function, apart from the one that everyone went to. If they did, could you let me know what it cost and who was invited? If there was a cost for that sort of thing, I would be concerned about lavishness when everyone else is being told to cut back. If you could take that on notice for me, that would be great.

**CHAIR**—Senator Kemp, we have had the Antarctic Division waiting for an hour and a half. Do you need to ask this question?

**Senator KEMP**—Yes, I do, Madam Chair.

**CHAIR**—Okay, away you go.

**Senator KEMP**—Returning to the questions on notice, I make the point that typically an answer is, ‘Refer to some other question on notice’ and then ‘Refer to some other question on notice’. There is a complete unwillingness, I believe, to answer these questions fully. For example, if something is on the public record, big deal! What this committee wants is for the information to be provided to it in a convenient form. So comments such as, ‘It’s on the public record,’ or to refer to some other question or to some other research paper are simply not satisfactory. Minister, this famous question on notice of yours which arrived so late in the piece—

**Senator Wong**—Which one are you talking about?

**Senator KEMP**—Question No. 16. This is the one from Senator Minchin, in which we looked at the various appointments. There seem to be a large number of arts appointments which remain unfilled, so I will leave those. What particular date are those vacancies at?

**Mr Borthwick**—We will have to take that on notice.

**Senator KEMP**—This is like a nightmare!

**Senator Wong**—Arts is due, I think, at the end of this agenda. If you wish—

**Senator KEMP**—No, I am not going to. I said I would exclude arts.

**Senator Wong**—Hang on.

**Senator KEMP**—I am going into this with the other—

**Senator Wong**—Could I finish?

**Senator KEMP**—Yes.

**Senator Wong**—If you are asking detailed questions about appointments to boards within the arts part of this portfolio—

**Senator KEMP**—No, I am not.

**Senator Wong**—What I can suggest, in order to assist you, is that we could attempt to deal with those when the arts portfolio officers are in the room. At the moment at the table I have the Antarctic Division.

**Senator KEMP**—If you had listened carefully, I said ‘excluding the arts appointments’, which would be dealt with at a later date. It was not an unreasonable question: at what date are the appointments? There are quite a few appointments in your own portfolio in that particular answer. At what date do those vacancies occur? Are they up to date or are they last February? Who knows?

**Senator Wong**—I now have the document in front of me. There are a great many boards here—committees, councils and so forth—some of which I think you used to appoint people to when you were previously arts minister.

**Senator KEMP**—Indeed, and always happy to provide the names—no embarrassment. It was straightforward.

**Senator Wong**—What are you seeking?

**Senator KEMP**—I will say this for the third time: at what date are these vacancies? Are these current vacancies or are they vacancies which existed in February or March or April?

**Senator Wong**—Obviously at the date of the answer; for example, the Kakadu National Park Board of Management has a vacant nature conservation representative. This position was vacant prior to the change of government. The Wet Tropics Management Authority Board had two Aboriginal director positions vacant at the time of the change in government. The minister has taken action to fill these positions. Fraser Island has had one position become vacant since the change of government. So there is in this answer some indication of when the vacancies were in place.

**Senator KEMP**—So no-one can tell me whether this is a current list or a list which applied at last March?

**CHAIR**—The Minister has answered the question.

**Senator KEMP**—It is not an unreasonable question.

**Senator Wong**—Perhaps we can be clear exactly what you want that is not in this answer, Senator Kemp.

**Senator KEMP**—Let me say this for the fourth time: is the list of vacancies on the board current?

**Senator Wong**—Which board?

**Senator KEMP**—All those boards. Are they current as at last week or do they relate to vacancies which existed in February, March or April?

**Senator Wong**—I assume, subject to what Secretary Borthwick says, that the answer was accurate as at the time the answer was tabled.

**Senator KEMP**—You assume so?

**Senator Wong**—As at the time the answer was tabled. If you are seeking an update of this answer, then we would have to take that on notice. As you can see—

**Senator KEMP**—When was the answer tabled? Just refresh our memories.

**Mr Borthwick**—As I indicated, there were 96 questions. I do not recall when each one was tabled.

**Senator KEMP**—I hate to say this but could you take it on notice, and could you actually give us an answer in the course of the morning?

**Senator Wong**—I think that is going to be very difficult.

**Senator KEMP**—It is a reasonable question.

**Senator Wong**—You would know as a former minister—if you look at the list of organisations in this answer—that there are a great many organisations, including some regional ones. To get that information to update this and give you the detail you want, I think, would be unreasonable of this committee to expect of the department in the time frame. I want to be clear about what it is that you want. So you want a current list of members?

**Senator KEMP**—What I actually wanted was the date that these vacancies refer to. Do they refer to vacancies which existed in February, March, April or May? It is not an unreasonable question.

**Senator Wong**—A number of those questions are answered by the fact that some of the vacancies are referred to as having been vacant at the time of the change of government.

**Senator KEMP**—Big deal! Are they vacant now? So what? That is not the question. I cannot believe that we have a department here that cannot tell me at what date this massive list of vacancies—

**Senator Wong**—Massive list of boards.

**Senator KEMP**—Of vacancies on boards.

**Senator Wong**—A number of which had vacancies as at the change of government.

**Senator KEMP**—I will let you in on a secret. I actually want to ask what ones remain to be filled and the sorts of follow-up questions that people have in this area. But let me put that one on hold because, like every question I seem to have asked, it has caused massive confusion. I wanted to know whether there was a charter letter. We did not know whether there was a charter letter. I wanted to know whether there was a list of promises that the department had to administer. No-one knew whether or not there was a list. Now nobody seems to know what date these vacancies occur on. Let me also put that one on notice and we will come back to that.

**Senator Wong**—To be fair to the department, Madam Chair, I do want to make sure we understand very clearly what Senator Kemp is seeking. As I understand it, Senator Kemp, in relation to question No. 16, is seeking the dates at which the vacancies referred to occurred and whether the vacancies which are referred to in the answer have subsequently been filled. Is that correct?

**CHAIR**—Is that your understanding?

**Senator KEMP**—Let me tell you what I want. We have a list of vacancies. The first question is: what date do these vacancy lists apply to? Was it January, February, March or April? It is not unreasonable.

**Senator Wong**—I am not suggesting it is, Senator Kemp.

**Senator KEMP**—It seems to have caused such confusion.

**Senator Wong**—I am trying to clarify this because you have asked a number of versions. To be fair to the department, given the number of committees, I want to be very clear about what is being sought. So in fact what you want is in relation to the vacancies identified in the document, and you want to know at which date or whether they have been since filled? Is that right—the date they were filled? There are two different—

**Senator KEMP**—There are two questions. I cannot believe what I am hearing here. I asked what vacancies exist on boards.

**Senator Wong**—Currently?

**Senator KEMP**—Yes. I did not want it last year or the previous year.



**Senator Wong**—No, but—

**Senator KEMP**—Currently or today; as current as could be.

**Senator Wong**—You do have to pick a date, Senator Kemp.

**Senator KEMP**—All I am saying is that I have a list and no-one can tell me whether it applies to last December or May.

**CHAIR**—Do you also wish to know the date the vacancies occurred?

**Senator KEMP**—I wondered whether—

**CHAIR**—Yes or no?

**Senator KEMP**—The secretary, who was here with previous governments, was able to answer questions neatly and succinctly and was able to cause very little confusion. I hope your form has not declined.

**Senator Wong**—He is doing his job.

**Senator KEMP**—I hope this is not catching.

**Mr Borthwick**—Sometimes I wonder.

**Senator KEMP**—I think you understand what I am asking.

**Mr Borthwick**—These were vacancies at a particular time and we will try and get those dates for you.

**Senator KEMP**—I think you have got it in one. That is what I said. The secretary has always been good.

**CHAIR**—Order!

**Mr Borthwick**—Senator Parry earlier asked a question about all their advisory boards, and that is pertinent to the questions you are now asking as well.

**Senator KEMP**—What we want to know is what appointments Senator Wong has made. Naturally we want to make sure that this is not a ‘jobs for the boys’ activity. We want to have a look to make sure that serious people have been appointed to these boards, so we would like a list of the appointments as well.

**Mr Borthwick**—I think that goes to Senator Parry’s questions, which we took on notice.

**Senator KEMP**—That sounds sensible. This is the most unbelievable experience I have had at Senate estimates, I have to say. I do not know what the department thinks of this.

**CHAIR**—Order! Senator Kemp, have you got a question? We are about to go to a tea break.

**Senator KEMP**—I would like to know what the department thinks of a minister who cannot remember whether she has a charter letter or not.

**CHAIR**—Senator Kemp, that is out of order. Senators, can I please clarify where there are any further questions of a general nature of the department? If not, we will go to a tea break, and resume with the Antarctic Division. Thank you.

**Senator Wong**—So we are on to Antarctica.

**CHAIR**—If it has not melted.

**Proceedings suspended from 10.41 am to 11.01 am**

**CHAIR**—Coalition senators have advised they have another couple of questions to ask of the department, so I apologise to the Antarctic Division.

**Senator Wong**—Is there a time limit?

**CHAIR**—Yes, Minister.

**Senator Wong**—I want to assist the committee in relation to two issues which were on prior to the break. First, I have confirmed with my office that I have not received a charter letter. Second, in relation to the Bali travel, my office advice—but we will need to, obviously, check against the documentation—is that I flew business class to Singapore and then to Denpasar, and then, on return, economy Denpasar to Singapore and then business Singapore to Australia.

**CHAIR**—Thank you, Minister. Senator Kemp.

**Senator KEMP**—Madam Chair, I have been able to get some answers to questions on notice over the break on the issue of the function that was put on by the Prime Minister and the use of a string quartet. I can confirm that there was such a string quartet. The information I have is that Mr Garrett was not in attendance at that function. I would like to have that checked, but I want to make the point that it is very easy to get responses to questions on notice. The second point that was made to me is that the bigger and more expensive function was held at the hotel just prior to the gathering at the PM's suite or villa in Bali and apparently there were many hundreds of people at that function.

**Senator Wong**—Is this a question?

**Senator KEMP**—Yes. The question is, Senator Wong—this may have been asked before, but just for the record—was such a function held? How many people attended that function?

**Senator Wong**—As I indicated to your colleague prior to the break, Senator Kemp, I do not have any knowledge, either as minister or personally, about that function.

**Senator KEMP**—No, you were not at the function.

**Senator Wong**—As you know, I was not at the function.

**Senator KEMP**—You were at the first function, though. I have had that confirmed.

**Senator Wong**—I am sorry?

**Senator KEMP**—There was a function put on by the Australian delegation in the hotel; probably 1½ thousand people attending, I am advised.

**Senator Wong**—I did not attend.

**Senator KEMP**—And I am advised that you were a part of that function.

**Senator Wong**—I do not recall attending such a function.

**Senator KEMP**—There was no function held at the hotel?

**Senator Wong**—I do not recall me personally attending such a function. I can take that on notice, but my recollection of that week in negotiations was that Australia was invited first to

be part of what was called the Friends of the President negotiating group, which was I think the Indonesians' term—the 'Jakarta' consultations because it was held in the Jakarta room of a particular convention centre. We were then invited, at some point during that week, by the president of COP, the Foreign Minister of Indonesia, to co-chair a smaller group and those negotiations, as you may recall, went well into the night. I do not recall, but I will check, whether I attended such a function. In relation to the costs, organisation et cetera of that function, I understand you or your colleague have asked that of Senator Faulkner and Prime Minister and Cabinet and that there have been some answers provided, but I assume if those questions have been taken on notice further answers will be provided accordingly.

**Senator KEMP**—It is a bit vexing for senators to keep on being referred to other committees. The question is: was such a function held and—

**Senator Wong**—We were not responsible for the function.

**Senator KEMP**—You were not. All right. If you were not responsible, that is fine.

**Senator Wong**—As I understand it, the function that you are referring to is a function hosted by the Prime Minister for the Australian delegation. That is not something that this department would be acquitting funds for. Is that correct? So we cannot assist you with that question.

**Senator KEMP**—So there were two functions that Mr Rudd put on. One was the larger function at the hotel. Is that right? Then there was the smaller, more select function at the villa?

**CHAIR**—Senator Kemp, these questions are better directed to another committee that deals particularly with those portfolio items.

**Senator KEMP**—Senator Wong, I am advised, was at the first function, but for reasons which are a bit obscure to us all, she was not asked to the second one.

**Senator Wong**—No.

**CHAIR**—She said she cannot recall attending the first.

**Senator Wong**—I cannot recall attending either of them. I can take on notice whether or not I did. My recollection is that I was engaged in negotiations in the two contexts that I have given you evidence about, so I cannot assist you in relation to those functions. You yourself in your question have said that these are functions hosted by the Prime Minister. Certainly one of them I know about because it has been a matter on the public record that there was a function held for the Australian delegation. We have had some discussion about that. Any questions about how much that function cost and who was invited will need to be directed to the portfolio responsible for that function. That is not the portfolio at the table.

**Senator KEMP**—Okay. I can see that we are not going to make much progress on that, but we have made progress on the charter letter issue. Senator, you have not received a charter letter. Have you received any other document from the government which outlines your duties?

**Senator Wong**—The Prime Minister indicated in the parliament in the first period of sitting that he had held detailed briefings, discussions, with his front bench. I am held to

account, as the government is held to account, on the basis of the election commitments which were made public prior to the election.

**Senator KEMP**—How did we get into that? I was actually asking about the document. If you had not received a charter letter, I assume there is some formal document that the Prime Minister has signed—a minute or suchlike—which outlines your duties.

**Senator Wong**—As I said, I have not received a charter letter. Obviously the government is accountable to the electorate for the election commitments it made.

**Senator KEMP**—Which no-one is able to provide a list of, by the way.

**Senator Wong**—Regarding the standard of conduct of ministers, the government has released, from memory—and again this is a matter for the Prime Minister's portfolio, but I think Senator Faulkner answered this—a revised and strengthened code of ministerial ethics, which has been released publicly.

**Senator KEMP**—This is all very nice, but Senator Faulkner finally agreed he did not have a charter letter and then he said he had a detailed discussion with the Prime Minister and there was a minute which outlined his duties and his performance indicators. I hope I am quoting Senator Faulkner fairly. I am asking you if you have received such a document from the Prime Minister.

**Senator Wong**—I have not seen those answers from Senator Faulkner.

**Senator KEMP**—No, I am not asking you—

**Senator Wong**—You are asking me about a document which you say Senator Faulkner spoke about. I have not seen such an answer from Senator Faulkner.

**Senator KEMP**—Okay.

**Senator Wong**—The only answer I can give you is the answer I have given, which is that I have not received a charter letter. I have had discussions. The Prime Minister has made it clear that he had detailed discussions with every member of his front bench about their portfolio responsibilities, and obviously the government is accountable for its election commitments and for delivering on those.

**Senator KEMP**—I do not think I can go down that route; it is too painful. I have understood your answer, although you did not respond to my question, which is that you have not received a charter letter. I accept that. You seem to be in common with every other minister we have asked, except for Senator Sherry. He seems to have received it. But what I am asking you is: have you received any other formal document from the Prime Minister outlining your duties and your performance indicators?

**Senator Wong**—I cannot assist you any further, Senator Kemp.

**Senator KEMP**—Why not?

**Senator Wong**—Because I cannot assist you any further.

**Senator KEMP**—You cannot tell me?

**Senator Wong**—I have said I have not received a charter letter. I have made that clear to the committee. I have explained that the Prime Minister has had a range of discussions,

including a detailed discussion, which he indicated publicly he had undertaken with every member of the ministry, and the government is held to account for its election commitments. In terms of any further correspondence between the Prime Minister and myself, I will have to take that on notice.

**Senator KEMP**—We have had experience of questions on notice, Senator Wong. Tell me, what are your performance indicators? Apparently Senator Faulkner has indicated that ministers have been given their performance indicators. What are yours?

**Senator Wong**—As I have said, the expectation of the public, I am sure, is that this government—

**Senator KEMP**—No, what is the Prime Minister's?

**Senator Wong**—This government is expected to deliver on the election commitments we made prior to the election, and we are doing so.

**Senator KEMP**—I think that is a very poor answer. I am sure that on reflection you would want to add quite a bit to that answer. But it does get back to the vexing issue: the key performance indicator is to deliver the promises that we made prior to the election. Okay. Can we now have a list of the election promises made prior to the election which your department is going to administer or is administering?

**Senator Wong**—We have canvassed that in some detail. I have indicated to you that the commitments for the election are those which are set out in public documents released prior—

**Senator KEMP**—But they are not. Where do we find them?

**Senator Wong**—Could I finish?

**CHAIR**—Let the minister finish her answer.

**Senator Wong**—There were a range of documents released prior to the election. You will recall that, for example, in my water portfolio a quite detailed water policy was released by the then shadow minister. These are all available on the public record.

**Senator KEMP**—Why is it such a difficulty—

**Senator Wong**—I have taken on notice the issue—

**Senator KEMP**—I just want your response. You say these are on the public record. We have been referred to the ALP website and we have discovered that it is not a comprehensive list of promises at all. Your key performance indicator is 'to deliver on election promises, of which we are not going to provide a list to this committee', by which we can judge the performance of this minister. This is bizarre stuff. This is bizarre.

**Senator Wong**—That is not what I have said.

**Senator KEMP**—That is not what you said, but that is the logic of it.

**Senator Wong**—No, that is not what I have said. What I have said is that, in relation to the election commitments, those questions were asked of Senator Faulkner. They have been taken on notice in the Prime Minister and Cabinet portfolio, and I am also taking them on notice. We have traversed that in detail for some time this morning.

**Senator KEMP**—As I said, we will keep on pressing this issue in the course of the day to see whether we can get the list which we know the department has—and I think it has been confirmed that the department has a list—and whether you will provide that list to the committee. As I said, we shall return to that in the course of the day.

**CHAIR**—Senator Siewert, we will now have questions of the Australian Antarctic Division. Thank you.

**Senator SIEWERT**—I would like to first ask some budget questions before asking more detailed questions. This is from the portfolio budget statements on page 53. I understand that there has been an increase in revenue for both Antarctic policy and Antarctic science, and that part of that revenue increase is from a memorandum of understanding with the Japanese government for the resupply of their Antarctic station. Could you tell me what the funding level is, what is being done, and has this occurred in the past?

**Ms Mudie**—We have a collaborative arrangement with the Japanese to undertake some work on their behalf to resupply their Antarctic station and, for that resupply, we are obtaining revenue from them.

**Senator SIEWERT**—What do you resupply?

**Ms Mudie**—It is a matter of resupplying their Antarctic station, so it is all manner of equipment supplies for their Antarctic station.

**Senator SIEWERT**—Could you tell me how much that revenue is?

**Ms Mudie**—Depending on the length of the voyage, it would be between \$9 million and \$10 million.

**Senator SIEWERT**—Over the 12 months?

**Ms Mudie**—Over 12 months.

**Senator SIEWERT**—Is this a longstanding arrangement? I noticed that it was not in the estimated actual for last year.

**Ms Mudie**—No, it is not a longstanding arrangement. The Japanese do not have a vessel to resupply. They are rebuilding a vessel for their own Antarctic program and we are supplying our vessel for them.

**Senator SIEWERT**—In other words, this is the first year that it has been undertaken?

**Ms Mudie**—That is correct.

**Senator SIEWERT**—When was this negotiated?

**Ms Mudie**—It is still under negotiation. We have yet to finalise the MOU.

**Senator SIEWERT**—So that has been negotiated while we have ships surveilling their Japanese whaling operation?

**Ms Mudie**—That is a different issue. The *Aurora Australis* is an Antarctic vessel which we use for resupply.

**Senator SIEWERT**—Yes, I appreciate that it is a different issue. But the point is that, on the one hand, we are sending envoys to Japan, and this summer we had the *Oceanic Viking* in

the Southern Ocean and we made very strong statements about whaling; on the other hand—and it may have been publicly available but I do not think much notice was taken of it—the Australian government at the same time was negotiating with Japan to resupply their Antarctic base.

**Ms Mudie**—We have a very close relationship with Japan in terms of science that we undertake and we have a collaborative arrangement in terms of logistical support as well, where possible.

**Senator SIEWERT**—So it is still under negotiation. I want to come back to the science issue in a minute. Could you tell me when the negotiations were started?

**Ms Mudie**—I would have to take that on notice.

**Senator SIEWERT**—But that is still under negotiation?

**Ms Mudie**—That is correct.

**Senator SIEWERT**—When you say between \$9 million and \$10 million, that is then broken down, is it? It appears from the budget statement that some is to be allocated to Antarctic policy and some allocated to science. Is that a decision made by the department or something that is being negotiated with Japan?

**Ms Mudie**—It actually achieves both objectives from a policy perspective, as well as resupply and operational issues.

**Senator SIEWERT**—What is the basis for the allocation? Is it an agreement with Japan?

**Ms Mudie**—It is an agreement with Japan.

**Senator SIEWERT**—Japan are saying, ‘We want you to allocate some of this money that we’re paying you to policy and some to science’?

**Ms Mudie**—No. That is how we allocate it, but the actual dollar figure is for the hire of the vessel.

**Senator SIEWERT**—The dollar figure is for the hire of the *Aurora Australis*. Just for this year?

**Ms Mudie**—That is correct.

**Senator SIEWERT**—It is not an ongoing arrangement?

**Ms Mudie**—No, it is not.

**Senator SIEWERT**—Do I understand from the comment you made earlier that in the past they had a vessel, that they no longer have a vessel, and that is why Australia is negotiating?

**Ms Mudie**—That is correct.

**Senator SIEWERT**—This figure, therefore, will not be there into the future. So, while the funding is being boosted into Antarctic policy and science for this financial year, that is a one-off boost?

**Ms Mudie**—That is correct.

**Senator SIEWERT**—Could you tell me, therefore, what that money has been specifically used for in those programs, and has that been negotiated with Japan?

**Ms Mudie**—I would have to take that on notice.

**Senator SIEWERT**—You do not know—

**Ms Mudie**—Off the top of my head, no.

**Senator SIEWERT**—if there has been an agreement with Japan about what will be studied with that money?

**Ms Mudie**—No. It is still under negotiation. I am happy to provide the information. We can take that on notice.

**Senator SIEWERT**—Is the contract amount under negotiation or is what the money is to be used for under negotiation?

**Ms Mudie**—The whole arrangement is under negotiation at this stage.

**Senator SIEWERT**—So Japan gets a say over how the money that they are paying Australia for the hire of our vessel will be used?

**Ms Mudie**—That is correct. That is the negotiation.

**Senator SIEWERT**—Why is that? If they are hiring our vessel, why do they get a say in what the money will be spent on?

**Senator Wong**—Senator Siewert, I understand Ms Mudie's evidence is that these are matters which are currently the subject of negotiation between Australia and Japan. I suppose what she is flagging, in terms of taking it on notice, is that there is a limit on how far she can respond, given that those negotiations under that arrangement are still pending. I appreciate you are entitled to put your views about the appropriateness of anything in relation to such an arrangement, but I think the officer at the table can only proceed so far, given that those negotiations are still under way.

**Senator SIEWERT**—I do take the point. In terms of the detail of the negotiations, I understand the issues around sensitivity. However, I do not see why there is an issue about whether Japan has the ability to negotiate how Australia spends its money on science when it is paying us. As I understand it, Japan is paying us for a service and, as I understood your answer—and I may be incorrect, so please tell me—there is then negotiation about how that money will be spent on science.

**Ms Mudie**—No, on the use of the vessel. They may utilise the vessel at some point in that resupply for some science that they may wish to do.

**Senator SIEWERT**—Sorry, I misunderstood. It was not clear from what you said. I understood that the vessel was purely being used for resupply, but is it also being used for science?

**Ms Mudie**—It could be that on the resupply voyage they may undertake some science at the same time. It is possible to do that, in terms of marine science.

**Senator SIEWERT**—Would it be safe to assume that that science will not involve anything to do with scientific whaling?

**Ms Mudie**—I think that would be a safe assumption.

**Senator SIEWERT**—Am I guaranteed that?



**Ms Mudie**—Until we complete the negotiation, it is difficult to answer that.

**Senator SIEWERT**—What sort of science would—

**Ms Mudie**—It would be consistent with government policy.

**Senator SIEWERT**—I would have thought it was inconsistent. I will not go there. What safeguards are being put in place to ensure that nothing associated with whaling will be carried out by an Australian vessel?

**Mr Borthwick**—I do not know the details of this particular contract, but there would be nothing that would be undertaken with this Australian vessel which would in any way relate to enhancing Japanese scientific whaling efforts—absolutely not—but the Antarctic Division for a long time has had a cooperative scientific relationship on a whole host of Antarctic science with Japan. But there will be nothing that will serve to enhance Japan's scientific whaling.

**Senator SIEWERT**—I understand your reassurance, but I am looking for what we have written into the contract and how the Australian community can be absolutely assured that nothing on those voyages will be used to contribute to any of the science they are doing around whaling.

**Mr Borthwick**—Why I hesitate is that we do, through the International Whaling Commission—and this is a separate issue from the Antarctic Division—undertake joint scientific assessments which can look to non-lethal science in terms of whales. That is quite separate from this particular vessel. It is not as if we are not looking at whaling issues through the auspices of the International Whaling Commission on whales, but this particular vessel is not connected with that in any way.

**Senator SIEWERT**—I am fully aware of the cooperative research that is done internationally, but the point is that that still contributes to their understanding of whale populations, which is then used to justify their stance in the IWC to enable them to take whales.

**Mr Borthwick**—But not, as I understand it, in terms of *Aurora Australis*. That is not connected in any way with that.

**Senator SIEWERT**—I want to know how the government is going to guarantee that none of that information is going to contribute to anything to do with whaling.

**Mr Borthwick**—The government would not allow that to happen. It just would not allow that to happen.

**Senator SIEWERT**—How? Is that currently being included in discussions and negotiations?

**Mr Borthwick**—No, it is not pertinent to the discussions.

**Senator SIEWERT**—Why is it not pertinent when they are carrying out science?

**Senator Wong**—No, you are at cross-purposes. I think Mr Borthwick was saying that those issues are not pertinent to these arrangements.

**Mr Borthwick**—Yes.

**Senator SIEWERT**—No, I did understand what Mr Borthwick was saying.

**Mr Borthwick**—It is a difficult thing because Australia, in terms of broad Antarctic science, cooperates very closely with Japan, and has for a number of years, as do other areas of government cooperate with Japan, but on one issue we fundamentally disagree with them, and that is on lethal scientific research when it comes to whaling, and we would do absolutely nothing to cooperate with them on that front.

**Senator SIEWERT**—I understand the point, and I have been reassured that—

**Mr Borthwick**—We will make sure that there is nothing in terms of this contractual arrangement which will enhance or indirectly contribute to lethal so-called scientific research on whales.

**Senator SIEWERT**—What I want to know, then, is the type of research that will be carried out, because the other scientific research does contribute to their lethal scientific research and it does contribute to the evidence that they take to the IWC.

**Mr Borthwick**—Ms Mudie will be able, if she does not have it now, to give you more generally a run-down of the scientific research we have been undertaking with Japan and the cooperative relationships with Antarctic that we have had for quite some time, just to give you the context of it. In terms these specific moneys, some of those moneys, as you can see, will be departmental—that is, they will go to fund the ship and the crew and all those other things—and some of these moneys will just go into our general bucket, so to speak, to enable the division to undertake scientific research completely unconnected with this particular voyage.

The science, as I understand it, that we might be undertaking with Japan would be incidental science and it is of a kind, from what Ms Mudie said, that we undertake all the time. When we undertake voyages to our bases, we try and undertake science in terms of testing ocean currents and biomass et cetera.

**Senator SIEWERT**—I understand that.

**Senator Wong**—Can I make it clear that the government has a very clear and strong position on whaling and will not enable government resources to be utilised by any other government, including in the context of these discussions, in a manner inconsistent with that policy. Secretary Borthwick has made that clear and I have now made that clear.

**Senator SIEWERT**—One of my colleagues here is asking, ‘What are the safeguards?’ and that is the point I am trying to get to. I appreciate that it is non-lethal research, but there is non-lethal research that contributes to the Japanese argument on taking whales. Does your assurance, Minister, go to that point as well?

**Senator Wong**—I am advised yes.

**Ms Mudie**—Yes, it does.

**Senator SIEWERT**—And it will be written into the contract?

**Ms Mudie**—Absolutely.

**Senator SIEWERT**—And you will be scrutinising it?

**Ms Mudie**—It is an MOU.

**Senator Wong**—The arrangements will take account of or reflect the policy position that I have just outlined to you.

**Senator SIEWERT**—Will Australia be in a position to oversee the research or look at the research projects to ensure that?

**Senator Wong**—That goes to how. Those are matters for negotiation, but the advice I have is that the arrangements will reflect the policy position I have outlined.

**Ms Mudie**—It is primarily a resupply voyage. That is the function of the voyage.

**Senator SIEWERT**—Yes, I appreciate that, but you did say they would be undertaking science.

**Ms Mudie**—I said that they could be. That is up for negotiation. But it would not be addressing the whaling issue; it would be a separate issue.

**Senator SIEWERT**—Will it be written into the MOU that there will be a process whereby Australia can be assured that none of the research is targeted at supporting the Japanese argument for whaling?

**Ms Mudie**—We would assure that.

**Senator SIEWERT**—Will the MOU be able to be tabled as a public document?

**Senator Wong**—That will be a decision for government after the conclusion of the MOU.

**Senator SIEWERT**—You can guarantee that I will be back here next time asking for the MOU.

**Senator Wong**—I gathered that, Senator Siewert, and I am sure that Ms Mudie and Secretary Borthwick will ensure that at least we come prepared for that question.

**Senator SIEWERT**—Maybe I am not reading the budget documents correctly, but could you tell me how much money has been allocated to the Australian Centre for Applied Marine Mammal Science?

**Mr Sutton**—We will take that on notice and respond to you on that.

**Senator SIEWERT**—You cannot tell me how much has been allocated?

**Ms Mudie**—No, I do not know how much.

**Mr Borthwick**—We should be able to get that advice today.

**Senator SIEWERT**—It is a fairly significant centre under your auspices. I find it a bit perplexing that you cannot tell me.

**Mr Borthwick**—I know this is Antarctic and it is undertaken, but I suspect the people in the department who know that are in the Marine and Biodiversity Division, because they pull together all the material relating to whaling.

**Senator SIEWERT**—Does that not come under Antarctic science?

**Mr Borthwick**—It does, but it would be coordinated from another area of the department. We will find out the answer over the course of the day.

**Senator Wong**—Can we take that on notice and see if we are able to assist you later in the day?

**Senator SIEWERT**—Okay.

**Senator Wong**—Perhaps the officers who are listening—I assume—in the next room could assist Senator Siewert with this inquiry.

**Senator SIEWERT**—If they are listening, could they give me a list of the projects that have been decided for this year.

**Senator Wong**—Funded out of the centre? Under CERF funding?

**Senator SIEWERT**—Yes, under the centre. What are the projects that have been approved, if they have been, for 2008-09 and, if they do not have the projects, can they tell me the priorities that they will be funding under the program?

**Ms Mudie**—Yes, we can do that.

**Senator SIEWERT**—Thank you very much.

**Senator Wong**—I hope that message was heard.

**Senator SIEWERT**—I want to know about it!

**Senator Wong**—It is a rather odd thing to just speak into the ether and hope someone is listening.

**Senator SIEWERT**—Now I want to move on to whaling more specifically.

**Mr Borthwick**—Whaling is dealt with by Marine and Biodiversity Division.

**Senator SIEWERT**—Okay.

**Mr Borthwick**—Our international whaling commissioner, Donna Petrachenko, heads that division.

**Senator Wong**—I think you asked questions of Ms Petrachenko last time.

**Mr Borthwick**—It is not a question that relates to the Antarctic Division.

**Senator SIEWERT**—Okay. It is just that I have been here so many times and get flicked between the two, and it gets confusing.

**Mr Borthwick**—The Antarctic Division used to have a role, but for the last couple of years it has resided with Marine and Biodiversity.

**Senator Wong**—Senator Siewert, to make sure you are not in that position again—because I am conscious that these officers are, obviously, from Tasmania—did you want to indicate the topics that you think may be relevant to this division so that we can confirm they are matters for another output? If you want to, just headline them and Ms Mudie can indicate if there is any aspect of those where she has some responsibility. Would that assist you?

**Senator SIEWERT**—Okay. What I am after is some of the work, obviously, that has been carried out by the *Oceanic Viking*; what work has been done with interacting with Japan; where the legal case is at; and what is happening with the so-called stolen meat scandal.

**Senator Wong**—The stolen?

**Senator SIEWERT**—The stolen whale meat process issue that has been hitting the headlines in Japan.

**Mr Borthwick**—That all relates to Marine and Biodiversity Division. Yes, *Oceanic Viking* is Customs, but we might be able to say something about that; I am not sure. I am certainly not across the issue of stolen whale meat. I am not sure whether or not our departmental officials are across it, but we will pass on your interest in that issue.

**Senator Wong**—Senator Siewert, my recollection is that operational issues associated with the *Oceanic Viking* are matters for Customs.

**Senator SIEWERT**—Yes.

**Senator Wong**—I understand you have already asked questions of them.

**Senator SIEWERT**—I have asked Customs some. I wanted to follow up some more detail.

**Senator Wong**—Yes, that is fine. I was just clarifying that we do not have responsibility in this portfolio for that.

**Senator SIEWERT**—I do understand that.

**Senator Wong**—Marine division does have some responsibility for some of the issues you raised, but not all, so Secretary Borthwick will ensure that those questions can be dealt with then.

**Mr Borthwick**—Equally, whales and the legal case would be Attorney-General's Department, and some other issues you might be interested in will be the Department of Foreign Affairs and Trade. I appreciate that this is very difficult but, when you come forward, we will do our best to answer those questions where we are responsible.

**Senator SIEWERT**—Thank you.

**Senator IAN MACDONALD**—So you can assure me that neither the Antarctic Division nor any other part of your portfolio has any funding which might be used in relation to whales generally?

**Senator Wong**—That is not what we said.

**Mr Borthwick**—No.

**Senator IAN MACDONALD**—Let me confine it to the Antarctic Division.

**Mr Borthwick**—The Antarctic Division received, I think, \$700,000 funding via Customs. We provided a service to Customs. They provided us with funding and they leased—

**Senator IAN MACDONALD**—Could I interpose just to follow this?

**Senator SIEWERT**—I think Senator Parry will—

**Senator Wong**—Can the secretary finish? We have got three senators seeking to ask questions and the secretary halfway through an answer, Chair. Perhaps Secretary Borthwick could finish his answer and then, Chair, you obviously throw to whichever senator you wish.

**CHAIR**—Yes.

**Mr Borthwick**—The Antarctic Division received funding from Customs to undertake surveillance in the Southern Ocean, using an A319 Airbus, which our Antarctic Division uses, but it was Customs that undertook that surveillance. We received the money for the use of our plane. We also have an absolutely first-class international scientist, Nick Gales, who is placed in Antarctic Division, and they receive funding to undertake that scientific research from elsewhere in the department. We will get back to that.

**Senator IAN MACDONALD**—My question is very simple. We know that the *Oceanic Viking* was funded for one year only—that was for last year—with a great blaze of publicity, and we know from our questioning at Customs that it has not been funded for—

**Senator SIEWERT**—Whose questioning?

**Senator IAN MACDONALD**—You may have questioned, but so did I. I do not recall you doing it. We must have been there at different times.

**Senator SIEWERT**—I was there before you.

**Senator IAN MACDONALD**—You must have gone before I even got there.

**CHAIR**—Senator Macdonald, can you finish your question and then we will go back to Senator Siewert.

**Senator IAN MACDONALD**—I did say ‘we’. The simple question is: is there any funding in the forward budget for the equivalent of the \$700,000 that you say you received in the current financial year?

**Senator Wong**—Sorry, Senator Macdonald, is that being asked of the Antarctic Division?

**Senator IAN MACDONALD**—Yes. Mr Borthwick was just saying that \$700,000 was made available to the Antarctic Division.

**Mr Borthwick**—No. I am actually corrected. It was provided to our Marine and Biodiversity Division. But, no, there has not been another allowance for that funding in the current budget.

**Senator IAN MACDONALD**—Thank you. I was not wanting to interrupt my colleagues; but simply, on the question of the Antarctic Division, you have corrected your answer to say—

**Mr Borthwick**—It is an Antarctic Division aircraft.

**Senator IAN MACDONALD**—But did the Antarctic Division get anything of the \$700,000?

**Mr Borthwick**—I think it was paid through the Marine and Biodiversity Division, who received the money from Customs through the Antarctic Division.

**Senator IAN MACDONALD**—Then you have answered my next question. Is there anything in the current budget for—

**Mr Borthwick**—No, there is not.

**Senator IAN MACDONALD**—The answer is no.

**CHAIR**—Senator Siewert.

**Senator PARRY**—Can I just clarify something first, Madam Chair? Is this page 162 of Budget Paper No. 2 in the budget measures? Just so we are absolutely clear, is this the \$700,000 we are talking about?

**Mr Borthwick**—Yes.

**Senator PARRY**—That is the \$700,000. Thank you.

**Senator SIEWERT**—I want to go back to the science very quickly, if I may. Has the new program been established for the next round of ongoing science work that is being done with Japan under the IWC?

**Ms Mudie**—I am sorry, I cannot answer that. That is the marine division and the whale program.

**Senator SIEWERT**—Do you do no work under that program, or it is funded through them?

**Ms Mudie**—It is funded through the marine division.

**Senator SIEWERT**—Who is responsible for deciding the programs? You do it. Do you decide the programs?

**Mr Borthwick**—Sorry, is this the scientific programs?

**Senator SIEWERT**—Yes.

**Mr Borthwick**—It is best to direct those questions to our Marine and Biodiversity Division.

**Senator SIEWERT**—Is that work carried out under the Australian Centre for Applied Marine Mammal Science or is it done separately?

**Ms Mudie**—I will have to take that one on notice. From my understanding, some work is undertaken through the CERF funds, but I do not know the specifics of that, so I would have to get that answer for you. And, of course, the Antarctic Division undertakes a lot of science, both internally and through external grants. Yes, some of that does relate to whales, and some of our scientists do that research themselves in Antarctica.

**Senator SIEWERT**—Yes, okay. I understand that I am getting the information from the centre shortly. What I am trying to find out is who does the science and the cooperative work with Japan under the IWC's auspices?

**Ms Mudie**—I will get that answer for you.

**Senator SIEWERT**—That would be appreciated, thank you. I want to clarify this issue around the supply to the bases. This is a once-off supply.

**Ms Mudie**—That is correct. This is a once-off.

**Senator SIEWERT**—So the boat is going to be built—sorry, I shouldn't call it a boat, should I? The vessel. I always get in trouble with 'ships' and 'boats'.

**Senator Wong**—Yes, that is right. Sailors really tell you off.

**Ms Mudie**—If am pre-empting your question, Senator, excuse me, but the Japanese vessel is under construction currently.

**Senator SIEWERT**—It will be done by next summer, will it?

**Ms Mudie**—I do not know the details of the timing of that.

**Senator SIEWERT**—So there is a potential that there will be an ongoing relationship if the vessel is not finished?

**Ms Mudie**—I could not comment on that. They may find a vessel elsewhere. I cannot comment on that one.

**CHAIR**—Senator Parry.

**Senator PARRY**—Thank you. Concluding that matter, what would the funding aspect of the vessel be like without the \$8 million to \$9 million or the \$9 million to \$10 million dollars from the Japanese government?

**Ms Mudie**—The funding for the—

**Senator PARRY**—Yes, when it ceases. Is the vessel going to be viable or unviable?

**Mr Borthwick**—Our vessel—

**Senator PARRY**—The one that is being leased currently.

**Mr Borthwick**—is on a long-term lease.

**Ms Mudie**—Correct.

**Mr Borthwick**—We are probably about halfway through that lease.

**Ms Mudie**—That is correct.

**Mr Borthwick**—Are we, Virginia?

**Ms Mudie**—Yes.

**Mr Borthwick**—It is a long-term lease that we have for *Aurora Australis*. So our use of that is not conditioned on this at all.

**Senator PARRY**—What is the current operating cost per annum for the *Aurora Australis*?

**Ms Mudie**—The whole shipping, including fuel, is approximately \$20 million.

**Senator PARRY**—So this is a significant boost, this Japanese revenue?

**Ms Mudie**—That is correct.

**Senator PARRY**—Does that then make the *Aurora Australis* cash positive, or is it still cash negative?

**Ms Mudie**—Could you clarify?

**Senator PARRY**—Are you running at a profit or a loss with the Japanese—

**Ms Mudie**—It costs what it costs, whether profit or loss.

**Mr Borthwick**—We are very grateful to receive the additional revenue that we are getting through the lease of the *Aurora Australis* because it enables us to do a lot of activities that we otherwise would not have been able to undertake. It has been worked through in a way that does not interfere with or compromise our own resupply of bases in the Antarctic. So it is making more intensive use of an asset than we would otherwise be able to make.



**Senator PARRY**—But it is still a cost burden to the Commonwealth in the sense that—

**Mr Borthwick**—It is, yes.

**Senator PARRY**—Yes.

**Mr Borthwick**—Absolutely. But we look at it as an investment.

**Senator PARRY**—Absolutely.

**Mr Borthwick**—But you are strictly right: it is a cost.

**Senator PARRY**—Being the only senator here who resides as close to Antarctica as any other, I am inclined to agree.

**Ms Mudie**—To clarify, it is not a cost burden. It is part of our program.

**Senator PARRY**—Yes, program.

**Mr Borthwick**—Absolutely.

**Senator PARRY**—I realise that. Are there any other countries or any other prospects of a lease similar to the Japanese lease on the horizon?

**Ms Mudie**—Not at this stage, but I will be attending the Antarctic managers meeting in July and we always look at those opportunities where we might undertake collaborative activity.

**Senator PARRY**—So actively pursuing additional opportunities to utilise?

**Mr Borthwick**—Absolutely, including for that A319 aircraft. But for a long time there has been collaborative efforts between countries who are doing research and have been based in the Antarctic, and that is the way Antarctic operations run. But we will be looking for all commercial opportunities to utilise our assets to the best possible use.

**Ms Mudie**—If I could add to that: certainly many nations are looking with interest at our aircraft to see how they might utilise that in terms of their own Antarctic programs.

**Senator PARRY**—Thank you. If we move back to the \$700,000 that was mentioned earlier in the budget papers, it is only a one-off for the 2007-08 financial year. No further plans? There is nothing in the budget for this aerial surveillance?

**Ms Mudie**—No.

**Mr Borthwick**—No, there is not.

**Senator PARRY**—Why has the allocation stopped?

**Mr Borthwick**—It was an allocation that was with respect to the previous summer, which was where Japan was whaling, and they were whaling this summer in Australian Antarctic waters. At this stage they have not announced what their intentions are in terms of their scientific whaling effort. They are likely to do that in the auspices of the International Whaling Commission meeting, which is taking place next month, or shortly thereafter. So I think the position will be that we will consider what the government does once we know what the Japanese intentions are. These are really matters that you should pursue in more detail then.

**Senator PARRY**—Minister, wouldn't it have been prudent to have a contingency fund moving forward in the forward estimates in case? One would assume that Japan will continue their so-called research. Don't you think it would have been prudent?

**Mr Borthwick**—It is a matter of looking at, and not indicating, what our response will be when matters are still under discussion in the International Whaling Commission context.

**Senator PARRY**—So, Minister, if the Japanese continue their whaling operations, will additional funding be provided in the forward estimates?

**Senator Wong**—In relation to which programs?

**Senator PARRY**—Aerial surveillance. This is the matter that we are referring to on Budget Paper No. 2, page 162.

**Mr Borthwick**—This is a matter, as I indicated, that will be addressed at the time that it is pertinent, rather than put in as an ongoing item in the budget papers.

**Senator PARRY**—With all respect, Mr Secretary, I understand what you are saying. But, Minister, will funds be available if the Japanese continue their whaling operations?

**Senator Wong**—I am not sure I can add to the secretary's answer on this issue. As I understand, currently negotiations are under way. Obviously these are issues for future decisions.

**Senator PARRY**—I understand then, Mr Secretary, that—

**Mr Borthwick**—Let me give you an idea. It is not even clear that the Japanese will be undertaking whaling activity in Australian Antarctic waters because they have not announced what their intention is. The Antarctic covers the waters of a number of countries so it depends where their operations will be. We do not know at this stage.

**Senator PARRY**—So they will give advance notice for their whaling operations, and if their whaling operations come to our waters, on our borders, will additional funding be provided for surveillance?

**Mr Borthwick**—That will be a matter on which we will provide advice and the government will make decisions.

**Senator PARRY**—Therefore, Minister, if this did happen, would you provide additional funding to maintain that aerial surveillance?

**Senator Wong**—That is hypothetical. You are asking me—

**Senator PARRY**—It is quite a realistic supposition.

**Senator Wong**—Senator Parry, you started your question by 'if this happened'. The secretary has indicated where these discussions are at. I cannot provide any further information other than what the department has provided on this.

**Senator PARRY**—Could I ask it this way: you would not be ruling out additional funding, if required, for aerial surveillance?

**Senator Wong**—I am advised that the government has not made any decision in relation to further costs of aerial monitoring.

**Senator PARRY**—So you are not even thinking forward—

**Senator Wong**—In or out.

**Senator PARRY**—There is no forward thinking?

**Senator Wong**—No, the government has not made any decision.

**Senator PARRY**—So this could be a matter that—

**Senator Wong**—It is not my decision. I am representing the minister. That is why I sought advice, which is quite normal, as you know.

**Senator PARRY**—Would you like to take that on notice then, Minister, and advise whether or not the government will provide funding if there is a likelihood that the Japanese whaling scientific research will move to our borders or in our waters?

**Mr Borthwick**—It depends on exactly what the circumstances are that are confronting us at the time, and how much funding, how it is best directed et cetera is a matter to be considered at the time, rather than putting it as a standing item into the estimates.

**Senator PARRY**—Does the department feel as though this is a good measure, this surveillance measure?

**Senator Wong**—That is clearly—

**Senator PARRY**—That is a legitimate question.

**Senator Wong**—No, that is clearly an opinion question.

**Senator PARRY**—What do you think, Minister? Do you think it is a good measure?

**Senator Wong**—We have made our position on whaling clear and the government is resourcing it appropriately. In relation to future decisions, those will be made when and if appropriate. I am not going to—

**Senator PARRY**—So, for the record, there is no clear commitment for ongoing funding for aerial surveillance? There is no clear commitment?

**Senator Wong**—The funding that is available is the funding about which officers have given evidence. I am not able—

**Senator PARRY**—Which ceases at 30 June this year.

**Senator Wong**—Can I finish? I am not able to provide any further information in relation to future decisions that the government may take.

**Senator IAN MACDONALD**—You can say whether there have been budget funds made available for it, can't you?

**Mr Borthwick**—There have not been budget funds made for aerial surveillance in 2008-09.

**Senator PARRY**—Thank you. We have that on the record. There is no ongoing funding at the end of this financial year. Could I move on to some other Antarctic Division questions. Firstly, could I ask the deputy director how the two per cent efficiency dividend has affected operations of the Antarctic Division?

**Ms Mudie**—Obviously our financial position is tight and we are trying to manage that. Obviously where we can get income—for example, through the Japanese vessel—that assists the program.

**Senator PARRY**—Was the income from the Japanese leasing—or services—for the vessel taken into account? Was that known prior to the efficiency dividend or post the efficiency dividend?

**Ms Mudie**—The MOU is not complete at this point.

**Senator PARRY**—But was there anything mooted before then?

**Mr Borthwick**—This opportunity to lease the vessel was undertaken independently of any decisions on efficiency.

**Senator PARRY**—So this is a stand-alone injection of funds when it occurs.

**Mr Borthwick**—Yes.

**Senator PARRY**—Has there been any payment, like a securing payment, any deposit made, concerning the Japanese hiring of the vessel?

**Ms Mudie**—Not at this point. The MOU is yet to be signed.

**Senator PARRY**—Will there be a deposit or anything paid upon signing of the MOU?

**Ms Mudie**—I will have to take that on notice but my assumption would be yes.

**Senator PARRY**—Thank you. Coming back to the two per cent efficiency dividend, and we now must leave out the projected income from the Japanese government, what programs have been cut or what has taken place to achieve the efficiency or move towards the achievement of that efficiency dividend?

**Mr Borthwick**—The Antarctic Division is part of the department, one of 17 divisions in the department. The sorts of funds that are across the department in terms of the efficiency dividend are set out in the budget papers. How that cut has been borne across the department is still under discussion in the department.

**Senator PARRY**—Do you envisage that the Antarctic Division will be subjected to that two per cent that is across the entire department?

**Mr Borthwick**—They will receive some of the cuts but exactly what the disposition is has not been determined. We have not sent out to each division what their budget will be for the 2008-09 year. That is still a matter being discussed in terms of priorities.

**Senator KEMP**—What will be the total cut to the department again?

**Mr Borthwick**—In 2008-09, as a result of the efficiency dividend, the additional two per cent was \$8,612,000.

**Senator KEMP**—The following year?

**Mr Borthwick**—\$8,078,000.

**Senator KEMP**—And the year after that, assuming \$8 million, I suppose?

**Mr Borthwick**—No, it has fallen and I assume that is because our base funding has fallen. It is \$7,755,000.

**Senator KEMP**—That is a bad sign. So over the forward estimates, there has been a cut in the department's budget in the order of \$24 million.

**Mr Borthwick**—Yes. There was also a small reduction that related to the final quarter of the 2007-08 financial year.

**Senator KEMP**—What are the staff losses that are broadly involved in that?

**Senator Wong**—Is this across the department? Are there no further questions for Ms Mudie?

**CHAIR**—We are still asking questions of the Antarctic Division.

**Senator KEMP**—Yes, we are coming back onto the Antarctic Division to find out what share they have.

**Mr Borthwick**—Yes, because I said it is not appropriate at this juncture to look at the division-by-division breakdown. That is why we got onto this.

**Senator KEMP**—Perhaps we can draw our own conclusions. How many staff will that represent?

**Mr Borthwick**—The staff numbers in our department, for a range of reasons, are increasing over the course of the next financial year.

**Senator KEMP**—So you are losing \$24 million and you are increasing staff? That is very clever, Secretary.

**Mr Borthwick**—You lose some funds as a result of the efficiency dividend, you gain funds as a result of taking on new functions and as a result of past funding decisions of the government, so in net terms our department is going to be increasing resources over the 2008-09 year.

**Senator KEMP**—By what sum? What will be the overall increase?

**Mr Borthwick**—It is 90-odd people, from memory.

**Senator KEMP**—The overall budget will increase by—

**Mr Borthwick**—It is in the PBS.

**Senator Wong**—This is departmental, not administered, Senator.

**Mr Borthwick**—It is \$3.2 billion. That is the total of funding covering both administered and departmental funding. There is quite a lot, as you would appreciate, on ons and offs in terms of that, but in terms of staffing our numbers will be increasing.

**Senator PARRY**—Mr Secretary, coming back to the Antarctic Division and funding—and realising that you have not yet allocated what sorts of cuts, if any, would take place to the Antarctic Division—your intentions at this stage would be to leave its funding intact or reduce that?

**Mr Borthwick**—No, they will be subject to cuts. They will be borne across the department but the final allocations across the 17 divisions of the department we have not yet determined.

**Senator PARRY**—Is that your decision alone or ultimately?

**Mr Borthwick**—Because this affects departmental resources, it is really my decision in running the department in terms of the Financial Management and Accountability Act 1997, but it will be a matter on which I will consult the ministers. But essentially their requirement of me is to deliver the types of outcomes and outputs the government requires and it is up to me to cut the cake to make sure that happens.

**Senator PARRY**—With the significance of the Antarctic Division on the international scene now, is it possible that funding could be increased?

**Mr Borthwick**—I think that is very unlikely, other than this one-off. I certainly would not be proposing to increase their funding in the 2008-09 year because of the opportunity they have had to earn this additional revenue, but nor would I be seeking to divert money from them to elsewhere in the department as a result of this gain.

**Senator PARRY**—Thank you. If I can come back to the deputy director of the Antarctic Division: is the division advancing the course of tourism or a tourism protocol amongst all the other nations that are part of the Antarctic Treaty?

**Ms Mudie**—Yes, that is correct.

**Senator PARRY**—How advanced is that?

**Ms Mudie**—That will be discussed at the Antarctic Treaty meeting in June.

**Senator PARRY**—Is there a draft?

**Ms Mudie**—I will have to take that on notice and will provide that information, if there is such a document.

**Senator PARRY**—What is our view? Is our view that we want to promote tourism or restrict it?

**Ms Mudie**—I think, generally speaking, the view of Australia and other Antarctic nations is to make sure that any tourism that is conducted has as little impact as possible on the Antarctic.

**Senator PARRY**—You may have to take this on notice. Do you know how many Australians, and indeed others I suppose, from an international perspective, have travelled to the Australian Antarctic base this summer via the new service?

**Ms Mudie**—I will have to take that on notice.

**Senator PARRY**—Just anecdotally, is it gaining popularity?

**Ms Mudie**—Yes, generally that is probably a reasonable statement, but it depends on the operators if they choose to go down to the peninsula in preference to our own bases. That tends to be the place where tourists go.

**Senator PARRY**—How many trips do we have planned? You may have to take that on notice also. Do you know if those trips will be increasing in number, staying the same or decreasing?

**Ms Mudie**—As in tourist trips?

**Senator PARRY**—Just the air link, the air trip, whether it contains scientists or tourists.

**Ms Mudie**—I may have misunderstood your question. One was trips, I understood, of tourists—and that is tourist vessels. We do not take tourists on the aircraft.

**Senator PARRY**—Let me confine my questions to the Antarctic air link: no tourists on there?

**Ms Mudie**—No tourists.

**Senator PARRY**—What is the qualification to be eligible to travel on that aircraft?

**Ms Mudie**—For operational or scientific purposes.

**Senator PARRY**—So it is operational or scientific purposes? Okay. Are the trips demand-generated or are they regular, like a weekly service.

**Ms Mudie**—We have only just finished our first year of operation of the aircraft. We will be looking at next season in terms of planning and determine what frequency those flights are. I am sure you are aware that many of them are weather dependent, so you might determine that you are going to do it once a week and in fact you cannot get in for three weeks.

**Senator PARRY**—I have enough trouble just crossing Bass Strait let alone the Great Southern Ocean, so I can understand that. Do you feel as though they will be a regular trip or demand driven?

**Ms Mudie**—We anticipate regular.

**Senator PARRY**—Do you have a cost basis for a passenger? I presume you charge out for scientists who wish to use the service?

**Ms Mudie**—No, we do not at this point. I would have to get that information. But the aircraft operates and there is a cost for operating the aircraft. We have not done it as a per cent basis.

**Senator PARRY**—So the Antarctic Division pays the full cost of the aircraft flying and returning and you then invoice out individual scientists? Obviously you probably would not invoice—

**Ms Mudie**—We have not done that at this point.

**Senator PARRY**—There is no cost recovery at this point for any scientist, anyone travelling?

**Ms Mudie**—It depends if they are part of the Antarctic program. I will have to take that on notice.

**Senator PARRY**—What is the distinction? If they are a part of the Antarctic program, they travel at government expense. If they are not part of the program, they are travelling at government expense.

**Ms Mudie**—I would have to take that on notice.

**Senator PARRY**—Are there people who are non-government employees travelling on the air link?

**Ms Mudie**—That is a little hypothetical because we have yet to do a full season. Last year was a trial season.

**Senator PARRY**—How many trips have been undertaken so far?

**Ms Mudie**—Ten in total, but I will double-check that figure, and four where we had scientists travelling down to Antarctica. Many of those were for operational because, at the start of the aircraft, you need to check equipment and check our procedures in terms of the regulator as well.

**Senator PARRY**—With the budget for the air link this financial year and going into the future, have increases in aviation fuel prices been taken into account? Has that been factored in as part of the budget measure?

**Ms Mudie**—No, it has not.

**Senator PARRY**—Is that going to impact on the service?

**Ms Mudie**—It will impact on our budget.

**Senator PARRY**—So it potentially could impact on the service?

**Ms Mudie**—It depends how we reallocate our dollars across the division.

**Senator PARRY**—How is the aircraft organised by us? Is it wet leased? Is it dry leased? Is it owned?

**Ms Mudie**—It is a wet lease.

**Senator PARRY**—Is the wet lease for an entire year or is it only for the operational season?

**Ms Mudie**—It is a bit more complex than that. It is actually a wet lease for the period, but what we have done with the contract is—

**Senator PARRY**—What is the period?

**Ms Mudie**—For 12 months.

**Senator PARRY**—So it is wet leased for a full year?

**Ms Mudie**—Yes, but the provider Skytraders can utilise that aircraft when we do not require it, off season, to do third party work, and that offsets our costs.

**Senator PARRY**—In the way that you are not paying for the lease when they are using it elsewhere?

**Ms Mudie**—That is correct.

**Senator PARRY**—Has that occurred? Is that occurring?

**Ms Mudie**—Nothing is confirmed at this point, but the provider Skytraders is looking at those opportunities.

**Senator PARRY**—Is the wet lease arranged in such a way that it takes into account that there will be a lot of down time?

**Ms Mudie**—That is a commercial arrangement between Skytraders and whoever they are providing that aircraft for.



**Senator PARRY**—But you are not paying full commercial rates for a full 12-month service when the plane is only going to be used probably once a week over the summer period.

**Ms Mudie**—That is right. That is offset by the costs that Skytraders can get from third party work.

**Senator PARRY**—But your third party work has not occurred, to your knowledge.

**Ms Mudie**—Not at this stage.

**Senator PARRY**—So we are paying full wet lease costs for an aircraft for an entire year at this point in time?

**Ms Mudie**—That is correct. But it is only wet leased when it is operational. So of course when the aircraft is not operating, the pilots are not—

**Senator PARRY**—Sorry, I have misunderstood you. I thought we were paying a full annual wet lease. So we are only paying for the operational costs every time the aircraft flies? This is quite an important point.

**Senator Wong**—I am just getting some advice.

**Ms Mudie**—My understanding is that we do pay for all costs plus a five per cent margin on those costs.

**Senator PARRY**—Each time the aircraft flies or for the full 12 months?

**Ms Mudie**—For the full 12 months.

**Senator PARRY**—Let us get this very clear. We are wet leasing an aircraft—

**Mr Borthwick**—I think it might be best—and this is subject to commercial-in-confidence—

**Senator PARRY**—I am not asking dollars.

**Mr Borthwick**—No, but I think, because of the competitiveness of the international aviation market, when we got this plane it was a remarkably good deal for the Antarctic Division. If we cannot answer these detailed questions now, I think, subject to that commercial-in-confidence thing, we will set out all the terms in a comprehensive way for you. That might be the best, because there is certainly nothing that we want to hide here. If we can also advertise the plane by this medium—

**Senator PARRY**—I am sure everyone reads the *Hansard* of this committee, so it will be worldwide.

**Mr Borthwick**—to make sure that it is open for more general use, that is for a good purpose.

**Senator PARRY**—We could probably charge you for that commercial, Secretary.

**Mr Borthwick**—Yes.

**Senator PARRY**—If we are wet leasing for a full year and paying full commercial rates for the wet lease for an entire period, even when the plane is redundant, what is the

department doing to advertise and to utilise that service during down time? That is the purpose of the question.

**Mr Borthwick**—My broad understanding of the arrangement is that we have a lease for the purpose during the summer season, which is basically November to March, and we are basically paying for that window.

**Senator PARRY**—Whether you use it once or a hundred times.

**Mr Borthwick**—We are paying for that window. Within that window Skytraders can use the plane, but we have first call on it. What they do with that plane for the rest of the year when we cannot fly is entirely up to them. They make their own commercial arrangements. It does not affect us at all.

**Senator PARRY**—Okay, thank you. You can provide that on notice.

**Mr Borthwick**—We will give you the details of the arrangement, because I think it was a very favourable arrangement at the time.

**Senator PARRY**—Has the aircraft on the 10 or so flights been used, or is it mooted that it will be used, for any aerial surveillance?

**Mr Borthwick**—It was in the last season.

**Senator PARRY**—How many trips?

**Mr Borthwick**—Three times.

**Senator PARRY**—Who contracted the aircraft for that purpose?

**Mr Borthwick**—I think it was Customs or Border Patrol.

**Ms Mudie**—Border Protection.

**Senator PARRY**—Are Customs invoiced accordingly?

**Mr Borthwick**—Yes. They made payments to our marine division, which in turn paid it to our Antarctic Division.

**Senator PARRY**—This gets back to that original \$700,000.

**Mr Borthwick**—Yes. But that is an example where the aircraft was used on—

**Senator PARRY**—Has that impacted upon regular servicing of the bases in Antarctica?

**Ms Mudie**—No.

**Senator PARRY**—Do you have any idea what the annual maintenance costs on the Antarctic runway are? Are they expensive?

**Ms Mudie**—I would have to take that on notice.

**Senator PARRY**—I understand there has been some toxic waste at—is it Wilkes base? Am I correct with the base?

**Ms Mudie**—Are you referring to tips out at Thala Valley at Casey?

**Senator PARRY**—I do not know where Wilkes base is. I do not know my Antarctic geography very well.

**Ms Mudie**—Wilkes is the old base.

**Senator PARRY**—I understand there is frozen toxic waste at Wilkes, wherever Wilkes is.

**Ms Mudie**—Yes. Wilkes is near Casey Station.

**Senator PARRY**—Okay, it exists. What is happening? What is the process of removing that toxic waste?

**Ms Mudie**—We have a remediation program in place for waste at Thala Valley near Casey.

**Senator PARRY**—Which consists of?

**Ms Mudie**—Which consists of collecting that waste and remediating it back to Australia.

**Senator PARRY**—Any idea of a time frame when that will happen?

**Ms Mudie**—No, I cannot answer that.

**Mr Borthwick**—There is an issue that needs to be resolved in relation to that toxic waste. I think there is a huge quantity of it—from memory, about 600 tonnes or so of waste—and we are required to bring it from Antarctica back to Australia under the treaty arrangements. For the purposes of AQIS and Biosecurity Australia, the problem is if we are moving that contaminated waste, which is largely soil. They say, in terms of their act, there is a problem. We need to resolve how to bring that waste back to Australia and, if we cannot bring it back to Australia, what the other disposal options are. Because we have run into a legal problem in fulfilling our obligations under the treaty, we are taking some legal advice, and it is a matter that I am going to be talking to my counterparts at the department of agriculture about.

**Senator PARRY**—What is the legal problem?

**Mr Borthwick**—The legal problem is whether or not the Australian quarantine regulations apply to this.

**Senator PARRY**—So it is a demarcation issue.

**Mr Borthwick**—I would not put it in terms of demarcation. This could be a real issue because we do not, under any circumstances, want to threaten biosecurity in Australia. So it is a matter of working through with AQIS and co. exactly how best to get this material back.

**Senator PARRY**—When do you expect this matter to be resolved and some action to commence?

**Mr Borthwick**—As I mentioned, I think I am scheduled to raise it with my counterpart in DAFF in the next week or two, and we will work out how best to go from there.

**Senator IAN MACDONALD**—Mr Borthwick, with respect, this has been going on since I was Parliamentary Secretary for the Antarctic, and I cannot even remember when that was. It seems to be progressing very slowly.

**Mr Borthwick**—Absolutely. It has been waste for a long time and the issues are difficult. It is huge tonnage and there is some concern.

**Senator IAN MACDONALD**—Yes, I heard you and I am aware of that. I am simply saying that it is 10 years ago that we first started looking at this. I wonder if there is any resolution in sight?

**Mr Borthwick**—It is a longstanding issue because the material had to be remediated and stockpiled and now it is a question of dealing with our DAFF. There are some problems and we will work—

**Senator IAN MACDONALD**—I am conscious of that and it is an important environmental issue, but perhaps we might have to look beyond the square even; change some legislation, get special permission from international tribunals, or dump at sea perhaps.

**Mr Borthwick**—I do not want to foreshadow what the options are; suffice to say my counterpart in the Department of Agriculture, Fisheries and Forestry and myself need to find a way through this problem.

**Senator IAN MACDONALD**—I accept all that. My simple point, following on from Senator Parry, is that it has been going on for a hell of a long time and we do not seem to be too much closer to a solution, so there does need to be some attention given to it.

**Mr Borthwick**—Absolutely.

**Senator IAN MACDONALD**—Okay.

**Senator PARRY**—Thank you. I will conclude. I want to go back to the runway. Are there any serious maintenance issues with the runway at this point in time?

**Ms Mudie**—No.

**Senator PARRY**—So the runway is fully functional?

**Ms Mudie**—Yes.

**Senator PARRY**—No issues from pilots; no issues from ground staff there?

**Ms Mudie**—No.

**Senator PARRY**—Okay. The length of the runway is still the same? I know it is an enormous runway and made out of solid ice.

**Ms Mudie**—Four kilometres.

**Senator PARRY**—Carved out. Are there any instrumentation issues surrounding landings there?

**Ms Mudie**—No, there are not.

**Senator PARRY**—Thank you, Chair. In the interest of time, I will leave it there.

**CHAIR**—Yes, Senator Allison.

**Senator ALLISON**—What work is the division doing on the melting of ice sheets and glaciers in the Antarctic?

**Ms Mudie**—The information I have here is that in spring 2007 the extent of the Antarctic sea ice briefly reached a record high and some climate change sceptics claimed that evidence against global climate change was not the case. Record high sea ice extent measures in 2007 are not evidence against global climate change. That is the advice that our scientists are giving us at this point. But conclusions about long-term trends in the Southern Hemisphere sea ice extent cannot be drawn from single monthly or seasonal observations. So they are actually undertaking work.

**Senator ALLISON**—Part of the division is, for instance, examining the Tottenham Glacier, which I understand is near Casey which, according to your reports a couple of months ago, is losing ice at—and has done—10 metres over the last 15 years.

**Ms Mudie**—A very specific scientific response will be required for that. Could I take that on notice and provide you with that information.

**Senator ALLISON**—Okay. I am sorry, I am trying to get a grasp of who is in the division and what sort of work they are doing on this issue. If we can start there. Is there a subgroup? Are there officers whose job it is to monitor ice sheets and glaciers in both our areas and beyond in the Antarctic?

**Ms Mudie**—Yes, there is, but those officers are not present at estimates today. So I would have to take that on notice.

**Senator ALLISON**—Okay. What size is the workforce that is doing this?

**Ms Mudie**—Again, it is a scientific area within the division, and some of that is done collaboratively with the CRC and with UTAS and some of that is done internally. I would have to get the figures of exactly how many are working on that particular area for you.

**Senator Wong**—If I could assist: the information I have been provided with is that in Australia the Antarctic Climate and Ecosystem Cooperative Research Centre, whose copartners include the Bureau of Meteorology, the Australian Antarctic Division, the CSIRO and the University of Tasmania, is the key centre for such research on Antarctic atmosphere, ice and ocean system. Ms Mudie may be able to assist, but I understand that the scientists who are, I suppose, the full bottle on these issues are not here.

**Senator ALLISON**—How often do they report to you, Minister, on the ecological problems, the biodiversity issues? For instance, on Heard Island, I understand that the glacier there is also in massive retreat. This is part of Australia's territory. How frequently would you get advice about what is going on down there in terms of retreat of glaciers and the like?

**Senator Wong**—Can I indicate that this division obviously falls within Minister Garrett's portfolio. I can see if Secretary Borthwick or Ms Mudie can assist you in terms of what evidence or what information is required. If the question is, Senator Allison, 'Is the government aware of a range of reports about the retreat of glaciers by a range of scientists internationally?' yes, the government is aware of that.

As you know, this government does take the view that climate change is real. We recognise that there is a substantial amount of scientific data which indicates the progress of that.

**Senator ALLISON**—Yes, I understand that, Minister. I am trying to get at what the Antarctic Division does by way of contribution to the advice which comes to you.

**Ms Mudie**—We will get that specific information for you. We have got people listening. We will see if we can get that to you shortly. The specific science that is actually addressing those particular issues and the number of scientists is what you require?

**Senator ALLISON**—Yes, and what they do, really, would be useful; for example, do we know what effect the glacial retreat has in Heard Island on the flora and fauna, amongst other things?

**Ms Mudie**—I will take that on notice and give you that information.

**Senator ALLISON**—Minister, this does concern you. Are the reports that you are hearing from the Antarctic Division and other Antarctic science changing your expectations of sea-level rises, even in the last three months when there has been quite a bit of progress on the Larsen ice sheet, the Tottenham Glacier and the Antarctic Peninsula.

**Senator Wong**—I will answer this as best I can, but obviously I do not have climate change officers with me. That department is not appearing today in this committee. Obviously there is quite a range of scientific evidence about the progress—or the advance, one should say—of climate change and phenomena associated with climate change, so the government is aware of those issues. In terms of some of the specific climate change response matters, I would ask if it would be possible for those to be asked—

**Senator ALLISON**—I am not talking about climate change response, I am talking about understanding of sea-level rises and whether that has shifted in the last three months or so.

**Senator Wong**—That is one of the consequences, as you know, of climate change.

**Senator ALLISON**—I have heard, yes.

**Mr Borthwick**—Let me make a couple of general remarks. Up in the Arctic there has been a noticeable depreciation in sea ice and Greenland in particular is becoming green, so to speak, rather than under ice. There are a couple of issues of concern about that. One is when the ice moves off the continent into the ocean; that can lead to a volume—

**Senator ALLISON**—Yes, I understand that, Mr Borthwick, but I am talking about the Antarctic and the scientific evidence that is coming from it.

**Mr Borthwick**—That is what I was going to go on and say. In contrast to the Arctic, there has been no noticeable net change in the sea ice in the Antarctic over the last 30 years or so, but there has been a change in the distribution of the sea ice, which we think is a result of climate change.

**Senator ALLISON**—There are high levels of snow fall, but that does not equate to sea ice. That does not equate to ice shelves; it does not equate to glaciers.

**Mr Borthwick**—My understanding is that our scientists say that there is no net change, but we think climate change is having a noticeable effect. There are a couple—

**Senator ALLISON**—Let me ask you about the Antarctic Peninsula. It is my understanding that it is warming faster than anywhere else on earth.

**Mr Borthwick**—Absolutely.

**Senator ALLISON**—Are you suggesting that is having no consequences for that ice shelf and its likelihood of collapse?

**Mr Borthwick**—That is not what I am saying. I am saying that the Antarctic continent is huge and we are getting differential climate responses in different parts of the Antarctic.

**Senator ALLISON**—Yes, I realise that. Are you saying that, because it is different in the Antarctic, there is no problem?

**Mr Borthwick**—No, absolutely not.

**Senator ALLISON**—That is what I am trying to get at.

**Mr Borthwick**—If you would let me finish.

**Senator ALLISON**—What is our new understanding of the problem in the Antarctic? I do not need to hear about the Arctic because I do know a bit about that.

**Mr Borthwick**—I am saying that the evidence is obviously different in the Antarctic than the Arctic.

**Senator ALLISON**—Correct.

**Mr Borthwick**—That is one of the things that we will get back to you on, in terms of the balance of that evidence. There are a couple of things that we are worried about. One is the sea-level rise that you have indicated; second is, if the Arctic and Antarctic sea ice shrinks, what the consequences of that for circulation of currents in the world might be and how that might affect weather patterns. The third issue that we are concerned about is if the sea ice shrinks and then affects plankton, krill and other biodiversity effects. The fourth thing—

**Senator ALLISON**—Sorry, I know all that. I apologise for interrupting you but I am interested in what has been added to our knowledge about the Antarctic and sea ice in the last three months, given progress in a number of areas which I have already mentioned, which are all in reports in the paper. I am looking for your expert advice on that.

**Senator Wong**—As I think Ms Mudie said, the scientists who are involved in this are not at the table and may in fact be in Hobart. I can tell you what I have been advised. Firstly, in relation to the Arctic, the minimum sea ice extent is nine million square kilometres in September and a maximum of 16 million in March. As you know, the Arctic sea ice cover is less seasonal because it is largely landlocked. The annual mean Arctic sea ice extent has declined by an average of 2.7 per cent since 1979. In contrast, the annual mean Antarctica sea ice extent has remained relatively stable and exhibits no significant trends over the same period. However, there have been significant changes in some regions, which is the issue that this question is going to.

A significant decline has occurred in the Bellinghousen and Amundsen seas which are west of the Antarctic Peninsula, coincident with a significant decrease in the length of the annual ice season. On the other hand, in the Ross Sea region there has been an increase in both ice extent and ice season length, while the east Antarctic region—which, as you know, is where our stations are—and the Weddell Sea to the east of the Antarctic Peninsula have contained a mixed signal. In other words, as the secretary says, what we are discerning—and I am sure the scientists can provide further information—is a change in the pattern of sea ice cover in the Antarctic.

**Senator ALLISON**—Let me put it this way: a report in March or April said:

... the Antarctic Peninsula is warming faster than anywhere else on Earth—

and that is causing a massive retreat and it could collapse quite quickly. The report at the time said that, if this happens, we will see a global sea-level rise of six metres. This is two months ago. What I am asking you is: what is the latest advice on the likelihood that the Antarctic Peninsula will collapse?

**Mr Borthwick**—We will take that on notice. I do not know the particular issues vis-a-vis that, suffice to say that when these things happen they happen very quickly and, based on some past expectations, unexpectedly. You can get an absolute sharp change.

**Senator ALLISON**—That just tells me our monitoring is not good enough, Mr Borthwick, which is why I asked the question. Anyway, I will move on. I am interested in your comments about the *Aurora Australis*. Is it a vessel that uses heavy oil?

**Ms Mudie**—It uses marine grade oil.

**Senator ALLISON**—That is probably heavy oil. The reason I ask you is because there was a meeting in London of the International Maritime Organisation just a couple of months ago. Was anyone from the Antarctic Division present at that meeting?

**Senator Wong**—I can assist you there. This is with my other portfolio hat on. My recollection is that it is Minister Albanese's portfolio which has lead responsibility for those negotiations.

**Senator ALLISON**—I will follow that up in that department.

**Senator Wong**—That is my recollection, and I will come back to the committee if that is not correct.

**Senator ALLISON**—The proposal which was put to that meeting was that there be tighter restrictions on discharge of sewage in the Antarctic; that ships would need to be strengthened, particularly in the light of tourism and the increasing number of visits by ships to the Antarctic. I gather there were four near misses of ships running aground, drifting into icebergs and so forth, in the last few months. My question is—and this is a question for the Antarctic Division, not for the shipping or the maritime question—would the Antarctic Division be in favour of these restrictions, both on heavy oil in case of accidents and the tighter restrictions on sewage and other discharge, and strengthening?

**Ms Mudie**—Your question relates to the operation of tourist vessels as opposed to—

**Senator ALLISON**—No, it is all shipping.

**Ms Mudie**—Certainly we would be looking at having that discussion at the Antarctic Treaty meeting which happens in June this year. They would be discussing that subject.

**Senator ALLISON**—What position will you take to that meeting?

**Ms Mudie**—I would have to take that on notice. Dr Press is not here so I would have to take that on notice and get an answer. He is a representative at the Antarctic Treaty meeting.

**Senator ALLISON**—The leasing of our ship to the Japanese, are there any restrictions on what that vessel can be used for?

**Senator Wong**—We can traverse this again. We did go into this quite extensively with Senator Siewert earlier today. If the committee wants us to do so, we can go through those answers again.

**Senator ALLISON**—I may have been out of the room but did she ask whether the Japanese can use this vessel to protect their whaling ships?

**Senator Wong**—Yes. This is the range of questions that—



**Senator ALLISON**—I will look at the *Hansard*, thank you.

**CHAIR**—Thank you, Senator Allison. If there are no further questions for outcome 2, I would like to thank the officers of the Antarctic Division for attending. Thank you.

[12.29 pm]

### **Bureau of Meteorology**

**CHAIR**—We will now move to outcome 1 and we will commence with questions of officers of the Bureau of Meteorology, if they could come to the table please. Senator Eggleston, I have got you down as No. 1 on the list.

**Senator EGGLESTON**—Thank you, Chair. I am concerned about tsunami warning centres and particularly activity off the north-west coast that might affect the north of WA. I understand that data is regularly transmitted to warning centres. I just wondered where around the country those warning centres are and, particularly, where are they in Western Australia.

**Dr Love**—The Australian Tsunami Warning System has two focal points, one in Melbourne and one in Canberra. Geoscience Australia operates the focal point in Canberra and the Bureau of Meteorology at our National Meteorological and Oceanographic Centre operates the tsunami warning centre in Melbourne. The mode of operation is that the seismic data is received from the Australian or global networks almost simultaneously in Canberra and Melbourne. There is complete simultaneity and close links between the two centres so that everybody sees the same data at the same time.

If there is seismic data, earthquakes under the sea, then the epicentre is located, the depth of that disturbance can be calculated, however many kilometres below the surface. That information can then be converted into a best estimate of whether there will be a tsunami or not; you can have an undersea earthquake that does not produce one and one that does.

Once that assessment is made, and that is done as quickly as we can, then warnings are issued as necessary. Usually that will happen before we have any sea-level data, any tidal data or anything, to tell us whether we really have a tsunami or not and then there will be a recall if in fact, as happens in 90 per cent of cases, undersea earthquakes do not produce tsunamis. There will be a recall and information provided as soon as we know there is not one. The warnings are distributed out of the Bureau of Meteorology's regional centres, so in the Western Australian case that would come out of the Perth centre.

**Senator EGGLESTON**—In other states?

**Dr Love**—Out of the capital city of each state and, in the Northern Territory, Darwin is where we would issue the warnings from.

**Senator EGGLESTON**—Where is the funding for these centres coming from?

**Dr Love**—The funding for Geoscience Australia and the bureau centre came out of Commonwealth new policy three years ago now. That was 69 point something million dollars.

**Senator EGGLESTON**—Has that funding been altered in any way in the last budget?

**Dr Love**—No. I think 2009 is the last year of that first four-year program. That will then become a lapsing program for the current government to address. But at this stage it has been funded as per the previous government.

**Senator EGGLESTON**—I will come back to that particular point. Is this department subject to efficiency measures, efficiency dividends, in the budget?

**Dr Love**—My chief finance officer Mr Plowman advises me that it is all departmental funding, so it is all subject to the efficiency dividend and the normal inflators that we would get as well.

**Senator EGGLESTON**—In other words, the funding effectively has been reduced somewhat. This program is due to run out anyway next year, 2009. Do you anticipate it being extended? Would you think there was a problem about that?

**Dr Love**—I cannot speculate on that. That will be dealt with in future budgets.

**Senator EGGLESTON**—You cannot but fortunately the force of the last tsunami—which hit Java, Sumatra and other parts of the Indian Ocean area—was directed to the west and the north rather than to the east. Nevertheless, it still affected the Western Australian coast to a minor degree. We would certainly like to know that a secure system was in place to protect the Western Australian coast and I am rather concerned that the funding for this program is going to end next year. Does that concern you?

**Dr Love**—The investment that has been made so far has put in place an effective system. From a Bureau of Meteorology perspective we find that that system is activated much more frequently than we had anticipated and there are potential tsunami disturbances, either off the east coast or the west coast, about once every three or four weeks. So we find ourselves moving into the mode of issuing warnings and recalling them for disturbances off both coasts, as I say, about three-weekly. Then that is quite an intense work period. So I see there a continuing need, recognising also that there are some fairly comprehensive international arrangements which Australia is part of and can rely on from time to time.

**Senator EGGLESTON**—So what you are saying is that there are about 12 or 15 warnings issued a year. Is that correct?

**Dr Love**—That would be about right.

**Senator EGGLESTON**—That is a surprisingly large number, I think.

**Dr Love**—Yes. As I say, only 10 per cent of all undersea earthquakes actually produce a tsunami. Some of them are quite small and they go in other directions, as you pointed out, so the actual threat to the Australian coastline is significantly less than the number of times we activate the centre, but that is what rare but potentially catastrophic events are all about: being constantly alert.

**Senator EGGLESTON**—It would seem that there is the possibility of such an event almost once a year from the sorts of figures you are giving.

**Dr Love**—No. If you look at the historical record, there is a possibility of a tsunamigenic event once a year but it might only produce six inches, three inches—10 centimetres or five centimetres—on the coast somewhere.

**Senator EGGLESTON**—It might, but you never know. It could be much bigger.

**Dr Love**—That is precisely why we have an active warning service.

**Senator EGGLESTON**—That is interesting. I believe there was a \$3 million cut to the ocean research ship the *Southern Surveyor*. Part of its research programs was research for the tsunami warning systems. Could you elaborate on the significance of that study being done by the ship, in particular for the tsunami warning system, and what the impact of the loss of that program to our tsunami warning system would be if further cuts were to push it off the edge, if the ship the *Southern Surveyor* ceased operating.

**Dr Love**—The bureau does not operate the *Southern Surveyor*. That is a national facility which is closely aligned with the CSIRO programs. We have used that ship. In fact, we have used it to launch the tsunami buoys that we have put in off the east coast of Australia. We anticipate deploying buoys off the west coast of Australia later this year and we are in the process of negotiating an MOU with Indonesia to ensure that they are secure.

At this stage, I do not think we have reached the point of addressing how we will launch those buoys. You need a fairly capable marine vessel and the sorts of vessels that can do the job are either the *Southern Surveyor*, as you point out and which we have used in the past, or the sorts of vessels that service the oil industry, which also have considerable capability to launch large buoys off the back. So from a Bureau of Meteorology perspective, we just go to the market to rent the capability to launch these things. We could possibly go elsewhere but the *Southern Surveyor* has been an excellent vessel to do the work for us so far.

**Senator EGGLESTON**—What you are saying is that you could hire a rig tender, for example, from an oil company.

**Dr Love**—Yes, that is a possibility. I just do not know the economics of that. We have not gone out to tender for a rig tender, but doing so we probably would not have the same scientific personnel on board that you get on the *Southern Surveyor* and there is very complex instrumentation on these buoys.

**Senator EGGLESTON**—You said the warning buoys might be put in place in the Indian Ocean by the end of this year?

**Dr Love**—Yes.

**Senator EGGLESTON**—Are there buoys in place in the seas off the south-eastern coast of Australia?

**Dr Love**—There is one off the north-eastern coast in place and there is one off the south-eastern coast which has broken its moorings so it is drifting. So it is not in place at the moment. We are hoping to recover it this week because it has a GPS on board and a transmitter, so we know where it is. It is off New Zealand. I believe a vessel will be dispatched this week to try and collect it. It weighs 1½ tonnes, so it is no small matter to recover that. When we examine it, we will find out why it broke its mooring.

**Senator EGGLESTON**—Where is the greatest risk of tsunami and seismic activity under the ocean? Is it off the south-eastern coast or the north-western coast?

**Dr Love**—I am not a geologist, as you are aware, but the Geoscience Australia folks advise me that the highest risk is actually off the north-east coast, around Vanuatu—that part. The next highest risk is south of New Zealand on an active trench there and the Indonesian area is potentially a lower risk than those two. I take that on faith from the geologists.

**Senator EGGLESTON**—Thank you for that information, otherwise I would have had to ask you why you had not put buoys in place in the Indian Ocean off the north-west coast, which I thought was a higher area of seismic activity.

**Senator WEBBER**—You would not have been the first person to ask those questions. Dr Love and I have had this discussion on a previous occasion.

**Senator EGGLESTON**—I understand that Geoscience Australia has highlighted a plan to develop a tsunami warning system. Given that the bureau is also working on a tsunami warning system, are you working synergistically with Geoscience or are you working independently?

**Dr Love**—The way it works, as I said, is that they are doing the seismic end of the problem and the Bureau of Meteorology has been doing the warning end and, in fact, the ocean forecasting end of the problem. We have two centres. One is here in Canberra. I do not know the name of the suburb, but it is in a big aircraft hangar that they have out the back of somewhere.

**Senator EGGLESTON**—Out the back of the airport somewhere?

**Dr Love**—Yes, the back of the airport. You see it when you come in. We have a centre in Melbourne. In fact, we have high-speed links and we work really closely. The same data that they see, we see. The intention is that it is a single Australian system, and Geoscience Australia and the bureau are equal partners in delivering the outcomes that we need.

**Senator EGGLESTON**—There is no duplication of effort there? You are not both working on aspects of the same problem?

**Dr Love**—There is duplication of capability. I need to point out that the bureau runs 24/7. As a part of the things we do, we have to have disaster recovery capability and, if Melbourne goes out, there still has to be a warning capability somewhere in the country; similarly if Canberra goes out for fires in buildings, power goes down, floods or whatever. We would have to have some sort of an operational backup to whatever we did in Melbourne, so the fact that we have split-science capability across geoscience, meteorology and oceanography between the two organisations and we needed operational backups just meant that we were going to have to have two centres anyway. It works out pretty effectively between the Canberra Geoscience and the Bureau of Meteorology in Melbourne.

**Senator EGGLESTON**—Do you have a coordinating committee of any sort? Do you discuss and communicate with each other what you are doing?

**Dr Love**—Yes. There is a steering committee, and from the new policy proposal onwards it has been a team effort between Geoscience Australia and the bureau.

**Senator EGGLESTON**—Would it be better to rationalise it under one or other department?

**Dr Love**—It is an interesting issue. When you go around the world, you find many of the meteorology departments around the Pacific where in fact there was a geoscience issue have that capability, but then when you move beyond the Pacific you find that it is often in two separate government departments. The expertise is different. That is a government policy

issue at the end of the day, but I think in terms of just issuing tsunami warnings, what we have will work pretty effectively and as effectively as any other operation you can put in place.

**Senator EGGLESTON**—Given that there are two agencies involved, can you tell me what the total expenditure on these systems is? What is your expenditure in the bureau? Do you know what the level of Geoscience budget allocation for tsunami warning systems is?

**Dr Love**—No. I could go back to the total break-up in the new policy proposal. As I said, I think it was \$68.9 million or \$69.8 million or something over four years, and I think the bureau finished up with about 60 per cent, Geoscience Australia with 38 per cent and Emergency Management Australia with a couple of per cent for public education. We used that money and built synergistically onto the warning capabilities in our forecast centres across Australia.

Attribution of cost would be a tricky exercise, because the normal senior forecasters who you hear on the radio talking about the weather in Perth or wherever would also then supervise the issuing of warnings according to standard protocols when they are required. That capability really has not been costed into the services. It is just a small incremental cost, if you like.

**Senator EGGLESTON**—Could you take on notice what the expenditure is for each agency?

**Dr Love**—We can do that.

**Senator EGGLESTON**—Since this new government came in—we talked about efficiency dividends—what would be the size of those effective cuts to the budget for these two programs and have there been any other reductions or changes in funding since the last election for these programs?

**Dr Love**—Just so that I am clear, because I am clearly taking this on notice, you want to know the changes in funding to the tsunami warning service as a consequence of the change in government?

**Senator EGGLESTON**—Yes, for both the Bureau of Meteorology and Geoscience Australia. If you could do that on notice, I would be most grateful.

**Dr Love**—Sure.

**Senator Wong**—Can I just be clear. I am not sure Geoscience Australia—

**Dr Love**—We run a joint system, if you like.

**Senator Wong**—But are you asking to this service or to Geoscience Australia generally?

**Senator EGGLESTON**—For the tsunami warning system.

**Senator Wong**—Okay.

**Senator EGGLESTON**—That particular program is what I am interested in. You confirm that there will be buoys off the north-west coast by the end of this year?

**Dr Love**—That is our intention. That is the plan, and we have the purchase of the buoys on the line. In fact, we are aiming for the third quarter of this year.

**Senator EGGLESTON**—I will ask you the same question in November.

**Dr Love**—I look forward to it.

**Senator EGGLESTON**—Thank you.

**CHAIR**—Thank you. There are a number of senators who want to ask questions of this portfolio, but Senator Birmingham has not had any questions today, so I am going to Senator Birmingham.

**Senator BIRMINGHAM**—Thank you, Chair. I thought I had taken up more than enough hours over the last few days. Dr Love, can we turn to the bureau's field meteorological officers. I note in the budget paper in the portfolio statements on page 107 it speaks of the replacement of a number of field meteorological officers and \$1.2 million allocated towards that. Which officers are earmarked for replacement?

**Dr Love**—We will have to take that on notice, I am afraid.

**Senator BIRMINGHAM**—In the additional estimates earlier this year we had some discussions about the impact of the efficiency dividend and how that would apply to the bureau and what that meant for regional offices. What is the bureau's position on that issue now?

**Dr Love**—Last time around I prefaced my answers a number of times by saying we were looking at how we were going to absorb the additional efficiency dividend. The day after that the Prime Minister made a statement in the House saying that there would be no closure of local offices, which was something we discussed in some detail. Further to that, very much along the lines of Secretary Borthwick, we are pretty close to figuring out our budget for the next years and the subsequent years in forward estimates, but those plans will contain no closure of offices and, to the extent that we have to meet the efficiency dividend, we will find that through other efficiency measures within the Bureau of Meteorology.

**Senator BIRMINGHAM**—I noted after our discussion earlier—and I know Senator Macdonald was particularly interested in that matter—that it would contain no closure of offices. Will there be a downgrading of services in any regional offices?

**Dr Love**—No, I would not expect so. In any event, it is hard to see downgrading of services. The fact of the matter is that both the technologies for producing services and the sciences behind them are steadily and constantly improving, and I think if you look at any measures of the bureau's services over the last 20 years you will see a constant signal of improvement in just about every objective measure. In fact, I do not know of one that is showing a decline in skill or comprehensive service. I expect that trend will continue over the next several decades as well, so I do not see a downgrading of service.

As I said, the current four-year plan that we are working pretty hard on and will bring out before the start of the next financial year will contain no office closures in the forward estimates period.

**Senator BIRMINGHAM**—Has the bureau made any decisions about how it is meeting the efficiency dividends?

**Dr Love**—As I said before, we are working up those plans. We will have them finalised before the start of the financial year. We are close to making decisions. We do have a planning

meeting scheduled for the last two days of next week and I guess the final issues will get discussed internally with senior management at those two days of planning meetings.

**Senator BIRMINGHAM**—Where in the activities of the bureau, as they are outlined in the budget papers, have you indicated the cuts that reflect the efficiency dividends?

**Dr Love**—My expectation of the way the efficiency dividends will be applied across the bureau is that we will seek efficiencies from virtually every program in the bureau, with the possibility of, in fact, the front-line services, which is what you were talking about there initially; the regional offices that provide the services. In fact, the cuts across the other range of functions, I suspect, will be greater than the efficiency dividend to make sure that we have got the services end of the bureau properly supported.

**Senator BIRMINGHAM**—In last year's budget the bureau indicated, as I understand, that income for this financial year would be some \$254.68 million. This year's budget papers indicate that it is estimated to be \$251.1 million. Does the \$2½ million shortfall reflect the efficiency dividend as it has been applied to the current financial year?

**Mr Plowman**—You are referring to the initial budget of \$254 million as opposed to the revised 2007-08 budget of \$251.1 million?

**Senator BIRMINGHAM**—Correct.

**Mr Plowman**—The revision of that is primarily the change in the one or two per cent efficiency dividend for the last quarter and also rephasing of some of our water funding.

**Senator BIRMINGHAM**—How was that one-off cut for this last quarter of the financial year met, or how is it being met?

**Mr Plowman**—Across our programs we have managed to trim sufficiently to meet the efficiency dividend. The water phasing was rephased because we thought we would not be able to utilise the funds in this current financial year, so that actually has not required a cut as such.

**Senator BIRMINGHAM**—I understand the water and we will turn to that in a second. The budget papers indicate that staff numbers are set to increase by 43 over the coming year. Are they all related to the Water for the Future funding?

**Dr Love**—Yes.

**Senator BIRMINGHAM**—All of those additional places relate to Water for the Future? Where will they be located?

**Dr Love**—We have recruited about 40 so far; I think 20 in Melbourne.

**Senator BIRMINGHAM**—Sorry, 20?

**Dr Love**—Twenty in Melbourne.

**Senator BIRMINGHAM**—Melbourne.

**Dr Love**—Roughly; ten up here so far in Canberra and ten around the land in our other regional offices. So there has been a bit of a distribution. We are looking at another 40 in the next year, taking our staff to a total of about 83. Once again, there would be probably more of

a build-up here in Canberra, but also in all our regional offices there would be some addition of staffing; some in Melbourne.

**Senator BIRMINGHAM**—What is the total cost of those additional staff?

**Dr Love**—The extra 40 or the total 80?

**Senator BIRMINGHAM**—Separately. If we could look at the additional 43, as indicated in the budget papers, but then all up—the extra 80 as well, please.

**Dr Love**—While Trevor has a look, I can give you an approximation. If you look at staff in that area, the average ASL cost to that program is probably something around \$85,000, maybe \$90,000, and then the overheads are probably \$22,000. So if you said they were \$110,000 a shot, 40 staff is going to be \$4½ million. Eighty staff is probably closer to \$9 million.

**Senator BIRMINGHAM**—You may need to take this on notice. Are you able to provide a breakdown of the Water for the Future funds available to the bureau and how that is applied to extra staff versus undertaking programs, new software, research et cetera.

**Dr Love**—Yes, the running cost. Yes.

**Senator BIRMINGHAM**—Thank you. Bureau staff are employed on a certified agreement. Is that correct?

**Dr Love**—That is correct.

**Senator BIRMINGHAM**—When does the next CA process open?

**Dr Love**—15 August.

**Senator BIRMINGHAM**—Is there an employee consultative group on these matters?

**Dr Love**—There will be.

**Senator BIRMINGHAM**—When will that be formed?

**Dr Love**—That will be put in place and the negotiations will start around 15 August. Typically we call for nominations from the staff. If we get more nominations than places on the committee, then there is an election. Then you get some staff representatives on the committee and some management representatives. Then they build a proposal. As you know, the normal process is that we backwards and forwards it between the management and the committee until we have got something we can put to the staff and the staff vote on it.

**Senator BIRMINGHAM**—Obviously I do not expect you to give away figures and percentages, but I assume the bureau has budgeted for the results of those negotiations in the forward estimates.

**Dr Love**—Sure, in our forward planning. That is what makes the forward planning—we will have a firm budget for how we spend the money next, that we have invested in the bureau's outputs. For the three outer years there is some uncertainty and in our planning we consider a range of outcomes under the certified agreement negotiation process.

**Senator BIRMINGHAM**—There is some additional or increased funding, specific payments to states—the ACT, the Northern Territory and local government—for the coming financial year. What are they in aid of?



**Dr Love**—The only payments we make to the states are the water information related payments. That is the only program. This year we have made payments of about \$10 million—\$9.3 million maybe. Next financial year there is \$20 million in the budget.

**Senator BIRMINGHAM**—So you are saying they relate specifically to water.

**Dr Love**—Water information, yes.

**Senator Wong**—A component that you might recall: Water for the Future was funding to the bureau for a range of, I suppose, what you would call water information improvements. As part of that, there are some payments—and Dr Love will be better aware of this and the officers from outcome 3—that go to the states in terms of assisting them to provide us with the data that is required. Is that correct?

**Dr Love**—Yes.

**Senator BIRMINGHAM**—It is the ACT, the Northern Territory and local government. They seem to be three strange priority areas for that Water for the Future funding, according to the states.

**Dr Love**—No. I do not have the distribution here, but the proposal came across my desk on its way to the minister's desk. Every state received some money. The way the process worked is that each state nominated a central group to handle these proposals; the proposals went up, were coordinated on a state-by-state basis, then they were consolidated. We had a set of criteria against which they were assessed. All the proposals were assessed and money has gone to agencies in every state and territory.

**Senator BIRMINGHAM**—Dr Love, the chair is keen for us to break for lunch. Perhaps over the lunch break if you could look at that division between the states and bring us back any further information.

**Dr Love**—Sure. I am happy to do that.

**Senator BIRMINGHAM**—Thank you.

**CHAIR**—Thank you, Senators. We will suspend proceedings. Thank you, everybody.

**Proceedings suspended from 1.01 pm to 2.03 pm**

**CHAIR**—Thank you, everybody. We are ready to resume questioning of the Bureau of Meteorology. Senator Birmingham?

**Senator BIRMINGHAM**—Dr Love, we were discussing the allocation of the specific payments to the states, which you indicated was part of the Water for the Future funding. Are you able to give us a breakdown on how that funding is allocated between the states?

**Dr Love**—Yes. I have two sets of numbers: one is the numbers that were, if you like, in the budget papers which were estimates and then I have the actual amounts that were paid out. Which would you like?

**Senator BIRMINGHAM**—The actuals, if we are talking this financial year.

**Dr Love**—They are yet to be paid, Mr Plowman advises me. The amounts are: for New South Wales, \$3.6 million; for Victoria, \$404,000; for Queensland, \$1.15 million; for Western Australia, \$1.35 million; for South Australia, \$173,000; for Tasmania, \$751,000; for the ACT,

\$87,000; and, for the Northern Territory, \$81,000. That adds up to about \$8.34 million. That is the amount that we will pay and that we have now accepted the proposals for and offered to pay. It will be paid this financial year. Some will be rolled over to the next year.

**Senator BIRMINGHAM**—Are these payments to state government or local government authorities within those states?

**Dr Love**—They are payments to authorities within the states. In fact, I have a list of the 67 authorities, but the sorts of authorities are the New South Wales Department of Water and Energy and the New South Wales Department of Environment and Climate Change, the Queensland Department of Natural Resources—

**Senator BIRMINGHAM**—You might like to provide those details on notice.

**Dr Love**—We can give you that, but it is a range of authorities and departments.

**Senator BIRMINGHAM**—Thank you. How are those grants determined? How do you decide the division? Obviously there is some large disparity that is not based necessarily on population or geography between the states.

**Dr Love**—No. Those were not the criteria in the first instance. I do not have a complete list of the criteria. We will provide that to you. But I can tell you that there were a set of criteria and the first one was, fundamentally: does the proposal that we are dealing with contribute to our ability to deliver under the Water Act. That was our first criterion, if you like. The next one was: is it a proposal that will give us data that will help us prepare the water accounts that we are required to prepare under the act. The third one was: is it a proposal that improves the quality, increases the coverage and increases the quantity of water data that we will have. The next one was: the proposal should not be inconsistent with what we are doing. As an example, the bureau runs a very active website. We will make that the portal, if you like, to water data. If somebody else has put up a proposal that they develop a portal that would duplicate what we are already doing, we would not fund that. We would say: if it duplicates, we do not fund it. Another criterion was: does it modernise and extend our coverage of water information. We particularly targeted large data sets rather than going for small ones, so we went for players that could fill in gaps with significant data volumes. Those are the sorts of criteria that we use to select the proposals.

**Senator BIRMINGHAM**—Thank you, Dr Love. I turn to, under the Water for the Future funding, the \$5 million that was reallocated or deferred from this year. Budget Paper No. 2 says the government has decided to defer \$5 million in funding from 2007-08 to 2016-17 to reflect the profile of expected expenditure. How much of the funding in 2016-17 is for the bureau under Water for the Future?

**Dr Love**—I did not quite catch the question.

**Senator BIRMINGHAM**—How much is the funding for the bureau under Water for the Future in 2016-17?

**Mr Borthwick**—I might make a couple of general observations. The first point is that, as the Bureau of Meteorology said prior to the luncheon break, in this function there has been a ramping up and they have currently got about 40-odd staff on with a view to recruiting about 80, so they could not spend the money that was allocated in 2007-08.

**Senator BIRMINGHAM**—Indeed, Mr Borthwick—

**Mr Borthwick**—But my other point is a more fundamental one, because the government had a commitment to maintain the \$10 billion-odd that was outlined over 10 years from the previous government in terms of these programs. So they have rephased it into that final year because the bureau had the resources all along, year by year, to undertake this function. So as not to return it to the budget it was put it in the final year. But the integrity of that overall \$10 billion, of which the bureau's portion is about \$457 million or thereabouts, is retained. That was the basis of doing that. I jumped in then because our portfolio has got overall responsibility for those funds and so the strategy behind that was known to me and not necessarily to Dr Love and his colleague.

**Senator BIRMINGHAM**—Thank you. Is the funding under Water for the Future to the bureau mapped out in a forward estimates approach from now through till 2016-17?

**Senator Wong**—Senator, the budget papers have a forward estimates period that you are aware of.

**Senator BIRMINGHAM**—Yes.

**Senator Wong**—The reprofiling or the rephasing that you described was, I think, an annotation or disclosed in this budget context. But, no, the budget papers do not go beyond the forward estimates period. Nevertheless, there are obviously programs the government has announced, Water for the Future being one of them, which obviously go beyond the forward estimates period.

**Senator BIRMINGHAM**—I know that the budget papers do not go beyond that forward estimates period of 2011-12, Minister, but seeing as the government within the budget papers has made a statement that this \$5 million will be provided in 2016-17 to the bureau, I am wondering whether the sum total of the funds for the bureau under Water for the Future is, in fact, allocated on a year-by-year basis in some notional way within the department or within Treasury such that we can know indeed that that \$5 million is there in 2016-17 and that the funds provided in all of the intervening years add up to the promised amount.

**Senator Wong**—Senator, the government has indicated the particular rephasing you have spoken about because the government has announced Water for the Future, which is a program or a measure that goes beyond the forward estimates period. But as is common practice, and I think your government would have told you the same thing if you had asked them the question, we do not release program breakdowns beyond the forward estimates period.

**Senator BIRMINGHAM**—I understand the logic of what Mr Borthwick was saying, but the reality is that \$5 million has been deferred to beyond the official budget forward estimates. However, the government has chosen to make a statement that it has been deferred to 2016-17. That seems to be an unusual approach—to specifically allocate \$5 million in the 2008 budget to 2016-17—unless you know how much you are allocating every year in the intervening period.

**Senator Wong**—If you have to deal with Finance, it is always good to get that kind of commitment about funds within your portfolio. The government have indicated very clearly

our commitment to \$12.9 billion for Water for the Future. This is one component of that, and we have indicated when that has been rephased to and the reasons why.

**Mr Borthwick**—The key point is that this is a 10-year program and the government has committed to spending that money over that 10-year period.

**Senator BIRMINGHAM**—And the point I am trying to make is that presumably you have some idea of how you are breaking it up over those 10 years. You obviously have some idea of how you are breaking it up over those 10 years because there is \$5 million specifically earmarked for the 10th year.

**Senator Wong**—Senator Birmingham, of course the government always looks to how it can maximise the benefit from expenditure of funds. But, as is longstanding practice, what is provided to the Senate for consideration through the budget process is the forward estimates for the forward estimates period. We have chosen to indicate what has occurred in relation to the rephrasing of this \$5 million, but we are not providing you with any further information. That is in the budget papers in terms of forward estimates. Can I say, Senator Birmingham, as someone who was on that side of the table not that long ago, that that is consistent with the position ministers of your government indicated. The forward estimates period was the forward estimates period.

**Senator BIRMINGHAM**—And I have heard from other ministers in the last few days arguments of consistency. I came to the table as a new, young, fresh senator with a new, fresh government expecting the higher standards of accountability and the higher standards of transparency that were promised, Minister.

**Senator Wong**—Yes. We were all young once, Senator. If I can give you a small piece of advice, it is not a good thing to keep calling yourself young because it runs out and it runs out much quicker than one thinks. But that is a matter for you.

**Senator BIRMINGHAM**—I am well aware it is running out, Minister. But I was expecting that higher level of transparency. By your comments I take it that the department does have notional allocations beyond the forward estimates to the bureau to tally up the funds for Water for the Future.

**Senator Wong**—It is a 10-year program and it is a measure that we have given information about. Jokes aside about youth, there is a whole-of-government process which is the budget, which establishes the budget figures for the forward estimates. Figures which may or may not exist in departments within portfolios about what might or might not be spent in the future really do not have the same status as those which are part of the budget process. Obviously decisions can be made about how programs are being expended, whether you need to bring forward funds or deal with the different way in which expenditure has arisen than what was originally foreseen. Governments do that. We provide information, as did your government, to the parliament through the budget papers. They set out the forward estimates funding for these and other programs. We have indicated Water for the Future is a 10- year program, and as a budget measure you would have received, through the various budget statements and PBSs, an indication of the funding profile of the additional funding for Water for the Future. But I do not think we are able to assist you beyond the forward estimates period in respect of expenditure that is not otherwise indicated in the budget papers.

**Senator BIRMINGHAM**—With the exception of 2016-17, when we know there is at least \$5 million there.

**Senator Wong**—But the point is that that is an explanation of the movement of funds. So in the interests of transparency it is appropriate that the government indicates, when it is moving funds out of a year because they have not been spent, that it is intending to retain this expenditure for this agency. That is an appropriate thing for the government to disclose.

**Senator BIRMINGHAM**—It is certainly appropriate to indicate that that agency will have that \$5 million available to it in this program and under the allocation of Water for the Future. The fact that you have chosen to specify a year beyond the forward estimates would suggest that the work has been done with the rest of the allocations beyond the forward estimates. The government is just refusing to release that work.

**Senator Wong**—Senator, we have released the forward estimates for programs in the portfolio. There is an annotation, from recollection, in relation to this rephrasing and also in relation to another. That is a disclosure that is appropriate. I do not know whether Mr Thompson can add anything to this, but I am not sure we can take this matter much further in terms of what may or may not be provided post the forward estimates.

**Senator BIRMINGHAM**—Hopefully we are all still here in 2016-17 and we will know exactly how the money has been appropriated along the way.

**Dr Love**—Can I make one final personal comment on that matter. I am more comfortable to see it there in 2016-17 than to not see it there, because I or my successors will have a much easier task arguing with Finance with something there than with nothing there.

**Senator BIRMINGHAM**—I am certainly pleased to see the government's commitment that that \$5 million will still be spent on Water for the Future, even if it is in the 10th year of the program.

**Senator Wong**—Perhaps if I could assist, my recollection—and Mr Thompson will correct me—is that the budget papers will indicate what is altered as a result of the budget decisions. So expenditure that is already budgeted for will not be, I suppose, restated in the budget papers through the forward estimates because they were done in the previous budget. For each budget you look at other measures post the budget. If you look at what Water for the Future indicates, it shows our election commitment of \$400 million, which obviously was a decision in this government's budget. There is a \$1.5 billion commitment in relation to urban water, and I assume this was a decision as well in relation to the previously budgeted arrangements. That is why that measure would have been reported separately, Senator Birmingham.

**Senator BIRMINGHAM**—Yes, I understand that. It was the reference to 2016-17 that brought to my attention the years beyond the forward estimates because the government was choosing to start allocating them.

**Mr Borthwick**—The \$10 billion was already in the forward estimates and is not reported separately because the forward estimates have not changed from what they were when put in place by the previous government, other than the \$400 million that was brought forward which is reported. In other words, it was an acceleration of the \$10 billion. But otherwise it stays the same and was not reported.

**Senator BIRMINGHAM**—Dr Love, how frequently are the emergency warning systems operated by the bureau audited?

**Dr Love**—I will take that on notice. There are a variety of audit processes going on constantly in my organisation. There is an internal audit process and we do it program by program. So if we audited the weather services program we might look at the warning function as part of that, but then if we audited the tropical cyclone program there is a different set of warning functions. So warning functions sit with different programs. So there is a programmatic audit activity that goes on in the bureau as well as larger external audits. And then there is an internal review process of our warning systems annually. So today is in fact the third day of the annual review of the tropical cyclone warning system. It is happening in Melbourne and will wind up today. That is an internal review process.

So there is a bunch of internal audits, internal reviews and external audits that go on. The audit processes are not routine in the sense of your question. It is not as though we know there is going to be an audit of our warning systems this year or the year after; it just gets scheduled in an audit program at some point.

**Senator BIRMINGHAM**—Perhaps you could take on notice and detail the schedule of those audits for the different types of programs—when the last audit was had and what the results of that were, please.

**Dr Love**—Sure.

**Senator BIRMINGHAM**—Thank you. What services does the bureau rely on reciprocally from other agencies or bureaus around the world?

**Dr Love**—In the interests of brevity, I would say that they are very numerous. We are a part of the World Meteorological Organisation. That gives us access to all the meteorological observations collected all around the world in real time, free of charge, constantly. So we get all our data. The Bureau of Meteorology of Australia puts in one per cent or less of the total data into that system. So we get 99 per cent something worth of data back free. All the satellite data is free. The European nations spend \$5 billion a year on satellites, the Americans spend \$5 billion and Japan spends probably \$1 billion. We get all of that satellite data free. The tsunami warnings we talked about earlier. Japan and the US operate a global tsunami warning system that covers our region and we interact with that. So the international community is vital for many of the warning services and forecast services we provide here in Australia.

**Senator BIRMINGHAM**—We rely on and have an agreement with Japan regarding access to their satellites, then? You mentioned Japan in your commentary.

**Dr Love**—Yes, we do.

**Senator BIRMINGHAM**—How long has Australia relied on that assistance?

**Dr Love**—Assistance? It started off when they launched the geostationary meteorological series, and that would have been in about 1978. To hold the meteorological satellites in position over the equator on our longitude, we established the Turn Around Ranging Station at Point Crib in Victoria and we operated that on behalf of the Japanese and that helped hold it on station. So as a part of that arrangement we put in place a treaty—that had a treaty status, the agreement—and we cooperated on that basis. But we did not get the data from them free

under that treaty; the data came to us freely under the WMO convention, which is a different basis altogether. In fact, that treaty has lapsed now because in the last couple of years they have launched satellites that do not require the Turn Around Ranging Station. We have shut that down. The treaty has lapsed. It has now finished and we continue to receive the data freely under the WMO convention.

**Senator BIRMINGHAM**—Have there been discussions with Japan at all within the last 12 months about the continued provision of that service?

**Dr Love**—No. I have a personal friendship with the current head of the Japanese meteorological agency. I do not believe anybody up there is contemplating ceasing providing the data freely through the World Meteorological Organisation to everybody in the region.

**Senator BIRMINGHAM**—Is there an agreement specifically between Australia and Japan in that regard?

**Dr Love**—No, not anymore.

**Senator BIRMINGHAM**—It is provided through the world meteorological service?

**Dr Love**—Yes.

**Senator BIRMINGHAM**—Thank you. When will the new US forecasting system come online?

**Dr Love**—The one that we have been working on in the bureau?

**Senator BIRMINGHAM**—Yes.

**Dr Love**—That is called the gridded forecast editor suite of programs. We are prototyping it in Victoria at the moment and we are likely to move to operations in the next month or two, using that on a trial basis to see if we have got the software right.

**Senator BIRMINGHAM**—What is the cost of installation for that program?

**Dr Love**—I will have to take that on notice. It has been an identifiable and costed development project in our funds for the last three years. Typically—and up until about six months ago I chaired the steering committee—the annual expenditure was of the order of \$300,000 to \$400,000. But then you would have to add the goods and services. You would have to add on the staff time and there are probably three or four staff and it has been going for about three years.

**Senator BIRMINGHAM**—Does the bureau have the capacities in-house or within Australia to service and maintain that new system?

**Dr Love**—Sure. We service and maintain the existing forecaster support system. If our trials suggested that it was a viable and effective and efficient replacement and stepped up the quality of the service, then the resources that support the current system would swing across to supporting that as the system. The tricky time is when you transition from one system to another. You have to run two at once and you have double the costs. But to be really frank, we have not done enough in terms of operational trials to know precisely what the staffing is required. So we still are not at the point where we could say, 'Here's the cost of the new system; here's the cost of the old system.' We are just not at that point.

**Senator BIRMINGHAM**—When do you expect the trials to be completed and a decision on transition to be made?

**Dr Love**—I would have thought we will understand much better the economics of that system by November this year. That would have given us probably four months of operation—parallel operation.

**Senator BIRMINGHAM**—Do you have sufficient funding within the budget to facilitate that transition or would you require additional funding?

**Dr Love**—We have sufficient funding to run the trial and, as I said, I truly do not know what the cost of that transition might be. But it does offer a tremendous enhancement in the depth and quality of service we can provide the Australian community.

**Senator BIRMINGHAM**—Thank you, Dr Love.

**CHAIR**—Senator Parry wanted to put a question on notice. Then I have Senator Macdonald and then Senator Siewert.

**Senator PARRY**—I will be very brief. I heard your response to Senator Birmingham earlier that no offices will be closed and there will be no reduction in services. Just for the record, does that include Launceston—not the regional office but Launceston station?

**Dr Love**—Yes, it does.

**Senator PARRY**—Thank you.

**Senator IAN MACDONALD**—I just wanted to clarify some of those issues in specific terms. What is the current staff at the Rockhampton weather bureau?

**Dr Love**—Mr Plowman will look at the numbers, but I believe—and he will tell me if I am right or I am wrong—there are two technical officers, meteorology, there. There could be one. As at February 2008 there were three observers; one technical officer, meteorology; and one technician, who fixes equipment.

**Senator IAN MACDONALD**—Dr Love, we have known each other for a long time. I am not being judgemental in these things. I understand that your budget keeps getting reduced, but you are being pushed at the other end by me and the Prime Minister, among others, to maintain staffing. So do not take offence at the rest of my questions. The Prime Minister assured the House of Representatives in a Dorothy Dixier the day after your last appearance, the day after some media releases went out on that, of this. He said:

... I have asked the minister responsible to ensure that the Bureau of Meteorology there not only continues to operate but also continues to operate all the meteorology services that it has provided in the past.

I notice he did not indicate that he was going to give you more funds to do that. As I recall last time, you were saying you had to make cuts because the dividend meant that you had to find savings somewhere and you were looking at the smaller stations. When I heard of the Dorothy Dixier I thought that he was going to guarantee you more money to keep people like me happy. Can I assume from the Prime Minister's answer that you can now guarantee to me that the staffing at Rockhampton will not, during your watch and during the term of this government, reduce?



**Dr Love**—I can give you the guarantees that the Prime Minister gave that we will not close stations and we will not reduce services. I have internally been working on the budget and I have transferred substantial resources from across the bureau and across virtually every other program except the observing program into front-line services to try to ensure that what you are asking happens. I cannot give you any guarantees because every station has ups and downs. People get sick, people take leave, staff get pregnant.

**Senator IAN MACDONALD**—I am talking about permanent jobs.

**Dr Love**—I will keep the staff at the stations to deliver the services as per the Prime Minister's statement in the House.

**Senator IAN MACDONALD**—It is true what I say—that you were effectively given no additional resources to do that. You were just told by the Prime Minister you had to find it somehow.

**Dr Love**—The Prime Minister has said that we will maintain the services in those stations.

**Senator IAN MACDONALD**—You may not agree with my terminology, but in the profession we call it the weasel words of the Prime Minister in which he said the station will continue and the services will continue but he did not of course say that numbers at the station would continue. So I assume that at some time in the future you might be able to say with increased technology and better communications you can provide the same services in that station but that you are going to cut the staff.

**Dr Love**—To quote my minister, those are your words, Senator. All I can say is that I will be doing my darnedest to honour the Prime Minister's statement in the House and we will maintain the services. I want the stations open. As you said at the outset, you have known me a long time. I care about the staff. I care about the stations. I care about the service we offer, and I will be doing everything I can to maintain what we have got.

**Senator IAN MACDONALD**—I am delighted to hear the Prime Minister's dorothy dixer the day after we had the exchange. Thanks to the you and the media and everyone, we actually got the Prime Minister to commit to something that obviously was not forefront in his mind. So I am delighted with the outcome. But I acknowledge that somewhere you are sitting in the middle being squeezed with less money and demands from people like me for a continuation of what is a very good service. But now let me in a much shorter period of time just run through some of my parochial interests of course as a Queensland senator. What you said about staffing in Rockhampton, will that apply to Townsville?

**Dr Love**—Sure. That applies for all of the stations. As I said, Townsville is a particularly interesting station in that Defence and Aviation fund quite a number of the positions in the Townsville office. If Defence changes its requirements or Aviation changes its requirements, then I am just a service provider and I will respond to that.

**Senator IAN MACDONALD**—What about Cairns?

**Dr Love**—Cairns is some Aviation, but largely the same situation exists.

**Senator IAN MACDONALD**—There will not be any reductions in personnel subject to the wish that you expressed earlier?

**Dr Love**—As I said, I will be doing the darnedest to honour the Prime Minister's statement in the House.

**Senator IAN MACDONALD**—Is there a bureau station in Mackay?

**Dr Love**—There used to be one on the hill. Yes, there are still three observers on the hill in Mackay.

**Senator IAN MACDONALD**—Three officers. So their positions are assured into the foreseeable future?

**Dr Love**—My answer remains the same, Senator.

**Senator IAN MACDONALD**—Thank you. What about Mount Isa? How many have they got? A couple out there?

**Dr Love**—Two or three. Once again, they are observing staff. It is an MIR. Two observers are out there at the moment.

**Senator IAN MACDONALD**—Do you have staff in the Torres Strait?

**Dr Love**—No, we used to. We shut that down in the seventies.

**Senator IAN MACDONALD**—What about Weipa?

**Dr Love**—Yes, we have one observer at Weipa.

**Senator IAN MACDONALD**—One observer. So that will continue?

**Dr Love**—Yes.

**Senator IAN MACDONALD**—With regard to the new facility at Emerald, which I am delighted about—and credit where credit is due; good on Mr Rudd for providing for that—how long was that being planned?

**Dr Love**—As you know, the current radar upgrade program ends this year. We have a list of radars that have been clearly sought by the community, and that was on the list.

**Senator IAN MACDONALD**—Perhaps I was being too generous to Mr Rudd. Perhaps it was Mr Howard who provided for that in years gone by through the agency. I do not want you to get into the areas I am going. Suffice it to say though that that proposal has been in the planning stage for a time predating November 2007.

**Dr Love**—No. That location or that area has been on the wish list for a long time.

**Senator IAN MACDONALD**—Okay. Was it your decision to put it there?

**Dr Love**—No. That was the Prime Minister's decision that he would respond to the community requests.

**Senator IAN MACDONALD**—That was an election commitment, was it?

**Dr Love**—I am not aware whether it was or was not an election commitment. I do not know whether it was an election commitment, but I doubt that it was.

**Senator IAN MACDONALD**—So when did you first hear from high above that the people of central Queensland were going to get a new facility in Emerald?

**Dr Love**—About three or four weeks before Mr Rudd made the announcement, there had been quite some discussions between my officers and his department.

**Senator IAN MACDONALD**—As I say, in that case I go back to my original statement—credit where credit is due and it is good to see. Will that require on-the-ground staff once the facility is operating, or is it just a bit of equipment?

**Dr Love**—I think we would operate it like we operate the radar at Mornington Island which is a remote facility. Essentially, there is regular maintenance in unattended mode. We operate a number of radars in that mode.

**Senator IAN MACDONALD**—Because I have a soft spot for this—I asked this in February and I am sure it would not have changed since then—Willis Island will continue to operate?

**Dr Love**—Willis Island will continue subject to sea level rise I guess.

**Senator IAN MACDONALD**—Subject to?

**Dr Love**—Sea level rise.

**Senator IAN MACDONALD**—Sea level rise; yes, of course. Dr Love, I know you went through this question with Senator Birmingham I think. I know you and your staff are very clever and very competent, but there must come a stage when you cannot keep cutting other areas to maintain this shopfront existence, which I am delighted about. But you just cannot keep squeezing the stone. There must be a time where the other services of the bureau, which I acknowledge are very important, start to suffer if you are not given sufficient increases to maintain the shopfront situations that we all want and expect.

**Dr Love**—That of course is a hypothetical possibility. I guess like all previous and future directors of Meteorology, we hope that we are able to deal with that before the circumstances arise.

**Senator IAN MACDONALD**—You hope that you will be able to convince a minister somewhere along the line to increase your budget?

**Dr Love**—We just hope that we can deal with those circumstances as they arise, Senator.

**Senator IAN MACDONALD**—There is a challenge for Senator Wong or Mr Garrett to do as well as I used to do for you. One final thing—and this also comes from a long time back—is this: have you ever given any serious thought to a suggestion made a decade or more ago that there is not any real need to have the head office of the weather bureau in the CBD of the most expensive city in Australia?

**Dr Love**—It is interesting you should say that. I personally always wanted it to go to Mackay.

**Senator IAN MACDONALD**—Mackay?

**Dr Love**—Yes, I would quite like it up the Queensland coast—

**Senator IAN MACDONALD**—This is good. I can see a headline tomorrow in the *Mercury*.

**Dr Love**—But I should say that rentals in Brisbane far exceed the rentals that we are paying in Melbourne. We were forced to relocate the regional office in Brisbane.

**Senator IAN MACDONALD**—You are talking about the regional office?

**Dr Love**—Yes. Queensland is an expensive place to be.

**Senator IAN MACDONALD**—There are some parts of Queensland where you could have a marvellous headquarters where the rent is very modest.

**Senator BIRMINGHAM**—I am sure Senator Macdonald could find you a good lease in Mackay.

**Senator IAN MACDONALD**—You could get a better one in Ayr, Longreach or Winton. You have been at these estimates too long, Dr Love. You have skilfully avoided the question about the most expensive city, and it was Melbourne to which I was referring, where your Australian head office is. I would have loved to have taken it to Queensland, but I thought if you moved out to Geelong, Ballarat or rural Victoria you might be able to save a lot of money on CBD rentals.

**Dr Love**—We could do that, Senator.

**Senator IAN MACDONALD**—Yes, you have been here too long—I am sorry, not too long but you have learnt how to give the—that is not under consideration, I take it?

**Dr Love**—I have listened to my ministers for a long time.

**Senator IAN MACDONALD**—Okay, but Mr Garrett comes from Sydney. He might have you taking it up there. But seriously, it must be a big expense to the bureau. As we were discussing before, you are being squeezed from both ends. Is that something that has ever seriously been looked at?

**Dr Love**—Well back in the Whitlam days they looked at moving the bureau to Albury-Wodonga. Then there was a time when they looked at moving the bureau to Canberra and then the department of transport gazumped the bureau and took the building that was earmarked for the bureau. So there have been two instances where they have planned to move the bureau. Property operating expenses are a headache for me. I would like to find ways of keeping them down. The UK Met Office moved from London to Exeter and lost about half its staff in the process. So you then face pretty high retraining and recruiting bills when a lot of your older, more experienced people leave. That might be good; it might be bad. They are now down in Exeter and they are finding the travel costs much greater than they expected and dislocation has some other disadvantages. It is a funny world. Silver bullets disappear when you try to grab hold of them.

**Senator IAN MACDONALD**—I know that has always been the argument about moving out of Melbourne; that you would lose half your staff, but I thought a lot of your staff in Melbourne, excellent though they are at their jobs, would benefit from a much more relaxed lifestyle and fewer traffic problems getting to work. Anyhow, thank you, Madam Chair, and Dr Love.

**Senator SIEWERT**—I would like to specifically concentrate on the water information outcome, outcome 1.5. I have some questions on some of the work and the targets for next

year's work. I remember discussing either last estimates or the estimates before—I think it was the last one—the negotiations that are going on with the states about the modernisation/extension of the water observation networks. I see that one of your targets for this year is to get those agreed with all state and territories. I am just wondering how that process is going.

**Dr Love**—For those of you who know, the head of the water program is Dr Rob Vertessy, ex-CSIRO. Rob has been working pretty hard with all the states. We have a fairly intense consultative mechanism. Senator Birmingham asked me a question earlier about the grants to the states. As small as they are, they are the first step in getting the states on board in providing us with new data. In the first instance we are not asking them to go out and collect anything they do not already have. What we are saying is, 'If you already have instrumentation there and you have data, let us find ways to get it into a consolidated database. Let us improve the collections. Let us improve the accessibility to the existing data holdings.' That is what the \$8.33 million that I outlined to Senator Birmingham is all about.

We have experienced so far tremendous cooperation, I believe, from every state and territory. All of them identified focal points that we can work through in that process of the first tranche of money when everybody came on board. The states did a collection with the lead authorities there. They brought the material up to us and the awarding process against the criteria has gone quite smoothly. I am incredibly optimistic about our working with the states. That is the least of our challenges. The big technical challenge we have is water accounts at the end of this year.

**Senator SIEWERT**—I am coming to that. In terms of the target, which is investment programs for the modernisation/extension of the water observation networks agreed with all states and territories to facilitate improvements in national hydrometric networks, it seems to me that that is quite a significant step beyond what you are already doing with the states now, if I understand what you are expecting from the extension of the of the observation networks. Are you going to accomplish that in the next few months?

**Dr Love**—I guess it is going to be a work in progress for the next decade, as the minister said. It is not an instantaneous thing. The states are—

**Senator SIEWERT**—Sorry, what I read to you was the target for next year.

**Dr Love**—Yes, and the networks are increasingly improving all the time as a consequence even of the first \$10 million. So there will be noticeable, visible improvements. I urge you to look on our website over the next year and you will see an upgrade in the water information there. They are the sorts of deliverables that I personally care about and I think we will achieve.

**Senator SIEWERT**—It may be my misinterpretation, but I did not realise that the target was just about the gathering of the data that was already in databases. I thought we were talking under this particular area as well about installation of further equipment where it was lacking, and that is what we have talked about in the past.

**Dr Love**—There is a separate pool of money which is held in the water division in Secretary Borthwick's department. I think there is \$621 million for improved water metering. I do not hold that or control that. That is not through the bureau. But we will work closely

with the water department. We are in the one portfolio and the aim is particularly with that water metering activity and our activity to coordinate an improvement of telemetry, the underground metering and the upgrade of existing systems. So there are three areas we are approaching a problem.

**Senator SIEWERT**—When you are talking about coordination with the states, is the agreement that you are negotiating with the states around the installation of that equipment et cetera or is it just around that data because it is a little bit—

**Dr Love**—My own consultative arrangements and the agreements we strike with the states will be about access to data. Under the Water Act that is the responsibility I have, but I have a bigger responsibility to work with the department so that I am not going down one track and the department is going down another track.

**Senator SIEWERT**—I appreciate that and—

**Senator Wong**—Senator, in relation to that other component of funding as opposed to the data funding that Dr Love has referred to, there is funding within Water for the Future for those sorts of projects but that would be best addressed under outcome 3.

**Senator SIEWERT**—I will address it in outcome 3 then. What I was trying to work out was the link. How will the target that BOM is supposed to meet be met and how is it linked? The way it sounds is that it is about the hardware not just the data. I was trying to tease that out.

**Dr Love**—Where we think the link—and it is quite a good word to use—in an equipment sense will be is particularly on the telemetry side, which is getting data that is collected in non-real time and bringing it all back into a system in real time. We believe that with the interest the department has, the interest we have and the interest the states have the big advance will be in improving telemetry, and we are optimistic.

**Senator SIEWERT**—Thank you. Can we go to the water accounts because your target this year is to publish national water accounts. I am wondering whether that is a realistic target. Can you provide some detail about how those accounts are going to look?

**Dr Love**—The answer is probably no-one knows. The first question is: is it a realistic target? It is a very tough ask. We do not have that many people on the ground yet, positions staffed. I will be putting a lot of pressure on the organisation to hit the target. I hope we can, but I think it is just a really tough ask. Inevitably there will be a trade-off between quality, comprehensiveness and time. That is like many things: you can do a bad job quickly but if you want to do a good job it takes a little longer. That is my fear. We do like to do a good job in the organisation I come from. We are going to have a real go at it and we will see. Then the other question—

**Senator SIEWERT**—How are you going to be presenting that information? How accessible and useable is it going to be?

**Dr Love**—I think one of the big focuses is to make things available electronically. That is how my organisation has worked over the last 10 or 15 years. As you all know, we get 15 billion hits a year on our website. We are busy data providers. We do have a two-year project to build the Australian Water Resources Information System, the AWRIS system. We are well

into building AWRIS. That is going to be our prototype, if you like, delivering things electronically. But the water accounts are essentially a balanced water budget—where is the water coming and where is the water going so that the system balances up. That is going to be hard because there are so many residuals. When you look at the water budget of Australia, there is soil uptake versus evaporation, versus what is going down the rivers, versus what is being captured off the system on to on-farm storages both big and little that we know about. But we are going at it.

**Senator SIEWERT**—You made a comment about staff. Has that come about due to the fact that you have not been able to find staff to put on the ground or you do not have enough resources to employ the staff that you need?

**Dr Love**—No, it just takes time. It takes time to do a merit selection process. A couple of weekends ago we advertised for 32 positions. There are good people out there, but when you advertise 32 jobs and you get 700 applicants you have to go through the applications and then you have to interview enough people and get a feel for how you build a team. It takes time.

**Senator SIEWERT**—Are you going to be focusing on geographic priorities?

**Dr Love**—The Murray-Darling is clearly a priority—probably, nationally, the priority. The CSIRO has done a beautiful sustainability exercise—it is world-class and a world first. Capturing that information, using that and learning from that is important for us. So the Murray-Darling is important. In a sense a lot of resources are being thrown at the Murray-Darling but we have to start getting on top of the other river systems as well. It is like everything: you do not want to drop the ball anywhere.

**Senator SIEWERT**—So when you talk about the Murray-Darling, is the focus on—and I am not trying to be pedantic here—the Murray or the Darling? The Darling, as you are probably well aware, is often the forgotten part of the Murray-Darling.

**Dr Love**—Yes. In terms of data collection—Senator Birmingham can give you the list—when I read out the dollars, Queensland and New South Wales got the two big chunks and South Australia got the smallest amount. So in a sense we are looking at those probably poorly monitored areas of the Darling in New South Wales.

**Senator SIEWERT**—I know I will need to ask this question when we come to water as well, but would the data be able to highlight and start dealing with the issue of water theft?

**Dr Love**—I think that is a very difficult question. The residuals are going to make it pretty hard. Theft is a very emotive word. Where is the system losing water and why is it losing water? Understanding that will be important. I think knowledge about that will grow incrementally over time. There will be no day when we suddenly understand where all the water is going. But it will help build the picture.

**Senator SIEWERT**—One of your targets is actually to complete the commissioned investigations in accordance with the specified terms and conditions. What investigations have you commissioned already? Which ones are you referring to?

**Senator Wong**—In relation to what?

**Senator SIEWERT**—One of the targets is for 100 per cent completion of the commissioned investigations in accordance with the terms and conditions. What are those investigations?

**Dr Love**—Now I am probably getting a little bit away from my exact knowledge. But I know that we have set up a number of relatively small research projects with CSIRO. Mostly they relate to probably taking some of the lessons learned in the sustainability study they have just done and using that in the AWRIS framework. I know we have commissioned a few small studies while we try to put a bigger research contract in place with CSIRO to help us transfer a lot of that knowledge into bureau operational systems.

**Senator SIEWERT**—If I understand what you have just said correctly, you will be translating the work that CSIRO has been doing—which I agree is excellent work—into useable data for the national accounts and the other work that is being done.

**Senator Wong**—Can I clarify, Senator Siewert, when you say ‘the work that CSIRO has been doing’ are you referring to the sustainable yield study?

**Senator SIEWERT**—Yes, the sustainable yield study—the work that we have been talking about. I was presuming that was the work you were talking about.

**Dr Love**—Yes, that is what I was referring to. In a sense, that was a one-off study that took half of CSIRO to do. It took a lot of CSIRO scientists. We want to capture what learning we can take from that and put it into operational systems. The Bureau of Meteorology runs operational systems that just tick over and do not require thousands of scientists working actively all the time. We want to take some of that and find what we can use in the water accounts world.

**Senator Wong**—If I can assist—and obviously CSIRO in another portfolio could assist more—we do have officers in outcome 3 who are liaising on this. The government did make a decision—which I think was a COAG decision but I might be corrected—to extend the CSIRO sustainable yield study to other parts of Australia. From memory, it was WA, Tasmania. I am looking at the secretary to remind where we extended the sustainable yield study—

**Mr Borthwick**—Northern Australia.

**Senator Wong**—It is, I am told, one of if not the largest scientific projects undertaken in Australia. It will deal with one of the issues that I think you have touched upon which is the interaction between groundwater and surface water, which is obviously an area in which we really need to improve our data and understanding.

**Senator SIEWERT**—Yes. If we get time when we get to water, I might talk more about that.

**Senator Wong**—The department may have something it can assist you with there. The only issue, of course, is that it is a CSIRO study. So it is their study, but we are drawing on it.

**Senator SIEWERT**—I appreciate that. \

**CHAIR**—Are there any further questions for the bureau? If not, I thank the officers for attending.



**Dr Love**—Madam Chair, could I make one correction? Senator Eggleston has not returned but, in relation to the tsunami project, at lunchtime it was brought to my attention that in fact, even though the first four-year period has ended, we have now had \$8 million wound into our base for the ongoing activities and \$3½ million of depreciation funding as well for the assets that we have to maintain. So, even though the set-up project has ended, the lapsing program, if you like, has been addressed already and we have ongoing funding in our base to do that. If that could go on the record, I would be appreciative.

**CHAIR**—Thank you, Dr Love.

[3.06 pm]

### **Great Barrier Reef Marine Park Authority**

**CHAIR**—Welcome.

**Senator IAN MACDONALD**—Good afternoon, Dr Reichelt. I might start by asking whether you have the statistics of the number of people who have been charged and convicted of fishing illegally in the green zones of the Barrier Reef.

**Dr Reichelt**—Yes, I do have some statistics with me, Senator, I think since the 2004 rezoning. I have two introductory statements. On 14 December 2006 it became possible to issue infringement notices in relation to certain recreational fishing offences in the marine park. The issuing of an infringement notice is discretionary. It remains the case that fishing in areas of the marine park closed to fishing is a criminal offence. Illegal fishers can still be prosecuted or issued with a warning. This date was significant because in the two years prior that infringement capability was not possible. In the period between the time the current zoning plan took effect, in July 2004, and the introduction of the infringement notice scheme, 116 recreational fishers were convicted of illegal fishing in the marine park. However, the vast majority of people apprehended—which was around 400—were actually given a warning. That gives you the scale and numbers that I have in terms of recreational fishing.

**Senator IAN MACDONALD**—So 116 were convicted or pleaded guilty and 400 received warnings?

**Dr Reichelt**—Yes.

**Senator IAN MACDONALD**—Are there any figures in the last calendar year or the last period—what is the most recent period that you have?

**Dr Reichelt**—I do not exactly have that. As I said, I can tell you more precisely 427 offences for fishing illegally have been dealt with by advisory or warning letters. The 121 recreational fishing cases resulting in prosecutions were considered to be more serious. Since the introduction of that infringement notice, 81 infringements have been issued.

**Senator IAN MACDONALD**—So they are just like a ticket?

**Dr Reichelt**—A traffic ticket.

**Senator IAN MACDONALD**—And then they are paid and that is the end of the issue without the recording of any conviction?

**Dr Reichelt**—Yes.

**Senator IAN MACDONALD**—To my knowledge you are not a lawyer, but are you aware of the earlier convictions—the 116—which resulted in the persons charged having a criminal record which may prevent them from entry into places like the United States? Are you aware of that?

**Dr Reichelt**—I am aware of the issue, Senator. It is not something that the Great Barrier Reef Marine Park Authority has powers in relation to. Our powers are to investigate and refer to the Director of Public Prosecutions, so I am not able to go much further on the issue. But I am aware that the reason the infringement notice was brought in was that it was deemed a more effective way of regulating the marine park to be more flexible than recording it. I will say that under Commonwealth legislation there is no allowance for a fine to be imposed in a court if no conviction is recorded. It is different from the state legislation that does allow for a fine to be imposed even without a conviction. So there is some state- federal differences.

**Senator IAN MACDONALD**—You did mention it but I have not recorded it. What is the date the infringement arrangement started?

**Dr Reichelt**—On 24 October 2006 the ability to issue an infringement for using excess fishing gear in a yellow zone was introduced. Then on 18 December the regulations were further amended to allow for the use of infringement notices for offences of fishing in a green zone or a marine national park.

**Senator IAN MACDONALD**—And that was done by regulation, as I recall?

**Dr Reichelt**—Yes.

**Senator IAN MACDONALD**—There was one matter of the 116 I think that went to court. I think most of the others could not afford the exercise of going to court with lawyers and defending it, but one person did and I think he won the case on the basis that it was not proved to the court that the GPS readings were sufficiently accurate to determine where exactly on the line on the water the green zone was. Are you familiar with that? It predates your term as CEO.

**Dr Reichelt**—Yes, I am sorry, Senator, I do not have a specific brief on that case. I am aware of it through media, but I am not familiar with the details of the case.

**Senator IAN MACDONALD**—Minister, could I perhaps refer to you now. Prior to the last election the then relevant shadow minister, Senator Kerry O'Brien, made a commitment if elected to remove the convictions from those people who had been prosecuted and who had criminal convictions recorded against them over these green zone convictions. Senator O'Brien made that commitment, would you believe, in responding to a commitment of the former government to say that if the former government were re- elected they would either legislate or get pardons for those convicted and Senator O'Brien, as was very much the case of the then opposition, said 'me, too' in very deliberate terms. I accept that you are the representative minister here, but are you personally aware of that issue?

**Senator Wong**—I am afraid I am not particularly appraised of this, Senator. I can take that question on notice. I note that as I understand it this has been the situation since December 2006 and these issues were not dealt with whilst the previous government was in power. I can take your question on notice in relation to the government's current position. All I can indicate

is that I am advised this is an issue of legal policy and I do not understand that the government has made any announcement to date about how this matter is going to be dealt with.

**Senator IAN MACDONALD**—Thank you. I did raise this in the Attorney-General's estimates yesterday with the minister representing Mr Debus, who I understand is the minister—

**Senator Wong**—Sorry, I should correct that, Senator Macdonald. I apologise. I am advised that Minister Garrett has publicly stated that the government does not support action to quash convictions. I should correct the record.

**Senator IAN MACDONALD**—That is interesting. Can I just quote the *Townsville Bulletin* of 19 October 2007. It states:

... the then Labor Party Shadow Minister said that an elected Labor Government would be sympathetic to overturning the records of the 324 fishermen convicted for the offence.

The then shadow minister, Senator Kerry O'Brien, said:

This is about correcting the initial mistake and we would take the bipartisan position on that.

That was then taken by the people of Northern Queensland—those who were affected by this—to mean that the Labor Party, if elected, would honour the commitment made by the shadow minister, in the same way as the then government had committed to ensure those convictions were either pardoned or overturned by legislation. Minister, could you indicate whether that pre-election promise will be honoured by your government?

**Senator Wong**—As I said, I am not personally familiar with this issue. I will take the question on notice and seek to provide you with a more detailed response if we are able to. I would note just as a matter of principle that obviously this is an issue of legal policy as well, which I am sure you understand—that is, how a government might deal with offences post facto. It may be an issue that the Attorney-General's portfolio has an opinion on. I do not have the detail that you are seeking so I will take the question on notice and endeavour to get the committee a response.

**Senator IAN MACDONALD**—Thank you for that, Minister. I did acknowledge in my question that it is a matter of legal policy as well and I raised this in the appropriate estimates yesterday. I have learnt through estimates how these people could approach the Minister for Home Affairs for a pardon. That seems to be a very cumbersome way of dealing with an issue which was I think an unintended consequence by the former government when this legislation was introduced. The former government acknowledged, agreed and committed to do something about this legislation were they successful in the election, and your shadow minister also committed to doing that. I would be very interested if you could refer that to Mr Garrett and I will write to Mr Debus about the same thing.

Minister, are you or the secretary or Dr Reichelt aware of my comment that these convictions are in fact criminal convictions? I do not expect you to be experts on American visa requirements, but these convictions can prevent those 324 ordinary Australians who happen to like dropping a line and who happened to get the location of the boundary wrong from entry into places like the United States. Are you aware of that? I accept that none of you

are here in your capacity as lawyers, but are you aware of that? Perhaps the secretary might be.

**Senator Wong**—I do not think we can comment on that. This is on American visa requirements, is it?

**Senator IAN MACDONALD**—Whether this sort of conviction is the sort of conviction that would impact on a person's criminal record and that it would accordingly—and perhaps you could take my word for this—prevent them from getting a visa to the United States, amongst other countries.

**Senator Wong**—I do not think anyone at the table, including me, would care to hazard an opinion about the visa requirements for the United States. Can I just correct something. I think I said this had been a problem since December 2006. Looking at what has been provided to me, I understand this is actually the period between July 2004 and December 2006. I just wanted to clarify that.

**Senator IAN MACDONALD**—Until the infringement notices were—

**Senator Wong**—That is right, which is December 2006, as I understand it.

**Senator IAN MACDONALD**—I thought Dr Reichelt said October. I am looking at a way of assisting these 324 ordinary Australians by having this criminal record removed. Would it make any difference to the operations of the relevant act or the operations of GBRMPA if those criminal convictions were removed?

**Senator Wong**—Dr Reichelt can answer the question if he wishes, but you are asking him essentially a hypothetical question. You are asking him: if a different set of facts existed, what would that mean for your organisation? I am not really sure that is a question that an officer should be asked.

**Senator IAN MACDONALD**—I could rephrase it. Technically you are correct, it is hypothetical but I am trying to help here 324 ordinary Australians. They are probably the heads of working families, who we are also keen to help, who now have criminal records. What I am simply trying to find as a policy issue is this: would the ex post facto removal of convictions in any way impact upon GBRMPA's ability to properly police the laws that we have on the green zone? The point I am making is I am not saying GBRMPA were wrong—although the one court case suggests they might have been—and I am not wanting to in any way tie the hands of GBRMPA in policing their green zone legislation or regulation, but I just want to know if as a policy issue the removal of these old criminal convictions would in any way impact upon GBRMPA's ability to properly enforce their laws?

**Mr Borthwick**—Senator, I will make a few observations. Since those infringement notices came into being, GBRMPA have a far better suite of policies in which they can tackle these issues. Furthermore, the government has just introduced a second tranche of legislation following up the review that I was involved in which will extend the flexibility and the effectiveness of GBRMPA more generally. So I think the common-sense answer to your question is no, it will not affect the enforcement of GBRMPA.

If I can go a little further in terms of that. I have been advised that some of those people who got those convictions recorded actually got a criminal conviction but were only fined in

the order of \$100 or so. Under the new infringement notices which have applied since December 2006, they are getting in effect on-the-spot fines and they can be in the order of \$1,000. So you have a relatively small fine that was being given by magistrates and the criminal conviction, against an on-the-spot infringement notice with what is actually turning out to be a bigger penalty, apart from that criminal conviction.

These are not matters really for GBRMPA or particularly for the department. I think the point you raise is one that is worth having a chat about with our colleagues from Attorney-General's and across government because we cannot really comment on what the principles are behind overturning these convictions. I think we would have to say that, in terms of the capacity of GBRMPA to do their job effectively, the arrangements currently in place are superior and will be enhanced further in terms of making sure that the remedy fits the scale of the damage in effect.

**Senator IAN MACDONALD**—Thanks very much for that, Mr Borthwick. I think that is a very good summation of the situation. I appreciate your words, and you identify the real problem. Losing \$1,000 on an infringement notice is a fair penalty, but having a criminal record for the rest of your life over the fact that you dropped your line on the wrong side of an imaginary line on the water because your GPS was not working is another issue.

**Mr Borthwick**—I am just very careful to not step into areas which are going to be fundamental. But the issues that have been raised in this area are worth closer consideration.

**Senator IAN MACDONALD**—Thank you. I acknowledge that for the third time I have already raised this with the Attorney-General's Department and we are advancing something there. But it was important to get the view of the policy agency just to make sure that these things are not a problem. Of course, I concede the obvious in that this was legislation of the former government. But it does not alter the fact that there are 324 people who are penalised beyond the severity of the particular offence that occurred. Thanks for that. I wonder whether my colleagues want to have a go at asking some questions while I look for other matters.

**Senator JOHNSTON**—Dr Reichelt, I note that page 164 of Budget Paper No. 2 states:

The Government will provide an additional \$50.8 million in 2007-08 for grants under the Great Barrier Reef Marine Park Structural Adjustment Package to further assist eligible commercial fishers and other businesses adversely affected by the increase in the size of 'no take' fishing areas in the Great Barrier Reef Marine Park.

Provision for this funding has already been included in the forward estimates.

Is that \$50.8 million new money or old money?

**Mr Borthwick**—This money is not administered by the Great Barrier Reef Marine Park Authority. It is administered by the department.

**Senator JOHNSTON**—Sorry. All right; so you, Mr Borthwick.

**Mr Borthwick**—I am going to try to buy a bit of time because it is administered by the Marine and Biodiversity Division of the department.

**Senator JOHNSTON**—They are coming up later, are they not?

**Mr Borthwick**—Yes, they are.

**Senator JOHNSTON**—So we should ask them?

**Mr Borthwick**—Yes.

**Senator JOHNSTON**—If they are listening to this—

**Mr Borthwick**—We will make sure they have an answer for you.

**Senator SIEWERT**—You might as well tell them I have questions for them too.

**Senator JOHNSTON**—I think that is all I have. Yes, that is all for me.

**Senator SIEWERT**—I want to ask about sharks. Obviously you will be aware of the issues surrounding some of the shark fishing issues up in Queensland at the moment and on the reef. Could you tell me what the status of sharks is on the reef at the present time and what is estimated to be left of the original population?

**Dr Reichelt**—To the best of my knowledge, the precise assessment of the status of sharks is not available. With regard to the assessment done by the Queensland Department of Primary Industries and Fisheries, which manage the fisheries in the marine park, it has been judged to be sustainable but in a precautionary way in that it is capped at 700 tonnes in their proposal which, I believe, is their current catch. From the marine park's point of view, I think we radically need to improve the assessment of those shark stocks. There is something like 50 species of shark. Some of them are rare and endangered. In fact, quite a lot are rare, like all high biodiversity regions.

From our point of view, we are working very closely with the Queensland government in this period. They have a regulatory impact statement that is out in relation to the fisheries that take sharks in the area. We have already expressed our concerns about the lack of knowledge of the status of sharks and the need to take a precautionary approach. In relation to that regulatory impact statement, we work very closely with the Department of the Environment, Water, Heritage and the Arts, which administers the Wildlife Trade Operation. So they have a role in assessing the situation as well. So the three—the authority, the department and the Queensland government—are currently working together to resolve the issues around the status of sharks and, for that matter, other impacts of fishing with the nets such as impacts on dugongs and turtles. So it is under intensive discussion right now between the governments.

**Senator SIEWERT**—Yes, I am aware. You were saying that there is little information on the status of sharks. I am aware that that could be taken at a national or a regional level. So you do not actually have an understanding of the shark species in the park either?

**Dr Reichelt**—We have a pretty good understanding of sharks globally in terms of their biology, their status, their low productivity, their ability to be very easily overfished. I did the assessments of the southern shark in 1991 and we found that they lived to 60 years old and reproduced by having pups, not by spawning like fish. They are an easily overfished group of animals. So to say we know nothing about sharks is not true. It is true to say that in high biodiversity regions like northern Australia there are many species of shark that we know quite little about. I think there is work being commissioned this year to within a year try to significantly improve that knowledge. But it does take time to build up. It is a large area and these are mobile animals. Does that answer your question?

**Senator SIEWERT**—Yes, partly. However, you did not answer my first question, and that is do you have an assessment of the estimated stock of sharks in the Great Barrier Reef Marine Park?

**Dr Reichelt**—There is not an assessment of the total stock of sharks, nor the unfished state of the stock, if you like, pre fishing.

**Senator SIEWERT**—How can the department therefore say the industry is sustainable if that sort of information is not available?

**Mr Borthwick**—When you say ‘the department’, it is not our department that says that.

**Senator SIEWERT**—No, the Queensland department.

**Mr Borthwick**—Yes. I am just correcting you, because—

**Senator SIEWERT**—Sorry. The comment was made earlier that it is considered that it is sustainable—that is, the fishery is sustainable.

**Dr Reichelt**—If I could just clarify that. There has been an interim order given under the WTO to essentially allow the fishery to continue while more information is gathered. But it runs out, I think, in November this year.

**Senator SIEWERT**—Is what I have been told true, and that is that a large part of what is driving the shark industry is the fins?

**Mr Borthwick**—Yes.

**Senator SIEWERT**—Is it the case that the same thing we have been criticising our Asian neighbours for we are now also trying to get in on?

**Mr Borthwick**—Yes.

**Senator SIEWERT**—I wanted to know what the authority’s opinion was around shark fisheries. If I understand it correctly, you are saying that you have concerns about it.

**Dr Reichelt**—Yes.

**Senator SIEWERT**—Have you expressed those to both the Queensland government and the department?

**Dr Reichelt**—Yes, I have.

**Senator SIEWERT**—And also to the assessment that has been carried out under the EPBC Act?

**Dr Reichelt**—Yes. The department and the authority are working closely together on that.

**Senator SIEWERT**—I will be asking them later. I just wanted to know whether you had expressed those concerns.

**Mr Borthwick**—You will be able to ask us when we come to marine and biodiversity. But to give you an indication of how seriously we feel about it, we share the views that have been expressed by Dr Reichelt. Indeed, I went up and spoke to the Queensland Premier’s department in conjunction with GBRMPA before Dr Reichelt was appointed to his position to discuss this myself with them and to indicate to them our concerns and the sorts of additional areas that we thought should be investigated. So we are working hand in glove with the Great

Barrier Reef Marine Park Authority and it will be a joint assessment that we are undertaking vis-a-vis shark fishing operations in the park.

**Senator SIEWERT**—Sorry, there will be a joint—

**Mr Borthwick**—There will be a joint view that we are coming to in terms of our discussions with Queensland.

**Senator SIEWERT**—The department and the—

**Dr Reichelt**—The authority.

**Mr Borthwick**—Yes.

**Senator SIEWERT**—Thank you. I have a few more questions, but I will take that up under the marine section.

**Mr Borthwick**—Yes, that is fine.

**Senator SIEWERT**—Do I deal with all of the compensation issues under that other portfolio area, the marine portfolio area?

**Dr Reichelt**—Yes. That is administered through the department in Marine and Biodiversity.

**Senator IAN MACDONALD**—How did GBRMPA—I did not quite get around to looking at this—fare with the budget—increase, decrease, status quo?

**Dr Reichelt**—It is virtually status quo. There is a slight reduction, partly due to the efficiency dividend that all public sector agencies have been through. As I said at what would have been the additional estimates in March, that figure for next year is \$488,000 from a total budget over \$40 million. So it is something we anticipate managing through just administrative savings and operations. I am not anticipating any radical changes in terms of our function and delivery. I am not anticipating any changes in staff numbers. Some of the decrease shown in the papers is also that we did have some one-off supplementation for communication of the rezoning, setting up the Reef Guardian Schools program and also some additional funds to refurbish some Commonwealth heritage properties such as lighthouses on Commonwealth island in the park. That was only needed to be a one-off. Essentially, I would call it status quo.

**Senator IAN MACDONALD**—Can you just refer me to the page where I would see what you got last year, what you were getting last year and what you got in the out years?

**Dr Reichelt**—Page 137 in our resource statement at table 1.1.

**Senator IAN MACDONALD**—Thank you for that. Is there a line item for the aquarium museum, Reef HQ?

**Dr Reichelt**—There is not a specific line item in the budget. There is a line further in which shows revenue which I can refer you to. Where you see on page 148 income revenue relating to goods and services, a significant part of that would be the take from visitors to the aquarium. It runs over 100,000 people a year. It is a net cost in terms of our appropriation of, I think, around \$700,000 per year. That is essentially a community service obligation for



education. As you would know, Senator, it is tremendously popular with schools and visitors to the area.

**Senator IAN MACDONALD**—It is indeed. Far be it for me to invite you to make bad comparisons against other Commonwealth agencies, but I still think it is far less subsidised than the comparative museum in Sydney.

**Dr Reichelt**—At the moment it runs such that 70 per cent of its costs are recovered, which is—

**Senator IAN MACDONALD**—But some of the other Commonwealth facilities in Sydney are much less than that—for example, the Sydney Aquarium.

**Dr Reichelt**—Possibly.

**Senator IAN MACDONALD**—Anyhow, I am leading you to a parochial argument which I know you should not get involved with. Finally, Dr Reichelt—

**Mr Borthwick**—Can I just make a clarification. The Commonwealth does not run the Sydney Aquarium, but I think your general point is right. I think our aquarium in Townsville runs a pretty efficient show for the reasons you have just outlined in terms of being able to recover a large proportion of its costs relevant to other museum type of exhibitions.

**Senator IAN MACDONALD**—I think I was referring to the Australian National Maritime Museum in Sydney which runs at a huge loss. Anyhow, as I say, we do not want to poke fingers at anyone else. But thank you, Mr Borthwick. Dr Reichelt, I am not sure whether you noticed in the *Australian* of 23 May a proposal to do a seabed capture of carbon which suggests that we might be able to shove a pipe down under the Barrier Reef and store some carbon there. Did you happen to notice that article or have you in any other way got any information on potential geosequestration sites and trials for doing that?

**Dr Reichelt**—I am familiar with that media article, but that is the only information that I have on this. It is not something that has been taken up with the authority at this point in time in any operational way. I cannot comment further, but I did notice it and am looking forward to seeing where that issue goes. I cannot comment any further, Senator.

**Senator IAN MACDONALD**—The newspaper article, in showing what they call trial areas—and I guess they got this from somewhere—clearly indicates the southern part of the Barrier Reef. In fact, it goes from about Gladstone to Mackay. You cannot comment on that because you have not seen it, but my question to you is what danger would it pose to the reef, if there is any danger at all? Perhaps there is not, but what danger would it pose to the reef if we were pumping carbon under the reef?

**Dr Reichelt**—I would not like to speculate, Senator. It is the sort of thing that if I was approached or if it was proposed I would be asking for a full risk assessment and analysis of it.

**Mr Borthwick**—I am unable to comment on that proposal. I have not seen the newspaper article and nothing concerning this has been brought to my attention. But it would certainly need to be assessed under the Environment Protection and Biodiversity Conservation Act which we apply a most rigorous standard to, this being within the park and a World Heritage area. Furthermore, Commonwealth and state environment departments are working very

closely together—and this is a general comment about carbon sequestration—to make sure that when it goes ahead, and we sincerely hope it does go ahead where it is appropriate for it to do so, all of the environmental safeguards and monitoring are in place. But that is a general comment about sequestration and the importance of getting this right, not a comment on that specific proposal.

**Senator IAN MACDONALD**—Thank you, Mr Borthwick. This report is by Matthew Franklin I think. It quotes an interview with Mr Martin Ferguson—bless his soul; a very effective minister—where he says that Commonwealth body Geoscience Australia had identified numerous sites where greenhouse gases could be stored, and he nominated high carbon emission areas in Victoria, Queensland and Southern and Central Queensland as having adequate storing capacity nearby. Minister, is Mr Ferguson floating government policy in suggesting carbon could be stored in the oceans nearby southern and central Queensland and the other places mentioned, but I am more interested in the Barrier Reef in this particular element of estimates?

**Senator Wong**—Can I say that if you have questions for Mr Ferguson clearly they should go to the appropriate representing minister. This government is acutely aware of the importance of the Great Barrier Reef. For example, one of the policies with which we went to the election was a policy in relation to protecting the Great Barrier Reef or responding to threats resulting from climate change to the Great Barrier Reef. So obviously across government we very much understand the enormously significant ecological and other values of the Great Barrier Reef. I do not know what you are referring to, Senator Macdonald. You have referred to an article. I do not have any information on what you are suggesting. If you wish to pursue comments made by Minister Ferguson, obviously, they should be directed to a different committee. But Minister Garrett and this government have made very clear the priority we ascribe to the Great Barrier Reef.

**Senator IAN MACDONALD**—Thank you, Minister, but you are the senior minister in the environment area. I just thought that if there were any proposals to in some way use the Great Barrier Reef for carbon storage perhaps you might be aware of it insofar as, as I say, the Great Barrier Reef is concerned.

**CHAIR**—We might have a tea-break now.

**Senator IAN MACDONALD**—I just have one final question. It is very short and, as far as I am concerned, these people can go.

**CHAIR**—Certainly. We will go to a tea-break and come back.

**Senator MILNE**—I have some questions.

**Senator IAN MACDONALD**—On GBRMPA?

**Senator MILNE**—On the Great Barrier Reef.

**Senator IAN MACDONALD**—My question was—and we can get the answer later but I will give you notice of it—there has been a lot of comment by the current government in their former position about involvement of the Coral Sea areas in the Great Barrier Reef Marine Park. Can you tell me where that is at?

**Mr Borthwick**—That is also a matter for the Marine and Biodiversity Division, but in keeping with the policies of this government and the previous government we are looking at regional marine planning over the entire Australian coastline. That will include out into the Coral Sea, which will include proposals for declaring areas out in the Coral Sea Commonwealth marine parks.

**Senator IAN MACDONALD**—Thank you.

**Mr Borthwick**—But we can come back and speak further about that.

**Senator IAN MACDONALD**—While Dr Reichelt was here I just wondered whether GBRMPA had been doing any work on expanding its areas of involvement.

**Mr Borthwick**—If it comes to that—and this is the hypothetical after an intensive planning and consultative process with the community—there are two options: if you want to establish a park you can do that by amending GBRMPA's legislation or you can do it directly under the Environment Protection and Biodiversity Conservation Act without legislation but with full disclosure and via regulation. You can do it via that route as, in fact, we have done for the establishment of all the other Commonwealth marine parks.

**Senator IAN MACDONALD**—Thank you for that. I acknowledge that.

**Senator Wong**—This is going to continue for some time. Is it possible for us to have a break?

**CHAIR**—Yes. Can we resume questions on that after the tea-break?

**Senator IAN MACDONALD**—Yes, sure.

**CHAIR**—We will take a break now and resume at four o'clock.

#### **Proceedings suspended from 3.48 pm to 4.03 pm**

**Senator IAN MACDONALD**—I am interested in whether GBRMPA has done any work—and if you say you have done it, I am not going to ask what you have done—towards incorporating the Coral Sea area of the Barrier Reef waters within the boundaries of your jurisdiction.

**Dr Reichelt**—I am not aware of any formal studies. I am confident that some of the officers in the authority would have responded to or assisted in some way the work being done by the Marine and Biodiversity Division on a regional plan for outside the marine park. We would support them with whatever information we could.

**Senator IAN MACDONALD**—Madam Chair, that is all I had.

**Senator MILNE**—I am very interested to know what the current impacts of climate change are on the reef. I would like to start with the surface temperature. Could you tell us how the water temperature has changed—if it has changed—over the last decade and what the trend line is? What is the threshold that has triggered a bleaching event in the past? Are we anywhere near that in terms of average temperatures now? Can you give us a sense of the temperature and the coral bleaching threshold?

**Dr Reichelt**—I will try to keep that—

**Senator MILNE**—I know you could write a thesis on it.

**Dr Reichelt**—It is a good question and it is a difficult one to answer precisely because of the high variability from year to year in peak summer temperatures, which is the statistic that matters. Since a mass bleaching event was noticed on the Barrier Reef in 1979, I believe there have been about eight or nine recorded, with that in 1998 being the largest. They happened again in 2002 and 2004, and there is a statistical pattern of an increasing frequency of events.

We are fortunate that the summer just gone was in a cooler year. The statistic you watch is the lead-up to summer. That is when there are indications. We do have some months to look ahead. If the temperature anomalies, as they are referred to—in other words, two degrees above the typical longer term averages—occur for more than six to eight weeks, then you see a bleaching and potentially mass mortality. The scale of it is something that people are not generally aware of. In 2002, I believe it was, something like 50 per cent of the entire Barrier Reef was bleached but only five per cent of it was killed. I might be mixing it up with the 1998 event actually, but it is something that in each summer is of great concern. There is a rising underlying trend of increasing temperature, but it is over the scale of 50 years that it has been rising. The forecasts are that the frequency and risk are increasing.

**Senator MILNE**—You said that the bleaching events are becoming more frequent, so is it right to say that the recovery of the reef is therefore more problematic on each occasion? How much has it recovered, for example, since the last two major bleaching events?

**Dr Reichelt**—I am told that the areas that showed damage in the last really significant one—which was in 1998—have been positive and good. I recently visited personally some areas out of Cairns and to me they looked like very good coral cover areas and I was told they had suffered in the 1998 event. We know from the crown-of-thorns situation that if you kill, say, 80 to 90 per cent of the coral in an area it takes between eight and 15 years to see a full regrowth.

What we also suspect but do not know is that bleaching is more likely to be patchy on the Barrier Reef. It does not all heat up at once because it is such a big area. It is like the discussion on the Antarctic this morning. As to if we see more frequent events, our policy at the moment is to do whatever we can to take every other pressure off the reef—in other words, to increase its resilience to allow that recovery to occur as fast as possible.

**Senator MILNE**—Just taking this from what you said, there is an underlying water temperature trend upwards?

**Dr Reichelt**—Yes.

**Senator MILNE**—And there is a temperature that has triggered bleaching events previously. What is the current underlying temperature now and how close is that to the temperature that triggers a bleaching event on the reef?

**Dr Reichelt**—As I was saying, the curve is very spiky and variable. The underlying trend shows, I think, some three-quarters of a degree or a degree over 100 years or thereabouts. We are talking only a degree or two which makes all the difference, so we are really suggesting that within the next 20 to 40 years that frequency could be above the rate for full recovery. So we expect, unfortunately, that if that warming trend continues we will see visible effects on the coral cover of the reef.

**Senator MILNE**—The second area I wanted to talk about was acidification. Are you doing any monitoring on the impacts of acidification and whether that is intensifying—with carbonate loss and reforming corals?

**Dr Reichelt**—We cooperate closely with those who are doing that work—namely, the Australian Institute of Marine Science, the University of Queensland and others. Recent publications show that the effects reduce the density of skeletons. Those grown in the last 20 years are statistically showing evidence of less dense skeletons, so ostensibly there is evidence of changes in acidity. It is one of those ones for which it is harder to determine what the impacts will be. It is a slightly longer term problem than the warming problem, but ultimately over centuries it is potentially a much greater problem than warming.

**Senator MILNE**—So given the increased underlying temperature and evidence of deterioration through acidification, are there any other major impacts directly attributable to climate change? Putting aside the resilience issues which I will come to in a moment, are they the major two that are impacting on climate change? What about sea level rise?

**Dr Reichelt**—The other two I am aware of with the potential would be sea level rise and the increasing intensity and frequency of tropical storms. I would rate the scale of sea level rise that is being discussed and forecast, based on my knowledge of rate of reef growth and extension, as not as significant a problem as certainly the first two are. With ‘tropical storms’, I do not know of any scientific studies that have modelled that, but I would rank that well down the list after the two you have raised.

The other issue that is indirectly related is changing river run-off due to climate change. As you are aware, run-off water with the sediments, nutrients and so on carried from the agricultural areas is of major concern and is something that is being worked on intensively.

**Senator MILNE**—I am looking at this \$200 million over five years for the Great Barrier Reef Rescue Plan. In fact that money cannot tackle the impacts of climate change in terms of underlying temperature, acidification or sea level rise—or can it? So what we are talking about there is giving the reef the best chance it has got by eliminating other threats to it. Is that essentially what we are talking about?

**Dr Reichelt**—There are two parts to it. What you say is true: there is a strong focus on adaptation and building resilience. But there are other elements to it—spreading best practice and promoting best practice in mitigation and lowering the footprint of operators. In a sense, that raises the awareness of the issue nationally and internationally.

There is another issue. I think you mentioned water quality and resilience. There are some things that we may be able to do in terms of a response to helping the recovery of local areas that are affected by patchy coral bleaching, such as changing the local planning regimes, and they are also being looked at. We are doing that in partnership with those in the reef tourism industry, so they are aware of the issues. It might be altering anchoring permissions and things like that to lower the pressure on the reef.

**Senator MILNE**—What about vulnerability to invasives? Invasives are always a problem, but are you anticipating a greater threat from invasives with the increased temperature?

**Dr Reichelt**—It is possible and there is some preliminary work happening, not so much on the traditional ballast water and shipborne ones, which are also important and being dealt with through separate means, but there is a correlation between rising temperatures and coral disease. So to the extent they are either outbreaks or invasives, people probably do not know enough about it at the moment. But if I was pointing to sleeper issues associated with climate, coral disease would be one. It is not a major problem at the moment on the Barrier Reef.

**Senator MILNE**—Okay. So given the amount of warming already locked in because of the amount of carbon dioxide in our atmosphere now, are you of the view that we are beyond the threshold for the world's coral reefs and that we are now managing for decline?

**Dr Reichelt**—I am not of that view. If nothing was done now, I would be of that view. The trajectory does not look good for the world's coral reefs. If strong action is taken globally on mitigation and on the resilience issues, then I think we are still within the window of being able to manage the reef, or help it get across what is potentially a difficult period for the next century or two.

**Senator MILNE**—Okay. So do your scientists have a view about the point at which there is no return for the coral reefs, either in parts per million or in water temperature terms, and what are those points?

**Dr Reichelt**—The science debate at the moment runs between 450 and 500 points where serious impacts on the reef would be expected if you cross those thresholds.

**Senator MILNE**—And what is the ideal threshold for the reef? Below what?

**Dr Reichelt**—We probably passed it some time ago.

**Senator MILNE**—In terms of the building resilience side of it, how is the \$200 million over five years going to be spent in this next 12 months—whatever the allocation is in the next 12 months? What sorts of programs are we talking about?

**Mr Borthwick**—This is an issue that is best directed towards our Marine and Biodiversity Division. It is not being run by the Great Barrier Reef Marine Park Authority, although they are doing some aspects in conjunction with us.

**Dr Reichelt**—As Mr Borthwick indicated, the bulk of those funds is directed at actions on the ground with NRM bodies and farmers and landholders.

**Senator MILNE**—So the bulk of that \$200 million is going to be for stopping run-off on land?

**Dr Reichelt**—Yes.

**Senator MILNE**—Essentially, and pesticides and pollutants and so on?

**Dr Reichelt**—That is correct; \$146 million of that.

**Senator MILNE**—\$146 million of the \$200 million?

**Dr Reichelt**—Yes. There are funds set aside for research and monitoring and also Indigenous engagement. The marine park authority's areas of expertise and interest would be with Indigenous traditional use marine resource agreements, improving the engagement of traditional owners in catchments and engaging them in the issue of water quality and local

management. The other area is water quality monitoring in the ocean—in the marine park. Our view, and it is reflected in the policy statements, is that you really need to have an audit or a measure of whether you are making a difference. We would see ourselves as carrying the marine monitoring side of it—the reef health and the quality of the water.

**Senator MILNE**—So essentially, from what I can understand, with \$146 million being spent on land for run-off, this is really a pollution abatement scheme rather than a climate rescue package, given that you have just said that your part of it is relatively small and most of that is engagement and some monitoring?

**Senator Wong**—Senator, you are entitled to your opinion about what the scheme is best described as. I am not sure that is something that Dr Reichelt can comment on.

**Senator MILNE**—No.

**Senator Wong**—Obviously, his evidence is consistent with the government's position. It is the case that we need a strong and effective global response to climate change. There are a whole range of consequences, as you know, to global warming. The government has put in place \$200 million for the reef rescue plan and a \$9 million climate change action plan for 2007 to 2012. Obviously, adaptation or building resilience broadly is something we have to address as well as the international negotiations and our domestic framework.

**Senator MILNE**—Just to finish, in terms of GBRMPA's performance indicators on this money reducing the impacts of climate change, what would you say your performance indicators are going to be for that \$56 million over five years?

**Dr Reichelt**—I think the portfolio budget statement—I will just find it—does record those. I am just looking for the specific ones here. Essentially, we want to understand the phenomenon more effectively. In the past the impact of climate on the reef and bleaching events and so on have been treated holistically, or how much of the reef has bleached. What we do know now—and it is quite recent information—is that different parts of the reef have different resilience.

In taking your point earlier, the water debate is closely linked to the climate debate. The sorts of work we will be doing, apart from working with the tourism industry on some of those adaptation issues—accrediting best practice operators who lower their footprint and recognising and rewarding those through our high-standard operator program—we will also be looking at opportunities for understanding the finer scale risks and resilience of the reef. To give an example, if an area of the reef was naturally more resilient and it happened to be in the path of a more heavily loaded river, that would become a very high-priority area for action. So the work on climate and understanding the impacts on the reef are linked to building the resilience and it will be fed back into setting priorities for action on the land.

**Senator MILNE**—And presumably, that could lead to changes to the zoning if parts of the reef demonstrate greater resilience or greater vulnerability, depending on which it might demonstrate?

**Dr Reichelt**—Yes it, could.

**Senator MILNE**—Thank you.

**CHAIR**—Thank you, Senator Milne. Are there any further questions of the Great Barrier Reef Marine Park Authority? If not, thank you very much, Dr Reichelt.

[4.21 pm]

#### **Sydney Harbour Federation Trust**

**Senator BIRMINGHAM**—Mr Bailey, welcome. To your knowledge, does the government intend to proceed with the transfer of the former submarine base HMAS *Platypus* to the Sydney Harbour Federation Trust?

**Mr Bailey**—I am sorry, I missed the very first words of your question.

**Senator BIRMINGHAM**—From your understanding, does the government intend to proceed with the transfer of the *Platypus* to the trust?

**Mr Bailey**—That is my understanding. However, the government has not formally made a policy announcement on that matter. But my understanding is that the decision of the previous government remains unchanged.

**Senator BIRMINGHAM**—Do you have an expectation as to when the formal transfer of the site will occur?

**Mr Bailey**—The matter is subject to discussions between the trust and the defence department. Defence are responsible for providing the funding for the decontamination of the site, which is quite extensive. The trustees are reluctant to acquire the title to the property until the funding for that decontamination is resolved.

**Senator BIRMINGHAM**—Does the trust currently have any role in the day-to-day management of the site?

**Mr Bailey**—Effectively, no. We have access to the site when we need to, but that responsibility remains with Defence.

**Senator BIRMINGHAM**—The trustees, you said, are reluctant to take any responsibility until the issues around decontamination are settled. Is it the trust's expectation that it will be provided with funding to clean the site up or is it the trust's expectation the site will be cleaned up before it is transferred?

**Mr Bailey**—No. It is the trust's expectation that it will be provided with the funding to do the clean-up.

**Senator BIRMINGHAM**—You expect it to be transferred to the trust but on the basis that there is funding available for the decontamination works to occur.

**Mr Bailey**—Precisely.

**Senator BIRMINGHAM**—Have plans been developed for the clean-up?

**Mr Bailey**—They have. It is known in the trade as a remediation action plan. That has been prepared and that is part of the discussion with Defence on the details of that plan.

**Senator BIRMINGHAM**—Does that plan involve removing spoil from the site by barge?

**Mr Bailey**—It does.



**Senator BIRMINGHAM**—And that is the only form of removal that is under consideration?

**Mr Bailey**—It is, and the reason for that is that the load limits on the adjacent roads are very limited. So the budget projections or the estimates for the remediation include barging out of the site for that reason.

**Senator BIRMINGHAM**—The previous Minister for Defence, Dr Nelson—

**Senator KEMP**—A very good minister.

**Senator BIRMINGHAM**—Hear, hear—announced that \$20 million was to be provided to the trust in 2007-08 for decontamination, with a further \$20 million in 2008-09 subject to a finalisation of an agreement between the trust and Defence. How close are we to having that agreement?

**Mr Bailey**—I think we are reasonably close. We have a draft agreement that is in its final versions. There are still discussions going on but I think we are very close to reaching that agreement. Obviously expenditure in 2007-08 is probably not going to happen in any significant way, but next financial year we would anticipate commencing.

**Senator BIRMINGHAM**—What is the total estimate for the cost of cleaning up the site?

**Mr Bailey**—Approximately \$40 million for the decontamination.

**Senator BIRMINGHAM**—Obviously it has been indicated that that will be provided in two tranches over two financial years.

**Mr Bailey**—Yes.

**Senator BIRMINGHAM**—Is that still the expectation?

**Mr Bailey**—The trust will be more than happy to receive it in one tranche next financial year, but if it were to come in two we would not object. Realistically it will take that long to actually undertake the work.

**Senator BIRMINGHAM**—Do you expect the agreement to be settled this financial year?

**Mr Bailey**—I hope so.

**Senator BIRMINGHAM**—Do you expect—given Dr Nelson, the minister at the time, had the funds in the appropriation to transfer the \$20 million in this financial year—that funding to be provided still this financial year?

**Senator Wong**—Can I just intervene there. I have not intervened until now because I think Mr Bailey is more than capable of answering these questions. But right now you are asking him about his expectations about another portfolio's activities and funding. Senator, Secretary Borthwick has provided me with some information that this matter does appear in the PBS for the Defence portfolio with the indication that Defence will fund the cost of remediating contamination at the site. But if you have further questions about the appropriation under that measure, they really should be addressed to the Defence portfolio, not to Mr Bailey.

**Senator BIRMINGHAM**—Certainly, Minister. Mr Bailey was doing very well and obviously is involved very closely with the negotiations with Defence.

**Senator Wong**—With all due respect, Senator, you cannot ask officers in one portfolio to give you evidence about expenditure in another portfolio.

**Senator BIRMINGHAM**—Except that Mr Bailey expects to be expending the funds. It is a case of the transfer that he is awaiting. Nonetheless, I appreciate the clarification that you have provided courtesy of Mr Borthwick, and it is pleasing to see that Defence has indicated—

**Senator Wong**—It is in the PBS.

**Senator BIRMINGHAM**—that the funds are available.

**Senator Wong**—It is in the budget documents.

**Senator BIRMINGHAM**—How long will the works take in total, Mr Bailey? Will they be completed within the two years?

**Mr Bailey**—We expect the decontamination works to take around two years.

**Senator BIRMINGHAM**—What are the trust's plans for the HMAS *Platypus* site beyond that? Have plans been developed?

**Mr Bailey**—A draft plan has been prepared and will be submitted to the minister shortly for his consideration. In summary, they proposed to retain many but not all of the buildings on the site and restore them for contemporary use and mix into that a series of courtyards and public open spaces and foreshore access along the waterfront. So it will become hopefully an active combination of public open space and other public and commercial uses.

**Senator BIRMINGHAM**—Have draft plans been submitted by the trustees to the minister for approval?

**Mr Bailey**—It has not yet been submitted to the minister but it will shortly be submitted.

**Senator BIRMINGHAM**—Do you expect that to be lodged by the end of this financial year?

**Mr Bailey**—Certainly.

**Senator BIRMINGHAM**—Excellent. In terms of the ongoing funding of the trust, what ongoing funding does the trust receive from the Commonwealth?

**Mr Bailey**—The trust has been in receipt of an appropriation over eight years. There are two elements to that appropriation—one for operating expenses and the other for capital expenses. The operating component of that has diminished. It has been on a sliding scale down to zero. This coming financial year it is negligible—\$2,000. The capital expenditure trended up and is peaking in 2007-08 and 2008-09 at \$22 million per annum. In 2009-10, it reduces to \$16 million and then that is the end of it. So beyond that the trust business plan anticipates being financially self-sustaining, and that was the whole point of that funding program.

**Senator BIRMINGHAM**—And the trust is confident that it is on track to be financially self-sustaining?

**Mr Bailey**—It is.

**Senator BIRMINGHAM**—So no request has been made for an extension of Commonwealth funding?

**Mr Bailey**—No, there has not. There has been only an application for supplementary funding for CPI adjustments. I should just clarify that answer. That business plan did not include the HMAS *Platypus*, which is a late entry, and we are yet to do the detailed business planning on that. But in broad terms we would not see that changing the overall outcome.

**Senator BIRMINGHAM**—The trustees' expectation is that the HMAS *Platypus*, once decontamination is complete and once access works in terms of walkways and boardwalks and those types of things are constructed, would be self-sustaining.

**Mr Bailey**—It will generate sufficient revenue to pay for its maintenance and upkeep, yes.

**Senator BIRMINGHAM**—Thank you, Mr Bailey. That is all from me.

**Senator KEMP**—I notice that looking at the income and expenses the figures under rents virtually doubled over the forward estimates period. Would you like to shed a bit more light on that?

**Mr Bailey**—These sites contain roughly 400 buildings. Some of those are unusual bits of defence infrastructure—tunnels and fortifications and so forth. But many of them are just functional everyday buildings used for semi-industrial type uses that defence had. So that capital funding that we have been receiving has been utilised to restore these buildings, to upgrade all the redundant infrastructure, which in itself has been an expensive exercise. Most of these defence sites have been allowed to run down, so we have had to renew and replace all the services—sewerage, water, power et cetera. What we have is a very desirable, I guess, property portfolio in spectacular harbourside sites, and we are leasing those. Because we are getting to the tail end of that capital expenditure, the rate of revenue generation is starting to ramp up, as you can see.

**Senator KEMP**—So the whole program has been a very, very successful program.

**Mr Bailey**—So far so good.

**Senator KEMP**—When was it established?

**Mr Bailey**—I think the enabling legislation came into force in September 2001.

**Senator KEMP**—Do you know who the minister was then?

**Mr Bailey**—Robert Hill.

**Senator KEMP**—Sounds good.

**CHAIR**—Is that it? Thank you, Senator Kemp. Are there any further questions for the Sydney Harbour Federation Trust? If not, thank you very much, Mr Bailey.

[4.33 pm]

---

**Supervising Scientist Division**

**CHAIR**—Any questions for the Supervising Scientist Division? We are very sorry, Mr Hughes. We thought we had questions, but unfortunately we do not.

**Senator Wong**—Madam Chair, I would ask you and the committee in the future if it would be possible for senators to indicate that. Obviously Mr Hughes has come from Darwin at not only expense but also time. It was our practice in opposition, when we were able, to clarify, particularly for interstate agencies, if they would not be required for estimates. I would appreciate it if a similar courtesy could be extended in the future, if it is possible. I understand people change their minds about what is important, but that would be appreciated.

**Senator JOHNSTON**—Let us ask the questions on that basis.

**Senator KEMP**—I just want to make a comment. I think that of course to fly someone as distinguished as the Supervising Scientist from Darwin and not have questions for him is obviously not a useful way for his time to be used and indeed for the expenses involved. What I would say in relation to Senator Wong's comment is that, as a minister, I constantly urged Labor senators to plan the program more effectively so we would not be wasting the time of the officials at the table and calling people from Melbourne and Sydney to answer questions. To be quite frank, I think Senator Wong makes a good point. It is very rare I say this, but Senator Wong makes a good point. She is totally wrong in the behaviour of Labor senators in the past, because I could never get any agreement out of them at all.

**Senator JOHNSTON**—May I also mention, Minister, that for instance in the resources and energy portfolio with regard to the office of oil and gas safety authority, we get flagged that they are coming from Western Australia. So we all acknowledge whether we want them or whether we do not. I was unaware that Mr Hughes in fact comes from Darwin. Had I been aware, I would have formally responded to say that I have no questions such that he needs to travel, from my perspective.

**Senator Wong**—I know in opposition often Mr Hughes was questioned by Senator Crossin, who obviously had a keen interest in his works. I place it no higher than as a request, Madam Chair.

**Senator BIRMINGHAM**—Madam Chair, can I firstly personally extend an apology to Mr Hughes. We went through a thorough process at the additional estimates of vetting which agencies we did or did not want. It slipped the processes of all our discussions. I think—and it is a good point—that we should look at it as best we can in the future.

**Senator JOHNSTON**—I have some questions for Mr Hughes now on the basis that he resides in Darwin. Mr Hughes, can you just give me a very brief overview of what the Supervising Scientist does in this portfolio? How long have you lived in Darwin and is that a handicap to doing the work?

**Mr Hughes**—I personally have been in Darwin for approximately 10 years. I have not been in this position for that period of time, though. I have been Supervising Scientist now for a little over two years. Our main office is in Darwin because most of our activities are in the Northern Territory—that is, our statutory responsibilities are in the Northern Territory.

**Senator JOHNSTON**—With respect to the uranium mining up there?

**Mr Hughes**—That is correct, yes.

**Senator JOHNSTON**—I did not realise that.

**Mr Hughes**—That legislation dates back to 1978. We also have a field station at Jabiru, which is where we have some staff based who undertake monitoring programs and are able to mount first response in the event of an emergency or an investigation being required.

**Senator JOHNSTON**—Very good. Thank you for that. Now when I see the office of the Supervising Scientist I will know that there is a trip from Darwin involved. Thank you very much.

**Mr Hughes**—Thank you.

**Senator IAN MACDONALD**—Mr Hughes, have you been busy recently?

**Mr Hughes**—We are always busy, Senator.

**Senator KEMP**—Especially flying around Australia!

**Senator IAN MACDONALD**—I am sure. I am not quite sure where the Labor Party are at—whether they still think three mines are good and more than that are bad. If, as I recall, the Labor Party relaxed their view, does that mean an increase in your work on assessing possible uranium mines?

**Mr Hughes**—Not specifically so. The enabling legislation that creates the position of the Supervising Scientist creates the position of the Supervising Scientist for the Alligator Rivers Region. That was in recognition of the high level of environmental significance in that area, so specifically that is where our work is concentrated. There is, however, the potential for us to undertake other work at the request of the minister. Because of the levels of expertise that we have, we do have input in an advisory capacity to other areas of the department.

**Senator IAN MACDONALD**—You really are what any government would have as an expert on uranium mine operations, aren't you? Would that be a fair assessment of what you do with regard to your skills?

**Mr Hughes**—I think that is probably reasonable, yes.

**Senator IAN MACDONALD**—As well as with your own department, you would work closely with the department of resources and energy, or whatever it is called these days?

**Mr Hughes**—We do have quite a few dialogues with the department of resources and energy.

**Senator IAN MACDONALD**—When I asked whether you were busy at the moment, I remember when there was a bit of a spill up there at Alligator Creek a few years ago. You had a lot of work to do, not the least of which was preparing briefs for ministers who were subjected to vicious examination at question time, if I can recall. You have been in this position for some time, have you not?

**Mr Hughes**—A couple of years.

**Senator IAN MACDONALD**—Were you there when what I am talking about occurred or was that a bit before—

**Mr Hughes**—I was not with the Commonwealth. I was actually a member of staff with the Territory government at the time.

**Senator IAN MACDONALD**—Okay. Does your expertise extend to assessments of nuclear problems, nuclear safety?

**Mr Hughes**—No, it does not.

**Senator IAN MACDONALD**—You are purely mining uranium?

**Mr Borthwick**—Yes.

**Senator Wong**—I think from memory, Senator, nuclear safety broadly would rest with ARPANSA. Is that correct?

**Mr Hughes**—Yes.

**Senator Wong**—If it still is, that used to be in the Health portfolio.

**Senator IAN MACDONALD**—Would you agree, Mr Hughes, that the risks associated with mining uranium have considerably lessened over the years with increased technology and increased know-how? Would that be your assessment?

**Mr Hughes**—Yes, I would say that is true.

**Senator IAN MACDONALD**—Mining uranium is now a fairly safe activity. Do not let me put words into your mouth, but let me ask you this question. How would you describe the mining of uranium these days in terms of safety aspects?

**Mr Hughes**—The mining of uranium is not entirely dissimilar to the mining of any other commodity. I guess the safety aspects of those sorts of mines depend on local factors and on the degree of regulation that is undertaken. The mining of uranium has the added complexity, I suppose, of the radiation aspects. However, uranium itself is not particularly radioactive and so it does not pose a significant health risk in its own right.

**Senator IAN MACDONALD**—I recall several years ago seeing Wilderness Society Christmas cards which contained a photograph of a pristine site. Those Christmas cards, I might say, were quickly brought back and pulped. It turned out to be, as I recall, a photo of a rehabilitated mine site at Alligator Creek. Do you recall that?

**Mr Hughes**—Anecdotally I am aware of the story. I believe that the water body in question is actually a retention pond at Ranger, so it is actually an active part of the Ranger site which is used as a sediment trap pond.

**Senator IAN MACDONALD**—It looked fairly pristine. I guess what I am just congratulating the government on and governments over the years for is getting a system, with your assistance, of fairly safe mining activities of uranium. Would you agree with that?

**Mr Hughes**—I would say so, yes.

**Senator IAN MACDONALD**—Again, my apologies for bringing you all the way down. Things run so well in your area these days we hardly ever need to speak to you. But thanks for coming anyhow.

**Senator KEMP**—Over the next three or four years, are the production levels out of the mines you are supervising going to increase or will they remain stable?

**Mr Hughes**—I think Energy Resources Australia, which is currently the operator of the Ranger Uranium Mine—and Ranger is the only active producing mine in the area at this stage—is currently involved in a prefeasibility study for a potential expansion of that mine site. At the moment it is also pushing back the pit to not so much increase the amount of production in terms of throughput, but it will actually produce more ore because it is going to access higher grade ore by doing that and displace the capacity that it has in its mill of lower grade ore with higher grade ore, so there will be some increase.

**Senator KEMP**—With the study that is underway, will that double the mine capacity?

**Mr Hughes**—No. At this stage we have not been given any specific data on that because they are only in the prefeasibility stage but it is improbable that it would be that order of increase.

**Senator KEMP**—Are there any other mines in the area that are likely to be developed?

**Mr Hughes**—I guess there is potential for a number of other mines in the area, but there are two known deposits in the area which have not been mined or have not been mined significantly to date. The first of those is Jabiluka and the second is Koongarra that are actually known deposits. There is an active exploration program in progress in western Arnhem Land.

**Senator KEMP**—But there are no specific plans at this stage to—

**Mr Hughes**—No.

**Senator KEMP**—I think probably one of the achievements that Senator Wong will want to achieve is to see significant expansion of uranium mining during her term, so I would be very interested in any further information you might have.

**Senator MILNE**—I would just be interested to know if there have been any spills at Ranger in the last 12 months.

**Mr Hughes**—I guess the question about spills is dependent on the definition thereof. There is always going to be dripping taps and leaking pipes in any sort of processing plant to some degree or other, but there have been no spills to the environment that have had any impact on the environment outside the immediate mine area.

**Senator MILNE**—How do you judge ‘have not had any impact on the environment outside of the area’?

**Mr Hughes**—We undertake a fairly extensive monitoring program ourselves, but in addition to that the regulator, which is the Northern Territory government, imposes an equally rigorous monitoring program on the mining operator. We ourselves are currently involved in a whole lot of research in order to actually upgrade and improve our own monitoring programs, and we are working our way through that at this stage.

**Senator MILNE**—Have you done an assessment of the adequacy of the holding ponds, the effluent ponds, the tailings, the tailings dam and so on in relation to extreme weather events with changed rainfall patterns because of climate change?

**Mr Hughes**—Not specifically looking at climate change, but we do look at extreme weather events and we look at the capacity of those ponds. As a matter of fact, ERA is

currently in the process of submitting an application to raise the levels of the tailings dam further. We will be undertaking an assessment of that and referring it also to an independent geotechnical assessor.

**Senator MILNE**—Why are they doing that?

**Mr Hughes**—I guess they need more capacity for additional tailings, is one thing, and the other thing is the timing issue, I suppose, in terms of potential pushbacks in the current mining pit. It was intended that from this year ERA was going to be putting tailings into the current mining pit at the conclusion of mining but the life of the mine has been extended out now to 2012. So there is a point somewhere between now and 2012 where they need to have additional capacity to store tailings in the tailings dam.

**Senator MILNE**—Just in relation to climate change and monitoring of changed patterns of rainfall, let me put it that way, are you actively looking at that in terms of the adequacy of the dams up there?

**Mr Hughes**—The engineering factors of safety that are already built into those dams would be far beyond the level of change that you would expect over a short-term period.

**Senator MILNE**—So you are confident we will not have spillage from those dams because of extreme weather events?

**Mr Hughes**—Yes, our job is to make sure—

**Senator MILNE**—That there is an adequate capacity in those dams?

**Mr Hughes**—Our job is to make sure that there is adequate capacity. Part of the work that we do is we insist ERA provide whatever necessary contingencies to actually cover that base as well as knowing that there is adequate capacity.

**Senator MILNE**—And that will be part of your assessment of their expanded dam?

**Mr Hughes**—Yes, indeed.

**Senator MILNE**—Thank you.

**CHAIR**—There are no further questions for—

**Senator KEMP**—That's good news.

**CHAIR**—Mr Hughes, we do apologise for bringing you down and not being better prepared. I will make sure that we are better prepared next time.

**Mr Hughes**—Thank you very much.

**CHAIR**—Before I call the Director of National Parks, I would like to put a proposal to the committee. Given the way we are travelling at the moment it seems unlikely that we will reach outcome 3 this evening. If it is acceptable to the committee, Minister, I propose that we excuse until tomorrow morning officers involved in outcome 3, the National Water Commission.

**Senator Wong**—That is a matter for the committee, and if that is what the committee would prefer obviously we will facilitate that. The only issue I raise is the 7.30 issue that I raised at the outset.



**CHAIR**—Yes, we understand that. Is that acceptable, opposition senators?

**Senator BIRMINGHAM**—Indeed. I think we can give an indication we also want to make sure there is reasonable time for the arts agencies. Many of them are travelling to appear, so you will be able to shift committees by 7.30, Minister.

**Senator Wong**—Thank you.

**Senator IAN MACDONALD**—In which program will we investigate solar panels?

**CHAIR**—It is coming up. It is after the Director of National Parks.

**Senator KEMP**—Madam Chair, I know that with the arts portfolio there are a lot of questions people will have, particularly Senator Lundy, who I think will be very anxious to press the agencies about the cuts in staff as a result of government policy.

**Senator LUNDY**—Oh, have a go.

**Senator KEMP**—I would just like to make sure that we have enough time both for all my questions and all the questions of Senator Lundy. That is the point I make.

**CHAIR**—You will be able to negotiate that with your colleagues.

**Senator Wong**—That is in the hands of those gentlemen on your right and your left.

**CHAIR**—Can we please have the Director of National Parks.

**Senator Wong**—So just to confirm, the committee's decision is that outcome 3, the National Water Commission, is not required today?

**CHAIR**—That is correct. Thank you, officers.

[4.50 pm]

#### **Parks Australia Division**

**CHAIR**—I welcome the Director of National Parks, Mr Cochrane.

**Senator BIRMINGHAM**—I refer to page 164 of Budget Paper No. 2, which states:

The Government will consider alternative income stream options for Kakadu National Park, to be introduced from 2009-10.

That is noting that the government is providing \$4.4 million in 2008-09 to extend the removal of entry fees that have been in place since 1 January 2005. Does this mean that we can expect the reintroduction of entry fees from 2009-10?

**Mr Cochrane**—I am not in a position to commit to any particular revenue measure at the moment. That is a matter that the government is yet to decide on.

**Senator BIRMINGHAM**—What has happened to visitor numbers since the entry fees were removed?

**Mr Cochrane**—Visitor numbers have increased by just over 11 per cent over the last two years.

**Senator BIRMINGHAM**—Just over 11 per cent. Can you give me raw figures on that in numbers of visitors please, Mr Cochrane?

**Mr Cochrane**—Certainly. In 2005, 202,507 was our estimated number of visitors for the year and at the end of 2007 it was 225,576. So it has gone from 202,000 to 225,000.

**Senator BIRMINGHAM**—Has any work been undertaken on the impact of reintroducing entry fees?

**Mr Cochrane**—No.

**Senator BIRMINGHAM**—What movements have there been in entry fees to other national parks?

**Mr Cochrane**—In ones that we manage?

**Senator Wong**—Since when, Senator?

**Senator BIRMINGHAM**—Over this financial year or any planned movements.

**Senator Wong**—The current financial year 2007-08?

**Senator BIRMINGHAM**—The current financial year 2007-08 or in the forward estimates.

**Mr Cochrane**—For parks that I am responsible for, in the last 12 months we have increased a range of fees in the Australian National Botanic Gardens but nowhere else. Sorry, we increased camping fees in Booderee. I think that was about 18 months ago, though. We have no specific plans for any other changes to fees at this stage but we do, as provided in an answer to a question on notice from the last estimates, keep our fees under review to make sure that they are reasonable, and if there is movement in fees—in comparable fees—then we will certainly consider adjusting our fees.

**Senator BIRMINGHAM**—Who approves changes in fees?

**Mr Cochrane**—The act says that the director sets fees and charges subject to the approval of the minister.

**Senator BIRMINGHAM**—So you have no proposals in this financial year to increase fees across any of the parks that you manage into the coming financial year?

**Mr Cochrane**—No, I did not specifically say that. No, we look regularly at opportunities to increase our revenue from other sources other than government appropriations. We certainly have over the last year or so gone through a review of camping fees at Kakadu, for example. That review indicated that our current fees are low by comparable standards. So that is an issue we have got under consideration. One of our problems is that we do not actually index our fees to CPI. We tend to let them sit at a current level as they are determined and then revisit them periodically. So at any stage of any year we may have a proposal to increase fees. It just depends on where in that cycle we are at.

**Senator BIRMINGHAM**—When was your review of the camping fees at Kakadu completed?

**Mr Cochrane**—Last year. We commissioned it in 2006. The board looked at it a couple of times last year, but that is yet to come to any final point.

**Senator BIRMINGHAM**—It is still under active consideration?

**Mr Cochrane**—It is under active consideration. We have indicated also publicly to the tourism industry that camping fees in Kakadu are likely to go up, and we have flagged what that is likely to be, but we are yet to formally go through the process of setting a fee and getting the minister's approval.

**Senator BIRMINGHAM**—Having flagged that to the tourism industry, would you like to flag the likely fee increases here at all?

**Mr Cochrane**—Yes, we are proposing that the per person per night fee for our managed campgrounds, which is currently \$5.40, would go to \$10, which is comparable to other camping areas in the Northern Territory with equivalent facilities.

**Senator BIRMINGHAM**—When was the \$5.40 fee set?

**Mr Cochrane**—It was last changed in July 2000 with the introduction of the GST.

**Senator BIRMINGHAM**—And how much extra revenue do you estimate would be generated?

**Mr Cochrane**—Approximately \$180,000 that increase would generate.

**Senator BIRMINGHAM**—How much was the visitor entry fee to Kakadu before it was removed?

**Mr Cochrane**—\$16.25 per adult covering a period of up to five days.

**Senator BIRMINGHAM**—Did the review that was completed into camping fees consider visitor fees at all?

**Mr Cochrane**—No. We specifically asked the consultants to look at camping fees and do a market comparison for us.

**Senator BIRMINGHAM**—Did the board have any idea of what entry fees, were you to re-establish them, would be to Kakadu?

**Mr Cochrane**—Were they to be reintroduced, I guess our starting point would be where they were before they were abolished.

**Senator BIRMINGHAM**—Has the board been asked to undertake any work in terms of looking at the reintroduction of visitor fees?

**Mr Cochrane**—No, the board has not commissioned any work on entry fees, per se.

**Senator BIRMINGHAM**—Does the board have on the agenda for future meetings the commissioning of any work on the reintroduction of visitor fees?

**Mr Cochrane**—Not to my knowledge, but I could say that the board certainly agrees with the policy of having entry fees to the park. That is a matter of opinion of the board, but they are a useful source of revenue for the park.

**Senator BIRMINGHAM**—So the board thinks there should be entry fees. Does that mean that the board is not supportive of the government's \$4.4 million extension of the waiver of the entry fees for the 2008-09 financial year?

**Mr Cochrane**—The board certainly would support that. They were not very supportive of the abolition of fees in 2004.

**Senator BIRMINGHAM**—I understand, without fees, the board is supportive of income that replaces fees.

**Mr Cochrane**—That is right.

**Senator BIRMINGHAM**—How many staff are employed at Kakadu?

**Mr Cochrane**—Approximately 70.

**Senator BIRMINGHAM**—Has that figure varied at all over the course of this financial year?

**Mr Cochrane**—It does. It varies annually, every year, because we have a sizeable seasonal ranger component of our workforce which is put on for the tourism season from May until October and then we revert back to our base staffing level.

**Senator BIRMINGHAM**—Has the base staffing level varied?

**Mr Cochrane**—No, it is pretty much as it has been.

**Senator BIRMINGHAM**—And the variable employment rate, in terms of the peak, you might take on during the high tourism season?

**Mr Cochrane**—I think it is six to eight rangers.

**Senator BIRMINGHAM**—You put on an extra six to eight?

**Mr Cochrane**—Between six and eight. I could give you a precise answer if you want it. I should also say that we employ a significant number of people on day-labour arrangements to help us with peak work flows. They can add significantly to our workforce from time to time. We make specific provision for being able to do that, because that is a valuable source of employment for local Indigenous people.

**Senator BIRMINGHAM**—What process would the board undertake if it were asked to look at setting a new visitor entry fee for Kakadu?

**Mr Cochrane**—That is a hypothetical question. At the moment, as a board member I would say we would look at where it was, what revenue that would raise and what our revenue requirements would be. We would look at comparable fees for comparable parks.

**Senator BIRMINGHAM**—Obviously in terms of the camping sites you commissioned a report?

**Mr Cochrane**—Yes.

**Senator BIRMINGHAM**—That was commissioned externally, by the way you have spoken of it?

**Mr Cochrane**—Yes. The successful tenderer for that job was a company called Enmark business consultants in Brisbane. They undertook that work for us.

**Senator BIRMINGHAM**—So if you were looking to reintroduce fees, you would go down that same path of commissioning a report? Is that the standard practice for all fee changes, or significant fee changes?

**Mr Cochrane**—Significant fee changes, yes. For relatively small changes, or adjustments in line with CPI, or changes over the previous, say, two or three years, we have done that ourselves.

**Senator BIRMINGHAM**—The reintroduction of fees would be a significant change?

**Mr Cochrane**—It would be a very significant change, yes.

**Senator BIRMINGHAM**—A very significant change indeed. Do those reports look at the likely impact on visitor numbers?

**Mr Cochrane**—With the camping fees one, from recollection I think they made a judgement on what they thought the likely impact would be. If I recall correctly, their judgement was that they thought there would be no impact, because the fees are comparable to other parks with comparable facilities.

**Senator BIRMINGHAM**—And would you give us a commitment that, if you were commissioning a report on the reintroduction of fees into Kakadu, that report would look at the impact on visitor numbers?

**Mr Cochrane**—If the board commissions it, it would be a decision for the board, but to the extent I can influence that I would. I think that is a very sensible approach.

**Senator KEMP**—Can you find a list of who is on the board?

**Mr Cochrane**—It is in our annual report.

**Senator KEMP**—Are there any vacancies on the board?

**Mr Cochrane**—There is one vacancy on the board.

**Senator KEMP**—How long has that been vacant for?

**Mr Cochrane**—Since last year. There are specific qualifications for that one vacancy. It is a person qualified as an expert in nature conservation.

**Senator BIRMINGHAM**—I understand you are indicating that revenue from goods and services will be \$1.7 million lower this financial year; is that correct?

**Mr Cochrane**—Yes, that is correct—close to \$1.8 million.

**Senator BIRMINGHAM**—That is related to a one-off special event that was held?

**Mr Cochrane**—Yes. There are a series of one-off issues from last year which means that our external revenue is returning to its more normal levels. They related primarily to NHT income, or they were the largest single component of that. Last year we received funds for several projects that boosted our income.

**Senator BIRMINGHAM**—And you are obviously budgeting for a reduction in what is now Caring for our Country income?

**Mr Cochrane**—We are not making any assumptions about it at this stage. Our budget estimate was actually \$10.8 million. Our estimated actual is now an additional \$1.8 million, which is as a result of project funds we received during the year. So it is possible we will receive additional funds, but it is too early to tell at this stage.

**Senator BIRMINGHAM**—It is subject to a bidding process?

**Mr Cochrane**—Yes, exactly.

**Senator BIRMINGHAM**—I understand. You are running a deficit this current financial year.

**Mr Cochrane**—We are currently projected to run a deficit this year.

**Senator BIRMINGHAM**—Of approximately \$1.128 million.

**Mr Cochrane**—Yes.

**Senator BIRMINGHAM**—Is this a regular occurrence?

**Mr Cochrane**—No. We actually ran a surplus last year, primarily because of delays in expending our funds on the mine rehabilitation project in Kakadu. We were caught by late floods which made access to our sites quite difficult and therefore we underexpended on that project. The effect of that was that about \$750,000 sat in our cash reserves and we are expending that this year. The effect of that is that it puts us into deficit. Even though we actually have the money, it is an accounting deficit.

**Senator BIRMINGHAM**—Yes, I understand. I will defer to Senator Siewert and then I will come back with a couple of other questions.

**Senator SIEWERT**—I will start with Christmas Island. At the last estimates we were talking about the mine and the assessment of the mine and it was still in court at that stage. Is it still in court?

**Mr Cochrane**—It is.

**Senator SIEWERT**—Has it progressed?

**Mr Cochrane**—No, I think is the short answer. You may want to talk to the Approvals and Wildlife Division, which actually manages the assessment process for that, but my understanding is that it is still in court.

**Senator SIEWERT**—Thank you. Secondly, at the time I also asked you about rumours we were hearing about applications for further mining. Have there been any further?

**Mr Cochrane**—Not to my knowledge—not that they come to us, but I have not heard of any application.

**Senator SIEWERT**—I would have thought that if anything had been put in you would have been informed.

**Mr Cochrane**—I would expect that, too.

**Senator SIEWERT**—You were just talking to Senator Birmingham about budget issues and the amount of resources that you had and having to wait until Caring for our Country. I can remember we also had a discussion in February around your budget—not just your budget but the money that was required to complete the NRS. I understand that the NRS is one of the priorities under Caring for our Country, so are you saying that you are not aware of how much funding there is? I thought the government had made an announcement about the funding.

**Mr Cochrane**—Yes. On 31 March, Minister Garrett announced that there would be \$180 million out of Caring for our Country for the national reserve system.

**Senator SIEWERT**—And you do not know out of that how much is going to be available or how it is going to be prioritised yet?

**Mr Cochrane**—It will be prioritised towards building a comprehensive, adequate and representative national reserve system, which means that the main targeting will be in bioregions that are underrepresented in the Reserve System.

**Senator SIEWERT**—Is this going to be spent against the priorities that you have already identified as a strategy to meeting the 2010 objectives?

**Mr Cochrane**—Primarily, although the minister in his speech in launching the additional money indicated that there were some additional areas that he was interested in. One of those is that he is quite interested in seeing the national reserve system support worthy applications from Indigenous communities who may be interested in purchasing land to add to the national reserve system. Whilst we work closely with key non-government organisations—such as Bush Heritage and the Australian Wildlife Conservancy—Minister Garrett is keen to broaden the opportunities for Indigenous purchases as well.

**Senator SIEWERT**—I am not objecting for a minute to Aboriginal people actually acquiring more land, but how does that fit in with the priorities that have already been established? I am presuming that you still have the process where you are trying to meet the 2010 objectives.

**Mr Cochrane**—Yes.

**Senator SIEWERT**—How does that fit in with those objectives of creating a CAR system?

**Mr Cochrane**—Fundamentally, those things line up. The major issue for us is the availability of suitable land and proponents coming forward with propositions for acquisitions that meet the national reserve system criteria.

**Senator SIEWERT**—Do you just rely on people coming forward with available land, or do you actually go out and look for appropriate land?

**Mr Cochrane**—We work very closely with the states. Because they have got more staff on the ground, the states certainly have processes to identify where the gaps are and what the opportunities are to fill them, so we work closely with the states in doing that. We do not do that ourselves.

**Senator SIEWERT**—Sorry. I am bearing in mind the conversation I had at the last estimates over biodiversity hot spots and the dispute that we had over how those areas are identified. The concern there was that there was no active seeking of available appropriate land. So you basically coordinate with the states and have an agreed process with the states. Will the same process you have been running now for a couple of years be maintained?

**Mr Cochrane**—Yes.

**Senator SIEWERT**—I may be asking for an opinion here, but they will just tell me if you cannot answer this. Is the \$180 million going to ensure that we meet our objectives of 2010?

**Mr Cochrane**—I guess there are two parts to the question. Firstly, it is going to bring us an awful lot closer than we would otherwise have been. Secondly, it does depend on suitable

proposals coming forward and other matching funding being available, although we have some very good indications that this additional funding from the federal government is going to leverage some considerable additional funds from both the states and non-government organisations.

**Senator SIEWERT**—How much closer?

**Mr Cochrane**—Unfortunately, that is a question I can only answer in retrospect rather than in prospect because it does depend on significant proposals coming forward.

**Senator SIEWERT**—Maybe I will reverse the order of the questions I was going to ask, then. If suitable proposals are not forthcoming, will you undertake some process to ensure that suitable lands are identified and the process is sped up—I will not say ‘fast-tracked’—to ensure we meet the required deadlines?

**Mr Cochrane**—Again, it is a hypothetical question. I think we probably would be doing that if suitable lands were not coming forward. As you would be aware, there is a set of organisations and governments looking very actively at these things. I would be astounded if we did not have good proposals coming forward. Certainly the case over the last few years is that we had applications for more than five times the amount of available funds. There are a lot of proposals out there.

**Senator SIEWERT**—It is a shame that was not flipped over to the biodiversity hotspots program where \$6 million was handed back—sorry, \$6 million worth of biodiversity money was lost—for potential purchases of good biodiversity land. What are the funding requirements now? Is it matching?

**Mr Cochrane**—No. The minister re-established the old funding formula of two Commonwealth dollars for one proponent dollar for all proponents.

**Senator SIEWERT**—So if it is two for one, if that is all we get, that is \$190 million. If I am adding it up right, that then becomes \$270 million.

**Mr Cochrane**—I should point out that under the previous funding formula we still managed to get close to 100 per cent matching even though it was a two for one. The approximately \$100 million spent over the last 10 years leveraged another \$100 million from the proponents. Not everyone seeks the full dollar for dollar sometimes.

**Senator SIEWERT**—Okay. Do you then have targets for the next couple of years in order to get to the 2010 deadline?

**Mr Cochrane**—We are in the process of developing those under the whole Caring for Our Country outcome framework.

**Senator SIEWERT**—That is the framework that is going to be delivered to the Prime Minister by 30 June?

**Mr Cochrane**—That is correct.

**Senator SIEWERT**—With regard to the targets that you are meeting, is that expenditure the whole of the \$180 million or is it just for what they are calling the transition year?

**Mr Cochrane**—I am aware of the input that we are providing to that process. I am not sure what the whole Caring for Our Country output arrangements are.



**Senator SIEWERT**—Yes, and I am going to ask that later. But for you is it an outline for the whole of that \$180 million expenditure?

**Mr Cochrane**—For the five years, yes it will be.

**Senator SIEWERT**—When the minister announced the funding for the \$180 million and identified Indigenous purchase, beyond that did he identify any other priorities, or are we sticking to the CAR process?

**Mr Cochrane**—Well, climate change is a priority, absolutely. What he flagged in his speech at the launch and in discussions with his state colleagues is to revise the directions statement—that is, the National Reserve System directions statement—because a number of things have changed. It is a few years old. We have had the CSIRO report into climate change and implications of the National Reserve System. So there are a number of things that have moved on since the directions statement was issued. So the minister has flagged he would like to see that reviewed and pick up on those issues. So, yes, there will be some changes.

**Senator SIEWERT**—What is the time line for that revision and what process is being used?

**Mr Cochrane**—Our aim is that it would be substantially progressed before the end of the year, before the next meeting of ministers, and we would be going to a tender process to get someone to do it.

**Senator SIEWERT**—A tender?

**Mr Cochrane**—Yes.

**Senator SIEWERT**—Will that then be released for public comment?

**Mr Cochrane**—We would certainly seek public comments on that, yes. How detailed the consultative process is will be dictated by the time frames but—

**Senator SIEWERT**—I do not need to tell you how to suck eggs, but there are obviously a number of NGOs and other community members who would be vitally interested in those directions.

**Mr Cochrane**—It would certainly be done very closely with the groups that participated in the program. I do not think we would have the funding to go to a very wide public consultation process, but we would certainly be closely engaged with groups such as Bush Heritage, Australian Wildlife Conservancy, major environmental groups et cetera.

**Senator SIEWERT**—Thank you. You will be aware of some of the debate that has been had and suggestions that the CAR system be rolled out to be a CARR system, with two Rs—‘R’ for ‘resilience’. Is there any consideration of that?

**Mr Cochrane**—Yes, there is. That was one of the major points in the CSIRO report—that resilience is a very important objective. I would see that being picked up in a revised directions statement.

**Senator SIEWERT**—So that would then be picked up as a formal process. So you would have resilience in there with—

**Mr Cochrane**—A little but I would imagine there would be much greater prominence to resilience as a core principle.

**Senator SIEWERT**—Thank you.

**Senator MILNE**—I want to ask you about management of alien invasive species, both weeds and feral animals, and whether that is made worse by climate impact and changed fire regimes. What are your biggest challenges on invasives in the park at the moment and how much do you rely on volunteers? What is your budget? What are the budgetary implications of what you are trying to do with invasives and is it enough?

**Mr Cochrane**—We would certainly anticipate climate change to exacerbate the position with at least some invasive species.

**Senator MILNE**—Like?

**Mr Cochrane**—I do not think we know enough to be sure on any particular set of species but certainly, again, the work that CSIRO did pointed out that that is likely to exacerbate the situation with alien species.

On your question on volunteers, we rely to a relatively small degree on volunteers. Our largest reliance is probably at Uluru where Conservation Volunteers Australia field regular teams to help us with buffel grass, our No. 1 weed program. That is a fantastic effort, and we support that quite strongly, probably to the tune of—I am guessing—a couple of hundred thousand dollars a year. We would support that because it has a big impact. We have some small friends of parks groups, but the effort at Uluru would be the largest one with volunteers. It is not a large reliance, in answer to your specific question. We certainly could do more in providing opportunities for volunteers to work in our parks.

Lastly, as to whether we have enough resources, we could always do with additional resources to deal with weeds and ferals as well. It is not an issue that is static. The problem only seems to get more complex and broader for us, so it is a continuing challenge.

**Senator MILNE**—Are we winning the war on buffel grass at Uluru?

**Mr Cochrane**—We are chasing its tail a little bit but we are winning the war on removing it from sacred sites and from around Uluru itself. That was our biggest problem. It was basically lapping up right against the rock and into sacred sites and art sites. Our primary effort over the last couple of years has been protecting those, and that is very successful. Our problem is that as we move it away from Uluru it is moving outwards at a fair rate as well, so we are kind of chasing it out from the rock.

**Senator MILNE**—Apart from physical removal, is there any research going on about any other control methods, or are we down to just physical removal of buffel grass? How much support do we get from the Northern Territory government generally in terms of controlling buffel grass and its incursion into Kakadu and Uluru?

**Mr Cochrane**—We cooperate closely and work closely with the Northern Territory government, but they do not have a lot of resources. So, whilst the effort is very cooperative it does not involve a lot of resources on their part. Buffel is not a very big problem, if at all, at Kakadu. It is not high on our list at Kakadu. It is primarily a problem at Uluru. I am sorry; I have forgotten the part first of your question.

**Senator MILNE**—I am trying to establish whether there is any other mechanism for dealing with it other than physical removal and whether there is any scientific work going on. It seems to me that we are fighting a losing battle on several of these weed fronts. Is there anything promising in the scientific pipeline about being able to have a more permanent solution?

**Mr Cochrane**—I believe there is but let me take that on notice. I recall there is some work that we are not directly involved in, but are following, that is being done on biological control of buffel grass. But certainly when we embarked on our control efforts some years ago we looked at the range of options, including burning. The only secure, long-term and effective means of controlling buffel really is physical removal because it resprouts quite vigorously after fire. We were not keen on spraying, and it is also fairly resistant to spraying as well. So: yes, there is research work; no, none of that has got to a stage that we are employing ourselves, so we are doing the laborious hand removal at this stage.

**Senator MILNE**—If you had more resources for dealing with alien invasives in Uluru in particular, or in Kakadu as well, what would be your priorities in terms of how you would spend it? Which are your priority invasives?

**Mr Cochrane**—Buffel grass, head and shoulders above everything else—absolutely.

**Senator MILNE**—Is there any evidence that it is displacing or eradicating any native species or sending them to an endangered listing or anything?

**Mr Cochrane**—Not that I am aware of. Our biggest concern with buffel grass is that it changes our fire risk. We are more likely to get more frequent and hotter fires. We have been a bit surprised by some of the results of the long-term fauna survey work that we do in that some of the native mammal species are actually reasonably prolific in some of the buffel grass communities. We were a bit surprised by that, but nonetheless in the long run it is something that we would like to get rid of. Some species seem to cope with it but, broadly speaking, it changes our fire risk in the park and therefore we would like it out. I am not aware of any evidence that it is displacing any endangered or native species at the moment.

**Senator MILNE**—In terms of your comment that as you eradicate it around the rock itself, around Uluru, it is moving further out, how fast is it moving, apart from 80 on a gravel road?

**Mr Cochrane**—I might take that on notice and give you an accurate answer. I do know that we are measuring it and mapping it.

**Senator MILNE**—Clearly, as that is your No. 1 invasive program and that is a real issue, I would like to think, across a coordinated R&D effort across government, that if that is one of the big ones we ought to be able to direct some funding somewhere to buffel grass eradication. It would be useful if you could give us any indication of how that might occur.

**Mr Cochrane**—Let me take that on notice. I do know that there is research going on and there is great interest in that from a variety of conservationist state managers, WA and South Australia in particular. Can I take that on notice and give you a response?

**Senator MILNE**—Yes. Thank you.

**CHAIR**—If there are no further questions—

**Senator PARRY**—There are further questions. Senator Birmingham has just had to slip out and he has left me with some that I am quite happy to ask for him. Did I hear someone asking about infringement notices in the botanical gardens car park? I am sorry, I was in and out a few times. Maybe these answers need to be provided on notice.

Can the Director of National Parks provide a list of visitor numbers to the Australian National Botanic Gardens since 1996 and the revenue for the gardens that is derived from parking fees in the car parks? What has the revenue been since 1996? Has the Director of National Parks issued traffic infringements for cars parked without paying for parking? How many infringement officers are employed for this purpose? When special events are held at the gardens, cars often park outside the gardens, invariably due to lack of available space. On that basis, has any study been undertaken to determine the effectiveness or otherwise of paid parking at the gardens? What are the key issues impacting upon the gardens? When is the water recycling project due for completion? I do not know whether you want to answer that on the record or whether you would like to take that on notice.

**Mr Cochrane**—I will take all of them on notice, but I can certainly answer a couple of them on the way through, if you would like.

**Senator PARRY**—I will pause there. I have a couple more to put on notice, but I am happy if you want to provide comment now.

**Mr Cochrane**—On the parking infringements and parking officers, that work is actually contracted out. The management of our revenue from car parking is contracted out and we do not employ people for that purpose. Certainly, the detailed questions on numbers over that time period I will need to take on notice.

On the last question, the question on water recycling, the work that we are doing at the moment is not on water recycling, per se. We have already introduced what we can in terms of water recycling. Two tenders closed earlier this month. The first is on separating out our potable water supply from our irrigation water supply, because the bulk of our water obviously goes to irrigation and we want to move from a situation where we use potable water for irrigation to finding an alternative and cheaper source of non-potable water. So that is the first tender that has been advertised and has just closed. That is the water separation. The second one is for a costing and design consultancy for a non-potable water supply from the lake. So neither of them fit into a recycling—

**Senator PARRY**—Are local water suppliers engaged?

**Mr Cochrane**—We have been working very closely with the ACT government and ACTEW all the way through this. I think it is fair to say we enjoy their support for finding us a solution that will work for us.

**Senator PARRY**—Just going back to the car parking issue of infringement notices and monitoring or policing of that, how does that contract system work? Do you get any revenue from the contract system?

**Mr Cochrane**—We get the parking revenue from it minus the costs of administering it.

**Senator PARRY**—So is there a net loss or gain?

**Mr Cochrane**—There is a net gain.

**Senator PARRY**—A significant net gain?

**Mr Cochrane**—I had better take that on notice in terms of the specifics.

**Senator PARRY**—I have just developed an interest in your answers. Thank you very much for those.

**CHAIR**—If there are no further questions—

**Senator LUNDY**—I have a few. I just wanted to follow up with respect to the sustainable water supply budget measure. Can you provide a little more detail to the committee as to where those discussions are at? I am certainly aware from last estimates that those discussions are proceeding, so could you give me an update please?

**Mr Cochrane**—We have gone to tender to seek someone who will provide us with a costing and design work for the water abstraction from the lake. Those tenders closed on 6 May. The evaluation of those will be complete by next month, so I would anticipate that later in June we would be awarding the contract for someone to do that. That is the essential first step and it is taking longer than we had hoped, but nonetheless we have to work our way through those processes to get ourselves in a position where we can then talk about what our actual needs are.

**Senator LUNDY**—I want to congratulate the botanic gardens. As you know, I went there recently and received a briefing on the situation facing the gardens. One of the things that was discussed was the ongoing operation and importance of the Herbarium—the joint arrangement the National Botanic Gardens has with CSIRO. Can you give the committee information about that relationship and the work that is done by the National Herbarium?

**Mr Cochrane**—The Australian National Herbarium was formed out of a series of smaller collections. One substantial bit was the Australian National Botanic Gardens collection. Another large bit was from the CSIRO plant industries. There are a number of other small herbaria that were managed by other parts of CSIRO. It would be 15 years ago that the idea was hatched to bring them all together into one National Herbarium. That was effected through a joint venture arrangement between CSIRO and the Director of National Parks through the botanic gardens. That created a body called the Centre for Plant Biodiversity Research, which now manages the Australian National Herbarium, which has 25 per cent of all herbarium specimens in Australia.

**Senator LUNDY**—And how much of the Australian National Botanic Gardens' resources are applied for the parts you are responsible for in that partnership with CSIRO? I am happy for you to take that on notice.

**Mr Cochrane**—I might take it on notice. I certainly have detailed figures, but I did not bring them with me. So let me take that on notice.

**Senator LUNDY**—Yes. I was struck by the collection and the significance of it dating right back to Joseph Banks and other very famous people.

**Mr Cochrane**—It is 200-plus years of herbaria specimens. It is immensely valuable.

**Senator LUNDY**—Could you also take on notice to provide the committee with information about the virtual herbarium and the online initiative? I was particularly interested

in that and the role that it plays in drawing together the national collection and making it searchable.

**Mr Cochrane**—I would be pleased to.

**Senator LUNDY**—Thank you very much. Finally, can you update the committee with the process that I know the Australian National Botanic Gardens is going through with respect to planning for the future?

**Mr Cochrane**—There are a couple of aspects to that. Firstly, we have just started the process of developing a new management plan for the botanic gardens. The current one runs out in, if I recall correctly, early 2009—9 January 2009. It takes us over a year, generally speaking, to prepare a management plan. We are hiring an officer to largely do that work, but they have not been appointed yet. But when they are we will run our standard process for new plans and management. That involves seeking public comment initially, developing a draft plan, putting that out for public comment and then finalising it. So that will happen over the next 12 months or so. Secondly, internally we are reviewing our own priorities as well. So that will be an important part of identifying what our future directions are. As you would be aware, the gardens have already started that in the context of how they are relevant with climate change and what role they can play.

**Senator LUNDY**—Nicely anticipated. That was my next question. What capacity does the Australian National Botanic Gardens have to respond to the challenge of climate change, particularly with respect to maintenance of the collection but also any research that can assist in looking at the adaptability of our flora facing climate change?

**Mr Cochrane**—The potential is quite significant. The challenge is doing that within existing resources. So a shifting—

**Senator LUNDY**—Or finding more resources.

**Mr Cochrane**—Or finding more resources; that is right.

**Senator LUNDY**—Minister, can I ask you, in terms of obviously this portfolio of national parks and environment and climate change being separate to that, what processes would be open to the Australian National Botanic Gardens to pursue climate change related financial resources to assist them in the work that they can contribute to that effort? I am happy for you to take that on notice.

**Mr Borthwick**—I will make some observations. The Director of National Parks worked very closely with Minister Wong's department and jointly released a report which reviewed the effects of climate change more generally on the Reserve System. So we do work closely together but, in terms of what Mr Cochrane has been suggesting in terms of trying to get this as a focal point and what the Australian National Botanic Gardens might do in terms of the capacity of Australian flora to adjust to climate change and research, this is something that we could take up but I do not think we have yet as part of the climate change adaptation framework.

**Senator Wong**—Senator, you are correct in identifying this as a significant issue. The report to which the secretary refers, I suppose, would be best understood as a report that tries to deal with a bit of a knowledge gap about what the impact of climate change might be on

the Reserve System and, therefore, implications in terms of policy and management that might flow from that. As Secretary Borthwick has indicated, we are very conscious—certainly with my climate change hat on—of the need to develop a better set of knowledge and strategies on adaptation, and this really is a subset of that. It is a very important area—an area that I think you would probably have to say has been somewhat neglected previously—and we are conscious that we need to do more work across the adaptation framework.

**Senator LUNDY**—Thank you very much, Minister. Could I also ask for some more information about the National Landscapes partnership with Tourism Australia. This is a more general question now. What does that involve and what resources does it allow you to access in Tourism Australia, or what is the combined effort constituted from?

**Mr Cochrane**—The initiative is going well. It is attracting quite a groundswell of support in quite a number of regions around Australia. Minister Ferguson is actually going to make an announcement. That is scheduled for the Australian tourism exposition in Perth the week after next. So there is a launch scheduled on that. In terms of what resources it frees up, there are resources within Tourism Australia which it puts into a variety of aspects, particularly local stakeholder groups working up their branding. It will fund experience audits for regions that have reached a certain stage in their progression along the path. Beyond that, though, it is a bit of an open chapter.

**Senator LUNDY**—Right. So is it a partnership that relates only to national parks or areas under your jurisdiction, or is it a broader initiative than that?

**Mr Cochrane**—Much, much broader. We really were only the initiators and continue to help catalyse the idea. Its strength and appeal are much wider than national parks. National parks form, if you like, the backbone of the proposals but the primary novelty about this is that it engages a much wider stakeholder group, in particular local governments, regional tourism organisations and business groups. A classic example would be the Australian alps. That is going extraordinarily well with all the local governments.

**Senator LUNDY**—So if I want more detail, I am thinking Tourism Australia is probably the best place to go?

**Mr Cochrane**—They have the lead role with it.

**Senator LUNDY**—Right.

**Mr Cochrane**—We jointly chair a reference committee with Tourism Australia that consults with regional players and then assesses proposals for taking things forward, which then leads into Tourism Australia funding the next steps. Tourism Australia would probably be the best, but I am more than happy to provide you with written material if you would like some.

**Senator LUNDY**—If you do not mind. I have had a look at the website. There seems to be a bit of brochureware on the website, but if you do not mind taking that on notice to provide me with additional information that would be very useful. Thank you. That is all I have.

**Senator JOHNSTON**—Mr Cochrane, can you tell me about—excuse my ignorance; is it the Bimbimie Wildlife Park? Is that one of yours?

**Senator Wong**—Sorry, could you say—

**Senator JOHNSTON**—The Bimbimbie Wildlife Park.

**Mr Cochrane**—I believe it is something that has been purchased under the National Reserve System, but I would have to take it on notice. I think it is something that we have supported the purchase of. Do you have any more information?

**Senator JOHNSTON**—It is not actually my question. It has come from one of my colleagues. He says the funding for the community wildlife park at Bimbimbie in Victoria has been cut. I was hoping you could tell me—and it does not look like you will be able to, but I will formulate the questions so you can take them on notice. What is the plan with respect to the Bimbimbie community wildlife park from a Commonwealth perspective? How much have we expended on it to this point in time? Has in fact that expenditure been determined and why was it determined?

**Mr Cochrane**—I may be confusing it with another purchase in recent years called Bimbowrie but, if it is a Victorian park, Victoria will be responsible for it and not us. But I will take the question on notice and get back to you.

**Senator JOHNSTON**—Thank you very much. The other question is with respect to the Kokoda Track. Is that one of your responsibilities?

**Mr Cochrane**—No, heritage division.

**Senator JOHNSTON**—I take it Ningaloo Marine Park World Heritage listing is not you either?

**Mr Cochrane**—The heritage division is the appropriate place to ask for that one.

**Senator JOHNSTON**—Very good.

**CHAIR**—If there are no further questions for Mr Cochrane, thank you very much.

**Mr Cochrane**—Thank you.

**Senator Wong**—Before Mr Cochrane leaves, I probably should have mentioned to Senator Lundy that the government is progressing our election commitment for the climate change adaptation plan for Australia's World Heritage and iconic areas, and the report to which we refer is going to be considered as one of the imports, I suppose, into the development of that.

**Senator LUNDY**—Fantastic.

**Senator Wong**—We can provide further information at another time if required.

**Senator LUNDY**—Thank you very much, Minister. That is helpful.

**CHAIR**—We will now move to output 1.1 regarding energy efficiency and climate change action. We are scheduled to go to a tea break at six o'clock, but we can get in a few questions.

**Senator BIRMINGHAM**—I want to start initially by looking at the government's green loans proposal. What is the approximate amount per loan which the government is budgeting for?

**Mr Carter**—The budget was based on a maximum loan of up to \$10,000.

**Senator BIRMINGHAM**—So a maximum loan of \$10,000. How much do you budget the average loan to be?



**Mr Carter**—I think we have calculated based on the loans being up to the maximum of \$10,000, so we have not done an average on that.

**Senator BIRMINGHAM**—Just remind me: how much is committed to the green loans project in the 2008-09 year?

**Mr Carter**—It is \$300 million over five years.

**Senator BIRMINGHAM**—So \$300 million over five years and you are budgeting that the average will be the maximum of \$10,000?

**Senator Wong**—No, that was not the evidence, Senator Birmingham. The evidence was that the assumption is that the maximum will be up to \$10,000.

**Senator BIRMINGHAM**—Up to \$10,000. Let me try a different way. How many loans do you expect to support over that period of time?

**Mr Carter**—We are expecting up to 200,000 loans.

**Senator BIRMINGHAM**—So up to 200,000 loans. Sorry, but you said the program was budgeted for how much over the forward estimates?

**Mr Carter**—\$300 million over five years.

**Senator BIRMINGHAM**—\$300 million? 200,000 lots of \$10,000 does not get us to \$300 million.

**Senator Wong**—Senator Birmingham, the evidence was a maximum loan of up to \$10,000.

**Senator BIRMINGHAM**—Yes, I understand that was the evidence. You are budgeting for 200,000 loans over the forward estimates and the program has been funded to the tune of \$300 million. That is correct?

**Mr Carter**—That is correct.

**Senator BIRMINGHAM**—So you are expecting the average to be a lot less than the \$10,000?

**Mr Carter**—Sorry, Senator. One of my colleagues has just clarified that the \$300 million covers the subsidy, not the loan amount itself. So the loan is repaid by the household, so the \$300 million covers the subsidy and other costs associated with providing the loans. It is not actually providing the \$10,000 itself.

**Senator BIRMINGHAM**—So \$300 million covers the up-front subsidy. How quickly do you expect the loans to be repaid?

**Senator Wong**—Can I just say that we will endeavour to assist to whatever extent we can, but these are essentially questions that go to modelling assumptions underpinning budget figures. I have been on that side of the table in quite a number of estimates where ministers in the Howard government have refused to release such assumptions. We can indicate to you the parameters of the measure. We can indicate to you the funding profile that Mr Carter has provided you with, but some of the detailed assumptions we may not be able to provide.

**Senator BIRMINGHAM**—Certainly, Minister. That is fine. What is the maximum period in which to repay the loans?

**Senator Wong**—As I understand it—and I will check with Mr Carter, Senator—I do not believe that the guidelines for this measure have as yet been released. Is that correct?

**Mr Carter**—That is correct.

**Senator BIRMINGHAM**—If you are budgeting \$300 million as a subsidy, there must be some budgeting idea of how quickly loans will be repaid as well. Whilst I understand that it goes to the modelling as to what the average period of time to repay those loans may be, knowing what the maximum period of time is would seem to be a fairly fundamental part of the program.

**Senator ALLISON**—You would probably be able to work it out if you did the mathematics and if you took the time to do it, so I am not sure why it is a state secret.

**Senator Wong**—It is not a state secret. I am not sure I said that.

**Senator KEMP**—It is like election policies: they are actually state secrets.

**Senator Wong**—I think they are on the internet and were traversed fairly carefully during the election campaign. As the person who was national campaigns spokesperson, Senator, I can tell you there was a lot of scrutiny of the party's policies leading up to the election, as I am sure you are aware.

**Senator KEMP**—Well, Senator Wong, I have to tell you it is amazing what we are finding.

**Senator Wong**—We will see if Mr Carter can assist.

**Mr Carter**—I will have to take that on notice. I do not have those calculations with me.

**Senator BIRMINGHAM**—You do not have the calculations with you. You do not know what the maximum time frame in which to repay the loans of up to \$10,000 is?

**Mr Carter**—I do not have those calculations with me, Senator. I will have to take that on notice.

**Senator BIRMINGHAM**—That one is not a calculation. Are you loaning people \$10,000 for one year, two years, five years, 10 years, intergenerationally?

**Mr Carter**—Clearly when we are working through the design and the guidelines of these, which are yet to be submitted to the minister, we would provide a number of options around that. Some of it also depends on the way in which the loans will be provided and negotiations and discussions with delivery providers of them.

**Senator BIRMINGHAM**—Minister, I understand that there are a lot of technicalities to the department of environment suddenly becoming a small loans bank, but I would have thought the fundamentals of this program were at least how much you are going to loan—you say up to \$10,000—how it is going to be repaid and over what time frame it is going to be repaid. There might be a lot of other details to be worked out, but you are telling me that, as yet, the government has no idea to actually over what time frame this funding is going to be repaid?

**Senator Wong**—Mr Carter may be able to assist you.

**Mr Carter**—Senator, at the moment we are working on a maximum loan period of up to five years with a subsidy paid up-front to a financial institution. But, as I have indicated, we

are still working through the detail of the guidelines and the delivery mechanism at the moment, so we have not come to a final decision or advised the minister on the aspects of that.

**Senator BIRMINGHAM**—Thank you, Mr Carter. That was a bit harder to get to than it needed to be. I appreciate that it is not locked in concrete but it is five years that you are currently working to as the maximum loan period. What type of interest rate will be applied to the green loans?

**Senator Wong**—Senator, I think the difficulty we have here is that this is a budget decision and funding has been allocated but the government has not yet released the guidelines for this program, and a great many of these questions do go to guidelines which as yet, as I understand from Mr Carter's last answer, have not gone to the minister for approval. So it is somewhat difficult for us to indicate what the government's decision is on that when that decision has not yet been made. So we will endeavour to answer your questions as best we can, but some of these issues go directly to the determination of the guidelines which has, as yet, not occurred. Can I say that it is not unusual—and I am sure those at the table who have been ministers know this—for governments to announce funding measures within budgets and then deal with detailed guidelines post budget announcement, and that is a normal process of government.

**Senator BIRMINGHAM**—But this is not a new funding measure, Minister. This was an election commitment.

**Senator Wong**—It is a new budget measure.

**Senator BIRMINGHAM**—It is certainly a new appropriation and you have appropriated \$300 million of funds, but it is not a new measure. We all knew about this during the election campaign.

**Senator Wong**—Yes, we did.

**Senator BIRMINGHAM**—I am sure Senator Kemp even downloaded the policy from the website, as you were referring to earlier. So you have had from day one to at least put some meat on the bones of this policy rather than get to budget estimates—

**Senator Wong**—We have put \$300 million worth of meat on the bones.

**Senator BIRMINGHAM**—\$300 million was your election policy?

**Senator Wong**—It was a \$300 million election commitment in an area where, with respect, your government frankly neglected to act on either the domestic response to climate change or generally. We will endeavour to respond as best we can. The budget measure is, as I understand it, \$300 million over five years. This is a program within Minister Garrett's portfolio, Senator Kemp.

**Senator BIRMINGHAM**—It is one of those climate change announcements.

**Senator Wong**—I will endeavour to do my best to deal with these issues.

**Senator KEMP**—I do not think you should be buck-passing to Mr Garrett on this.

**Senator Wong**—I am simply indicating to you in which portfolio this occurs. Mr Carter has given you some evidence—

**Senator BIRMINGHAM**—The minister knows that without the charter letter, Senator Kemp.

**Senator KEMP**—Are we sure it is Mr Garrett's portfolio?

**Senator Wong**—Through you, Madam Chair, Mr Carter has indicated the extent to which he can assist you, but the issue here is that these guidelines, as I understand it, have not yet been determined by government.

**Senator KEMP**—Senator Wong, you have had seven months. I do not want to get too much into when the policy announcements were made because I know they are state secrets. But let us assume it has been seven months since the policy was announced. You cannot even give us the barest framework of how this scheme is going to work. Is it you who is in charge of this or is it Mr Peter Garrett who is in charge of this?

**Senator Wong**—Senator, we are in the part of the portfolio that is Minister Garrett's responsibility. This is a program within his portfolio.

**Senator KEMP**—I just wondered because we have not got a charter. We need to get it clear.

**Senator Wong**—This is quite clear from the AAOs and we did canvass this—

**Senator KEMP**—I accept that; I am not arguing.

**Senator Wong**—If I could finish, Senator. We did canvass this at the previous estimates. In this portfolio—that is Environment, Water, Heritage and the Arts—I am the minister for water and I represent Minister Garrett in relation to the environment, heritage and arts aspects of the portfolio.

**Senator KEMP**—In that case, can I ask the secretary at the table: I assume this policy has not snuck up on you. This was presumably policy which was on that list which you cannot apparently give to us.

**Mr Borthwick**—No, it has not snuck up on us, Senator, but it does involve discussions with a range of financial institutions in working out the details and it is not usual, even though it was an election commitment, to move to the operational phases, in terms of entering into arrangements and contracts with those financial institutions, after the budget. For that reason, if you look at the funding profile of this program, it is only \$17.4 million in 2008-09, ramping up to an expected \$60.2 million in 2009-10. So this program will not really come into operation until early 2009 and then there will be a slow build-up. That was because we wanted to wait for the budget to be put in place before we could go out and negotiate the detailed arrangements with possible service providers.

**CHAIR**—Senators, it is six o'clock. We are scheduled to go to a dinner break. I suggest we do that, and obviously this conversation will continue for some time after dinner.

**Proceedings suspended from 6.00 pm to 7.01 pm**

**CHAIR**—Senator Birmingham, when you are ready.

**Senator BIRMINGHAM**—Thank you, Chair. Can we confirm that interest will be payable on the green loans?

**Mr Carter**—The concept was that households would only have to pay back the loan, with no real interest charged, but indexed to the consumer price index. We are still working through the detail of that and, as I mentioned earlier, we have got some design issues to go through with financial institutions around that.

**Senator BIRMINGHAM**—That is good. That is another piece of information to the puzzle there. We know the aim is for it to be around the CPI and for it to be a five-year loan.

**Mr Carter**—That is right. I might expand on some of the other elements that we have been working on. The concept of the green loans is to start off with an environmental audit. We have been having a close look at the nature of what that audit or assessment might be and also the quality of it. We have a concern that sometimes advice given to households is not independent in terms of being linked to a particular product or approach to energy or water efficiency.

So the concept that we have been working on is to examine how we can work with bodies such as the Australian building sustainability assessors to make sure that we have well-trained and accredited assessors that can go out and examine homes where the people are interested in taking up the loan offer. They will work through those homes to examine the best package of energy efficiency and water efficiency measures, and the economics and payback period for each of those elements, and present that as a package to the householder in a prioritised way so that the optimum package would be at the top of the list. But we would envisage a range of other options so that ultimately the householder would choose what best suited their circumstances.

There is also, in the design of this, a hope that households will not only take up the opportunity of the loan but, in taking up the opportunity of the assessment or audit, go beyond the loan itself. If they choose not to proceed with a loan, they will still have a valuable piece of information on how they can go about making their house more efficient in terms of energy and water usage.

To try and facilitate some of that, we have been looking at ways that we can make it a very streamlined delivery of the assessor or auditor function so that, in effect, a home owner would be able to pick up the telephone or go to the net, where we would have a system that supported and effectively ran a booking system for assessors and auditors. So it would be a very streamlined process behind the scenes for the home owner and fit in with their needs.

That is a range of the concepts that we have been working through at the moment. As I indicated, we have had initial consultations with financial institutions, and we need to increase those discussions now that we have had a budget decision to proceed with the commitment.

**Senator BIRMINGHAM**—Will the householders pay for the audit?

**Mr Carter**—The arrangement is that the audit would cost the home owner \$50, with that \$50 to be refunded if they go ahead with the loan. Clearly we need to come up with a very efficient way of providing a quality assessment. Because \$50 will not cover the costs of that, there will be a subsidy element in the program for that as well.

But to make sure that those audits are cost effective and efficient we can help by designing a diagnostic computer based tool to sit behind that to lead the auditors through a process. It will have all of the economic payback periods and information about different products built into it so that it takes a lot of the running around out of it for the assessment auditors. They can just go in, characterise the house, have a discussion with the home owner about the behaviours of operating the house and then put that information into a package that leads them to what is an optimal outcome. So we have started thinking about the design of that system.

**Senator BIRMINGHAM**—So an audit will be on a co-contribution basis, in a sense, up front? I am assuming the auditors will be contracted personnel; they will not all be employed directly by the department.

**Mr Carter**—That is correct. It would be through some form of contract arrangement. Yes, there would be a \$50 up-front charge that would be refunded if a loan was taken up.

**Senator BIRMINGHAM**—And the department will subsidise the rest of that?

**Mr Carter**—Yes.

**Senator BIRMINGHAM**—If the loans are provided only on a CPI basis to the consumer—and this obviously would form a major part of your negotiations at present, I am sure, Mr Carter—I assume the department will be providing the balance between whatever you negotiate as a commercially viable rate for a lender, or a service fee for the lending institution, or whoever it is that you contract to provide these loans.

**Mr Carter**—That is correct.

**Senator BIRMINGHAM**—What other areas of additional on-costs will take away from the pure nature of the \$300 million actually going into green energy?

**Mr Carter**—As I have said, we are exploring a number of these areas at the moment. In terms of coming up with the detailed breakdown of how each of those elements pan out, we are not in that position at this point. For example, the aim of developing a diagnostic tool for assessors to use would be to reduce the cost of the actual assessment—the time that it would take and the price that a contractor would charge us for that assessment. But we have to balance that against how much we think it would cost us to build that tool, and we are still in the preliminary stages of scoping out what those things might look like. We have not yet gone to market on those options to see what the cost balances would be.

**Senator BIRMINGHAM**—Obviously some of the \$300 million is going to be spent on auditing.

**Mr Carter**—That is correct.

**Senator BIRMINGHAM**—Some of the \$300 million will be spent in making it profitable for a finance provider to facilitate these loans?

**Mr Carter**—That is correct.

**Senator BIRMINGHAM**—And some of the \$300 million will be spent in establishing the program, setting up the diagnostic tool, as you put it, Mr Carter, and other on-costs associated

with the establishment. Are there other areas of cost that will be met out of this \$300 million before it starts going to households?

**Mr Carter**—They are the major elements but, as I have indicated, we are at an early stage of design of this. We have received the decision that the appropriation is available next financial year. We have commenced a lot of consideration and thinking of how we would go about implementing it, but getting down to the nuts and bolts of what each cost line would be is something we have yet to get to.

Clearly, we will have a focus on trying to make the maximum amount of money available for quality delivery, and that is why we were looking at things like the diagnostic tool. We had a concern that, with the price of skills in the assessment and auditing area, if we did not provide a very streamlined way of delivering that information, that could be a very expensive element of it. That is why we are examining a way of seeking to minimise that.

**Senator BIRMINGHAM**—Who will be taking the risk on these loans—the government or the lending provider?

**Mr Carter**—That is part of the discussion with the provider and clearly goes into what the rate of return for those financial institutions might be. We are yet to conclude those negotiations.

**Senator BIRMINGHAM**—Is there a matching contribution in some sense that you expect from households, or if they choose to borrow \$10,000 and spend \$10,000 on projects out of the audit, is that good enough?

**Mr Carter**—Clearly, the concept is that we would be providing a list of best options, but we would also be providing a further list to that. It may be that the most cost-effective energy saving action that a household could take would be to replace an old appliance in the house, for example, but a household may choose to wait to make that purchase at a later time and change the mix of investment that they wish to make at a given point in time. So we imagine that you would have a list of eligible actions that they could take, advice on what the optimal mix of those actions would be, but still provide scope for the householder to choose out of a broader list than that and still be eligible for the loan.

I think the intention is to try to encourage greater investment than the \$10,000 loan. If householders had a list that they could see—the payback periods on a range of actions—they may choose to invest further than the loan. In the other direction, if households decided at the end of the day that the loan arrangement was not attractive to them at that time, they would get enough advice and may choose to do a number of things off that list, irrespective of the loan.

**Senator BIRMINGHAM**—There is no expectation of the Commonwealth that householders who get \$10,000 will be spending \$15,000 or \$20,000?

**Mr Carter**—There is a hope that, because it will provide information that will possibly go beyond what a \$10,000 loan might achieve, householders may invest more than that, particularly if good economic information is provided along with the range of actions they might take.

**Senator BIRMINGHAM**—Hopes are all very well and good, Mr Carter, but they are not conditions to put on a program. What acquittals will there be to ensure that, once somebody has had their audit and has got their money, it is spent on projects identified in the audit?

**Mr Carter**—Clearly that is a critical element of design. We would be ensuring that there was acquittal based on a verification of installation of things that were recommended in the audit list. We are still to sort through the actual nuts and bolts of that, but in many ways it is similar to some of the rebate programs that we run now in ensuring that acquittal occurs.

**Senator BIRMINGHAM**—Would you expect the auditors to be revisiting to check that the work has been done? Would you expect invoices to be provided, identifying that work has been done? Would work have to be done by accredited companies for certain activities?

**Mr Carter**—Yes to all of those. They would be the sorts of things that we would examine as ways of acquitting, and it may be that different elements of a package would have different acquittal processes, depending on the nature of the product and the installation; for example, perhaps an invoice would be the mechanism for acquitting major appliance or equipment installation. For smaller appliances or items that are not so easily verified, there may be a need for a revisit by an assessor, but I would be concerned that a follow-up audit would add cost to the program. So we would be looking particularly at mechanisms that did not involve going back and undertaking physical inspections or audits.

**Senator BIRMINGHAM**—Once their audit is complete and they decide to go ahead, do households then go and make application to the finance provider, or does the auditor take care of that, or does the department take care of that?

**Mr Carter**—I think that is also a design issue. We would be looking to make that as easy as possible. I would imagine that the assessor who undertakes the audit and presents that information would also provide the information that is needed for a loan application.

**Senator BIRMINGHAM**—Will the provision of the loans be means tested?

**Mr Carter**—There is an indication that there would be a means test of \$250,000 on the green loans.

**Senator BIRMINGHAM**—Is that \$250,000 for household annual income or individual income?

**Mr Carter**—I think that is based on household income, but I will have to check that and correct it if I am wrong.

**Senator BIRMINGHAM**—Has any work been done by the department to ascertain whether that means test will impact on the take-up of this program?

**Mr Carter**—We have not undertaken that research at this point, no.

**Senator BIRMINGHAM**—Will the department draw any lines around what is reasonable or unreasonable, in terms of the finance provider or the department—whoever carries the debt, in a sense—for the recoupment of that debt?

**Mr Carter**—I think that is getting into detail that we really have not worked through with the financial institutions. I appreciate that there would be a concern around the mechanisms



for default—for example, on loans—and that is something that we will have to work through the detail of.

**Senator BIRMINGHAM**—I am trying to ascertain if you are open to all possibilities. People may have their homes taken away, in the extreme, if they default on repayments.

**Mr Carter**—That is an area that we would obviously need to have a close look at as we work through the detail, but it is something we have not yet addressed.

**Senator BIRMINGHAM**—Will households have to pay any administration fees or costs out of the green loans?

**Mr Carter**—The intention is that the homeowner pays the audit cost, which is refundable. At this point we have not got to that level of detail, but it is not envisaged that there would be administrative costs or fees around it. Once again, we would have to look at the total cost of it and the arrangements with the financial institutions, but clearly we would not want to have administrative fees or anything of that nature eroding the \$10,000 investment.

**Senator BIRMINGHAM**—I assume people will be able to purchase solar panels as part of the green loans. That could be an identified item out of an audit?

**Mr Carter**—I am pretty confident that it could be, yes.

**Senator BIRMINGHAM**—Will people be able to claim the rebate for solar panels and then use the green loan to pay for the rest?

**Mr Carter**—We have not gone into the interaction between the green loan and rebates, but there is no intention to exclude people who would be eligible for a rebate from claiming that rebate and the loan for that action and other actions.

**Senator BIRMINGHAM**—How was the \$250,000 means test established?

**Mr Carter**—The means test was an element in the election commitment documentation, so we have not applied our minds to that at this point.

**Senator BIRMINGHAM**—So the means test was in the election promises, was it?

**Mr Carter**—That is my understanding. I will have to check that and get back to you if that is not the case.

**Senator BIRMINGHAM**—And it was set at \$250,000 in those election commitments?

**Mr Carter**—That is my understanding.

**Senator MILNE**—I never saw that. Perhaps you could provide the election documentation which demonstrates the fact that it was going to be means-tested at \$250,000 per household income. If you could provide that to the committee, that would be useful.

**Mr Carter**—Yes.

**Senator Wong**—I did ask whether that document was here, and we will take that on notice. But I would assume that, consistent with your party's policies on taxation, you would not regard households earning in excess of \$250,000 as low-income households.

**Senator MILNE**—That is not the question. I am just interested in seeing the documentation.

**Senator BIRMINGHAM**—So far as I can see, there is no mention of means-testing in this document. I stand to be corrected, but there is ‘Solar Schools-Solar homes’ and a nice picture of the Prime Minister on the front.

**Mr Borthwick**—I think that, when Mr Carter mentioned that \$250,000 figure, he immediately added a caveat and said that he would look into it and get back to you if his recollection were not correct.

**Mr Carter**—That is correct. I will have to check into that and get back to you. I may be in error.

**Senator BIRMINGHAM**—Is the program means-tested or is that also in doubt?

**Mr Carter**—The guidelines have not been prepared and, as I have said, I am now concerned that I do not have the document in front of me. I need to check on that and get back to you.

**Senator BIRMINGHAM**—We are not talking about issues that are to be negotiated with the financial providers. We are again getting back to some of the core issues here of the program. Who is going to be eligible is a decision for the government, not a decision for negotiation with financial providers.

**Senator Wong**—Yes, and Mr Carter has indicated to you that he wants to check and get back to you. I understand that is essentially a request to take the question on notice. He is entitled to do that. I also indicate that I do not have the document here, so we will take that question on notice and provide the committee with an answer on notice.

**Senator BIRMINGHAM**—If I can just roll back to the quantum of the \$300 million and the budget allocations attached to that—\$17.4 million, \$60.2 million, \$88.1 million, \$87.9 million—the government—

**Senator Wong**—Senator Birmingham, do you have the document there?

**Senator BIRMINGHAM**—The Labor policy document?

**Senator Wong**—Yes.

**Senator BIRMINGHAM**—I am assuming this is the Labor policy document, Minister. Yes, I am happy to let you have a look at it.

**Senator Wong**—I am on the website and I think I might be able to assist the committee:

The Solar, Green Energy and Water Renovations Plan for Australian Households will save families money over time on their energy and water bills—

et cetera. It goes on:

Low interest rate loans of up to \$10,000 to 200,000 Australian households, with household income of up to \$250,000, by 2012 which will be repaid in line with their capacity to pay.

**Senator BIRMINGHAM**—Could you provide a reference to that policy document?

**Senator Wong**—[alp.org.au/media/0407/msCCiwatloo290.php](http://alp.org.au/media/0407/msCCiwatloo290.php)

**Senator BIRMINGHAM**—Thank you. I did not quite get all of that down but, nonetheless, I trust—

**Senator Wong**—It is fun reading off banners like that, isn't it? I am sure you can follow the links, but if it is a problem I can ask my staff to print it off for you.

**Senator BIRMINGHAM**—What is it?

**Senator Wong**—It is a media statement of 29 April 2007, which is on the website.

**Senator BIRMINGHAM**—I am not sure whether that media statement is an addendum to the policy paper that I have or not, but we will be able to check the media statement later. It may have been a clarification to the policy statement at some later stage.

**Senator Wong**—Quite possibly.

**Senator BIRMINGHAM**—Mr Carter, I was just trying to explore the \$300 million, taking out the administrative costs that we spoke of before that will be eaten up. Is it the intention that that is then provided to the lending provider and that they then use those funds to provide the \$10,000 loans to the households, or is it the intention that the government is simply providing the lending provider with money to pay the costs of those loans—the interest, the administration costs and so on—but the lending provider is actually lending out of its own usual pools of resources?

**Mr Carter**—The latter is the intention. The financial institution would be providing the \$10,000 loan and the Commonwealth would be providing the interest and administration costs. That is the intention.

**Senator BIRMINGHAM**—What is your estimate of the cost per household associated with a maximum loan?

**Mr Carter**—I do not have that number on me. I could take that on notice as to some of the detail. As I have indicated, we are going through quite a lot of detailed consideration of how the different elements might best fit together in the most efficient way, and I hope we are in a better position to do that as we move into implementation next financial year.

**Senator ALLISON**—Mr Carter, have you seen the minister's press release of 14 May?

**Mr Carter**—I would have seen that.

**Senator ALLISON**—It has a good deal more information than you have been able to provide us with tonight.

**Senator BIRMINGHAM**—I am happy if you wish to ask some questions on that, Senator Allison.

**Senator ALLISON**—We could go through it. It might be useful.

**Mr Carter**—Yes, I do have that in front of me.

**Senator ALLISON**—It does indicate that individuals will be able to pay this back at a minimum of \$300 each year?

**Mr Carter**—Yes, it does say that.

**Senator ALLISON**—Over what time frame would that be? How long would it take to pay back a \$10,000 loan at \$300 a year? By my figuring, it is 30 years, but I have not factored in interest because you have not told us what that is.

**Mr Carter**—As I said, we have not worked through all of the detail of it, so I am happy to take those questions on notice.

**Senator ALLISON**—We have a detail that a minimum of \$300 can be the annual repayment. Why is it you do not have the other details?

**Mr Carter**—I do not have the calculation behind that. If it pans out to 30 years, then that is clearly the intention of the—

**Senator MILNE**—But you said it is over 10 years.

**Senator ALLISON**—Is it 10 years?

**Senator BIRMINGHAM**—But it is only five years to repay these loans.

**Senator MILNE**—Five years, sorry.

**Senator ALLISON**—How do you explain the difference?

**Mr Carter**—I would have to take that on notice. I have not worked through the detail of the design of this.

**Senator MILNE**—Did you assist with this press release?

**Mr Carter**—No, I did not.

**Senator ALLISON**—Is there somebody in the room who did?

**Mr Carter**—I will check.

**Senator BIRMINGHAM**—Minister, the details in that press release have been provided to you in advice from the department, I assume.

**Senator Wong**—I am sorry?

**Senator BIRMINGHAM**—The details in the press release that Senator Allison is quoting from—

**Senator Wong**—I have just seen that. That is a press release of 13 May from Mr Garrett.

**Senator BIRMINGHAM**—Those details would have been normally, I would have thought, provided by the department initially; those sorts of technical details?

**Senator Wong**—I am not sure I can comment as a general principle about what everybody does in relation to press releases. I think Mr Carter is attempting to get some information to provide to Senator Allison.

**Mr Carter**—Yes. I have been advised that the loans are based on the household's ability to pay, to two per cent of their income.

**Senator ALLISON**—Yes, two per cent of the annual gross income. I can read that in the release.

**Mr Carter**—Yes. So the minimum \$300 repayment would mean that the loan would not be the full \$10,000. It would be what they could pay off with \$300 repaid each year over a period.

**Senator ALLISON**—So if you could only pay \$300 a year you would not be entitled to borrow \$10,000? Is that what you are saying?

**Mr Carter**—It is really around the affordability of the loan and not lending households more than they can afford to pay. But I think we would probably need to take that on notice and provide you with some more detail of the case studies.

**Senator ALLISON**—If you can tell us what a \$300 payment per year would buy you by way of the total amount of the loan, that might be useful.

**Senator Wong**—Can I clarify so that Mr Carter is clear. You would like to know what the government believes the minimum of \$300 would leave, essentially, in terms of the loan amount?

**Senator ALLISON**—Yes. I notice there is nothing in the press release about a threshold. Can you explain why that is the case?

**Mr Carter**—Sorry, I am not sure what you mean by ‘a threshold’.

**Senator ALLISON**—You said earlier, if I am not mistaken, that households—you think it is households as opposed to individuals—with an income of \$250,000 would not be entitled to this low-interest loan. Is that right?

**Mr Carter**—Yes, that is from the—

**Senator ALLISON**—My question to you is: why is that not mentioned in the press release?

**Senator Wong**—This is a press release which announces a budget measure. It does not go into every aspect of the eligibility of that budget measure, as you can see. So I am not sure that Mr Carter can provide any answer to that particular question.

**Senator ALLISON**—Was that threshold known at the time? This is 14 May. It is not exactly old.

**Senator Wong**—Mr Carter cannot answer that. I will throw to him, if he wishes, but he answered previously that he did not draft the press release.

**Senator ALLISON**—He also said he understood that there was a threshold. I am asking: did he understand there was a threshold in the last 24 hours or did he know on 14 May there was a threshold?

**Mr Carter**—I knew there was a threshold from documentation on the election commitment website prior to 13 May.

**Senator ALLISON**—Did you say on the website?

**Senator Wong**—Yes. I did refer senators to the media release in relation to this policy measure which was released prior to the election. I assume that is what you were talking about, Mr Carter.

**Mr Carter**—That is the one I was talking about.

**Senator ALLISON**—Okay. So it was mentioned before the election but not after the election on 14 May.

**Senator Wong**—I think Mr Carter was answering your question as to when he knew about it, and I think his answer was, ‘I knew about it because I was aware of it from the election commitments.’ Yes, that is all.

**Senator MILNE**—In relation to this, what level of gross household income is the basis on which you would make an assumption about households below that level that are not likely to take up the loan? Is there any modelling, any research, any papers of any kind that you have done that will tell you the level below which people will not take up this option?

**Mr Carter**—I am unaware of that. I would have to take that question on notice.

**Senator MILNE**—Do you know if there was any research at all done of barriers to the take-up of this loan in terms of gross household income?

**Mr Carter**—I am unaware of that. I would have to take that on notice and examine it.

**Senator MILNE**—Because from where we are sitting, it looks like this is a very cobbled together policy that has no policy research backing at all, but I would be very keen to see what you can provide in terms of the modelling, the research—anything behind it. Given the current credit squeeze, given what people are saying about mortgage stress, given the amount of credit people have now racked up on their credit cards, what do you think the likelihood is of working families being able to access these loans?

**Mr Carter**—I would be speculating and offering an opinion on that, so I could not go there.

**Senator MILNE**—But surely that is the whole point of this. The press release from the minister says, ‘This is designed for working families.’ Surely you must be able to tell us which working families—the research, the modelling, anything you have done—are going to have a barrier. At what level is that barrier? I find it extraordinary that you cannot tell us that.

**Senator Wong**—Mr Carter has quite properly said that it is not appropriate for him to offer an opinion to you. You are entitled to your opinion and you can say what you wish to say, either in this forum or in the parliament or on the radio, but he is a public servant. It is not appropriate for him to offer an opinion about the policy.

We have indicated that we would take on notice your question about modelling because Mr Carter is unable to provide any information on that. But I would say this: you may have your own view about this policy design, but this is a measure which is seeking to assist households to improve the energy and water efficiency of their homes.

We believe as a government that these sorts of measures, to build on the responsible activities and the responsible behaviour that Australians have already shown when it comes to reducing their impact on the environment, are appropriate things for the government to do. We think this is important. This is also an election commitment that we went to the election with and this budget implements that commitment.

**Senator ALLISON**—Could I ask a question about the 15 million tonnes of greenhouse emissions that this is anticipated to save over the scheme’s lifetime. Is it possible to get a breakdown of the assumption behind that?

**Senator Wong**—Can you tell us what you are reading off? Is that off the—

**Senator ALLISON**—I am looking at the election platform document which says:

Reducing greenhouse gas emissions by up to 15 million tonnes over the scheme’s lifetime. This is equivalent to taking around 4 million cars off the road for a year, or planting more than 15 million trees.

**Mr Carter**—I would have to take that on notice to see how that was calculated. At additional estimates Senator Milne also asked a number of questions about abatement from programs and I indicated it was sometimes difficult to accurately estimate because of the mixes of technologies.

**Senator ALLISON**—But you must have made some assumptions about how many water tanks and how many PVs and so on.

**Mr Carter**—There would have been assumptions behind that number and I will take that on notice.

**Senator ALLISON**—Thank you.

**Senator BIRMINGHAM**—How many loans are you targeting for the 2008-09 financial year?

**Mr Carter**—We have not worked through the detail of the design to an extent where we can put a number on the loans in the 2008-09 year. Clearly there is quite a design phase to go through, with loans commencing in the second half of the financial year.

**Senator BIRMINGHAM**—You have appropriated funds across five years. You have got a target of 200,000 households across five years. I would have thought that, to get to that 200,000 households across five years, with funds appropriated across each of those years, there might be some breakdown of targets per annum.

**Mr Carter**—I would have to take that on notice and provide that to you. As I said, part of it is that the detailed design will govern how many loans we would be able to roll out in that period.

**Senator BIRMINGHAM**—Minister, do you know on what basis the \$250,000 means test was set?

**Senator Wong**—No. As I said, I cannot assist you there. I am aware of what I read to you from the media statement issued prior to the election, but I would say generally—and, obviously, judgements have to be made in the context of being economically responsible and ensuring that your fiscal policy recognises the inflationary pressures in the economy—that governments and political parties have to make judgements about expenditure, and there is a judgement that has been made about expenditure in relation to this program.

**Senator BIRMINGHAM**—Will you look into whether there is any research to justify the particular \$250,000 figure?

**Senator Wong**—I am happy to do that, perhaps when the opposition decides that it might actually give the Australian people an indication of how it is going to fund \$22 billion worth of promises raiding the surplus.

**Senator BIRMINGHAM**—Minister, we are definitely not in government!

**Senator Wong**—Honestly! You want to come in here and talk to us about economic responsibility.

**Senator JOHNSTON**—This is the new era of being open and accountable, is it? Don't tell us anything!

**Senator Wong**—My point is this: I have pointed you to a press release on the ALP—

**Senator BIRMINGHAM**—You cannot take questions on notice—

**Senator Wong**—If I can finish.

**Senator BIRMINGHAM**—conditional upon what the opposition might do. Estimates does not work that way.

**Senator Wong**—If I could finish. I have pointed you to the election commitments and I have pointed you to the press release that is on the ALP website about this issue; Mr Carter has taken on notice the question from his end. I simply make the point that we do not apologise for seeking to be economically responsible in terms of the expenditure commitments we made prior to the election and we will progress this election commitment as we said we would do before the election. If you want to take issue with that, Senator Birmingham, you are entirely able to do that and it is probably unsurprising, but that is the government's election commitment as delivered in this budget.

**Senator BIRMINGHAM**—Minister, or Mr Carter, some quick calculations on your \$300 million supporting loans to 200,000 households over the five-year period: that \$300 million means that you are supporting roughly \$1,500 per person, and that is being generous because it is not allowing take-out promotional costs, administrative costs, set-up costs—all of those sorts of initial start-up costs that you might have. That works down to being \$300 per year per person. Do you really think that \$300 per year is going to sustain \$10,000 loans?

**Mr Carter**—As I said, we are still to work through the detail of this and present to the minister the guidelines and how the different elements of the program interact.

**Senator BIRMINGHAM**—Minister, you committed to this definitely stretching to 200,000 households. Are you confident that the appropriation as it is will get you 200,000 \$10,000 loans?

**Senator Wong**—The loans are up to \$10,000, and I think we had a discussion about that being the maximum. Mr Carter has given you his evidence about the appropriation, which is \$300 million over five years. If you are asking him or me for an opinion, I am not going to offer it. What I am going to say is that my understanding from the information in front of me is that this is delivering on an election commitment which was made.

**Senator BIRMINGHAM**—We are looking at this being operational by early next year. I take it that it is the hope of all sitting on that side of the table that the first audits will be starting and the first loans will be rolling out this coming financial year.

**Mr Carter**—Yes, that is the intention.

**Senator BIRMINGHAM**—Are there clearer time frames than that that you can give us?

**Mr Carter**—No. As I said, we have had the appropriation. We commenced thinking about this a lot earlier in terms of our analysis work on the sorts of elements that we need to work on, but we formally commence work on 1 July, so we would hope to have that work progressing very rapidly. We have to work through the detail of the implementation of project management plans around that.



**Senator Wong**—Senator Birmingham, obviously the commencement date does depend on the budget being passed. I assume this is not one of the measures in the budget that the opposition is intending to oppose.

**Senator JOHNSTON**—We don't understand it! How could we oppose it?

**Senator BIRMINGHAM**—Minister, we will see how on earth you put this measure together.

**Senator Wong**—So the opposition is opposed to assisting families in rendering their houses more energy and water efficient? Is that the opposition's position?

**Senator BIRMINGHAM**—Do you require legislation to implement this measure? Do you know that much about the package?

**Senator Wong**—This is in the budget.

**Senator BIRMINGHAM**—Do you require specific legislation to implement this measure?

**Senator Wong**—Is the opposition seriously contending that it is opposing measures that assist Australian households in becoming more energy and water efficient?

**Senator JOHNSTON**—Who is asking the questions, Chair? The minister is just being belligerent. She is asking questions of us.

**CHAIR**—Senators, you are talking over each other too.

**Senator JOHNSTON**—Goodness me!

**CHAIR**—Do you have a question, Senator Birmingham?

**Senator BIRMINGHAM**—Will we see a specific piece of legislation required to implement this program, or does it not require legislation?

**Senator Wong**—This is in the budget.

**Senator BIRMINGHAM**—It is in the appropriations, as I understand it.

**Senator Wong**—It is in the budget, yes.

**Senator BIRMINGHAM**—Yes, it is in the budget appropriations bills.

**Senator Wong**—That is right.

**Senator BIRMINGHAM**—Is there any further legislative requirement in terms of how this is implemented?

**Senator Wong**—I was simply inquiring—and I note that you have not been able to indicate it to me—whether or not the opposition supports this measure.

**Senator JOHNSTON**—A point of order, Madam Chair: the minister is asking questions.

**Senator BIRMINGHAM**—We want to know whether this measure is going to work.

**Senator Wong**—Who is being belligerent, Senator Johnston?

**Senator JOHNSTON**—Minister, you cannot stop asking questions. When you get in a corner, you've got to ask a question! You do not understand this policy, do you? That is the question.

**Senator BIRMINGHAM**—You have come in here tonight and it has been like pulling teeth. Thankfully, Senator Allison has been able to answer more questions, it seems—more effectively than we have been able to get information out of the government.

**Senator JOHNSTON**—Absolutely!

**CHAIR**—Your question, Senator Birmingham?

**Senator BIRMINGHAM**—Is there a clear target for when you expect householders to be able to pick the phone up, as I think it says in the Labor policy document, and ring to get an auditor to come around?

**Senator Wong**—The information I have been given here from Mr Garrett's press release is that green loans are expected to be available by early 2009.

**Senator BIRMINGHAM**—Can we take that as the first quarter of 2009 at least?

**Senator Wong**—I do not know. I will check with Mr Carter, but I am not sure that the government has indicated any precise date in early 2009 at this stage.

**Senator BIRMINGHAM**—I will take the first quarter to be early 2009 if we are trying to define that. Thank you, Minister.

**CHAIR**—Senator Johnston has a question on the same issue.

**Senator JOHNSTON**—I would like to ask Mr Carter a few questions about these green loans. Mr Carter, when we lend the money, is there a default mechanism whereby the government recovers the loan? What is it anticipated that we do with defaulters in this scheme?

**Mr Carter**—That is a difficult issue for us to work through. We have not yet come to a conclusion on that. The loan would be provided by a financial institution, with the Commonwealth providing the subsidy in administrative costs as part of that package, but we are still in early consultation with financial institutions. Senator Birmingham raised that issue earlier, and it is a point that we need to have a close look at in that design and in discussions.

**Senator JOHNSTON**—The point is that the private lender is going to employ a debt collector to recover the loan. This is not a loan from the Commonwealth; this is a green loan which is contracted out, the administrative costs of which are paid for by the government. Is that correct?

**Mr Carter**—Yes.

**Senator IAN MACDONALD**—Guaranteed by the government.

**Mr Carter**—That is an issue that is yet to be determined.

**Senator JOHNSTON**—Are we going to tender with respect to the lenders?

**Mr Carter**—We would look at making sure that we go through an appropriate procurement for it, but we are still in the early phases of discussions with financial institutions on this.

**Senator JOHNSTON**—Are you aware, Mr Carter, that there are a number of companies out there now telemarketing environmental audits?

**Mr Carter**—I am aware that there is a lot of activity in this audit and assessment space, yes.

**Senator JOHNSTON**—Have you any idea where this policy actually came from?

**Mr Carter**—I am not sure I understand the question.

**Senator JOHNSTON**—It is an election policy from the ALP, but does it have any greater genesis than that? Is there a model somewhere around the world or is anyone else doing this?

**Mr Carter**—I am unaware of that. I can take that on notice and provide advice on it.

**Senator JOHNSTON**—It is an amount of money, up to \$10,000, to individual families. Is it means tested?

**Mr Carter**—Yes. That was raised earlier.

**Senator JOHNSTON**—Sorry, I was not here. I was doing something else. The person who borrows the money is going to pay an interest rate and an administration cost or other charge determined by the private lender?

**Mr Carter**—No, the intention is that the Commonwealth meets those costs so that the lender does not pay those costs. It is a low-interest loan.

**Senator JOHNSTON**—But the interest will be paid to the private lender.

**Mr Carter**—That is the intention, yes.

**Senator JOHNSTON**—It is low interest?

**Mr Carter**—We are still working through all of the details of it.

**Senator JOHNSTON**—What do you anticipate the incentive to be for the private lender to lend the money?

**Mr Carter**—That the Commonwealth would meet the interest that they would otherwise have earned on the loan.

**Senator IAN MACDONALD**—On a personal loan, unsecured, the interest rate would be about 15 per cent commercially. The government is promoting this as a low interest rate, which I think I read somewhere was 2½ per cent. That means the Commonwealth is going to be subsidising the commercial lender to a figure of 13-odd per cent. Is that how it will work?

**Mr Carter**—I think that is something that is really subject to the negotiations with financial institutions.

**Senator IAN MACDONALD**—The financial institution will not be lending at less than 15 per cent unsecured.

**Mr Carter**—I do not have an answer to that. I will have to take that on notice.

**Senator BIRMINGHAM**—This is a really important point as to whether the government can, in fact, meet their 200,000-household target. They have \$300 million over five years and a target of 200,000 households. That gives you only \$1,500 per household over five years, assuming the loans are repaid in five years, which, as Senator Allison indicated, at \$300 a year is going to be rather hard to achieve. Now \$1,500 per household over five years is \$300 a year. That is just three per cent and we have ignored all administrative costs associated with

this: the costs of the auditor and the costs of everything else. That is a three per cent incentive. How on earth is a three per cent incentive going to actually encourage lenders to participate in this program?

**Mr Carter**—All I can do is reiterate that we are working through the detail of this and that the commitment was up to 200,000 loans. We will continue to work through and have the discussions with financial institutions.

**Senator BIRMINGHAM**—‘Up to 200,000’? So we are now backing away from whether it is going to actually help 200,000 working families on incomes of less than \$250,000.

**Senator IAN MACDONALD**—It is unfair to ask Mr Carter that. We should be asking Senator Wong these questions, because this is Labor Party policy and we assume that they had thought it through before the election.

**Senator Wong**—Can I draw your attention to the environment budget overview paper, which clearly states ‘delivers cost-effective greenhouse gas emissions reductions in up to 200,000 existing households’.

**Senator BIRMINGHAM**—What does that mean? Does that mean the government will be happy if it only gets to 2,000 households, Minister?

**Senator Wong**—It is quite clearly indicated in the budget. I am not sure we can take this matter much further, Senator Birmingham. You can make your little points, and you will do so.

**Senator BIRMINGHAM**—I am not making any points. I just want answers.

**Senator Wong**—The parameters of the commitment have been indicated by Mr Carter and explored quite extensively in this hearing. We have indicated \$300 million over five years. The budget papers make it clear that it is up to 200,000 households. In terms of the means test, I have referred you to the media release of the shadow minister. You may wish to, as a matter of opinion, make certain criticisms of this, but, in terms of what can be provided as evidence to this estimates committee, I am not sure we can take this much further.

**Senator BIRMINGHAM**—*Labor’s Solar Schools-Solar Homes Plan*, the 2007 election policy document, says:

- Offer low interest Green Loans of up to \$10,000 to make 200,000 existing homes more energy and water efficient ...

There was no ‘up to 200,000 homes’ in the Labor policy document.

**Senator Wong**—Clearly that is the ambition, that is the target, and that is what \$300 million has been committed for, as we promised prior to the election.

**Senator IAN MACDONALD**—Minister, some bright spark in the ALP must have thought this policy through so we are asking Mr Carter the questions quite unfairly, because we should not be lumping on him the administration of an election policy which was quite clear. Some bright spark must have worked it through. Where are you going to get the money from— which commercial lender? What are they going to charge? How are you going to subsidise it? Are they secured? Is the government going to guarantee the loans? You should have all these things. You are a senior member of the party that put this forward as a proposal prior to the election.

**Senator ALLISON**—Chair, can I make a point of order here?

**CHAIR**—Yes.

**Senator ALLISON**—Senator Macdonald has come in after we have already been on this for some time and he has been given preference over other members of the committee for asking questions just because he came—

**Senator IAN MACDONALD**—Senator Allison, if you want to take that up—

**Senator ALLISON**—Can I finish, thank you.

**CHAIR**—Senator Macdonald, there is a point of order. I am listening.

**Senator ALLISON**—We are all having to put up with questions which have already been asked and we will go through them and waste time yet again.

**Senator JOHNSTON**—Well—

**Senator ALLISON**—The same applies to you, Senator Johnston.

**CHAIR**—Senators, we have been on this issue for one hour. I am conscious that there are a number of other outputs that have not been dealt with that we need to get through tonight.

**Senator BIRMINGHAM**—This is about \$300 million.

**Senator IAN MACDONALD**—I speak on the point of order, Chair. If Senator Allison wants to talk about who should be asking questions here, we should go back—and I do not like doing this—to saying who has the most senators and who are entitled to the most—

**Senator ALLISON**—Feel free.

**Senator IAN MACDONALD**—You are raising the issue.

**Senator ALLISON**—Go for it!

**Senator IAN MACDONALD**—You are raising the issue of senators who have been in other committees coming in perhaps a little belatedly.

**Senator ALLISON**—Most of us wait and see what the lie of the land is, find out what questions have been asked, and we do not bore the rest silly.

**Senator IAN MACDONALD**—You have kindly got Senator Wong off the question that she could not answer.

**Senator ALLISON**—No, you have.

**Senator IAN MACDONALD**—No. I had asked the question and, before she had the opportunity to answer, you kindly interrupted and you have given her a bit of time. I know the Democrats always support the Labor Party, but this is taking it a bit further!

**Senator ALLISON**—Don't be crass.

**CHAIR**—Senator Birmingham, have you got any further questions?

**Senator BIRMINGHAM**—Yes, Chair. Minister, what advice has Treasury provided in regard to the costing of this policy?

**Senator Wong**—I will have to take that on notice.

**Senator BIRMINGHAM**—Have concerns been expressed within government that the 200,000 commitment in your policy, which has now been shifted to ‘up to 200,000’, is unachievable?

**Senator Wong**—First, the phrasing I read out was from a budget document, so I want to be clear that we have been very up-front about that.

**Senator BIRMINGHAM**—The phrase that I read out was from a Labor Party policy document.

**Senator Wong**—Senator Macdonald, you may laugh—

**Senator IAN MACDONALD**—Who is laughing?

**Senator Wong**—but it might be helpful if you actually read the document.

**Senator IAN MACDONALD**—This is a policy and you do not know what it says.

**Senator Wong**—In terms of the question as to other departments’ inputs, I would say two things. First, I will take that on notice. Obviously I cannot speak for other departments or other portfolios.

**Senator IAN MACDONALD**—But you can speak for the Labor Party.

**Senator Wong**—Second, I would make the point that obviously these matters were considered in the budget process. There has been a budget decision made and the budget has been announced. We have gone through, in quite considerable detail, the work that is being done on this commitment. Madam Chair, we are happy to sit here and answer questions all night about this, if that is what the committee really wants, but I am not sure we can provide much further information.

**Senator BIRMINGHAM**—Minister, do you know of any commercial lenders who are likely to provide loans and are satisfied by a commercial return of less than three per cent per annum?

**Senator Wong**—You are asking for my opinion about the operation of financial markets.

**Senator JOHNSTON**—We are asking for your opinion about the policy and if it has got any chance of working.

**Senator BIRMINGHAM**—I am asking for your opinion about whether or not the policy is going to work.

**CHAIR**—Let the minister answer.

**Senator Wong**—All I can say is that this is a commitment that is being delivered in the budget—\$300 million over five years. Mr Carter has given you evidence about what the intention of the policy is. I am not going to be drawn, Senator Birmingham, on your opinion about it. That is an issue for debate in the Senate chamber, and if you want to have that debate I am sure we can do that.

**Senator JOHNSTON**—No, it is not. The issue is right here. You have taken the \$300 million.

**Senator Wong**—I am not going to be drawn as to your opinion about this. I know Senator Johnston is complaining about the \$300 million. I would make the point that we in this

government, we on this side of the chamber, believe that assisting Australian households to become more energy and water efficient is a pretty good policy objective.

**Senator JOHNSTON**—But how?

**Senator Wong**—I know that there are many on the opposition side who are still climate change sceptics, but we on this side do believe that it is a good policy objective—

**Senator JOHNSTON**—It might be if we could work out what it is.

**Senator Wong**—to seek to assist Australian households to reduce their energy and water consumption.

**Senator BIRMINGHAM**—Minister, aside from handballing this dud of a policy that appears not to be achievable to poor Mr Carter, what actual progress has been made within government towards its implementation in the six months that you have had?

**Senator Wong**—Senator Birmingham, that is extraordinarily unfair.

**Senator BIRMINGHAM**—What do we know tonight that was not outlined in the ALP policy?

**Senator Wong**—Mr Carter has gone through, in quite a bit of detail in relation to this issue, some—

**Senator IAN MACDONALD**—And there are no answers.

**Senator JOHNSTON**—No answers whatsoever!

**Senator IAN MACDONALD**—We don't blame Mr Carter.

**CHAIR**—Senator Macdonald and Senator Johnston, let the minister answer the question, otherwise we will be here all night.

**Senator Wong**—Senators, Mr Carter has attempted to provide as much information to you as he can.

**Senator IAN MACDONALD**—That is exactly right. You cannot blame Mr Carter.

**Senator Wong**—Are we finished with the heckling from the bleachers, Senator Macdonald?

**Senator IAN MACDONALD**—I beg your pardon?

**Senator Wong**—I said 'are we finished?' Can I finish my answer?

**Senator IAN MACDONALD**—It is no use blaming Mr Carter. He does not know because he cannot work out what your policy is, and neither can anyone.

*Senator Johnston interjecting—*

**Senator BIRMINGHAM**—We want to know what Minister Garrett has been doing to drive this policy.

**Senator Wong**—Currently we have three opposition senators talking at us; so, Chair, I am not sure which of them you would like me to respond to.

**CHAIR**—Are there any—

**Senator IAN MACDONALD**—You can respond—

**Senator Wong**—We are still doing it. I think you guys need to caucus about who is actually asking the question.

**Senator IAN MACDONALD**—You are a big girl, Senator Wong.

**CHAIR**—Senator Macdonald!

**Senator IAN MACDONALD**—You respond to whichever one you want.

**CHAIR**—Senator Macdonald!

**Senator Wong**—I am a big girl, am I?

**Senator IAN MACDONALD**—Yes, so respond to whichever one you like.

**Senator SIEWERT**—The point is that we could not hear. You were yelling over each other.

**Senator Wong**—I am not sure which of the three senators on my left I should be responding to.

**Senator IAN MACDONALD**—I am sorry if that offends you. You are a big person now. You choose who you should respond to.

**Senator Wong**—What I was trying to respond to—

**Senator IAN MACDONALD**—You are a minister of the Commonwealth.

**Senator Wong**—What I was trying to respond to, Chair, was the suggestion from Senator Birmingham. I cannot recall what was said. It was something about things not being done. Mr Carter has provided you with a substantial amount of information on the work that is being done. As most senators would be aware, it is not uncommon for governments to announce measures in the budget and then subsequently finalise the detail of the implementation of that. This does require a significant amount of work. Mr Carter has sought to scope—

**Senator BIRMINGHAM**—As we canvassed earlier—

**Senator Wong**—Can I finish?

**Senator BIRMINGHAM**—this was not announced in the budget measures, Minister.

**Senator Wong**—May I finish, Senator Birmingham?

**Senator BIRMINGHAM**—This was announced—

**Senator Wong**—May I finish, Senator Birmingham?

**Senator BIRMINGHAM**—Are you going to give us—

**Senator Wong**—No, I do not mind this being a bit willing, but, seriously, I cannot finish an answer without one of the men on my left interrupting me.

**Senator IAN MACDONALD**—‘Persons’, please.

**Senator Wong**—They are all men on that side, as far as I can see.

**Senator IAN MACDONALD**—You are a big person now.

**Senator Wong**—I am a big girl according to you and I do not mind being a big girl.



**Senator IAN MACDONALD**—I would have thought you were a big girl, but you take objection to that.

**Senator Wong**—That is fine. I do not ever claim to be a little girl.

**Senator IAN MACDONALD**—And we are ‘persons’ over here, too.

**Senator Wong**—This big girl would like to answer the question, if she could, and what I was saying—

**Senator IAN MACDONALD**—No, you are a big person.

**Senator Wong**—What I was saying was that it is not uncommon, as senators would be aware, for governments to announce budget measures and then work through the detail of the implementation. Mr Carter has attempted to give you what information he can, as I have, but I do not know what further information the Senate committee seeks of us.

**Senator BIRMINGHAM**—Minister, this is not a budget measure; it is an election policy. It has been out there for six or seven months.

**Senator Wong**—It is a budget measure.

**Senator BIRMINGHAM**—Minister Garrett has had six or seven months to work on this. He clearly has progressed it no further than what we have heard is in the policy document tonight. He has progressed it no further and, unfortunately, there are a whole raft of questions left unanswered, aside from the fact that we realise it is not going to ever reach 200,000 homes.

**CHAIR**—Thank you, Senator Birmingham. Before I go to Senator Milne, who indicated she had other questions in this output, are there any further questions about this particular matter of the loans? Can we please move on.

**Senator IAN MACDONALD**—I have a further question.

**CHAIR**—We will have one more question and then we will have to move on. We have a lot to do.

**Senator IAN MACDONALD**—Mr Carter, you have been thrown in the deep end and I sympathise with you not being able to answer, because you clearly have no idea from the government or from the Labor Party just what they propose. With respect—and no offence to you—most of your answers were, ‘I don’t know,’ ‘I can’t work that out,’ ‘I can’t tell you,’ or ‘We haven’t worked that through.’

**CHAIR**—Do you have a question, Senator Macdonald?

**Senator IAN MACDONALD**—The question to Mr Carter is: when do you think the department might be in a position to actually tell the parliament and the people of Australia just what is proposed with this green loan?

**Mr Carter**—As I have indicated earlier, we have been doing a range of work on the process of environmental auditing and assessment and the range of information that that might provide to households and the mode of delivery of that through web based systems, so there has been quite a lot of thinking done on that in terms of some of the aspects that you have been seeking answers to with financial institutions. We are still working through that and

we will provide that advice to the minister as early as possible. The intention is to have the loans in place early in 2009 and it would be up to the minister to determine at what point he made announcements around guidelines or details.

**Senator IAN MACDONALD**—So the answer to my question is that by the end of this year you would be expecting to be in a position to answer the questions we have been asking you tonight?

**Mr Carter**—Certainly, yes.

**Senator IAN MACDONALD**—Thank you very much.

**CHAIR**—Thank you, Senator Macdonald. Now we will move to Senator Milne.

**Senator MILNE**—Thank you. I want to ask some questions in relation to the decision to means test the photovoltaic rebate. Was this an evidence based decision? In other words, what data or modelling did you have or were you working from which showed the income level for take-up of photovoltaic rebates? Did you consult with the businesses that provide these systems and installers and so on? Did you have any Treasury modelling? Did you have any Australian Greenhouse Office modelling?

Can we just start with the evidence. The minister said a minute ago it is not uncommon for a government to announce an initiative in the budget and then later go through how it would work, but, because this took effect at midnight then and so many businesses are now telling us they are going out of business, it is irresponsible to announce something unless it is evidence based. I am very keen to know what the evidence was that at an income of \$100,000 there would be ongoing uptake.

**Senator IAN MACDONALD**—A very good question, Senator Milne.

**Mr Carter**—The department has provided advice on a number of occasions to government from around February in relation to this program. The budget was based on an uptake of 150 applications per week. We were increasingly concerned early this year that the application rate was increasing dramatically. Indeed, it has progressed to an average of about 190 a week and in the last six weeks the average has been 365 applications a week. In fact, in the week preceding the budget we received 493 applications. So we were concerned at the rate of uptake and our capacity to meet the payments to that.

We provided a range of advice on options. On the issue that you have raised about evidence based on setting the means test, there is an absence of comprehensive demographic data on households that have installed solar power systems. There is no doubt that we had difficulty finding a great deal of information around that. We undertook a literature review and identified a couple of surveys published in 2007: the Alternative Technology Association *PV system owners' survey* and the CSIRO *Public attitudes towards electricity alternatives* in October 2007. We had access to some commercial-in-confidence information in addition to that and we provided advice to government on a range of options to manage that program. We did not undertake extensive modelling on it. As I indicated, we had a limited amount of comprehensive demographic data available.

**Senator MILNE**—Can I take you to the Alternative Technology Association survey that you have just mentioned. What did it say about the household income at which people take up this rebate?

**Mr Carter**—I do not have that information on hand. I will have to take on notice what that report indicated.

**Senator MILNE**—I can tell you that it said it was a net income of \$100,000, not a gross income of \$100,000. Do you think that would make a substantial difference to your modelling if you took that into account?

**Mr Carter**—As I said, we drew on the information we had available, which were those two studies and some other information, and provided advice to government based on that.

**Senator MILNE**—But do you understand the point I am making? That Alternative Technology Association survey was an after-tax income.

**Mr Carter**—I understand that point, yes.

**Senator MILNE**—That makes a big difference, because then your cut-off point would be much higher. From what you are saying to me, the rationale was that it was too successful, too many people were taking it up and it was going to cost the government too much to keep it going, so you had to slow it down and impose a means test, but you did not actually consult with any of the businesses around Australia in the solar sector who were providing and installing this. Is that true? Was there any consultation with the industry?

**Mr Carter**—The confidential nature of budget considerations meant that we did not undertake consultation with industry, no.

**Senator MILNE**—If you are going to impose something that pulls the rug out from underneath a business, you would think there would be some consultation. Are you having consultations with the coal industry about the emissions trading system?

**Senator Wong**—I presume that was a question to me, Senator Milne.

**Senator MILNE**—Yes, it is.

**Senator Wong**—I am happy to answer Climate Change questions tomorrow, but we are consulting with NGOs, industry and other stakeholders about the ETS, and we have been very public about that.

**Senator MILNE**—Yes.

**Senator Wong**—But I would make the point that Mr Carter is correct in that some sorts of expenditure measures, sometimes by their nature, obviously do not form the basis of consultation. I think the alcopops measure was introduced at midnight, from memory. So there are quite a number of precedents where measures are introduced without detailed consultation, for obvious reasons.

**Senator MILNE**—The difference here, though, is that these businesses are largely small businesses and many of them are going to go out of business. Were you aware, at the time that you put on this means test, that small businesses were buying in bulk in order to reduce the up-front capital cost for these systems for individual householders and now they have had massive cancellations? They cannot afford to hold the stock, the suppliers will not take it back

and people are going broke. I am shocked to learn that there was no consultation with the industry when we are trying to encourage solar industry, not destroy it.

**Mr Carter**—Certainly applications that have been received up to that point would continue to be processed.

**Senator KEMP**—That is a matter for the minister; that is not really a matter for the officer.

**CHAIR**—Mr Carter is answering.

**Senator KEMP**—I think a minister has to answer for political decisions.

**CHAIR**—She may well supplement Mr Carter's answer, but Mr Carter is answering, Senator Kemp.

**Senator KEMP**—You cannot hide behind public servants.

**CHAIR**—Mr Carter.

**Mr Carter**—There is also the context of the Remote Renewable Power Generation program and its provision, which includes solar panels, and the National Solar Schools Plan. We discussed at additional estimates the Remote Renewable Power Generation program and one of the constraints on installers in that program. We have noticed a significant increase in the watts to grid of photovoltaics as opposed to the number and proportion of stand-alone systems that have resulted from this program becoming somewhat overheated. Another concern—and one of the reasons we were alerting government additionally—was that having such a significant peak in demand with the budget that we had available in each year raised the prospect of a peak-and-trough effect if we had to cease accepting applications because we had run out of money in a particular year.

**Senator MILNE**—A lot of that is padding, frankly, in response to what I am asking. I would now like to ask the minister: given that a number of businesses are now going to go broke because this was introduced without any consultation with the industry—one phone call would have established that—are you going to compensate those businesses? More particularly, are you going to reverse the decision now that you have become aware that the Alternative Technology Association's survey on which the \$100,000 means test was based actually provided different information to that which you have cited?

**Senator Wong**—Obviously the government recognises that there are people who will be disappointed with the government's decision.

**Senator MILNE**—Losing their businesses is more than disappointment.

**CHAIR**—Allow the minister to answer.

**Senator Wong**—Obviously the government understands that some people will be disappointed with not being able to access the rebate. Difficult decisions have to be made in the budget context, and the government is determined to bring down a budget which is fiscally responsible. I would remind the committee that this government is giving a very substantial amount of support to solar energy and that this is not the only program that the government is funding in order to support solar energy. Mr Carter has referred, for example, to the National Solar Schools program and we have already had a lengthy discussion on the green loans. I would remind the committee that this government has a commitment to a 20 per

cent renewable energy target—a very substantial commitment—which is intended to drive investment and support renewable technologies such as solar. In addition, we have a half a billion dollar Renewable Energy Fund. So there is a very substantial set of commitments for supporting renewable energies, including solar.

**Senator IAN MACDONALD**—Senator Milne did not ask for a political speech; she asked whether there would be compensation. The minister is just wasting the time of this committee by giving an ALP policy speech when she should answer Senator Milne's question. Is there going to be compensation?

**CHAIR**—Minister, continue.

**Senator Wong**—I was responding to one of the assertions, Chair, in Senator Milne's question. I would also make the point that the government's pre-election commitment of \$150 million for this program remains unchanged. We have means tested it. That is a budget decision. As I said, we are substantively resourcing renewable energies, including solar.

**Senator MILNE**—So there is no compensation, I take it from your answer, and there is to be no review of the decision, in spite of the fact that it has been made on wrong information or misinterpretation of the information you had.

**Senator Wong**—With respect, Senator Milne, that is your opinion.

**Senator ALLISON**—But it was confirmed.

**Senator Wong**—That is your opinion.

**Senator ALLISON**—Mr Carter confirmed it.

**Senator Wong**—That is your opinion.

**Senator ALLISON**—It is not our opinion, Minister. It is the evidence you are giving us tonight, not our opinion.

**Senator Wong**—The government has to make a decision about how best to apply government expenditure. We are means testing this program at \$100,000 annual household income. I would make the point that that is the same means test as for solar hot water rebates, which was introduced by the now opposition when in government. I would make that point, and we are delivering, in terms of the totality of the cost of the program, our election commitment. There is no measure in the budget that deals with compensation on this issue.

**Senator MILNE**—Is there any process now for reviewing the decision in light of the fact that it is going to shut down a lot of solar businesses and remove confidence from any venture capitalist or anyone deciding to invest in renewable energy? You are changing the rules without consulting with them. Do you accept there is now a lack of confidence around Australian industry?

**Senator Wong**—Which of these questions would you like me to respond to? You have asked me three.

**Senator MILNE**—It is the same question.

**Senator Wong**—No, there are three questions. In terms of the process, I am here to represent Minister Garrett. This is a budget decision and it is the decision of the government.

**Senator ALLISON**—So the answer is no?

**Senator Wong**—This is a budget decision.

**Senator BIRMINGHAM**—Minister, what does the budget decision say?

**Senator Wong**—Is it Senator Birmingham now?

**CHAIR**—We will complete the answer to Senator Milne and then we will move to Senator Birmingham.

**Senator Wong**—I should indicate that I do believe that the Prime Minister has stated that the government will closely monitor demand for this program.

**Senator MILNE**—It is not the demand for the program; it is the impact on businesses right now that I am really concerned about. Since this budget announcement I have had numerous phone calls and emails, and I know—

**CHAIR**—What is your question, Senator Milne?

**Senator MILNE**—My question is: what are you going to do about (a) the lack of confidence generally the sector now has in terms of investing in renewables, and particularly solar, and (b) what are you going to do for the people who are going to go broke because of it?

**Senator Wong**—I would simply reiterate that this government is substantially increasing its support for solar energy and renewable technology. A renewable energy target of 20 per cent by 2020 is a very substantial backing of renewable energy—

*Senator Allison interjecting—*

**Senator Wong**—but the signal to the market—and you know that, Senator Allison, because you have been arguing for it—is extremely important because what it says is that the government is prepared to back, through a market mechanism and through legislation in terms of a renewable energy target, increased uptake of renewable energy. So there are a range of policy measures that the government is putting in place. I would refer you also to the \$500 billion Renewable Energy Fund. In addition, as both Senators Allison and Milne, who have an interest in this issue, would be aware, the introduction of an emissions trading scheme will obviously alter the competitive position of renewable energy. The government is, across a range of policy measures, substantially investing and supporting renewable energy, including solar.

**Senator MILNE**—What do you expect the flow-on effect of this decision to be on the Solar Cities program? It has been put to me that it is going to substantially undermine that as well.

**Mr Carter**—We are working through implications of the change for Solar Cities. Solar Cities is set up in a way that enables flexibility around both individual packages and the consortia arrangements. That program is in place out to 2013 and it was anticipated there would be a number of market changes that occurred. Clearly, there is substantial work for us to do with the consortia to work through that, and we have commenced those discussions.

**Senator MILNE**—Surely, before you announced a decision to put in a means test, you should have known what the flow-on effect to the Solar Cities program was because, contrary

to the view that there is incredible support for solar energy, this is a house of cards that is now collapsing.

**Mr Carter**—The detail of each of those packages and arrangements is something that the consortia work up. We understood that there would be implications and we would need to work through those with each of the solar cities.

**Senator MILNE**—You cannot tell me what the implications for the Solar Cities program are likely to be as a result of a means test. You went ahead anyway without any knowledge of what it was going to do to the industry as it currently stands, without any knowledge of what it is going to do to the Solar Cities program either.

**CHAIR**—Senator Milne, Mr Carter has answered that question already. We need to move on. Senator Birmingham.

**Senator BIRMINGHAM**—Thank you, Chair. Minister, despite all of the fine words in your monologue before, the simple truth is that the first concrete action this government has taken has been to pull the rug out from underneath the feet of those in the solar industry. How much is this measure of introducing the means-testing saving the government?

**Mr Borthwick**—This is not a savings measure. In fact, the measures—

**Senator BIRMINGHAM**—It will be the first means-testing in history that is not a saving, Mr Borthwick.

**Mr Borthwick**—No. It is the same \$150 million available. All it has been doing is moderating demand to the available money. It is the same money that was available but it has been brought forward from 2010-11 and 2011-12 to a greater degree into 2008-09 and 2009-10. It is the same \$150 million but it has been brought forward because there has been a far higher uptake of the funds. There are no savings.

**Senator BIRMINGHAM**—If it were not means tested and the program not capped, what would the cost be?

**Mr Borthwick**—No, it was not. There is always going to be \$150 million available and, as Mr Carter indicated earlier, you can either make this available to lower income families or you can make it available to higher income families, in which case the demand would have been up, which meant the program would have had to have stopped within a couple of months.

**Senator BIRMINGHAM**—Would that demand have been another \$2,000 on top of the \$6,000, another \$3,000, another \$ 4,000? If it were not means tested and it were not capped, how much extra would the cost have been?

**Mr Borthwick**—It always is capped. It would have had to have been capped to the available money that was appropriated.

**Senator Wong**—It was capped under your government, Senator Birmingham.

**Mr Borthwick**—Yes, absolutely.

**Senator Wong**—It has always been capped. Secretary Borthwick is reading from the expenditure details at pages 40 and 41 of the EBO—environment budget overview.

**Senator IAN MACDONALD**—Senator Birmingham’s question was about it not being capped.

**Senator Wong**—That is a hypothetical question. It was capped under your government.

**Senator IAN MACDONALD**—That was his question, Minister. We are not interested in the rhetoric.

**Senator Wong**—We are, as we said, bringing forward expenditure so that we are spending the amount over three years instead of five—the secretary can correct me if I am wrong—and we are spending the full amount. The difference is we are focusing it on lower income households.

**Senator IAN MACDONALD**—Mr Borthwick, could you answer the question that was asked?

**Mr Borthwick**—Which—about?

**Senator IAN MACDONALD**—Senator Birmingham’s question was, as I understand it: if it were not capped, what was the demand projected to be at? You must have done these figures.

**Mr Borthwick**—No, I have not. But Mr Carter earlier was referring to what the demand was running at in the weeks and months prior to the budget which meant, if it was going to run at those levels, we would have had no alternative in terms of pressing right up against the limit of our annual appropriation and, clearly, we could not do that.

**Senator IAN MACDONALD**—Someone must have done the figure which was the subject of Senator Birmingham’s question. If it was not capped, what was your projection of what it would have got to? You must have had some estimate of it.

**Mr Borthwick**—Mr Carter indicated the level it was running at. We would have to go back and take that on notice, but it would have well exceeded the amount of money that parliament would have appropriated.

**Senator IAN MACDONALD**—For a government that were determined to increase the take-up of solar energy, one would have thought they would have been embracing this. Isn’t that right, Minister?

**Senator Wong**—As I have said on a number of occasions, we are spending the same amount of money. We are spending it in a shorter period of time. We are focusing this measure on low-income households. In addition, the budget contains a range of measures which deliver on the government’s election commitments which are aimed at supporting renewable energies, including solar.

**Senator IAN MACDONALD**—We have had all that, Minister. Here was a God-given opportunity—

**CHAIR**—Senator Macdonald, Senator Birmingham had the call.

**Senator BIRMINGHAM**—Mr Carter, can you refresh our memories, please. What was the demand running at in the month leading up to this announcement—493?



**Mr Carter**—I might also indicate that, when Senator Milne referred to the ATA survey that I indicated in my evidence, it was one input to advice that we provided to government. We provided quite a wide range of advice for consideration which, clearly, has been part of the deliberative process. I cannot go into the detail of that advice. However, in terms of projections, we had been concerned from around February of this year that there was a steady trend up in applications.

We had an average that was heading towards 190 applications per week. In the six weeks prior to the budget, the average was running at 365 per week. In the week prior to budget week, we received 493 applications. We could not project that that rate would just continue exponentially, but at the sort of rate that it was getting up to we did do some projections on when full expenditure of the measure might occur. I do not have those numbers on me at the moment, but we can work through what some of those were, but expenditure would have occurred in the next financial year of the full five-year program.

**Senator BIRMINGHAM**—When did the department start considering that this might be required to be means tested?

**Mr Carter**—As I said, we alerted the government to the trend up in the rate of applications and that that would cause us difficulty in terms of coming in within the appropriation, and we were asked to provide a range of options around that and advice on those, which we did.

**Senator BIRMINGHAM**—When did you alert the government?

**Mr Carter**—We first raised concerns about the rate of applications in February, and we have raised it and provided advice iteratively since then.

**Senator BIRMINGHAM**—In February? That was raised directly with Minister Garrett?

**Mr Carter**—That was raised with Minister Garrett.

**Senator BIRMINGHAM**—That was raised with Minister Garrett in February, well before 28 March when Minister Garrett and the Prime Minister went to Solartec, and the Prime Minister stood there, with Minister Garrett by his side, and said:

Solar is the most greenhouse-friendly energy available on the planet and, therefore, we just need to take some practical steps to make it possible for as many families as possible to invest in this.

**Senator Wong**—Which is why, Senator Birmingham, the government is investing an unprecedented amount in renewable energies; which is why the government is delivering on its green loans commitment.

**Senator BIRMINGHAM**—Minister, I had not even got to the question at that stage.

**Senator Wong**—No, but you are making a political point, Senator Birmingham.

**Senator BIRMINGHAM**—I had not even got to the question at that stage.

**Senator Wong**—You are making this political point.

**Senator BIRMINGHAM**—You do not like it when I interrupt you.

**Senator Wong**—True.

**Senator BIRMINGHAM**—Thank you, Minister.

**CHAIR**—Your question is?

**Senator BIRMINGHAM**—Minister, don't you think it was irresponsible of Mr Garrett not to actually suggest to Mr Rudd that he should be mindful of his comments at that stage—that he should not be suggesting that they were making support available to 'as many families as possible' if the government had been alerted and if Minister Garrett had been alerted to this problem that was emerging?

**Senator Wong**—A couple of matters in response to that: if you are referring to the visit that has been in the press, my recollection is that was pre-election, March 2007.

**Senator IAN MACDONALD**—That makes it all right, does it?

**Senator Wong**—No. But, having said that, I will respond to the proposition while Senator Birmingham checks that. As I said, the government is investing in, and implementing, a range of programs and measures which are aimed at supporting the renewable energy sector. I have gone through them; I can go through them again. This is far more substantial investment and support for renewable energies than was ever seen under the previous government, and we will progress those election commitments through this budget process in relation to this measure. This is not a savings measure; it is a measure where the full amount will be expended more quickly than was previously budgeted for. What the government is doing is introducing a means test to ensure it goes to families and households that need it most.

**Senator BIRMINGHAM**—How do you respond to comments from people like Mr Phil May of Solartec that: 'They have totally destroyed the solar industry, absolutely and totally ruined it.'

**Senator Wong**—I think I acknowledged at the outset that the government understands that there are members of the community who are disappointed with this decision. What I would ask is that they consider the range of policies the government has put in place and will implement to support renewable energy.

**Senator BIRMINGHAM**—That is fine if they are still in business by the time those other policies take effect. Has the government received comment from people in the industry along the lines of those such as Mr May, who says he lost \$360,000 in cancelled orders within three days? Have you received representations from industry highlighting these problems?

**Senator Wong**—I personally have not, but I am aware, from what has been made public, of some of those comments, yes.

**Senator BIRMINGHAM**—Does the government still meet with the PV Directorate?

**Mr Carter**—My understanding is that the staff in that area do continue to meet with the PV Directorate. I do not know when the last meeting was. I can provide that on notice.

**Senator BIRMINGHAM**—Has this matter been discussed at all with the PV Directorate who, in additional estimates earlier this year, said:

... those who run the Renewable Remote Power Generation Program and the Photovoltaic Rebate Program, participate in a regular dialogue with the photovoltaic industry in particular through a group known as the PV Directorate.

That was Mr Oxley on 19 February. How regular is that dialogue?

**Mr Carter**—I am not sure how regular that is. I am aware that staff in that area have had quite a number of phone calls and discussions with people in the industry.

**Senator BIRMINGHAM**—So there has been no official communication with the PV Directorate or the government's usual communication channels either before or indeed even since this announcement?

**Mr Carter**—Not to this point but I will take on notice when the next meeting of the PV Directorate is.

**Senator BIRMINGHAM**—Given the enormous concern this has obviously generated in the solar industry, ignoring the fact that the government failed to consult anybody beforehand, surely it would have been appropriate in the days since the budget to convene a meeting of this group to give the soothsaying words that Minister Wong has been uttering tonight?

**Senator Wong**—Mr Carter can answer in terms of the department. Regarding Mr Garrett's office, I would have to take on notice what meetings have or have not occurred or are intended to occur.

**Senator BIRMINGHAM**—Can we check with Mr Garrett's office? I am sure Mr Garrett's office is watching. Earlier today, Minister, you were calling to the officials in the room next door to ensure that they were watching and listening.

**Senator Wong**—I certainly know officials are watching.

**Senator BIRMINGHAM**—I am sure Mr Garrett's office are watching and listening too. So a quick question: has he actually bothered to meet with the industry since this announcement? Quite clearly he did not bother beforehand.

**Senator Wong**—I have indicated I would take that on notice and I will do so.

**CHAIR**—Senator Johnston has the call.

**Senator KEMP**—There is an interesting issue here.

**CHAIR**—Senator Kemp, your colleague Senator Johnston has indicated that he wants the call and then I will go to you.

**Senator KEMP**—I just want to make this point: Mr Garrett and his staff are in the building. It is a very straightforward question. Has Mr Garrett met with the industry or not, and could someone on the minister's staff give a call to Mr Garrett's office and inquire whether that is the case? It is very straightforward. I cannot see what the problem is. We can resolve this issue very quickly. Taking it on notice is unsatisfactory.

**Senator Wong**—Can I just say this: I am sure that, even if I were able to get that information straightaway, that may not be the last aspect of the question and then I would have to take the next bit of the question on notice as well.

**Senator KEMP**—No, that is right. Hello! This is called accountability.

**Senator Wong**—I am just making the point that I do not have that information in my hand.

**Senator KEMP**—Mr Garrett does, though.

**Senator Wong**—I have indicated I will take that question on notice and I am aware that opposition senators are very keen to know as soon as they are able whether or not that information is to be provided.

**CHAIR**—Thank you, Senator Wong.

**Senator BIRMINGHAM**—It has only been a couple of days since the budget. I am sure it cannot take that long for him to check his diary.

**CHAIR**—Senator Johnston.

**Senator JOHNSTON**—Thank you, Chair.

**Senator Wong**—Senator Birmingham, I think you do better when you do not try and emulate Senator Macdonald.

**Senator JOHNSTON**—Mr Carter or Mr Borthwick, are you aware of the level of complaint that has been flowing into the minister's office and to the department with respect to this particular policy?

**Mr Borthwick**—Yes.

**Senator JOHNSTON**—Yes? Tell me: there have been letters and emails and phone calls, have there it not?

**Mr Borthwick**—Yes.

**Senator JOHNSTON**—What have we done with all that material?

**Mr Borthwick**—The customary practice is that those people who write to the minister get a reply.

**Senator JOHNSTON**—The minister's office has not been doing the reply and the minister has not had his people doing the reply. He has given it to the department, hasn't he?

**Mr Borthwick**—That is the normal practice.

**Senator JOHNSTON**—And Mr Warren Hughes has been writing a pro forma letter out to all of these people. The letters are all the same, saying exactly what the minister has been saying—'There are winners and losers and it is a terrible situation.' Mr Hughes has been given the hostile handball of placating these myriad of people, hasn't he?

**Mr Borthwick**—I cannot speak to that.

**Senator JOHNSTON**—You have Mr Warren Hughes working in the department, haven't you?

**Senator Wong**—I am not sure what the point is, Senator Johnston. It is, as you would know—

**Senator JOHNSTON**—I am looking for the compassion when you are sending people bankrupt. It is obvious.

**CHAIR**—What is the question, Senator Johnston?

**Senator JOHNSTON**—Have you collected all of the complaints and is Mr Hughes writing a stock-standard pro forma letter from the department in deference to the minister getting involved in any shape or form with this fiasco? That is the question.

**Mr Carter**—There are a range of ways that we respond to letters that come in. Clearly, when we have a high volume, some of it comes to the minister and the minister responds directly. Some of that is passed to the department to reply to and, yes, where letters are raising substantially the same issues, we may provide a response that is, in your terms, a pro forma.

**Senator JOHNSTON**—Thank you, Mr Carter. What is a high volume?

**Mr Carter**—I do not have the numbers with me.

**Senator JOHNSTON**—Can you give us some rough estimation of what you are dealing with in terms of this policy?

**Mr Carter**—In the order of 200 letters and 100 emails at this point.

**Senator JOHNSTON**—This morning?

**Mr Carter**—In the order of that, to date.

**Senator JOHNSTON**—To date, 200 letters and 100 emails. That is high volume. You have declared that as high volume.

**Mr Carter**—That is a reasonable amount of correspondence, yes.

**Senator JOHNSTON**—And you have responded to each one of those people?

**Mr Carter**—I am not sure how many of those we have so far responded to.

**Senator JOHNSTON**—But you anticipate responding to all of them?

**Mr Carter**—We would respond to all of the people who wrote to us in relation to a matter like that.

**Senator JOHNSTON**—Very good of you, and I thank you for doing that, on behalf of the parliament. What is the general context of those letters and emails? What are they all saying, roughly: what is the common thread?

**Mr Carter**—The common thread is disappointment with the introduction of the means test.

**Senator JOHNSTON**—Can I put the common thread to you and see if you agree with me in line with what Mr May's wife—and, of course, Mr May is the proprietor of Solartec—said. She said that she is 'absolutely heartbroken that they could bite the hand that helped them promote their policies'. I take it a lot of those letters and emails are extremely disappointed that they have actually been conned with respect to what happened in the election and what they anticipated the government would do about solar energy. Am I right?

**Mr Carter**—I am not aware of people using those terms.

**Senator JOHNSTON**—They are very unhappy, though, aren't they?

**Mr Carter**—Yes.

**Senator JOHNSTON**—They are disgruntled. There is a sense of betrayal.

**CHAIR**—What is your question?

**Senator JOHNSTON**—Is there a sense of betrayal running through the general theme of those 200 letters and 100 emails?

**Senator Wong**—Asking the officer to characterise the 200 or 300—

**Senator JOHNSTON**—He has got them and read them.

**Senator Wong**—I am not sure that that is possible. I do not think anybody in government underestimates—certainly we do not underestimate—how disappointed some members of the community are. We acknowledge that. Obviously difficult decisions are made in the context of a budget where a government is seeking to ensure that we are fiscally responsible. What I would point to, again, is that we are, through this budget and our policies, providing a deal of support for renewable technology.

**Senator JOHNSTON**—Minister, let me ask you this question: what are you going to do for the working families and small business proprietors that you have sent, through this policy, into bankruptcy? What are you going to do for them?

**Senator Wong**—What I have said is that, through this budget and through our policies, the government is providing an unprecedented level of support—

**Senator JOHNSTON**—What are you going to do for the small business men?

**Senator Wong**—for renewable energy and renewable energy technology. We acknowledge that people are disappointed with this decision, but the government has to make difficult decisions in the context of a budget and, as I said, we are providing through this budget a substantial amount of support for renewable energy.

**CHAIR**—Thank you. We are now scheduled to go to a tea break and we will resume with Senator Allison.

#### **Proceedings suspended from 8.44 pm to 9.01 pm**

**CHAIR**—We will resume with Senator Allison.

**Senator ALLISON**—I want to go back to the figures. I have written down the figures you mentioned for the weeks leading up to the budget, but if you go back to February, for instance, there were 530 residential PV units installed that attracted the rebate. Can you clarify that?

**Mr Carter**—No.

**Senator ALLISON**—That was for the whole month of February.

**Mr Carter**—There is a difference between the application rate and the installation rate. We receive applications and, if they are eligible, we give a pre-approval to them. Installation follows at some time after that. The two sets of numbers do not track each other precisely. They are different numbers.

**Senator ALLISON**—Nonetheless, even if you go back to November last year, 503 were installed then. I see a pattern. Sure, the number installed increases after the rebate is increased to \$8,000. I accept that, but I put it to you that it is likely that you would get a surge of interest in the weeks leading up to the budget in anticipation of a decision such as the one that has been made being made. How much effort did you put into understanding whether this increase was due to that factor or some other more longstanding trend?

**Mr Carter**—We certainly thought about what the trend was and whether it was consistent, but it was tracking as a continual averaging increase across the period. I can take on notice that you would like to see the full dataset of both applications and installations over that period so that you can examine that data. But our conclusion was that we were seeing a steady increase due to people's awareness of both climate change issues and attractiveness of the rebate package, and we did not see any sign that that was not going to be a substantial and sustained level of application.

**Senator ALLISON**—So your benchmark—

**Senator Wong**—I am sorry for the interruption, Senator Allison. I should have done this at the outset. We are obviously at output 1.1, but I want to clarify the timetable. Is it the committee's intention to get through to outcome 1.5 before 11 pm? If not, if you have many more questions on this, could officers from subsequent outputs be released? I understand from the secretary they are available tomorrow morning.

**CHAIR**—We think we will be on this output for quite a while yet.

**Senator BIRMINGHAM**—We will certainly be a while on this output, and I would think that output 1.2, if we did get to it, would take a while as well. I am looking for the input of crossbenchers there, too.

**Senator Wong**—We are in the committee's hands. They are available tomorrow morning as well. We wanted to check because I do not want to hold people here.

**Senator BIRMINGHAM**—I would have thought outputs 1.3, 1.4 and 1.5 could probably go. Whether we need to keep 1.2 just in case we—

**CHAIR**—The only issue with output 1.2 is that Senator Siewert in particular wanted to ask some questions that might have gone across outputs 1.2 and 1.3.

**Senator BIRMINGHAM**—If we have to continue 1.2, we could accommodate it in the morning.

**CHAIR**—We could do that in the morning.

**Senator IAN MACDONALD**—How much longer will we be on this? I have only another three questions.

**Senator Wong**—Senators Allison and Milne have indicated they have more questions on this.

**Senator ALLISON**—Yes. I am still pursuing this, if I may.

**CHAIR**—I will speak to Senator Siewert. We will go on with that. We will get back to you.

**Senator Wong**—Okay.

**Senator ALLISON**—The budget papers talk about 6,000 units being installed in 2008-09, which would be, as I understand it, about the same level of installation as in February—around 500 for the month. Is that correct?

**Mr Carter**—I am sorry. Could you repeat that?

**Senator ALLISON**—The budget papers say that around 6,000 units are expected to be installed in 2008-09. I am asking you whether that rate of installation would not be similar to the figure for February. There were 530 units installed in February.

**Mr Carter**—As I was trying to communicate, perhaps not very clearly, the installation rate is different to the application rate, so we end up accumulating a number of pre-approval applications.

**Senator ALLISON**—Yes. I am sorry. You said that earlier, but it is difficult for us to know. You have given us some figures tonight about application rates, but we have the figures for installation. At some point they have to come together because the application rate, if they are all approved, becomes the installation rate, surely.

**Mr Carter**—Yes, that is the case. The applications are building up to an increasing backlog.

**Senator ALLISON**—Can you give us month-by-month figures that show the application rates and, alongside those, the installation rates, so that we can get a picture of the trends for both?

**Mr Carter**—Certainly. I can provide that.

**Senator ALLISON**—Thank you. As I understand it, this measure will deliver at the end of its—

**Senator Wong**—From how far back are you seeking that information?

**Senator ALLISON**—From the beginning of the \$8,000 rebate, which I think was about July last year, wasn't it?

**Mr Carter**—Yes, it was a measure from the last—

**Senator Wong**—So you want the data from July till the budget?

**Senator ALLISON**—Yes.

**Senator Wong**—Okay.

**Senator ALLISON**—As I understand it, up to—

**CHAIR**—I am sorry, Senator Allison, to interrupt your flow, but I want to go to the question of who can stay and who can go. There seems to be agreement of the committee that we will probably not get to outputs 1.3, 1.4 and 1.5 tonight, but we will require them in the morning. However, in output 1.2, which we should get to, there will be questions about Caring for our Country, so the department could work out who needs to be here. If any of those people dealing with that issue are in output 1.3, we will need them.

**Senator ALLISON**—Mr Carter, what do you understand to be the megawatt capacity of solar PV units today, or whenever you have the most recent figures?

**Mr Carter**—I do not think I have that figure with me.

**Senator ALLISON**—Fifty-eight or 60 wouldn't be too far off the mark, would it?

**Mr Carter**—I would have to get that figure for you. I do not have it.



**Senator ALLISON**—It is not hundreds of megawatts. It is less than 100. That would not surprise you, presumably?

**Mr Carter**—It would not surprise me.

**Senator BIRMINGHAM**—Senator Allison, I am sorry to interrupt the flow of your questions. Regarding the question about trend data that you asked Mr Carter before the chair made her announcement, I was not sure whether Mr Carter took that on notice or whether he was about to provide that data.

**Senator ALLISON**—No, he is going to provide it to us.

**Mr Carter**—Put that on notice.

**Senator ALLISON**—It will take a bit of putting together.

**Senator Wong**—Yes, it is on notice.

**Senator ALLISON**—My figures show about 58 megawatt capacity in our PV units around the country total, all up. Minister, you might be able to answer this better: what is the anticipated capacity of PV solar generation, say in 2010 and then in 2020? I know we have got a renewable energy target and that, to some extent, takes in PVs, but what do you anticipate the PV part of the target will be by 2020 and what will it be in 2010, given that we are on about 58 megawatts now?

**Senator Wong**—We may be able to assist you in the DCC context. Obviously this department deals with specific programs such as the one you are asking questions about. In terms of the overall renewable energy uptake, we may be able to assist you in Department of Climate Change tomorrow night at 7.30. The only point I would make, certainly in relation to the target that you have raised, is that the government is not disaggregating that in terms of what component will be driven by any particular type of technology, as you know. You and I have had this discussion before.

**Senator ALLISON**—So it is not the intention to disaggregate the target at any stage?

**Senator Wong**—That is not the policy intention.

**Senator ALLISON**—And you have no estimate?

**Senator Wong**—The commitment is 20 per cent and the logic is, as you know, to have a target which allows the market to determine what is the most efficient technology, rather than the government determining that. What the government does determine is the suite of technologies to which the target applies, and they are renewable energies.

**Senator ALLISON**—I know the market is determining technologies, but by intervening with a rebate—for which you have been criticised, I might say; not by me—

**Senator Wong**—We get it both sides actually!

**Senator ALLISON**—Nonetheless, you cannot use the argument. ‘We are not intervening in the market,’ when you are.

**Senator Wong**—I would prefer, if convenient to you, to wait until I had officers who are responsible for this at the table, which is the Department of Climate Change, but you are correct, it is a policy measure that is about quite specifically intervening to create a 20 per

cent renewable energy target, but what I am saying is, within that, it is not the policy intention to disaggregate between different types of technologies. If you think it through, that makes sense.

**Senator ALLISON**—To be clear, by the end of this measure, which is 2012, do we have a figure on what, as part of this measure, this will deliver by way of megawatt capacity?

**Mr Carter**—I do not think I have the estimate of capacity in megawatt terms with me. I will have to get that for you.

**Senator ALLISON**—Have you had a chance to compare Australia's megawatt capacity with some of the other countries around the world that regard solar PV units as a significant subset of their renewable energy targets?

**Mr Carter**—I have not done that comparison. I am sure that there is data available on what the comparison is with other countries.

**Senator ALLISON**—You do not know where Australia rates per capita or as a country overall in terms of capacity?

**Mr Carter**—I do not have that information with me, no.

**Senator ALLISON**—I understand that Japan has 4,820-megawatt capacity. I know Japan have more people than we have, but there is still a fairly big difference between them and us. You would agree?

**Mr Carter**—Yes; that is a significant number.

**Senator ALLISON**—Germany, 2,000 megawatts. Minister, you do not think that our—

**Senator Wong**—I do not have those figures in front of me. Germany has had for some time, I think, substantial feed-in tariffs for solar. They do not have a renewable energy target as well as that. I suppose you might say that is the alternative policy mechanism for it. We have obviously, as a government, committed to an increased renewable energy target. I am happy to continue as much as I can, but I do not have the officers here who are responsible for that aspect of the government's policy.

**Senator ALLISON**—To make up for the disappointment, as you describe it, in the take-up likely here—some say it is going to be a loss of somewhere between 75 and 80 per cent of the current figure—will you be talking with the states about both a uniform and a gross feed-in tariff around the country?

**Senator Wong**—You have asked these questions before in Department of Climate Change, or maybe it was Senator Milne. I apologise. I know I have answered them. I can indicate that it was an election commitment to seek a harmonised approach to feed-in tariffs. I can also indicate that the COAG working group that I chaired, the Climate Change and Water Working Group, is working on this issue amongst a range of other measures. I do not have officers here who are dealing with that, because that is the responsibility of the Department of Climate Change.

**Senator ALLISON**—Isn't it a bit late to be asking about uniformity when we already have three states that are off and running with three different schemes, none of which is gross metering, which is what Germany has done to achieve their 2,000-megawatt capacity?

**Senator Wong**—Again, I would remind you—and I might need to correct this if I am wrong, because I do not have officers here to advise me on it—that Germany’s feed-in tariffs are in lieu of a renewable energy target.

**Senator ALLISON**—Correct.

**Senator Wong**—So there are different ways in which governments can push these things.

**Senator ALLISON**—We are going around in circles, because you do not have a figure in mind for what the renewable energy target will deliver by way of PV units in the whole renewable sector.

**Senator Wong**—No, and I would ask if you would defer these questions to the Department of Climate Change tomorrow night. What I have said to you—and I will correct it tomorrow night if I am incorrect—is that it is not my recollection that the government has made any commitment, nor do we have any intention to disaggregate for technology in relation to the renewable energy target. If you think through it logically, there would be quite a lot that one would have to administer if you did that; if you were trying to say you have to have X per cent from this, this and this. That is a substantial administrative load on that measure.

**Senator ALLISON**—You have all sorts of targets. You have targets for spending, which have fallen through because of demand. I would have thought that you create targets all the time. We do not know yet what the actual drop-off will be, but do you have a figure beyond which you will say it is time to review and change the threshold? For instance, if we are running at 500 a month and that is the norm, if it comes back to 200 will you then revisit the question of the threshold?

**Senator Wong**—All I can go back to, and I am happy to take it on notice, is that I understand that the Prime Minister has stated that the government will closely monitor the demand for this program. I am not aware, nor are the officers at the table, of any further announcement on the details of that by the government.

**Senator ALLISON**—Are you prepared to spend the budget that has been put in these budget papers?

**Senator Wong**—That is the appropriation.

**Senator ALLISON**—You may have to modify the rules. If you have to modify the rules in order to spend the money as appropriated, will you do so?

**Senator Wong**—The government has appropriated the funding for this measure and the Prime Minister has indicated the monitoring of demand that I referred to.

**Senator ALLISON**—The purpose of the monitoring?

**Senator Wong**—I do not have anything further I can add on this, Senator Allison. I can take it on notice. If the question is in relation to further details of such monitoring, I will have to take that on notice.

**CHAIR**—Thank you, Senator Allison. Senator Parry.

**Senator PARRY**—Minister, in the last session in relation to questioning by one of my colleagues on the means-testing of the \$8,000 solar rebate, you indicated you had received no letters of personal complaint or personal letters addressed to you.

**Senator Wong**—I am sorry, I do not recall if that was what I said.

**Senator PARRY**—Then let me ask you the question again, if you do not recall. The *Hansard* will reflect that. Have you received any personal complaints?

**Senator Wong**—If it did, I am aware of complaints. I do not know what my office has received. I thought the question was in relation to what Minister Garrett and the department had received, but I might have misunderstood that.

**Senator PARRY**—Again, I will be corrected by *Hansard* if I am incorrect, but my recollection is that you indicated that you had not personally received complaints but maybe Minister Garrett had.

**Senator Wong**—If that was the evidence I gave, I do not know that I could maintain that, because I do not know what representations from constituents have been received in my electorate office and I do not know what correspondence and emails my staff and office have received. As I said, I am aware that this is a decision that a number of people are not happy with.

**Senator PARRY**—I would have thought, as a minister in this particular portfolio, you would have been very astute and keen to understand what the committee was feeling. We are not mercenary here. I am very prepared to ask if you want to revise that previous answer, if that is what it was, or if you now want to indicate, yes, you may have received complaints.

**Senator Wong**—I may have received complaints.

**Senator PARRY**—It was a categorical ‘no’ last time, but we will accept a ‘yes’ now. There are two letters that I happen to have, and I understand there may be more. The first one is addressed to you and also to Mr Garrett and copied to other members of parliament. I am happy to table these in a moment. One of the statements in the letter, which is from Austin and Lynda McLaughlin from Doncaster in Victoria and is dated 21 May, says:

If the Government is truly serious about combating climate change, then it needs to encourage those who can better afford solar panels to invest in this technology.

Without high uptake levels, job losses in the solar industry are expected and solar panel research will be impeded, which will lead to a less environmentally sustainable society.

Do you want to comment on that letter? Do you have any remarks to make about that letter, which I am happy to table.

**Senator Wong**—I am not sure what the question is.

**Senator PARRY**—Do you agree with the comments?

**Senator Wong**—Clearly the government has made what is a difficult decision in the budget on this issue, and I would simply refer to my previous answers. We recognise that there are people in the community who are disappointed in relation to this decision. It is a difficult decision.

**Senator IAN MACDONALD**—You were asked whether you agree, not what the government’s position is.

**Senator Wong**—Our view is, as I said, twofold. There are two issues I would respond with. The first is that we are spending, under this measure, the full amount of the program and

the full amount that was committed. The second point is that I agree with the proposition that the government, in terms of a response to climate change, amongst other measures, needs to support renewable energy technologies. That is why the government is, through this budget and through other policies, substantially supporting renewable energy.

**Senator PARRY**—This clearly indicates you are not supporting renewable energy. You have locked out an entire market that would take up and embrace this technology if the rebate were still in place within the parameters that used to exist. Really, the bottom line for the government is: does the government really support solar energy as a viable alternative to assisting in the global climate issues or does the government not agree with that? I think, Minister, you really have to come to that conclusion. Do you agree or do you not agree?

**Senator Wong**—The first point is that we are not locking out any market.

**Senator PARRY**—A huge market!

**Senator Wong**—We are substantially investing in renewable energy. We are investing the same amount in this program in a shorter period of time than you had committed to.

**Senator PARRY**—Minister, we are talking about your budget estimates, not ours.

**Senator Wong**—Let us be clear about this.

**Senator PARRY**—No, we are moving forward. This is a forward-looking issue, and you are locking out a huge demographic that would take up solar power. Let me go to a second letter, which I will also table. This is dated 18 May.

**Senator Wong**—Senator Parry, do you want me to respond to your question or not?

**Senator PARRY**—If you are going to respond sensibly, yes.

**Senator Wong**—There are three points: (1) this government is spending as much as was previously budgeted for and, in fact, more in a shorter period of time—in other words, we are bringing forward the expenditure from five to three years in relation to this program; (2) this government is substantially—

**Senator PARRY**—Yes, but you are locking out an entire demographic.

**Senator Wong**—No, we are not.

**Senator PARRY**—You are.

**Senator Wong**—What we are doing is means-testing this program for—

**Senator PARRY**—Yes, and locking out those people who could possibly do this.

**Senator Wong**—households earning up to \$100,000, because we have made a difficult decision to focus this assistance on lower income households.

**Senator ABETZ**—How many lower income households take it up?

**Senator Wong**—What I would say in terms of solar energy is that the government is substantially investing in renewable energy technology. We have a renewable energy target. We have a \$500 million Renewable Energy Fund.

**Senator PARRY**—We know all that, Minister, but we are talking about the rebate level.

**Senator Wong**—This rebate—I think it is \$150 million—remains unchanged.

**Senator PARRY**—People cannot afford the technology below a certain level, and you have locked people out. Let me go to the second letter. This will highlight the flaw in your answer. The second letter was sent on 18 May—with an email copy to you—from Phil and Brenda Simmons. This is a very pertinent quote:

My wife and I are self-funded retirees, living on the Sunshine Coast in Queensland. We have been seriously considering the installation of grid-connected Solar Power. Not for any economic reason (trust us – it doesn't stack-up even with the rebate) but because my wife and I really felt this was something we could do to help build a better and cleaner world, reduce Queensland's demand for electricity (which is at a critical stage), and also because the signals from the Government – offering a rebate/subsidy – made us think this was something that was considered a valuable thing for us to do. Our joint income is marginally over \$100,000 so now no rebate will be available.

You have locked out another family, another couple, and this goes on and on through the complaints that we are receiving about this rebate. You have locked out the most important demographic—that \$100,000 to \$150,000 range of income—that could afford solar panel electricity. I think, Minister, you have to go back and reconsider exactly what your government's position is, because it is now not achieving what it started to achieve, what we set up, and you have locked out an enormous number of people.

**CHAIR**—What is your question, Senator Parry?

**Senator PARRY**—The question is: will you reconsider this policy, or do you get everything dictated from the Prime Minister and Senator Faulkner? What happens here?

**Senator Wong**—This is a decision of the government in the budget.

**Senator PARRY**—Do you make decisions as the minister?

**Senator Wong**—This is a decision of the government.

**Senator PARRY**—Well, the government has got it wrong! Are you going to lobby for the rectification of this and actually get solar energy back on the agenda and put it back into the realm it should be in?

**Senator Wong**—If I could finish my answer: this is a decision of the government in the budget. I have explained to you the basis of the decision.

**Senator PARRY**—Yes, we have heard all this.

**Senator Wong**—Could I finish?

**Senator PARRY**—You are repeating it.

**Senator Wong**—I have explained to you the reason for the decision; I have explained to you that we understand that this is disappointing for some people; I have explained to you—

**Senator PARRY**—Disappointing for a lot!

**Senator Wong**—the substantial investment this government is placing in renewable energy, including solar. I am not sure I can assist you much further.

**Senator PARRY**—Can you at least tell me: will you go back to the Prime Minister and the cabinet and say, 'We've got this wrong, Prime Minister. We have to reverse this. We have to go back to a sensible rebate level'?

**Senator Wong**—The Prime Minister has publicly stated that the government will closely monitor demand for this program.

**Senator PARRY**—I hope he does more than closely monitor it. It is just like watching petrol prices; it does not work.

**CHAIR**—Thank you, Senator Parry. Are there any further questions? Senator Macdonald.

**Senator IAN MACDONALD**—Minister, you will recall your so-called luxury car tax was scheduled to come in on 1 July. Why didn't you follow the same sort of approach for the removal of this subsidy on solar panels?

**Senator Wong**—I cannot answer questions about the luxury car tax. They would need to be referred to the appropriate portfolio. In terms of the transition arrangements associated with this, Mr Carter might be able to assist.

**Senator IAN MACDONALD**—You have been thrown in the deep end again, Mr Carter.

**Senator KEMP**—You should get a public service medal for this, Mr Carter. I think the minister should really answer these questions.

**Mr Carter**—As part of our advice, we provided a range of different options. There was a concern that, with an announcement that had a lead time where there was already a significant number of applications coming in, there would have been a rush of applications preceding that date. That is clearly a decision for government.

**Senator IAN MACDONALD**—It is. Mr Carter, again I do not want to embarrass you. It is clearly a decision for the government, but the minister seems to avoid the questions and throw them onto a public servant, and I am embarrassed for you. Minister, your government decided that, with the so-called luxury car tax, it could wait until 1 July, which means that there could have been a rush of people buying so-called luxury cars between now and then. What was so different about that decision and this decision with the solar panel rebate?

**Senator Wong**—As I have said, I cannot assist you in relation to the luxury car tax.

**Senator IAN MACDONALD**—No, but you are a member of cabinet, aren't you?

**Senator Wong**—I am here representing Minister Garrett in this portfolio, and I cannot assist you in relation to the luxury car tax. You will have to refer those questions to the appropriate committee. Prior to you interrupting him, Mr Carter started to indicate the basis of the implementation of the decision in the manner that the government determined.

**Senator IAN MACDONALD**—I heard what Mr Carter said, thank you. My question is to you, Minister: as a senior member of the government, what was the different rationale? I heard what Mr Carter said. If that applied for solar panels, why did it not apply for the so-called luxury car tax?

**Senator Wong**—I cannot assist you any further, Senator Macdonald. I am not here representing the relevant minister in relation to the luxury car tax.

**Senator IAN MACDONALD**—I am not asking you to.

**Senator Wong**—You will have to ask those questions in that portfolio.

**Senator IAN MACDONALD**—No, I am asking you.

**Senator Wong**—Mr Carter has indicated the public policy rationale—that is, until he was interrupted.

**Senator IAN MACDONALD**—I am asking you what the difference in public policy rationale is, Minister. It is a question not for Mr Carter but for you, as a member of the government.

**Senator Wong**—I cannot assist—

**Senator LUNDY**—Perhaps you should stop interrupting her.

**Senator IAN MACDONALD**—She is not answering it.

**Senator Wong**—Because I cannot assist you any further, Senator Macdonald. If you have questions about the reason that the luxury car tax was implemented as it was, you should ask those on the relevant committee.

**Senator IAN MACDONALD**—I am not asking about the implementation of a luxury car tax. I am asking what is the difference in rationale as to why this could not have been introduced on 1 July? At least then you would have given small business men and their employees a bit of an opportunity to adjust to this draconian measure. As it is, people are losing their jobs overnight. So I ask again, as a member of the government, what was the different rationale of this to that?

**Senator Wong**—Mr Carter has indicated the public policy rationale for the means of introduction of this measure. I do not have anything to add to that.

**Senator IAN MACDONALD**—Minister, I do not expect you to have this at present but on notice can you assess for me, on the number of solar panel installations that were projected—Mr Carter gave us evidence of some figures I think over the last three months and some projected figures which you projected through to make your government believe you could not afford it—the amount of carbon that would have been saved if all of those people who were projected to have applied for this rebate had achieved it and installed the solar panel? What I am trying to get, just in case I am not being clear—

**Senator KEMP**—No, it is very clear.

**Senator IAN MACDONALD**—Perhaps it is not clear to Senator Wong. In case it is not—

**Senator KEMP**—Senator Wong is surrounded by very smart, intelligent public servants. They will pick it up, don't worry!

**Senator IAN MACDONALD**—What I am trying to get to is the amount of carbon emissions that could have been saved for the government had this measure not been introduced.

**Senator Wong**—I will take that on notice. What you are asking is evidence of a policy decision not taken, so I am not sure to what extent you could be assisted. I am not sure to what extent there would be information that essentially models a policy decision that was not taken. I would have thought that would be difficult. I would make the point again that this measure under the budget brings forward expenditure from a five-year profile to a three-year profile, so the total number of rebates remains the same but the rate of take-up is quicker than



was previously budgeted for—yes, means-tested—so logically one would assume that if you have the same number of rebates then you are going to have the same abatement outcome.

**Senator IAN MACDONALD**—Minister, if you are not prepared to do it, we can do it ourselves, as long as you can give us the technical advice on what a solar panel would, on average, save in electricity and therefore greenhouse gas emissions. Then we can use the figures that Mr Carter has already given to us, which you obviously did not listen to, to make our own assessment of the God-given opportunity you have had to seriously do something about greenhouse gas emissions, which in one fell swoop—

**Senator LUNDY**—You forgot about them for 12 years. What sort of gratuitous statement is that after your government neglected this issue for so long?

**Senator KEMP**—It is not gratuitous, it is factual.

**Senator IAN MACDONALD**—I thought you were saying something sensible for a change, Senator Lundy, so I stopped.

**Senator LUNDY**—I know you weren't!

**Senator IAN MACDONALD**—Minister, can you get me those details on notice? I can read Mr Carter's forward assessments.

**Senator Wong**—Which forward assessments are you referring to?

**Senator IAN MACDONALD**—I have those. Don't worry about those! What I am asking you for now is an assessment of what a solar panel, on average, would save in greenhouse gas emissions. I know you have that sort of detail available.

**Senator Wong**—We will take that on notice and will provide it if we are able to. I would make the point again that there is no reduction in the total funding commitment. There is a decision to means-test it but there is no reduction in the total funding commitment for this program.

**Senator IAN MACDONALD**—You have said you would provide that if it is available. Can I get you to ask one of your advisers if it is possible, technically—I am sure you have already done this—to give an assessment of the carbon saved by the installation of every set of solar panels. It is possible, is it?

**Senator KEMP**—Very good question!

**Senator Wong**—That is obvious, isn't it?

**Senator IAN MACDONALD**—You are saying that is obvious.

**Senator Wong**—There are projections around various technologies.

**Senator IAN MACDONALD**—So you can do it? That is all I need.

**Senator Wong**—I am saying there are various technologies, and you can make an estimate of what the introduction of a range of technologies will mean in terms of carbon abatement.

**Senator IAN MACDONALD**—I am talking about an average solar panel, the sort that you have been giving the subsidies for. If you can just give me the figure of what that would in, say, a year save in greenhouse gas or carbon emissions, I would be appreciative. I take it from your answer that that is possible for you to do, so thank you.

**Senator Wong**—I understand from Mr Carter we can provide that on notice.

**Senator IAN MACDONALD**—Thank you very much. Mr Carter, could you take it one step further and, using the figures you have already given us, give us a combined table on where it might have got to?

**Senator Wong**—Give you a combined what?

**Senator IAN MACDONALD**—Mr Carter indicated there have been so many applications—I have not retained the figures in my head, I might say, but they will be in *Hansard*—so many this month, increased to so many the next month, increased to so many the following month, and the projection was that they were going to reach such and such. I am just asking if Mr Carter can do the calculation rather than me adding it up myself. If you do not want to do it, just give me the one and I will multiply them out myself, thanks.

**Senator Wong**—Is it your request that the government provide you with information to indicate what an uncapped program would do?

**Senator IAN MACDONALD**—On the forward projection figures that Mr Carter has.

**Senator Wong**—This is something which was never provided for by your government, an uncapped program. I want to make the point that you are seeking to hold the government to account for something you never did.

**Senator IAN MACDONALD**—No, I am asking you a question; I am asking you to do something. No need to make a point. I can make that point.

**Senator PARRY**—We have to break new ground sometime!

**Senator IAN MACDONALD**—Just finally, Minister, can you explain to me what I say to people in Townsville who have been inundating my office with distress calls about the bit they wanted to play for the environment that they are now not going to be able to do because of this policy. More importantly, two small business men had me out to a news conference that they called the day after the budget. One of them, a solar panel installer, said, ‘I voted for Rudd for the first time because I believed what he was going to do for the environment.’ Boy, is he sorry now. Could you perhaps give me a message to pass on to him as he sacks—I think he indicated he would be sacking about this number—six of his staff?

**Senator Wong**—Senator Macdonald, all I can do is indicate what the government’s position is. Obviously what you say to people is a matter for you. What I have said—

**Senator KEMP**—We know the government’s position. That is what he is worried about. That is what we are appalled about.

**CHAIR**—Allow the minister to answer the question, please. Senator Wong.

**Senator Wong**—We understand this was a difficult decision. We understand people are disappointed, and I reiterate the total funding for the program remains as was previously budgeted and the government is delivering substantial support for the renewable energy sector.

**CHAIR**—Thank you, Senator Wong. Senator Milne.

**Senator MILNE**—Minister or the department, I am interested in the solar hot water rebate. I would like to think that this is an oversight rather than deliberate policy. The way the solar hot water rebate currently works is that you have to put in a new system in order to get the rebate. You cannot get a rebate for retrofitting with an evacuated tube system. Evacuated tubes are regarded as being highly efficient and they are also extremely appropriate to cold climates like Tasmania, for example.

A number of people have called my office to say, ‘Why is it that the hot water rebate only applies to new systems and does not apply to a retrofit with evacuated tubes which gives you that high level of efficiency?’ I would like to know whether it has been an oversight in the application of that and whether you are prepared to review the rebate on the basis that, in a cold climate, an evacuated tube does give you a higher level of efficiency?

**Mr Carter**—I do not know the specifics of that issue, but it may be that the guidelines for solar hot water rebate require a certain level of renewable energy certificate to be delivered by the system and the process of verification of that. We have certainly been becoming aware that some systems that are a retrofit, that might rely on an existing storage tank or electrical backup system, are very problematic to audit and verify against that system. But I might take that on notice because it is clearly an issue that we would like to explore further.

**Senator MILNE**—I would appreciate if the government would take it on notice because there are a number of installers and small businesses in Hobart, and people ring up for advice as to what is the best solar hot water system for them and they are advised, ‘The evacuated tube system,’ and then they discover they are not eligible for the rebate because it is a retrofit.

It seems to me that it was not thought about when the system was first introduced, and evacuated tubes have become much more sophisticated since then, and also there is more evidence that the flat systems tend to burst in cold climates so you get the freezing and whatever. Evacuated tubes do not, which is another reason why Tasmanians are keen to go with evacuated tubes. I am asking if you could review the rebate and consider redesigning the rebate conditions so that people who live in cold climates can take up the evacuated tube system and benefit from the rebate.

**Mr Carter**—Certainly. We will examine that issue and, as I mentioned, it is an issue that I am aware of and may relate to the design of the guidelines, so we will certainly look into that.

**Senator Wong**—The issue is evacuated tube versus—

**Senator MILNE**—Because evacuated tube is a retrofit—

**Senator Wong**—Retrofitting issue, yes.

**Senator MILNE**—and it is not a full new system, it does not meet the guidelines as they are currently written. But it appears to me, from talking to a number of people, that that was not a deliberate decision to exclude evacuated tube. It is just an evolutionary part of the system, and I am asking that it be reviewed, particularly because of the appropriateness of various systems for various climatic conditions around the country.

**CHAIR**—Thank you, Senator Milne.

**Senator MILNE**—Thank you.

**CHAIR**—Senator Kemp.

**Senator KEMP**—I do not want to get too much into state secrets and policy issues again, but this is really for the minister. Minister, could you state what the policy was that you announced before the election in relation to the rebate on solar panels?

**Senator Wong**—I do not have that policy in front of me.

**Senator KEMP**—Please do not say, ‘Take it on notice.’

**Senator Wong**—What I have indicated previously is what I understand the election commitment to be: to provide rebates for the installation of up to 3,000 household power systems per year over five years. In fact, what the government has determined to do is double the number of rebates paid in 2008-09 to 6,000 and the total commitment of \$150 million remains unchanged. Secretary Borthwick has previously indicated the bring forward that that comprises. I would also indicate that the maximum household rebate payable under this plan stays at \$8,000 for a one-kilowatt photovoltaic power system.

**Senator PARRY**—But nobody is going to take it up. That is brilliant!

**Senator Wong**—I am sorry?

**Senator PARRY**—No-one is going to take it up; that is the problem. That will make huge savings!

**Senator KEMP**—So that is the policy. It is nice to know that I can actually get one policy put on the table. I must have missed something. I did not hear any comment that that was going to be means-tested.

**Senator Wong**—I am sorry?

**Senator KEMP**—I did not hear you read out, with your support for the rebate, that it was going to be means-tested?

**Senator Wong**—I do not have, as I said, details of the policy commitment but I would be surprised if it went to that issue. What I do have in front of me is reference to the expenditure, the number of rebates and the \$8,000, which were part of our election commitment.

**Senator KEMP**—There was no question and there was no hint in there that the government would be imposing a means test, was there?

**Senator Wong**—Not that I am aware of.

**Senator KEMP**—No, there was not. We have heard the examples that have been read around the table this evening. People who would have read that would have had no idea that the government was going to move in this harsh manner and destroy the livelihoods of many people in small business. That is the issue that people are very upset about. As has been mentioned here, so many of your people—Mr Rudd and Mr Garrett—not only gave no hint that there would be a means test on the rebate but were actively out portraying themselves as very friendly to this scheme. How do we, or how do you, explain to people why the government has clearly broken a promise made in the last election?

**Senator Wong**—The first point I would make is that we are delivering the election commitment, Senator Kemp.

**Senator KEMP**—You are not delivering it because you are means-testing it. You are not.

**CHAIR**—Allow the minister to answer.

**Senator Wong**—We are delivering the election commitment.

**Senator KEMP**—This is Pennyspeak. This is not correct.

**CHAIR**—Senator Kemp! Minister, please.

**Senator Wong**—We are delivering the election commitment of \$150 million. We are doubling the number of rebates to be paid in 2008-09 from what the election commitment was and we are maintaining the maximum household rebate.

**Senator PARRY**—But you are making applications—

**Senator Wong**—I have stated that the government does understand that people are disappointed with this means-testing decision. Difficult decisions do have to be made in the context of a budget, and I would re-emphasise that the government, through a range of other policy measures which I have indicated—half a million dollars for renewable energy, our renewable energy target and so forth—is substantially supporting renewable energies.

**Senator KEMP**—I do not know whether you understand how offensive those comments will appear to be to people in small business who are going to go broke as a result of your actions. To suggest that there is some big—

**CHAIR**—What is your question, Senator Kemp?

**Senator KEMP**—To suggest there is some big deal that the government is going to monitor this—I would have to say that these people will be hugely offended. They will be monitored and advice will be given that hundreds of small businesses have gone broke as a result of this policy, if you can judge by the comments which have been made here around the table. Let me ask this question: will legislation be required for this measure?

**Mr Carter**—No.

**Senator KEMP**—Could you explain to the committee why not?

**Mr Carter**—It is a program implementation decision that has been made.

**Senator KEMP**—How is the measure then given effect to?

**Mr Carter**—The decision is given effect through revision of the guidelines for the program.

**Senator KEMP**—This is not a disallowable instrument, is it?

**Mr Carter**—No.

**Senator KEMP**—It is simply a stroke of a pen. Who signs the piece of paper that is required to give effect to this?

**Mr Carter**—It is Minister Garrett.

**Senator KEMP**—Has he signed this already?

**Mr Carter**—No, I am not sure of that. Clearly, the budget decision has been made but—

**Senator KEMP**—Surely someone would know whether this budget decision has been given effect to. I cannot believe what I have just heard.

**Senator IAN MACDONALD**—It would have to come through the department. The secretary or someone behind you would know whether it has been actioned yet.

**Mr Carter**—I will see if I can find that out. At this point I do not have any advice on whether that has actually been executed by the minister yet.

**Senator BIRMINGHAM**—But it came into effect on budget night.

**Mr Carter**—Yes, and clearly we will bring in the guidelines from the minister once those are signed. What that means is that applications that are dated up to midnight on budget day would be within the scope of the previous approach and would be processed, but applications post midnight the budget decision would be subject to the means test.

**Senator IAN MACDONALD**—Mr Carter, some of us have been ministers and we know how departments work. I do not want to embarrass any of you, but if the minister had signed off on it, someone in this room would know.

**Mr Carter**—I am afraid I do not have someone who can advise me of that, and I am not aware myself of all that.

**Senator IAN MACDONALD**—What is your position? I am sorry, I was not here earlier.

**Mr Carter**—First Assistant Secretary of Industry, Communities and Energy Division.

**Senator IAN MACDONALD**—Does the secretary know?

**Mr Borthwick**—In terms of the guidelines for the program, I do not know if they have been ticked off on, but it is giving effect to a budgetary decision with a cap of \$100,000, and that is what will apply.

**Senator KEMP**—Minister, will you, and will Minister Garrett through your good offices, arrange to meet with people in the industry who have expressed such concern and distress? If my colleagues are able to arrange for a visit to you so that the people who are being affected by this can explain what has happened, are you prepared to meet them?

**Senator Wong**—I can indicate that I learned during the break that Minister Garrett's office has met with the industry since the budget, and I understand Mr Garrett has already agreed to meet with the industry to discuss these issues.

**Senator KEMP**—I think it would be a help, because of your important role in this committee, if you also had a chance to meet with and listen to the concerns of these people. I think it would be appreciated if you could give a positive response to that so that my colleagues who have raised particular cases can say, 'Minister Wong would also be prepared to meet you,' or indeed, if they cannot meet you, have a chance to speak to you so that you can personally hear their concerns.

**Senator Wong**—I meet regularly with representatives from industry generally, including the renewable energy sector, which includes solar. Obviously, this program is within Minister Garrett's portfolio and, as I have indicated to the committee, he has already agreed to meet with the industry.

**Senator KEMP**—So the answer, from your point of view, is no.

**Senator Wong**—I am happy to meet with industry, as I do in the context of my portfolio, and I will certainly consider any invitation. My point is, though, that the minister responsible has indicated through me to this Senate committee that he has already agreed to meet with the industry. You might wish to make political points in here, but we understand—

**Senator KEMP**—You have been making political points all evening. A political decision has hit large numbers of people very hard, so of course we make political points.

**Senator Wong**—that this is a difficult decision and that people are disappointed by it. I have outlined the government's position on this and I have indicated to you my advice that Minister Garrett has already agreed to meet with the industry.

**Senator KEMP**—The fact is that you are not only a minister, you are also a senator for South Australia, and there will be producers in that state who will be adversely affected by this. I think that your wider responsibilities are to give these people, if they want it, a chance for you to listen to their voices, because I do not think you have been listening to the concerns around the table. To be quite frank, I think it would be better if you could make yourself available to listen to their particular concerns. If you would not mind, Minister, I would like you to give us a positive answer and then we can all move on.

**Senator Wong**—I do my best to make myself available as much as I can to individuals and firms and members of the industry, as well as NGOs, who are interested in my portfolio. I will continue to take that approach.

**Senator KEMP**—Can you just say 'yes' to my question.

**CHAIR**—Senator Kemp, it is time to move on.

**Senator KEMP**—This is just Pennyspeak. The question is quite simple: if some of these people who are adversely affected wish to contact you—wish to either speak to you by phone or wish to meet with you—would you facilitate that contact? It is not a Pennyspeak response; it is a yes or no.

**Senator Wong**—I am sure you would be aware that climate change is an issue about which a great many people wish to put their views to the government, and I am sure you would be the first to—

**Senator KEMP**—This is just Pennyspeak, I am afraid. Get real!

**CHAIR**—Senator Kemp! Minister, did you wish to complete your answer?

**Senator Wong**—No, that is fine.

**CHAIR**—Senator Birmingham.

**Senator BIRMINGHAM**—Thank you, Chair. Mr Carter, can I confirm: you said there were 493 applications received in the week prior to the budget. Is that correct?

**Mr Carter**—Yes, 493.

**Senator BIRMINGHAM**—So about 100 a day for the five working days of that week?

**Mr Carter**—Yes.

**Senator BIRMINGHAM**—How many applications were received yesterday?

**Mr Carter**—I do not have that number on me.

**Senator BIRMINGHAM**—The day before?

**Mr Carter**—Sorry, I do not have those numbers.

**Senator BIRMINGHAM**—How about last week?

**Mr Carter**—I do have a number post budget of 445 applications received.

**Senator BIRMINGHAM**—Is that running from the day after the budget for a week or for last week?

**Mr Carter**—It was for last week. It was 445 last week.

**Senator IAN MACDONALD**—What was it before the budget?

**Mr Carter**—It was 493 the week before the budget.

**Senator BIRMINGHAM**—The application form at present does not require people to state their household income, does it?

**Mr Carter**—That is correct, and a number of those applications may have been put in speculatively to get them through before the means test was applied.

**Senator IAN MACDONALD**—Are you sure you are quite satisfied with your answer?

**Mr Carter**—That it is 445?

**Senator IAN MACDONALD**—Yes.

**Senator PARRY**—Does that have a date that the applications were completed? You are talking about date of receipt rather than date of application.

**Mr Carter**—That is correct. I do not have a breakdown on when some of those may have been postmarked.

**Senator BIRMINGHAM**—Are applications provided by the household direct or are they through companies that install products?

**Mr Carter**—Applications are normally through installers, I understand.

**Senator PARRY**—There could have been a rush anyway.

**Senator BIRMINGHAM**—So installers would already have had householders contact them, would have provided quotes and then the installers send off the application. That is the normal process?

**Mr Carter**—Yes.

**Senator BIRMINGHAM**—There would clearly then be a time lag between installers providing those quotes, householders saying, 'Yes, I wish to proceed,' and installers making application.

**Mr Carter**—Yes, that could occur.

**Senator BIRMINGHAM**—In relation to the question you took on notice from Senator Allison earlier, undertaking to provide time series of data—I am not sure whether it was



weekly or monthly—since the rebate was increased to \$8,000 in terms of the number of applications and the number of actual grants made, can you undertake to provide that data in a continuing time sequence since the budget until such time as that question on notice is answered, please?

**Senator Wong**—Senator Birmingham, we can take on notice a question of this committee and we can provide what information the department can provide in terms of that, and you can ask a subsequent question on notice or a question through the chamber on these issues, but we cannot have a situation where Mr Carter has to keep emailing you data as he gets it. Seriously!

**Senator BIRMINGHAM**—I am not asking Mr Carter to keep emailing his data, but if it takes the department—which it sometimes does, as Senator Kemp highlighted earlier today—and in particular maybe Minister Garrett, who probably signs off on questions on notice, some months to provide us with an answer, it would be extremely helpful to have that continuing time series from the budget through those months before the answer is provided.

**Senator Wong**—Mr Carter has taken the question on notice and we understand the view you are putting to us, Senator Birmingham.

**Senator BIRMINGHAM**—Certainly if you could ensure that; I do not expect it to be accurate up till the day the answer is provided or tabled, quite clearly.

**Senator Wong**—I have not given—

**Senator BIRMINGHAM**—Within reason, if it takes a couple of months—which I would hope it would not; there is an incentive in this to get the answer back quickly—before the answer is provided, having an extra four to six weeks of data after the budget would be very helpful.

**Senator Wong**—We have taken the question on notice, Senator Birmingham.

**Senator BIRMINGHAM**—Thank you, Minister. Mr Carter, how is the department going to handle the application of the means test now? How do you go back to all of those people who have made applications since the budget?

**Mr Carter**—If applications were postmarked prior to the budget, they will be clearly processed accordingly. If applications have been made that have come in post the budget, we will contact the people that have made those applications and advise them of the change in the guidelines and provide them with a new application form that includes that element, but we will also maintain their position in the queue so that, if their application comes in and meets the revised guidelines, they are not disadvantaged by using a form that was out of date.

**Senator BIRMINGHAM**—Has a new application form been developed now?

**Mr Carter**—Yes, it has.

**Senator BIRMINGHAM**—It has been put on the website and given to providers of the service and the like?

**Mr Carter**—Yes, it has.

**Senator BIRMINGHAM**—Have you started the process of contacting applicants who, since the budget, have lodged applications using the old forms?

**Mr Carter**—Yes, we have.

**Senator BIRMINGHAM**—How many grants have been provided to date this financial year?

**Mr Carter**—To date 12,000 PV systems have been installed under the program. I do not have that broken down into this year.

**Senator BIRMINGHAM**—Twelve thousand systems to date. Okay. That will suffice for the current purposes of questioning. It would not have been, Minister, that hard to undertake a small market research sample of those 12,000 households to determine the proportion of household income across those. Was any consideration given to doing that?

**Senator Wong**—You are asking about what the government may or may not have considered leading up to the budget?

**Senator BIRMINGHAM**—Firstly, was any research undertaken—and I believe the answer is no—into the incomes of those 12,000 households that have systems that have been subsidised by the Commonwealth?

**Mr Carter**—We did not collect demographic information as part of the applications that supported those and, no, we did not consider surveying those applicants on their incomes as part of the consideration.

**Senator BIRMINGHAM**—You were alerted to this problem, you said, in February—or you alerted the minister to this problem in February, so you had some time between then and the finalisation of the budget. No consideration was given in that time to test the people, who you have been giving grants to, to find out whether you were going to be excluding 90 per cent of them or 80 per cent of them or 50 per cent of them.

**Senator PARRY**—Or 95.

**Mr Carter**—My understanding was that for some of the early systems the Alternative Technology Association survey did cover some of those applicants. So we felt there was at least some survey information of them available, but we did not consider going back and surveying all of them up to the point we were at in the program.

**Senator BIRMINGHAM**—It would have been a very easy process that could have saved the government a whole lot of grief at this time, and I do find it remarkable that it was not undertaken. Was any consideration given to reducing the amount of the rebate rather than introducing a means test?

**Mr Carter**—As I indicated earlier, we provided advice to government on a range of options, but I cannot go into the detail of that advice.

**Senator BIRMINGHAM**—So that could have been one of the options; was one of the options?

**Mr Carter**—I have answered that as best I can without getting into the nature of advice provided.

**Senator BIRMINGHAM**—Why was the means test not introduced in a progressive form in some way?

**Senator Wong**—If that is a question to me, Senator Birmingham, can I say this: we could talk a long time about other options, but the government has made a decision in the budget for this means test in relation to this program. So you really are asking us—or these officers—to comment on policy options that are not government decisions.

**Senator BIRMINGHAM**—Minister, I am very happy that you have chosen to take the question. I am very happy for you to take the question. I am very happy for you to comment on the question where it goes into policy or where it goes into fact, but we are trying to explore what is a policy decision of the government that is clearly going to have adverse impacts, not just on this industry as has been widely canvassed but also on households who may wish to pursue this. One of the harshest parts of this means-testing policy, the way it has been applied, is that a household earning \$99,999 a year gets an \$8,000 incentive, a household earning \$2 more gets nothing.

**Senator Wong**—Just as is the case in the means test that the then Minister Turnbull applied to the solar hot water rebate. That is the nature of means tests.

**Senator BIRMINGHAM**—And I was asking whether some consideration was given to progressive introduction of that means-testing in some form of steps or stages.

**Senator Wong**—Mr Carter has said on a number of occasions now that the department provided advice on a range of options and he cannot assist you any further. The decision was made by government.

**Senator BIRMINGHAM**—Was modelling undertaken on different options?

**Mr Carter**—No, modelling was not undertaken. We drew on existing information.

**Senator BIRMINGHAM**—Costings developed on different options?

**Mr Carter**—When we provide advice on a range of options, we try to provide as much detail around each of those options as we can.

**Senator BIRMINGHAM**—Has the department costed the reduction in the amount of the rebate rather than the introduction of a means test?

**Senator Wong**—That is just another way of asking what options were provided to government for consideration. I have tried that sort of question before when I was sitting over there, but government is entitled to consider the options provided to it, government did so and government has made a decision. Mr Carter has indicated he cannot assist you any further in terms of detailing the options and that is a perfectly normal process, given that, obviously, through a budget process options in relation to a range of decisions are put before government.

**Senator BIRMINGHAM**—We are trying to explore quite reasonable costings that may have been developed around the budget. We are not looking to see what specific advice necessarily was provided to the minister or to government.

**Senator Wong**—You are asking that, and you know that. I do not mind that you are asking that, but the government is not going to provide you with information about what other options were considered through the budget price in relation to this or other measures, and that is perfectly consistent with the position that your government adopted.

**Senator PARRY**—Accepting that, Minister, and I do accept that, can you give us the reasons why you do not wish to disclose that information?

**Senator Wong**—These are budget considerations. These are matters for budget consideration.

**Senator PARRY**—But why don't you want to give us the modelling? It might support your position.

**Senator Wong**—Mr Carter has indicated already that the advice is drawn from existing information, not modelling, from memory. Is that right?

**Mr Carter**—That is correct.

**Senator PARRY**—But you are not detailing that. Mr Carter has deferred it because it is a policy matter. Ministers can comment on policy if they wish. You are choosing not to and I am simply asking why don't you want to?

**Senator Wong**—No, I am not choosing not to comment on policy. As a matter of fact, I have responded to the policy argument on a number of occasions and I think, Senator Parry, you have told me I have become repetitive—or members on your side. But what I am saying is that advice to government in a budget context about the range of options is not information that would be publicly released, generally, in relation to any of the decisions in the budget.

**Senator KEMP**—But, on the other hand, you are unable to explain why there is a preference to have a sudden death cut-off means-testing rather than a phased one. It is not a matter of putting all the options forward. It is a matter of you arguing the advantage of the particular measure that you have.

**Senator Wong**—I think I have done that.

**Senator KEMP**—You have not done it. You just restated it. You have not actually explained why the sudden death cut-off is, in fact, a superior way of means-testing than a phase-in.

**Senator Wong**—I am sure the opposition, Madam Chair, have a range of views about how they would say they would design this policy. I would note that that is not the approach they took in government, but obviously that is a matter for them.

**Senator KEMP**—Ministers at the desk could argue why that measure is an advantage.

**Senator Wong**—What I will say is this: the government has determined a particular position in relation to a means test. I cannot assist the committee any further.

**Senator KEMP**—You cannot assist us and tell us why a sudden death means test is a superior measure in this context than one which would be phased in. Ministers generally explain these things—'This is the rationale for a particular decision.' To restate it time and time again is not helping the committee.

**Senator Wong**—The rationale for this decision is that it is the government's priority to assist families on lower incomes and that is why we have means-tested this to \$100,000 per year. That is the rationale. Where there are limited budget funds to expend on this and other programs we, as a government, have determined to prioritise lower income families.

**Senator KEMP**—Just to flesh that out, a family on \$99,999 is a lower income family. A family on \$101,000 is a higher income family. Is that right? That is just a crazy way of explaining it.

**Senator Wong**—And it is the way in which, as I said, your former minister, Minister Turnbull, means-tested the solar hot water rebate.

**Senator KEMP**—But Malcolm Turnbull would have sat here and explained the rationale for that particular measure.

**Senator Wong**—Senator Birmingham said it is a much smaller rebate, if that is the policy rationale.

**Senator KEMP**—This is a pathetic response.

**Senator Wong**—These are always arguments in relation to means-testing.

**Senator EGGLESTON**—The other one is more affordable.

**Senator Wong**—These are always arguments in relation to means-testing, and governments have to make a decision in the context of finite resources.

**Senator KEMP**—All you are doing is stating the facts—

**CHAIR**—Let the minister answer.

**Senator Wong**—Governments have to make a decision in the context of finite resources—

**Senator KEMP**—We know that. We know all that.

**Senator Wong**—about what we do in terms of expenditure and a decision was made to means-test this program.

**CHAIR**—Are there any further questions?

**Senator KEMP**—I just make the point, Madam Chair, that all Senator Wong has done is reiterate the measure. We were hoping that Senator Wong might be able to explain to us the advantages of a sudden death cut-off for a means test rather than one which is phased in. I do not know whether the minister is poorly briefed on this or she does not understand the point, but if Malcolm Turnbull were here I can tell you that he would be able to explain the basis for a particular measure that he has proposed—

**CHAIR**—He is not here, Senator Kemp. Question?

**Senator KEMP**—seeing as you chose to quote the former environment minister.

**Senator BIRMINGHAM**—Minister, why did the cabinet think that \$100,000 was a reasonable means test for working families when it comes to introducing solar panels, but \$150,000 is the reasonable means test for family payments?

**Senator Wong**—As you will know, I have not discussed cabinet matters outside of the cabinet process, and I am not about to start now.

**Senator BIRMINGHAM**—What rationale will you give for that disparity, Minister?

**Senator Wong**—The question relates to \$100,000 for this and \$150,000 for, sorry, which program?

**Senator BIRMINGHAM**—Family payments.

**Senator Wong**—If you have questions about decisions to means-test in the family payments context, you will need to address those to the relevant portfolio. What I can say in relation to this is that the government has made a decision to means-test at \$100,000 in the context of a finite program. We have brought forward funding and we are focusing it on families who are earning less than \$100,000 a year.

**Senator BIRMINGHAM**—That is fine. Can you give a rationale within the environment portfolio as to why \$100,000 is a good working families means test for solar panels but \$250,000 is a good working families means test for green loans?

**Senator Wong**—The government has to make a decision about how it structures various programs. As I recall, we had a lengthy discussion on green loans. Two hundred and fifty thousand dollars was the election commitment and the government has adhered to that. As I have said on a number of occasions, this is a difficult decision. We absolutely understand that this is a difficult decision for a number of members of the community and that a number of members of the community are disappointed by it.

**Senator BIRMINGHAM**—I note there is no rationalisation for the \$150,000 difference in the means-testing of two closely related environmental programs being operated by this government. Minister, in the discussions that Minister Garrett has had with the industry, has the issue of compensation been raised?

**Senator Wong**—I would have to take that question on notice.

**Senator BIRMINGHAM**—Were there any departmental officials present with the minister when he met with industry?

**Senator Wong**—I do not know whether there were, but I can tell you, as the minister, that I know, when I meet with members of the community, it is often with an expectation that people can be frank with us. I am certainly not going to be putting before a Senate committee what may or may not have been said to Minister Garrett. The issue of compensation has been raised, I think, in the public arena, and certainly it was raised tonight in the Senate estimates, and I have answered questions about that. In relation to what may or may not have been raised with Minister Garrett or his office, I will have to take that on notice.

**Senator BIRMINGHAM**—Will you give a commitment, if he wishes, to meet with Adrian Ferraretto, managing director of Solar Shop Australia in Adelaide, who employs about 100 people and estimates this policy will cost him ‘around two million bucks a month’ and obviously will cost jobs?

**Senator Wong**—This is, essentially, the same question Senator Kemp sought to ask me. I make myself as available as I can to constituents and to NGOs, industry and other stakeholders, as you can imagine—certainly in relation to climate change and the introduction of an emissions trading scheme. I am sure you would be aware that a great many people are seeking to meet with me and I am seeking to make myself available. If this gentleman seeks a meeting with me, I certainly will endeavour to do my best to meet with him.

**Senator BIRMINGHAM**—Thank you, Minister. Thank you, Chair.

**CHAIR**—Is that all for output 1.1?

**Senator BIRMINGHAM**—Could I turn briefly to the Green Vouchers for Schools program, please. Is that still you, Mr Carter?

**Mr Carter**—I am looking at the National Solar Schools plan. The green vouchers plan comes to an end at the end of this financial year.

**Senator BIRMINGHAM**—I apologise, Mr Carter. I recognise that everything has been renamed—not necessarily changed but added to in some instances. But it has all got a new name. Why has the program been changed and can you explain to me exactly in what manner it changes?

**Mr Carter**—The green vouchers program was limited to rainwater tanks or solar hot water systems. The National Solar Schools plan expands to provide for schools to install photovoltaic systems as well as other energy-efficient and water-efficient equipment, so it is an expansion of the options that are available to schools in terms of what they can examine and provide. The program provides up to \$30,000 to be spent on eligible items such as rainwater tanks and also a range of energy and water efficiency measures.

**Senator BIRMINGHAM**—You went through some of the changes as they relate to what the funds can be spent on. How does the change vary the amount that can be accessed?

**Mr Carter**—I am sorry, that area was administered in a different place to my division, so I do not have that number with me. I can indicate that 272 schools lodged claims under the green vouchers guidelines, of which 122 have returned their funding agreement and received funding of \$5 million.

**Senator Wong**—Is output 1.2 required to stay for the next 35 minutes?

**Senator BIRMINGHAM**—I do not have lots on green vouchers, so it may be that we can get Senator Siewert under way.

**Senator Wong**—Senator Siewert has been waiting for some time.

**Senator BIRMINGHAM**—I am very conscious of that.

**Mr Carter**—The green vouchers would be best dealt with under the Natural Resource Management Division. They are responsible for green vouchers administration through to the end of this financial year. However, my understanding was that the funding amount per school was an equivalent amount but the manner in which it could be spent has altered under the National Solar Schools plan and additional funding has been provided for the program.

**Senator BIRMINGHAM**—That is fine. I shall take your advice and ask those questions—under which output class, sorry, did you suggest, Mr Carter?

**Senator SIEWERT**—Where do you now put NRM? Is it in 1.2?

**Senator Wong**—This is Caring for our Country?

**Senator SIEWERT**—No, we were just told NRM is at 1.2. I am seeing nodding down the back.

**Senator BIRMINGHAM**—Sorry, under which output class am I asking about Green Vouchers for Schools?

**Senator SIEWERT**—Land and inland waters.

**Senator BIRMINGHAM**—Excellent, 1.2. That would be the next output class. Given that we are moving up the classes, I shall defer to Senator Siewert.

**CHAIR**—So we are finished with output 1.1?

**Senator BIRMINGHAM**—I think I have, thank you, Chair.

[10.26 pm]

**CHAIR**—Hallelujah! 1.2. Senator Siewert.

**Senator SIEWERT**—Thank you. I should preface this by saying that you are probably aware that we had some extensive discussions in the NRM section in DAFF at the Senate Rural and Regional Affairs and Transport Committee last night, so for some of these questions I may be going from knowledge that I gained there and continuing conversations, because we ran out of time, so stop me if we need to go back. Firstly, in the budget documents it describes savings which I find, I must admit, quite amusing with a program that is brand-new. It describes savings of \$15 million in 2008-09 and \$13 million in 2009-10 from the amalgamation of previous programs, and ‘will provide additional savings’ and so on. Net savings of \$9 million have been identified over five years. Can you explain to me what those savings are and what it would have been spent on if you were not saving that money which would have been spent on the environment?

**Ms Rankin**—As indicated, the net savings are only \$9 million, so some of that \$15 million identified in the first two years gets returned into the budget in the years that are not yet published in the forward estimates. At the moment the savings have been identified from both the National Landcare Program and the Environmental Stewardship Program.

**Senator SIEWERT**—Landcare?

**Ms Rankin**—Yes, the Landcare and stewardship components of Caring for our Country.

**Senator SIEWERT**—Can you explain to me how much money is coming out of Landcare and how much is coming out of Stewardship and why it qualifies as savings when it is actually money that is not being spent, by the sounds of it.

**Ms Rankin**—It is a net total of \$1.5 million from Landcare.

**Senator SIEWERT**—Over how long?

**Ms Rankin**—That is over the five years.

**Senator SIEWERT**—Where did that savings come from?

**Ms Rankin**—The money in the future years for the Landcare program beyond what was published in last year’s forward budget papers was revised in terms of some different profiles being added to the funding in those remaining last couple of years. So it was not money that was there that has been taken off; it was just money that was not allocated in the first place.

**Senator SIEWERT**—I may be jumping a little bit, but one of the priorities in Caring for our Country, which we went into yesterday, was sustainable farm practices. Is that now Landcare or is Landcare still being treated as separate?

**Ms Rankin**—Landcare is still a separate appropriation as part of Caring for our Country, but the sustainable farm practices priority includes the appropriation for the National



Landcare Program as well as additional money that was being spent through the Natural Heritage Trust previously on Landcare, farm, sustainable resource management related activities, so it brings together those components into that one priority area.

**Senator SIEWERT**—But Landcare will continue as a program?

**Ms Rankin**—It continues as a separate program, yes. It is separately appropriated to the DAFF portfolio, but the whole purpose of the Caring for our Country program is to integrate delivery of those so that there is a seamless view to people out in the community about applying for Landcare funding versus the rest of Caring for our Country funds.

**Senator SIEWERT**—Landcare was being dealt with separately from NHT. I know there have been some changes along the way, but it was being dealt with separately and you applied separately and there were separate Landcare facilitators et cetera. Is that still going to be the case? Now when you apply for funding, you apply for funding under Caring for our Country and under whatever program—and I will get on to that soon—is developed. You apply under that program—you do not apply for Landcare funding?

**Ms Rankin**—That is going to be the objective beyond the transition year. You have probably seen some mention of the business plan for Caring for our Country. That is the one place where we will bring together the targets and outcomes and priorities for funding under all four components of the programs that have been rolled into Caring for our Country. So it will incorporate Landcare, Environmental Stewardship, Working on Country and NHT into that one consolidated business plan.

**Senator SIEWERT**—All those programs that were rolled in, yes.

**Ms Rankin**—People will apply and put proposals in response to that one business plan. This is in the future, and we have to make some interim arrangements in the transition year to move between the current arrangements and the future arrangements. At the moment there is probably still quite a lot of difference being seen in the community about Landcare funding that was previously available in 2007-08 and NHT funding and things like that that have current processes that are still running out.

**Senator SIEWERT**—So there will not be Landcare facilitators any more?

**Ms Rankin**—A lot of people call a range of different facilitators ‘Landcare facilitators’.

**Senator SIEWERT**—Yes, I appreciate that. A lot of us are still back in 1983 or whenever it first started. But there are dedicated Landcare facilitators out there still, regardless of the fact that others are called Landcare facilitators. I appreciate that argument. Will those positions cease to exist under a new scheme?

**Ms Rankin**—There used to be different levels of Landcare facilitators, as you are probably aware. There were the state-level Landcare facilitators, community Landcare facilitators attached to each regional body, and then a whole bunch of more community based Landcare facilitators that were employed through Landcare funding as Landcare groups. We have combined the old state Landcare facilitator with the old state NRM sustainable agriculture facilitator. They tended to have quite duplicating roles, so we brought those together into the one position under Caring for our Country.

**Senator SIEWERT**—That was the NRM one and the Landcare one?

**Ms Rankin**—Yes.

**Senator SIEWERT**—Under Caring for our Country.

**Ms Rankin**—And they are now being called ‘sustainable farm practices facilitators’. We are not providing any direct funding for the community Landcare facilitators that were attached to each of the regional bodies. I know that a lot of regional bodies and community groups have still applied for Landcare funding to continue Landcare groups, and that is being assessed at the moment by the agriculture portfolio. Regional bodies can certainly still put forward proposals as part of their regional investment strategies to continue to employ Landcare facilitators at the local community level.

**Senator SIEWERT**—I have got completely off track with my list of questions because I keep pursuing other avenues, but I understood from last night that regions may need to refocus their business plans.

**Ms Rankin**—Their regional investment strategies?

**Senator SIEWERT**—Yes, sorry.

**Ms Rankin**—Again, we have been going through a process for the transition year to effectively try and use current regional investment strategies for each region.

**Senator SIEWERT**—For the transition year?

**Ms Rankin**—For the transition year—without making regions go through a process of doing their regional investment strategies again. For the business plan and for funding from years 2 to 5, we are encouraging regions to look at their regional investment strategies and to think about whether they want to re-emphasise things that are more aligned to the new priorities of Caring for our Country. We are not telling them that they have to redo them. It is just that, if they want to present information and proposals to us that are best aligned to the Caring for our Country priorities, they might need to look at their region investment strategies to do that.

**Senator SIEWERT**—You mentioned before that regions could apply for Landcare facilitators, or whatever they want to call them—sustainable farm practices facilitators—but they could only apply for them for 12 months.

**Ms Rankin**—At the moment they only know what their guaranteed funding is for 12 months.

**Senator SIEWERT**—So it is highly likely that we are going to get—and we are already getting—people leaving NRM groups because they are not guaranteed secure employment.

**Ms Rankin**—I know this was discussed last night with the DAFF portfolio. I do not personally have any information about people leaving NRM groups. We have tried to minimise the risk of that happening both by moving very quickly to make sure regions are aware of the level of funding for next year—so they have a lot of certainty as early as possible, given the time frame for the announcement—and moving as quickly as possible to guarantee that they will have funding out the door in July so that they can maintain the critical stuff that they wish to retain in their regions.

**Senator SIEWERT**—But they can only retain them for 12 months. So people faced with an opportunity elsewhere—for example, in WA where everyone wants to work in the mining industry—are offered that or are a one-year contract. Where are you going to go?

**Ms Rankin**—We have committed and have an aim to give all the regions some guarantee of their future funding beyond the first year over the next few years. They will certainly know that by the end of the year.

**Senator SIEWERT**—The end of this year?

**Ms Rankin**—Yes.

**Senator SIEWERT**—Again, they will be offering contracts, though, in July, not at the end of the year.

**Ms Rankin**—Yes. If people want to take on a job for 12 months, understanding that they will have some certainty about whether that position will be able to be continued beyond the end of the next financial year, they will know that well and truly by the end of this year. They will not be in the same position coming up to the end of the next financial year.

**Senator SIEWERT**—This was not articulated clearly last night. In relation to the level of certainty that is going to be given to regional groups, as I understood it from last night, \$638 million was going to be guaranteed for regional groups. However, I understood that the 56 groups would not then be guaranteed their current proportion of that. It would be much more of a competitive process and they would not be guaranteed the 60 per cent of historical funding that they are guaranteed in the first year.

**Ms Rankin**—That is true at this stage. There was a deliberate decision taken because, as I am sure you are aware, there were a lot of inequities potentially between the NAP regions and the non-NAP regions under the old program. Those regions that had received both NAP and NHT money to some extent had a lot of income coming into their regions, whereas a lot of the NHT-only regions were not as well resourced. What we have tried to do by setting this process in place is to have that smoother transition by giving everybody a flat guaranteed 60 per cent allocation for the first year, plus additional transition support funding. The aim is to use the process of working out the years 2 to 5 funding to try and get a more equitable balance of funding across regions across the country.

**Senator SIEWERT**—That is therefore not based on a competitive process.

**Ms Rankin**—No.

**Senator SIEWERT**—Because I understood—and it may be my misunderstanding, because it was getting rather late—that it was going to be a competitive process. It gets some level of funding but after that it is a more competitive process?

**Senator IAN MACDONALD**—After the 60 per cent, you are quite right.

**Senator SIEWERT**—After the 60 per cent?

**Senator IAN MACDONALD**—That is what I understand it was, with due respect to Ms Rankin.

**Ms Rankin**—This is for years 2 to 5?

---

**Senator SIEWERT**—As I understand it, that is for the transition year.

**Ms Rankin**—No. There has not been a decision taken about how those years 2 to 5 will be allocated as yet. What we are trying to do—obviously this has been our priority—is to get the transition year process working as smoothly as possible so that funding can flow in July and, as I said, then focus on generating the business plan and the targets and priorities that will help prioritise the investments. There are a range of different models we could use for how we might apply the years 2 to 5 funding for the regional bodies, and we would probably want to talk to the regional groups themselves about the best and most equitable way of doing that.

**Senator SIEWERT**—Going back to the transition year, there is one thing I do not think we have fully teased out. They are going to be using their existing investment strategies. What do you expect they are going to be spending that money on? What are you saying to groups that they should be targeting for that one year? Because it is only one year of funding. They all should have finished their projects for the end of NHT, so the best they can do is to fund projects for 12 months. What are you saying about the balance of admin, staff, what we used to call ‘extension staff’, care facilitators, whatever things we put on the front of that and the actual projects? Because you cannot do any landscape scale projects or any of those longer term projects on a year’s worth of funding.

**Ms Rankin**—Mary Colreavy might be able to answer this in more detail because she has been closely involved in discussions with the regional groups, but we have certainly been stressing to them that they can use that funding for a mixture of activities. We understand that one of the key priorities is to keep the regional body operating during the transition year, so there is certainly an expectation that a proportion of the funding will go to the core operating costs that they need, if they are not being provided by the state government, to continue to operate.

In many cases we know that projects that are coming forward from the regions are continuations of projects that they were running under NHT2. While they might have stopped, it is fairly easy for them to continue funding those for another year, roll out the investment and continue the momentum that they have already built up, rather than generating a whole new project. A lot of the projects we are seeing include those sorts of things. We know a number of the regional groups have included in their investment strategies proposals to continue funding some of the facilitators that are particularly useful or important to their region, so there are quite a mixture of activities coming forward in their strategies.

**Ms Colreavy**—Ms Rankin is correct: there is a mixture of proposals that have been put forward by regions. Our staff have worked closely in most cases with regional staff to identify the sorts of projects that would cause the least crisis or hiatus in terms of funding and continuity of work in the regions. In most cases, the majority of projects that are happening this year are building on the work that they have done in previous years under NHT and NAP.

Regions are pretty good at segmenting their programs and blocking them into activities. Many of the things that they have put forward for funding this year they would be looking to fund in subsequent years. They are able to identify discrete parcels of activity that can happen within a 12-month block but which could easily be extended into subsequent or multiyear projects. In project management it is quite clear you can do that.

Many of the things that we are doing are, as you say, about landscape scale change, and they do require long-term investment, so regions are working with staff to identify the critical projects that most closely align with the national priorities and build on the successes of the past.

**Senator SIEWERT**—If you are realigning their investment strategies towards the national priorities, does that entail dropping something from their investment strategies?

**Ms Rankin**—We are not telling them they have to drop anything. We are suggesting that this probably is not sufficient funding to continue investing at the scale we were under the national action plan, just in purely large-scale infrastructure of salinity activities; for example, the Collie project in Western Australia. It is probably unlikely that we would be able to continue to invest in that scale of project under Caring for our Country. But that does not mean that we are not funding salinity activities, so it is a balancing act of trying to get—

**Senator SIEWERT**—So we have fixed salinity, have we?

**Ms Rankin**—No, it is just that the priorities have shifted under Caring for our Country to address some of the areas that were probably underresourced under the previous program.

**Senator SIEWERT**—What were they?

**Ms Rankin**—Largely, a lot of the coastal resources and assets received very little attention.

**Senator SIEWERT**—So coasts are now flavour of the month and salinity is not? Sorry, I know it is not. I cannot help myself.

**Senator IAN MACDONALD**—You are right. There was a reason why the NAP funded some areas and not other areas that you people all well know about. You used to advise the previous government.

**Senator SIEWERT**—I have a heap of questions, so I am aware I am taking a bit of time.

**Senator IAN MACDONALD**—We are not going to finish this tonight.

**CHAIR**—No, these witnesses will be back tomorrow morning.

**Senator IAN MACDONALD**—I might leave it to Senator Siewert tonight.

**CHAIR**—Take us to the end, Senator Siewert.

**Ms Rankin**—No pressure!

**Senator SIEWERT**—I know salinity has been an issue around the country but in Western Australia, where we have a particularly severe salinity problem, what does that mean for those groups that are no longer going to be able to invest on the scale that they have been investing?

**Ms Rankin**—All we can say is that they can put forward proposals to continue to undertake salinity activities and we will just have to assess them on the merits in terms of what they are going to deliver in outcomes against Caring for our Country. One of the key objectives of the new program is to encourage regions to do much greater partnering with a whole lot of other potential investors so that they are not solely reliant on Commonwealth funding. A lot of them have moved a long way down that track, not just in getting money from state bodies but also in partnering with industry groups and industry companies. A whole lot of NGOs in some cases are providing joint investment into activities that regions are

undertaking, so we are trying to encourage regions to look at alternative sources of funding as well.

**Senator SIEWERT**—Haven't you been encouraging them to do that for the last 10 years?

**Ms Rankin**—And it is happening. It happens at different rates across different regions, depending on their skills and capacity and the incentives for them to do that.

**Senator SIEWERT**—But also where they are?

**Ms Rankin**—I cannot answer that one.

**Senator SIEWERT**—Is there analysis available of where regional groups have been able to leverage funds and the amount and the extent?

**Senator Wong**—Sorry, is this in relation to other sources of funding?

**Senator SIEWERT**—Yes.

**Ms Rankin**—An analysis has not been done to date of that.

**Senator SIEWERT**—It has not?

**Ms Rankin**—No.

**Senator SIEWERT**—So you do not know the capacity of the regions to do that and whether they are going to be able to, because you do not know the extent to which they have?

**Ms Rankin**—No.

**Senator Wong**—There might be other sources of funding which they do not currently have.

**Senator SIEWERT**—That is the point I am making: for the last 10 years, they have been encouraged to leverage funds elsewhere from research organisations, universities, government agencies et cetera. What I am asking is: has there been analysis done of the amount, which regions have got it, where it has come from and which regions have been most successful, because I bet you will find that some regions—if they are near a coast, for example, or a south coast or they have better expertise or whatever—have actually been much more successful for a variety of reasons. Some will be locational.

**Ms Rankin**—We certainly have not done a formal analysis along the lines of answering the questions you have asked but we are aware that some regions have been much more successful at getting, or have tried in some cases a lot harder to get, additional investment and support from sources other than us. As I said, in a lot of cases, as you know, these regional groups are actually statutory bodies of the state authority, so they are not reliant on the Commonwealth funding and in a lot of cases our funding is only a small proportion of the resources they receive.

**Senator SIEWERT**—In some states, yes; not all. But not my home state, for example.

**Ms Rankin**—I am aware of that, yes.

**Senator SIEWERT**—Is there any intention to do that sort of analysis when you are helping groups to transition?

**Ms Rankin**—I am happy to take that on board and think about it. We have not thought about whether we should do something like that, but I am happy to consider it.

**Senator SIEWERT**—Thank you. That would be appreciated, if you could. Is there a list of the amount of money that is being invested in each of the priorities? I cannot see it listed in here, although I may have missed it. I know how much is in the National Reserves System. How much is in the biodiversity and natural icons?

**Ms Rankin**—There has not as yet been a budget set for each of those different components, apart from the election commitment components of the program.

**Senator SIEWERT**—Which I added up before to be \$467 million. Is that correct?

**Senator Wong**—Out of this budget measure?

**Senator SIEWERT**—Out of \$2.2 billion, I added up the promises to be \$467 million.

**Senator Wong**—There are election commitments identified in respect of this measure in Budget Paper No. 2 somewhere.

**Senator SIEWERT**—Yes, and I presume they are the same. They are the Great Barrier Reef, the Tassie devils et cetera. The minister has announced \$180 million—and we talked about that earlier, so I did not add that to my list—but the rest has not been allocated.

**Ms Rankin**—There have been indicative allocations, but they have not yet been agreed by the ministerial board.

**Senator SIEWERT**—As I understand it, you have already put out applications for Coastcare projects, haven't you?

**Ms Rankin**—Coastcare, because that was an election commitment. There is money in the budget paper of \$100 million over five years for that election commitment.

**Senator SIEWERT**—Is it fair to assume that the extent of the coastal environments and critical aquatic habitats is \$100 million?

**Ms Rankin**—Not necessarily. It could include more money than the election commitment, which is a specific election commitment for \$100 million over five years for Community Coastcare grants.

**Senator SIEWERT**—That is what is picked up—I am reading the election promise—in 'to protect and repair Australia's fragile coastal ecosystems'?

**Ms Rankin**—That is right.

**Senator SIEWERT**—That is Coastcare?

**Ms Rankin**—That is right.

**Senator SIEWERT**—The priority goes beyond that, because it goes to coastal environments and also critical aquatic habitats.

**Ms Rankin**—Yes. So it would pick up, for example, the additional election commitments on the Gippsland Lakes and the Tuggerah Lakes estuary as well.

**Senator SIEWERT**—There is more than that in aquatic habitats, so hopefully there is more money there for other aquatic habitats. When do we expect to see what each of these programs is going to get?

**Senator Wong**—Which programs?

**Senator SIEWERT**—The priorities that I have just listed. There are six priorities covered under Caring for Our Country.

**Ms Rankin**—This is a discussion we have to have with the ministers about whether they actually want to lock in funding for each of those particular priority areas or allow it to be indicatively allocated and released, for example, as part of the business plan in September. I think they are keen to allow some flexibility and not have a lot of silos or programs that are specifically focused on each individual priority—that we can actually move money around within the program to fund the best return on investment and value for money across that range of priority areas.

**Senator SIEWERT**—As I understood it, there is a business plan, isn't there?

**Ms Rankin**—That is right.

**Senator SIEWERT**—And that has some specific outcomes that you want from each of those areas?

**Ms Rankin**—Yes, and part of that work will help drive a greater definition of the budget allocation for each of these priority areas.

**Senator SIEWERT**—Surely you will have an idea of how much you want to invest to try and achieve those outcomes?

**Ms Rankin**—I think realistically the best time to release that sort of funding will be once we have completed designing the outcomes and our business plan, so probably in September.

**Senator SIEWERT**—There is the money that has been set aside for the regional groups, then there are the election promises and then there is a whack of other money. How do you intend to spend that?

**Ms Rankin**—The process?

**Senator SIEWERT**—Yes.

**Ms Rankin**—The business plan will be the process whereby we advertise through—I think you started to discuss this this morning with Peter Cochrane—the development of the outcomes for the Prime Minister, which will start to set some framework and prioritisation around how that funding will be invested; the five-year outcomes we are trying to achieve with our money. We will then be setting a series of shorter term one- to three-year targets to help us make sure that, as we are heading towards that five-year outcome, we are prioritising our funding and investment to make sure we keep on track to achieve those outcomes. The aim of the business plan is to bring all that together, package it up and present it, hopefully either by region or by asset, and say, 'In these particular areas these are our particular priorities for investment,' and to seek proposals from regional groups, as well as other groups, to undertake activities to deliver on those priorities.



**Senator SIEWERT**—When you say ‘asset’, are you talking about the natural icons or are you talking about ‘asset’ in the definition that is being used increasingly in the investment framework discussions?

**Ms Rankin**—It could be an asset like the Great Barrier Reef. It could be an asset like the south-west biodiversity hotspot in Western Australia. It is a regional biogeographic asset probably.

**Senator SIEWERT**—Who has been involved in the discussions that are establishing the business plan and the outcomes et cetera?

**Ms Rankin**—The business plan is one of our next priorities, once we get the arrangements for the transition year sorted out. But we have started consultations with some of the experts in the field, including CSIRO, David Pannell from the University of WA and other people who are leading the field, on how we can pull together that sort of strategic evidence based investment framework.

**Senator SIEWERT**—They are the words I want to hear!

**Ms Rankin**—We are trying to pull that expert panel together to assist us with designing this process and the business plan.

**Senator SIEWERT**—So that has not commenced yet?

**Ms Rankin**—We had some very early discussions with them last week on the draft outcome statements, to invite their input into that process, but we have not started discussions about the business plan yet.

**Senator SIEWERT**—Are the regional groups being involved in that level of discussion?

**Ms Rankin**—They are. We had some representatives of regional groups, both at the chair level at the CEO level, in those discussions on the outcome statements last week. We have not been able to go out to all 56 of them, but they have organised themselves into smaller working groups to help us interact with all regions by just dealing with a smaller number of them.

**Senator SIEWERT**—Sorry, I think I missed a step. You are working on the outcome statements first, then the business plan?

**Ms Rankin**—That is right.

**Senator SIEWERT**—Thank you.

**CHAIR**—Are you nearly finished?

**Senator SIEWERT**—I am not nearly finished, but I can stop.

**CHAIR**—I think we will call it a night. Thank you, everybody. There being no further questions, the committee has now concluded today’s program and will continue its examination of this portfolio tomorrow morning.

**Committee adjourned at 11.00 pm**