



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON ENVIRONMENT,
COMMUNICATIONS AND THE ARTS

ESTIMATES

(Budget Estimates)

THURSDAY, 29 MAY 2008

CANBERRA

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

Thursday, 29 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, Bernardi, Birmingham, Bushby, Colbeck, Cormann, Eggleston, Fifield, Johnston, Kemp, Lundy, Ian Macdonald, McEwen, Parry, Patterson, Siewert, Webber and Wortley

Committee met at 9.03 am

ENVIRONMENT, WATER, HERITAGE AND THE ARTS PORTFOLIO

Consideration resumed from 28 May 2008

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 Flanigan, 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

Australia 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

Ms Deborah Ely, Chief Executive Officer

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

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

Ms Chris Schweizer, Assistant Secretary, Environmental Water and Natural Resources Branch

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)—We continue the examination of the Environment, Water, Heritage and the Arts portfolio in accordance with the agenda. 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 of 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 that claim. An officer called to answer a question for the first time should state their full name and the capacity in which they appear.

Witnesses should speak clearly and into the microphones to assist *Hansard* to record proceedings.

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

Senator Wong—No, thank you.

CHAIR—The examination of output 1.2 continues this morning. I now call officers in relation to that output. I invite questions. Senator Siewert.

Senator SIEWERT—I understand Senator Kemp has a small matter of complication.

Senator KEMP—I have a point to the statement you just made, Chair, which was:

I remind officers that the Senate has resolved that there are no areas in the 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.

As a result, I now ask the minister if she will table for this committee a full list of the commitments that the Labor Party made in the last election that are being administered by her portfolio.

Senator Wong—These issues were canvassed at length yesterday. I have indicated that, obviously, I am responsible in my portfolio for the relevant election commitments made by the Labor Party, and Minister Garrett is responsible within his portfolio for those commitments made by the Labor Party relevant to his portfolio. I have referred Senator Kemp to the Labor Party policies, all of which are publicly available. In relation to the specific question he has previously asked, I have taken that matter on notice.

Senator KEMP—The Labor Party policies are not a comprehensive list. What we are particularly after are the lists not only of the general headings but of the specific grants which have been made under your portfolio. I suspect, in fact, there will not be a large list, although I would be quite interested to see how these water grants are working out. The committee is entitled to a full list. The chair has made it absolutely clear that no information, no areas in connection with the expenditure of public funds—each of these Labor promises will involve expenditure of public funds—can be withheld from this committee.

There has been a question on notice for this for four months now. What I would like is for Senator Wong to indicate clearly to this committee that a full list of the commitments that are being administered by this department will be tabled forthwith.

Senator Wong—Madam Chair, in relation to the expenditure of public funds, we at the table would be very happy to answer questions about the budget appropriations, which is what these estimates committees are generally for. As yet, I do not believe Senator Kemp has actually asked a question in relation to the PBS, but I could be wrong. Certainly, any election commitments which are delivered in this budget and have appropriations associated with them are matters that we are happy to assist the Senate with. We have already had a lengthy discussion on green loans, for example, which was an election commitment and a matter dealt with in the budget.

I have indicated, in relation to the previous question on notice, that the senator knows that matter was answered. It may not have been answered in the way he wished, because the opposition obviously has in its own mind what it wishes to obtain from the government. That is a matter for the opposition. In terms of the issue he raised yesterday—which is the list within these portfolios—as I pointed out, that is a question that has also gone to the minister representing the Prime Minister, and I have sought to take that question on notice.

Senator KEMP—What does—

Senator SIEWERT—Can we really move on? You have had your say.

Senator KEMP—This is actually of quite fundamental importance, not only for the accountability of this government to this committee but for the way this committee operates. We know that the department has a full list of the commitments which it is required to administer—the secretary has indicated that. We want this material tabled in this committee so that we can precisely see what this department is doing with the election commitments made by the Labor Party. I shall leave it there, but I indicate this matter will be pursued with considerable vigour until this government 'fesses up and tells us exactly what all its commitments are which are being administered by this department and, indeed, all other departments.

Senator SIEWERT—I cannot remember the exact place that we left last night, but I do recall that we were talking about the investment framework. I am interested to know whether the investment framework will be applied at the regional level as well. Are you going to be asking the regional groups to apply the concept of an investment framework, or is it just at the national level that that is going to be applied?

Ms Rankin—At the moment we are just talking about the investment framework being something that we require at the national level. We have not considered specifying that that has to be undertaken at the regional level, although we are aware that a number of regions are moving down that track of pursuing their own investment framework development because they are finding it quite a useful way for prioritising their own funding.

Senator SIEWERT—I am aware that we are going to be running short of time, but could you provide us with a list of who is on the expert panel?

Ms Rankin—There is not a formal expert panel yet, but I am certainly happy to provide you with a list of who we have consulted with to date.

Senator SIEWERT—So there is not a formal one yet. Do you intend formalising that process?

Ms Rankin—I am not sure whether we are going to formalise it as a separate group called an expert panel, or just try to contact as many experts as we can and bring them together to assist us in different phases of the process.

Senator SIEWERT—There is the pool of money that is going into the regional process; there is the pool of money that has been committed to the election promises, and then there is a pool of money that—as I understand it—will be on a competitive basis application for funds across all of the priorities. Is that a correct understanding?

Ms Rankin—That is right.

Senator SIEWERT—The statement in the media around this program to date talks about refocusing on smaller projects. Is that what is intended?

Ms Rankin—I am not aware of that statement being part of the media for the program.

Senator SIEWERT—I actually do not have it on me but I can show it to you, because I know that is one area that is causing a great deal of concern. I thought we had learned the lessons of the past where a lot of small projects are good for extension but for little else.

Ms Rankin—I think that, to be honest, there have been a lot of comments made about the aim being to make sure that we get the greatest value for money—choose programs and investments that show a good return on investment. I am not aware of any comments that have been made indicating the scale of that investment. I think we are still envisaging that it could range from large-scale style land program investments that we were moving to under our next G2 to—in some cases—smaller-scale investments through, for example, the Community Coastcare grants, which still have a valuable role in helping to engage community effort in the overall program.

Senator SIEWERT—I am pleased to hear you say that. As I said, I did not bring the media list with me, but I know that I have seen it because that was one of the things that set my alarm bells ringing. Once you have set the outcomes and got the business plan, what is the process—will you then be calling for tenders? Is that the idea?

Ms Rankin—Effectively we will be asking people to respond to that business plan with their proposals for what investments they want to undertake that deliver on our business plan. For example, we have suggested to regional bodies that they may want to submit their original investment strategies as their proposal rather than having to fill in an application form. We are still working through the mechanics of how this is all going to work out, because really it is post the transition year when this comes into effect.

Senator SIEWERT—Have you done a breakdown of how much funding is going to be available for that tender process?

Ms Rankin—At this stage, I do not have it with me, no.

Senator SIEWERT—You do not have it with you or it has not been done?

Ms Rankin—Effectively, of the election commitments and the regional funding, it is—

Senator SIEWERT—It is what is left over?

Ms Rankin—It is what is left over.

Senator SIEWERT—Last night we were talking about the amount of savings. One saving that you identified was one from the Landcare pool, which, as I understand, was about \$1.5m over the five years. The other one was \$7.5 million from stewardship. Can you tell me what is happening with that funding?

Dr Zammit—The funding for the environmental stewardship component of Caring for our Country for 2008-09 is \$7.5 million; for 2009-10 it is \$12.5 million; and for 2010-11 it is \$17.5 million for a total of \$37.5 million for that component of Caring for our Country.

Senator SIEWERT—I am interested in where the savings are coming from.

Dr Zammit—The original commitment of the previous government was \$50 million from 2007-08 over four years. We spent the first \$5 million of that and the balance then, as I have described—

Senator SIEWERT—\$45 million.

Dr Zammit—Yes.

Senator SIEWERT—The balance from the \$50 million was \$45 million and you have just described \$37.5 million. Maybe I should rephrase that. What I am getting to is that last night we discussed the fact that there is savings of \$7.5 million. Savings to me sounds like cuts when it is to a program. What you have just said is that over that period of time there is expenditure of \$37.5 million. I think that is what you said.

Dr Zammit—Over three years, that is right.

Senator SIEWERT—Where are you making the savings?

Dr Zammit—It is just a lower annual commitment.

Senator SIEWERT—A lower annual commitment? Yes, you have made a cut to the program. So what has not been done? Is it just that you have taken \$7.5 million out of that program?

Dr Zammit—The design of the program has not changed at all. We have a reduction in the annual commitment for the out years.

Senator SIEWERT—You have just said the design of the program has not changed, therefore it is still focused on those endangered—

Dr Zammit—It is focused on matters of national environmental significance under the EPBC Act. The first investment, as we know, is box-gum woodland—that is all rolling as designed.

Senator SIEWERT—You probably would be aware that we had a discussion in the rural and regional committee about what the definition of remote is and we did not resolve that discussion. My colleague just said: anywhere outside of Canberra. Have you had any further thoughts on what is remote? You will be aware that it says here: ‘natural resource management in remote and Northern Australia’.

Ms Rankin—We have not resolved it since your discussion in the previous estimates committee. I think the intent of that priority area is really, at this stage, one where we would want to engage in a discussion with regions and state and territory agencies and stakeholders that work in areas like the rangelands regions in Western Australia, Northern Territory and some of the gulf areas of Queensland and talk to them. At the moment we sort of force them through the same sort of processes as everybody else in terms of applying the regional funding model and the cycle of funding, where we have a financial year contract with them which often does not fit very well with their different seasonal arrangements for the time they actually do work on the ground. The fact that they have quite different social and economic imperatives often becomes quite difficult for them to actually get staff out into different regional bodies and retain them in very low population areas.

So we want to talk to those groups about how we can do NRM better in those types of regions. Do we need to change some of the arrangements we have in place? Can we get them to work together better as bodies to say we have cross-regional investment in things like wheat and feral animal control? It is a discussion that is starting to say this is a priority—thinking about how we can do it differently and develop something that is more tailored to the needs of those areas.

Senator SIEWERT—While I do not have any problems with that, what I am concerned about is the priority is natural resource management in remote Australia and Northern Australia. Does that mean that natural resource management in any other areas in Australia is not a priority?

Ms Rankin—No; I think that is just an unfortunate interpretation of the wording. The whole Caring for Our Country program is about environment protection and land management or natural resource management. That was a specific attempt to say we are focusing on natural resource management in those particular areas, but all of the other priority areas, including biodiversity protection and world heritage, require some form of natural resource management as well.

Senator SIEWERT—I think you are right—it is inadequate wording to describe a program in that case.

Ms Rankin—It is just a way of describing the priority. The overall program, we think, is fairly clearly identified in terms of the overall objective being natural resource management, and the objective is clearly intended to demonstrate that it is about environment and land management.

Senator SIEWERT—Does that mean that, if two projects come in and one is for rangeland and one is for somewhere in the southern part of Australia, a weighted priority is given to remote?

Ms Rankin—No. Again, getting back to the business plan, our aim will be trying to set out our priorities across the whole country, and there will certainly be priorities for natural resource management outside remote Australia and Northern Australia.

Senator SIEWERT—Could you define for me natural icons? Are they those that are described in the election commitments? Is there a list?

Ms Rankin—No, not at this stage.

Senator SIEWERT—So people can just make an application and say, ‘This is a natural icon’—is that the idea?

Ms Rankin—At this stage, yes.

Senator SIEWERT—Right. So there is not going to be a list of priorities that are developed around what natural icons are?

Ms Rankin—We are still working through the details on whether we are actually going to try and come up with that list or leave it fairly open and allow people to try and make the case that something is an icon.

Senator SIEWERT—While I remember, because I will probably get in big trouble if I forget, where does the Threatened Species Network come in? Is that being re-funded?

Ms Rankin—At the moment, as you are aware, as part of the transition year process we are trying to look at a range of the critical activities that were funded previously under NHT2. We want to make sure that we do not lose momentum through the transition phase, so we have been compiling advice for the ministers about which activities out of NHT2 we want to get some early decisions on in terms of funding into the transition year. Ministers will have to make a decision about those. We have been considering the Threatened Species Network as well as a whole range of other projects and activities in that category.

Senator SIEWERT—So you are saying that the government has not committed to re-funding the network?

Ms Rankin—There has been no decision on that at this stage.

Senator SIEWERT—What about the marine and coastal community?

Ms Rankin—They are part of the same process.

Senator SIEWERT—When will you know?

Ms Rankin—We are certainly hoping to know by the end of June.

Senator SIEWERT—Have specific issues like World Heritage funding been thrown into the same process of developing the business plan? Will there be money specifically allocated for World Heritage funding or is it up to groups to go through a tender process if they want to do anything around World Heritage management?

Ms Rankin—World Heritage is a bit of mixture. As you are aware we have some ongoing commitments to fund the Commonwealth contribution to the management of World Heritage properties, particularly in Tasmania and Queensland as well as a number of other properties around the country—

Senator SIEWERT—And others are not, and that has been an ongoing issue.

Ms Rankin—So the aim is to certainly maintain that level of commitment for things that we have been funding but also provide greater opportunities for other activities in those other properties to be undertaken, particularly allowing either the advisory committees or other community and regional groups to put up proposals around World Heritage areas, particularly around the boundaries of those areas where they might want to undertake activities.

Senator SIEWERT—So which funding pot does the ongoing funding for the other areas, that the Commonwealth has commitments to, come out of now?

Ms Rankin—It all comes out of the Caring for our Country fund.

Senator SIEWERT—It still comes out of Caring for our Country. Could you provide us with a list of the ongoing commitments? In the pie that we were talking about earlier, there is the regional staff, the election commitments and now there is actually a commitment out of that pie to ongoing World Heritage management.

Ms Rankin—Those decisions are part of that other process that I was just describing that is picking up the Threatened Species Network and the other networks. The government's

decisions on specifically allocating funding to those activities are part of the current process, so I am not in a position to provide you with that list now. Just to clarify the point, before you go on—the election commitments, for example, are still largely a part of the contestable funding process, so we do not necessarily say that that money is not available to communities and regions. If you are looking at the \$100 million Coastcare program or the \$200 million Reef Rescue Plan, that funding is all available for people to access. It is not excluded from the funds under the program.

Senator SIEWERT—Have you done a chart on the way that this expenditure works?

Ms Rankin—At this stage, no.

Senator SIEWERT—Because it is very hard for any of us to actually work out where money is being spent. I appreciate that you are not trying to be difficult here, but the point is that, when I asked yesterday about whether the money to those six priority areas had been allocated, you said no—and I appreciate that it has not been. But then, under them, there are also areas of funding that have actually already been allocated, so there is dedicated funding for some areas and not for others.

Ms Rankin—No. No decisions have been taken on those other areas yet. At the moment the only decisions that have been taken about allocations from the Caring for our Country budget are for the regional commitment and for the election commitments. There have been no decisions taken by ministers yet on any other component, although we are working on providing advice on maintaining the momentum of some critical activities in the transition year.

Senator SIEWERT—And the money that you were talking about, the already committed funding for World Heritage—although there is a notional commitment, am I correct in understanding that there has not been any commitment of actual dollars, a dollar figure?

Ms Rankin—At this stage. That is right.

Senator SIEWERT—And, again, is that the end of June figure?

Ms Rankin—That is right.

Senator SIEWERT—So, out of that pie, there will then be a section of money that is non-contestable that goes to states—Queensland, I think you said, NT and—

Ms Rankin—Tasmania, probably.

Senator SIEWERT—Tasmania. Okay. So, for the World Heritage funding, do you envisage there will be an outcome around World Heritage management that communities could then apply for?

Ms Rankin—I do, yes.

Senator SIEWERT—The same with endangered species—that will be an outcome that people are encouraged to apply against?

Ms Rankin—That is right.

Senator SIEWERT—What happens if communities decide there is not sufficient interest from their community to actually apply to those particular programs, to provide threatened

species management, for example? What happens if communities do not apply for that? So you have got regional bodies that may, for example, decide they are going to concentrate on natural heritage management or things like that. Is the idea that you would then seek applications for specific projects around specific areas?

Ms Rankin—I think, through the business plan process, we would certainly be trying to work with a whole range of groups to make sure that we do get proposals for investing in the priority areas that we have identified. Obviously, we would be hoping to work with regional groups as much as possible, but in some cases, as you say, it may not be a priority for them so we might need to look at directly going to another source of proposal for undertaking that activity—although the business plan would be open to everybody to submit proposals to, so we would hope that, if there was anybody else interested in that particular species, they would put up proposals anyway.

Senator SIEWERT—What assessment process is going to be used?

Ms Rankin—We have not sorted through those details yet.

Senator SIEWERT—Is it going to be state or national—have you worked it out that far yet?

Ms Rankin—No.

Senator SIEWERT—So you do not know if it is going to be a state assessment or a national assessment?

Ms Rankin—No.

Senator SIEWERT—And when you expect to do that—June?

Ms Rankin—No, because what we are really talking about are years two to five at this stage. As you are probably aware, we are trying to get through a whole lot of work for the transition year. The process of developing the business plan and identifying how we are going to run the assessment process is probably going to happen early next financial year.

Senator SIEWERT—The transition year, the funding that were just talking about, world heritage delivery—all those sorts of things are going to remain the same as was delivered last year?

Ms Rankin—That is a decision that ministers have not taken yet.

Senator SIEWERT—For the transition funding?

Ms Rankin—For those components, yes.

Senator SIEWERT—Okay. Are you going to use the process of ensuring there is sufficient community participation in the broader delivery of all those other services as one of the assessment factors? What I am getting at is going back to the old days, because the agencies will try—and I already know it is happening—and compete with the NGOs and the regional groups and shut them out completely. You will know as well as I do that in certain states that is very high on the agenda.

Ms Rankin—We have had this discussion with a couple of the regional bodies already—in fact, we spoke to all the regional chairs in Melbourne in April—and they raised that very

concern. So we are certainly thinking about how we can factor into the assessment process some process of determining the extent to which there is alignment between what is coming forward as a proposal and what is outlined in regional investment strategies that are accredited and what sort of partnership arrangements there are between states, regions and NGOs. We really do not want to get back to the situation of having multiple people trying to avoid going through one route because they do not think they will get funding through there but coming through a different route to bypass that process. We also want to make sure that there is sufficient capacity for people that may not have felt that they have been able to access things through the regional process that they can still put up proposals as well and demonstrate their own merit and credentials. So we will be working through how we might define that, but we are certainly aware of it as an issue.

Senator SIEWERT—I probably cannot chase that because I know I am going to get jumped on in a minute, but I do want to know about research through this process and the funding of research. How does that fit in?

Ms Rankin—It is a difficult one to answer because, for example, some components of the reef rescue election commitment have dedicated funding set aside for research and there is not, as you can tell in any of the overall description of the program, a specific research component to it. We are very keen on making sure that we do pursue the evidence based approach to making decisions and investments. The capacity to fund research activities is certainly considered as one of the suitable activities we could invest in.

Senator SIEWERT—It will be, will it?

Ms Rankin—Yes.

Senator SIEWERT—Because, you would be aware that in previous programs there has been a differing approach to whether research can be undertaken or not.

Ms Rankin—Tassie devils, I am told, and cane toads also have a specific research component.

Senator SIEWERT—Sorry, I was assuming that you could not do those programs without it but I am talking about the broader sustainable farm practices, NRM—all those sorts of issues.

Ms Rankin—They do, but there is not a specific program as yet.

Senator SIEWERT—Okay, but people will be able to put up a proposal that addresses the outcomes and that will be considered. So it is not being excluded?

Ms Rankin—No.

Senator SIEWERT—We were talking about extension of facilitators et cetera. Obviously, by the sounds of it because of the discussion we had last night, I am presuming there will still be ongoing funding for those types of positions. Is that a correct assumption?

Ms Rankin—We have moved away from dictating which facilitators regional bodies have to employ, if you are talking about that level. For example, we previously said you have to have a Commonwealth facilitator in each region funded by NHT and Landcare. We have basically said: 'It's up to you. You choose what people you need to help you do your job and

we can provide funding to those sorts of facilitators that you choose that are essential for your role.' So we are not forcing a particular framework on them but we are providing funding if they want to employ facilitators.

Senator BIRMINGHAM—I missed some of Senator Siewert's questions last night and a couple of them this morning, so I apologise if I do overlap. Please tell me if that is the case and we will try to move on as fast as we can. The cost of Caring for our Country, as indicated in the budget papers, shows a reduction in spending this year of \$12.5 million and next year of \$10.5 million, with new funds only kicking in a couple of years into the forward estimates. Why is this the case?

Ms Rankin—Are you referring just to this portfolio's appropriation as part of Caring for our Country, because there is the land care component as well, which is reflected in the—

Senator Wong—Senator, perhaps you could refer the officers at the table to which page of which budget document you are referring.

Senator SIEWERT—It is basically the same question I asked last night.

Ms Rankin—Yes.

Senator Wong—I am just asking if the senator could refer us to which PBS.

Senator BIRMINGHAM—We can either go to page 191 of budget paper 2 or page 26 of the portfolio statements.

Senator Wong—In the printed document, page 191 is overseas development, assistance to Iraqi police services, so I assume that is not right. Page 163 in budget paper No. 2 is the Caring for our Country measure.

Senator SIEWERT—It is at the bottom of page 163.

Senator Wong—Unless you want to talk about assistance to the Iraqi police services.

Senator BIRMINGHAM—No.

Senator Wong—It would certainly be an interesting environmental question.

Senator BIRMINGHAM—PDF documents on the laptop come up with different pages sometimes.

Ms Rankin—If you look at page 163 of budget paper 2, just to clarify your question, you are referring to the \$12.5 million reduction in environment department appropriation versus the agriculture, which is a total of minus \$15 million for Caring for our Country overall?

Senator BIRMINGHAM—That is right.

Ms Rankin—It is really just a reflection on rephrasing the spending for the program, acknowledging, as we are all aware when you go through a transition phase, it is often very difficult to gear up your expenditure to the level required to fully fund at the level it might have been previously anticipated. We are aware that programs, particularly with the effort required to roll out very large programs like reef rescue and the Community Coastcare grants component of the new Caring for our Country, do take a lot of time to get up and running. We may not be able to fully expend to the level that was previously anticipated, so some of the

funding has been moved to the later years of the program when the momentum will be ramped up.

Senator BIRMINGHAM—This is largely an amalgam of other programs that have been put together to create Caring for our Country.

Ms Rankin—That is right.

Senator BIRMINGHAM—Those other programs had ongoing activities that they were funding and regular activities that they were funding. You have been going through with Senator Siewert how groups will still be able to access funding under Caring for our Country. I understand that the new initiatives—the government's election initiatives—might take some years to ramp up, but why are we seeing cuts in the early years of funding for environmental groups and activities under this program?

Ms Rankin—It is not true to say that all the programs that have been rolled into here were continuing. NHT2 was certainly ending at the end of June and a new phase of NHT3 was scheduled to start, so a whole lot of the activities that were previously funded under NHT were supposed to be concluding. So there was a whole process to be ramped up anyway for NHT funding, which is probably the vast majority of funding under Caring for our Country. When you look at the Working on Country component of Caring for our Country, it was previously funded at a much lower level. The government's election commitment of bringing in additional funds to employ additional Indigenous rangers does require a substantial ramp up of activity in that component as well. It is not the case that everything was just moving along smoothly and we are reducing funding; we are also trying to make a transition to a whole new program and new way of doing things.

Senator BIRMINGHAM—The minister went to some pains last night—unnecessarily so, but nonetheless—to explain that of course these figures in the budget papers indicate changes in budget measures and that they are not indicating the total expenditure by the department. They indicate a change year on year. So we are actually seeing across the two departments a \$15 million cut in the next financial year, and, Minister, across this department a \$12.5 million cut this financial year.

Senator Wong—I think that Ms Rankin has explained the ramp-up or start-up factor which is at play. In terms of the total measures associated with this program, they are set out at page 163 and include a range of election commitments. There is also the explanation of the rephrasing of expenditure from 2008-09 and 2009-10 to 2011-12 and 2012-13. In the budget papers, the government is being up-front. There is a net saving of \$9 million in total. So the government is up-front about that.

Senator BIRMINGHAM—As long as we are—

Senator Wong—Sorry; the officers remind me that that is over five years. So you can make whatever political point you choose, Senator Birmingham, but I think that in fairness you would need to look at the 2008-09 figures in the context of the five years which are articulated in the budget measure.

Ms Rankin—I guess our view is that the \$12½ million savings out of a \$400 million program in the first year is pretty small in light of the range of activities we have to revise and

put in place for the new program. It is not something that means that there is necessarily a significant cut to funding to any particular activity; it is just a rephrasing of the rate at which activities are rolled out.

Senator BIRMINGHAM—It certainly means that there will be a slowing of activity in terms of delivery of environmental projects this year compared to last year.

Senator Wong—I think, Senator Birmingham—and Ms Rankin can give this; she has outlined to you the nature of the government's changes in this area—that in many ways this reduction in the 2008-09 year is as much a consequence of the implementation of the government's restructuring or reprioritising of this program. As Ms Rankin has said, it is in the context of a very substantial commitment in the 2008-09 year for this program—or these programs.

Ms Rankin—One program.

Senator Wong—One program—with two department line items!

Senator BIRMINGHAM—Indeed. Minister, you know all about different programs across different departments at present, I am sure.

Senator Wong—I am not sure I know all about it, Senator Birmingham. We attempt to do our best.

Senator BIRMINGHAM—Okay. We have at least established and clarified the fact that there are cuts and that there is at least a small reduction of activity in the first years, recognising some increase in later years. Did you canvass the stringent assessment criteria that have been promised in relation to Caring for our Country?

Ms Rankin—I think we did.

Senator SIEWERT—There isn't one yet.

Senator BIRMINGHAM—There isn't one yet? Very good. Did we give Senator Siewert an answer on when there will be one?

Ms Rankin—We talked about how, in Caring for our Country, the first year is being treated as a transition year where we are trying to ensure that funding flows quickly out to regional bodies to make sure that they maintain their momentum; they have as much certainty as possible; and we can start to implement a lot of the election commitments as soon as possible in the next financial year. A substantial part of the effort on developing the longer-term business planning investment framework for the program, which has not started yet, is intended to be in place for years 2 to 5 of the program. The first business plan that articulates the government's priorities and the outcomes that it is seeking—defined by either a region or an asset—will be released in September, and as part of the process of developing that we will also be working through the detailed assessment process for how proposals in response to that business plan will be assessed.

Senator BIRMINGHAM—It will not be possible to make applications until after that business plan is released?

Ms Rankin—That is for years 2 to 5. In the transition year we are, as I said, trying to make decisions that will allow funding to be rolled out for all the regions—certainly in July. As you

know, there are a range of calls out at the moment for funding for components of the program in the transition year from the Community Coastcare and NRS components of the program. The stewardship component has gone out or is about to go out. Working on Country is also about to seek applications for funding. So we are trying to do in the transition year a bit of a mixture of types of processes for getting applications in much more quickly.

Senator BIRMINGHAM—It seems to me a strange order in which to do things, and the minister may need to answer this rather than you, Ms Rankin—

Senator Wong—I am sorry, Senator, I did not hear you.

Senator BIRMINGHAM—It seems a strange order in which to do things: you are having a transition year in which you are funding a lot of grants on programs that have been completed and rolled up or expect to find application from those programs to flow on. You are making up transitional rules to work for those grants in the transition years while you put the business plan and the application process in place, as well as the stringent assessment criteria in place for Caring for our Country. Wouldn't it have been more prudent to simply extend all of those other programs for one year and then have a whiz-bang launch of Caring for our Country with everything in place?

Senator Wong—Is that a question to me or to Ms Rankin?

Senator BIRMINGHAM—I am happy with whomever, Minister.

Ms Rankin—A number of the programs that I mentioned are new—for example, the Community Coastcare Grants program is a new component of Caring for our Country. It was not something that was previously funded under the trust or any other of the programs that have been rolled into here. If we had just kept going all of the programs that were previously funded under NHT/Landcare Stewardship and Working on Country—and in some cases they will be if their critical activity is continued—then we would not have been able to provide any process for people to apply for activities that are aligned to the new priorities or to deliver on the government's election commitments.

Senator Wong—Obviously, the quite substantial election commitments, in terms of both the refocusing and reprioritising of this funding and the additional election commitments which are outlined in the budget measure and which Ms Rankin has spoken about does require a significant amount of implementation work to be done. That is probably why officers at the table are a bit tired. The government is very conscious of the need to sensibly manage the transition process, particularly for regional bodies, and that is the logic behind the way the government has approached it.

Senator BIRMINGHAM—I understand the need to manage that transition process. Obviously, where there are clear-cut new programs that have to start this year to meet election commitments, provisions would need to be put in place to allow them to start. It seems strange to cut off other programs and then put that money into a transitional phase before the start-up of the new program.

Ms Rankin—I am not sure that I understand, Senator. I am not sure that we have cut anything off from previous programs. Dr Zammit can perhaps talk about the stewardship program, which was an ongoing program that has been rolled in from a previously separate

appropriation into Caring for our Country. Perhaps he can explain better than I can how the new process will work.

Dr Zammit—The stewardship program was previously a freestanding program sitting outside of NHT; it has been rolled into Caring for our Country. The design of that is to run a market based process to secure high-value conservation outcomes on private land through tenders. We are staying with the time frame. I have already talked about the savings, but the integrity of the program, its methodology and time frame stand. For example, early in the new financial year, we will be calling for expressions of interest in that program through a smaller region than the asset covers. The first target for the program is an endangered community called the box-gum woodland, which is extensive across southern Queensland, the middle of New South Wales and into Victoria. Part of the architecture of designing this put us in the position where we came to the view that beginning the program in a more contained area would make sense, because the overhead of covering a program of this size, across the full geographic extent, would make the start-up difficult. So we have contained it to two regional areas—the Lachlan and the Murrumbidgee—and we will launch that in the first part of the new financial year, about July-August, and we expect to be making payments to landowners at the beginning of the 2009 calendar year. That is an example of a transition which really has not been affected. We have kept the momentum and integrated the architecture inside Caring for our Country.

Senator BIRMINGHAM—Thank you. I hope that it can work as smoothly and as obviously as you hope. Can I go to the funding that is already committed under this program? Just to be quite clear about this, it is a \$2.2 billion program over five years. Out of that we take off the \$200 million reef rescue plan. That is funding already locked away within Caring for our Country.

Dr Zammit—That is right.

Senator BIRMINGHAM—There is \$180 million for the National Reserve System.

Ms Rankin—That is right.

Senator BIRMINGHAM—And \$100 million for Community Coastcare and \$50 million for the Indigenous protected areas.

Ms Rankin—Yes. These are all the election commitments outlined on page 163 of the budget papers.

Senator BIRMINGHAM—Okay. There is \$90 million for the 300 new Indigenous rangers.

Ms Rankin—That is right.

Senator BIRMINGHAM—And \$10 million for the Tasmanian devils.

Ms Rankin—Yes.

Senator BIRMINGHAM—There is \$2 million for the cane toad menace and \$5.3 million for the Gippsland Lakes. Are there any other election commitments of that nature funded out of these \$2.2 billion in funds?

Ms Rankin—I do not know if you mentioned the \$10 million over five years for the Indigenous emissions trading activity and \$20 million over five years for Tuggerah Lakes. And with the \$90 million for Indigenous rangers, there is an additional \$50 million for the Indigenous Protected Areas network to be expanded.

Senator BIRMINGHAM—Can you then provide me with a breakdown of the remaining Caring for our Country funds? Are they all then considered just one large pot or are they broken down further?

Ms Rankin—There is an indicative budget against the six national priority areas that are outlined under the program, but there is no agreed budget for those yet.

Senator BIRMINGHAM—So there is no commitment to the Landcare component?

Ms Rankin—Sorry, apart from maintenance of the appropriations that were previously brought in from those programs—for example, the Landcare program component of Caring for our Country is retained. The Stewardship Program component is retained and so is the Working on Country component. That was prior to that additional contribution added by the government's election commitment.

Senator BIRMINGHAM—Right. So if we take away those retained components, how much is left?

Ms Rankin—I do not have that figure with me, but the point is that all of those components are part of the program. The program encompasses all of those election commitments and is being rolled out in a way that people have access to that money. So I think that it is wrong to potentially imply that that funding is not part of the program and is not available for spending through the program to a range of groups like regional bodies or any other community groups.

Senator BIRMINGHAM—I certainly recognise Stewardship, Landcare et cetera.

Ms Rankin—So is Reef Rescue, Coastcare and all of those activities. They are clearly designed to be implemented by regional bodies, local councils, NGOs and community groups.

Senator BIRMINGHAM—A large chunk of the Reef Rescue funding goes to GBRMPA, doesn't it?

Ms Rankin—No. The vast majority of it will be going through regional and industry groups in Queensland to undertake improved land management activities to reduce their activities that might have an impact on the water quality in the reef.

Senator BIRMINGHAM—Does any of that go to GBRMPA or not?

Ms Rankin—Probably a small component of it will go to help continue some of their monitoring program. And I think GBRMPA will be administering part of it in relation to the Indigenous land and sea country activities—so negotiating TUMRAs with Indigenous groups in the Great Barrier Reef region.

Senator BIRMINGHAM—I understand you do not have the figure with you, Ms Rankin, but nonetheless could you please undertake to provide the figure of how much is committed to those ongoing programs—we have detailed all of the other election commitment related ones—and then what the remaining figures under forward estimates for the program are?

Ms Rankin—I can do that.

Senator BIRMINGHAM—Are you, Minister, or are you, Ms Rankin, aware that the North Central CMA in Victoria has already had to sack 10 staff as a result of the delays in arrangements relating to the transition between programs?

Ms Rankin—I am aware that that was a statement that was included in Dr Sharman Stone's speech a couple of nights ago, but I am not personally aware that that is the case. In your discussions with the estimates committee for the agriculture portfolio, I understand there was a question taken on notice that we would work jointly with them to provide you with advice about what information we have about any potential redundancies or people that have lost employment in regional bodies. We would note that a large number of programs in regional bodies were coming to an end anyway through the completion of NHT2 and the national action plan programs, so it is difficult to draw a direct correlation between the transition between these two programs and what would have happened anyway.

Senator BIRMINGHAM—Conscious of time, we shall look to the answers provided in the other committee. How will the competitive tendering process for CMAs work?

Ms Rankin—I have tried to describe previously that what we will be releasing in September will be a business plan for Caring for our Country that will establish the outcomes for the overall program over five years, establish some specific short-term targets to achieve those outcomes and try to present those in a way that is targeted at a particular regional scale or a particular asset—like the Great Barrier Reef, for example. Regions and everybody else will be able to submit proposals in relation to that business plan and set out what activities they wish to undertake that will contribute to the outcomes and priorities established there. We will receive those proposals. The assessment process for those is yet to be determined.

Senator BIRMINGHAM—When, under the interim arrangements, can CMAs start applying for funds?

Ms Rankin—CMAs have already been advised of the guaranteed level of funding that they will have access to in the transition year. We have already been working with all of the regions around the country to identify which activities in their region that align with Caring for our Country are most appropriate to fund from within that amount of money. We are seeking decisions from ministers before the middle of June on all of those investments so that they will know by the end of the financial year and, from July, have certainty of funding flowing.

Senator BIRMINGHAM—So it is not being undertaken through an open tender process as such? You are working directly with the CMAs and the like?

Ms Rankin—This is for their guaranteed component of funding?

Senator BIRMINGHAM—Yes.

Ms Rankin—Yes, we are working with them based on their current regional investment strategies that they had already in place. Many of them had already developed them for ongoing funding from NHT and from other sources, including state government funding. We are working with them to identify the activities within their current strategies that most clearly

align with Caring for our Country and activities that they need to maintain their ongoing capacity as regional bodies.

Senator BIRMINGHAM—Will there be a capacity in this interim year, or will you be providing grants based on a tender process aside from that core funding?

Ms Rankin—The government is certainly keen on running some form of contestable process in this transition year. We have obviously started some of it through the different processes for Community Coastcare. We run the stewardship component through that sort of process. The Working on Country and National Reserve System components are already very close to being released, if they have not already been, and we are trying to work out a process for running an additional component to that that will be open more broadly.

Senator BIRMINGHAM—When do you expect to be able to start that process? When can CMAs start applying for those extra funds?

Ms Rankin—We would hope to have some clarity around that process, again, by the end of June.

Senator BIRMINGHAM—Do you anticipate that will be a public process—tenders called, advertised et cetera?

Ms Rankin—Yes, we anticipate that.

Senator BIRMINGHAM—And when would you be aiming to make decisions?

Ms Rankin—Obviously in a transition year we want to make decisions as quickly as possible. So we will be trying to constrain the time frame for that sort of process, because we do want to make sure money gets out and is spent, and that people know as early as possible in the financial year exactly how much money there is and what projects they have approval to implement.

Senator BIRMINGHAM—Who will assess the tenders?

Ms Rankin—In the transition year?

Senator BIRMINGHAM—Let's deal with the transition year first.

Ms Rankin—Again, we have not sorted through those details.

Senator BIRMINGHAM—Is final approval at a departmental level or a ministerial level?

Ms Rankin—It is at a ministerial level—that is, the ministerial board, which comprises both the minister for environment and the minister for agriculture.

Senator BIRMINGHAM—So the two ministers will have final sign-off on all of those grants in the interim year and in ongoing years?

Ms Rankin—Yes, they will. There is a slight complexity to that under Caring for our Country where Minister Burke has sole decision-making responsibility on activities funded under the National Landcare component of Caring for our Country. Whereas Minister Garrett has sole decision-making responsibility under the World Heritage and National Reserve System and Working on Country components. But they make decisions jointly on everything else.

Senator BIRMINGHAM—So they will sit together jointly and sometimes they will just talk to themselves?

Ms Rankin—I think they will sit together and talk about the overarching program and the overall design of the whole Caring for our Country initiative. But to help streamline the decision-making process it was felt that it made sense in some cases to allow one minister to make the decision within that broad context.

Senator SIEWERT—Last night we were talking about the sustainable farm practices program and, as I understood it, you said that Landcare had been rolled into that component of the priorities and—without looking at all my notes I cannot remember exactly how much it is for each year—there was going to be more funding in the sustainable farm practices priority. How is that going to work? If Minister Burke is making a decision on Landcare and you have got a bigger program around sustainable farm practices, it seems like that is not a good process for a joined-up approach.

Ms Rankin—I suggested that both ministers will have a strong control over the overall program and initiative. They will jointly set the broad directions, frameworks and guidelines for how the investments will roll out for defining how our priorities, agreeing on the outcomes and the business plan, and the assessment process. But, in terms of the mechanics of decision making within that agreed context, they will each be able to make decisions on components of the funding directly.

Senator SIEWERT—Okay. A regional body or whoever puts in a funding application under that priority or it gets channelled. You are not allocating specific funds to any of those priorities at that moment. So you put in an application saying what you want to do. Does the department then stream it out and say, ‘This is a Landcare component,’ and put it up under Landcare?

Ms Rankin—We are trying to stop people having to go through multiple entry points to say, ‘We want to access this component of funding.’ It is one integrated program with one integrated business plan that has agreed priorities and targets set across the whole set of priority areas. People will put forward proposals against that whole business plan, and we will effectively work out behind the scenes where we think the most appropriate source of funding is. As I said yesterday, we are trying to get away from a process of setting up individual silos of specific programs aligned around those different priority areas, which means people just focus on accessing money from one component. We are trying to say that there are priority areas but we are trying to get the maximum value for our investments by allowing a mixture of investments across those priority areas to go into funding a landscape scale program, for example. I guess we envisage that, in the best case scenario, we might be able to get a proposal that encompasses funding that includes a National Reserve System component, a Landcare component and a coastal component, and we can allocate funding from across the whole program to help fund that.

Senator SIEWERT—I understand the philosophy, but why did you specifically keep the Landcare component like that and treat it like that when it is now supposed to be part of a multidisciplinary approach? The only thing I can see is the political necessity to keep a Landcare program so that people do not think you have caned Landcare.

Ms Rankin—That discretion is split across both ministers partly as a way of sharing the workload and streamlining the decision making process so that we can now get more efficient decision making. While Minister Burke retains responsibility for land care, Minister Garrett does have direct responsibility for some components that were previously directly appropriated to his portfolio. It is just a way of bringing them together but still acknowledging that the overarching framework for the whole program and how it is rolled out is a joint decision for both of them.

Senator SIEWERT—I am not going to get much further with that.

Senator BIRMINGHAM—I understand you are trying to put together some past programs and new programs. I do not necessarily buy the idea that Minister Burke making some decisions, Minister Garrett making some decisions and Minister Burke and Minister Garrett together making some decisions is an efficiency mechanism. It sounds slightly more complicated than efficient to me. That aside, will there be an independent assessment of grant recommendations?

Ms Rankin—As I said, we have not sorted through the details of the assessment process, but we would be expecting to have some form of independent assessment as part of it.

Senator BIRMINGHAM—If there is an independent assessment, will it be made public?

Ms Rankin—We have not sorted through any of these details yet, so I cannot provide any specific answer to that question.

Senator BIRMINGHAM—Will grants provided in the interim year be purely on an annual basis or can they be for longer?

Ms Rankin—It will be dependent on which component of funding it comes from. The aim is to try to limit the number of multiyear programs invested in this year until we have the formalised outcomes and business plan process put in place, because the whole program comes together through that process. We do not want to necessarily end up in a situation where we have locked up all the funding in the transition year that we may want to change priorities for as we set that business plan and outcomes process in place in September. Certainly, I think there is an expectation that we are not trying to go back to an annual-biannual year investment process. In the long term there is a very clear view that we will be investing in multiple year program scale types of activities rather than small 12-month grant processes.

Senator BIRMINGHAM—Just to be clear: you are maintaining flexibility in the interim year but the ideal is not to lock up too much in funds for too long.

Ms Rankin—That is right.

Senator BIRMINGHAM—So it is a safe assumption that if you develop the guidelines and business plan beyond the interim year that two-, three, and possibly even four-year grants may be provided to give CMAs or other recipients some certainty.

Ms Rankin—That is right.

Senator BIRMINGHAM—That will do me for now.

Senator SIEWERT—I want to leave time for the other programs, so as much as I would like to keep going, I think we should probably—

Senator Wong—Are there any matters you would want to indicate now, Senator Siewert, that you would like to place on notice? This might expedite things.

Senator SIEWERT—The diagram that I talked about earlier—and Senator Birmingham touched on before—about how all the different programs are fitting together: if you have that or have prepared that into the future, that would be extremely useful, so we get an idea where all the money and programs fit in. That would be useful.

Ms Rankin—I will get somebody creative to design something for us.

Senator SIEWERT—Thank you. We will have to wait until the next estimates to find out what is going to be allocated against the six priorities.

Senator Wong—That allocation has not yet been determined.

Senator SIEWERT—That is what I am saying. I will have to wait until the next budget estimates to ask that.

Senator BIRMINGHAM—Returning just briefly to Green Vouchers for Schools, this program is coming to an end at the conclusion of this financial year. Is that right?

Ms Rankin—That is right.

Senator BIRMINGHAM—Are applications still being received under this program?

Ms Rankin—Yes, it is still open and will be until the end of the financial year.

Senator BIRMINGHAM—How many applications have been received this financial year to date?

Ms Colreavy—Altogether, 222 claims have been received and, of those, 98 schools have returned funding agreements.

Senator BIRMINGHAM—How many were budgeted for for this financial year?

Ms Colreavy—I am afraid that I cannot tell you that. We must have had a notional number in mind, but I am afraid I do not have that information. I can find it out for you.

Senator BIRMINGHAM—If you could, please. That is a large disparity—222 claims being received and 98 returning funding agreements. I assume that, to access funding, a school has to return a funding agreement before the end of the financial year.

Ms Colreavy—Yes, that is right.

Senator BIRMINGHAM—What work is being done to try to assist schools in doing that?

Ms Colreavy—The schools have the choice of either returning those funding agreements and making a claim under the Green Vouchers for Schools program or not, as the case may be. They can choose to hold off and make a claim under the new incoming National Solar Schools program. Those who have, as I have said, ‘made a claim’ have registered on our website that they wish to make a claim, in which case the process has been initiated. We have regular contact with those schools; project officers are assigned to assist them. We follow up with emails and phone calls, reminding them of the deadlines and telling them that, if they

wish to make a claim, it needs to be lodged by the end of the financial year. Regular contact has been made with all of these schools, and I think they are all fully aware of the time frame within which they are operating.

Senator BIRMINGHAM—What do they need to have done to make a claim?

Ms Colreavy—They need to provide a quote or to provide receipts that show that the work has been completed—one or the other.

Senator BIRMINGHAM—The work does not have to have been completed. If they provide a quote and undertake in a contract with you that the work will be done, is that sufficient?

Ms Colreavy—Yes, a formal quote is sufficient and then the contract with us would indicate that the work is still to be done. They would acquit that at the completion of the work and demonstrate that they had met the agreement. If they have chosen to do the work in advance and provide receipts, the receipts are accepted as evidence that payment has been made; the acquittal then is a shorter process.

Senator BIRMINGHAM—Are any of the schools expressing concern that they may not be able to access the same level of funds under the new program?

Ms Colreavy—Not to my knowledge. My understanding has been that the schools that have talked to us about their choices under the program have actually been very complimentary about the way that they have been dealt with and they have thanked us for the flexibility and the opportunity to make these choices.

Senator BIRMINGHAM—Thank you, Ms Colreavy, that will suffice on that one. Given your announcement at the beginning of yesterday, Mr Borthwick, are we dealing with community water grants under this output?

Mr Borthwick—Yes.

Senator BIRMINGHAM—What is the status of the Community Water Grants program?

Ms Rankin—The status is that at this stage we are continuing to roll out all of the projects and grants approved under water grants rounds 1,2 and 3 but we will not be running any future rounds of community water grants.

Senator BIRMINGHAM—When was round 3 last completed?

Ms Rankin—The decisions on the round 3 grants were announced on 22 October last year.

Senator BIRMINGHAM—Were there scheduled to be any further rounds in the course of this financial year or was the next round not expected until next financial year?

Ms Colreavy—I will take the question if you like, Senator. The previous government had intentions of running a future round but it was not determined. There were no firm decisions or dates around that, but the incoming government decided not to go ahead with any future rounds.

Senator BIRMINGHAM—So were the planned future rounds for this financial year or for next financial year?

Ms Colreavy—It would have been 2008-09.

Senator BIRMINGHAM—So the last round was finalised on 27 October.

Ms Colreavy—22 October.

Senator BIRMINGHAM—22 October, thank you. And you are still processing all of the applications under that round?

Ms Colreavy—That is right. Around 92 per cent of the funding agreements from round 3 have now been completed. They were completed by 30 April. There were 4,661 grants announced and 4,147 of those had been finalised by 30 April.

Senator BIRMINGHAM—How will community groups now fund water conservation projects?

Ms Rankin—There is a whole range, and the minister may want to add something to this; we are aware that there is a range of activities. The government has committed \$1.5 billion to new urban water investments including through the National Urban Water and Desalination Plan, the National Water Security Plan for Towns and Cities and the National Rainwater and Greywater Initiative. So there is a range of activities and opportunities available to community groups to access funds for activities similar to those that were previously funded under the Community Water Grants program.

Senator Wong—I am happy to respond, Senator Birmingham. The government is not continuing—as you know because it is in the budget papers—with future funding rounds of the Community Water Grants program and there will be savings of \$73.6 million. I might remind you, Senator Birmingham, that of the previous government's \$200 million commitment—made, I think, in around April 2007 and which was supposed to extend over five or six years—the previous minister dished out, I think, around three quarters during the election year and campaign. So you spent essentially five years of funding in the lead-up to the election. So people can make their own judgements about that.

In terms of this government's commitment to water, we have a \$12.9 billion Water for the Future funding package. Details of that are outlined in the budget papers and in the environment budget overview. As Ms Rankin said, we have a very substantial investment and a far greater investment in urban water than has occurred previously under the federal government. Particularly relevant are obviously the \$250 million programs, one of which is for rainwater and grey water rebates. The other is for towns and cities to enable refurbishment of infrastructure and other water-saving measures in communities of fewer than 50,000 people.

I am also reminded that the National Solar Schools Plan—and this is in Minister Garrett's portfolio—not only applies to solar efficiency or energy efficiency; there are also grants which enable schools to install water-efficiency improvements. I think that is up to \$50,000. So the government is making a substantial—in fact, a far greater commitment to urban water than has previously been the case.

Senator BIRMINGHAM—To be very clear, what programs can the Lockleys Bowling Club or the Klemzig footy club actually apply for that will have some equivalence to what they could have accessed under Community Water grants?

Senator Wong—We are happy to take that question; I have outlined it in the broad. Obviously, outcome 3 deals with Water for the Future funding. As I have said, we have the National Rainwater and Greywater Initiative—\$250 million over six years.

Senator BIRMINGHAM—What can you apply for under that?

Senator Wong—You can apply for rainwater and grey water schemes. I believe it is being delivered as a rebate, from memory. We do not have officers in the room on that particular program. We are happy to go through that in more detail at outcome 3, if you wish.

Senator BIRMINGHAM—All I want to know, Minister, is what the maximum grant or rebate can be under that program?

Senator Wong—I would have to wait for the officers to come. It may only be \$500. I will need to get some advice on the issue.

Senator BIRMINGHAM—You were going on, aside from the grey water and rainwater rebate.

Senator Wong—I am going to ask if we can deal with these questions at outcome 3. I do not have officers in the room who deal with those programs. Community Water Grants was in this section of the department. Given the substantial additional urban water projects and programs the government is funding, that is within the water section of the department, which is outcome 3. So if you can wait for those officers to come.

The government has been completely up-front about this. We have a transition process in place, which I am not sure if Ms Rankin outlined, where the rollout of round 3 is not being affected. Rollout of round 3 under Community Water Grants is not affected by this decision. It is in the context where, frankly, there was an extraordinary bring forward of expenditure in an election year, and an election came, by the now shadow Treasurer.

We understand that there may be some criticism of this program being finalised. Can I just remind the Senate again, I think the savings that I identified are \$73.6 million. We are committing \$1.5 billion to urban water and that is to deliver our election commitments. In the context of a budget where the government obviously had to make some very hard decisions in relation to expenditure, given the inflationary challenges and the macroeconomic outlook, this is a very substantial commitment over the forward estimates to urban water and a far greater commitment than any previous government that I can recall, when I was doing estimates here, has engaged in in urban water investment.

Senator BIRMINGHAM—I am happy to pursue these questions in output 3. Also, just for pure clarity, who administers the grants to surf lifesaving clubs?

Senator Wong—My recollection is that it is part of the National Rainwater and Greywater Initiative. People are nodding. Officers will be available when we get to outcome 3 on that. I do want to flag, so that you are aware, Senator Birmingham—and I am sure it will not prevent you from asking questions and you are entitled to—these are budget decisions in terms of appropriation. Guidelines for these urban programs have not yet been finalised and we can take you through the process there.

Senator BIRMINGHAM—Certainly. Thanks, Minister. That will bring an end to output 1.2.

[10.26 am]

CHAIR—Very good, we will conclude questions on output 1.2 and move to output 1.3, Conservation of coasts and oceans. We will go to questions from Senator Parry.

Senator PARRY—I just want to talk about the whale envoy. An amount of \$300,000 has been allocated for the whale envoy and I have two questions to start with.

Senator Wong—I am sorry, this is the whale envoy?

Senator JOHNSTON—The whale envoy, yes—a very big public policy initiative.

Senator Wong—I did not realise, Senator Johnston, that you were into whaling.

Senator JOHNSTON—I am terribly into antiwhaling.

Senator PARRY—Just while you are getting organised, there are two questions to start with. Firstly, does the funding come from the \$1.3 million that will be used to carry out surveillance activities?

Senator Wong—Which question do you want us to deal with? Are you now asking about the whaling envoy?

Senator PARRY—Okay, I will do them one at a time. I want to know whether the \$300,000 that is allocated for the whaling envoy coming from the \$1.3 million that has been allocated to provide surveillance and monitoring of whaling activity during the Southern Ocean whaling season? Maybe we had better go back one step; can we confirm there is a whaling envoy?

Senator Wong—Senator Parry, if you do not mind extending me the courtesy, given we have just changed over. I am just going to get advice on that and I will respond to you.

Senator PARRY—Thank you, Minister.

Senator Wong—Generally, you have been polite on this but maybe there is a bit of an infection of certain things on that side of the table.

Senator PARRY—I doubt it, but anyway.

Mr Borthwick—Senator, could you just point to where in the budget documentation you are finding \$300,000 for the whale envoy?

Senator PARRY—No, I cannot at this point, but I was hoping you would be able to do that. Is there a funding for the whale envoy?

Mr Borthwick—There is no funding that I am aware of for a whale envoy in the budget documentation.

Senator BIRMINGHAM—That will be news to Mr Hollway; he is not getting paid.

Senator PARRY—What section does the whale envoy come under? Where does the whale envoy sit within the department?

Senator Wong—The whale envoy is a commitment the minister has made. The government has not made any announcement in respect of that appointment, Senator Parry.

Senator BIRMINGHAM—It was announced who he is.

Mr Borthwick—There has been no announcement.

Senator JOHNSTON—Mr Hollway has not been appointed the whaling envoy to this point in time? It is just a leak, is it?

Senator Wong—I am not advised of the government having made any announcement on this issue, Senator Parry. If I am incorrect on that I am sure someone will correct me in the very near future.

Senator PARRY—So let us just clearly establish this now.

Senator Wong—Hopefully, someone is watching who can, if they need to.

Senator PARRY—At this point in time there is no allocation in the budget for a whale envoy?

Senator JOHNSTON—Appropriation?

Senator Wong—There is not a separate line item on that, but that is not unusual, Senator Parry. For example, I have an Ambassador for Climate Change in my department. I do not have a separate line item for her. I also have a special envoy as well, from memory. One of my deputy secretaries is now a Special Envoy on Climate Change.

Senator PARRY—If there was going to be a whale envoy, from where would the whale envoy be financed?

Senator Wong—That is really a hypothetical question, Senator.

Senator PARRY—Is there going to be a whale envoy?

Mr Borthwick—The government will make an announcement on the whale envoy when it is ready to make that announcement.

Senator PARRY—From that answer, I gather that there is a mooted whale envoy; it is just that the details have not been finalised. Is that correct?

Mr Borthwick—That is exactly right.

Senator Wong—My recollection is that, shortly after coming to office, the government did announce that we would increase our diplomatic efforts on whaling. One of the ways in which those diplomatic efforts would be enhanced and strengthened would be through the appointment of a special envoy. As I said, my advice is that the government has not made any announcement as to that appointment.

Senator PARRY—Do you anticipate an announcement being made in the near future?

Senator Wong—That is a good try, Senator Parry.

Senator BIRMINGHAM—Is the whaling envoy factored into this year's budget?

Mr Borthwick—If an envoy is appointed in the course of this financial year, it will be drawn from resources that have been allocated.

Senator PARRY—Which resources have been allocated?

Mr Borthwick—Either it will be the appropriation of the marine division or it could be the appropriation from the Department of Foreign Affairs and Trade. It has not yet been addressed as to where the envoy funding would come from.

Senator PARRY—If the whaling envoy is appointed—and it seems as though it is imminent—could you guarantee that the funding would not come from the surveillance and monitoring of whaling activity during the Southern Ocean whaling season, which is the service to be undertaken by the Australian Customs Service?

Mr Borthwick—I can only comment on matters that are subject to the appropriations of this department.

Senator PARRY—If tomorrow you are asked to start funding the special envoy for whaling, where would the funding come from?

Mr Borthwick—I indicated that it would come either from the appropriations generally available to this department or from the Department of Foreign Affairs and Trade.

Senator PARRY—Out of the appropriations generally available to the department, what particular portion of funding would that come from?

Mr Borthwick—We have about \$3.2 billion appropriated to our department that would come from—

Senator PARRY—So there is nothing specific. Do you have a contingency fund? Do you have a petty cash drawer? Where is it going to come from?

Senator Wong—We do not run government on the basis of a petty cash drawer, Senator Parry.

Senator PARRY—We left you about \$18 billion in petty cash when the government changed.

Senator Wong—And you raided the surplus to the tune of \$22 billion, so do you want to have that discussion, Senator Parry?

Senator PARRY—If you are going to have a whaling envoy—and obviously there is discussion about a whaling envoy—and you have indicated your response, Mr Secretary, that there will probably be an imminent announcement about this, we are interested in where the funding is coming from? We realise that it will generally come out of the department—we realise that—but what section? Is it going to interfere with another program? Is it going to reduce another program?

Mr Borthwick—There has not been a decision as to where it will come from in those terms. As the minister referred, she has an envoy in her department. There is not a specific line item for that envoy; it is just the same as a staff appointment or a contract appointment.

Senator PARRY—So it will come out of the employment contingency or the employment funds?

Mr Borthwick—It will come out of departmental resources.

Senator BIRMINGHAM—Is the government committed to the appointment of a whaling envoy?

Senator Wong—The government has announced its intention to appoint an envoy and there has been no indication to the contrary from the government.

Senator BIRMINGHAM—Is it the government's intention to do that this financial year?

Senator Wong—I am not going to speculate on when the government may make such a decision.

Senator BIRMINGHAM—Has a contract been entered into with Mr Sandy Hollway?

Senator Wong—Senator Birmingham, we are not—

Senator BIRMINGHAM—It is not a hypothetical question; it is a yes or no.

Senator Wong—These are decisions for the government. The government has made it clear that it intends to appoint a special envoy. The government has not made any such announcement. When the government makes such an announcement then some of these issues that you are canvassing will become clear.

Senator BIRMINGHAM—I am not canvassing an issue that might be under current discussion. I am asking you directly: has Mr Sandy Hollway entered into a contract with the government?

Senator Wong—That, in effect, is asking me to make announcements about the government's decision making. We are not going to go any further than where we have gone in the public arena. The government indicated its intention to appoint and it will make an announcement in due course.

Senator IAN MACDONALD—The question is very simple: has a contract been made with Mr Hollway? The secretary will know the answer to that if you do not. That is what this whole exercise is about. The secretary could easily answer yes or no. We do not want to know what is in the contract, do we?

Senator BIRMINGHAM—We might if there is a contract. We accept the right of the government to have ongoing negotiations if it is at that stage—

Senator Wong—Can I just be clear, and I know this because I attended the Papua New Guinea ministerial dialogue, which we spoke about yesterday: my recollection is that the individual to whom you referred, Mr Hollway, is the Prime Minister's envoy in relation to Kokoda. Obviously Mr Hollway has an arrangement with the government in relation to the Kokoda Track.

Senator BIRMINGHAM—Has the government entered into a contract with Mr Hollway in relation to a position as a whaling envoy?

Mr Borthwick—There has been no contract entered into with anyone with respect to the role of a whaling envoy.

Senator BIRMINGHAM—Thank you, Mr Borthwick. It is amazing how easy it gets when you answer the questions.

Senator PARRY—I come back to the original question about the whaling envoy and the appointment. I understand there will be an international whaling conference in Chile next month. Is that correct?

Mr Borthwick—Yes.

Senator PARRY—Will this envoy be attending that conference?

Ms Petrachenko—I am Australia's commissioner to the International Whaling Commission and I will head the delegation to the upcoming IWC meeting in Santiago, Chile. We have 16 people on our Australian delegation and the individual to whom you refer is not on that delegation list.

Senator PARRY—So you can confirm there is no whaling envoy attending the conference in Chile?

Ms Petrachenko—That is correct.

Senator PARRY—When the whaling envoy is appointed, what will its duties and functions be? What is the main purpose of the special envoy?

Mr Borthwick—We have not entered into those arrangements yet.

Senator PARRY—The government made an announcement that a whaling envoy will be appointed and that is it—nothing is happening?

Mr Borthwick—Nothing in terms of a contractual arrangement or a specification of tasks for a whaling envoy, no.

Senator PARRY—Forgetting that detail, in that it has not been entered into in any contractual form, Minister, what is your idea of a special whaling envoy; what will this person do?

Senator Wong—I think that was canvassed in the announcement that Ministers Garrett and Smith made.

Senator PARRY—Would you like to expand upon it?

Senator Wong—The Australian government has a very strong view against lethal whaling. We have indicated since coming to government and prior to the election that we wished to take an approach across a range of parameters that sought to progress that view. One of the ways in which we said we would do that would be to strengthen our diplomatic efforts in relation to whaling—in particular, to end whaling. The announcement in December included the development of an Australian proposal for improving and modernising the International Whaling Commission, working to strengthen the coalition of antiwhaling countries and appointing a special envoy on whale conservation. The note I have is to convey our views to Japan and increase and strengthen dialogue at senior levels. Ms Petrachenko or Mr Borthwick may be able to give you further detail on what was announced, but the government has made clear what the intention is.

Senator PARRY—Back in December the announcement was made and the intention was there to commence with this process. We are now nearly in June and there is no detail. Why the delay?

Senator Wong—The government has not made an appointment announcement as yet.

Senator PARRY—I am getting the indication from the secretary that there is no real detail about what this person will do or whether an appointment is imminent or not. Obviously the person is not going to a major calendar event, the International Whaling Commission conference next month. What is happening? It is very slow. Does the government really have a commitment to follow through with this?

Senator Wong—The government has made its commitment clear when it comes to whales. We will make an appointment when we believe it is appropriate and when we judge it will best assist our efforts to persuade Japan to stop its so-called scientific whaling in the Antarctic. Ms Petrachenko indicates she can assist a bit further.

Ms Petrachenko—Senator, you referred to the announcement in December, which included a number of items that the minister mentioned, including efforts for Australia to strengthen our approach to combating the so-called scientific whaling by Japan and improving the functioning of the International Whaling Commission. I can bring you up to date on a number of things that we have done since December in that regard. First of all—

Senator PARRY—I will just stop you there. I am not really interested in that. It was the whaling envoy that we were interested in. I appreciate the other aspect but that is not the question, Minister. We do not have time to cover every single issue.

Senator Wong—Through you, Madam Chair—Senator Parry did make a number of assertions in relation to the government's approach on whaling. If he is going to make those—

Senator PARRY—Only the whaling envoy.

Senator Wong—If I could finish—

Senator PARRY—I am sorry Chair, this is incorrect.

Senator Wong—If I could finish—

Senator PARRY—There is no need.

CHAIR—We will hear the minister's answer and then we will—

Senator PARRY—The minister has answered to the best of her ability.

Senator Wong—If you look at the *Hansard* from last night I think you will find you verbalised me too, Senator Parry, but my point was—

Senator JOHNSTON—So two wrongs make a right!

Senator PARRY—I do not think that is correct.

Senator Wong—You made a number of assertions—some might say imputations—about the government's approach on these issues. You are entitled to do that—

Senator PARRY—On the envoy.

Senator Wong—but officials and I are entitled to respond to those broader issues if you put them to us. Ms Petrachenko was quite reasonably—

Senator PARRY—The broader issues have not been put to you, Minister.

Senator IAN MACDONALD—We were asking questions about the envoy, not about your general policy.

Senator Wong—We are answering questions.

CHAIR—Senator Macdonald, order!

Senator Wong—Senator Parry, if you are going to put questions to us which range across the approach to whaling the government is undertaking—

Senator PARRY—I was very specific, Minister.

Senator Wong—then you are going to get responses that deal with those as well.

Senator PARRY—Well we do not want those. They have not been asked for called for.

Senator ABETZ—It was a very specific question, Chair.

Senator JOHNSTON—It was an envoy question.

CHAIR—Senator Parry, have you got question—we are about to go to a tea break, so one question.

Senator PARRY—I will leave the envoy matter. I have got two other matters about whaling.

Senator JOHNSTON—Can I talk about the envoy?

CHAIR—We have got one minute before we go to a tea break.

Senator JOHNSTON—Mr Borthwick, has your department been consulted about the appointment of an envoy?

Mr Borthwick—Yes, we have given advice to our minister about possible envoys.

Senator JOHNSTON—When were you consulted about giving that advice and when did you give the advice?

Mr Borthwick—I do not recall.

Senator JOHNSTON—Can you take that notice and let us know, firstly, when your department was consulted about the appointment of an envoy, given the announcement was December, and then when you responded to that to the government.

Mr Borthwick—I will take that on notice.

Senator JOHNSTON—Thank you very much.

Proceedings suspended from 10.44 am to 11.01 am

CHAIR—Welcome back, everybody. We will go to Senator Abetz.

Senator ABETZ—Thank you, Chair. Just so we get a handle on Mr Holloway, can we be told how much he was paid as chief mediator for the Kokoda matter?

Senator Wong—Senator—through you, Chair—I understand that Mr Holloway's appointment in relation to the Kokoda Track is as a prime ministerial envoy. As such, subject to being given other advice, any arrangements regarding that appointment would be between him and the Prime Minister's department, and questions should be directed to Prime Minister and Cabinet.

Senator ABETZ—Fair enough, although I thought the Kokoda Trail was a heritage issue—

CHAIR—Track.

Senator ABETZ—What did I say?

CHAIR—Trail.

Senator ABETZ—Sorry, the Kokoda Track. I thought the Kokoda issue was a heritage issue, and we were told about that name—in fact, we asked some questions at the last estimates.

Senator Wong—Yes. Sorry, Senator, I did not want to mislead you. Mr Garrett does have responsibility for the Kokoda Track—

Senator ABETZ—Yes, that is what I thought.

Senator Wong—and the Heritage part of the department can assist you in terms of the announcement that was made in Papua New Guinea. My understanding is that the Prime Minister, given the importance that Australia—and I think this is a bipartisan position—attaches to the Kokoda Track, appointed a special envoy, and that is Mr Holloway. Arrangements, as I said, in relation to that matter need to be addressed to the Prime Minister's representative.

Senator ABETZ—Can you take on notice—and, if your department does not know, if it can be flicked to PM&C—how much he was paid for that and when his contract for that special role expired, because it does relate to whether, potentially, that particular role is militating against his official announcement as our whale envoy.

Senator Wong—Senator, can I suggest, given that I have given you the advice that it is not a question for this department, that you should put those questions on notice—or personally; I do not know if that committee is still proceeding—at the Finance and Public Administration estimates, which includes the Prime Minister's portfolio.

Senator ABETZ—Most departments, can I tell you, Minister, and most ministers are willing to flick these around where they are cross-portfolio issues, but I understand from you that you are following Mr Rudd's approach to openness and transparency! But are we going to have an envoy in place by next month's meeting in Chile?

Senator Wong—I have said—and Ms Petrachenko has expanded on it—that the government has announced that it will appoint an envoy. We have not as yet made an announcement as to whom that envoy will be. At this point, Ms Petrachenko has indicated she is Australia's delegate to the International Whaling Commission meeting in Santiago.

Senator ABETZ—Well, that is all very fine but non-responsive. Will we have an envoy in place by the time of the meeting in Chile in June this year? It is either yes, no or 'hopefully, yes'.

Mr Borthwick—Ms Petrachenko indicated that she will be leading the delegation.

Senator ABETZ—But not as an envoy.

Mr Borthwick—Not as an envoy, but she is the International Whaling Commissioner and there is no envoy on the delegation list currently.

Senator ABETZ—Thank you very much. We know that there is no envoy currently because we have been told that no appointment has been made. My question is: by the time of the International Whaling Commission being held next month in Chile will we have an envoy in place? That is the question.

Senator Wong—Senator Abetz, as I have indicated from the start of the questioning on this issue, those decisions have not yet been made. The appointment has not been announced, so we are not able to provide you with any further information regarding the delegation other than that to which Ms Petrachenko has provided.

Senator ABETZ—Did I understand you to say that ‘the appointment’ has not been announced? Did I understand that correctly?

Senator Wong—We have said—

Senator ABETZ—No; did I understand correctly that ‘the appointment’ has not been announced?

Senator Wong—We said that we intend to appoint a special envoy. No further announcement in relation to that has yet been made.

Senator ABETZ—You are a lawyer by trade, Senator Wong; you know the difference in terminology between ‘the appointment’ and ‘an appointment’. If you had used the term ‘an appointment’, you might have still been in the selection process; ‘the appointment’ being announced suggests that you have already made an appointment and are simply waiting to announce it. I think we are getting closer to the factual circumstance now.

Senator LUNDY—Can I just ask a question?

Senator ABETZ—I am sorry; I have just asked a question.

Senator LUNDY—I know, but it is more of a procedural thing. I just want to know if every Liberal senator is going to ask the same series of questions.

Senator ABETZ—It is not the same questions.

Senator LUNDY—We have had three do it—you are the third—and we still have another three senators in the room to ask the same series of questions.

Senator ABETZ—Chair, can I clarify: the coalition are a very cohesive team.

Senator LUNDY—No sign of it here.

Senator ABETZ—We share the questions around. We had discussions before this morning and during morning tea about the sorts of questions we were going to ask. Senator Lundy, I know you used to be pilloried by your Labor colleagues for the types of questions you asked at Senate estimates in opposition.

Senator LUNDY—I always loved asking those IT outsourcing questions.

Senator ABETZ—But I can tell you that we work together and it should not be a worry of yours. That was a good attempt to throw us off.

Senator LUNDY—But it is repetitive and boring.

Senator ABETZ—No, no, no.

Senator PARRY—Maybe for you.

Senator FIFIELD—You asked 3,000 questions over there.

Senator LUNDY—The point I am making is serious. It is exactly the same series of questions.

Senator ABETZ—The question, Madam Chair, was very simple.

Senator LUNDY—We have four to go.

Senator ABETZ—I heard the minister.

Senator FIFIELD—There are actually more opposition senators than there are Labor senators, Senator Lundy; it is just a fact.

Senator ABETZ—I think Senator Fifield makes a very valid point—Senator Lundy is astounded at how many Liberal senators there are in the Senate. The reason for that is that they were elected by the people of Australia. It was a good attempt to give Senator Wong some time to think, and let us hope she has had some time to think. Did I hear the minister say ‘the appointment’ has not been announced? Did I hear that correctly?

Senator Wong—The government has made no announcement about the appointment of an envoy, other than that we intend to appoint an envoy. I am not sure if you were in the room, but Secretary Borthwick has indicated that no contract has been—

Senator ABETZ—Yes, I was in the room.

Senator Wong—I am not going to go into hypotheticals about what the government may or may not determine, or what the government may or may not announce, other than what has already been announced.

Senator ABETZ—What is hypothetical about my asking you, Minister: did you just say ‘the appointment’ has not been announced? There is nothing hypothetical about that. Either you uttered those words or you did not. Before I ask my next question, I want clarification from the minister as to whether she actually uttered those words.

Senator Wong—Senator, if you are wondering what I did or did not say, I am sure *Hansard* will show what I did or did not say.

Senator ABETZ—All right. Do you deny saying, ‘The appointment has not been announced’?

Senator Wong—As I said, if you want to determine what I did or did not say, I suggest we look at *Hansard*.

Senator ABETZ—Chair, this is singularly unhelpful, because most questions follow on from the answers given. If the minister then says, ‘Well, you cannot rely on the answer I have just given for your next question,’ we might as well abort the whole Senate estimates process. I would have thought that the minister would be able to tell us what her last answer was. If she is unable to do so, might I suggest to the Prime Minister that, in the charter letter that is still somewhere along the way, there be an instruction to ministers that they actually remember their answers from two seconds before they are asked about them.

CHAIR—Your question, Senator Abetz?

Senator LUNDY—It will come across in *Hansard*, Senator Abetz.

Senator ABETZ—Chair, I would have thought that you, sitting on the side of the senators, would have been anxious to ensure that ministers are forthcoming. Senator Wong realises that she uttered some words that I think she—

CHAIR—Question, Senator Abetz?

Senator ABETZ—Yes. She uttered some words that she now regrets. Rather than confirming them or retracting them, she is just telling us to look at the *Hansard*, which will come out after these Senate estimates are over. So that is singularly unsatisfactory.

CHAIR—I have not detected a question in that yet, Senator Abetz. Do you have a question?

Senator ABETZ—We will go once again. Minister, did you say, ‘The appointment has not been announced’?

Senator Wong—Senator, as I have said to you, I have given a number of answers this morning—quite a number, as you might recall, in relation to this issue. If you want to pore over the exact verbiage I have used, I suggest that you get Hansard to tell you what I said.

CHAIR—Are we persisting with this matter, or should I call someone else?

Senator ABETZ—Yes, I am, because we on this side believe very strongly that an appointment has been made, and that therefore the minister is correct in talking about ‘the’ appointment, whereas she has been obfuscating all morning on whether there has actually been this appointment made.

Senator Wong—If that is the core of the question, I am happy to deal with that. Essentially, you are asking us if an appointment has been made. You have been told that no contract with any envoy, and no arrangement, has been entered into. You have been told that the government has clearly indicated its intention to appoint. I have said to you that the government will make an appointment at a time of its choosing.

Senator BIRMINGHAM—Has an envoy been selected?

Senator Wong—As I said, the government will make the appointment at a time of its choosing and will announce it in due course.

Senator BIRMINGHAM—Mr Borthwick indicated that a list of possible envoys had been provided. That is correct, isn’t it?

Mr Borthwick—I indicated that I had given advice to my minister on possible envoys, yes.

Senator BIRMINGHAM—On possible envoys? Did that include a list of possible names?

Mr Borthwick—Well, obviously.

Senator BIRMINGHAM—Obviously. Thank you. Has one of those been selected?

Mr Borthwick—I have nothing further to add to what the minister said in response to that question.

Senator BIRMINGHAM—Has the matter been to cabinet?

Senator Wong—As I told you last night, I do not discuss cabinet matters and I do not intend to—

Senator BIRMINGHAM—Some of your colleagues clearly do!

Senator IAN MACDONALD—Nobody asked what happened in cabinet; we just want to know if it has been to cabinet. We are not asking you what happened. Has it been to cabinet?

Senator Wong—I am not sure if I can assist you there, but I will take that matter on notice.

Senator IAN MACDONALD—Weren't you at every cabinet meeting?

Senator Wong—I am not sure I can assist you there, Senator. I will take that matter on notice.

Senator IAN MACDONALD—Minister, do you attend every cabinet meeting?

Senator Wong—I do not discuss cabinet processes.

Senator IAN MACDONALD—No.

Senator Wong—I do not discuss cabinet processes.

Senator IAN MACDONALD—I am not asking you to discuss processes.

Senator Wong—I do not know if you were a member of the cabinet or only of the outer ministry, Senator.

Senator ABETZ—Look at the government in disarray, Senator Macdonald.

Senator Wong—But you know that we do not discuss cabinet processes.

Senator IAN MACDONALD—I am not asking you to discuss it. Has it gone to cabinet?

Senator Wong—On the issue of the question of whether or not this issue has gone to cabinet, I will take that matter on notice.

Senator IAN MACDONALD—But you must know. You were at cabinet. We are not asking you what was discussed in cabinet—simply whether it went there. If you are a cabinet minister and you have been to every cabinet meeting, you would surely be able to tell us without having to take it on notice. I know you had to take on notice whether you had received a charter letter, but surely you can tell us whether or not this matter has gone to cabinet.

CHAIR—Senator Macdonald, the minister has said that she will take your question on notice. Can we please move on.

Senator BERNARDI—The minister did not answer Senator Macdonald's question about whether she has attended every cabinet meeting.

Senator Wong—And, as I said to Senator Birmingham last night, I do not discuss cabinet processes and I do not intend to commence doing so now.

Senator BERNARDI—Do your members know about the process?

Senator IAN MACDONALD—Have you been to every cabinet meeting, or do you have to take that on notice too?

Senator Wong—I am going to give you the same answer. I do not discuss cabinet processes and I do not intend to commence doing so now.

Senator IAN MACDONALD—We are not asking you to discuss cabinet business.

Senator Wong—Yes, you are.

Senator ABETZ—Whether or not you have been to every cabinet meeting is surely within your knowledge and nothing rides on it.

Senator IAN MACDONALD—If you do not know—

Senator Wong—If you really do want to know, and I think this is on the public record, I did not attend a community cabinet in Perth—

Senator IAN MACDONALD—See, it is easy, isn't it?

Senator Wong—excuse me!—because of a family accident. That is one on the public record that I did not attend.

Senator BERNARDI—Are there any other ones you have not attended?

Senator IAN MACDONALD—That was very easy to say. We will not press you now; you probably were not there.

Senator ABETZ—Did not Mr Garrett announce with great fanfare in December that there was going to be an imminent appointment of a whaling envoy?

Senator Wong—I do not have in front of me the text of that announcement for the purposes of talking to you about the detail of that. I understand that what we said is that we would dramatically increase our diplomatic efforts on whaling, including—

Senator ABETZ—Well—

Senator Wong—Senator, can I finish?

Senator ABETZ—Chair, it has to be relevant to the question.

CHAIR—It is relevant. Minister, please continue with your answer.

Senator Wong—The government has said it will dramatically increase its diplomatics on whaling, including appointing a special envoy on whale conservation to convey our views to Japan and to increase and strengthen dialogue at senior levels. That was on, I think, 19 December 2007. I want to emphasise—and I note that Ms Petrachenko was interrupted whilst giving this answer—that the appointment of a special envoy was one of a number of strategies the government announced and is implementing to progress its view, which I understand is a bipartisan position, that we should do what we can to combat lethal whaling or to end lethal whaling by Japan. Ms Petrachenko was in the middle of explaining that one of the things we have done, as we said in December we would do, has been to develop a proposal for improving and modernising the IWC. Australia's proposal was discussed—

Senator ABETZ—A point of order, Chair: modernising the IWC is absolutely irrelevant to the question as to whether Mr Garrett said in December last year that an appointment was imminent. Either he said it or he did not. Whether you are going to reform the IWC is irrelevant.

CHAIR—The minister read the text of Mr Garrett's statement in that regard. Do you have any further questions?

Senator ABETZ—Chair, can I remind you that you sit on this side, not with the minister, and it is important that we get responsive answers. The question is, yet again: did Mr Garrett in December last year say that the appointment of a whaling envoy was imminent?

Senator Wong—As I indicated at the outset of my answer, I do not have the entirety of any interview or announcement made by Mr Garrett. I do have what I assume is an extract of what was announced, which I have provided you with.

Senator ABETZ—Which is irrelevant to the question as to the imminence of the appointment.

Senator Wong—I am sorry but I do not have every media transcript from December 2007 at my immediate disposal.

Senator ABETZ—You seem to have all the irrelevant ones but not the relevant ones. It seems to be a great way of doing business with this government.

Senator KEMP—It is quite easy to phone up Mr Garrett's office and check whether he said that.

Senator ABETZ—For the record, I think Chris Johnson, reporting in the *Age* newspaper on 2 May, was clearly wrong when he made the assertion that Peter Garrett had announced in December that an imminent envoy appointment would be a key part of the government's strategy. Six months later we are still waiting. Isn't it the fact that Mr Holloway is the man to get the job? He has had the Kokoda issue. He has the Beijing Olympics. I suggest that we might hear an announcement possibly after the Beijing Olympics or after his Olympics work has been undertaken and finalised.

CHAIR—Was that a question?

Senator ABETZ—Yes. Can we expect an announcement after—

Senator KEMP—An imminent announcement.

Senator ABETZ—Very good, Senator Kemp.

Senator JOHNSTON—An imminent but late announcement.

Senator Wong—I have already indicated the position, and I am certainly not going to speculate in response to your hypothetical propositions.

Senator ABETZ—We will see whether we are right or not. Can I ask about our little whaling expedition that left Western Australia in January, on the *Oceanic Viking*? What date did that leave Western Australia? The one with the \$60,000 worth of floodlighting for the filming that has cost us \$1.474 million in customs, and \$700,000 for the Australian Antarctic Division.

Senator Wong—I am sorry, I thought that Mr Hunt had indicated that we had not been doing enough: are you saying that we have done too much?

Senator ABETZ—I am just asking a question. Don't be so defensive.

Senator Scullion—Your shadow minister has, I thought, been critical of the government for not doing enough. I understood from the tenor of your—

Senator LUNDY—This is a sign of how well co-ordinated and cohesive the opposition is in senate estimates.

Senator ABETZ—Minister, you do the defensive very unconvincingly. Just stick to answering the questions.

Senator LUNDY—Running the opposite brief to your colleague.

Senator ABETZ—No. How can running the opposite brief be: when did the expedition leave Western Australia?

Senator LUNDY—The direct implication in your question was that far too much had been spent. Your colleague—

Senator ABETZ—You are trying to read things into this. Can I just suggest to you it is very dangerous trying to get into my mind, very dangerous—and I would not advise it.

Senator LUNDY—Let's just see where it goes!

CHAIR—Order! We have an answer. Senator Abetz, if you are interested in an answer to your question I believe the officers are ready to give it.

Mr McNee—We do not have a specific date. It was in early January. Customs would, in fact, have the operational detail of the specific date. I do not have it.

Senator ABETZ—But you had an officer of your department on the *Oceanic Viking* so it is a relevant question to ask here and you should be able to tell me when that official, who was on the *Oceanic Viking*, left port from Western Australia. But you say early January?

Mr McNee—Yes, and I can check and come back and confirm the date.

Senator ABETZ—Would that be around 10 January?

Mr McNee—I will have to check the specifics of it, but I think it was before that date.

Senator ABETZ—Before that date? If you could let me know the exact date—how long would that take you? It would be a phone call?

Mr McNee—I am not exactly sure how long it will take but I will get back to you as soon as I can.

Senator ABETZ—Can we have an indication if that could be obtained within half an hour or so?

Senator Wong—The officer has just said he is not sure how long that would take.

Senator ABETZ—Alright, I will just pause my whaling questions there for the time being.

Senator JOHNSTON—I am interested in the conference in Chile. What type of conference is it: biennial, annual, or what? Can you just give us a bit of background on that?

Ms Petrachenko—It is the annual meeting of the International Whaling Commission. It meets, at a minimum, once a year. There are about 77 countries who are members of the IWC. The meeting this year starts with meetings of the scientific committee, which I believe will begin next week. They meet prior to the actual commission meeting, which takes place later in June.

Senator JOHNSTON—How many delegates are we sending to the scientific aspect of the meeting?

Ms Petrachenko—We have four delegates to the scientific committee.

Senator JOHNSTON—Roughly, what are the qualifications of those four people—oceanographers? What are they?

Ms Petrachenko—The head of the delegation, Dr Nick Gales, from the Antarctic Division, is the head of the Australian Centre for Applied Marine Mammal Science. The other delegates from the scientific point of view have vast backgrounds in everything from marine ecology, stock assessment to fish biology—marine mammal expertise.

Senator JOHNSTON—How many scientists gather at that? We have got four going—roughly, how many attendees are there at the scientific aspect?

Ms Petrachenko—It varies: as I said, there are approximately 77 countries, so delegations from every country can vary in size from one to probably 20, depending on the country.

Senator JOHNSTON—With respect to the delegation side of the conference, we have got how many going—18 did you say?

Ms Petrachenko—It is 16.

Senator JOHNSTON—You are leading the mission?

Ms Petrachenko—Yes, I am.

Senator JOHNSTON—Who else is going? I do not want to know their names; I just want to know what our governance input is to the conference. Which departments are these people from?

Ms Petrachenko—The members of the delegation are officers from the Department of the Environment, Water, Heritage and the Arts: myself, for example, and Andrew McNee, who is assistant secretary of the Marine Environment Branch. We have officials from the Department of Foreign Affairs and Trade, who work in the environment branch of Foreign Affairs. Also part of the delegation staff from the embassy in Santiago will be there. I have also put on the delegation list the minister, who will be attending for the part of the commission meeting in late June. As well we have two non-government organisation delegates representing the environmental organisations on the delegation list.

Senator JOHNSTON—Which non-government organisations are they, and how were they selected?

Ms Petrachenko—We have a group called the Cetaceans Roundtable Group that comprises numerous non-government organisations with an interest in whale conservation. It is from that group that they identify which two individuals they would like to represent the non-government organisations as part of the delegation.

Senator JOHNSTON—I am not so much interested in the individuals themselves as their organisations. Can you identify which organisations we are taking this time?

Ms Petrachenko—Yes. This time it is an organisation called Project Jonah, and the International Fund for Animal Welfare.

Senator JOHNSTON—How does the size of this delegation, including our scientific input, compare with previous delegations?

Ms Petrachenko—I cannot tell you about all the delegations to previous IWCs, but this is larger than the one we had last year.

Senator JOHNSTON—What is on the agenda this time? Is there any really important and crucial material that we are dealing with on this occasion?

Ms Petrachenko—Absolutely. I can tell you because I know how much time it has been taking in the preparations. It has been an extraordinary year already, in that around the end of February and the beginning of March this year we had an intersessional meeting—that is, in addition to the regular annual meeting of the IWC—to focus on one topic and one topic only, which was the future of the International Whaling Commission. That was preparation for the actual formal annual meeting this June, where one of the key items will be the future of the International Whaling Commission—how can it be in our view modernised? Reflecting what Senator Wong mentioned before, we had prepared a paper that we tabled at the intersessional meeting, which was received by many members of the IWC with great accolades, in terms of the leadership role we showed for whale conservation. Other items on the agenda will be an aboriginal subsistence quota for Greenland and Denmark for the Inuit. That is one of the decisions that the commission will have to make. There will be committee meetings of the scientific committee as well as the conservation committee. We have done a lot of work under that committee on issues like ship strikes and their impacts on whale mortality. We are working both at the IWC and through the International Maritime Organisation on that issue.

Senator JOHNSTON—Is Mr Garrett attending?

Ms Petrachenko—Yes, he is.

Senator JOHNSTON—Do you know what proportion of the conference he is attending?

Ms Petrachenko—I have not got his details confirmed, but my understanding from discussions is that he will be attending for the actual commission meeting itself.

Senator JOHNSTON—Which is over what duration?

Ms Petrachenko—Five days.

Senator JOHNSTON—So he will be there for the full five days?

Ms Petrachenko—That is my understanding.

Senator Wong—Can I just say, Senator, and I presume you are not going there—that is not uncommon. Senator Campbell attended—

Senator JOHNSTON—No—I am actually pleased that he is going. I think that is great. I was concerned that we might not have had a ministerial representative there. Are you aware of the leasing of the *Aurora Australis* by the Japanese this year?

Ms Petrachenko—Yes. I am aware.

Senator JOHNSTON—Are you aware that they are conducting, during the course of their occupation or lease of the vessel, scientific research in Antarctic waters?

Ms Petrachenko—My understanding is that it is a resupply ship, as was indicated to the committee yesterday. But perhaps I could ask Mr Borthwick to talk about that.

Mr Borthwick—I have some additional information which might help senators. It follows on from the questions that Senator Siewert was raising yesterday. This information has been

provided by the Director of the Australian Antarctic division, Dr Tony Press. I might just read the relevant pieces and I can table this information as well. Dr Press says:

The arrangement between Japan and Australia is to provide assistance for the Japanese Antarctic Research Expedition re-supply of Syowa station in Antarctica.

Senator JOHNSTON—The base?

Mr Borthwick—Yes. Dr Press continues:

Japan's National Institute of Polar Research sought Australian assistance to re-supply Syowa in 2008/09 while Japan is waiting for construction of its new ice breaker to be completed. Under the arrangement with Japan, a single voyage of *Aurora Australis* will be conducted between January and February 2009. The voyage will be conducted under Australian Antarctic Division's charter of *Aurora Australis*. Australian Antarctic Division staff will be managing and supporting the voyage. Some marine science research will be undertaken during the course of the voyage, incidental to the voyage being conducted.

That was mentioned yesterday.

No whaling related research will be undertaken during the voyage. Japanese marine biologists and oceanographers have accompanied most recent Australian research voyages and as recently as November 2007. The occasion of the use of *Aurora Australis* by the Japanese Antarctic Research Expedition in 2008/09 is an opportunity for the conduct of joint research between Japan and Australia. On this voyage a research program will be conducted on the distribution of plankton along the ship's cruise route. This work is part of the long-running Southern Ocean Continuous Plankton Recording study of which the National Institute of Polar Research in Japan is a partner. Data from this study will contribute to the marine biodiversity database being developed for the international Census of Antarctic Marine Life being coordinated for the International Polar year by Australia. There will also be an associated research program into the physical and chemical oceanography of the ocean along the ship's cruise track. This is needed to support full interpretation of plankton distribution.

Samples of live krill will be collected for return to the Australian Antarctic Division to provide material for further joint studies into physiology and reproduction of these creatures. The NIPR is Japan's equivalent organisation to the Australian Antarctic Division. NIPR is completely separate from the Japan's Institute of Cetacean Research which undertakes lethal whaling research. Logistic cooperation between nations active in Antarctica is encouraged by the Antarctic Treaty. Such cooperation is common between Australia and other Antarctic nations, including Japan. Japan has provided, in the past, significant assistance to Australian Antarctic shipping when *Aurora Australis* suffered mechanical problems. Australia's Antarctic program will not be disrupted by this voyage

I think that that is helpful because Senator Siewert was asking some questions about the nature of the science that was conducted. We felt that it was useful to put that on the record. I am happy to table this.

Senator JOHNSTON—Thank you.

Senator Wong—Madam Chair, it might be useful if Senator Allison, who also has an interest, were made aware of our tabling this. Obviously, if she has any follow up questions they would need to be given to us before these estimates hearings end.

CHAIR—Thank you; I am sure the secretariat will deal with that.

Senator JOHNSTON—Ms Petrachenko, what is the primary source of food for whales in the Southern Ocean?

Ms Petrachenko—The majority would be krill.

Senator JOHNSTON—Krill and plankton?

Ms Petrachenko—Some plankton, but mostly krill.

Senator JOHNSTON—So if the Japanese were doing research into krill and plankton, we would at the very least indirectly be assisting them—

Mr Borthwick—That is drawing a terribly long bow.

Senator SIEWERT—No, it is not.

Senator ABETZ—Madam Chair, I think you are always very quick to chide senators when they interrupt an answer. I think Senator Johnston was half-way through his question when certain people became very defensive. I think Senator Johnston ought to be allowed to ask his question.

CHAIR—Thank you, Senator. I was going to give the call to Senator Johnston.

Senator JOHNSTON—So research into krill and plankton would be a vital ingredient in the understanding of the availability of food source for whales?

Ms Petrachenko—If I can just step back a bit from that question in a greater sense.

Senator JOHNSTON—We will come back to that question, but I do need an answer for it.

Ms Petrachenko—I will directly, but I need to draw a bigger picture first. One of our priorities in the Southern Ocean, through the IWC and through the work of the Australian Antarctic Division, is to get a better understanding of the Southern Ocean ecosystems. We know that most recent work from places like the CSIRO has shown that one of the biggest impacts, for example, of climate change will be on the Southern Ocean. If you have read some of the science coming out of the CSIRO on its impact on the marine environment, you would have noted that some real changes in the whole ecosystem in the Southern Ocean will have dramatic effects around the oceans around Australia. So trying to get a better understanding of the overall interactions of the ecosystem, the food web relationships, is incredibly important. In fact, through the IWC in 2009 we will be doing a collaborative project on whales in the ecosystem and the effects of climate change—you look at the behaviour of top predators as well as the food sources and try to draw those interactions—so it is a high priority for countries in the IWC as well as countries in the Antarctic treaty system.

Senator JOHNSTON—Can we come back to my question? I think the question was, if I can remember it, that research into the availability of plankton and krill would be vital in understanding the primary food source of whales in those southern waters and Antarctic waters.

Ms Petrachenko—It will be one very important piece of information.

Senator JOHNSTON—We are actively assisting, in cooperation with the Japanese, who are a scientific hunter of whales, their understanding of the availability of food source for whales in southern oceans. Is that correct?

Ms Petrachenko—What we have done—and we have spoken about it numerous times before—is we have really taken on the position that through the IWC we can learn what we

need to learn about whales and about ecosystems' relationships with whales without killing whales. By doing more of this work and having more countries involved in it, it really questions again the real need to kill whales, which then puts more pressure on any parties who think that they need to kill a whale to understand the ecosystem. This research in fact is going to show that that is not the case.

Senator JOHNSTON—Okay, let us cut to the chase. In the IWC we are on one side of the ledger—we are anti whaling—and the Japanese, the Norwegians, the Icelanders and the Greenlanders are on the other side of the ledger: they are pro whaling and indeed have some economic convictions towards whaling, particularly the Icelanders and the Greenlanders. Am I right?

Ms Petrachenko—I can say that. I would not want to ascribe motivation to other countries as to why they take the positions that they do—

Senator JOHNSTON—But we are opposed to them.

Ms Petrachenko—We have been opposed on numerous resolutions and proposed schedule amendments which would see a weakening of the moratorium on commercial whaling.

Senator JOHNSTON—Are we opposed to them on scientific grounds?

Ms Petrachenko—Our position on scientific grounds is that you do not need to kill whales to learn about them.

Senator JOHNSTON—And ecological grounds?

Ms Petrachenko—That is correct

Senator JOHNSTON—And moral grounds?

Ms Petrachenko—That is correct.

Senator JOHNSTON—We are providing infrastructure, assistance, support for Japanese understanding—enhanced Japanese understanding—of the primary source of food for whales in southern oceans. Am I right?

Ms Petrachenko—We are doing collaborative research with Japan on a number of areas relating to the oceans. I have mentioned the other proposed research projects under the IWC—so yes, we do a lot of cooperative research involving the Japanese.

Senator JOHNSTON—When did we agree to do the collaborative research with Japan?

Ms Petrachenko—The project that I spoke about was agreed at the last IWC meeting last year in Anchorage.

Senator JOHNSTON—When did we agree to lease the *Aurora Australis*?

Ms Petrachenko—I cannot speak to that. I would have to take that on notice; I am not involved.

Senator JOHNSTON—Mr Borthwick?

Mr Borthwick—No, I do not know that but, as indicated yesterday, I think an MOU/contract—I am not sure what the words were—was still being discussed.

Senator JOHNSTON—We have not done it yet?

Mr Borthwick—That is my understanding.

Senator JOHNSTON—I want to know precisely—and this is very, very crucial and important—what safeguards, prohibitions, padlocks, chains we have on this Japanese research such that it will not go to their whaling industry. Tell me about them please.

Mr Borthwick—This question really relates to the Antarctic Division. My elaboration from the director of the Antarctic Division was in response to questions Senator Siewert made before, but might I make a general observation—

Senator JOHNSTON—I think the issue is so important, Mr Borthwick, that you do need to make a general observation as secretary of the department—because it is not a good look, I don't think.

Mr Borthwick—I mentioned yesterday that we have long had cooperative relations with Japan—in fact it goes back to 1910-11 in terms of Antarctic research. They, along with us, were one of the founding nations involved in Antarctica. In terms of the research in Antarctica, we do a lot of work on krill and, as Dr Press mentioned in the words that I read, those krill will be returned to Australia. In fact we breed krill down at Kingston in Hobart. All the results of our research are made internationally available and publicly available. We gave an undertaking yesterday that none of the research that will be involved in terms of this voyage will be used in the context of assisting Japan to undertake lethal work et cetera.

Senator JOHNSTON—I accept what you say Mr Borthwick because I know that you are earnest in this. I do not question any of that. All I am asking for is the safeguards, the chains and the padlocks. Tell me what they are, please.

Mr Borthwick—All the information will be publicly available.

Senator SIEWERT—No, it will not.

Senator JOHNSTON—That will be too late because the information will have flowed to the people we do not want to give it to.

Senator Wong—Can I make a point—and I notice, Senator, you skipped over this aspect of Ms Petrachenko's answer. If I could just remind the committee, there was an aspect of Ms Petrachenko's answer, which goes to the heart of the issue. I recall—and she can correct me if I am wrong—one of the things she emphasised was that in fact the scientific information that this research is focused on in effect undermines one of the arguments that Japan uses for lethal whaling in terms of their scientific research. In fact we are—

Senator JOHNSTON—You trust our opponents inside the commission to play with a straight bat, Minister? How naive, may I say.

Senator Wong—No, I am simply making the point that Ms Petrachenko's evidence actually focused on what is important, and that is this research, as I said, which in effect undermines one of the arguments that Japan uses for its scientific program.

Senator JOHNSTON—Tell us about the chains and padlocks, Minister, so that they are not going to get information and then give it to their whaling industry.

Senator Wong—As I think we canvassed yesterday, Mr Borthwick has indicated those issues are currently the subject of discussion in the context of the MOU.

Senator SIEWERT—And the point there is that we cannot be reassured, because we asked. When I asked yesterday if the MOU would be made public, I was told that they did not know. So we do not know, in fact, if those assurances in the MOU are going to be adequate, because it is not going to be a publicly available document. Or has that changed since yesterday?

Mr Borthwick—Look, there has not been a decision made on that. Exactly what shape the MOU/contract is in, I cannot advise you on. All I said yesterday was we will make sure that this material cannot be used to support lethal research. That is not the objective. It is an entirely different part of Japan that we are dealing with.

Senator SIEWERT—Do the Japanese not use the argument—I have certainly seen it at least a couple of times—that whales eat krill so we need to control the number of whales in order to boost the krill population? They have used that argument.

Mr Borthwick—I cannot see it.

Senator ABETZ—Well, I heard it as fisheries minister.

Senator SIEWERT—Yes.

Mr Borthwick—I have certainly heard the observation in terms of whales eating fish, but I have not heard it with respect to krill.

Senator SIEWERT—I take Senator Abetz's assurance that he has heard it. I have certainly heard it.

Senator ABETZ—If whales do not eat the krill, who will? Fish.

Senator SIEWERT—Exactly. Those links are directly there. The Japanese have made those in the past. So we cannot be assured that there is no linkage between the arguments. Splitting hairs and saying, no, it does not contribute to the lethal research—yes, I am absolutely assured that there will be no lethal research undertaken on the *Aurora Australis*. But, as I said, it is splitting hairs, because the information can still be provided to the institute. Just because it is the Institute of Polar Research undertaking the research does not mean they are not going to provide it to the Institute of Cetacean Research.

Mr Borthwick—All Antarctic research is generally available under the treaty. It can be picked up by any party and used for whatever purpose, but I think it is very much drawing a long bow—as I quite wrongly interrupted you, Minister, before when I said it!—to say this will be linked to their whaling efforts.

Senator SIEWERT—So you do not think—

Mr Borthwick—This is really linked, as I said, to adding to our knowledge for the census of Antarctic marine life which is being conducted for the International Polar Year by Australia, and this is part of a global effort to get a better handle on the biodiversity of Antarctica and also, as Ms Petrachenko said, on krill populations which we believe are threatened should ice sheets start retreating and those sorts of things.

Senator SIEWERT—I do not disagree with you.

Mr Borthwick—So that is basically the purpose of it, and that is why the Antarctic Division has invested a lot of effort and scientific research in establishing a krill breeding

population in Kingston which was, if not the first of its kind, certainly on that scale, to try and get a better handle on krill, because it is, as you have correctly observed, right at the start of the food chain in terms of affecting—

Senator SIEWERT—So you do not see that the Australian population is going to think it a bit odd that Australia is taking \$9 million to \$10 million from Japan to invest in Australian research—from a country that we are currently debating whether to take to court or whatever—

Mr Borthwick—No, no.

Senator SIEWERT—the same country that we are presently ‘fighting’ over whaling?

Mr Borthwick—Australia is cooperating with Japan on a whole host of activities.

Senator SIEWERT—Not all of them related to whaling.

Mr Borthwick—No, this does not relate to—

Senator Wong—We do not accept—

Mr Borthwick—Sorry, Minister. We cooperate with Japan very closely, and I can give you details, as I said, from 1910-11 right through to modern times in terms of our operations—

Senator ABETZ—When we used to do whaling.

Mr Borthwick—on a whole host of research.

Senator JOHNSTON—A little bit too close!

Mr Borthwick—Our relationship with Japan is one of very close cooperation on a whole host of things, including this. Where we fundamentally disagree with them is on lethal scientific whaling, but on everything else we cooperate to the full.

Senator ABETZ—I will ask something on this, if I may, Senator Siewert. Given the minister’s answer before that this research will, in fact, allegedly undermine the whaling industry—

Senator Wong—No, I said one aspect of the—

Senator ABETZ—Yes, one aspect.

Senator Wong—Senator, with respect, you do do this. My recollection is that I was rephrasing—

Senator ABETZ—You cannot remember your answers. I have to go back to *Hansard*.

CHAIR—Senator Abetz, let the minister explain.

Senator Wong—With your indulgence, Chair, I was seeking to rephrase Ms Petrachenko’s proposition about the effect of the scientific research. In fact, I said, ‘If I am incorrect, I am sure Ms Petrachenko will correct me.’

Senator ABETZ—And did she correct you?

Senator Wong—No, I do not think so.

Senator ABETZ—No. And you said that part of this study will, in fact, go to undermining the whaling industry.

Senator Wong—I think—

Senator ABETZ—Once again, all I am seeking, Chair, is clarification that that is what the minister said before I ask a question.

Senator Wong—Senator, perhaps you are far more intelligent than I, but I do not recall—

Senator Ian Macdonald interjecting—

Senator Wong—I am sure Senator Macdonald would agree with that—in fact, he has said he has agreed, but that is fine; he is entitled to his opinion.

Senator IAN MACDONALD—I was sharing your opinion! For once we agree—that Senator Abetz is more intelligent than you.

Senator Wong—I do not have a photographic memory—

Senator LUNDY—This is like university-grade commentary from Senator Macdonald.

Senator Wong—or a memory of every word I have uttered, but my recollection is that what I said indicated that Ms Petrachenko had put the view that this research undermined one of the Japanese arguments and rationales for scientific whaling.

Senator ABETZ—Right. Therefore, I ask: does the Rudd government honestly believe that Japan has voluntarily entered into a research project to undermine its whaling industry?

Senator Wong—Senator, I would refer you to Mr Borthwick's answer, which is that we have a range of scientific and other measures of cooperation with Japan. I understand the political point that Senator Siewert is making, and from her political perspective I think that that is quite reasonable. I would make the point that the opposition, when in government, had to deal with precisely the same issue that this government has had to deal with. We disagree. Senator Johnston, you are from a state where, I am sure, the trade relationship with Japan is very important.

Senator JOHNSTON—First class.

Senator Wong—We do have to manage a relationship where we have extremely close—

Senator JOHNSTON—Well, it was until recently, anyway.

Senator Wong—If I could finish, Senator Johnston: we have a relationship where there are very close economic and trade relationships. There are close foreign-policy relationships.

Senator ABETZ—That is why we did not visit.

Senator Wong—May I finish, Senator Abetz?

Senator ABETZ—Yes.

Senator Wong—There is clearly—

Senator Johnston interjecting—

Senator Abetz interjecting—

Senator Wong—I am just going to wait, Chair, until the Liberal blokes have finished having a go at us.

CHAIR—You could wait a long time, Senator Wong.

Senator IAN MACDONALD—You are such a sensitive petal.

Senator ABETZ—She can interrupt her own secretary, but we cannot have a quick chitchat across the table. How precious.

Senator LUNDY—It is pretty juvenile behaviour by the Liberal senators.

CHAIR—Are there further questions on this matter?

Senator Wong—I actually have an answer I am seeking to finish, Chair, but I was waiting for Senator Abetz and Senator Johnston to stop talking at each other across the table.

Senator ABETZ—To each other.

Senator Wong—You generally talk at, I am afraid! The point I am making is that, just as when the opposition were in government they had to manage this, we too have to manage a relationship where there are very close relationships on a whole range of policy fronts, including scientific research—as was the case, Senator Johnston and Senator Abetz, under your government. And this is—

Senator JOHNSTON—We never funded research in Antarctic waters with Japanese; I can tell you that right here and now.

Senator Wong—Can I finish, Senator Johnston? In fact, I think that that is not the case, and I am going to ask officers if that is, in fact, the case.

Senator JOHNSTON—Oh, you are asking the questions now?

Senator Wong—The point I am making is that, on a bipartisan basis, we have always recognised that we disagree with Japan on this fundamental issue but, for obvious national interest reasons, we have maintained relations across a range of other areas. Just as you, in government, cooperated with the government of Japan on a whole range of matters, we too are doing so in this respect. There is a long history of Antarctic cooperation between Australia and Japan. We fundamentally disagree on the issue of whaling, and the government is taking steps to make that clear to Japan.

Senator JOHNSTON—Tell us about the safeguards. What safeguards have you put in place?

Senator ABETZ—I accept all that the minister has said, but it does not answer my question. Does the Rudd government honestly believe that Japan has voluntarily entered into a joint research project with us which will have the capacity to undermine an aspect of its justification for the whaling industry? I do not think the Japanese are so naive that they would do so. That means you must think the Japanese are either naive or do not understand the research project. What I think is more likely is that this research will not in fact be undermining whaling activities by the Japanese. It beggars belief that that is the Rudd government's view.

Senator Wong—I understand from Ms Petrachenko—and this relates to my previous answer—that the Southern Ocean Whale and Ecosystem Research program, or SOWER, has been in place for some 20 years and has involved cooperation between not only Australia and Japan but also a range of other countries, with different views on whaling, including New Zealand and the EU. So my point is that there has been cooperation between previous

Australian governments, of both political persuasions, and the government of Japan in relation to genuine whale research as well as the sort of scientific research that has been discussed in the session.

Senator ABETZ—We know that has happened, and it is all very nice, but we were told that one of the justifications for this specific contract involving the *Aurora Australis* was research that would undermine one of the justifications that Japan provides for whaling. I am now asking: does the Rudd government honestly believe that Japan has voluntarily entered into this joint research project which will have the ability to undermine their own justification for their whaling industry? You can tell us what we did in 1910 and everything else—that is all fine—but I want an answer to that specific question. Do we honestly believe the Japanese have embarked upon this joint venture thinking that the research will tend to undermine their justifications for their whaling industry?

Senator Wong—What different parts of the Japanese government may or may not think is a matter I am not prepared to speculate on. But what we do see from the evidence on the table is that, notwithstanding this fundamental difference between our governments, there has been a long history of cooperation between Japan and Australia in the Antarctic. One can assume certain motivations by Japan in relation to that but, as I said, I am not going to speculate on that.

Senator ABETZ—I am not going to get an answer on that, so I will not continue.

Senator SIEWERT—With regard to the projects that were carried out on the vessel, did Australia agree with Japan on what they were, or did Japan just say, ‘This is what we want to do’?

Mr Borthwick—I do not have information about that other than to say that Australian Antarctic Division staff will be managing and supporting the voyage. I will have to take that notice.

Senator SIEWERT—Does that mean they are running the vessel? I presume the Japanese are doing their own research.

Mr Borthwick—I cannot give you that information. For quite some time we have been involved in joint research with Japan on krill. It is not just in the context of this voyage.

Senator SIEWERT—But that research, as I understand it, is being done through the IWC project.

Mr Borthwick—No. We have been undertaking joint research with Japan on plankton and krill populations, through the Antarctic Division, for some time.

Senator SIEWERT—Yesterday we were canvassing the issues around the projects that the \$9 million to \$10 million—the money that the Japanese are paying the Antarctic Division for use of the vessel—is going to be funding. A small amount is going into the policy unit and the rest of it is going into the science unit. I asked yesterday about what science that was funding and I was told to ask here. I also understand from the discussion we had yesterday that there were negotiations between the Japanese and the Antarctic Division about what that science would be.

Mr Borthwick—I have indicated in terms of the statement from Dr Press what the science will be on the voyage. I am unable to tell you about what role Australians will be playing in that particular science. In terms of the \$9 million, you are right—there was about one-third for departmental purposes and two-thirds for scientific purposes. Part of that will go to the operational requirements of the voyage; the other part will go into the general scientific program. I do not think—but if I check up and find differently I will correct the record—you will be able to separate out the science that that will go into from the general science that is undertaken by the Antarctic Division. It is just going into the pool of funding that is available for scientific activity.

Senator SIEWERT—There is about an extra \$7 million going into the science for Antarctic Division output group 2.2 this year. That is specifically down as the money that is coming from the memorandum of understanding with the Japanese government.

Mr Borthwick—That is right.

Senator SIEWERT—When I asked yesterday, firstly, it was indicated that to find out what that science was I should ask here and, secondly, there was a clear—

Mr Borthwick—I do not think that was said because the people from the Marine and Biodiversity Division are not connected at all with the science that is undertaken in the Antarctic Division.

Senator SIEWERT—We will check the *Hansard*, but my clear recollection is that I was told to ask here.

Ms Petrachenko—Senator, in my understanding, what was referred to this division was the ACAMMS funding—

Senator SIEWERT—No, it was both.

Ms Petrachenko—That is what we are involved with.

Senator SIEWERT—I know. When we are done with this and my other whaling issues we will get to that. I asked for this as well. As I said, we will check the *Hansard*. My very clear recollection was that I was sent here.

Senator Wong—Senator, which specific aspect of the science are you seeking?

Senator SIEWERT—What are the science projects that are being funded under this once-off injection of funding for science?

Mr Borthwick—You are talking about the moneys listed in the footnote on this. We will have to get back to you, but I will repeat what I said: I think those monies are going into a general scientific bucket which will be available for a whole host of scientific activity that is undertaken.

Senator SIEWERT—From the nature of the discussion that we had yesterday, I certainly took the impression away that there was going to be discussion with the Japanese government about what the nature of that science was to be.

Mr Borthwick—That was only with respect to what—

Senator SIEWERT—No, we had two levels of discussion.

Mr Borthwick—Then we have inadvertently come away with different impressions, because the only thing about the nature of the science is what happens vis-a-vis the voyage. The rest of the money that goes into the Antarctic Division is just like a general revenue source. It is just as if we received a general appropriation, and it will be available for spending. It is not tied to any specific activity at all. But if I need to correct the record on that I will.

Senator SIEWERT—Could you double-check that, because I certainly came away thinking we had been talking about two separate things—the vessel and—

Mr Borthwick—No.

Senator Wong—Senator, we apologize if there has not been a meeting of minds on these issues. So we are clear what you are seeking, in addition to the fairly lengthy discussion we have all had about the *Aurora Australis*, which we have been dealing with, you are seeking in relation to page 53 of the PBS—correct?

Senator SIEWERT—Yes.

Senator Wong—You were seeking to ask questions in relation to which aspect of this?

Senator SIEWERT—If you look at Antarctic science, this is where this whole discussion kicked off yesterday. There is a significant increase in the science budget from last year to this year. That relates to the funding that is coming from the resupply of the Antarctic station.

Senator Wong—Yes, and—from memory—you did ask the director of that division that question.

Senator SIEWERT—Yes. We then had a subsequent discussion about what the nature of that research is—we got on to the vessel later. If I have misunderstood, fair enough. Could you clarify what discussions are going on around the nature of the research that is specifically funded by that injection of funds?

Mr Borthwick—We will try and give you an answer.

Senator Wong—There is a distinction here between what you are saying—funding source. You want to know, other than the research that Dr Press has provided through the tabled document, is there anything additional to be funded by the injection of funds? If it is earmarked—and I note that Mr Thompson has indicated generally that is not the case in terms of those goals.

Senator SIEWERT—Yes.

Mr Thompson—I am about to go and ask the question.

Senator SIEWERT—That would be appreciated, thank you.

Senator Wong—We will see what we can do on that.

Senator PARRY—Just coming back to the supply vessel which we use for research work: who will be in command of the vessel when it is a joint Japanese-Australian research activity?

Mr Borthwick—The information I have got is that the Australian Antarctic Division staff will be managing and supporting the voyage, but I do not know in terms of the captain of the ship.

Senator PARRY—Can that be taken on notice because it is quite important.

Mr Borthwick—Yes, it can.

Senator PARRY—Equally, who will be directing the direction of the vessel as to what waters it will be undertaking research in?

Mr Borthwick—We can take that on notice too.

Senator PARRY—The Japanese are leasing this—will they be controlling the scheduling of voyages?

Mr Borthwick—I do not know that. These questions relate to the outcome that was discussed yesterday; they do not relate to the current outcome.

Senator PARRY—We have just had an extensive half hour on this.

Senator Wong—In fairness, my recollection was that the officer who had the closest knowledge of this was not in Canberra for estimates. The director of the division attended, as is normal. So Dr Press, who is the officer responsible, has provided this document. We are happy to have as much discussion as we are able but we would probably need to take those detailed logistical arrangement matters on notice—happy to do that now, if you wish.

Senator PARRY—These are the questions we need on notice: who will be in command of the vessel; who will be directing the research activities; who will be directing the research activity geographical area where the ship will be traversing; and will the Japanese have any control over the frequency and the scheduling of trips in relation to supply? Primarily this is a supply ship, which will be engaged in research work. I do not know whether the question was asked by Senator Siewert, but what is the breakdown of Australian to Japanese scientists—the ratio?

Mr Borthwick—We will take those on notice.

Senator JOHNSTON—They are all pertaining to the lease of the vessel by the Japanese?

Mr Borthwick—Yes.

CHAIR—Senator Siewert wishes to put a question on notice.

Senator SIEWERT—Could you provide the committee with a list of projects that are currently being undertaken under the IUCN science project?

Ms Petrachenko—You want all of the IWC related science projects?

Senator Wong—The IUCN, you said.

Senator SIEWERT—Sorry—IWC. IUCN I get into my head—IWC.

Ms Petrachenko—Australia's involvement in IWC related projects?

Senator SIEWERT—Yes.

Ms Petrachenko—Yes, we can.

Senator Wong—Is it Australia's involvement or Australia funded?

Senator SIEWERT—Both. I am assuming that if we are funding it then we are somehow involved with it—is that not a correct assumption?

Ms Petrachenko—We have involvement in some that we do not provide cash to, yes.

Senator SIEWERT—But take ‘involvement’ in its wide meaning, either as in research or as in provision of cash.

Ms Petrachenko—I will take that on notice.

Senator ABETZ—It took me about two minutes to find out that the *Oceanic Viking* left on 8 January 2008 and, of course, as I understand it that was not announced with any fanfare. But it is interesting. It was in the Prime Minister and Cabinet portfolio that we were inquiring as to when the Prime Minister stopped trying to make contact with Japan, after becoming Prime Minister, for a discussion with the Japanese Prime Minister. It just happens to have been 10 January 2008. I just wonder whether those two dates were somehow related. What legal costs has the department incurred in relation to what now clearly seems to be aborted legal action against the Japanese?

Ms Petrachenko—Our department has not incurred any costs. If there are costs associated with obtaining legal advice, that would be a question for the Attorney-General’s Department.

Senator ABETZ—I am aware of that, but every now and then the department has its own legal advisers or whatever, and time is spent in relation to these matters. I will be asking a bracket of questions later on about some actions that the department has had to defend, for example, and I am just wondering whether you have provided evidence from the international expertise or put together briefs of evidence—scientific evidence, for example—for the potential of a court case and the costs associated with that.

Senator Wong—I will just make a comment there before Ms Petrachenko responds. I can recall you defending absolutely the right of the previous government not to—or the inability of the previous government to—provide the then opposition with advice as to the costs of their industrial relations legal advice, other than the contracted external legal advice costs. We were not provided with costs for how much you spent on your Work Choices legislation in terms of officers working on that in-house, because, I was told, it was not possible to track that data. So I am interested that you now seek essentially the same sort of advice from this committee.

Senator ABETZ—The reason I do is that I was one of those naive Australians who actually believed the Prime Minister when he said, ‘Elect me and there will be a new era of transparency,’ and believed that the sort of nonsense that Senator Wong went on about at the workplace relations committee would no longer occur under a Rudd administration. Today we have heard out of the minister’s own mouth that all her protestations at the workplace relations Senate estimates were a front; that she never believed in that in any way, shape or form; and that it was simply a con to the Australian people. She is now adopting the Howard government approach. I ask the minister to apologise.

Senator LUNDY—What are you talking about? This is not the workplace relations committee.

Senator ABETZ—She brought up workplace relations. You ought to listen to your own minister. The chances are that that is why you are not in the ministry.

Senator LUNDY—So cutting!

Senator ABETZ—She raised it; I did not. If it is relevant for the minister to raise it, surely it is for me as well.

CHAIR—I think that the minister is waiting for you to be quiet so we can have an answer.

Senator Wong—I am not sure what the question is.

Senator LUNDY—There was not one.

Senator Wong—I think it is more of a statement, with which I disagree in most parts—I think in all parts other than, perhaps, the fact that I did ask you questions. But Ms Petrachenko, I think, is able to respond to your request about what involvement this department had in terms of legal advice.

Senator ABETZ—Just so I can clarify this for future occasions, Chair, the protestations that we heard from the government, whilst it was in opposition, in relation to the provision of legal advice are not protestations that they will now adopt in government. They will, in fact, be adopting the same approach as the Howard government, against which they protested.

Senator LUNDY—We said that in a different committee.

Senator Wong—Senator Abetz, with respect, I think you are conflating two issues. I was making a point not about legal advice where external counsel is sought or advice is sought from A-G's for a line department or another agency.

Senator ABETZ—That is right.

Senator Wong—The point I was making was that, in terms of work in relation to legal advice, the answer that has been previously given by ministers is that it is often not separately tracked. I think that was in fact the response that you gave to the then opposition when we were seeking information about the enormous amount of public servant resources devoted to your Work Choices legislation. That may in fact be true, Senator; it may in fact—

Senator ABETZ—At the time that was an 'outrage to democracy and transparency' and you used to jump up and down and get all your letters from the Clerk of the Senate saying, 'This is outrageous.' Within six months you are adopting exactly the same practices as we did. Can I say I am not critical of you for adopting that practice. What I am critical of is the gross hypocrisy.

Senator Wong—Madam Chair, I think Ms Petrachenko has an answer.

Ms Petrachenko—Senator, as I indicated, we did not engage any separate legal counsel associated with this in this department. It is the Attorney-General's Department that has been involved and has the lead on that. So, aside from any policy—

Senator ABETZ—I was asking about internal. I accept the minister's response as being quite reasonable. But what it does highlight is the duplicity with which they slithered their way into government.

CHAIR—Do you have any further questions in this area, Senator Abetz?

Senator LUNDY—He obviously does not have any questions.

Senator Wong—Sorry, what was the last part of that? The duplicity with which—?

Senator ABETZ—You will have to check *Hansard*; sorry.

Senator LUNDY—Can't you remember your last question? You can't just place stuff on the record and then pretend you didn't say it.

Senator ABETZ—When I asked the minister whether I heard her correctly, and repeated the exact words to her, she feigned that she had amnesia on the issue.

Senator LUNDY—So you claim, Senator. Now, what did you say?

Senator ABETZ—I am here to ask the questions, not to give answers. I am happy to change with Senator Wong at any time.

Senator LUNDY—No, you are here making snide interpretations. That is not a question.

CHAIR—Order!

Senator Wong—I will leave it. It was a comment about the way in which Senator Abetz chose to characterise the choice the Australian people made at the last election.

Senator ABETZ—No, you misheard—which is good.

Senator BIRMINGHAM—Minister, Mr Borthwick, Ms Petrachenko—one of you: what is the exact role of the special envoy on whale conservation?

Mr Borthwick—The role of the special envoy will be to put Australia's case in the strongest terms against scientific whaling and to put forward alternative ways in which we can undertake scientific research of a non-lethal variety into whaling.

Senator Wong—If I can assist, Senator, as I think I have previously indicated, the characterisation, or what was announced in December, is that the envoy would 'convey our views to Japan and increase and strengthen dialogue at senior levels'.

Senator BIRMINGHAM—Have terms of reference been developed for the role of the envoy?

Mr Borthwick—No, they have not.

Senator BIRMINGHAM—What about job and person specs?

Mr Borthwick—No.

Senator BIRMINGHAM—Is there anything aside from Minister Garrett's press release of 19 December that says what the envoy will do—anything written down anywhere?

Mr Borthwick—There has not been any announcement about the envoy or the details of how that envoy will operate.

Senator BIRMINGHAM—I was not asking whether there had been an announcement. I was asking whether there was anything written down anywhere saying what this person will do.

Senator Wong—The only information that I have is what I have provided you with. If there is anything further, we will provide that.

Senator BIRMINGHAM—That is all very well and good, Minister. I would have thought that we are looking at appointing somebody to what I assume will be a reasonably well-paid role, a role that will, from Mr Borthwick's brief description, see them flying around the world

representing Australia's interests. Surely some documentation must have been worked out besides a press release in December—six months ago—to determine what this role is.

Senator Wong—I cannot provide any further information at this point, other than what I have, which is that the announcement was that the government would dramatically increase our diplomatic efforts on whaling. One of the aspects of that—and I emphasise: one of the aspects of that—is the appointment of a special envoy on whale conservation to 'convey our views to Japan and increase and strengthen dialogue at senior levels'. As yet, no further announcement that I am aware of has been made in relation to that issue, and, certainly, there has been no announcement, as you know, in relation to any appointment.

Senator BIRMINGHAM—We have a dot-point job description and person description for the whaling envoy role. That is helpful. We have a dot point from a media release to tell us the terms of reference for this role, which are 'to convey our views to Japan and increase and strengthen dialogue at senior levels'. What is the most senior level of dialogue when it comes to whaling?

Senator Wong—I presume it is the ministerial level.

Senator BIRMINGHAM—What is the most senior level of dialogue internationally?

Senator Wong—The most senior level of dialogue between nation states is generally the leader dialogues. I would assume the next most senior level is the ministers. I am not sure about the foreign policy pecking order. Do ambassadors come next? I assume so.

Senator BIRMINGHAM—Would the International Whaling Commission not be the most senior forum for dialogue at senior level in regard to whaling? If not the most senior, would it not be one of the most senior?

Senator Wong—I do not know. I am not an expert on hierarchies of this sort—maybe Ms Petrachenko and Mr Borthwick can assist me—but it is the most inclusive multilateral forum to deal with these issues. I do not know whether there are other United Nations multilateral forums or other bilateral forums—which some might argue would be more important.

Senator BIRMINGHAM—Is it a senior level of dialogue?

Senator Wong—It is a multilateral forum for the discussion of whales.

Senator BIRMINGHAM—Is the International Whaling Commission a senior level of dialogue on whaling?

Senator Wong—That is a matter of opinion.

Senator ABETZ—We have a unity ticket on this—I think we all agree that it is.

Senator BIRMINGHAM—It is not an opinion. The dot-point definition of the role of the international whaling envoy says that they will strengthen dialogue at senior levels. I am trying to define 'senior levels'.

Senator Wong—There was evidence given previously—you may have been out of the room, Senator Birmingham—that Minister Garrett intends to attend the IWC. That is pretty senior.

Senator ABETZ—But he is not as senior as you!

Senator BIRMINGHAM—That is a very good point, Senator Abetz. Minister Garrett is going. We trust that that is a senior level and that there will be dialogue at a senior level. Is it not highly embarrassing that you have had more than six months to put this whaling envoy in place? It is more than six months since you announced it, since the idea was cooked up somewhere. Mr Borthwick says he has given you a list of names, but you are not willing to tell us whether one has been selected. Aside from a dot point in a press release, there are no terms of reference—and our international envoy, whoever that is going to be, will not be present at the most senior global conversation on whaling. Isn't that highly embarrassing?

Senator Wong—That is an opinion. The government is demonstrating its commitment to strengthen the fight against lethal whaling. We are doing so through a range of mechanisms, a range of means, of which the appointment of the envoy is one. We have stated that we will appoint an envoy. I have also stated that Minister Garrett will be attending the IWC.

Senator BIRMINGHAM—In truth, isn't this just being pushed back because, so far, every step the government has taken has proven to be a flop, an embarrassment or a spectacular failure? You have spent millions of dollars sending ships and planes down to take footage that has provided little more than a few grabs for the evening news. You have tried to launch an International Criminal Court case that is going nowhere and will go nowhere. You have a delegation going off to the IWC without the special envoy.

Senator Wong—Led by the Minister.

Senator BIRMINGHAM—Led by the minister who has spent more than six months not appointing his special envoys. Nothing in the minister's 19 December press release about whaling has been successfully accomplished—nothing. Minister, please point to something he has successfully done from that 19 December press release to actually achieve something to end whaling?

Senator Wong—Frankly, you are doing a reasonably good job at summing up and seeing if you can get on television.

Senator PARRY—It would be a very good story.

Senator ABETZ—I think the time will be spent on you, Minister.

Senator LUNDY—They are going to keep saying it.

Senator Wong—Yes, I gathered that. We have, as a government, made it a priority to enhance or strengthen the fight against lethal whaling. We made it clear what our view was—and I understood it to be a bipartisan position—in relation to whaling.

Senator PARRY—Yes, we want to do something. You just do not seem to want to do anything.

Senator Wong—Would you like to tell us what you did, Senator Parry?

Senator ABETZ—Yes, we had the substance; you have the spin.

Senator Wong—Is that what the practice of this hearing—

Senator PARRY—We would not wait six months to appoint a very important envoy. It cannot be that important if you are not going to do anything about it.

Senator ABETZ—That is with the charter letters in the Prime Minister's office.

Senator PARRY—That is right. Everything is so slow. Nothing is happening.

Senator BIRMINGHAM—Maybe they are not sure yet who has to appoint it.

Senator Wong—As I said, the 19 December announcement that I had referred to talked about a range of diplomatic measures. They included, first, the development of a proposal for improving the IWC. If, as you say, that is a senior multilateral forum—and certainly it is a key multilateral forum—one would have thought that actually improving that multilateral organisation as a way to deal with whaling is actually a very sensible thing to do. Ms Petrachenko has talked about the fact that that has been delivered on and that, in fact, it has been discussed at an intersessional meeting of the IWC. That is a significant diplomatic advance. In addition, what we have said in relation to whaling is that we will appoint an envoy. You have asked many questions about that. I do not think that anyone in the government thinks that this is an easy thing to achieve.

Senator ABETZ—It was before the election.

Senator Wong—When in government Minister Campbell obviously, to be fair to him, actually did quite a lot of work on this issue. I think he described it as his global quest, but I am not going to reiterate that on this side or take up that badge. But obviously that was an issue he worked very hard on. It is not an easy issue, because clearly there is a very strong difference of opinion between Australia and the government of Japan.

Senator BIRMINGHAM—Minister, it looks as if all we have is 'WhaleWatch', which is going to be about as successful as FuelWatch.

Senator CORMANN—Like FuelWatch.

Senator BIRMINGHAM—Exactly. Thank you.

Senator SIEWERT—When is the *Aurora Australis* likely to be carrying out this resupplying trip?

Mr Borthwick—It is over summer. I thought I mentioned January-February.

Senator SIEWERT—That is the same time that the Japanese are actually going to have their whaling fleet in the Southern Ocean, isn't it?

Mr Borthwick—But that is the time when you can re-equip bases as well.

Senator SIEWERT—How can we be assured that there will not be any communication between the Japanese who are doing work on the ship and those who, at the same time, have their whaling vessels in that region?

Mr Borthwick—I can only mention that we will be managing and supporting the voyage. I indicated that I would get back to you in terms of what that would involve and those sorts of things.

Senator SIEWERT—We cannot, can we?

Mr Borthwick—I cannot give you an answer, but I do not want to be drawn to say what you are inferring there.

Senator SIEWERT—We cannot guarantee that the people on that ship will not be relaying information to the Japanese whalers when they are down in the ocean at the same time as the *Aurora Australis* will be there.

Mr Borthwick—I do not know who will be in charge of the communications on the ship, so I cannot give you an answer.

Senator SIEWERT—You will be aware that there have been, at least, suggestions that in the past, with some of the IWC research that has been undertaken and that Australia and Japan have been cooperating on, there has been information relayed directly back to the whaling fleets. You will be as aware of that as I am.

Senator Wong—Senator Siewert, I wonder if you could indulge me. There was something I neglected to respond to Senator Birmingham on. Could we come back to your question to Mr Borthwick later. I neglected to mention, Senator Birmingham, that as you might be aware Australia did lead a demarche to Japan in relation to their position on humpback whaling and that subsequently there was an announcement by the government of Japan in relation to humpbacks. You asked what the government had done since the announcement. That is one of the issues, and I ask Ms Petrachenko to briefly advise the committee about that.

Senator ABETZ—Another thing is that we flew over Japan on the way to China!

Ms Petrachenko—I think it is important, as the senator indicated. We were all very concerned, if you recall, that in the scientific whaling plan for last summer Japan indicated that it was proposing to take 55 humpback whales in addition to minke whales and, potentially, fin whales. The reaction from a number of countries was such that over 30 countries had a demarche which went in December to Japan and, as a result of that, just before Christmas the Japanese indicated that they would no longer plan on taking humpback whales. I think the conclusion one can draw is that the action of these countries—of which Australia was one—did have an impact on Japan.

Senator Wong—Thank you, and thank you, Senator Siewert—I appreciate that.

Senator ABETZ—We do not think it was just an ambit claim by Japan, which they were willing to back off from—just so they could get some nice publicity?

Senator SIEWERT—A bargaining chip?

Senator ABETZ—Yes, I believe this is a pretty naive approach—yet again—as shown by the government's view that this research the Japanese are voluntarily funding is somehow going to undermine the whaling industry. There seems to be a degree of naivety around it.

Senator SIEWERT—So the answer to the question I asked is that you do not know how you are going to—

Mr Borthwick—I indicated that I would make inquiries about how communications will be managed—indeed, the broader management of the ship.

Senator SIEWERT—I have some further questions on whaling that are separate to that particular issue.

Senator ABETZ—If I may just quickly follow up: have people been approached about the possibility of being the whaling envoy?

Mr Borthwick—I think there have been discussions with people, yes.

Senator ABETZ—Have those discussions involved telling the potential applicants what the job description might be?

Mr Borthwick—I am unable to tell you exactly what the nature of the discussions were, but there have been discussions.

Senator ABETZ—It would be quite bizarre, wouldn't it, if, say, I was in Minister Garrett's position and I rang up Senator Parry and said, 'Do you want to be our whaling envoy?' Chances are the very first question Senator Parry would respond with is, 'What would it involve?' I am just wondering if any of the people that were approached asked that question, and what they were told? That might be the answer to Senator Birmingham's question that he persevered with for absolute ages and got no answer to. We now know people have been approached, so did we approach them with some semblance of a job description, or, 'do you want a job without a job description?'—which would be one for Labor mates, I must say.

Senator Wong—I do not think I am going to provide you with a debrief of what conversations may or may not have occurred with—

Senator CORMANN—Are you uncomfortable with that?

Senator ABETZ—It is as transparent as the laws of this parliament.

Senator Wong—We will—

Senator CORMANN—Put it this way: 'once we get in, we will just change it all.'

Senator Wong—Are you finished, Senator?

Senator PARRY—A new portfolio, too—it's amazing.

Senator ABETZ—They are very good points being made by Senator Cormann.

Senator CORMANN—Once we get in, we will just change it all.

Senator Wong—What I am going to do is to refer you back to my earlier answers. We have announced we will make an appointment. We have indicated—

Senator ABETZ—Chair, with great respect, mine was a very specific question.

Senator Wong—What I am saying is the government will make the announcement in due course, and when it considers it appropriate. After such an announcement has been made, I am sure senators will be able to come back and ask details about that appointment through the Senate estimates process. Governments are entitled to make announcements on appointments, I am sure you would agree with that.

Senator ABETZ—Of course.

Senator Wong—And we will do so.

Senator ABETZ—And do you know what? Oppositions are allowed to ask questions.

Senator Wong—Yes, you are.

Senator ABETZ—And I have been asking a question about whether people have been approached. The answer to that is 'yes'. Am I allowed to follow up by asking how many people have been approached?

Mr Borthwick—I am unaware of how many people.

Senator ABETZ—Could you please take that on notice for me, so that we can get an answer to that? Can you also take on notice whether when they were approached they were given any semblance of a job description? If so, is the government willing to share that job description with this committee? You will take that on notice?

Mr Borthwick—Yes.

Senator ABETZ—Mr Borthwick, I think I heard you say that the job of the envoy was to represent Australia in the strongest terms possible—is that right?

Mr Borthwick—That is right; they were words to that effect.

Senator ABETZ—Yes: ‘strongest terms’. Is that because the government does not have confidence that Minister Garrett can do it in the strongest terms possible and you need somebody stronger than Mr Garrett to prosecute the case?

Senator Wong—Frankly, that is ridiculous.

Senator ABETZ—No it is not.

Senator Wong—Frankly, it is.

Senator ABETZ—The envoy is there to represent Australia ‘in the strongest terms’. It therefore suggests that nobody can do it more strongly and that the minister will not be able to do it as well. Can I say, Minister, I would share the government’s view on this. Minister Garrett has been singularly unsuccessful in nearly every area he has touched. But I was interested in the wording that was used—that the envoy is there to represent us ‘in the strongest terms’—and I think he would do that.

Senator Wong—I have appointed an envoy. I cannot remember if he is special or not, but he certainly is an envoy.

Senator ABETZ—I am sure he is very special.

Senator Wong—He is special, but I meant in his title. The reason for that is that the scale and the frequency of climate change negotiations and the need for those multilateral discussions to occur, frankly, is beyond the capacity of a minister to realistically engage in it for as much time as you would want Australia to be engaged in at a high level. It is about additional resourcing of an international priority. My view is that the appointment of a special envoy is a demonstration of this government’s emphasis and priority on doing what it can to strengthen the fight against lethal whaling. It is about additional resourcing. I have to say, Senator, I am not clear now what the opposition’s position is. You have been critical of us in this hearing for not appointing and now you appear to be critical of us for appointing. This is a demonstration—

Senator ABETZ—You have appointed now have you? We were being accused of being critical for appointing.

Senator Wong—This decision is one of a number of ways in which the government is increasing its diplomatic efforts on this difficult issue. It is demonstrative of the government’s additional resourcing and the additional priority the government gives in terms of the fight against lethal whaling.

Senator ABETZ—Thank you for the priority that has been given to this. It is quite clear that it has more priority than appointing a nanny or a butler and other important positions. The Prime Minister has clearly exercised a lot of attention to this.

Senator SIEWERT—I have a few more questions on whales and, once we have done that, I have some other marine questions.

Senator ABETZ—Yes, so do I.

Senator SIEWERT—What work has the government done in Japan besides the various representations? Is anything being done to raise awareness of Australia's position or to dispel public misapprehensions about Australia?

Ms Petrachenko—In terms of this portfolio, in raising awareness of what our position is with the Japanese we tabled a paper at the intercessional which is entitled *Whale Conservation and Management: A Future for the IWC*. That document has been translated into Japanese, was presented to the Japanese and is available as well, I believe, on our website. That is the primary thing that we have done. Other representations to the Japanese and anything in the Japanese public would probably best be answered by the Department of Foreign Affairs and Trade, given that their ambassador has been engaged in discussions, I would imagine.

Senator SIEWERT—Has the department made any representations to Japan regarding the stolen whale meat scandal that has been uncovered in Japan? Have you done any work on that?

Ms Petrachenko—I believe you are referring to the recent reports from Greenpeace that allege that the so-called scientific research crews in the Southern Ocean last year—that, in terms of the minke whales which were taken, that that whale meat was used somehow and found its way onto the black market in Japan.

Senator SIEWERT—That is right.

Ms Petrachenko—We have just become aware of that this week and have asked questions through our embassy in Japan. We have not yet heard the factual reaction from the Japanese government at this stage, so we do not know.

Senator ABETZ—Who would want to steal the stuff?

Senator SIEWERT—They sell it on the black market.

Senator ABETZ—Yes, but I thought they had full warehouses of it that they cannot get rid of in Japan. I would not have thought it would be attracting a premium price.

Senator SIEWERT—You have contacted the embassy, and you have not had a response?

Ms Petrachenko—We have not heard officially what the Japanese government's view is. There are some reports from third parties that the Japanese government have said they will investigate this through their public prosecution office, but we do not have that confirmed.

Senator SIEWERT—Has the evidence that Australia gathered through the monitoring that we have had extensive discussions about been shared with any other countries?

Ms Petrachenko—No, it has not.

Senator SIEWERT—Do you intend to?

Ms Petrachenko—The evidence itself is with Customs and the Attorney-General's Department, so I cannot answer anything further.

Senator SIEWERT—I am presuming you have got access to that information, though.

Ms Petrachenko—Yes.

Senator SIEWERT—So which agencies was the information collected on behalf of? Customs collected it. Was it not collected on behalf of your agency?

Ms Petrachenko—Our agency are involved because we have the technical background—as well as Antarctic Division—for the identification of whales et cetera. The actual, evidentiary value would be with the Attorney-General's Department.

Senator SIEWERT—They are the owners of the evidence?

Ms Petrachenko—I guess it is owned by the government of Australia. I do not know how we decide which department is the owner.

Senator SIEWERT—Are you aware of when the government is going to be taking legal action?

Ms Petrachenko—A decision on taking legal action has not been made, to my knowledge.

Senator SIEWERT—Do you know when a decision is going to be made?

Ms Petrachenko—No, I do not.

Senator SIEWERT—Are you involved in that process?

Ms Petrachenko—We are involved, obviously, in all matters of government policy on whales and would anticipate being consulted and involved through our minister as appropriate.

Senator SIEWERT—Can I shift on to marine parks, please? Could you tell me how much funding is going to be available for the implementation of the NRS for MPAs?

Ms Petrachenko—Is this in terms of the national reserve?

Senator SIEWERT—The National Reserve System for marine protected areas—how much money are you being allocated?

Ms Petrachenko—Are you referring to the funds allocated to the National Reserve System under Caring for Our Country?

Senator SIEWERT—No. How much money are you going to have for rolling out marine protected areas, which I presume are still part of the National Reserve System?

Ms Petrachenko—They are part of the National Representative System of Marine Protected Areas. I guess that when you add the terrestrial and the marine together you could say is the overall National Reserve System. In terms of funding for next year, I believe it is about \$5 million that is in the budget statements for marine protected areas.

Senator SIEWERT—What about the second and third years?

Ms Petrachenko—In outward years, it would be the same amount.

Senator SIEWERT—The same amount each year?

Ms Petrachenko—Yes.

Senator SIEWERT—Is that a cut?

Senator Wong—From what?

Senator SIEWERT—From previous years.

Ms Petrachenko—Previously we have had funding from the National Heritage Trust that helped with the MPA, marine protected areas, budget, yes.

Senator SIEWERT—How much did you get previously?

Ms Petrachenko—Approximately \$6 million.

Senator SIEWERT—Okay, so there is \$1 million cut each year?

Ms Petrachenko—No. We have \$5 million and we spent approximately \$8 million last year. I have my documents but I have to move all my whale papers.

Senator Wong—Are we done on whales?

Senator SIEWERT—Yes.

Ms Petrachenko—There is about a \$5.56 million reduction.

Senator SIEWERT—Over the three years?

Ms Petrachenko—No, each year.

Senator SIEWERT—Each year. So a \$5.5 to \$6 million reduction each year?

Ms Petrachenko—Yes. The National Heritage Trust used to give us approximately—it would vary—

Senator SIEWERT—On top of what you had before?

Ms Petrachenko—That is right. As was indicated this morning, through Caring for our Country transitional funding, we have yet to have decisions from ministers.

Senator SIEWERT—I should have asked this yesterday, so I understand if you cannot answer this: under the NRS part of Caring for our Country, is there no marine allocation?

Ms Petrachenko—No, there is not.

Senator SIEWERT—Is that because it has not been decided or there is not any allocated there?

Ms Petrachenko—My understanding—and Mr Borthwick can correct me if I am wrong—is that money for the National Reserve System under Caring for our Country was announced as terrestrial only.

Senator SIEWERT—Okay. So Caring for our Country will not be funding any marine conservation?

Ms Petrachenko—Not through those programs. As I said, the transitional arrangements, which were referred to this morning, decisions on what funding is allocated for that have yet to be made.

Senator SIEWERT—We have got a cut of \$5.5 to \$6 million each year?

Ms Petrachenko—As we stand today, yes.

Senator SIEWERT—Thank you. I am pretty certain that you have revised the goals and principles of that approach that was taken for the National Reserve System of marine protected areas—is that correct?

Ms Petrachenko—What we have done—and you would be aware, Senator, through the experience that we are going through now in the southwest—is that, following the declaration of the south-east network of marine protected areas, we issued goals and principles for the south-west as well as national goals and principles. One of the rationales for that, you will recall, was in the south-east it was a slightly different process. We were not doing bioregional planning; it was just the identification of MPAs using benthic environments as surrogates for biodiversity. Whereas what we are doing now is taking a more conservation value approach to identifying representative areas.

Senator SIEWERT—Have those goals and principles been reviewed—both the southwest ones and the national ones? Have they been peer reviewed?

Ms Petrachenko—They were reviewed by—I could have the terminology wrong—the scientific reference panel that was for the south-east. We got feedback from them and then revised them.

Senator SIEWERT—Who was on that group?

Ms Petrachenko—It was chaired by Dr Ian Pointer. I can provide you, on notice, with a list of who was on that group.

Senator SIEWERT—If you could. So the people that were involved in the south-east plan—and you would be aware of the controversy—are the people that reviewed the goals and they are the ones that are now being used for the south-west and the national?

Ms Petrachenko—No. If I can clarify: we developed the goals and principles, got some views from the reference group on those and then made final decisions on goals and principles.

Senator SIEWERT—So you made the final decision?

Ms Petrachenko—Yes.

Senator SIEWERT—So that means the final ones have not been peer reviewed? You got peer input, but the final ones have not been reviewed?

Ms Petrachenko—That is right because the goals and principles are more than just a scientific document; they are also a policy document.

Senator SIEWERT—It does not mean it cannot be peer reviewed though; there are peers in policy as well as science. Could you tell me—and again I may be in the wrong area—how much money to date has been spent on compensation for the Great Barrier Reef Marine Park?

Ms Petrachenko—I can. As of 20 May 2008 we have expended \$190 million.

Senator SIEWERT—One hundred and nineteen?

Ms Petrachenko—Nine zero; \$190 million.

Senator SIEWERT—I thought I heard that and then I thought I was wrong. What is the anticipated final cost? I am aware of the additional funding.

Ms Petrachenko—Overall, in the budget papers, the total for the four years of the program is \$215.4 million.

Senator SIEWERT—I thought additional was coming. That is for the four-year program. Has there been a review of the compensation program?

Ms Petrachenko—There was an independent review of one portion which has concluded. That was the licence buyout portion of the representative area structure adjustment program.

Senator SIEWERT—Did that include an overall look at the reduction in the fishing effort?

Ms Petrachenko—Yes, it did.

Senator SIEWERT—Has there been a reduction? What has been the overall effect? Has it been worth the \$215 million?

Ms Petrachenko—The \$215 million is for land-based businesses as well as those involved in the fishing industry.

Senator SIEWERT—Yes, I appreciate that.

Ms Petrachenko—We will not be doing a review of the overall program until it is concluded, which would probably happen next year. In terms of the report on the licence buyback, it found that it did reduce effort. It indicated that in certain areas a few lessons were learned about tying-in these programs with changes to fisheries management arrangements. The full report is available on our website.

Senator SIEWERT—Did it look at the degree to which latent licences have been bought up by fishers using their compensation payments?

Ms Petrachenko—No. It looked at how much effort was in there, what we bought and what was the impact, but in terms of their behaviour after the fact, no.

Senator SIEWERT—You would be aware that it has been an issue of concern. Are you aware of anybody who has been looking at that?

Ms Petrachenko—No, I am not.

Senator SIEWERT—It is one that we need to chase with fisheries. We did not get much time with fisheries, unfortunately. I will put that on notice. There is no oil and gas exploration or production in the Great Barrier Reef Marine Park. That policy is not being represented in other marine parks. What impact does that have, in the other areas that we are now doing planning over, on the negotiations or the way the process is carried out? How does that play out? I am aware of the criticisms that have occurred in the south-east that there were specific areas that were supposed to be no-go areas because the oil and gas industry said they were no-go areas. Is that same scenario being played out now in the other areas where the bioregional planning has taken place?

Ms Petrachenko—In reference to the other regions, we are not yet at that point where we are putting lines on maps to identify areas. We are not in that part of the process. We did learn

in the south-east in some areas where we have multiple use marine parks, for example, we had one oil company that said yes. In discussions with the minister we said that we would like to have the marine park there. It did not prevent us from having a marine park given that it is multiple-use.

Senator SIEWERT—Do you think it is a fair criticism—and I have heard it—that oil and gas did play quite a strong role in the south-east in ensuring that areas were excluded from the plan?

Ms Petrachenko—I think that the overall approach that we took with industry, whether it was the fishing industry or oil and gas, was to identify areas that met the overall criteria we had—because this is a representative system we were looking at—and then to discuss how to minimise the socioeconomic impact, regardless of which industry it was. And I think I have heard comments from representatives from both the fishing industry and the oil and gas industry that they were glad to be fully involved in the process. I do not think we would say there was more involvement in the process from one industry or the other, or in fact from non-government organisations and environmental groups as well.

Senator SIEWERT—I would beg to differ, taking into account some of the advice I have heard from the NGOs in particular, but I do not think it is something we can solve here. I should have asked this question earlier and I apologise for not having done so: have the goals and principles been changed to more reflect the impact that climate change is going to have? How has that been incorporated into them?

Ms Petrachenko—There is not anything specific in the goals and principles that deals with climate change per se, but if you look at some of the goals and principles—for example, we talk about the need for replication and other attributes of a good network which then builds up your resilience and your ability to monitor over time—indirectly that is one of the features of them. But they were not directly revised because of climate change.

Senator SIEWERT—Do I understand it then that it is in the design of the MPAs that you are incorporating the issues of climate change?

Ms Petrachenko—We will be looking at that, absolutely, in terms of the key conservation values. Some are potentially more susceptible than others to impacts of climate change, and I believe that we will be doing some work with the Department of Climate Change in that regard as well.

Senator SIEWERT—How is that being included in the planning processes that are underway now?

Ms Petrachenko—I will ask Mr Creswell to give you some detail on the south-west.

Mr Creswell—The south-west process, as Ms Petrachenko explained, does look at all the threats to conservation values, and climate change is certainly one that has come up as an issue. We will be looking at each of those impacts as best we can and looking at the mitigating measures to deal with them. That work has not been completed at this point. There is work underway.

Senator SIEWERT—I still have other marine-related questions, but to finish off this section I will ask this. As Australia has renewed management responsibilities over the continental shelf, are you including that in the planning work that is going on now?

Mr Cresswell—The extended continental shelf has not actually been fully ratified et cetera and it does not include the water column. We are dealing with the areas that we do have jurisdiction over at this point, so no. It is to the edge of the current EEZ.

Senator SIEWERT—So you are not including the concept that we will have more—

Mr Cresswell—This is the extended continental shelf?

Senator SIEWERT—Yes.

Mr Cresswell—No, not at this point.

Senator SIEWERT—When does that happen, then? Once it is official, will you then—

Mr Cresswell—The extended continental shelf is only for the bottom. It does not include any of the waters, so it is not in the same category as the rest of the EEZ where we actually have management responsibilities for the marine environment. So, no, it is not in the same category and it is not planned to be in the planning at this point.

Senator SIEWERT—So we do not then have management responsibility, although it has been extended?

Mr Cresswell—It is still not declared.

Senator SIEWERT—It is still not declared; yes, sorry. But we are going to. So we do not have any management responsibility then associated with that extension?

Mr Cresswell—It is to do with the sea bottom rather than the water column and the marine planning process is about the whole of the ecosystem. So there will be some, yes, but it will be for the benthic environment only

Senator SIEWERT—Yes, but other things impact on the benthic environment.

Mr Cresswell—Sure.

Senator Wong—That is a good word—‘benthic’. Madam Chair, I know we are close to a break; will these officers be required after the break?

CHAIR—Yes.

Senator SIEWERT—I know Senator Abetz has more questions.

Senator Wong—That is all right. I was not sure if it was the same output.

Senator SIEWERT—If we knock this one off, that is this section of questions finished. So very quickly, Mr Cresswell, in other words we are not including that in any of the scope of any of the NRS?

Mr Cresswell—The extended continental shelf?

Senator SIEWERT—Yes.

Mr Cresswell—Not at this point, no.

Proceedings suspended from 1.00 pm to 2.01 pm

CHAIR—The committee has had a brief meeting. Our intention is to try to finish outcome 1 by the time we go to afternoon tea at 3.45. Then at four o'clock we will commence with water, outcome 3, with a view to completing that at 6.15 pm. So that is a short extension to 6.15 pm and then we will be returning from the tea break at 7.15 pm to commence the arts portfolio.

Senator Wong—Ms Petrachenko has a correction or clarification.

Ms Petrachenko—Senator Siewert, one of the questions you asked me before lunch was concerning funding for marine protected areas. I just want to make it clear that the funding that I mentioned is not a reduction; it is just that the funds are yet to be decided upon because we are in that transition from NHT to the new funding arrangements. So, while it shows as a decrease, it is because a decision has not been made yet on the allocation of funds.

Senator SIEWERT—Can I follow that up, because it now puts a different light on it: whereas before you said that there would not be funding under Caring for our Country, there will now be marine funding under that program.

Ms Petrachenko—There is no marine funding, to my knowledge, out of the National Reserve System funding, but out of overall transitional funding related to Caring for our Country there will be decisions made on transitional funding.

Senator SIEWERT—Transitional funding specifically for marine?

Ms Petrachenko—Yes.

CHAIR—And that is a cast-iron guarantee?

Senator Wong—I think the officer's evidence was that there will be decisions made on that issue, so I am not sure how she can guarantee what the consequences of the decisions will be.

Senator SIEWERT—The point is that when Ms Petrachenko said there will be no funding cut there may well be because under the transitional arrangements there may not be money for marine. So at the moment we do not know.

Ms Petrachenko—The decision has not been made to reduce it. It has not been made for the amount that will be allocated either.

Senator SIEWERT—Thanks.

CHAIR—Senator Abetz, do you wish to put some questions on notice? Sorry, Mr Thompson?

Mr Thompson—Senator Siewert also asked about science being conducted by the Australian Antarctic Division and I was going to get back to you just to confirm that the money from the Japanese resupply will go to consolidated Antarctic Division funds. It is untied money, as we indicated before. Of the science being conducted next year, the high-priority science will include the following sorts of projects: a yacht based whale survey off the Antarctic ice edge, the effects of trawling on marine benthic communities, the physical oceanography of the Southern Ocean, as well as climate research including preliminary research to identify a possible site to drill a one million-plus-year-old ice core.

Senator SIEWERT—That is under the Antarctic Division science stream.

Mr Thompson—That is right.

Senator SIEWERT—Could I put this on notice because I know we are going to run out of time. I did ask yesterday—and I know that you heard—about the centre funding. If someone could provide—

Mr Thompson—Which you have, I think.

Ms Petrachenko—I have that list here, so I could table it today.

Senator SIEWERT—Could you table it so I do not have to wait until the estimates answers come back? That would be appreciated, thanks.

Senator ABETZ—I have two quick questions. The minister, Mr Garrett, issued a media release on 27 February 2008, 'Resolution to fisheries appeal welcomed'. He refers in the second paragraph to the 'negotiated outcome'. I was wondering whether on notice I could be provided with the details of the negotiated outcome, please.

Mr Cresswell—Sorry, Senator Abetz, what was the date and what was the fishery?

Senator ABETZ—On 27 February 2008 the minister issued a press release, 'Resolution to fisheries appeal welcomed'. This was about the action by the Humane Society International on the SESSF, the Southern and Eastern Scalefish and Shark Fishery.

Mr Cresswell—Thank you.

Senator ABETZ—I have some interest in that from former days. This next question comes under Caring for our Country but it relates to Community Coastcare and the priority coastal hot spots. We are provided with a list of 12 hot spots. There are two in Tasmania—the Derwent Estuary and its catchment and the Pitt Water-Orielton Lagoon Ramsar site. I am not critical of their appearance in this list, but I am wondering why the Tamar Estuary was not considered worthy for inclusion on this list. I simply ask that question on notice as well. Can I be provided with some detailed assessment and hopefully not a reference to a Labor Party website? I would like to be given some detail as to why those two areas in Tasmania were selected and the Tamar Estuary was not selected.

Senator SIEWERT—Sharks! Should I be asking you?

Senator ABETZ—I hope that was not directed to the minister. That is very unkind.

Senator SIEWERT—I mean that in the purest sense. I am obviously referring to the issue around the shark fishery in Queensland, but I am after some general information first. What is the current status—and you do not need to go into exact detail—of the shark populations around the world? My understanding is that they are increasingly becoming more vulnerable and that there has been a significant decline in shark numbers. Are you able to provide a little more detail?

Ms Petrachenko—Yes. I think a number of reviews and studies have shown severe concern over the status of shark populations worldwide. There are a number of sharks, as you know, already listed on CITES, and there is growing concern because of things like the illegal fishing relating to shark finning that is happening worldwide. Yes, there is concern.

Senator SIEWERT—It is also my understanding that there is a lack of information on some of the species— their biology et cetera. We are trying to get more research done on those species. Is that correct?

Ms Petrachenko—That is correct.

Senator SIEWERT—I asked GBRMPA yesterday and they said, yes, there is a decline in shark numbers on the reef. I have heard figures tossed around of a decline in some species of up to 90 per cent—for example, white tips. Is that just a malicious rumour or is there a basis in fact there?

Ms Petrachenko—One of the real difficulties we have concerning that fishery in Queensland is the lack of data and information related to the status of shark populations. Depending on where you are in the area covered by the fishery, it can range from 20 to 50 different species of shark involved. One of the concerns that we have discussed with Queensland is the lack of a formal stock assessment related to the status of shark populations that would be targeted by that fishery.

Senator SIEWERT—Thank you. How much shark has been taken out of that fishery, do we know?

Ms Petrachenko—I can get the answer to that in more detail on notice because we have a lot of the background information that primarily though relates to what the catches have been for the last number of years. It has not been a targeted fishery, but we have seen a huge increase in the catches.

Senator SIEWERT—By-catches, is it?

Ms Petrachenko—Yes.

Senator SIEWERT—Is that correct?

Ms Petrachenko—By-product and by-catch.

Senator SIEWERT—And it is my understanding that increasingly they are being targeted for fins.

Ms Petrachenko—As you are aware, in Australia we do not allow shark finning by itself, so you have to take the whole shark.

Senator SIEWERT—Yes, but the driver of that is the—

Ms Petrachenko—The economic driver for a shark fishery is usually the price of the fin.

Senator SIEWERT—Do we export fins?

Ms Petrachenko—Yes, we do.

Senator SIEWERT—Out of which fisheries?

Ms Petrachenko—It would be some of the Western Australian fisheries, the Northern Territory fisheries and probably some out of Queensland and New South Wales as well.

Senator SIEWERT—How much?

Ms Petrachenko—I would have to take that on notice.

Senator SIEWERT—Thank you. Are you currently involved in the assessment that has been undertaken of the fishery in the Great Barrier Reef?

Ms Petrachenko—Yes, we are.

Senator SIEWERT—At what stage is the assessment?

Ms Petrachenko—The status of what is happening right now is the approval they had for their fishery previously goes until later in this year. So we are in a reassessment stage, but what Queensland has done is they have indicated they would like to change their fishery management arrangements. So they would like to start a directed, targeted shark fishery. In our view, that change to the arrangements would require a reassessment of the fishery because it, in fact, changes the very nature of the arrangements. So we are in discussions with Queensland. They have gone out for public consultation on what the potential changes to the arrangements may be. So we are awaiting, after they analyse the public comments that come in, the proposed changes they will make. Once they do that then we would most likely start an assessment of the fishery.

Senator SIEWERT—Okay. So although you are involved in that consultation, you had not undertaken it?

Ms Petrachenko—A formal redoing of the assessment, no.

Senator SIEWERT—To do that, though, are you not going to need a more detailed stock assessment?

Ms Petrachenko—Previously—and Mr McNee might correct me on this—I believe that one of our conditions, or recommendations, however we phrase it, was that they should improve their stock assessment for the fishery.

Senator SIEWERT—And have they done that?

Ms Petrachenko—I would have to say not that I am aware of.

Senator SIEWERT—They have not. Are you aware of what type of sharks they want to target in the fishery?

Ms Petrachenko—My understanding is that they have an idea of what the species mix might be but it is not targeting a specific type of shark.

Senator SIEWERT—Okay. What is Australia's position on the trade in shark fins? Do we have a position on that?

Ms Petrachenko—We, with a number of countries—and the Department of Agriculture, Fisheries and Forestry can talk in more detail about this—have worked internationally on national plans of action for sharks. Key components under that are things like how do we treat sharks in terms of their fins and their carcasses and the rules that you put in place for various fisheries. A lot of countries have put in place appropriate mechanisms to ensure that they are not just targeting the fin and then throwing the carcass overboard.

Senator SIEWERT—Thanks. I understand—and again you may not be in a position to answer this—that a number of letters have been coming into the minister's office about this issue. It is a significant issue of public concern in Queensland, is that correct?

Ms Petrachenko—Yes, there has been some, I am told. I have not seen them myself.

Senator SIEWERT—I realise that you probably cannot tell me off the top of your head, but can you provide on notice the level of concern or the number of letters that you have been getting in about it, please?

Ms Petrachenko—Yes, we can.

Senator SIEWERT—I just want to go back to the issue of the timing of when the assessment is likely to commence. Could you just clarify that?

Mr Cresswell—The current wildlife trade operation runs until the end of November 2008. We will undertake a process a couple of months before then, once we know the formal arrangements. But we are at this very moment—one of our officers is in Queensland this very day—talking with the Queensland officials and a whole group of people on different aspects of the arrangements. So there is active engagement with Queensland now and right up until the point when they might actually come back to us with what formal arrangements they would like to see.

Senator SIEWERT—This is just a supplementary question on the previous question, so it still is only my last question. Are those officers engaged in finding further information or helping Queensland fisheries develop the fishery? I am trying to work out the nature of the work the officers are doing.

Ms Petrachenko—What they are doing is going back to what we approved the last time—looking at what those conditions would be, looking at other concerns we have related to interactions with protected species—so what might have changed since the previous approval was given and sharing that information so that Queensland is aware of what our concerns will be when we do the assessment.

Senator SIEWERT—And will that information be public?

Ms Petrachenko—Yes.

Senator SIEWERT—Before the assessment or will it be released as part of the assessment?

Ms Petrachenko—It comes out as part of the assessment.

Senator SIEWERT—Which is expected before November?

Ms Petrachenko—That is right.

Senator SIEWERT—Thank you.

CHAIR—Are there any further questions on output 1.3? We will move on to output 1.4, which I think includes Ningaloo.

[2.16 pm]

Heritage Division

Senator PARRY—Over the two previous financial years \$3.45 million was provided for the National Heritage Investment Initiative program. This year's budget allocation is only \$0.2 million. That is \$200,000—a ridiculous reduction. What is the explanation?

Mr Borthwick—I think it relates to the expenditure profile of the previous government, but I will ask the division to handle that question.

Mr Shevlin—That is correct. There was a four-year program that was agreed by the previous government and that profile that you are seeing is exactly that profile, which is \$3.45 million in the last two years and then \$0.2 million for the next financial year. So there has been no change to what was previously given.

Senator PARRY—So the \$0.2 million is a carryover from the previous government is what you are saying. I thought that would have been—

Mr Shevlin—It is part of the four-year program that was agreed by the previous minister. The \$0.2 million was effectively expecting that there would be grants last year and there would be at least something this current financial year and some expenditure in the tail end of the last financial year of that program.

Senator PARRY—This government has not seen fit to increase the funding for the National Heritage Investment Initiative?

Mr Shevlin—The funding that is available is the funding that was agreed by the previous government.

Senator PARRY—And the \$200,000, what is that going to fund; do we know?

Mr Shevlin—As I said, it will be probably the tail end of some projects that are funded because even if you fund, obviously, in one financial year sometimes all of the money does not go out. So it was to provide for that.

Senator PARRY—So in the forward estimates then, after the allocated amount of \$200,000 is spent, are they zero or is there any money allocated in the forward estimates for this program?

Mr Shevlin—There is no money for that program beyond this next financial year.

Mr Borthwick—That is a matter that will be addressed in next year's budget context.

Senator PARRY—But as we stand today, there is no future for this program. It is ceasing, in other words?

Mr Borthwick—Yes, it will be addressed once the—

Senator PARRY—Once this program ceases, there may be a consideration. Is there anything that is picking up the same issues that the National Heritage Investment Initiative program currently covers? Is there any new proposal? Is there any new measure in the budget? Is there any new appropriation that may assist in that regard?

Mr Borthwick—No, there are no specific funds directed to the budget towards what this program was addressing. That is why it is limited at a couple of hundred thousand dollars. But there has been other money spent in the heritage area.

Senator PARRY—But nothing specific for the National Heritage Investment Initiative.

Mr Borthwick—No, not over and above what is currently appropriated.

Senator PARRY—Do you envisage that if there are any applications or any representations made by some of the significant sites around Australia—the Fremantle Prison,

Port Arthur and other locations—do you think there can be any funds found or any funds available?

Mr Borthwick—That would be a decision to be made by the government.

Senator PARRY—By the minister?

Mr Borthwick—By the minister but the expectation is that it would require a whole-of-government decision.

Senator PARRY—On, I presume, 27 May, which is two days ago, Minister Garrett issued a press release indicating that the federal government says that the 11 convict sites to be put on the World Heritage List will not be considered until next year. These are the sites that include Port Arthur in Tasmania, the Fremantle prison in Western Australia and two areas on Norfolk Island—all very significant sites which have world acclaim. Minister, why the delay for 12 months?

Senator Wong—I will just get some advice on that.

Mr Shevlin—The submission was made. We believe that it was a very high-quality submission. The World Heritage Centre came back with some questions related to the maps that were provided as part of that nomination. We happen to disagree with them, but ultimately they are the decision makers. So they asked for some more information and we provided it. As a result of that, the nomination will be considered next year.

Senator PARRY—My understanding is that the submission by the department was late or met the deadline by only a matter of days; is that correct?

Mr Shevlin—There is a deadline, which was 1 February, and we meet that deadline.

Senator PARRY—What date was it lodged?

Mr Shevlin—A few days beforehand but that is quite normal.

Senator PARRY—Were the inaccuracies—despite the fact that you dispute that—or inaccuracies of the maps brought to your attention well before the closing date?

Mr Shevlin—Not at all. In fact, there are detailed operational guidelines for the convention which we believed we had followed to the letter. We have offered to work with the World Heritage Centre. If they have a different interpretation of those, we want to help clarify it so that other countries are not in the same position. Basically the issue revolved around the fact that we provided what were very accurate maps but we had deliberately removed some detail which was not directly related to the properties. But it was all there and was available. They misread those and believed that meant that they were schematic maps. We tried to explain that to them. As I said ultimately, unfortunately, in this case they are the judge, jury and executioner so—

Senator PARRY—Was this prior to the closing date that all this discussion occurred?

Mr Shevlin—No.

Senator PARRY—Was it post close and then there was no chance to resubmit?

Mr Shevlin—That is right. We were asked to provide supplementary maps which we provided within weeks. In fact, we have had informal advice from the head of the World

Heritage Centre that he considers the application to be an excellent one and in fact a model for an application of this sort of thing. So obviously we are disappointed that we have had what is a minor technical disagreement but there was also no guarantee that the nomination would necessarily have been considered in this year. There are usually more applications than can be assessed by the World Heritage Centre in any one year.

Senator PARRY—Is it true they only accept one per year?

Mr Shevlin—No, they will accept up to two per year. The rules say they will accept up to two per year but they do look at how many sites are already in a country. Australia is considered to be, in some respects, overrepresented already. We have 17 World Heritage areas.

Senator JOHNSTON—That is a matter of opinion, of course, isn't it?

Mr Shevlin—Oh yes. I am just saying that there are countries that would consider we are overrepresented. We do not think so, of course.

Senator JOHNSTON—We do not think so.

Mr Shevlin—No, of course not, Senator.

Senator PARRY—Just going back to the maps, did they relate to Norfolk Island, Port Arthur or Fremantle prison, or all three?

Mr Shevlin—All of the sites—all 11 sites. We had the same approach for all of the sites. As I said, I had to provide the information in a way that was entirely consistent with the guidelines. We provided it in a way which they unfortunately misinterpreted and believed that the lack of some of the extraneous details on the map suggested they were schematic rather than actual accurate georeference maps, which they were.

Senator PARRY—Will the 11 convict sites then be the priority for this government going forward with the next nomination?

Mr Shevlin—We have been told, again informally, by the head of the World Heritage Centre that it will be virtually at the top of the list for the centre for their assessment in the following year. So we may well have got into a better position than we would have been in otherwise.

Senator PARRY—Just confirming, there was no discussion weeks or months prior about the dispute of the maps? It all happened after the close of the nominations?

Mr Shevlin—That is right. After we submitted they sent us a letter saying that—sorry, we spent a lot of time following up with them including face to face. As it happened there was a World Heritage committee meeting where our commissioner was in Paris. He tried to follow this up. We had a lot of sympathy from the head of the centre but ultimately, as I said, some of the officials there took a particular position on this, and we have to follow through because we want to support the World Heritage convention processes normally.

Senator PARRY—Minister, does the government still have a commitment to national heritage investment and protection and also elevation of our national icons including the 11 prison sites? It has a priority or a significant commitment to these?

Senator Wong—Yes, Senator.

Senator PARRY—Very good. That is all I need to hear. That is all I have on that, thank you, Chair.

Senator JOHNSTON—I want to talk about the World Heritage listing and national heritage listing of the Ningaloo Reef. Have I got the right people?

Mr Shevlin—Absolutely.

Senator JOHNSTON—Very good. Can I commence by asking how did we come to have that area nominated? Who nominated it or who instigated the process?

Mr T Bailey—The background to this is that the representation was made by the Western Australian government some years ago, in 2003, from memory, in order to pursue World Heritage nomination of Ningaloo Reef and it was confirmed by the government that they would pursue it as part of the election process when a press release was put out on 1 August 2007.

Senator JOHNSTON—What area was initially in the representation as you call it?

Mr T Bailey—There was a report prepared which is commonly known as the Bathgate report. It was a community consultative report prepared in Western Australia in 2004, if my memory is correct. The Bathgate report came up with 14 boundary options. The Western Australian government then has its own position on a boundary option in its own right.

Senator JOHNSTON—But the original representation left open the question of boundary. The 2003 representation that started the ball rolling left open the question of where the boundary should be and then conducted this Bathgate inquiry; is that right?

Mr T Bailey—That would be correct, Senator.

Senator JOHNSTON—And Bathgate had 14 different options?

Mr T Bailey—My memory is about 14.

Senator JOHNSTON—Who is responsible to choose which option is appropriate?

Mr T Bailey—The Australian government is the signatory to the World Heritage convention and the Australian government is the submitter of the World Heritage nomination, so must be satisfied in terms of a boundary.

Senator JOHNSTON—What is the process for that satisfaction?

Mr T Bailey—We are currently having dialogue with our Western Australian colleagues in the preparation of a World Heritage nomination, and we have conducted a series of consultation pieces in relation to the national heritage list process and we have discussed World Heritage processes at the same time.

Senator JOHNSTON—So you are discussing it with the state government. I take it that you accept the state government's say-so as to their level of consultation with people living in Exmouth, Coral Bay and those conducting business on the north-west cape and around towards Onslow, and the 16 or so pastoralists who are affected by the 14 different options for boundaries?

Mr T Bailey—We certainly work and start with the Bathgate report, Senator, but as part of the national heritage listing process the Australian Heritage Council is required to consult

with any owners, occupiers or Indigenous people with a right or interest who might be affected through that national heritage listing process. The two processes are running concurrently. On behalf of the Australian Heritage Council we have been doing consultation in the Exmouth area and in the Carnarvon area in relation to the national heritage listing for Ningaloo and conducting discussions around the World Heritage components at the same time.

Senator JOHNSTON—The boundary for national heritage listing is substantially different from the boundary proposed for World Heritage listing; am I correct in that?

Mr T Bailey—The boundary of the nomination for national heritage listing is substantially bigger but that does not require the council to accord with that boundary in making its recommendation or decision to the minister.

Senator JOHNSTON—If we get World Heritage listing, what happens to national heritage listing?

Mr T Bailey—All of our 17 World Heritage sites are also on the national heritage list.

Senator JOHNSTON—They got on. That is very important. So that if the boundary, shape, dimension, size and area covered for World Heritage listing is position A, then there will be exactly that replicated in national heritage listing?

Mr T Bailey—That has been the case.

Senator JOHNSTON—I am using 'A' as an example.

Mr T Bailey—If we use the existing World Heritage properties, the national heritage and World Heritage boundaries are the same.

Senator JOHNSTON—Has there ever been a situation where World Heritage listing in Australia has been granted for a region and national heritage has included that region and other areas?

Mr T Bailey—There is not in Australia, but it is conceivable that that could occur, yes.

Senator JOHNSTON—Right. So there is a risk of that in this instance, given the difference in area between the national heritage listing purported area and the World Heritage listing purported area as requested by the state government.

Mr T Bailey—No. We are doing iterations on boundaries. The intention at the moment is to ensure that the two boundaries align.

Senator JOHNSTON—Good. I am pleased to hear that. Can you give me any more assurances with respect to that outcome, bearing in mind I have about 3,000 people who are quite concerned and affected by this?

Mr T Bailey—I cannot give further assurances. The advice from the Australian Heritage Council needs to be prepared and provided to the minister in terms of the national heritage boundary.

Senator JOHNSTON—When?

Mr T Bailey—I would anticipate later this year that advice would be provided.

Senator JOHNSTON—And is that a document that you would expect the parliament or the public to be able to access?

Mr T Bailey—That is a decision of the minister in terms of how he chooses to work with that document.

Senator JOHNSTON—All right. In terms of the Australian government driving this listing, what safeguards do you put in place to ensure that what you are being told by either the state government—in this instance the Bathgate reporters, the three people who conducted the Bathgate report—or indeed anybody else affected by the proposed listing is true and correct?

Mr T Bailey—Senator, the consultation process that we are in at the moment for the national heritage listing is a statutory requirement to identify owners and occupiers who fall within the proposed boundary and this is the boundary in terms of the recommendation from the council's perspective.

Senator JOHNSTON—This is the big boundary?

Mr T Bailey—This is the boundary where council determines values, in its process of conducting the assessment, where it sees national heritage values.

Senator JOHNSTON—So this is the adjoining region. This is the 16 pastoral leases?

Mr T Bailey—Not necessarily all of those, because they may not have national heritage values in that sense, which is the council's decision.

Senator JOHNSTON—Bathgate at its extreme says the area is very large.

Mr T Bailey—Yes, I recognise that with the Bathgate boundary but to conduct the consultation the council is writing to all owners and occupiers and Indigenous people with a right or interest who might be affected by a proposed national heritage boundary. It is currently open for all of those people to submit to the Australian Heritage Council.

Senator JOHNSTON—Have we received any submissions?

Mr T Bailey—The Australian Heritage Council? The submissions close, my recollection would be, in about the middle of next month.

Senator JOHNSTON—Good, because I might need to write to all of them—there are only 3,000 of them and I have that capacity—and tell them to make submissions. It would be proper for them to do so—pastoralists, fishermen, limestone miners, local government and tourism operators. You would be interested to hear from them?

Mr T Bailey—Certainly. The Australian Heritage Council has written to all owners and occupiers who fall within the area that it sees the national heritage values occurring and has asked them for their comments on that.

Senator JOHNSTON—Okay.

Mr T Bailey—So they would have received correspondence.

Senator JOHNSTON—Do you know what we have had to date?

Mr T Bailey—In responses?

Senator JOHNSTON—Yes.

Mr T Bailey—I am not certain how many have come into the Australian Heritage Council, no.

Senator JOHNSTON—Is it possible for you to tell me today what responses you have had with respect to the Ningaloo Reef World Heritage listing—the national heritage listing in this instance?

Mr T Bailey—I do not have those numbers with me in terms of the correspondence that has come back in and it is open until I think the middle of next month for people to continue to do that.

Senator JOHNSTON—It would be very helpful if you could assist me as to what sort of response you have had, because having been up there and been to a public meeting, there is a very big diversity of opinion as to both World Heritage listing and national heritage listing. I would like the opportunity for everybody to understand where the process is actually at and what the response has been to this point in time from an Australian government perspective. Could you possibly come back to me today and advise as to what responses you have had—how many?

Mr T Bailey—I will not be able to clarify that today, sorry.

Senator JOHNSTON—When can you clarify it?

Mr T Bailey—I would have to find out. Our project people working on this piece are actually out in the field at the moment so it may take some time just for them to return and to look at that.

Senator JOHNSTON—Is it going to take longer than the expiration of the period of time within which they can lodge their submissions?

Mr T Bailey—No, it certainly would not, but I will remind you that all the owners and occupiers who would be affected by a listing have been written to by the chair of the Australian Heritage Council.

Senator JOHNSTON—But you must understand that these things heat up at various times. What yesterday was of no consequence to an occupier suddenly becomes consequently and they might want to make a submission in the circumstances of actually understanding what the letter really means, if you follow me.

Mr T Bailey—I do, and before the letters were posted we went and briefed the Exmouth community and the Carnarvon community so that people had a clear understanding of what the owner-occupier consultation was about.

Senator JOHNSTON—What were the attendances at those meetings?

Mr T Bailey—The attendance was a specific set of groups. We did the shire and pastoralists in the southern region. We did the shire and pastoralists out at Carnarvon.

Senator JOHNSTON—The shire is eight people and the pastoralists are 16, yes.

Mr T Bailey—And we did the shire and pastoralists as well in Exmouth and we did the industry representatives. We also had in attendance the chamber of commerce, largely as

observers at the Exmouth meeting, because we were working with those who actually are the owners and occupiers within the area that the boundary values identify.

Senator JOHNSTON—Did you have a public meeting consisting of 150 or more people—anything like that?

Mr T Bailey—Yes, we did last year in, my recollection is, the first week of December—sorry, 10 or 12 December.

Senator JOHNSTON—In Exmouth?

Mr T Bailey—That is right.

Senator JOHNSTON—And how many people attended?

Mr T Bailey—I did not count, but the chamber of commerce indicated about 170.

Senator JOHNSTON—Good. That is what we had. What was the upshot of that meeting?

Mr T Bailey—Senator, it was an information meeting to explain the national heritage listing process, to explain the World Heritage implications. It also identified that people who may fall into the area would be consulted under the owner-occupier provisions of the EPBC Act.

Senator JOHNSTON—And were you there?

Mr T Bailey—Yes, I presented.

Senator JOHNSTON—Very good. I am very pleased to hear that you travelled that distance to make the presentation. Did you leave them with some written documentation as to what world or national heritage actually meant for their day-to-day routines?

Mr T Bailey—Two pieces of information were provided. One was a question and answer sheet prepared by the West Australian government that relates to World Heritage listing.

Senator JOHNSTON—I saw that and that was totally unhelpful, may I say.

Mr T Bailey—A second set was for the groups specifically—and we made this available to all—and was the PowerPoint presentation that was given that explained the national heritage listing process and implications.

Senator JOHNSTON—The implications I am concerned about. Tell me what you told them the implications were, please?

Mr T Bailey—The application of the EPBC Act allows for the protection of national heritage values. The EPBC Act prescribes that a person cannot take an action that is or is likely to have a significant impact on those national heritage values.

Senator JOHNSTON—And who defines a ‘significant impact’?

Mr T Bailey—There is a standard procedure run through the department.

Senator JOHNSTON—In Canberra?

Mr T Bailey—That relates to a referral under the Environment Protection and Biodiversity Conservation Act provisions.

Senator JOHNSTON—Take me through the process. I am interested because some of these people are going to want to know exactly what this means.

Mr T Bailey—I am certainly looking to our colleagues in the Approvals and Wildlife Division who administer those sections of the EPBC Act.

Senator JOHNSTON—I thank you for your patience in dealing with my questions, Mr Bailey.

Mr Shevlin—I might have one other piece of information. The important thing here is protecting the listed values of a site. So the first part of the thing is actually identifying what it is about this area that you are trying to protect. So depending on what the identified values are, that will have a lot of implications, therefore, for what activities could occur there that would, or would not have significant impact.

Senator JOHNSTON—This is the point that escapes most of the residents.

Mr Shevlin—That is right. It is a very hard one to explain to them in advance because, while the Heritage Council is doing its assessment, we cannot tell the people in advance this is what the Heritage Council is going to find at the end of that assessment process.

Senator JOHNSTON—And it will come back to the process, because it seems like the residents are the last to be considered when you finally determine the full extent of those values. They are working in a vacuum not knowing what the values are, if you follow me.

Mr T Bailey—That is correct, Senator, and that concern was expressed strongly at the pastoral group meeting at Exmouth my recollection is on 16 April when we went there to explain the process. We have provided though an indication of the types of values that the council is considering so that they are not operating in a vacuum. They have an understanding of the types of values that might be found.

Senator JOHNSTON—Let me tell you that giving landowners and occupiers an indication of the types of values is a little bit like getting a blank cheque, don't you think, because the types of values are a movable feast? What is important to one environmental department in Canberra one day might be totally different to what is important to it on another day, and indeed different governments may have different opinions as to what is of national heritage value. Can we come back to this in a moment because I am interested to thresh out what the process is for these people so that they understand what we are dealing with. Mr Burnett, you can see the way the discussion is running. What is the exact process of defining the national heritage values within the area sought to be listed?

Mr Shevlin—Sorry, Senator. This might be a bit confusing. The Heritage Division is responsible for working with the Heritage Council to define the values.

Senator JOHNSTON—Yes.

Mr Shevlin—The Approvals and Wildlife Division is responsible then if there are referrals relating to activities that might have a significant impact on those values. So, if you are looking at how we define the values, a lot of research is done and provided to the Heritage Council. The Heritage Council assesses that, takes into account all of the submissions that have been provided as well by the community and whatever and then determines the very special national heritage values of that place.

Senator JOHNSTON—Is that done before or after the listing?

Mr Shevlin—It is done before the listing and then those values are gazetted as part of the listing. So when you refer to them as being a changeable thing they cannot be. They are locked in by the actual gazettal.

Senator JOHNSTON—No. But, once you have determined what those values are, is there any further consultation as to the knock-on effect of valuing those particular things to the local community?

Mr T Bailey—I would not mind clarification of the question, Senator.

Senator JOHNSTON—When you decide what the individual valuable aspects of the region are and what the knock-on effect of preserving those aspects are and will be into the future, do you consult the local community to say, ‘We have determined, for instance, that these limestone deposits are adjacent to a very important valuable heritage area and they shall not be egressed or ingressed’? Do you have a consultation period whereby people can say, ‘Hang on, you have just put me out of business’? Do we go back to them and say, ‘Do you realise that we have determined a value right next to your limestone pit, for instance’?

Mr Shevlin—As part of the community consultation that Mr Bailey talked about, we do tell people what the sorts of values that might be—

Senator JOHNSTON—See, this is where we get into a very sticky area. We are dealing with ordinary people. You know and maybe even I can work out what the likely consequences of value determinations are, but these people have no real concept of what the knock-on effect is or where, and the extent of, the control that is needed to protect the valuable asset is going to begin and end. For instance, many people in Exmouth camp, probably illegally, along the beach on the far side of the cape.

Senator SIEWERT—And they know they should not. It is controlled at the moment.

Senator JOHNSTON—Well, they do. It is not controlled at the moment because there are areas where they camp. The point is that they are likely to lose that and not many of them understand that. That is just one example. What I want to know is: what are we doing to ensure that when we reach a determination as to value we take the community with us in understanding what the full consequence of having that value is? What are we doing about that?

Mr Shevlin—As I said, in the community consultation process we cannot predict exactly what the council will ultimately define or recommend to the minister as being the values.

Senator JOHNSTON—That is a problem for us, isn’t it?

Mr Shevlin—This is the way the legislation works. We provide advice to the council. The council take into account all of that and the scientific research. They also see all of the submissions that come in from the community. Their recommendation and also all of the submissions are provided to the minister. The minister is actually the one who takes the final decision about the boundary and the values et cetera.

Senator JOHNSTON—It seems to me that the process is designed to simply override the fully informed understanding of the local community in this instance because they never get a chance to know which particular values the minister thinks are valuable.

Mr Shevlin—Senator, the way the legislation works is that it is designed to identify and protect places of outstanding heritage value to the nation. So the council's work is about identifying things that are valuable, not about identifying what the impacts of having listed those things are.

Senator JOHNSTON—Precisely.

Mr Shevlin—If you accept that the purpose of the legislation and the purpose of the council is to identify and protect very special things for Australia, the next step of what might be the impacts of that for other people's activities is actually a separate question.

Mr T Bailey—Just to expand a little further on that, the council's statutory requirements under the act are very specific. It can only determine whether the value exists or does not exist. But in the decision making, which is the responsibility of the minister, the minister has a broader discretion and can take social and economic implications into account. In doing the public consultations we have indicated to people that it would be prudent for them to include social and economic concerns in their submissions to the Australian Heritage Council. Although the council will not take those into consideration in providing its advice, they will be put forward to the minister unabridged so that the minister can give that consideration in taking the decision. That has been the case in a number of listings in the past.

Senator JOHNSTON—It seems to me, Mr Bailey—and it may not be that you can answer this question—that that is pretty unsatisfactory. It does not provide a system whereby you fully inform the community as to the consequences of these values. Everybody in Exmouth loves the Ningaloo Reef and wants to protect it, I should hasten to say, but they have not got the information at their fingertips to identify the consequences of a World Heritage listing because the values to be protected are not as yet known. Am I right?

Mr T Bailey—A precis of the values has been provided to the owners and occupiers who would be affected to support them in this round of consultation.

Senator JOHNSTON—It is a precis.

Mr T Bailey—It is but it is to support them in understanding what values have been identified at this point in time by the Heritage Council.

Senator JOHNSTON—All right. I think that is fine. If a particular salt lake was valued then it is logical that the surrounding hinterland that feeds water into that salt lake would be under control to protect the valuable asset within the listing. How far that protection goes and what the consequences of protecting that lake are is anybody's guess. All I am saying is that these people, to some greater or lesser extent, in their ignorance are going to be ambushed by some of these things because they are not going to think this through because they have had no experience with World Heritage listing. I think the system has a problem. So they just have to make submissions to the minister. I can see we are not going any further. I am sorry, Mr Burnett. I think we have touched on your issue and moved on very quickly. Thank you,

gentlemen. I think I have enough to tell my people in Exmouth to have a read of *Hansard* to understand further what the real considerations need to be.

CHAIR—Thank you, Senator Johnston.

Senator IAN MACDONALD—What is our program this afternoon?

CHAIR—The intention, Senator Macdonald, is to finish outcome 1 by the tea-break, at about a quarter to four. Then on resumption at four o'clock we will do water until 6.15.

Senator IAN MACDONALD—I am interested in outcome 1.5.

CHAIR—We have not got there yet. Senator Siewert has a few questions about Ningaloo Reef and there are a few other items, I believe, in 1.4 and then we will get to 1.5.

Senator IAN MACDONALD—Madam Chair, can we amongst ourselves say that we will not go past 10 past three on 1.4 so that we can at least have 10 minutes on 1.5?

CHAIR—We will get to 1.5, I am sure.

Senator IAN MACDONALD—Will we?

CHAIR—All senators are mindful that we are on a tight time line so we will push on.

Senator SIEWERT—I have a number of issues. Should I do Kimberley here or under 1.5?

Mr Shevlin—They will cross across potentially but please start here.

Senator SIEWERT—Okay. Could you tell me whether the federal government has a copy of the Gaffney and Cline report to the northern development task force?

Mr Burnett—I do not know the answer to that question, Senator.

Senator SIEWERT—Is it possible for someone to check for me, and if you have it can you table it?

Mr Burnett—I can take that on notice.

Senator IAN MACDONALD—How old is the task force?

Senator SIEWERT—It is very new.

Senator Wong—I think the question has been taken on notice. Sorry, is the question in relation to the northern Australia task force?

Senator SIEWERT—Sorry, not your Northern Australia task force; the Western Australian Northern Task Force. There are a number of Northern Australian task forces.

Senator Wong—It is a popular name.

Senator SIEWERT—Yes. It is not the water one. You know what I am talking about, though, do you not?

Mr Burnett—I have not heard the name of that report before, Senator.

Senator SIEWERT—Okay. Can I suggest that if you do not have it you try to get a copy. That would be appreciated. I think the rest of the questions I have on the Kimberley related to that report. Are you aware that the Burrup may be being considered as an alternative site for a hub in the Kimberley?

Mr Burnett—I am aware, Senator, that the strategic assessment of the Kimberley is required to consider all options which would include options outside of the Kimberley region itself.

Senator SIEWERT—Okay. So I can take it that that is a yes?

Mr Burnett—It is not quite exactly the words that you put.

Senator SIEWERT—It is almost. I am just double-checking because some of the other questions I had on that particular issue related to whether you had a copy of the report. I wanted to know what was in it. Can I move on to the Burrup. What is the federal government doing other than fines to stop the vandalism on the Burrup in or outside the national heritage listed areas of the Dampier Archipelago?

Mr Shevlin—In relation to the national heritage listed area, of course if there are activities that occur contrary to the legislation then action can be taken. For actions outside the national heritage listed area, that falls under the Western Australian government legislation.

Senator SIEWERT—What are you doing for activities inside heritage listed areas?

Mr Burnett—Can you just excuse me for a second, Senator? I was just checking to see whether we had any information here. We have a compliance branch that looks after and responds to any complaints or information that is received of potential offences against the EPBC Act, but we do not have any information here in relation to any allegations of unlawful activity in relation to the rock art.

Senator SIEWERT—So the state government has not forwarded you any of the latest material on—

Mr Burnett—Not to my knowledge, Senator. That does not mean there has not been some contact; it just means that I am not personally aware of it.

Senator SIEWERT—Maybe you can take it on notice, then, and let us know if there has been.

Mr Burnett—Just to clarify, the question is whether the Western Australian government has brought to our attention any incidents relating to defacing or damaging the rock art?

Senator SIEWERT—Yes. Can we expand that to the state government or community members?

Mr Burnett—Yes.

Mr Shevlin—Senator, can I just add to that. Importantly, Western Australian legislation is the first port of call if there is any defacement or whatever. The EPBC Act only comes into play if there is significant impact. So the first place and the appropriate place for it to go would be for the Western Australian government to deal with it. They would not necessarily bring it to our attention if they are actually dealing with it.

Senator SIEWERT—What would you do if there was a significant level?

Mr Burnett—That would trigger our compliance functions, Senator. If we received information that suggested there was damage occurring that was resulting in a significant impact, then that is a potential offence under the act and we would investigate.

Senator SIEWERT—Are you aware of the Methanex methanol plant proposal for the Burrup?

Mr Burnett—The Methanex proposal?

Senator SIEWERT—Yes, the new one—

Mr Burnett—There was one some years ago.

Senator SIEWERT—No, this is a brand-new one next to the fertiliser plant.

Mr Burnett—No, I am only aware of a mooted explosives plant—I am told that it has been brought to our attention, Senator.

Senator SIEWERT—Thank you. I have heard that the department is developing an indicative list for World Heritage listing; is that correct?

Mr Shevlin—No, it is a tentative list. It is a mechanism under the World Heritage convention where all countries are encouraged to submit a tentative list of those sites that they might in the future be nominating for World Heritage listing. So the Australian government is currently working in consultation with the state governments to develop possible sites for inclusion in a tentative list. We have had discussions with all of the states and we are waiting for them to come back to us with their suggestions for what should be included in that tentative list. That tentative list is not binding but it will give an indication of the sorts of places that we might be bringing forward over the next decade or more.

Senator SIEWERT—Is that going to be publicly available once it is developed?

Mr Shevlin—Yes. It would be lodged publicly anyway.

Senator SIEWERT—So it is lodged in a public process through the convention?

Mr Shevlin—Yes.

Senator SIEWERT—I know I am being really quick because I am trying to save time, but I just want to know about the dingoes on Fraser Island.

Mr Shevlin—Yes.

Senator ABETZ—From the west to the east!

Senator SIEWERT—Yes. What level of involvement have you had in that issue so far?

Mr T Bailey—We have had some involvement certainly in that issue. It was brought to our attention under a piece of our legislation, the Aboriginal and Torres Strait Islander Heritage Protection Act. A section 9 application was made. We have worked through that process with the Queensland Parks and Wildlife Service and the Fraser Island Indigenous advisory committee. We conducted a mediation only last week on Fraser Island with those two groups, and out of that we have come to an agreement around the last stages of completing the dingo fences on Fraser Island, and that includes that an independent archaeologist and traditional owners will be present during the completion of the groundworks; that the independent archaeologist and traditional owners will walk the fence lines at Eurong and Happy Valley which have just been constructed. If they find any culturally disturbed sites, the parties will meet to work out what management should be put in place to protect those sites. There has

also been agreement that the Fraser Island Indigenous advisory committee and the Queensland Parks and Wildlife Service will review the ground disturbance guidelines.

Senator SIEWERT—Are you saying the traditional owners were involved in those discussions?

Mr T Bailey—The Fraser Island Indigenous advisory committee, which is made up solely of traditional owners, was represented at that mediation last week. In addition to that, the Indigenous representative on the community advisory committee was also present.

Senator SIEWERT—Thank you.

CHAIR—Are there any other questions for output 1.4?

Senator EGGLESTON—I would like to ask a couple of short questions about the Burrup petroglyphs. That area has now been national heritage listed. Has that gone through?

Mr Shevlin—Yes.

Senator EGGLESTON—Minister Turnbull intended it should be.

Mr T Bailey—Yes, July last year.

Senator EGGLESTON—The Woodside Pluto project on the Burrup encroaches on some of the areas where there are petroglyphs. Are you satisfied that Woodside is taking all possible precautions to protect the petroglyphs which are in the area of its plant for Pluto?

Mr Shevlin—The Pluto site, as you know, is not part of the national heritage listed area. As part of the development it was apparent that regardless of where within that site they put the plant there would be some impact. So there was a requirement to relocate some of the petroglyphs, and that I think finished in January this year.

Senator EGGLESTON—Given that it is not part of the national heritage area, have you got an ongoing surveillance role in terms of ensuring that the petroglyphs which the plant does encroach on or are nearby will be protected?

Mr Shevlin—If it impacts on any of the national heritage listed area, yes, absolutely.

Senator EGGLESTON—That is not the question I asked you. I said, given that it is outside the national heritage area, would you be carrying out some sort of surveillance to ensure that the petroglyphs close to the plant are protected and preserved?

Mr Shevlin—If there was any significant impact in relation to the petroglyphs that are within the national heritage listed area, of course. Alternatively, we could be involved if there was a further application under the Aboriginal and Torres Strait Islander Heritage Protection Act. They are our two ways of being involved, if you like. But we are also working with the two main parties in relation to that site. There is the conservation agreement that has been developed. We work with them to identify and protect the petroglyphs in the entire area.

Senator EGGLESTON—May I ask who are the two main parties concerned? I presume Woodside is one.

Mr T Bailey—There are two conservation agreements—one with Woodside that relates to the Pluto project and one with Rio Tinto Iron Ore and Dampier Salt. It covers both of their areas. I also point out that the Aboriginal and Torres Strait Islander Heritage Protection Act

applies to Pluto and we have been liaising between the company and the applicant. There has been agreement that that process should go to mediation to have discussions about the protection of petroglyphs on the Pluto site, even though they are outside the national heritage boundary.

Senator EGGLESTON—So that implies there will be some kind of ongoing surveillance of the petroglyphs, does it?

Mr T Bailey—Only to the extent of the application under the ATSIHPA Act, Senator. But I remind you that the Aboriginal Heritage Act of Western Australia applies across the whole of the place and is the primary source of legislation for the protection of petroglyphs both within and outside the national heritage boundary.

Senator EGGLESTON—So what you are saying is that it is the responsibility of the Western Australian government rather than the federal government to be concerned about the protection of the petroglyphs close to the Pluto plant.

Mr T Bailey—That is correct. It is the primary responsibility of the state. The ATSIHPA Act is the act of last resort in its application.

Senator EGGLESTON—What would be the situation with respect to any other petrochemical plants on the Burrup? Presumably if they are in a national heritage area you would be concerned and the rest of the Burrup Peninsula would be covered by this state act. Is that correct?

Mr Shevlin—The national heritage list covers the larger proportion of the available land, if you like, on the Burrup Peninsula. So if there were to be activity there it would have to be assessed to see whether the proposed activity would be likely to have a significant impact on the national heritage values.

Senator EGGLESTON—If it does not cover Pluto though, which is halfway up the peninsula, that must imply surely that the national heritage areas are simply at the northern end of the Burrup Peninsula.

Mr Shevlin—No. There are, if you like, excisions from the area.

Senator SIEWERT—The Swiss cheese approach.

Mr Shevlin—The national heritage listed area is actually 99 per cent of the land area that the Australian Heritage Council identified as having national heritage values. So most of the area, 99 per cent of the land area that they identified as having national heritage listed values, is protected as part of the national heritage list. So it does cover a large area.

Senator EGGLESTON—So we can say that either through state or federal law the whole of the Burrup area and the petroglyphs within that area are protected?

Mr Shevlin—There is legislative protection for those. Obviously how well people perceive that protection to be delivered will always be a matter of judgement.

Senator EGGLESTON—Time is short, so I will leave it at that.

CHAIR—Thank you, Senator Eggleston. We have 37 minutes until afternoon tea. I have Senators Macdonald, Abetz, Siewert and Birmingham with questions on outcome 1.5. So if you can keep it brief. Senator Macdonald.

Senator IAN MACDONALD—My questions are about the Traveston Crossing Dam and the present state of Minister Garrett's activities or lack of them on that issue.

CHAIR—Can we quickly go to Senator Lundy on outcome 1.4.

Senator LUNDY—I have a couple of questions about the Kingston and Arthur's Vale Historic Area. I have been approached by some constituents concerned about the area that the proposed World Heritage listing is going to cover because it impinges on their land holdings. I am happy for you to take these questions on notice, if necessary. My main question is: what opportunities do residents affected by the area to be nominated in KAVHA have to communicate their concerns and, from their perspective, to make representations that their land holdings are not included in the World Heritage area? Secondly, can you give me the time line for these consultation processes?

Mr Shevlin—The area that we have been looking at nominating for the World Heritage area is exactly the same as what is already on the national heritage list.

Senator LUNDY—Yes.

Mr Shevlin—Therefore, all of the controls under the EPBC Act already apply to that area. There would not be a lot of logic in having a separate World Heritage area as opposed to a national heritage area. It is also on the Commonwealth heritage list as well. So it is already covered by two aspects of the EPBC Act.

Senator LUNDY—Is that already determined? I appreciate your answer. But in terms of formality, what I am interested in trying to understand is what formal process exists for these residents to have the opportunity to express their view within that formal process.

Mr Shevlin—As I said, the national heritage listing has already occurred.

Senator LUNDY—Yes.

Mr Shevlin—And the World Heritage nomination has already been lodged with the same boundaries.

Senator LUNDY—So there is no opportunity.

Mr Shevlin—There has been a lot of opportunity over many years.

Senator LUNDY—I appreciate that, but I am trying to find out if there is any more opportunity.

Mr Shevlin—No, not really. The application has been lodged with the full support of the Norfolk Island government.

Senator LUNDY—I appreciate that. It is also my constituency and I undertook to bring these issues to the committee hearing.

Mr Shevlin—Sure, I understand.

Senator LUNDY—One of the residents has said that she was instructed to remove solar panels from the roof because they were perceived as being outside the values of the area. Could you take that on notice and explain to the committee why that would have occurred?

Mr Shevlin—I have no knowledge of that but we will take that on notice.

Senator LUNDY—I know, but again I undertook to ask the question.

Mr Shevlin—It could have been a request of the Norfolk Island government rather than of any Commonwealth officials.

Senator LUNDY—Yes.

Mr Shevlin—I will find out and we will provide that information.

Senator LUNDY—Thank you very much.

CHAIR—As there are no further questions for 1.4, we will move to 1.5.

Senator IAN MACDONALD—Traveston Crossing Dam: what is the current state of play from the Commonwealth? We know that it has gone to Mr Garrett for approval under the EPBC Act.

Mr Burnett—No, Senator. At the federal end we are still at the same stage that we were at when we discussed this at the last estimates, which is that public comments closed in Queensland in January. The proponent in Queensland is still analysing those public comments and updating the assessment. The next step at the federal end is for that revised assessment to be submitted to the federal minister but that has not yet occurred.

Senator IAN MACDONALD—Is there any expectation of when that might happen?

Mr Burnett—Our current expectation is that it will happen in the third quarter of this year but there is no strict requirement. It is up to the proponent when they submit it.

Senator IAN MACDONALD—Are you aware whether Mr Garrett has had meetings with the Queensland Premier or the relevant Queensland minister on Traveston Crossing Dam?

Mr Burnett—No, Senator.

Senator IAN MACDONALD—You are not aware of it?

Mr Burnett—No, Senator.

Senator IAN MACDONALD—Minister Wong, do not get up—because you will take it on notice, I know—but could you ask Mr Garrett for me what meetings he has had with the Queensland Premier or any Queensland minister regarding the Traveston Crossing Dam? What other meetings he has had with any of the main players, if I can call them that, in the Traveston Crossing Dam debate? I read in the paper that he met with the Mary River catchment conservation group, I think it is called. If you can get for me from Mr Garrett a list of the people he has met with in Queensland in relation to the Traveston Crossing Dam, I would appreciate that.

Senator Wong—I will take that matter on notice. I am sure Mr Garrett meets with a great range of people in relation to this issue as well as others.

Senator IAN MACDONALD—Okay, but I am particularly interested in discussions he has had with the Queensland government. As far as the Commonwealth officials are concerned, all impressions from Queensland and from that area is that it is full steam ahead by the Queensland government instrumentality masquerading as a private company that is charged with project managing the construction. I saw the other day that there is a native title claim being completed. I see there is engineering work continuing to be planned. I see there is

continuing buyouts of properties not in the dam area but surrounding the dam area, all of which seems to suggest that the Queensland government presupposes that the Commonwealth's approval is a foregone conclusion. My question was: do you have any concerns about the activity which is continuing in an area that still has not got Commonwealth approval?

Mr Burnett—Senator, we are not aware of any activity that would be in breach of the act. Our role is a statutory one, which is to consider the assessment material when it comes in and to provide Minister Garrett with advice. As I said, that assessment material has not yet arrived in its final form so I cannot really say anything more than that.

Senator IAN MACDONALD—And the process when Mr Garrett gets the material and your advice is that he will then wake up one morning and make an announcement? There is no formality about making the announcement to parliament or that it be a legislative instrument?

Mr Burnett—The formality, Senator, is that the minister will be required to sign a statutory decision and to notify that publicly. That is done through our website and I think it might be published in the government *Gazette*.

Senator IAN MACDONALD—Okay, but parliament will have no opportunity of having a say on it?

Mr Burnett—You did ask me about this last time, Senator. It is not a disallowable instrument.

Senator IAN MACDONALD—Very briefly, we did talk about the Paradise Dam and the fish matter. I asked if any prosecutions were likely or what your investigations had revealed about the Queensland government's clear failure to abide by the condition imposed upon it under the EPBC for the paradise or Burnett River dam—no doubt named after you, Mr Burnett?

Mr Burnett—Yes, that is right, Senator! I am sure I have some long-lost relatives up there.

Senator Wong—I am sure Mr Burnett is joking, for the record.

Mr Burnett—I do not have any conflict of interest, Senator.

Senator Wong—Irony does not come off in *Hansard*.

Senator IAN MACDONALD—I am running out of my colleagues' indulgence so I will finish there, but is there a quick response to that?

Mr Burnett—The current status on the audit of Paradise Dam is that, as you are probably aware, the minister did release the full audit and there was a finding of partial noncompliance. So there is at least a finding of technical breach of the law. We are still considering that, but we are also in negotiation with the operators of the dam with a view to modifications being made to the fish ladder which is currently unable to operate.

Senator IAN MACDONALD—The best way is to fix the problem, but does the EPBC Act provide penalties for people who breach conditions of approval?

Mr Burnett—Yes.

Senator IAN MACDONALD—Minister, could I get an assurance from Minister Garrett, through you, that in prosecuting the law he will be fair and fearless and just because it is a government involved that will not prevent him from instituting penalty proceedings if that is deemed to be appropriate in the circumstances?

Senator Wong—I am sure Mr Garrett always discharges his duties and discretions under the EPBC Act appropriately, Senator.

Senator IAN MACDONALD—He will have a discretion on whether or not to prosecute. The main thing is to fix it, which I agree with, but having breached the condition an ordinary person would be prosecuted. I just want to make sure that because it is a Queensland Labor government that prosecution will not be shelved.

Mr Burnett—Senator, there is a published compliance policy, and I can assure you that the matter will be handled consistently with our policy on compliance.

Senator IAN MACDONALD—That is a public document?

Mr Burnett—Yes.

Senator IAN MACDONALD—You might just refer me to it. I suspect I have got it before, but just tell me so I can get it.

Mr Burnett—It is on our website. I do not know whether I can give you any more than that.

Senator IAN MACDONALD—That is fine.

Senator ABETZ—I have a whole host of questions but I will try to be as brief as I possibly can. Can I invite the minister and officials also to be as brief as possible. Can I inquire as to the legal action in relation to what has become known as the Wielangta case that recently failed in the High Court? I have been advised that to date potentially the legal cost—not potentially; definitely, that \$838,000 has been spent on that case. I was wondering whether the department could advise how much has now been spent, given the unsuccessful High Court appeal, on legal costs. Can you please confirm that you share the costs equally with the Department of Agriculture, Fisheries and Forestry?

Senator Wong—Which of those questions would you like us to start with?

Mr Burnett—I will start with the last question, Senator. We are sharing costs with the department of agriculture.

Senator ABETZ—Sharing 50-50?

Mr Burnett—Yes. That is the Commonwealth's costs in relation to the Commonwealth being an intervener in the—

Senator ABETZ—That is right.

Mr Burnett—The Commonwealth was not a party to the application for special leave in the High Court. I should say by way of explanation that the Commonwealth was an intervener in this case.

Senator ABETZ—That is right.

Mr Burnett—The status of intervener is not a full party—

Senator ABETZ—Sorry, with great respect, I am aware of all that having been a lawyer. Time is of the essence and I do not want to be rude, but you are telling me that no further costs have been incurred since the figure of \$365,329.21 has been spent by the department?

Mr Burnett—Senator, that is not a figure that I am familiar with.

Senator ABETZ—Could you please take that on notice with, then?

Mr Burnett—Yes.

Senator ABETZ—The department of agriculture has told me that, apart from the costs associated with the legal action, for the department's specific legal advice they have expended \$108,316.71 on this case. Can your department please provide us with the amount they have spent in the category of department-specific legal advice on this case?

Mr Burnett—Yes, Senator. Just for clarification, the costs you are referring to are court costs?

Senator ABETZ—That is right, and the department-specific legal advice on the matter.

Senator Wong—What does that mean?

Senator ABETZ—Well, the department of agriculture tell me that they have spent \$365,329.60 on costs to date associated with the court case. The department has also incurred a cost of \$108,000 for department-specific legal advice on this matter, so I dare say that is terminology which is known amongst the Public Service.

Senator Wong—Sorry, I thought you said 'costs'. I might have misheard you. But if it is just department-specific legal advice, I assume that means external advice.

Senator ABETZ—No, not necessarily.

Mr Burnett—Advice for which we have received a bill, Senator?

Senator ABETZ—Or that you have somehow costed or are able to cost internally. Take it on notice. I assume you do not necessarily have that figure. This was an answer provided I forget when, but it was a question I asked on 19 February in the agriculture portfolio that it was 50-50 between the departments. What is the final figure in relation to costs and also department-specific legal advice in this matter? As an intervener, are you able to seek costs?

Mr Burnett—My understanding is generally no, Senator. But I will take that on notice as well.

Senator Wong—Which of the appearances are you asking that question about?

Senator ABETZ—In relation to any of the appearances the Commonwealth was involved in before Justice Marshall. The Commonwealth was involved with the Full Federal Court. Then there was an argument, as I understand it, in the High Court as to whether the—

Senator Wong—Well, only special leave to appeal.

Senator ABETZ—Yes, as to whether the Commonwealth could be part of that appeal process and I think the answer was no. As a result, they were not involved but legal advice may have been sought as to whether the Commonwealth could be involved in the High Court action, and I would be interested in the costs associated with that as well. I do not need an answer now but—

Senator Wong—I just want to be clear because I think, to be fair to the department, they should know what you are seeking.

Senator ABETZ—Absolutely.

Senator Wong—Mr Burnett is not of the view, and in the advice to me—

Mr Burnett—Senator, we were not a party to the special leave application in the High Court so, as far as I know, there would be no Commonwealth legal costs associated with the special leave application. We are only talking about the—

Senator ABETZ—All right. Whatever it is, let us check it and tell me what the total cost is, please.

Mr Burnett—All right.

Senator ABETZ—Thank you very much. Did you seek any advice from the Australian Government Solicitor as to the potential for seeking costs?

Mr Burnett—I will have to take that on notice.

Senator ABETZ—Thank you. Can I then turn to the Clyde River in Tasmania. The minister has made a determination that water cannot be released from Lake Sorrell into Lake Crescent for the purposes of supporting the poppy growers in the central highlands. This is a very urgent issue because if the minister does not change his determination in this matter the poppy crop will not be grown in this area this year. I understand that the movement of the water was not allowed between the two lakes because the minister was of the view that the survival of the golden galaxias, which is a threatened native fish, would be jeopardised. I understand that was the basis of his decision.

Mr Burnett—I do not think that is correct, Senator. You are talking about the movement of water between the lakes. The decision the minister made was not to allow release of water from the lake system into the river for irrigation purposes. I do not believe he prevented the movement of water between the two lakes systems, which is something that is done for ecological reasons rather than irrigation reasons.

Senator ABETZ—Well, are we agreed that the amount of water we are talking about is a reduction of 1.2 centimetres in the height of the water level in the lake?

Mr Burnett—The amount that we are talking about is 3,300 megalitres for irrigation. I am afraid I cannot tell you how much that translates to.

Senator ABETZ—Can you take that on notice, please, because it seems bizarre that 1.2 centimetres off the top, if my figures are right, which would assist the rural community to survive so they do not become extinct, is not allowed on the basis of a fish. I understand that the Tasmanian state government, which seems to have the expertise in relation to this particular fish, are in fact urging Mr Garrett to review his decision and change it because it is not based on rigorous science.

Senator Wong—That is an assertion, Senator.

Senator ABETZ—No—

Senator Wong—That is an assertion and an opinion.

Senator ABETZ—Proffered by the state Labor government. I am wanting to know whether or not Mr Garrett is going to be reconsidering his decision in the light of that which the state Labor government is asserting.

Senator Wong—I can take that on notice unless the officers at the table are able to assist me. What I can say to you is that I am advised two things. First, the release of more water would have significantly increased the long-term impact on nationally listed endangered golden galaxias and the internationally important Interlaken, which is a Ramsar site, as you know.

Senator ABETZ—That is right.

Senator Wong—I also am advised that the minister did consult with the Tasmanian government prior to this decision.

Senator ABETZ—Yes. Since his decision, has the state government made further representations to Minister Garrett indicating to him that his decision was not soundly based?

Senator Wong—I will have to take that matter on notice.

Mr Burnett—We are not aware of further representations. My colleague said there may have been a letter arrive today but I have not seen it myself.

Senator ABETZ—Well, that is very interesting because there have been huge protestations by the state government in Tasmania but it appears they have not bothered to put pen to paper. It looks as though they are treating this federal government exactly the same way as they treated the other one. They are quick with the press releases but very slow with the letters. Chair, in fairness to others I had better stop my questioning there and I will put my other questions on notice.

Senator BIRMINGHAM—What consultation did Minister Garrett or the department undertake with industry before the 17 April meeting of environment ministers regarding plastic bags?

Senator Wong—It is a different division.

Ms Harwood—Was that specifically in relation to the ministerial council on 17 April?

Senator BIRMINGHAM—I am looking in relation to measures the government may have been considering around plastic bags and what consultation has taken place with industry, particularly leading supermarket chains and the like.

Ms Harwood—I understand that the minister met with various people interested in that area including some of the retailers.

Senator BIRMINGHAM—Thank you. Was consultation undertaken with the states in the lead-up to that ministerial council meeting?

Ms Harwood—The plastic bag process has been in train for some time and there was a consultation regulatory impact statement issued at the beginning of last year. That was a public release and it went for public consultation from all interested parties. There were submissions made from industry and non- government organisations on that regulatory impact statement.

Senator BIRMINGHAM—Has the government undertaken research into the costs and effects of a ban on plastic bags?

Ms Harwood—As part of the regulatory impact statement, yes, there was consultancy work done looking at the potential costs of implementing various regulatory options for plastic bags.

Senator BIRMINGHAM—What is the estimated cost of a ban on plastic bags?

Ms Harwood—These are figures taken from the draft decision regulatory impact statement. I might need to confirm the precise amount, but the annual cost of a ban was estimated at \$78 million. That is to all sectors, the cumulative cost of implementing a ban.

Senator BIRMINGHAM—So that is the cumulative annual cost. What about the cost of a levy?

Ms Harwood—For a 10c levy \$68 million, for a 20c levy \$82 million and for a 25c levy \$31 million per year annual net cost.

Senator BIRMINGHAM—So for a 10c levy \$68 million, for a 20c levy \$82 million and for a 25c levy \$31 million?

Ms Harwood—Yes. It seems counterintuitive, but in fact it is a reflection of the fact that at a higher levy charge it is expected that many fewer bags would be purchased. One of the costs modelled is the cost to consumers of buying bags. So that if your measure vastly reduces bag use, that is a reduced cost.

Senator BIRMINGHAM—Did the modelling look at the impact on waste streams for each of those options?

Ms Harwood—It looked at the costs of litter management and matters of that sort. It is a difficult area for costing things like environmental impacts—marine impacts or whatever—but it looked across the suite of impacts that might occur.

Senator BIRMINGHAM—So did it estimate not necessarily the financial cost on waste streams but the impact on the volume of waste or the volume of litter?

Ms Harwood—It looked at the volume of plastic bags entering the litter stream as opposed to going through to landfill, if that is what you mean.

Senator BIRMINGHAM—What volume of plastic bags were estimated to go into the litter stream under each of the models you have just costed, Ms Harwood?

Ms Harwood—I would have to take that on notice in terms of the precise reductions in expected outcomes with the different regulatory measures being modelled.

Senator BIRMINGHAM—Does the modelling apportion costs on a state-by-state basis at all?

Ms Harwood—Not in essence. It pulls it through to a national figure.

Senator BIRMINGHAM—Does the modelling consider the impact of a state going it alone?

Ms Harwood—No. It was looking at harmonised regulatory action across Australia, so a consistent application of a ban or consistent levy or whatever. So it was looking at a single type of measure being applied across Australia.

Senator BIRMINGHAM—Does the modelling in any way look at least at or consider the merits or otherwise of a harmonised national system as against individual state measures?

Ms Harwood—It has discussion in the regulatory impact statement about the downsides of having disparate regulatory action, but it did not model it per se.

Senator BIRMINGHAM—Does that discussion suggest that one of those downsides would be higher costs?

Ms Harwood—It relates to inconvenience and difficulty for major retailers if different measures were applied in different states.

Senator BIRMINGHAM—Inconvenience and difficulty. That would suggest higher costs.

Ms Harwood—It can mean costs to major retailers if they have a differing regulatory regime.

Senator BIRMINGHAM—Okay. You have given us some costs and it looked at least the fact that there would be some difficulties, probably higher costs, as a result of state-by-state regimes. Minister, is the government still committed to a national phase-out of plastic bags?

Senator Wong—Yes, that is as I understand the position from what Mr Garrett has said.

Senator BIRMINGHAM—When?

Senator Wong—When did he say this?

Senator BIRMINGHAM—No, by when.

Ms Harwood—Perhaps I could say where we got to at the council meeting, which was the ministers together—federal and state—still seeking to identify a harmonised way of reducing plastic bag use, and they have several actions in train towards that.

Senator BIRMINGHAM—The minister was very committed to a phase-out by the end of this year. Does he stand by that commitment?

Senator Wong—Obviously the meeting has intervened in terms of the discussions. Perhaps Mr Early or Ms Harwood can assist us there.

Mr Early—It was actually the ministerial council that had that position to phase out plastic bags. But in fact when they met on 17 April they decided not to endorse uniform national regulatory action to ban or place a charge on plastic bags at this time. They are still keen to try to reduce the number of plastic bags, and at this stage they are looking to work with the retailers to establish some options for a voluntary action which will reduce. But the council decided on the basis of the regulatory impact statement that the costs were too high in following through their previous determination I guess.

Senator BIRMINGHAM—You just said the council is still committed to reduce the number of plastic bags. The minister was committed to phasing out plastic bags by the end of the year.

Mr Early—The ministerial council was committed to that, Senator. All environment ministers were committed to that, but they—

Senator BIRMINGHAM—Did they commit to a phase-out or did they commit to reducing?

Mr Early—No. A number of years ago they agreed that they would do that.

Senator Wong—The advice I have is that that was actually a previous decision of council that Minister Turnbull was involved in to phase out their use by January 2009; is that correct?

Ms Harwood—Yes. It was made several years ago and reiterated at the June 2007 council meeting.

Senator BIRMINGHAM—The ministerial council then has backed down from the January 2009 phase-out date that Minister Wong stated before. What is its new target?

Mr Early—The ministerial council did the work through the regulatory impact statements which came up with the figures that were given to you previously and on the basis of that decided that, as I said, uniform national regulatory action at this stage was not the way to go. They still wish to reduce the number of plastic bags, and that is why they have taken the action to find work with the retailers for voluntary action, and there are a number of initiatives. In Victoria, for example, the retailers have agreed to do some trials. So basically ministerial council did the work but decided that their determination of a number of years ago was probably not backed up by the facts of the matter and so they are looking at other ways of addressing the problem.

Senator BIRMINGHAM—Minister, does the government still have a policy position of phasing out plastic bag usage?

Senator Wong—As I understand it—and I am happy to take this on notice—I thought the approach was to seek to work through the Environment Protection and Heritage Council on this issue.

Senator BIRMINGHAM—I am sorry, Minister; the answer in terms of the Rudd government's policy on phasing out plastic bags which Mr Garrett spoke frequently about?

Senator Wong—I think that the officials have explained to you what occurred at the council meeting. As you will recall, that position in relation to the January 2009 date was one agreed through the council previously. There is certainly a commitment, as I am advised, to reduce the impact of plastic bags on the environment. My recollection is there was some discussion of biodegradable bags by the government, and the government has indicated that we are intending to work cooperatively with the states and territories to push for a greater uptake of green reusable bags leading to the phase-out of single-use plastic shopping bags.

Senator BIRMINGHAM—So the government no longer has its own policy on a plastic bag phase-out; the government now is simply following where the ministerial council takes it?

Senator Wong—That is your characterisation, Senator.

Senator BIRMINGHAM—Was the government the odd man out at the ministerial council discussions? Did everybody else agree that a levy was perhaps the way to go?

Ms Harwood—There were a range of views around the table.

Senator Wong—That is on the public record. I do not think there was a unanimity of views between jurisdictions on this issue, and I am sure the previous minister could explain to you how that often occurs on a range of issues.

Senator BIRMINGHAM—But there certainly was not a unanimous view from the council. We know that because the council failed to make any resolution on how to execute a phase-out.

Senator Wong—To be fair, the different views of different jurisdictions, leaving aside the Commonwealth, is something that was a matter of public discussion prior to the council meeting—well, certainly around the council meeting. I could be wrong about ‘prior’.

Senator BIRMINGHAM—Does the government support the moves of the Rann government in South Australia to go it alone in banning plastic bags?

Senator Wong—Different jurisdictions make their own decisions about this.

Senator BIRMINGHAM—But we have a national process underway under the ministerial council.

Senator Wong—I do not believe that is a question.

Senator BIRMINGHAM—We have a national process underway under the purview of the ministerial council. Do you support the decision of one state to go it alone in banning plastic bags in isolation of that national process?

Senator Wong—What I am saying is that each jurisdiction obviously makes its own decisions about what approach it will take.

Senator BIRMINGHAM—What is the point of having a national process and a ministerial council discussing this, then?

Senator Wong—Your government was also involved in this council. We are a federation and, notwithstanding that there are sometimes different views between states—and I am sure as a South Australian in your own party room you would know about that—we obviously seek to work as cooperatively as we are able to through these ministerial council processes.

CHAIR—Senators, we are scheduled to go to a tea-break now. Do you wish to continue with these questions after the tea-break or keep going for another couple of minutes now?

Senator Wong—I am in the committee’s hands.

Senator BIRMINGHAM—It strikes me that we have resolved that the government is going nowhere on plastic bags soon—so that is fine.

CHAIR—Is there any further response to that required? If not, we will go to a tea-break and return at 4 pm.

Senator Wong—Can I be clear as to who is required at 4 pm? Is it only outcome 3 or do you wish to continue for a period of time with these officers?

Senator BIRMINGHAM—I am fine with these officers. We can move to outcome 3.

CHAIR—We do not require the officers from outcome 1 any more. Thank you very much.

Proceedings suspended from 3.45 pm to 3.59 pm

CHAIR—Thanks everybody. We will get started. Minister?

Senator Wong—Just very quickly, this did not arise in the EPBC section of the portfolio, so I did not turn to it. I should just let the committee know that at the last estimates when we discussed briefly with Senator Milne the EPBC greenhouse trigger that in the course of some of the detailed discussion I might have expressed the government's position perhaps a little more precisely than in fact is the case. Secretary Borthwick in that discussion on 19 February expressed the government's position more clearly in relation to undertaking to look at a greenhouse trigger. I think it probably is the better indication. I did want to bring that to the committee's attention.

CHAIR—Thank you. Senator Cormann?

Senator CORMANN—Thank you, Madam Chairman. Before I get into a series of questions about pre-election commitments on water as they relate to my home state of Western Australia, I would just like to touch on an issue that I have received representations on from the federal member for Forrest, Nola Marino, which are really a bridge between conservation and water. They relate to the state government's plan in Western Australia to establish a second desalination plant in Binningup, north of Bunbury in Western Australia. Are you aware of that project?

Senator Wong—Madam Chair, Senator Cormann did raise this with me during the break. I think, unfortunately, that issue is actually an EPBC Act issue, not a water outcome issue. That is correct, is it not, Dr Horne?

Dr Horne—Yes.

Senator CORMANN—Do you mind if I just quickly—

Senator Wong—What I suggested to him is that if he wishes to put them on notice we will ensure that they are passed on. I think those officers have actually left.

Senator CORMANN—Okay thank you very much, Minister. What I would be interested in on behalf of the federal member for Forrest is to get some indication. I understand there is a federal environmental assessment as part of the process. I would be interested in some information as to the timing for the process, whether you are assessing threats to whales as part of that assessment, whether the minister intends to visit the site and meet with concerned local community members and whether the minister would request that priority be given to cleaning up and recycling the 100 billion litres of sewage that is currently being dumped off the coast of Western Australia rather than pursuing desalination. These are essentially the representations that I have received from the member for Forrest. With that, I propose to move on to the pre-election commitments on water. Specifically, I would like to ask in relation to the commitment to invest in a \$20 million national centre of excellence in water desalination. I ask how much funding has been allocated for that in 2008-09?

Senator Wong—I will ask Mr Robinson to respond.

Mr Robinson—The government has allocated \$20 million in the budget over five years for that centre of excellence.

Senator CORMANN—How much have you allocated in 2008-09?

Mr Robinson—\$4 million.

Senator CORMANN—You have allocated \$4 million in 2008-09?

Mr Robinson—Yes.

Senator CORMANN—Thank you very much. There is also a commitment that centres will be funded in Perth and Brisbane at \$4 million each. How much has been allocated for that this financial year?

Senator Wong—This current or 2008-09?

Senator CORMANN—Or 2008-09?

Mr Robinson—Both centres are the same. The funding starts next year—that is 2008-09—at \$4 million a year for five years.

Senator CORMANN—So you have \$4 million for the centre nationally, \$4 million for Perth, \$4 million for Brisbane. So we are talking \$12 million. So \$12 million has been allocated?

Mr Robinson—No, there are two centres of excellence—one in Perth, one in Brisbane—both next year at \$4 million a year.

Senator CORMANN—I just refer to the press release of 28 October 2007 by Mr Rudd and Mr Anthony Albanese:

The Perth and Brisbane centres will be funded at \$4 million each a year for five years from the Water Security Plan for Towns and Cities plan.

Senator Wong—That commitment has been delivered.

Senator CORMANN—So that will be \$8 million a year, plus the \$4 million that you have indicated for the national one? I will just quote it again:

The Perth and Brisbane centres will be funded at \$4 million each a year for five years from the Water Security Plan for Towns and Cities plan.

So the \$4 million that you have allocated in 2008-09, is that the overall allocation?

Mr Robinson—No, there is an allocation for both centres of excellence next year at \$4 million each.

Senator CORMANN—Yes.

Mr Robinson—A total of \$8 million.

Senator CORMANN—So the total allocation is \$8 million.

Mr Robinson—Yes.

Senator CORMANN—Have you made any decisions yet as to where the centre will be located in Perth?

Mr Robinson—No. We are talking to the West Australian government and, in the case of Brisbane, with the Queensland government. In the coming months we will put advice up to the minister as to how the process should be managed.

Senator CORMANN—Have you made any appointments yet in terms of who would be heading up the research centre, or have you commenced a recruitment process? Have you undertaken any prefeasibility—

Mr Robinson—No. In the case of Western Australia, we know that there is a group that has been doing some work on preparing a proposal. We have had some discussions with them, but there has been no decision yet from the Commonwealth government as to how funding—the conditions and the basis of how the funding will be provided.

Senator CORMANN—Okay. I will just go through a series of other commitments that were made to Western Australia at the time: \$2 million towards the Saving Hyde Park project in Perth. Are you aware of that commitment?

Mr Robinson—Yes.

Senator CORMANN—How much has been allocated for that in 2008-09?

Mr Robinson—I will take that on notice, but funding has been provided for the whole project and I think—

Senator CORMANN—Will you take that on notice to the end of estimates today or will you take that on notice? It should not be too hard.

Mr Robinson—To the end of estimates today.

Senator Wong—Just on that, Senator Cormann, you may not have been in the room when we discussed this but I am required at the finance and public administration committee to do the Department of Climate Change after the dinner break.

Senator CORMANN—It should not be too hard to identify, with respect.

Senator Wong—We will do our best.

Senator CORMANN—Thank you; much appreciated. The \$4 million towards the \$8 million Urban Waterways Renewal project in the Canning and Southern River area, how much funding has been allocated for that in 2008-09?

Mr Robinson—Actually, each of these are all part of the National Water Security Plan for Towns and Cities. This, in fact, answers your previous question.

Senator CORMANN—Yes.

Mr Robinson—These are both part of the funding under the National Water Security Plan for Towns and Cities. The minister's announcement indicates there is funding for both of those at the amounts you have mentioned. When it is actually paid—

Senator CORMANN—Sorry, I am not asking what the minister has indicated, I want to know from you, the departmental official, whether in your portfolio budget statements there is specific funding allocated to those projects. I want to get an assurance from you on behalf of the department that you will be able to get those projects off the ground to the extent committed in the 2008-09 financial year. I guess I want to get an indication as to how quickly you will be moving on those commitments.

Senator Wong—Senator, which specific project are you on now?

Senator CORMANN—The \$4 million towards the \$8 million Urban Waterways Renewal project in the Canning and Southern River area. It is part of an ALP media release of 2 November 2007.

Senator Wong—My recollection, and I will give the officers time because they know these budget matters better than me, is that that was funded out of Water Smart funding. Page 159 of Budget Paper No. 2 sets out the budget measures—obviously not in detail, but just as you do in Budget Paper No. 2. You will see that the centre of excellence that you previously asked about appears at page 160 under ‘National Urban Water and Desalination Plan’.

Senator CORMANN—Minister, to verify that the election commitments that were made before the election are properly funded, the rate they are funded over the forward estimates I think is a pretty obvious question that ought to be expected. I am at a bit of a loss as to why it is not more straightforward to get a very—

Senator Wong—You have asked questions about the centre of excellence in—

Senator CORMANN—Senator Wong, what I—

Senator Wong—Can I finish? You have asked questions about the election commitments in respect of the centres of excellence in desalination and water recycling, and I have pointed you to the budget measure where that is set out. I am just waiting for some advice from the department about where in the PBS we could refer you to in respect of this other commitment.

Senator CORMANN—Unless I am very much—

Senator Wong—Senator Cormann—

Senator CORMANN—The one you have just referred to refers to \$20 million and it does not specify the allocation in each one of the financial years, as far as I can see.

Senator Wong—That is because it is not a separate line item, Senator.

Senator CORMANN—Hence my question.

Senator Wong—Can I finish, Senator? Quite commonly there are a range of projects. You do not put a budget line item in for every project, Senator, and I am sure you would be aware of that.

Senator CORMANN—I am totally aware of that, Minister.

Senator Wong—So within that budget measure there may be more disaggregated funding indicated elsewhere, but you have in the budget papers the allocation for the plan which includes specifically the measure of funding for the two centres of excellence in the order of \$20 million each in accordance with the election commitment.

Senator CORMANN—Minister, I hear exactly what you are saying, but I am very specifically interested in which financial year during the forward estimates is going to have what allocation. \$20 million over the forward estimates could be \$20 million in the last year as opposed to the first couple of years.

Senator Wong—Yes.

Senator CORMANN—Hence my question: how much has been allocated in 2008-09? I understood that the officers had answered that question, unless they want to correct it.

Mr Robinson—Senator, both of the projects you have asked about are under the national water security plan for cities and towns. Next year the total funding for that program is \$39.8 million. In terms of what gets paid to particular projects, it will depend on our discussions with each of the proponents about delivery.

Senator CORMANN—So what you are saying is that you have not allocated any funding yet specifically to that particular commitment?

Mr Robinson—Well, the government has announced that there is funding for that commitment.

Senator CORMANN—The government has announced a global allocation to a program. This particular commitment fits into that program but what you are telling me is that no specific funding has been allocated to that specific program?

Senator Wong—That is just not correct, Senator.

Senator CORMANN—Well, you explain it to me.

Senator Wong—That is not correct. What you are seeking is disaggregated funding within—

Senator CORMANN—We are talking about two different things, Minister.

Senator Wong—Can I finish, Senator? You are seeking disaggregated funding within budget measures. I am sure you would have been aware that budget measures are not disaggregated into project based funding in general. What the government has committed to—and it is in the budget papers, so I find it hard to understand the point you are making—is, for example, the centres of excellence \$20 million and \$20 million.

Senator CORMANN—But the officer had already answered that question, Minister. The officer told me that \$4 million had been allocated for Brisbane and \$4 million had been allocated for Perth. I have moved on from that. I am talking about the \$4 million towards the urban WaterWise renewal project in Canning and the \$2 million toward the Saving Hyde Park project. Now, what I heard the officers say is that there is a global allocation and we have not allocated for specific commitments yet. If I am wrong in my understanding, please correct me.

Mr Costello—Those funds are allocated across the life of the program. With regard to the specific proportions per financial year, we work with the proponents of those projects. We have spoken about both of those projects—that we have cash-flow projections from them. They are still working through their own internal approval processes with the local council and so on. When they confirm their final requirements for that funding, there are sufficient resources in the program to make the funds available as is required by the proponents.

Senator CORMANN—So if I say that at this stage no funds have been allocated specifically to the Saving Hyde Park project and no funds have been specifically allocated to the urban waterways renewal project in Canning, then I would be right in saying that?

Mr Costello—No. The funds are available as is required by the proponents.

Senator CORMANN—Well, the funds are available. Have they been allocated—

Senator Wong—Let the officer finish. Can I make a point that this is not an unusual process. Governments appropriate funds through the budget process. Funds obviously are not paid, nor would you want us to pay them, until the appropriate arrangements in terms of implementation are in place. If you wish to make a political point that is a matter for you, but the officers have made clear that money is available. That money is available in accordance with the election commitments of the government.

Senator CORMANN—So \$2 million will be available in 2008-09 for the Hyde Park project? You are nodding?

Mr Costello—It will be available as required, as the proponents tell us what their cash flow is. They do a work plan, they tell us when the cash is required and we pay according to the completion of the work plan and the milestones.

Senator CORMANN—Okay. So, if \$2 million was required in 2008-09, \$2 million would be available in 2008-09?

Mr Costello—Correct.

Senator CORMANN—Thank you. We are getting to it. If \$4 million was required in 2008-09, \$4 million would be available in 2008-09?

Mr Costello—Correct.

Senator CORMANN—So if \$10 million towards a \$20 million desalination plant at Wellington Dam to secure water supply from the Collie Basin to the power industry was required in 2008-09, it would all be available in 2008-09?

Mr Costello—Within the overall budget the funds are available as required by the proponents. However, these are multiyear projects. We have estimated cash flows for every one of these projects which fit the available budget profile. So we are able to meet the requirements for the funds as the proponents require them.

Senator CORMANN—I guess what I am trying to get an indication for is what you expect to be your prioritisation of those commitments in 2008-09. At this point in time I do not feel that you are assisting me as much as you possibly could.

Dr Horne—The key issue here is how quickly a lot of these projects are advanced—the speed at which the proponents want to roll out these projects. Some projects are put forward by proponents and they take quite a long period of time before they get to the starting block. So what the team that looks after this program tries to do is estimate cash flow, and the government puts a cash flow against each year. What we find quite frequently is that estimated cash flows do not equate to the cash flow required on the day. So against each of these projects there are various milestones that have to be met and we work with the proponents. When we get to the milestone they have done certain things and we pay against those things. Some of these things will take more time to deliver; some will take less time to deliver.

Senator CORMANN—I totally understand what you are saying, Dr Horne, but the budget is the government's plan as to what they intend to do over the forward estimates. Having had these pre-election commitments, presumably you had a very close look at them since the change of government. You would have some degree of indication as to where these projects

are at, how quickly they can get off the ground and how quickly they cannot get off the ground. So you would presumably be planning your own cash flows. I guess I am trying to get an indication of how much you expect to expend towards each one of those election commitments in 2008-09.

Dr Horne—What is set out in the budget papers is the extent to which we disaggregate these items. So we do not make a disaggregation against any particular project until—I mean, what you see in the paper is our estimate globally of the various projects that are funded under this program and how much we expect to spend globally in that year.

Senator CORMANN—But the purpose of this exercise is to go beyond what is available globally, obviously. The purpose of this exercise is to dig a bit deeper and to understand your performance as a department and what your financial position is going to be moving forward. I repeat my question. I am trying to get an indication on each one of those commitments into my home state of Western Australia as to what you expect your expenditure will be in the 2008-09 financial year. At this point in time you have not given me that indication but that is what I would like to have answered.

Mr Robinson—And that is because the budget was only relatively recently. We have had discussions with, I think, all the proponents of all the projects that are under that particular plan, and we will continue discussions with them with a view to finalising a funding agreement. When it is finalised, we can probably give advice as to what likely cash flow is to occur under those projects.

Senator CORMANN—So how much money do you expect to spend on the \$49 million towards the Harvey water piping project? Have you made a specific allocation or is that part of the overall pool?

Senator Wong—I think for Harvey water some of that has been paid, yes?

Mr Forbes—In terms of the Harvey water, there is \$35 million allocated this financial year.

Senator CORMANN—That is the 2007-08 financial year?

Mr Forbes—In 2007-08.

Senator CORMANN—Was that through the additional estimates?

Mr Forbes—That has not been paid as yet. It is through the supplementary additional estimates. You will see that at page 5.

Senator CORMANN—I take your word for it. So how much has been allocated in 2008-09?

Mr Forbes—In 2008-09, we are still subject to discussion with Harvey water and Gascoyne. We put \$6 million in in 2008-09.

Senator Wong—So we are actually bringing that forward.

Senator CORMANN—Very good; I am very pleased to hear it. No doubt, Nola Marino, the member for Forrest, will be pleased too. There is \$30 million towards the Gngangara Mound aquifer recharge project. How much funding has been allocated towards that in 2008-09?

Mr Costello—There is a funding agreement in place on that project to date, so some funding has already been provided. I do not have the—

Senator CORMANN—You do not know. Can you take on notice how much funding has already been provided?

Mr Costello—It is \$386,222 out of a commitment of \$3.862 million—so basically the first milestone.

Senator CORMANN—That is this financial year?

Mr Costello—It is 2007-08 that has already been provided. There is a funding agreement. When the proponents meet the next milestone they will be paid some further funds. I do not have the precise payment details.

Senator CORMANN—But \$30 million has been allocated over the forward estimates, has it?

Mr Costello—Across the range of projects, yes. Funding agreements are in place for all of those commitments to water planning in Western Australia.

Senator CORMANN—And \$200,000 for the development of a coordinated and linked Water Cycle Management Plan for the Peel-Harvey Catchment Council. How much has been allocated for that, or is that one of those projects?

Mr Costello—That is one out of the new program for cities and towns.

Senator CORMANN—I have a final question. Labor's National Urban Water and Desalination Plan makes a point that it will drive up \$10 billion worth of investment in Australia's urban water infrastructure. Has the department done any analysis on that to verify that assumption in Labor's pre-election policy?

Mr Robinson—No, we have not.

Senator CORMANN—How come?

Mr Robinson—We are moving to implement the plan. I can give you some background and an outline on what the plan involves.

Senator CORMANN—Please do.

Mr Robinson—The government has announced it. It is \$1 billion over six years.

Senator CORMANN—So you are going to spend \$1 billion without assessing whether the \$10 billion benefit that was mooted for it is actually going to eventuate.

Senator Wong—These are matters of judgement, obviously, about how much funding can be leveraged for that sort of investment. I am sure Senator Bernardi, with his financial services background, could probably provide us with a view as well. That is obviously an assessment you can make and others will make, but the key issue here is that the government is investing a substantial amount in urban water. We do not take the view that the previous government took that the Commonwealth should not get involved in this. I have said in a number of public statements that we recognise this is a contribution. Obviously, these are infrastructure projects. Some of the ones which are mooted—for example, in the major capital cities—are extremely expensive projects. We have always said this is a contribution. We have

put in place through the budget the delivery of our substantial election commitment in this area.

Senator CORMANN—Minister, I just refer you to the media statement of the Prime Minister on 2 November 2007 as it related to the \$1 billion National Urban Water and Desalination Plan. He said:

Federal Labor's National Urban Water and Desalination Plan will—
not 'may', but 'will'—

drive up to \$10 billion worth of investment in Australia's urban water infrastructure. A Rudd Labor Government will require projects supported under the \$1 Billion National Urban Water and Desalination Plan be consistent with environmental best practice and include a commitment to being carbon neutral.

That is a pretty firm statement. We are going to put in \$1 billion and we expect \$10 billion worth of private investment. The department has just told us, 'We have done no analysis, no modelling, no checking at all as to whether that pretty fundamental assumption is actually accurate.'

Senator Wong—That is our expectation—

Senator CORMANN—Based on what?

Senator Wong—That was in the election policy. If you refer to the election policy, it talks about delivering this as either a tax credit or grants for non-taxpaying entities. Obviously, that is our expectation. I again reiterate that the important thing here is that the government has delivered on its election commitment to provide \$1 billion under this plan. In fact, this is obviously one aspect, along with the National Water Security Plan for Towns and Cities and the Rainwater and Greywater Initiative, where the government is delivering its election commitments to assist people who live in Australia's urban areas.

Senator CORMANN—Minister, this should be a pretty straightforward equation. The federal government is going to put \$1 billion of taxpayers' money into a water tax credit scheme and grants for approved desalination and water recycling. You are putting into your policy that this will drive up to \$10 billion worth of investment. The department are proceeding with implementing your policy and they are saying to us that they have not checked one of the major assumptions that you have put out there in your policy.

Senator Wong—I am sure if I had held off on delivering this election policy pending further consideration you would have criticised us for that too. The policy says—

Senator CORMANN—You have had six months to check it.

Senator Wong—the 10 per cent water tax credit will drive up to \$10 billion worth of investment in Australia's urban water infrastructure. We have delivered in terms of the budget appropriation on that \$1 billion. If you wish to comment about whether or not you think that is an effective policy, that is a matter for you.

Senator CORMANN—I would like to ask a question on notice to the department. How much private investment do you expect will be flowing from this \$1 billion investment?

Senator Wong—Senator, with respect, I think that is quite unfair to the department. As I explained at the outset—and perhaps I did not make myself clear—this is funding which can go to either the private sector or local governments and state and territory governments. That is what was said in the policy, that is what we said on budget night, that is what is in my press releases on these issues and that is what I have said publicly. So, obviously, you cannot ask the department for their expectation of the private sector funding to be leveraged, given they do not know who is going to apply for such grants.

Senator CORMANN—So, Minister, you are saying that it will not drive up to \$10 billion worth of investment?

Senator Wong—No; I am saying that we made it very clear that the recipients of this assistance, of this contribution, could come from either the private sector or local governments and state and territory governments. Obviously, in terms of how you deliver that, the tax credit which is discussed in the policy and is also discussed in our public statements in government, is only of assistance to a tax-paying entity. It is not of assistance to a non-taxpaying entity, which is why we flagged that this could be delivered as a grant when paid to non-taxpaying entities. My point is you are seeking that we estimate the private sector funding to be leveraged in the context where we do not know who will put in an application for that funding.

Senator CORMANN—I will conclude on this, but you made that statement in a pre-election context where, without the resources of government, you were able to assess that this \$1 billion scheme would drive \$10 billion worth of investment. You are now in government, you have got the resources of government at your disposal, and you are telling me that you are not able to assess what the economic impact and investment impact of your policy is going to be. Minister, I would like you to take on notice—and far be it for me to be unfair to the officers of your department—what your revised estimate is of the investment in urban water infrastructure that will flow from the \$1 billion worth of Commonwealth expenditure into this program. I think it is a reasonable question.

Senator Wong—I will answer that now. Our expectation is that this program will drive up to \$10 billion worth of investment in Australia's urban water infrastructure, as per our election policy.

Senator CORMANN—Minister, you are saying that not as a candidate now; you are saying that now as a minister of the Crown.

Senator Wong—I said our expectation is that—

Senator CORMANN—So what do you base that assumption on?

Senator Wong—As I said to you, the focus of this budget is to ensure that we deliver on our election commitments, and that is what the government is doing.

Senator CORMANN—Have you done any modelling to verify your assumptions? This is not in a pre-election context anymore. You are a federal minister and you are making a statement that your expectation is that this will drive up to \$10 billion worth of investment. I am asking you: if that is your expectation, what is the foundation of that expectation? What modelling have you done to substantiate that view?

Senator Wong—I want to be clear with you, Senator Cormann. I am reading from our election policy. We are delivering on the election commitment for \$1 billion. I have indicated the expectation to you. The officers have already told you that we have not done modelling on this issue. What I would say on that is that if you spoke to people in Adelaide, Perth, Brisbane or in fact a great many of Australia's towns and cities about whether the federal government should sit on its hands and consider whether it should make a contribution to urban water or should actually get on with the job and do it, I suspect people would probably say the latter, and that is what we are doing—in accordance with what we told the Australian people we would do prior to the election.

Senator CORMANN—Minister, I am not criticising the program; what I am saying is that you, in a pre-election context, made a pretty fundamental assumption as to what your policy would lead to. What you are saying now in government is that you are not aware and you cannot verify whether that fundamental assumption is actually going to eventuate. I will leave it at that, Madam Chair.

CHAIR—Thank you, Senator Cormann.

Senator BUSHBY—During the election campaign you promised as part of the water package for Tasmania that there would be up to \$140 million available to support sustainable irrigation projects in Tasmania. After the budget you put out a media release saying that up to \$140 million would be available. Could you point to where that figure is located in the budget papers, please?

Mr Forbes—It is actually part of a sustainable rural water use and infrastructure element of Water for the Future.

Senator BUSHBY—Is the \$140 million separately defined under—

Mr Forbes—No. It is embedded within that, but allocations have been tentatively made, subject to our discussions with the Tasmanian government in relation to appropriate cash flows and appropriate milestone developments on achieving certain outcomes.

Senator BUSHBY—So when you say that allocations have been tentatively made, are you saying that \$140 million has tentatively been allocated to Tasmania, or are you saying that there are a number of projects that form that \$140 million for which tentative allocations have been made?

Mr Forbes—We have tentatively allocated \$140 million.

Senator BUSHBY—You have tentatively allocated the full \$140 million?

Mr Forbes—Yes.

Senator BUSHBY—So why in the election promise and why in the media release put out by the minister is 'up to \$140 million' referred to?

Senator Wong—We do not know. The Tasmanian government have not yet put to us—I could be wrong here; I will just check with Mr Forbes—a specific funding request in respect of projects. Is that right?

Mr Forbes—No, we are still in discussions with the Tasmanian officials.

Senator BUSHBY—So you are saying that the only variable that will determine whether the end result is \$140 million or something less is the value of the projects put to you by the state government?

Mr Forbes—Correct.

Senator Wong—We will obviously need to come to appropriate arrangements with the Tasmanian government in terms of the principles for investment and so forth. But what I can indicate—and I will pass to Dr Horne or Mr Forbes in terms of the detail—is, as Mr Forbes said, of the \$12.9 billion for Water for the Future, \$140 million is available in accordance with our election commitments for projects in Tasmania.

Senator BUSHBY—In summary, if the Tasmanian state government put to you a justified, well-costed and argued claim for \$140 million to support sustainable irrigation projects across Tasmania, then ultimately that is what they will receive?

Senator Wong—Senator Bushby, I can give you the advice that is here and then I will ask Mr Forbes or Dr Horne to add to it. I understand that we are negotiating overarching conditions of investment in irrigation projects in Tasmania and these will form the basis of a detailed bilateral agreement between our governments, and the irrigation infrastructure investments will be subject to the terms of this agreement.

Senator BUSHBY—That does not really confirm my summary which I was asking you to confirm—that is, that, if you agree on the projects and the value of the projects is properly costed and you accept that and they come up to a full \$140 million, a full \$140 million will be provided.

Mr Forbes—Subject to development of performance against—

Senator BUSHBY—That is right; subject to the appropriate—

Senator Wong—Sorry, what was that? I missed what Mr Forbes said.

Mr Forbes—Subject to appropriate performance against milestones which we will negotiate with the Tasmanian government.

Senator BUSHBY—That is a given.

Dr Horne—And provided that all of the projects that are put forward are consistent with the agreement between the Commonwealth and the Tasmanian government.

Senator BUSHBY—If the state government can meet all of those requirements, then the Commonwealth will provide the full \$140 million. One of the things that concerns me when I read this is the ‘up to’, and I am just trying to confirm that ‘up to’. ‘Up to \$140 million’ can mean anything between \$1 and \$140 million. I just wanted to make sure that, provided the state government meets all of the requirements that the federal government places upon it in terms of the projects and the cost of those projects does come to \$140 million, that is what will be passed over in the end.

Mr Forbes—Correct.

Senator BUSHBY—Good. Thank you.

Senator Wong—I would just remind you that I believe that ‘up to’ was in fact what we said in our election policy.

Senator BUSHBY—You also repeated the ‘up to’ phrase in your media release post budget.

Senator Wong—Yes. Thank you for pointing out the fact that I am consistent, Senator.

Senator BUSHBY—Yes, you are certainly consistent on this but consistently worrying in terms of the phrase. That is why I wanted clarification.

Senator Wong—‘Up to’ in the election commitment and ‘up to’ in the media release.

Senator BIRMINGHAM—You did not do that with the green lines in the election commitment.

Senator Wong—Are we going to traverse that again, are we, Senator? Do you really want to do this?

Senator BUSHBY—That is good. That puts my mind to rest to an extent. The main variable will be the ability of the state government to make the case for a full \$140 million and to meet appropriate performance indicators. In terms of delivering the projects, your negotiation will be with the state government. The role of the state government will be to put out the tenders, look at the appropriate projects and make decisions on where that \$140 million will be spent. Is that a correct assumption? Will you be having any input into which projects get the nod, or is it the state government’s call?

Mr Forbes—As part of negotiating with the Tasmanian government, it will be associated with individual projects. As part of that, there would be the development of appropriate milestones associated with that once we have agreed to those projects.

Senator BUSHBY—I am interested in the actual selection of projects in this line of questions.

Senator Wong—Senator, I would ask you if you could just bear in mind we are in negotiations with the Tasmanian government, as I have indicated to you. The commitment in the election policy was—

Senator BUSHBY—You listed a number of examples.

Senator Wong—We listed them because, I suppose, examples would be the best way to deal with it. No final decision has been made in respect of which of these would be a project or projects we would fund.

Senator BUSHBY—So it is fair to say that at this point—

Senator Wong—Negotiations are proceeding. I am not able—

Senator BUSHBY—I am not asking you to divulge the contents of any of the negotiations you are having with the state government. What I would like to know is whether the list is exclusive—and you have just confirmed that there are examples—and whether there could be other projects that are worthy that may well be considered as part of the negotiations, without naming which ones they might be at this point.

Mr Forbes—We have asked the Tasmanian government to actually come forward with their projects. We have not seen a full suite of projects at all. Indeed, once we actually receive them we would be looking towards making sure there are appropriate feasibility studies undertaken and that those projects would be in line with Tasmanian government commitments against the National Water Initiative.

Senator BUSHBY—So presumably they could come to you with a suite of projects that included additional projects other than those included in these examples and maybe not including some of those that have been listed in these examples. It is at their call presumable? Theoretically, as you understand the negotiations, they could.

Mr Forbes—They could.

Senator BUSHBY—Yes, they could. Thank you. What time lines are you looking at in delivering these? Obviously, you are saying that you are still entering preliminary negotiations with the state government over the projects. How do you see that panning out? Do you have any departmental guidelines in terms of time lines that you would like to see where negotiations are completed and then things move on from there?

Dr Horne—We are in the early stages of discussions with the Tasmanians. We do not have a good feel for the projects. We do not have a good feel for the readiness of their business plans—of how long it would take them to roll out the investment projects which they are putting forward. Until we have much more detail, I would not like Malcolm to go into that space.

Senator BUSHBY—So the federal government will not be placing any time lines on the state government? You will not be saying, ‘If you want \$140 million you need to come to us within a certain period of time?’

Senator Wong—We have not said that. What we have said is that we will progress the election commitment. The headline was ‘Supporting more efficient irrigation in Tasmania.’ We said that we would spend \$140 million of the national plan in Tasmania.

Senator BUSHBY—It all sounds very good.

Senator Wong—No, but the point is that in terms of specific projects within—I am sure you are aware, Senator, there are often quite substantial lead times in terms of developing a business case for such funding proposals—

Senator BUSHBY—Absolutely.

Senator Wong—These are negotiations that are currently proceeding.

Senator BUSHBY—They are.

Senator Wong—Yes. If your question is the time line for funding—

Senator BUSHBY—No, I am just wondering whether you would be placing criteria on the state government. If you sat back and waited, as state governments do, it could be quite some time before they actually come forward and get things moving. Are you quite comfortable for them to do that or would you be keen to see them actually progress the matter forward?

Mr Forbes—In the discussions so far I think the Tasmanian officials have been quite keen to move it forward.

Senator BUSHBY—That is good to hear.

Senator Wong—I do not think there is a lack of keenness.

Senator BUSHBY—No, that is good to hear. So we were discussing that the funding was part of the overall budget—the \$140 million of that agreement—and that tacitly that would be allocated to Tasmania.

Senator Wong—Explicitly.

Senator BUSHBY—Is it noted explicitly in the budget papers? I understand from my earlier question that it was not set out specifically.

Senator Wong—I am not sure if it is or it is not because I have not got every budget paper in front of me. It is certainly in my press release.

Senator BUSHBY—I could not find it in the budget papers. When I asked before the official said that it was not specifically delineated.

Senator Wong—And the point of that is, as I said to Senator Cormann when he was asking questions about various specific projects, budget papers generally do not disclose funding for every single project within a measure and they would be extremely long if they did.

Senator BUSHBY—That is fine. I am actually quite comfortable with the explanation that I received from the officer and from you that the \$140 million is there in full provided the state government meets all its criteria. But what I am interested in—and I do not want to go over the discussion that Senator Cormann had—is how that is anticipated to be doled out over the years. Are there any forward projects which would suggest how that \$140 million might be allocated over that coming five years or so?

Mr Forbes—We, of course, have made some expected cash flow allocations, but these are really quite speculative because it depends on the negotiations with Tasmania.

Senator BUSHBY—Those are probably all the questions I have on that for the moment. I would like to move on now to the \$12 million that has been promised for the Huon Valley water scheme. Can you point me to where in the budget papers that pops up as a specific item or is it also encapsulated in a bigger bundle of money somewhere without it actually being pointed out specifically?

Mr Robinson—The allocation for the Huon Valley water scheme is in the National Water Security Plan for Towns and Cities.

Senator BUSHBY—Yes.

Mr Robinson—And it falls into the category of the previous questions, that is, the minister's press release says there is a \$12 million allocation for it.

Senator BUSHBY—But it is not actually specifically set out in any of the budget papers as a specific budget measure.

Mr Robinson—That is correct.

Senator Wong—If you asked us also about the \$10.5 million for the Derwent River—

Senator BUSHBY—Yes, I was going to get to that.

Senator Wong—Yes, I thought you would. That is the next paragraph of my press release.

Senator BUSHBY—I imagine the same answer applies to the \$10.5 million. Is that under the same program.

Mr Robinson—Yes, the cities and towns program.

Senator BUSHBY—So, once again, I guess you are not going to be able to answer whether anything is specifically allocated for this in the coming financial year or the financial years after that; it is all part of your cash flow projects. Nothing is specifically set out that suggests that \$5 million of it might be spent next year and \$2.5 million the year after that.

Mr Robinson—That is correct. It will depend on the discussions with the proponents.

Senator BUSHBY—That brings me to the next question. Who will have responsibility for that? Will it be the state government or the Huon Valley Council? Who would you be working with?

Mr Robinson—It is the Huon Valley Council.

Senator BUSHBY—Okay. Thank you. Are you aware of the major review that is currently being undertaken by the state government of water and sewerage infrastructure in the state and the likely outcomes of that review?

Mr Robinson—I am broadly aware of it, yes.

Senator BUSHBY—I think the draft findings of that suggested that the state government is keen to take over all water and sewerage infrastructure in the state. Will that complicate matters for you if you have entered negotiations with the Huon Valley Council?

Mr Robinson—I do not believe it would, no.

Senator BUSHBY—Okay. That is good.

Senator Wong—This is the state government's reforms in respect of local government essentially being in charge of your urban water infrastructure or your infrastructure in small towns and cities.

Senator BUSHBY—Yes. I could go into the break-up of how it works—

Senator Wong—No, I was just trying to clarify that we are on the same page.

Senator BUSHBY—That is what I am talking about, yes. So you do not see any issues, if that occurs, if you have entered into contracts with the Huon Valley Council? Most of the councils are not particularly keen on what the state government is proposing in terms of taking over; they quite like—certainly the larger ones—

Mr Costello—The funding agreements provide vision for successor organisations to take over the responsibilities if there is a change to institutional arrangements.

Senator BUSHBY—Right. No problem. Is the \$12 million the total value of what is needed to deliver this project?

Mr Costello—That is the commitment of the federal government.

Senator BUSHBY—Do you have any information that suggests what the actual project will look like?

Mr Costello—There are multiple stages of the project envisaged, so it can be scoped up or down.

Senator BUSHBY—Am I correct in taking it from your answer that what you are saying is that you expect that you will be handing the \$12 million to the Huon Valley Council in accordance with the project and the business plan that is developed will fund as much as they can of their multiple stages?

Mr Costello—The first stage.

Senator BUSHBY—There is no requirement for the Huon Valley Council to be putting any money in to match it or as part of the project?

Mr Costello—Yes, they are working through the full costings of the scheme.

Senator BUSHBY—So there may well be some requirement?

Senator Wong—No, our \$12 million commitment is in the budget and available.

Senator BUSHBY—I am not taking issue—

Senator Wong—In respect of our \$12 million, there is no suggestion that there is a matching funding requirement.

Senator BUSHBY—No.

Senator Wong—But I am not across—Mr Costello might be—what other aspects of the project the Huon Valley Council is proposing to fund either itself or from other sources.

Senator BUSHBY—And do you have any further information as to the extent of the project and what it might also fund out of their own resources?

Mr Costello—The preliminary information is that the Commonwealth commitment will meet stage 1 of the project. If they wish to proceed with subsequent stages, there will need to be other funding secured.

Senator BUSHBY—Okay. That probably deals with it. I take it the \$10.5 million to be provided to support the water recycling and re-use in irrigation in south-east Tasmania you do not have any specific line item in the budget that is a commitment to that but it falls as part of the overall funding, as you mentioned. Who will you be partnering with that or who will be supplying the funds for that? Will that be the Clarence City Council or southern Tasmanian water or the state government? I notice the Clarence City Council is taking the lead, but I think it involves a number of councils.

Mr Robinson—We can take that on notice, Senator.

Senator BUSHBY—I might move on from those to something else, which is the Tamar River silt. Do you have any programs within the department or funding that is announced under the budget to restore health to Australian waterways outside the Murray-Darling Basin?

Senator Wong—This is the Tamar River siltation study; is that right?

Senator BUSHBY—That is where I am coming to, but I am just interested in a general sense at the moment. What programs does the government have, whether existing or recently announced, which provide funding to restore health to waterways, inland waterways in particular, outside the Murray-Darling Basin?

Senator Wong—The \$12.9 billion—well, perhaps I will let Mr Slatyer respond.

Mr Slatyer—You may have been just about to say what I was going to say, Minister, but there is no program dedicated to what you were describing. The Caring for our Country program does allow a priority area for coastal and estuarine health which would specifically allow for interventions to improve river water quality in those domains. There are some specific projects which the department is administering that were funded from the previous national heritage trust which is still continuing for this year. The short answer to your question, Senator, is that the closest large-scale program the government operates in that area is the Caring for our Country program, which was the subject of debate earlier in this estimates, though there are some one-off projects which the department is still administering as the result of national heritage trust funding.

Senator BUSHBY—You are no doubt aware of the silt problem in the Tamar River at the confluence of the north and south Esk rivers. This program is largely exacerbated through low rainfalls failing to flush the silt from that confluence. It appears to have been exacerbated by climate change issues. Recently I understand the Launceston City Council made a request for funding for \$200,000 to conduct a study into the causes and how it might be addressed. It has major economic and environmental impacts on Launceston and the Tamar estuary, as you mentioned. The \$200,000 application for a grant was rejected. Is the department aware of that grant and the reasons for its rejection?

Mr Slatyer—Senator, that grant would not be administered by the water group of the department, but we are aware that there was an application and that it was unsuccessful.

Senator BUSHBY—Given that it is an application for funding into health problems of a river, why would that not be administered by the water section of the department?

Senator Wong—Senator, I do not think you were here for that discussion. Different outcomes deal with different matters. The Caring for our Country officers did give a substantial amount of evidence, I think, in answer to questions from Senator Siewert and others on a range of the matters which are covered by that funding profile. I do not believe the officers at the table can assist you in terms of the response on the \$200,000. The advice I have been given is that funding of \$260,000 was provided through NRM North within their current regional investment plan. What I discern from that is that this is not a matter for outcome 3.

Senator BUSHBY—That is fine. I am not trying to score any political points with this. I am just trying to find answers to a problem that exists.

Senator Wong—If you want to ask that question, we can take that on notice. If you want to tell us what you would like taken on notice, I am sure the department can ensure that the appropriate officers respond.

Senator BUSHBY—The bottom line with the Tamar silt problem is that I am trying to find whether there is some way that we can move it forward because it is a genuine problem that needs to be addressed and it is beyond the capabilities of the Launceston City Council to do it on their own. The state government does not appear to be prepared to match. There are a number of programs. What I would like taken on notice is if anybody can give us any assistance as to the direction we can go to advance the addressing of the problem. I am not trying to score any political points with this one; I just want to get the problem fixed.

Senator Wong—We are happy to do that.

Senator BIRMINGHAM—Minister, can I refer firstly to the Murray-Darling Basin reform memorandum of understanding signed on 26 March this year. I assume this provides the basis for the negotiation of a formal IGA between the states; is that correct? What is the standing of this document and what is being negotiated from here?

Senator Wong—I will refer to Dr Horne, but, if you are asking about this document, this is what was agreed, as you know, at COAG in March 2008 as between first ministers—so the Prime Minister, the premiers and Chief Minister Stanhope—and it sets out the in-principle agreement between the basin states on the Murray-Darling Basin reform. I understand officers from all jurisdictions are currently in negotiations about how to progress that because COAG will look at this issue again in July. I will ask Dr Horne to respond to you.

Dr Horne—The group that is looking to convert the memorandum of understanding into an intergovernmental agreement is using the memorandum of understanding as the basis for that intergovernmental agreement. The memorandum of understanding sets out in general terms the form of the agreement. There are lots of i's to be dotted and t's to be crossed. The group itself has met I think three times so far. They are meeting again tomorrow in Melbourne. We will meet as regularly as necessary to get a document prepared to put to first ministers for the 3 July meeting.

Senator BIRMINGHAM—So the expectation is there will be at least a draft IGA presented to first ministers on 3 July?

Dr Horne—That is correct.

Senator Wong—That is what COAG has requested—or that is a part of the COAG determination.

Senator BIRMINGHAM—Is it hoped that that IGA will be resolved at that 3 July meeting? Is that the target?

Senator Wong—I have indicated that I think that is in the MOU. With paragraph 3, with this MOU governments have committed to sign an intergovernmental agreement at the July 2008 COAG meeting et cetera. So that is the intention of governments and obviously we are progressing the negotiations on the IGA.

Senator BIRMINGHAM—Thank you, Minister. The agreement states that the basin jurisdictions will determine the functions of the MDBC.

Dr Horne—No, it does not say that.

Senator Wong—Sorry? No, it does not say that. Could you refer us to which paragraph you are—

Senator BIRMINGHAM—Unfortunately I have a series of extracts that I took out earlier and I do not have paragraphs.

Senator Wong—I used to get annoyed as a senator in estimates when my brief did that, Senator Birmingham. I would have said, 'Give me the original document,' so there you go.

Senator BIRMINGHAM—I know; indeed. Unfortunately, I left the original highlighted document in Adelaide so I have the document and my extracts, and my extracts do not have the clauses. So I do apologise. The extract I have is that it quotes the—

Senator Wong—Here we go. I can assist you, in the interests of being facilitative and helpful.

Senator BIRMINGHAM—Thank you, Minister. That is very helpful.

Senator Wong—Through the report to the July COAG meeting, the basin jurisdictions will determine the functions of the MDBC set out in the existing MDB agreement and the MDB acts to be transferred to the MDBA et cetera.

Senator BIRMINGHAM—So this is purely a transitional arrangement?

Dr Horne—No, this is to set out the functions that the MDBC is doing at the moment, to go through and look at them and see how to take those functions across to the new MDBA.

Senator Wong—Senator, this is actually quite important because, to be frank, this is one of the differences in the approach that we sought to take or we have taken in government. As Dr Horne said, this is about working out which functions of the commission should be transferred to the authority. We are very cognisant that the commission undertakes valuable work. We do not want to throw the baby out with the bathwater.

Senator BIRMINGHAM—All of that work will be determined again in terms of the 3 July meeting, so that determination will be made and comprise part of the IGA?

Dr Horne—We have detailed work going on at the moment, and have done for nearly two months now, which is looking at that issue. It is looking at the detailed matters of that transfer, not only the detail of the functions but then how you go about doing it.

Senator BIRMINGHAM—The IGA will go about delineating which functions are transferred and which ones are not et cetera.

Dr Horne—Yes. That is correct.

Senator BIRMINGHAM—I refer to paragraph 6. It states, ‘The Commonwealth will consult with the basin states on the appointment of all of the authority members.’

Senator Wong—Yes.

Senator BIRMINGHAM—What level of consultation does that entail? Does it provide for a veto, who resolves disputes et cetera?

Senator Wong—There is no commitment in here for a change to the provisions of the Water Act as currently exists in terms of who has the power of appointment. We did undertake in good faith to consult with the states.

Senator BIRMINGHAM—There is no intention then stemming from this statement that through the IGA process there would then have to be amendments to the Water Act putting in place a different consultation framework?

Mr Borthwick—There will be amendments to the Water Act as a result of folding the Murray-Darling Basin Commission into the Water Act. That will follow after the intergovernmental agreement is signed in the second half of this calendar year.

Senator BIRMINGHAM—Does the Commonwealth anticipate amendments relating to the appointment of people to the authority though?

Senator Wong—The MOU has not committed the Commonwealth to any such amendments in respect of appointments. The MOU commits us to consultation. I think Dr Horne had something to add.

Dr Horne—The act only refers to a process in relation to the chair of the authority. In fact, the arrangements that had been agreed by first ministers previously which were going to be included in a previous intergovernmental agreement will stand and be included in this intergovernmental agreement. So going back quite a period of time there were some arrangements to appoint part-time members of the proposed body. Those arrangements still hold good.

Senator BIRMINGHAM—The independence and scientific credentials and so on were a requirement in the act. There is no variation to those just to be absolutely clear-cut.

Senator Wong—Yes. The MOU outlines what the Commonwealth's commitments are. I do not recall—and I am sure someone will stop me if I am wrong—any commitment in respect of appointments to any changes to the act.

Senator BIRMINGHAM—The MDBA will provide a basin plan in early 2011, as has been canvassed. In terms of progress, has work commenced on the basin plan?

Mr Borthwick—No, work has not commenced on the basin plan. That is dependent on the Murray-Darling Basin Authority coming into actual effect once these processes are completed.

Senator BIRMINGHAM—The authority itself has come into effect, hasn't it, but I assume it does not have any staff as such?

Mr Borthwick—Yes. As per the Water Act, the authority comes into effect but in practice it does not come into effect until authority members are appointed and then all the staff are recruited. So the work cannot proceed until all of that is completed, and that will be dependent on the intergovernmental agreement, which is going to COAG, and then the subsequent legislation which will vary the Water Act by folding in the Murray-Darling Basin Commission.

Senator BIRMINGHAM—You have to remind me. The act does stipulate that the plan has to be completed by 2011, doesn't it?

Mr Borthwick—By 2011, yes.

Senator BIRMINGHAM—So there is no room for slippage in any event. It is a legislative requirement.

Mr Borthwick—We want this to happen as quickly as possible.

Senator BIRMINGHAM—We all do indeed.

Senator Wong—I am not sure that the act actually stipulates that. Senator Siewert is shaking her head. It may be elsewhere that that is the case.

Senator SIEWERT—The minister at the time—as I recall, it was Mr Turnbull—made a statement I think it was in parliament or it could have been raised in the Senate debate that it would be a two-year process. So there was not a time line, as I understood it. It was one of the amendments that I tried to move.

Senator Wong—Can I say that obviously our intention is to progress the basin plan as quickly as possible for obvious reasons. We might disagree on a number of things, Senator Birmingham, but I think you would be on the page in terms of a basin-wide plan.

Senator BIRMINGHAM—Absolutely.

Senator Wong—So it is our intention to progress that as quickly as possible. Obviously, in order to bring the authority into actuality, there are a range of matters that will need to be finalised between the Commonwealth and the states in accordance with the MOU and there are the practical implementation issues that the secretary has raised.

Senator BIRMINGHAM—Just in terms of ensuring that work is commenced to ensure the timely completion of the basin plan, it is obviously partly reliant on the completion of CSIRO's current work, I imagine. Beyond that, Dr Horne, is there a reason why at least initial drawing together of information—given that of course a lot of the staff, roles, functions and so on of the commission will be taken across to the authority—cannot commence before the authority is fully operational?

Dr Horne—I think the key reason is that the intention here is to set up an independent Murray-Darling Basin Authority, and it would be inappropriate to undertake that work. It is really for the authority to determine its own core business, and its core business is the basin plan. Clearly CSIRO work will be very important and that is critical. I think all jurisdictions are moving quickly to put in place the Murray-Darling Basin Authority so that it can get on with its work expeditiously.

Mr Borthwick—Can I also say, Senator, that the CSIRO's work will be influencing the sorts of things we are doing in terms of water purchasing and allocating water to the environment as a result of that purchasing. In other words, we will not be sitting on our hands waiting for the plan to be finalised before we start delivering, for example, water into the environment.

Senator BIRMINGHAM—I take that on board. Assuming IGA is successfully negotiated in July, the expectation then is that the authority will be fully operational by the end of this calendar year?

Mr Borthwick—That is our expectation.

Senator BIRMINGHAM—The legislative changes would hopefully pass through smoothly, Minister, and then you would be in a position to finalise appointments et cetera and have the authority operational this year.

Senator Wong—As I think we said on the last occasion, the government's intention and my intention is to progress this Murray-Darling Basin reform as expeditiously as possible—as quickly as possible. Obviously we were very pleased that COAG took what was an historic step for the establishment of a basin authority and in particular the step that the decisions on a new basin plan and basin-wide cap would rest with the Commonwealth minister alone. So

that is a very substantial and significant step forward in terms of the architecture of managing the Murray-Darling Basin. My intention, as I said, is to progress this as quickly as we are able.

Senator BIRMINGHAM—Minister, I turn to clause 13 of the MOU. If all or any basin state ministers disagree with the cap or other relevant parts of the basin plan, these matters would be referred back to the authority for reappraisal. Will such disagreements by states be made public?

Senator Wong—I might have to take that on notice. I do not recall a clause in the MOU which talks about whether or not that would be made public. I might be corrected, and if I am incorrect on that or on any other issue in terms of any indication about whether it would be made public I will seek to advise the committee. I would ask that you continue reading that paragraph, Senator. The authority would then return the basin plan to the ministerial council for its advice. The plan would then be submitted to the Commonwealth minister for decision.

Senator BIRMINGHAM—I understand that the final decision rests with the minister, which is pleasing. I am just trying to ascertain transparency through that process to ensure that if the states are putting up a fight we know what fight the states have put up and ultimately know, I guess, whether the minister or whether the authority have given ground to the states in that process or not.

Senator Wong—The transparency in paragraph 10 is probably relevant to some of what you raise—that is, if the Commonwealth minister decides not to adopt the basin plan, the Commonwealth minister would give the basin plan back to the authority with suggestions for consideration et cetera. If the minister declines to accept the revised basin plan, then the minister must provide to the parliament reasons for directing the authority to make modifications to that version of the basin plan.

Senator SIEWERT—Could I ask specifically about this issue around the states, because it was one of the issues that I wanted to raise. It gets sent back to the ministerial council. Does it at the same time get sent to the minister to see if they accept the states' concerns? Could you just describe the process that is going to be used?

Senator Wong—Some of the detail of these issues is obviously still the subject of discussion. What we have agreed is, I suppose, at a reasonably high level. But paragraph 13 of the MOU sets out a process where, if there is state disagreement, the matter is then referred back to the authority for reappraisal. The authority then returns the plan to the ministerial council for its advice, which includes the Commonwealth minister, and then the plan is submitted to the Commonwealth minister for decision.

Senator BIRMINGHAM—Just on that second-last sentence, the authority would then return the plan to the ministerial council for its advice. What is meant by 'advice' in that section?

Senator Wong—Precisely that.

Senator BIRMINGHAM—So the ministerial council does not have the capacity at that stage to alter the plan?

Senator Wong—Perhaps I can explain the logic behind this in terms of when we were in the negotiations. The logic was to enable the states to provide input or comment or views on the plan prior to the Commonwealth making a decision if they disagreed with it. However, it is quite clear in the MOU, in the paragraphs which I have read out, that the ultimate decision rests with the Commonwealth.

Senator BIRMINGHAM—I understand the ultimate decision rests with the Commonwealth. But if the plan has been amended by the ministerial council before it gets to the Commonwealth minister for that ultimate decision, then that is a different set of circumstances, Minister, to the Commonwealth taking clearly the plan from the independent expert authority.

Senator Wong—My understanding is, and obviously this will need to be progressed through the IGA—perhaps I will get Dr Horne to explain this aspect of it.

Dr Horne—I will start from the beginning. The plan comes from the MDBA and it goes to the ministerial council. The ministerial council has a look at the plan and if they are all happy with it they consent and just say, ‘We think it’s a great plan.’ It goes to the minister and the minister then takes a decision on the plan. If, however, the ministerial council or a minister in the ministerial council says, ‘Look, there’s something here that I think needs further work’—‘further consideration’ might be a better phrase than ‘further work’—they can send the plan back to the MDBA for that consideration. The MDBA look at it. They can either make some changes or not make some changes. That is up to the MDBA, really, at the end of the day. The MDBA then sends the plan back to the ministerial council. The ministerial council will look at it. It cannot make any changes to it, but it can look at it and say, ‘We’re all happy with this.’ On the other hand, they might say, ‘There are some issues of concern.’ So they would write down those concerns and the plan would be sent to the minister, who would look at the concerns which were raised by ministers and either say, ‘Yes, I agree with those concerns,’ or, ‘No, I don’t agree.’ If the minister agreed with those concerns or with any concerns, the minister would, in making a decision on the plan, be required to table those reasons in the House or in the Senate when the plan was brought in. So it is a very transparent process. If there is any disagreement—

Senator SIEWERT—But it only happens once?

Mr Borthwick—Can I just elaborate a little on that, because I think it is very important. The points have been made about the independence of the authority, and that is absolutely fundamental and what was originally ticked off by all first ministers as a procedure for going through it. With regard to the Water Act, which, as I mentioned, will be subject to some amendment, the Water Act goes into quite considerable detail in terms of the procedures for making the plan and the extent of the consultation that the authority has to undertake with basin states, with the basin states’ officials committee, with the basin community committee and indeed the whole public in terms of preparing its plan.

So it is required by the act to, for example, prepare a plain English summary of the proposed basin plan so it is available to the community as a whole. It is required to give a copy of the basin plan to each state minister. It is required to give the states 16 weeks to react. It is required to publish an invitation to members of the public to make submissions to the

authority on the proposed basin plan. It goes on in considerable detail in terms of making sure the process is as transparent as possible so everyone knows what is going on. In the end, they have considerable independence in terms of the process. Those safeguards were built in because the states only wanted this to come to the Commonwealth provided there was that level of transparency and accountability and scrutiny by the public and the parliament.

Senator BIRMINGHAM—Thank you, Mr Borthwick. Senator Siewert was asking the same question I was about to. Dr Horne, your explanation before was excellent. Thank you. Just to be absolutely certain in terms of the cycle you talked us through, there are only the two levels of potential consultation with the council. So the plan is developed by the authority. It goes to the council for comment. If they have a problem, it goes back to the authority. The authority says yea, nay or whatever. It sends it back to the council and then it goes straight to the minister for determination from there, either with comments from the council or without comments from the council. There is no opportunity for it to go at that second visit to the council back to the authority again and have a constant delaying tactic by the states or anything?

Senator SIEWERT—And will there be a time frame around that process?

Mr Borthwick—I do not think that aspect is currently addressed in the act. But vis-a-vis your earlier point about the risks of it bouncing back and forth, this was a matter very consciously addressed when we were discussing the memorandum, and they wanted to bring it to a conclusion so that we did not get this type of stand-off and not get the matters in the basin addressed. It was deliberately done that way precisely to avoid the sort of issue that you are worried about.

Senator Wong—I endorse what the secretary said.

Senator BIRMINGHAM—Thank you, Senator Wong. Paragraph 16 says:

Current state Water Shares, as defined by the MDB Agreement and subsequent MDB Ministerial Council and MDBC decisions, will be preserved unless otherwise agreed by all signatories to this MOU.

Does that mean that if the basin plan comes up with a formula that does not suggest the preservation of those current state water shares, there is a different process to approve that variation of those state water shares?

Dr Horne—This will get us into a little bit of a technical debate. It is important to understand what state water shares are. State water shares in the Murray-Darling agreement refer to some arrangements around the River Murray stem in particular and going up into the Lower Darling and to the tributaries that feed into the River Murray. So they do not apply to the whole of the Murray-Darling Basin. They are just focused on a bit of the basin.

There is a distinction to be made between state water shares, which relate to the proportion of water which New South Wales, Victoria and South Australia can take out of that part of the basin that I spoke about. Those are the three states that are involved in the so-called state water shares. What the basin plan relates to is defining an integrated, long-term sustainable diversion limit, which is in a sense the amount of water that can be diverted from either the surface water or the groundwater systems. It does not refer to the amount of water that is there

in the system, which is what in that part of the basin the state water shares actually refer to—an amount of water.

Not all state water shares are actually consumed. It is a total amount in that part of the basin which is under the control of a particular state. For example, the state water share for South Australia is currently I think 1,850 gigalitres per annum. The amount of water that is actually diverted for consumptive use is around 700 gigalitres; the rest of the water is used for conveying the water or for river flow and it goes down into the lower lakes. There is an interaction between those two comments. So what paragraph 16 says is that state water shares remain unchanged. In fact the MDBA and the basin plan are not actually looking at the state water shares themselves. They are over here and they will remain unchanged.

Senator BIRMINGHAM—In the way you have explained it then, Dr Horne, is there anything meaningful about the state water shares if the integrated, long-term sustainable diversion limit—that is a mouthful—

Senator Wong—They are your words, aren't they?

Senator BIRMINGHAM—No, they were Dr Horne's words, I just tried to scribble them down. If the diversion limit is really what is going to dictate in the basin plan how much can be taken out—

Dr Horne—No, state water shares are still important overall.

Senator Wong—My recollection is—and I have just tried to check this with Dr Horne and I think he might have said this—that your government's plan also contemplated the preservation of state water shares. My recollection, and I am sure someone will tell me if I am wrong, is that the Murray-Darling Basin agreement would require agreement of all the parties to alter those shares? Is that right?

Dr Horne—That is right.

Senator BIRMINGHAM—That may be the case, and I accept your word on that. It does not stop me from trying to get to the bottom of exactly what it means for the basin in this instance. Is there any way in which the maintenance of current state water shares could be affected by the basin plan and the sustainable diversion limit that is applied under that basin plan?

Senator Wong—There are a lot of hypotheticals in that and you are asking us to see into the future. I am going to simply ask you to go back to the words of the MOU, which says:

Current state Water Shares, as defined by the MDB Agreement and subsequent MDB Ministerial Council and MDBC decisions, will be preserved unless otherwise agreed by all signatories to this MOU.

So there is a capacity to alter, but paragraph 16 makes clear the circumstances which you would need to do that.

Senator BIRMINGHAM—But it does set a different standard of change to that which is set for the approval of the basin plan.

Senator Wong—That is because that is the legal framework that exists. The Murray-Darling Basin agreement sets these state water shares. That is the point I was making before.

We do not have many Victorian or New South Wales senators in here but I think they would tell you that they want their water share arrangement maintained.

Senator BIRMINGHAM—I am sure they would. I trust Senator Siewert, as a Western Australian, implicitly with the best interests of the Murray.

Senator Wong—You are right at the moment. You have got Senator Siewert and a couple of South Australians.

Senator BIRMINGHAM—I will move on to paragraph 18, which says:

An external review will be commissioned to examine the most efficient way for the MDBA to perform for the Basin States the current functions of the MDBC.

I assume that external review has commenced.

Senator Wong—Yes, it has.

Senator BIRMINGHAM—Who is conducting that?

Dr Horne—The Allen Consulting Group is conducting that.

Senator BIRMINGHAM—And that is running on time to feed into the July 2008 meeting?

Dr Horne—Yes.

Senator BIRMINGHAM—I will try to jump along a bit as I am mindful of the time and I want to give other senators an opportunity. I will go to some of the specifics of the horse-trading that went on in relation to the MOU. The Commonwealth has agreed in principle to fund up to \$1 billion for stage 2 of the Food Bowl Project in Victoria. The Commonwealth also indicated that it will conduct a due diligence assessment of priority projects. Is the Food Bowl Project subject to exactly the same due diligence assessment as other projects?

Mr Borthwick—The answer is yes.

Senator BIRMINGHAM—I assume it will get precedence or priority in terms of being the first such one considered?

Mr Borthwick—No. All states have been asked to submit proposals to the July COAG meeting and they will be considered by first ministers at an in principle level then. Subsequently, there will be due diligence processes put in place when the projects move forward.

Senator Wong—That process is indicated at the third dot point under paragraph 22.

Senator BIRMINGHAM—I recognise that. So there is no explicit priority in this MOU or in the budget for funding the food bowl project ahead of other projects that will also face due diligence?

Mr Borthwick—No, there is not.

Senator Wong—Can I just be clear: it is food bowl stage 2.

Senator BIRMINGHAM—Yes. Certainly, Minister. We would not want the Victorian Auditor-General to have to comment on the expenditure of Commonwealth funds as well. On

what basis will state authorities make river flow directions for the Goulburn and Murrumbidgee rivers?

Dr Horne—Could I ask for a clarification? On what basis?

Senator BIRMINGHAM—Okay. Let me step back a couple of steps. Under the current Water Act and the initially intended framework that it would operate under and the initial plans outlined by the previous government, the Goulburn and Murrumbidgee rivers, which form part of the Murray-Darling Basin catchment zone, would have been part of whatever was ultimately negotiated; that is correct?

Dr Horne—No, I do not think that is correct.

Senator BIRMINGHAM—No?

Senator Wong—Can I just have one minute?

Senator BIRMINGHAM—Sure.

Dr Horne—Sorry, there were a range of discussions over, I guess, the period when the previous government's arrangements were announced—so during 2007—on which rivers might or might not be within the control of the states or of the Murray-Darling Basin Authority to make river flow directions. This clause here is simply to say that they will remain within state control. Somebody can correct me if I am wrong on this but that is, I think, consistent on—can I just take—

Senator Wong—This is what I understood to be the case, and Mr Slatyer and Dr Horne can correct me if I am wrong. I understood that 'river flow directions' essentially refers to annual allocation decisions and that those would not be the responsibility of the MDBA which is, in fact, consistent with the approach we have taken generally. This is not an indication that these rivers would be excluded from the cap or the basin plan. But I would ask if Mr Slatyer or Dr Horne could just confirm that.

Mr Slatyer—That is exactly correct. State control over those tributary rivers is not written into the Water Act currently. Whether that control is exercised through the river management regimes or by the allocation decisions, it is not currently in the Water Act's Commonwealth responsibility. The MOU, as Dr Horne says, confirms that the status quo in that regard is being maintained.

Senator BIRMINGHAM—Are other rivers or tributaries explicitly named in the Water Act as being within state or Commonwealth jurisdiction?

Mr Slatyer—No, the Water Act in the form that it passed parliament does not specify any river system for control by the Commonwealth.

Senator BIRMINGHAM—So why are these two rivers specified in the MOU?

Mr Slatyer—I think Dr Horne answered that by alluding to debate that had occurred over the last 12 months about possibilities, but this MOU makes it clear that it is not the intention. But the difference with this MOU from the Water Act is that it is for the first time saying that this new authority will take on board the MDBC's responsibilities when it comes to running the Murray river system. Therefore, the question arose, I guess, 'What about the tributary

systems?' This MOU makes it clear that those tributary systems are not encompassed in that new regime.

Senator Wong—As I understand it—and please, Mr Slatyer, if I am incorrect, correct me straightaway—the treatment of these rivers is, in fact, no different to the other rivers within the basin, but what we were dealing with was the public perception which preceded our election, I think, about what would occur with respect to the Goulburn and the Murrumbidgee; is that correct?

Mr Slatyer—That is right.

Senator BIRMINGHAM—So to be very clear, they are considered to be part of the basin, they will form part of the plan, and they will form part of the overall cap on extractions?

Dr Horne—Absolutely, yes.

Senator BIRMINGHAM—And be bound by all of that as the state plans flow into place and all of those sorts of things.

Senator Wong—Subject to the arrangements that will apply in relation to state water-sharing plans and so forth. Is that what they are called?

Dr Horne—Yes. The basin plan applies to all catchments within the basin. So these are two of the catchments that are in the basin. So these plans, or these—

Senator Wong—These water resource plans.

Dr Horne—The rivers, the Goulburn and the Murrumbidgee—those catchments are part of the basin and they are captured by the basin plan.

Senator BIRMINGHAM—There is no special treatment for these rivers? You can guarantee that the Victorian government is not going to be removing flows that otherwise within the basin plan should be for environmental purposes?

Senator Wong—I cannot guarantee what any state government may or may not do. What we can say to you is what Dr Horne has said. That is, these rivers within the basin will be within the ambit of the basin plan and the basin cap.

Mr Borthwick—That is right. Just to reiterate, it is really a relic of negotiations over 18 months, because at various stages the Commonwealth just did not want to set a plan but wanted to actually control the alterations of a number of rivers right across the basin. What this is saying is that we are doing what the Commonwealth is best equipped to do and indicating an integrated long-term basin plan leaving the states to run the river systems within their jurisdictions, but they will have to run it in accordance with the provisions of the plan. But we will not be actually doing the work that all the state water authorities and the like do in that. It is just clearing some of that undergrowth which was still there as a result of previous negotiations. But there is absolutely no special deal for any particular river system or any particular jurisdiction.

Senator BIRMINGHAM—One further question from me and then I will defer, knowing that senators Siewert and Bernardi both have some questions. Clauses 35 and 36 relate to the risk assignment framework. Does the Commonwealth have an estimated cost of that risk? You may not. If you do, is it budgeted for? If not, can we have an assurance that such risks will not

be funded out of the 12 point whatever billion-dollar figure it is that you quote, Minister, for the 10-year plan?

Senator Wong—Clearly, the cost obviously depends on the basin plan to some extent. Really, issues as to funding would be highly speculative for me to deal with now. The government has indicated what the \$12.9 billion is for. Certainly, a substantial component of that in terms of the balance aspect is in relation to the purchase of water, and also the infrastructure component I think can be reasonably understood as responding to the likelihood of lower rainfall. Some might call that a risk mitigation activity, but I cannot add anything further in relation to costs.

Mr Borthwick—Basically, to give you a little bit of rationale for this change in provisions, the states felt—and I think felt quite rightly—that if it were the Commonwealth who was, through the authority and then subsequently ministerial decisions, making judgements in terms of the overall cap and the plan then those issues were essentially being shifted out of the state authorities which make those provisions to the Commonwealth. Hence, the risk assignment provisions should change to reflect where the authority should now shift. Clearly, when we were working through with the states on these things, we had to come to some judgement about that, but we thought that the states' proposition was a reasonable one. But that was the chain of logic.

Senator BIRMINGHAM—Thanks, Mr Borthwick. I understand. Obviously, the main point is ensuring that the \$12.9 billion is not diverted to such risk costs. I have many more questions if I get the chance, please, Madam Chair.

Senator Wong—Can I just be clear that the MOU indicates at paragraph 35 that the risk assignment framework is incorporated into the Water Act. I apologise—to bring forward.

Mr Borthwick—It will be incorporated into the Water Act in the amendments to the Water Act.

Senator BIRMINGHAM—It is a challenge.

Senator Wong—I apologise. That was incorrect—to bring forward.

Senator SIEWERT—I have got questions not only on the Murray-Darling but also on Ramsar issues. I am just letting you know.

Senator Wong—When do you want to do which?

Senator SIEWERT—We may as well keep going on the Murray now and then swap over if that is okay.

Senator Wong—Sure.

Senator SIEWERT—In relation to the \$50 million purchase of water that has just occurred, could you explain how the committee that has been set up to review those purchases is going to operate?

Mr Forbes—The committee has not met as yet. We are proposing to have the committee meet towards the end of June or sooner if we can. It is a departmental committee. The committee will operate essentially through secretariat support from the department and—

Senator SIEWERT—Sorry, when you say ‘departmental committee’, is that what you mean—supported by the department?

Mr Forbes—Supported by the department and it will provide advice to the department.

Senator SIEWERT—Okay.

Mr Forbes—In relation to time frames, we are trying to ensure that we can do the review as soon as possible, perhaps looking towards the end of July as a finish point. But we would need to clearly consult with the committee at their first meeting about some of the processes which will be required and what they would wish as well in terms of the sorts of consultations they would like to undertake outside of the committee itself.

Senator SIEWERT—What is their actual role? It is a little unclear from the media release that came out last week what the specific role of the committee is.

Mr Forbes—Essentially the committee will be providing advice to the department on the \$50 million round and what sort of improvements can be made to our processes for the future.

Senator SIEWERT—Will they be looking at it from a strategic point of view? Is that the idea?

Mr Forbes—I think it is from a community point of view, but no doubt they will be wanting to put it into a strategic context.

Senator SIEWERT—The media release states, ‘The group we are establishing today will provide advice on how the Government can best respond to community concerns as we progress water purchase.’ Is that what the role of the committee is? Essentially the role of the committee is to respond if there are concerns about the way water has been purchased.

Mr Forbes—Clearly we need to understand community concerns but we also need to look at the way we need to move forward. We need to obtain views of the committee about propositions on the way we are actually going about our purchasing as well. So not only is it about community concerns but also we are interested in their views about our processes.

Senator Wong—Senator, are you able to indicate what your concern is and perhaps I could respond to it?

Senator SIEWERT—Are they going to be ticking off on each purchase?

Senator Wong—No. In fact, that would be inappropriate.

Senator SIEWERT—Yes. Who makes that decision?

Senator Wong—Under the process we have just finished, which was an open competitive tender—is that what we call it? It is a rolling tender, I am advised. The decision is made by the department against criteria which I think we may have traversed before.

Senator SIEWERT—Yes. So it is against those criteria that have been listed in several of your documents that have been released and your speeches—

Senator Wong—I think we have released them previously. I have certainly referred to them publicly. There are commercial-in-confidence issues here. Perhaps I should let Dr Wooding explain this criteria issue.

Dr Wooding—The criteria we use relate to value for money, environmental need and accessibility and usability of the water. In broad terms, they are the criteria. We have not released specific details of our criteria basically because, as with information about what we have purchased, we do not want to breach commercial confidentiality or sensitivity of any of the information we reveal.

Senator SIEWERT—Thank you for that clarification. Will this committee look at where the water has been purchased?

Dr Wooding—It is going to look at the process that we have just been through. We are also going to undertake a review, which we are going to resource and also possibly engage some expert advice. They will look at what we are doing in the review and provide us with comment from a community perspective.

Senator SIEWERT—So you are going to do an internal review and you will provide that to the committee.

Dr Wooding—Yes, the committee will provide advice on the progress of the review.

Senator SIEWERT—I do understand what you are saying about commercial-in-confidence et cetera. Will the more detailed criteria that you will use be available to the committee on a confidential basis?

Dr Wooding—We are still contemplating how we will deal with that. The committee includes people who are themselves owners of water and other things, so we would want to be careful about that. But we certainly want to give them enough information so that they can comment sensibly on the process.

Senator Wong—Senator, I am not sure where you are going with this. Obviously you can go wherever you want, but I want to be clear from my perspective what our view is. We remain committed to the purchase of water, and that is why we have the budget allocation for that purpose. We remain committed to it because, as you know, we believe that in the Murray-Darling Basin there is a very strong and clear need for environmental water. That is the first point.

The second point is that I am aware that there are some community concerns about this water buyback. As you know, this is the first time the national government has directly entered the water market, so it is reasonable that we engage with the community about these issues. My view was that this was an opportune time after the first entry into the market for us to essentially engage members of the community and have an evaluation of that process.

The intention would be, as my press release said, essentially how we can make best use of water purchasing into the future, what is the best way to proceed from here as well as the community concern issues that have been raised by some communities but not all. Obviously there is a difference of views at different points in the basin.

Senator SIEWERT—Thank you for that. Is your intention to keep this as an ongoing committee? It seems to me from your press release that it is to review this current round. Is it your intention to keep the committee on so that they can provide that sort of overview—overview is not quite the right word, but ongoing feedback?

Senator Wong—The committee has been established for the purposes of this review. I have not made any decisions about any ongoing consultation structure at this stage.

Senator SIEWERT—I am aware of the time so I may have to put quite a lot of questions on notice. I would like to pursue a bit further the issue that Senator Birmingham raised and that is around the \$1 billion allocation to the fruit bowl project. I refer to the claims that were made that there was going to be, I think, 100 billion litres of water saved by that project. On what basis were those claims made? Who provided the figures for that? I think it was actually 200, of which the river would get 100.

Mr Borthwick—They were estimates put on the table by the Victorian government.

Senator SIEWERT—Did you do any assessment of those claims?

Mr Borthwick—No, we did not assess those claims but we wanted to make sure, through the due diligence process, that they could be verified.

Senator Wong—I would refer you on this, Senator, to paragraph 22 of the MOU.

Senator SIEWERT—Is this the one about due diligence?

Senator Wong—Correct.

Senator SIEWERT—I appreciate and I have read the issues around due diligence—that it will be undertaken. What happens if you are not able to get the 100 billion litres of water for the \$1 billion that has been allocated?

Senator Wong—Senator, I am not going to go beyond what has been agreed in the MOU at this stage, and I would refer you to that. We have agreed in principle to fund 90 per cent of the total project cost up to \$1 billion, subject to a joint due diligence assessment et cetera. Our negotiations are proceeding in respect of the due diligence. I am not going to speculate about where that goes from here.

Senator SIEWERT—You have committed \$1 billion. I understood it was on the basis that 100 billion litres of water would be returned for that \$1 billion. What happens if it is in fact not correct, once that due diligence is undertaken? You have not undertaken any assessment of the amount of water Victoria said was accessible through that project. We have all heard of the Auditor-General's report in Victoria that has fairly strong words to say about stage 1.

Senator Wong—Senator, as I said, I would refer you to the MOU. We are progressing the due diligence discussions and negotiations with Victoria. As you will see, the MOU says this is subject to a joint due diligence assessment and the delivery of half the gain and additional flows around 100 billion litres.

Senator SIEWERT—Did Victoria provide any figures to back up their claims that they could provide the river with 100 billion litres of water?

Senator Wong—In which context, Senator?

Senator SIEWERT—When you were negotiating this agreement, did Victoria provide any figures to back up the claim that they would save 100 billion litres of water?

Senator Wong—They are Victoria's figures. That is the information the Victorian government and I think Victorian officials gave to us in the context of negotiations. As I said,

this is obviously subject to a due diligence process within the context of the in-principle agreement that is outlined in the MOU. I think the reason we are probably not going to be able to assist you is that I am really not going to speculate ahead of that negotiation and due diligence process about the outcomes.

Senator BIRMINGHAM—Just on that point, can I confirm, as a principle in applying the terms of this MOU and the IGA, that due diligence for any priority project will ensure that, to the best of the Commonwealth's knowledge in undertaking that due diligence, the nominated water savings for that priority project will be delivered if it is undertaken?

Senator Wong—I am sorry, I do not understand the question

Senator BIRMINGHAM—The question was: when you are undertaking due diligence for any project, will part of that due diligence be ensuring that the nominated water savings can be met?

Senator Wong—The answer in the broad is yes. What I have made clear publicly is three criteria to guide investment in priority projects put forward by the states. I have made that clear I think in two speeches. They are: projects must be able to secure a long-term sustainable future for irrigation communities in the context of climate change and reduce water availability in the future; projects must deliver substantial and lasting returns of water to secure real improvements in river health; and projects must deliver value for money.

Senator SIEWERT—What happens to the agreement if the due diligence shows that the savings cannot be made? What happens to the agreement?

Senator Wong—I am not going to get into that. I am not—

Senator SIEWERT—Was that discussed?

Senator Wong—I am not getting into that hypothetical, Senator.

Senator SIEWERT—It is not a hypothetical. When you were negotiating the agreement—

Senator Wong—It is a hypothetical because we do not know what the results will be. The MOU specifically recognises the need for a due diligence process and that is what the Commonwealth is engaging in.

Senator SIEWERT—Let us move away from a hypothetical around Victoria. If due diligence on any project is not met, what happens to the agreement? Surely that was discussed with the states. If the projects they put up do not meet those requirements—and Victoria came on board because it was given the carrot of a billion dollars—what happens if they do not meet due diligence? I reckon the Australian community has a right to know.

Senator Wong—Well, due diligence means exactly that.

Senator SIEWERT—If it does not meet that, what happens to the agreement? Does Victoria pull the pin?

Senator Wong—I cannot speak for the Victorian government. What I can say is what we agreed when we were negotiating. We agreed in principle to fund up to \$1 billion, 90 per cent on a 90 per cent project cost basis, of the stage 2 project subject to a joint due diligence assessment et cetera.

Senator SIEWERT—Did you not discuss what happens if it does not meet it?

Senator Wong—It is quite clear what that means, Senator. As I said, I understand where you are going on this but we are not going to speculate about where that due diligence notion goes to.

Senator SIEWERT—Due diligence I presume means that it is delivering against those criteria and it is actually delivering the savings that were articulated in the media.

Senator Wong—Sorry?

Senator SIEWERT—I am presuming that the savings that were articulated in the media are the basis on which those negotiations were carried out, which is the 100 billion litres.

Senator Wong—Due diligence discussions occurring in the context of what was agreed in the MOU that I have read to you.

Senator SIEWERT—So you did not put any requirements around the amount of water that would be delivered?

Senator Wong—I cannot assist you any further, Senator. The MOU reads as it is. That is the context of the due diligence discussions.

Senator SIEWERT—Thank you. I am aware of the time. Can I quickly go on to the wetlands—to Ramsar, please?

CHAIR—You will have to go to Senator Bernardi first.

Senator SIEWERT—I am interested in where the review of the management of the Ramsar wetlands is up to.

Ms Schweizer—At the last estimates we advised you that it was complete but we had not reached a stage where we were able to brief the minister and seek her decision to release the report. We are much closer than we were when we last spoke. We have been working with the states and territory to prepare a response to the findings of the report.

Senator SIEWERT—So you have briefed the minister?

Ms Schweizer—No. We wish to provide the minister with a report and with the responses to that report. You will be aware, of course, that the actual day-to-day management and responsibility for Ramsar sites is vested in the states. As such, any responses to what the report has found need to have the states' agreement. So we have been doing two things. We have had the report scientifically and technically edited, because I am told it is 131 pages of information which is quite hard to work one's way through. We are now preparing the review response. That is out with the jurisdictions at the moment for comment, and we hope to be providing the package to the minister shortly.

Senator SIEWERT—Very quickly, because I really want to get to COP. The response back from the states does not alter the report. You just provide to the minister the states' response to your report. Is that correct?

Ms Schweizer—It is our collective response. No, it does not alter the report's findings. It will simply be saying what we are doing in taking forward these recommendations. One thing you may wish to note is that the report will go to both Minister Garrett and Minister Wong

because, depending on the sorts of issues the review has raised, responsibility lies in different areas.

Senator SIEWERT—When do you foresee being able to provide it to the ministers?

Ms Schweizer—I would hope in the next couple of months.

Senator SIEWERT—Thank you. I presume we are sending a delegation to the Ramsar COP.

Ms Schweizer—We will be, yes.

Senator SIEWERT—How many are we sending?

Ms Schweizer—That is yet to be decided.

Senator SIEWERT—Are we making any new nominations?

Ms Schweizer—There are currently no sites with the Commonwealth from the states requesting nomination. Our current policy is that we do not put forward any new nominations until such time as we have been requested to do so by the jurisdictions. That suggests to me that the window of time available to be able to put in for all new nominations before the COP in October-November is getting increasingly small.

Senator SIEWERT—Thanks. Is any consideration being given to Montreux listing the Coorong?

Ms Schweizer—Montreux listing is of course a matter for the minister to decide on. We have been thinking about and going through the Montreux listing questionnaire, which is what the secretariat from time to time asks jurisdictions to do. I think it is important to quickly clarify with respect to Montreux listing that, under article 3.2 of the convention, the requirement on parties to the convention is to notify the secretariat. Montreux listing, which follows on after that, is entirely a voluntary process if, after such notification, a decision is made that listing will actually assist in the management of the site.

We assess the sites from time to time. We have two sites that we have done notifications on. In fact, we did a notification on the Coorong back in December 2006, so we fulfilled that step. We were entirely in line with our convention obligations. As a matter of course, we will update that notification before the COP but it is a decision the minister would have to make—in this case it is Minister Garrett—as to whether or not he wished to go that extra voluntary step of doing the listing.

Senator SIEWERT—Thank you for that.

Senator BERNARDI—Minister, you are aware that satellite imagery taken over New South Wales after the floods earlier in the year showed a number of unauthorised channels, man-made tunnels and levies. What, if any, action have you taken in regard to that?

Senator Wong—This is the illegal diversions of water in New South Wales?

Senator BERNARDI—Illegal diversions of water, yes, and earthworks and things of that nature.

Senator Wong—I would will ask Mr Slatyer or Ms Schweizer to comment.

Ms Schweizer—As part of the government's response in looking at that, we have entered into a joint project which is jointly funded by the National Water Commission and the New South Wales department to the tune of \$400,000 to audit water diversion structures in the marshes. The project aims to identify structures that impact on the delivery and effectiveness of environmental flows and to ensure that such structures are modified and/or managed to ensure the flows are delivered to targeted environmental assets.

I believe the project has recently identified 18 structures which are not subject to investigation. Four of these are of particular interest to the department because of their potential to impact on the Macquarie Marshes Ramsar site. So that work is ongoing. It is proving to be somewhat challenging in ascertaining over time the legality or not of the structures in question. We are of course working with our counterparts in the New South Wales Department of Water and Energy to do that.

Senator Wong—Is there something Mr Slatyer can assist the senator with on enforcement?

Mr Slatyer—I do not think so.

Senator Wong—This is an issue which the government is concerned about. In terms of enforcement, these are primarily issues that are the responsibility of the states. Obviously, we will work as far as possible with the states in relation to these issues. As Ms Schweizer said, we are funding the program to which she referred.

Senator BERNARDI—Minister, it is a significant issue. If I can go back to some of the information, there were 18 structures that were not illegal. Is that what you suggested to me?

Ms Schweizer—No, I did not say illegal. It is just preliminary advice and we are talking about hundreds of potential structures in the marshes, which are very flat. A small ridge of earth that has been lifted up can constitute a structure. It is just preliminary advice that says that, of some of the work they have done, there are some that they want to explore further.

Senator BERNARDI—Media reports suggest that there are 1,600 kilometres of man-made tunnels, 330 kilometres of levies and 400 kilometres of unauthorised earthworks.

Mr Slatyer—Given the minister's prompt, I might talk a bit about this.

Senator BERNARDI—You are happy to wade into it now.

Mr Slatyer—There is a big difference between an action that is unlawful and illegal under New South Wales law and an action that is having a potential impact on the marsh environment. To trigger the application of the EPBC Act and the various provisions under that, there has to be a demonstrated significant impact from a particular activity. What we find in this domain of northern New South Wales is that the cumulative impact of many, many activities may well be significant but you cannot identify a particularly significant result from any one intervention. So there are real issues about, if you like, the legal character or the lawfulness of some of these activities as it would trigger EPBC Act requirements or, for that matter, New South Wales requirements.

Another issue that is important is that we are very dependent on the quality of record keeping in New South Wales about when these structures were built and the arrangements under which they were built. For example, the EPBC provisions do not apply to any structures built prior to the commencement of that legislation.

Senator BERNARDI—I am mindful of the time. Minister, what have you done? Have you approached the New South Wales government about this issue? In what manner have you done that and what have they told you they would do?

Senator Wong—Just looking at what Minister Rees has said publicly, his comments as reported in the *Sydney Morning Herald* were:

We will not tolerate water theft. Any unlawful structures not already under investigation will be identified through the audit, which should be completed by the end of the year. Any non-compliance will be acted upon.

Senator BERNARDI—Have you spoken with him about this?

Senator Wong—I have had a range of discussions with Minister Rees about water issues and I can indicate to you that this is a matter I am concerned about and the government is concerned about. Ultimately these enforcement issues, under the rubric that Mr Slatyer has indicated, are decisions for the states. As I said, we are willing to do what we can to cooperate with New South Wales.

Senator BERNARDI—I guess it goes to the urgency of this. When have you sought to establish what the New South Wales government has or has not done with regard to these—

Senator Wong—I will have to take that on notice. I do not have—

Senator BERNARDI—Would you be able to get it for us today?

Senator Wong—No, I do not recall when I was first made aware of this. I know I have made some public statements about this. I am not sure when I was first made aware of this. You may or may not be aware there has been a change of water minister in New South Wales.

Senator BERNARDI—There are all sorts of changes in New South Wales.

Senator Wong—Yes.

Senator BERNARDI—There are.

Senator Wong—I hear your president is—

Senator BERNARDI—But let us go back to the point.

Senator Wong—I would make the point, Senator—I do not want to play politics too much here—that this is issue that has been around for a very long time.

Senator BERNARDI—Let us accept that. But certainly you have a responsibility to make inquiries as to what is actually being done to solve it. This is now your watch and I want to know what you have done. Only a month ago you said you did not know what has or has not been done by the New South Wales government.

Senator Wong—I am sorry?

Senator BERNARDI—Only one month ago you said, ‘I don’t know about that. I’m not sure what has or has not been done by the New South Wales government.’

Senator Wong—What are you reading from?

Senator BERNARDI—From a transcript from *Lateline* on Tuesday, 29 April.

Senator Wong—This issue, yes.

Senator BERNARDI—Yes, it is about this issue. So I want to know why you do not know what has or has not been done by the New South Wales government.

Senator Wong—Senator—

Senator BERNARDI—This is your responsibility.

Senator Wong—Not every single thing which every state or territory government does in the realm of water is something I have a precise recollection of or possibly am even briefed about, and I am sure you would understand that. If you want to talk, Senator—

Senator BERNARDI—This is a significant issue, Minister, and you are washing your hands of it.

Senator Wong—Not at all.

Senator BERNARDI—You must be, because—

Senator Wong—If I could finish, Senator.

Senator BERNARDI—you do not even know.

Senator Wong—If you want to talk about sitting on your hands, we have achieved in six months what you never achieved in 11 years, and that is an agreement on the Murray-Darling Basin. We have purchased water for the first time directly by the Commonwealth. So I am very happy to stack up our record thus far on water reform against yours.

Senator BERNARDI—When you have complicit state Labor governments, except in this case where—

Senator Wong—Complicit?

Senator BERNARDI—where you are now passing the buck by saying—

CHAIR—Senator, you have two minutes. Are there any useful questions?

Senator BERNARDI—These are useful questions. They are a very direct line of questions—

CHAIR—Can you ask the question, please, Senator Bernardi.

Senator BERNARDI—The minister is suggesting that this is not a very important issue.

CHAIR—What is your question?

Senator Wong—I have never suggested that.

Senator BERNARDI—No, but you have not even made inquiries as to what they are doing about it and only a month ago you said you do not know what has or has not been done with regard to this issue.

Senator Wong—I have never suggested that this is not an important issue.

Senator BERNARDI—Then why are you not pursuing it personally?

Senator Wong—What I will say is that we will continue to have discussions at the appropriate levels about these issues.

Senator BERNARDI—But you will not participate in them? Is that what you are telling us?

Senator Wong—I did not say that. I said I have had a range of discussions with—

Senator BERNARDI—But you said you are not across it, and you have said that.

Senator Wong—I said I have had a range of—

Senator BERNARDI—*Hansard* will reflect that.

Senator Wong—Senator, do you want me to answer a question or do you want to argue with me?

Senator BERNARDI—Well, you have not done very well so far.

Senator Wong—I am just going to wait until the question is asked, Madam Chair.

Senator BERNARDI—What are you doing about it? Tell us.

Senator Wong—Is that the question now?

Senator BERNARDI—Yes.

Senator Wong—I have told you. Ms Schweizer has spoken to you about the project we are funding. Mr Slatyer has explained to you the legal limitations—if that is the best way to put it—on what the Commonwealth can do. These are issues about which we are concerned. Ultimately, however, enforcement of these matters is a matter for the states. They are matters that we will continue to have a dialogue with New South Wales on.

Senator BERNARDI—But you personally have not engaged in the dialogue about it?

Senator Wong—No, that is not true.

Senator BERNARDI—That is not true? So you have?

Senator Wong—That is not true.

Senator BERNARDI—But you have not ascertained what New South Wales—

Senator Wong—I have had discussions about this—

Senator BERNARDI—Okay.

Senator Wong—I have had discussions about this—

Senator BERNARDI—So can you tell us what New South Wales is doing about it?

Senator Wong—Do you want me to—

Senator BERNARDI—No, that is my question. Will you tell us what New South Wales is doing about it?

Senator Wong—Madam Chair—

CHAIR—Minister—

Senator Wong—I am sorry?

Senator BERNARDI—Will you tell us what New South Wales is doing about this?

Senator Wong—I am not aware at this point in time other than what I have read to you from the public statements of Mr Rees what the New South Wales government's position is, and you would have to address your questions to them.

Senator BERNARDI—What I want to establish is that you have not sought specifically to ask the New South Wales minister what they are doing with regard to these illegal structures as they are described, or unauthorised structures?

Senator Wong—I have not what?

Senator BERNARDI—You have not sought to speak to the minister about what New South Wales is or is not doing with regard to these structures?

Senator Wong—I have met with Minister Rees on a number of occasions. I do not intend to outline to you all of the issues that we have discussed. Obviously we had a Murray-Darling Basin council meeting, I think, last week. What I can assure you of, Senator, is that I regard this issue as an important issue and will continue to progress it in dialogue with New South Wales.

CHAIR—Thank you, Minister. Thank you, senators. That concludes the examination of outcome 3. After the dinner break we will recommence at 7.15 with outcome 4. Thank you very much, officers and Minister, for attending.

Proceedings suspended from 6.16 pm to 7.17 pm

Australia Council

CHAIR—Good evening, everybody. I welcome Senator the Hon. Jan McLucas, Parliamentary Secretary to the Minister for Health and Ageing, representing the Minister for the Environment, Heritage and the Arts, and portfolio officers. I call officers from the Australia Council.

Senator KEMP—I wanted to make a couple of general comments first.

Senator LUNDY—You're supposed to ask questions, Senator Kemp!

Senator KEMP—Senator Lundy, you are going to have your chance to attack the government over the outrageous cuts it has made in Canberra, and I am prepared to allow time for that to happen.

You will be aware that in the estimates that we have had to date I have been somewhat critical of various departments and ministers that have not been prepared to table a list of the government's election promises which are being administered by the department. That has happened, I think, in three or four departments, but I want to say a special thank you to Mr Garrett. It is not often I praise a Labor minister, but Mr Garrett alone of all the ministers in this government was prepared to table a list of election promises administered by the department. I am delighted that he was prepared to stand up to the PM's office, to stare them down and to table that list. Senator, would you at the table pass on my compliments to Mr Garrett.

Senator McLucas—I certainly will.

Senator KEMP—I think many in the arts community would be very pleased with the courage he showed, because no other minister in this government has been prepared to do that. I want to go through quite a variety of things in relation to the department, but that comes—

CHAIR—At the end.

Senator KEMP—We will have to speed the journey up a bit. I have a number of comments for the Australia Council. The issue on everybody's mind is the cuts that have been made as a result of the efficiency dividend. I know that you provided some figures last time, and I wonder if you could confirm that those are the actual figures or are those figures to be amended?

Ms Keele—Are you referring to how much is to be cut?

Senator KEMP—Yes. I think the department provided some figures last time, but I wanted to make sure because of the importance of this. What does the two per cent rise in the efficiency dividend mean for the Australia Council?

Ms Cowdery—The figures we gave you were net figures. We have two appropriations. The major performing arts companies are excluded from the two per cent efficiency dividend, so the figures that we gave you were the net impact on the organisation.

Senator KEMP—For the record again, could you run through the annual figures across the forward estimates.

Ms Cowdery—Commencing in 2008-09?

Senator KEMP—Yes.

Ms Cowdery—The net impact?

Senator KEMP—Yes.

Ms Cowdery—In 2008-09, \$1.4 million; in 2009-10, \$1.4 million; and in 2010-11, \$1.4 million.

Senator KEMP—So basically the budget of the Australia Council as a result of this was cut by just over \$4 million. Could you indicate how those cuts are going to be absorbed by the Australia Council?

Ms Keele—The Australia Council will take those cuts against their administration to improve its efficiency.

Senator KEMP—Does that mean that there will be staff cuts at the Australia Council?

Ms Keele—Yes, there will be some staff cuts.

Senator KEMP—Do you have any numbers that you can float before the committee?

Ms Keele—We are in the process of working through that right at the moment.

Senator KEMP—Can you give us a broad figure?

Ms Keele—At a high level, the estimates indicate a broad figure of 28.

Senator KEMP—Twenty-eight people?

Ms Keele—That includes a mixture of redundancies, completion of contracts and natural attrition.

Senator KEMP—They will not be coming from the artform boards? Is that what you were saying?

Ms Keele—They will come from across the council, but we will not take the efficiency dividend against the grants or moneys to arts organisations.

Senator KEMP—Of course, the government did make some election promises, and again I thank Senator McLucas for the list that was provided to me. What is the overall level of the Australia Council's budget this year as compared with the previous year?

Ms Cowdery—We have an appropriation of \$160 million. We have moneys coming through the department for a number of government initiatives. We have Creative Communities, which is \$10 million over four years. We have the Artist in Residence program, which is \$5.2 million over four years.

Senator KEMP—They have been funded, have they? You are receiving specific funds for those two programs?

Ms Cowdery—Yes, we are.

Senator KEMP—What level of funding will there be from the department for the various programs?

Ms Cowdery—There will be \$11.3 million.

Senator KEMP—How does that compare with the previous year?

Ms Cowdery—It has been increased. In the 2008-09 budget, from the department we have \$5.2 million for the visual arts and craft funding; we have the continuation of the Books Alive program for \$2 million; Creative Communities at \$2.75 million; and Artist in Residence at \$1.3 million.

Senator KEMP—What election promises that the government has made have to be absorbed by the funding of the Australia Council? I think there are at least one or two.

Ms Keele—None of them. They are only moneys for us.

Senator KEMP—I think there is.

Ms Keele—There is a misprint in the papers. One of them says that the Australia Council has to absorb it from their own commitments but, as I understand it, that is a mistake.

Senator KEMP—So the government has provided funds for that program, have they?

Ms Cowdery—I think the measure that you are referring to is support for young and emerging artists in the portfolio statements. The footnote to that says:

The \$6.6 million over four years will be offset from the portfolio's existing resources.

Senator KEMP—So the government has not provided any funds for that program? It has to be absorbed. Is that right?

Ms Bean—The funding has to be absorbed from within the portfolio, so it has to be offset from within the portfolio, not necessarily the Australia Council.

Senator KEMP—I see, and the total cost of that program again was?

Ms Cowdery—\$6.6 million over four years.

Senator KEMP—So the department has to absorb that, in addition to the efficiency dividend. Is that right?

Ms Bean—The portfolio.

Senator KEMP—As someone who is not all that wise in these matters, Ms Bean, could you translate that for me? If the portfolio has to absorb that, how is it going to be absorbed?

Ms Bean—As I understand it, a final decision has not been taken.

Senator KEMP—Really? Is that because the department did not want to take it until the estimates were finished?

Ms Bean—That would be speculation.

Senator KEMP—Okay. We will come back to some of these with the department, but the department must have some idea at present, surely, how this money is going to be absorbed. It is quite a substantial sum.

Senator McLucas—I think the officer has answered your question, Senator Kemp. It is speculative for the officer to provide anything further.

Senator KEMP—The department was kind enough to provide me with a table of the growth in funding of the Australia Council from 1996 to 2007-08. I wanted to check that that table was correct because it shows an astonishing growth in funding particularly, I might say, in the last five years.

Senator LUNDY—You were the minister during that time.

Senator KEMP—Could that be true?

Senator LUNDY—Tell us, Senator Kemp.

Senator KEMP—Senator Lundy is becoming restless over there. Why don't you ask some questions?

Senator LUNDY—No, I am just enjoying the show.

Senator KEMP—I assume the answer is yes, that that is the case.

Ms Keele—I am pretty confident of these numbers.

Senator KEMP—It appears that the Australia Council seems to have done particularly well. I hope that that continues under the current government. Senator Lundy, you might have a few questions.

Senator LUNDY—I think it is an appropriate time to acknowledge that this is likely to be Senator Kemp's very last opportunity as a member of parliament to participate in estimates with the arts portfolio and I know he is enjoying himself immensely. It is also appropriate to acknowledge that—how long were you minister for the arts?

Senator KEMP—Just on five years; only five years, unfortunately.

Senator LUNDY—Just on five years; and obviously made a significant contribution in that role, Senator Kemp.

Senator KEMP—That is kind of you. I am touched by that.

Senator LUNDY—We are looking forward to the concreting-in of the Kemp legacy through questions this evening and I am enjoying the show.

Senator KEMP—Okay.

Senator LUNDY—And I think you are even allowed to indulge yourself just a little tonight.

Senator KEMP—Thank you very much for that, Senator Lundy.

Senator LUNDY—What do you think, Chair? Maybe just a little?

CHAIR—Are there any further questions of the Australia Council?

Senator KEMP—Yes, I wanted to look at what is happening in the orchestra area, which is administered through the Major Performing Arts Board. Can we assume now that all the orchestras are returning a surplus?

Ms Keele—Yes, they are all returning a surplus and all but one had an excellent year last year. The one orchestra that did not do quite so well, it was just a bad season. It has come good again, so everything is very good in the orchestra. The orchestra review—that is, the review of the implementation of the orchestra review—will start in July.

Senator KEMP—When will that be finished?

Ms Keele—I am not sure that that has been finally decided but September, I think, was the date. I would have to look that up to confirm that.

Senator KEMP—Are there any outstanding workplace relations issues in orchestras at present? Let me pursue that. Is there currently a continuing problem in WASO?

Ms Keele—I do not think we know that. I would like to take that on notice. I am not really sure.

Senator KEMP—You would not have that detail.

Ms Keele—I do not have that detail.

Senator KEMP—The view has been put to me that the call-out time for the WASO is—if I remember correctly, it was described as—fewer hours than apply elsewhere in Australia. Can anyone shed any light on that for me?

Ms Keele—No. We will get back to you on that.

Senator KEMP—I was under the impression that that matter had been fixed up. But I notice that SOMA continues to go around seeking more money for orchestras. Is that correct?

Ms Keele—SOMA?

Senator KEMP—Yes.

Ms Keele—Yes. I just do not know the detail. I would have to get back to you.

Senator KEMP—Does anyone know what they are currently seeking?

Ms Bean—There is an evaluation proposed for this financial year. Submissions have not been formally received for that at this stage, as I understand it.

Senator KEMP—But Mr Howard Manley has been walking around Parliament House and elsewhere, lobbying intensively. I was even advised that he had been to the department. What is he lobbying about?

Ms Bean—That was some months ago. It has not been recent. He did visit the department, I think it was probably in February this year, but I cannot remember the exact date. It was a general conversation about the forthcoming evaluation.

Senator KEMP—He told me that he felt that the super was not properly funded and I told him he was quite wrong and he should go back and check his figures. Who was right, Mr Howard Manley or myself?

Ms Bean—That is the purpose of the evaluation. That will be one of the factors examined in the evaluation.

Senator KEMP—Is it? Right.

Ms Keele—We expect to appoint someone to do the evaluation by June. I see from my notes that it is due to be completed by September, so they may have been interested in what the terms of reference were for the evaluation.

Senator KEMP—I see that is the major concern. But I pointed out to Mr Manley that the orchestras had received a great deal of funding and, noting how tight funding was at the moment, I did not back his chances in obtaining further funding. I thought it may be more constructive for him to see how the orchestras could work even more efficiently. I have to say that comment went down like a lead balloon with him, but I make that point. Are there any other reviews in progress? Obviously the major performing arts companies were happy with the outcomes of the Nugent review.

Ms Keele—The next review is scheduled for two years or a year and a half hence. It is scheduled on a natural review cycle.

Senator KEMP—Is there a review into the touring programs, like Playing Australia and festivals?

Ms Bean—There is no review of those programs.

Senator KEMP—There is no internal departmental review into those programs?

Ms Bean—There is no review, no.

Senator KEMP—I have been misinformed.

Senator LUNDY—Did you get a leak?

Senator KEMP—I got one of those leaks that come out of governments these days.

Senator LUNDY—It is very controversial.

Senator KEMP—It was obviously not correct. But I understood it was indicated that there was a review to determine whether a number of these touring programs should be merged.

Ms Bean—Merged?

Senator KEMP—And a review of Playing Australia. No? I am pleased to hear it.

Ms Bean—That is certainly news to me.

Senator KEMP—If the answer is no, there is no proposal, I regard that as positive. I am happy with that.

Ms Bean—There is a strategic review of all programs. Obviously they are part of that.

Senator KEMP—You are not backing down on that earlier comment?

Ms Bean—No, I am not at all backing down. The department is not undertaking any review of Playing Australia.

Senator KEMP—There is nothing of the nature which I have indicated?

Ms Bean—No.

Senator KEMP—All right.

Senator EGGLESTON—No cuts in travelling programs at all?

Ms Bean—The departmental programs?

Senator EGGLESTON—Travelling exhibitions?

Ms Bean—Certainly there are no cuts in Playing Australia, Visions of Australia and the Contemporary Music Touring Program. They are the key touring programs.

CHAIR—Are there any further questions? Sorry, Ms Bean did you have some more information to add?

Ms Bean—No.

CHAIR—You have answered that question, thank you. Are there any further questions for the Australia Council?

Senator KEMP—Yes, I have a couple more. The appointments: how many vacancies are there on the council?

Ms Keele—There are three vacancies right now. On the governing council?

Senator KEMP—Yes.

Ms Keele—On the governing council there is one vacancy.

Senator KEMP—What are the numbers on the artform boards?

Ms Keele—There are three vacancies on the artform boards.

Senator KEMP—So all boards are going to meet their—

Ms Keele—Yes.

Senator KEMP—Whatever it is.

Ms Keele—Their quorum.

Senator KEMP—They can be a quorum.

Ms Keele—They can all meet their quorum. That is correct.

Senator KEMP—In terms of its accounts, is the council in deficit at the moment?

Ms Keele—We are forecasting a deficit of \$11.5 million, which is an improvement of about 100 per cent over last year.

Senator KEMP—Right. The deficit is being caused by?

Ms Keele—Just carried forward programs, and money is waiting to go out the door for the orchestra review. As the commitments are completed, that money goes out the door.

Senator KEMP—I see. So there is nothing that the department of finance would be unduly concerned about.

Ms Keele—The department is okay, and signed off on the deficit.

Senator KEMP—All right. Thank you for that.

CHAIR—No further questions. Thank you very much to the officers of the Australia Council.

[7.40 pm]

**Film Finance Corporation
Film Australia Ltd
Australian Film Commission
Screen Australia**

CHAIR—We now have the Australian Film Commission, Film Australia Ltd and Film Finance Corporation. Of course, most of the functions of these three organisations are to be amalgamated into Screen Australia from 1 July 2008. I understand we have also got Ms Maddock, the interim CEO of Screen Australia, here as well. Ms Basser represents the Culture Division. Welcome to you. Senator Kemp.

Senator KEMP—First of all, before we get into the very heavy questioning and cross-examination, is the rumour true that one of the film productions of Film Australia won a Logie? Is that correct?

Ms Karp—That is correct.

Senator KEMP—What was that film?

Ms Karp—It was one of the History Initiative, under the series *Constructing Australia*. The winner of the Logie was the *Constructing Australia* documentary, the first in the series on *The Bridge*.

Senator KEMP—There are five or six in the series, are there?

Ms Karp—There were three in the *Constructing Australia* series. There are 10 in the History Initiative over three years.

Senator KEMP—They have all been completed now?

Ms Karp—Four have been delivered and the final six are due for delivery over the next four weeks.

Senator KEMP—For the record, the film which won the Logie, which program did that come from?

Ms Karp—It went to air last year. It was the first series, *Constructing Australia*.

Senator KEMP—But which package? Daryl Karp, I thought you would have picked up the ball here a bit quicker.

Ms Karp—It was the Making History Initiative.

Senator KEMP—Right. When was that established?

Ms Karp—That was established three years ago.

Senator LUNDY—Who was the minister?

Ms Karp—The minister was Senator Kemp.

Senator KEMP—Really? That is wonderful news. Thank you for that, Senator Lundy, that is remarkable.

Senator LUNDY—I thought I would help you out there.

Senator KEMP—I have some questions in relation to the merger. Could you inform the committee of the current arrangements on foot and will Screen Australia be able to open its doors on 1 July?

Ms Maddock—Yes. There is a lot of work to do, but we are fairly far down the path.

Senator KEMP—Right.

Ms Maddock—We think we will open on 1 July with programs in place and people managing them; with the structure in place so that people will get paid et cetera.

Senator KEMP—Right.

Ms Maddock—We are currently planning to have everyone, except a small number to run a facility at Lindfield, physically in the same location by mid-late August.

Senator KEMP—What are the arrangements for the transfer to make sure that the programs continue without interruption? Could you inform the committee how that will work?

Ms Maddock—Sure. There are two aspects. One is that the minister announced that the programs as they are will continue for six months. They may continue longer than that, but they will certainly continue for six months, to give the new board and the permanent CEO, when appointed, the chance to reshape the programs, if they wish. In the meantime, we have developed a structure which largely preserves the business units as they are—not the three organisational business units but the microbusiness units—so that the people delivering programs will be transferred and will still keep delivering those programs.

Senator KEMP—How about the approval process under the new arrangements, or the interim arrangements? How will that work?

Ms Maddock—We have not worked through all the details of it yet, but what we have been doing is that we have been mapping what all the decision-making processes are, where they are made, who makes them, for what sort of money, and with what delegations, so that we have got operable replacements in place by 1 July.

Senator KEMP—Will the same staff be absorbed into the new body? Are there any job losses as a result of this merger?

Ms Maddock—No, the agreement arrangement—whatever the word—that applied to the formation of the new agency was that all staff would transfer to the new agency on 1 July.

Senator KEMP—Yes.

Ms Maddock—That is happening and that is the structure that we are putting in place. So, come 1 July, everyone will have a job and a reporting line and a program to continue to administer.

Senator KEMP—Will they operate in separate buildings for the foreseeable future?

Ms Maddock—They will till mid-August. We are going through a chessboard game at the moment to work out how we can get everyone together in almost the one building by the middle of August. So there will be some staging of people, but the telephones will be working so that there are continuing contact and back-links to phones.

Senator KEMP—That one building will be where?

Ms Maddock—We are going to utilise 150 William Street and one floor at 140 William Street, which is indeed the next-door building.

Senator KEMP—I see.

Ms Maddock—Connected by a coffee shop.

Senator KEMP—Screen sound, or the Film and Sound Archive, is now being divested. Very bad decision, that one, but anyway, that is happening. Could you tell us what is actually involved with that and are there any costs involved with that divestment?

Ms Maddock—That is not my gig.

Senator KEMP—Right.

Mr Fitchett—Yes, it is being demerged on 1 July. It is going to be in a very strong position on 1 July to operate as a statutory authority.

Senator KEMP—But what I was saying is: what are the costs involved with that?

Mr Fitchett—There are no additional costs. We are absorbing those at the moment.

Senator KEMP—But the Film and Sound Archive have been given some additional funding. Is that right?

Mr Fitchett—What I was talking about was the total pool of money.

Senator KEMP—Yes.

Mr Fitchett—There has been money transferred from—

Senator KEMP—So they have actually had some money transferred from—

Mr Fitchett—Film Australia.

Senator KEMP—what will be Screen Australia.

Mr Fitchett—Yes.

Senator KEMP—What is that sum of money?

Mr Fitchett—It was \$1.815 million for four programs: Australianscreen Online, Big Screen, Black Screen and School Screen programs, and I understand \$500,000 from Film Australia.

Senator KEMP—How do you propose to absorb that?

Mr Fitchett—Within the NFSA?

Senator KEMP—The money is being used now for some purpose, so where does that money come from?

Mr Fitchett—The CEO and the board. Obviously, with three agencies merging—Film Australia, FFC and AFC—there will only be one board and one CEO, so that money for the CEO and the board of Film Australia is going across to the NFSA for a board and a CEO of the NFSA.

Senator KEMP—When do they propose to appoint a permanent CEO of Screen Australia? When is that due to be announced?

Mr Borthwick—We are currently involved in a process to fill that body. A headhunter, so to speak, has been engaged to do that. It will be advertised nationally and it will be a merit selection process.

Senator KEMP—When was that done?

Mr Borthwick—Have the ads actually been placed?

Ms Basser—Yes. I think they were placed about four weeks ago.

Mr Tucker—We can easily get the exact date, but it was about four weeks ago.

Senator KEMP—As everybody knew on 30 June that this was all going to happen, it does seem surprising that we are only now conducting a search for a new CEO.

Mr Tucker—The ads went out four or five weeks ago—I cannot remember the exact date—but we thought it was necessary to have the legislation passed, in the first place, to create the bodies and the positions, not only in terms of the practicalities of doing so but also to give people who may be interested certainty about what the functions of those organisations would be. I think that legislation received royal assent—I do not have the exact date—sometime in March.

Senator KEMP—To be quite frank, I was involved in previous arrangements where we did not have the legislation in place but we proceeded with the appointment of a CEO. The Anti-Doping Agency was the one in—

Mr Borthwick—This situation is a bit unusual because it involves bringing together three organisations. It was felt that clarity was needed and that that would be aided by having legislation through the parliament—

Senator KEMP—I understand that.

Mr Borthwick—because this will be an extensive search, including overseas, for a possible CEO. That certainty of having legislation and smooth passage was—

Senator KEMP—What is your time scale for having a permanent CEO in place?

Mr Borthwick—I think the answer is: as rapidly as we can.

Senator KEMP—When do the interviews start?

Mr Borthwick—We have not received all of the applications yet. I am going to be chairing that selection process. I have had one discussion with the headhunter, but we have not scheduled the interviews yet.

Senator KEMP—It looks to me as though you are going to take at least three months, if everything goes smoothly, before you are in a position to—

Mr Borthwick—It does take quite some time to do this very thoroughly. However, in recognition of the need to have that legislation passed, Ms Maddock was appointed as interim CEO and she did outline there would be this period of stability past 1 July. We have done our very best to ensure that this would be done as well and as seamlessly as possible.

Senator KEMP—Thank you for that. I take it from that that all is proceeding on course and smoothly, which is good news. Perhaps I can ask a little bit about current developments in the film industry. In particular, could Mr Rosen or Mr Fitchett tell me how they think the new film package is playing out.

Mr Rosen—This year the FFC's appropriation is \$70.5 million, in conjunction with the offset that came in in October and was operational in December. As far as the FFC is concerned, our investment and production combining with the offset will be a record \$310 million approximately, which is an increase of production funding of about 45 per cent to normal.

Senator KEMP—Have the approvals been given already, or is that your forecast?

Mr Rosen—That is what we have approved. We have to try to contract everything by 30 June.

Senator KEMP—How many feature films does that represent, essentially?

Mr Rosen—We have approved 25 feature films this year.

Senator KEMP—Do we measure the figures in financial years?

Mr Rosen—Yes.

Senator KEMP—How many feature films are we looking at for the next financial year compared with the number this current financial year?

Mr Rosen—Again, depending on how Screen Australia apportions its finances to the different sectors that we fund—which are documentary, television and feature films—there is every chance that the new agency could be funding 20 to 25 feature films. Then, with the offset and not using FFC money, one could hope that maybe just another 10 or 15 films will be made.

Senator KEMP—When this becomes fully effective and operational, the number of Australian feature films will rise from what—in the last three or four years—an average of 20, 22?

Mr Rosen—Twenty to 25. That is when you take into account the small or what we call 'credit card films.

Senator KEMP—Will that rise to 35 to 40?

Mr Rosen—Hopefully, yes.

Senator KEMP—From where you sit at the moment, it appears that—at least in terms of numbers of movies and interest from the private sector—the package is working.

Mr Rosen—It does.

Senator KEMP—That is excellent news. I will not ask when the package was developed, but that sounds very interesting indeed. Of more importance is: how are we going in terms of audience share at the box office? Are Australian movies doing better on that front?

Mr Rosen—Definitely the quality of the films has increased. The intention of the offset is to allow more-ambitious films to be made—by that I mean the size of their budget—and that we will start seeing films in the \$20 million to \$40 million bracket being made that can really compete in the multiplexes and the international market. There is every hope that over the next three or four years the box office will rise accordingly.

Senator KEMP—What was the box office in the current year, roughly?

Mr Rosen—Last calendar year the box office for Australian films was about 4.2 per cent.

Senator KEMP—That has marginally improved. Is that right?

Mr Rosen—From a few years ago, yes.

Senator KEMP—What issues have emerged with the new package? There has been a significant debate, hasn't there, of what Australian content is? Would you like to brief the committee on the status of that debate and how it is playing out?

Mr Rosen—The Film Finance Corporation was charged with administering the offset. Within that comes what qualifies as an Australian film, what has significant Australian content. As this gets bedded down, the lines will be drawn as to what is significant Australian content. At the moment we feel that it is working quite well. There were a few issues for feature films regarding what would be demonstrably a feature film rather than something for television. The board of the FFC have drawn up some guidelines. We have also issued some statements as to how we look at 'significant Australian'—and that also looks at where the core development happens.

Senator KEMP—Where are the tension points in that? Where is the real level of the debate? Could you give us an example?

Mr Rosen—Obviously, we have a two-stream effect for feature films. There is the locational offset that is at 15 per cent and then what qualifies as significant Australian content is at 40 per cent. So, obviously, any overseas film that comes to Australia would ideally like to access the 40 per cent, which is really where the tension lies: what is 'significant Australian' and what is just 'relocated'?

Senator KEMP—How do you test whether it is significant Australian content?

Mr Rosen—As per the legislation, we take a very holistic approach. We look at the subject matter; we look at the nationalities of the key creative people; we look at where the majority spend is; we look to see how much of it has been actually shot in Australia. We take a very broad overview of the whole thing; really a bit like how 10BA was administered.

Senator KEMP—Going back a step, it seems to me that you do not seem to have much problem attracting private investment. Is that a fair summation, or is that being a bit overconfident?

Mr Rosen—Definitely private investment is looking at coming in, using the offset. Like any new initiative, it takes the financial world a bit of time to look at that and see how they can benefit from that. It also means that producers are suddenly having to find a new mechanism to finance their films. But we are now seeing that people are starting to find investors coming in. There are definitely Australian investors coming in to cashflow the offset. There are some banks looking at doing it. We believe that over the next year it should be running quite well and that there will be quite a few cash flow providers from both within and outside of Australia.

Senator KEMP—Australia's ability to attract overseas films to be shot here is not directly your area, but how we are performing on that front? Are we suffering from competition elsewhere?

Mr Rosen—It is a very competitive market. Obviously, having a major American movie shoot in anybody's country injects a lot of money into the economy. Australia is well placed to do that. We have a very efficient and good infrastructure to support big movies coming here. Obviously the demise of the US dollar against international currencies is encouraging the Americans to stay in the United States. Within the United States, the states themselves have brought in tax offsets similar to what we have here, and that is competitive. However, it is still cost effective to come and make a film here, and I believe we will still get overseas films coming in, but a lot of that will depend on where the dollar ends up.

Senator KEMP—How does the number of major American movies currently being shot in Australia or likely to be shot in Australia this year compare with previous years?

Mr Rosen—It is hard to tell what is coming down the pipeline. Ausfilm is the agency that really goes out there and looks for inward investment. In conversations that I have had in Los Angeles, and talking about the offset, there is strong interest and the studios would be looking to see what benefit there is in coming to Australia. The truth is that if you are doing an outback movie Australia is a good place to come; there is a lot of support. But really it comes down to the studios making a decision as to where it is most viable for them to film.

Senator KEMP—To press you slightly on this, are we seeing more or less or about the same level of interest in shooting in Australia?

Mr Rosen—I think there is the same amount of interest. It will just come down to the economics when they make their final decision.

Senator KEMP—Are our major film studios now full? Are they booked up? Do they have strong order books or however they describe it?

Mr Rosen—All of them are full. Sometimes you cannot get in and sometimes they are empty. At the moment, I think all the studios are in use.

Senator EGGLESTON—Are we seeing many Indian films being made in Australia? We keep hearing that Bollywood has moved to Sydney. How many Indian films are really being made in this country?

Mr Rosen—There are quite a few Indian films coming over here to shoot but, to be frank, I do not know how many. Mr Fitchett might know.

Mr Fitchett—There was one on the Gold Coast recently and one in Melbourne about a year ago. Apart from that, I am not sure.

Senator EGGLESTON—Mr Rosen talked about financial advantages. I believe the Canadians offer better tax incentives. Is that not the case? Should we be following their example in terms of attracting film production to this country?

Mr Rosen—The Canadians do have some quite advantageous tax offsets, but they are mainly labour based. On the surface they look more attractive than what we have but, in fact, what is here in Australia is very attractive.

Senator EGGLESTON—Good.

Senator KEMP—Is it fair to say that this looks like being a pretty good year for the film industry? Is that a fair way to characterise it?

Mr Rosen—I think it is. It is an exciting period; there is change happening. Change is always good. With the merging of the three agencies, there will be good symmetry happening and, with the offsets sitting there, there is potential for producers to really start building a more substantial business rather than the cottage industry it may have been in the past.

Senator KEMP—Thank you for that, Mr Rosen.

Senator LUNDY—I have a question. Mr Rosen, who was the minister at the time this program was initiated?

Mr Rosen—I believe it was Senator Kemp.

Senator LUNDY—Really? Excellent. Thank you, Mr Rosen.

Senator KEMP—Can I just say that I think it is a period of very great change in the industry, and I want to record my thanks to Mr Fitchett and Mr Rosen and Ms Karp for their work in the separate agencies. We had some difficult periods but we were blessed with really first-class CEOs who were able to provide very strong leadership to their staff, from my experience. I would like to record my thanks to them and, of course, also to members of the department who are involved with the industry. I think we have been able to bring the sector forward, and I appreciate all the help that was given.

CHAIR—Thank you.

Mr Borthwick—Can I say a few words? I think the words that Senator Kemp has said about the three CEOs is very timely and, while it is his last attendance at this Senate estimates committee, it is also the last time that Chris Fitchett, Brian Rosen and Daryl Karp will be here in their current capacities. I would like to echo the sentiments that Senator Kemp has expressed. We would not have been able to pull together Screen Australia without their first-rate cooperation and that of their boards and their respective staff, so I would like to second the remarks that Senator Kemp has made.

Senator LUNDY—I would like to endorse those comments as well.

Senator KEMP—Again!

Senator LUNDY—We have been through quite some interesting times with them: at the merger originally of the AFC and the National Film and Sound Archive—

Senator KEMP—Which I think you supported initially, Senator Lundy, if I remember rightly.

Senator LUNDY—and at all of the heated conversations and debates across this table, Senator Kemp, and now the de-merger, which of course I think is fantastic public policy. But I, too, would like to acknowledge the three CEOs with respect to Screen Australia.

CHAIR—Thank you very much, Senators Kemp and Lundy, and Mr Borthwick, for your comments. Thank you to the CEOs for your attendance at many estimates past, and we look forward to seeing Screen Australia at the next Senate estimates of this committee. I do not think there were any further questions. Thank you very much for your attendance this evening.

[8.06 pm]

Australian Film and Television and Radio School

CHAIR—I would now like to welcome the Australian Film and Television and Radio School. Senator Kemp.

Senator KEMP—Thank you, Madam Chair. I think we should record that this is quite an important occasion for the film school because, of course, they have moved to a new building which was opened—

Ms Levy—Last week.

Senator KEMP—Can I be assured that due credit was given to all those that were involved in this extremely important development?

Ms Levy—Yes. We did, indeed, have an opening of the school. We had two openings of the school last week—there are other events to come—and due recognition was given to those who had been responsible for getting the school to this point, and there were quite a few people who were credited in the speech made by the chairman on the night.

Senator KEMP—Not too many, I hope.

Ms Levy—Just the right number, I think I would say.

Senator KEMP—What a surprise! So the move has been completed. All the staff and students have moved over?

Ms Levy—Radio is still at North Ryde. We vacate that building on 30 June, and the radio studios are not yet ready. They were planned to be installed last because the radio students are in the middle of a semester and the drama students are in the middle of a shoot, so they were more flexible. The radio students and the radio department finally make their move in four weeks.

Senator KEMP—So that will complete the move entirely?

Ms Levy—Yes.

Senator KEMP—I assume there are not excessive numbers of teething problems with the new location.

Ms Levy—It is a remarkably trouble-free building. It is a beautiful, inspiring building, and the staff have settled in remarkably well. We have gone from a building which was quite unusual in its layout—that is, the teams were isolated from each other in a different corridor in a different part of the building—to an open plan building, and the staff, who I think were nervous about open plan, as people are before they get to it, are working together and collaborating extremely well. I have been amazed at how quickly people have settled into this new building and at how excited they are by the possibilities that it creates between departments and staff.

Senator KEMP—What number of students do you have through the film school each year?

Ms Levy—We have only one intake this year, because the decision was made in 2006 not to have a new intake of students this year because of the move into the new building. Looking back on that decision, I think it was a wise one. So the number of full-time students is quite low this year. We have a part-time course beginning in Sydney in the beginning of July, and there will be another 37 students coming in then. We have deliberately tried to keep the Sydney building reasonably clear of students.

Senator KEMP—When the film school is fully operational in this new building, the number of students would be in the order of what?

Ms Levy—We are hoping that next year we will have about 300 to 350 students in the building.

Senator KEMP—That is full time?

Ms Levy—Yes.

Senator KEMP—What are the numbers that are currently registered at the film school?

Ms Levy—About 50-something in the full-time drama course and the radio course and then the part-time graduate certificate courses—so 50 full time in drama.

Senator KEMP—You have carefully explained the reasons to us, but has that reduction in student numbers caused any major concern in the industry?

Ms Levy—I think the industry has understood that this was a transitional year. On Tuesday we had a meeting with our board for the board to endorse the initiatives for the future, in which we are changing a lot of the courses, and that will lead to an increase in the number of students. We are at a point of change, both physically and geographically—from one building to another—and also in terms of the kinds of courses and the number of students we will be able to take in the future.

Senator KEMP—Putting it bluntly, you are able to be fairly selective with the number of students you get, aren't you, because there is a far greater demand for places than there are places available?

Ms Levy—We do have to be very selective, and they are accredited courses, but we believe that with the restructure of courses we can increase the number of students without diluting the quality of the work. The students that come to the school do an intensive production based study as well as their other theoretical study, so the facilities and the

capacity of the school to train these students as filmmakers and as radio broadcasters are limited by the reality of how much production activity they can do. Even with that in mind, next year we believe that we will be able to increase significantly the numbers of students that we bring in.

Senator KEMP—With the move to the Fox Studios area, does the film school have any other close association with the university?

Ms Levy—We do not have any close association with any other university but we are beginning close associations with our industry neighbours on the site. It is a fantastic location for a film, television and radio school because we are surrounded by industry organisations. Trackdown is there, Animal Logic is there and Fox Studios are there. There are TV organisations like Showtime and the UK pay channel, and so it goes on and on. Film finances are there and there are casting organisations there, so we are surrounded by the kinds of organisations that we will be working with. Already we are getting terrific cooperation on a couple of things, and we have begun a process of intense dialogue to look at how we will do collaboration with them.

Senator KEMP—So the move was on time and on budget. Is that right?

Ms Levy—Yes.

Senator KEMP—Well done! That is a great achievement. The efficiency dividend applies to AFTRS. What is the effect of that on the school?

Ms Levy—We have \$109,000 to look for in this financial year. As a consequence of moving from the North Ryde location to the city location, we have lost seven staff. Three have retired and four who were working in the canteen are now redundant. So the savings we will make in this interim period will be based on those seven staff that are not moving with us.

Senator KEMP—That is \$109,000 next year?

Ms Levy—In this current financial year.

Senator KEMP—In the current financial year or the next financial year?

Mr Bilimoria—In the current financial year.

Senator KEMP—The next financial year?

Mr Bilimoria—For the current financial year it is \$109,000; for the forthcoming financial year, 2008-09, it is about \$410,000; and thereafter it is \$414,000.

Senator KEMP—Out of a total budget of?

Mr Bilimoria—Our budget estimate for 2008-09, total revenue from government, is just over \$23 million.

Senator KEMP—That covers my questions. Ms Levy, I would say that to make that move was a tremendous achievement. It was one of those projects which seemed, to me at least, to go particularly smoothly. There were great challenges, I am sure, beneath the surface, but it certainly seems to have been done particularly well. Congratulations!

Ms Levy—Thank you.

CHAIR—Are there any further questions?

Senator LUNDY—I would like to congratulate AFTRS for their smooth move.

Ms Levy—Thank you.

Senator LUNDY—What monitoring and tracking do you do of students once they graduate from the school with respect to the sorts of employment opportunities that are available to them in Australia, and what likely impact is the growth in the number of films being made in Australia going to have on your graduating classes?

Ms Levy—We maintain a network of information from our graduates, I think for life. We certainly maintain it from the initial students back in 1973. We keep a reasonable database of what they are doing, where they are working and what is happening to them. The students from the film and television area, of course, are going into the freelance industry and the students that go into radio go into full-time jobs.

We have an almost 100 per cent success rate with placing our radio graduates—there are jobs for them—and the students that go into the freelance marketplace sometimes end up working in America. We have cinematographers who have been working there and getting Oscar nominations, we have directing graduates who work all around the world, and we also have people that go into particular freelance work in and around the various bases of television and film production in Australia. The graduates generally stay in the industry, and we maintain, as I say, contact with them to see where they are and what they are doing.

Senator LUNDY—Is there any alumni group associated with the school?

Ms Levy—We had one called Network, but we are now going to try and broaden it to all of our graduates. The alumni pay money to join Network, but now that we have moved into the city we think that it would be good if we maintained contact and maintained a more open invitation to all of our graduates, to try to get them all to come to the activities that we are making available to them.

Senator LUNDY—Do you have a system for benefactors wanting to make donations to the school or philanthropists wanting to contribute to the work of the school?

Ms Levy—Not yet. The board has been talking about the setting up of a foundation, and we are currently exploring that as an option to make that possible.

CHAIR—Thank you very much for appearing tonight. The next agency to be called is the Australian National Maritime Museum.

[8.17 pm]

Australian National Maritime Museum

Senator KEMP—As is probably well known, I have a particular affection for your institution. I would very much like to know how the HM Bark *Endeavour* is proceeding.

Ms Williams—She is doing very well and sends her very best regards to you.

Senator KEMP—No-one has managed to run it onto the rocks again, have they?

Ms Williams—It has sailed sweetly since then, I am pleased to say.

Senator KEMP—And all the repairs were done on budget and on time and were fully covered by insurance?

Ms Williams—Absolutely.

Senator KEMP—What is the demand like for the *Endeavour*? What is, I suppose, the visitation?

Ms Williams—We have had *Endeavour* to Melbourne, Hobart and Eden in this year. Every year we do a sail outside Sydney. We are trying to reach as many Australians as we possibly can, given the resources that are required to run a ship of that kind. This year we have had about 55,000 visitors on board, which is not bad considering the ship is at sea for about four months of the year.

Senator KEMP—The ship is at sea for four months of the year?

Ms Williams—Yes.

Senator KEMP—That is probably more than you originally expected.

Ms Williams—Yes, it is.

Senator KEMP—How about in the next year? What is your forecast there?

Ms Williams—We are planning to go to Newcastle, Coffs Harbour and Brisbane this year, setting out in August, and we will get back before Christmas.

Senator KEMP—This is a really curly question. Have all those forecasts we made on the additional costs required to maintain the *Endeavour* in full survey and with an appropriate crew panned out accurately?

Ms Williams—They have, yes.

Senator KEMP—That is a pity. I rather hoped you were making a profit on it.

Ms Williams—We are not a ship operated by nature or by intent, obviously, and we have become very good at it, I might say. They are expensive things to run. The further you go from Sydney, the wider the voyage, the more expensive it becomes. We are taking it step by step at the moment, and we do plan to do a round Australia voyage in 2011. We are working with other states to do that, but that is going to be very expensive.

Senator KEMP—What would be the rough budget for a round Australia voyage?

Ms Williams—We looked at it about 18 months ago and it went into about the \$2 million mark. You are talking about vast differences. Once you get north of Brisbane and Cooktown, it is very expensive.

Senator KEMP—To keep the *Endeavour* at sea for, effectively, a year would be in the order of \$2 million.

Ms Williams—Yes.

Senator KEMP—You would obviously have to cover that by sponsorship and any support you can get from governments, I suppose.

Ms Williams—Absolutely. We have never gone that far in the past. So far we have done small hops. When I say we have covered costs, the museum has been able to supplement, I have to say. It has not been a profitable business and it certainly will never be a profitable

business, because it is one of the best replicas of its kind in the world. It does not carry ore or coal; it carries historians and passionate people, so it is never going to make money.

Senator KEMP—What is the actual subsidy you obtain from the Australian government each year?

Ms Williams—It is \$700,000 a year—that keeps the ship in survey.

Senator KEMP—I think it is indexed. We tried to get that indexed, didn't we?

Ms Williams—The CFO says it is indexed, yes.

Senator KEMP—Did you forecast visitation at 55,000? I cannot remember.

Ms Williams—It was hard to forecast because we have never been in the business of running a ship of that kind before. But we did our forecasts, and our predictions have been quite accurate. We are carrying a loss of over \$50,000, but that is better than we thought we would be able to do.

Senator KEMP—It is still free of charge for those who come to the museum?

Ms Williams—It is free to go to the museum but you pay to go on board the ship.

Senator KEMP—It is free to go to the museum but not to the *Endeavour*. What is the charge that you make to go on board?

Ms Williams—It is about \$15 for an adult. It is not expensive.

Senator KEMP—That means there is some boost to your income from that area.

Ms Williams—It helps.

Senator KEMP—I congratulate you because our original idea, as you know, was to get the *Endeavour* out as much as we could, and we always knew that it would cost a lot to keep it in Sydney Harbour. But the intention was to have it sailing around Australia and, from what you have quoted there, you seem to have done remarkably well, so congratulations on that.

Ms Williams—Thank you.

Senator KEMP—That certainly meets the objectives we had. How much is this terrible government taking off you in terms of the efficiency dividend?

Ms Williams—This year we have to find about \$108,000 and next year it is about \$500,000.

Senator KEMP—And the following year a similar amount?

Ms Williams—Yes.

Senator KEMP—In terms of the exhibitions you have had, could you tell us a bit about what has happened in the last year and the number of visits you have had for those exhibitions?

Ms Williams—Yes. We are doing well this year. We are heading for a visitation on site of about 450,000 people this year. We had a very popular exhibition with Iceman, which is the story of a Stone Age mummy that we got from Italy, which turned out to be hugely popular. At the moment we have an exhibition from Paris called Bateaux Jouets, which is a fantastic collection of toy boats from one enthusiast in Paris. It is extremely popular and doing very

well for the museum. We have a gap in this year's program because we needed to cut costs. Then we have an exhibition coming in from New Zealand called Vaka Moana, which is the story of the great trans-Pacific voyages 4,000 years ago.

Senator KEMP—How has the experiment worked? You have now had a good chance to compare the period when you charged for admittance and when admittance was free of charge. Could you tell us how the costs on that are working out?

Ms Williams—There is no doubt that going to free admission was, with all due modesty, a very good decision because we have been able to keep the numbers up but cover costs at the same time through our commercial activities and through our sale of tickets to the vessels. We have not asked for any extra money to cover the costs.

Senator KEMP—You have been able to cover the loss of revenue from not charging an admittance fee from those other areas that you mentioned?

Ms Williams—Yes.

Senator KEMP—Well done. Is that a fairly typical experience from other similar institutions?

Ms Williams—There are no similar institutions that have vessels or a site on Sydney Harbour as we have, so we are fortunate to have those certain paid activities that can help cover that difference between paid admission or admission to special services like ships.

Senator KEMP—That is most interesting. Well done on the management of the *Endeavour*. It appears to be working very well.

Senator LUNDY—If a certain former minister were able to find certain sponsorship, would the *Endeavour* be able to sail around Australia? I think he is angling for a retirement cruise!

Senator KEMP—I am angling for a berth!

Ms Williams—Thank you for the help on that because the ship cannot sail without sponsorship. It cannot sail around Australia without sponsorship.

Senator LUNDY—No, I appreciate that. Is it physically capable of circumnavigating Australia if the financial resources are there?

Senator KEMP—Yes.

Ms Williams—Yes—she says, confidently!

Senator KEMP—The permanent crew is a captain and a few others, isn't it?

Ms Williams—We have a standing crew of four when the ship is in museum mode in Darling Harbour. When it goes to sea it has a crew of 16-plus paying voyagers as well, paying crew, which helps to cover the cost.

Senator LUNDY—Senator Kemp, do you get seasick?

Ms Williams—Yes.

Senator KEMP—I got sick on the day it went onto the reef—sick at heart, I would have to say. We thought the *Endeavour* would never arrive. That was the problem, wasn't it?

Ms Williams—We did.

Senator KEMP—That is great news.

Ms Williams—Under previous management and command, of course!

Senator KEMP—That is right, yes. I remember that well. It is writ large in my memory.

CHAIR—Thank you very much for attending this evening.

Ms Williams—Thank you.

[8.26 pm]

National Library of Australia

CHAIR—I welcome officers from the National Library of Australia to the table.

Senator KEMP—Again, I suppose we should start off with the capital program—on time and on budget. Is it finished?

Ms Fullerton—No. It is on time and on budget, and it will be finished in November.

Senator LUNDY—Senator Kemp, if you had gone down to the launch of *Hidden Treasures* today you would have seen that it was still in train.

Senator KEMP—Yes.

Senator BIRMINGHAM—Will Senator Kemp be invited to open the capital works?

Ms Fullerton—We are not planning a launch.

Senator KEMP—Yes, that is very wise. What was the total all-up cost in the end?

Mr Linehan—The current budget is just over \$14 million.

Senator KEMP—You will achieve that budget, obviously.

Mr Linehan—We are working within the budget.

Senator KEMP—The last time you were here we had a lot of discussion about the impact on the National Library of the efficiency dividend. Can you reconfirm those figures for us—the impact that the efficiency dividend will have on the library?

Mr Linehan—The figures for this year are approximately \$269,000, and for next financial year \$1.186 million.

Senator KEMP—The following year?

Mr Linehan—Within that range.

Senator KEMP—Perhaps you might like to tell the committee how the library proposes to absorb that efficiency dividend.

Ms Fullerton—We will continue our practice of looking at how we do our work to try and improve our efficiency. We are making some adjustments to responsibilities and we are reducing our numbers of senior staff.

Senator KEMP—The total staff reductions will be in the order of?

Ms Fullerton—Nine.

Senator KEMP—Are they effective now, or is that in train to—

Ms Fullerton—It is in train to come down to the required numbers for the new financial year.

Senator KEMP—There was a bit of discussion last time on the depreciation funding. Was any change made in the budget on depreciation funding?

Ms Fullerton—The arrangements are the same arrangements we have had for a number of years.

Senator KEMP—To refresh the committee's collective memories, what does that in effect mean? The current depreciation funding is in the order of?

Mr Linehan—Twelve million dollars for collection.

Senator KEMP—This enables you to use some of that funding, doesn't it, to—

Ms Fullerton—We use our depreciation funding largely on the asset which depreciates.

Senator KEMP—But you can also use those to add to your collection?

Ms Fullerton—Yes, that is the asset.

Senator KEMP—Is this a permanent arrangement or is the department of finance—

Ms Fullerton—The department of finance—perhaps the departmental staff—

Mr Borthwick—I remember at the last estimates hearing you came up and said, 'Keep an eye on this.'

Senator KEMP—Yes.

Mr Borthwick—And you recounted to me some of the history that you had experienced.

Senator KEMP—That is right.

Mr Borthwick—I am pleased to say that those depreciation arrangements, as Ms Fullerton mentioned, are staying the same as they have been for the next year.

Senator KEMP—But is that only an interim settlement?

Mr Borthwick—I cannot say what might happen beyond this year, but they will be in place for 2008-09.

Senator KEMP—Well done! Virtually every year that I was there the department of finance tried to grab a fair wad of that money back, and it was very well defended by the head of the department. So, Secretary, I am sure that your war wounds are merited. I know how difficult it was at times and that is particularly satisfactory, I must say. Could you tell us about the exhibitions that you are having in the library? There is a big opening today.

Ms Fullerton—Today was not an exhibition.

Senator KEMP—Isn't it?

Ms Fullerton—Film Australia has done one of the Betty Churcher series on *Hidden Treasures* for the National Library—the same sort of thing that they did for the National Gallery—and screening will begin on 3 June at 10 to seven.

Senator KEMP—Thank you very much. What are the other plans for the library in the next 12 months?

Ms Fullerton—We have a continuing series of exhibitions in the library, but our major endeavour is to build a Treasures Gallery for the library. We expect building works to begin 2009-10.

Senator KEMP—The money has been obtained for that?

Ms Fullerton—We have been trying to raise off-budget funding for that gallery and we have reached our tipping point to be able to proceed.

Senator KEMP—What would be the total budget for that?

Ms Fullerton—We have raised roughly \$3 million, but the budget will be more, so we will be contributing.

Senator KEMP—But you are rather hoping that the government will contribute some funding for that.

Ms Fullerton—Or that we will manage it within our building works.

Senator KEMP—What will the overall budget be, roughly?

Ms Fullerton—It is over \$8 million—between \$8 million and \$9 million.

Senator KEMP—What you should do, if I can give you some advice, is to see the minister and point out to Mr Garrett that he has got a surplus of \$22 billion and, surely, some funds can be provided for what undoubtedly is a very worthy project for the National Library. I can speak with absolute confidence that Senator Lundy will be a very strong supporter of that and will be prepared to lobby hard on your behalf. Is that correct, Senator Lundy?

Senator LUNDY—Yes, of course, Senator Kemp. You know that would be the case.

Senator KEMP—Have you got some questions?

Senator LUNDY—I do indeed. I try to reasonably regularly ask how AskNow is going and the various interactive services that you provide the citizens of Australia.

Ms Fullerton—AskNow is under review. The National Library is working with the state libraries in a major project called Re-imagining Library Services. As part of that we are going to reshape, redevelop AskNow and to use better technology and make it a more stable and more used service.

Senator LUNDY—What sort of new technology are you thinking of? Is it still going to be an interactive online service?

Ms Fullerton—Certainly. We want it to be more interactive than it is now. We are currently using a piece of software that has some limitations. We want to move to using instant messaging more, which is what all the young people are using.

Senator LUNDY—Okay.

Ms Fullerton—Then we will have to keep on moving to make sure we continue to use what the young people are—

Senator LUNDY—Keep up with the pace of Web 2.0.

Ms Fullerton—Yes.

Senator LUNDY—What about the digitisation program? I know this is an ongoing challenge on your resources. I am very conscious, as we all are, about the impact of the efficiency dividend. Is that being impacted on at all?

Ms Fullerton—Yes. We are not being able to proceed as rapidly as we would like with digitisation of our collection, but we are committed to continuing to always put some resources into that.

Senator LUNDY—What phase are you at with your digitisation program?

Ms Fullerton—We continue to digitise our original collections at some rate. Our major project at the moment is the digitisation of newspapers.

Senator LUNDY—That come out of copyright.

Ms Fullerton—Yes, the out of copyright newspapers, one from each capital city from each state and territory.

Senator LUNDY—How is Pandora going?

Ms Fullerton—Pandora is going as well as it can—again with very limited resources.

Senator LUNDY—Has that been impacted as well?

Ms Fullerton—As you know, the library has not been funded to deal with the digital deluge, so we really are just trying to do as much as we can with that huge amount of digital material that now exists.

Senator LUNDY—I notice with the podium works that are going on at the moment that a ramp is being installed as part of that.

Ms Fullerton—Yes.

Senator LUNDY—Could you tell the committee about that. Obviously it is going to facilitate disability access, but I think a lot of people did not appreciate the challenges that existed for the library prior to that taking place.

Ms Fullerton—We do have a ramp for disabled people now, but the stage of work that we have reached means that part of the podium will be closed off. So we have had to build a temporary ramp and that is presenting quite some challenges. It is a wooden ramp and it is a little bit slippery. So we have been having to alter the surface and test it to see that it meets the standards.

Senator LUNDY—Have the works on the podium affected visitation or use of the National Library at all?

Ms Fullerton—No, and in fact the use of the library reading rooms is higher than ever before. We are experiencing very high use.

Senator LUNDY—What do you attribute that to, besides just good management?

Ms Fullerton—Yes. People are still appreciating traditional library services. Interestingly, young people like a quiet reading room and they still like collections. So it is very heavily used.

Senator LUNDY—Thank you very much.

Senator KEMP—The films that you have—you have got some archives.

Ms Fullerton—We do not have any any more. They have been—

Senator KEMP—They have been taken from you, have they?

Ms Fullerton—No, we were very pleased to be able to transfer them now formally to the National Film and Sound Archive. The National Film and Sound Archive has been managing that collection for a number of years, but we have—

Senator KEMP—So the films have actually physically left the library, have they?

Ms Fullerton—They did long ago. They were managed by ACMI, the organisation in Victoria, for some time.

Senator KEMP—Was the only issue a legal transfer?

Ms Fullerton—It was—that is, the legal and financial issues.

Senator KEMP—Was there any funding required?

Ms Fullerton—Yes, we did transfer funding. Depreciation funding has gone with the collection.

Senator KEMP—But that was all that was indicated?

Ms Fullerton—Yes. That was the last step in what had practically happened long before.

Senator KEMP—I heard all your interesting comments about the usage in the library and the demand for the library services. I hope that the government will see fit in the coming years to be somewhat more generous with their funding than they have been this year. But let me leave the point there.

CHAIR—As there are no further questions of the library, I thank representatives very much for appearing tonight.

[8.39 pm]

National Gallery of Australia

CHAIR—Welcome.

Senator WORTLEY—Mr Froud, in the last few budget estimates we have talked about stage 1 and stage 2 of the report on the cancer cluster at the gallery. You have the report for the stage 2 section?

Mr Froud—Yes. We have received a progress report in the last week from the investigation team. They have received clearances from all of the ethics committees and the various holders of the data of interest, so all the data has been provided to the investigation team. They are expecting that their first draft report will be with us by about the end of July and that the final report will be completed, therefore, by the end of August. Their process is intended to submit a draft report. We have representation from staff, unions and the gallery management on a steering committee on this particular issue. We would be expecting to receive that draft report in July and then to have discussions with the investigation team

shortly after receipt of the report, with a view to having the report then issued as a final some time in August. That is our hope.

Senator WORTLEY—They seem to be dragging it out a little bit?

Mr Froud—Yes. It has taken a good deal longer than their original expectations. Largely, that relates to delays associated with the clearance of the release of data from each of the state and territory jurisdictions that hold that information on the various cancer registries. It is a decentralised management arrangement. Each of them had an ethics committee that imposed conditions associated with the release of the data. In some cases that informed the nature of the communication that we then had to send to the people from whom we were seeking agreement to the release of information. So, yes, the process has taken longer, and the investigators have made that point to us in their report—that is, that it was taking longer than their original estimates but that that with regard to information that was beyond their control.

Senator WORTLEY—Was the questionnaire sent out to all employees and former employees?

Mr Froud—The methodology that was agreed was that all staff received the invitation to participate and to give their approval to the release of their data into the process. Letters were directed to all former staff at their last known addresses, going right back to when the gallery was first established. They were invited to contact the investigation team. They did not automatically participate. There was a request for them to participate and they had to respond and indicate their interest to do so. Those that did contacted the investigation team directly, not the gallery.

Senator WORTLEY—And employees who have been working there for some time and continue to work there were also part of that?

Mr Froud—Yes, absolutely. All of the current staff received a request to automatically allow their data to be included in the study.

Senator WORTLEY—Can you tell us about the response you received from current staff and from former employees?

Mr Froud—Yes. Surprisingly, only 58 per cent of the existing staff agreed to participate in the process.

Senator WORTLEY—Why was it so low? Do you know?

Mr Froud—The short answer is no, I do not know. But I suspect it is that a number of staff do not see the issue perhaps in quite the same way as others. I suppose there is not so much an apathy but a sense that it is not an issue that they are particularly concerned about. They do not feel that it has been an issue of particular concern. To quote from the report that we have received, as I say, in the last week:

At the completion of the process requesting consent forms to be returned, forms had been returned by 170 of a possible 292 current employees.'

That represented 58 per cent. Of the 170 people, 95 per cent gave consent to access their data and five per cent did not. All previous staff were written to at their last known address and approximately 25 employees contacted the team leader, Tim Driscoll, in response to that invitation. Some hundreds of letters would have been issued but only 25 people—

Senator WORTLEY—Didn't we have that figure last time and wasn't there further work being done on that?

Mr Froud—I do not believe—

Senator WORTLEY—Twenty-five?

Mr Froud—No, that might be coincidental with something else. There were 25—'20 to 25' is what he says in his report—ex-employees who responded.

Senator WORTLEY—Thank you. I look forward to seeing that report.

Senator KEMP—How is the expansion of the National Gallery going?

Mr Radford—It is progressing very well. Cranes are going to appear on site in July this year.

Senator KEMP—So the completion date is still—

Mr Radford—It is still the same. It is to be handed over to us at the end of December 2009.

Senator LUNDY—Mr Radford, could you tell the committee specifically which minister was the minister for the arts when you secured funding for the expansion?

Senator KEMP—That is a very good question.

Mr Radford—You know, I have forgotten.

Senator KEMP—How fickle you are, Mr Radford!

Mr Radford—I believe it was in December 2006.

Senator KEMP—Now, let me think.

Mr Radford—It was 12 December 2006; and I think it was Minister Kemp.

Senator KEMP—There we are. I am delighted to hear the progress which has been made. I must again congratulate you. I received an excellent catalogue that you were kind enough to send me. Who was the author of that? It was really beautifully done.

Senator LUNDY—He can remember, after all!

Mr Radford—Funnily enough, I was one of the authors. I have not forgotten! Two of my curators—Christine Dixon and Lucina Ward—and I were the authors of that catalogue.

Senator KEMP—And the exhibition is attracting large numbers?

Mr Radford—So far 145,000 have attended. It is already well past the Constable exhibition numbers and is likely to well pass the Egyptian exhibition in numbers.

Senator KEMP—What do you charge?

Mr Radford—Twenty dollars for a full adult.

Senator KEMP—What is likely to be a reasonable figure of the visitation when the exhibition closes?

Mr Radford—I think it will be very much in the range of 170,000,—well beyond 170,000.

Senator KEMP—How does that compare with others? What exhibitions has the National Gallery put on in the last decade or so?

Mr Radford—It compares with the great years of the blockbusters in the nineties. This will be our highest attendance for at least seven or eight years.

Senator KEMP—What is planned after this? What is going to replace this?

Mr Radford—A Degas exhibition.

Senator KEMP—That opens when?

Mr Radford—In December this year.

Senator KEMP—How long will that be?

Mr Radford—It will go for three months. There has never been a Degas exhibition in Australia before.

Senator KEMP—And after that?

Mr Radford—The Ballets Russes is the next blockbuster using our own Ballets Russes material, because it celebrates the 100th anniversary of the formation of the Ballets Russes in Paris. We have one of the three great collections of Ballets Russes costumes in the world.

Senator KEMP—Really?

Mr Radford—Yes. We are restoring many of them that have never been seen before, and we are still acquiring a few.

Senator KEMP—That sounds excellent. We have to turn to the vexatious issue of money. What is the cost to the gallery of the efficiency dividend?

Mr Radford—Altogether?

Senator KEMP—The two per cent.

Mr Radford—The two per cent is \$850,000.

Senator KEMP—That is each year?

Mr Radford—Yes.

Senator KEMP—How do you plan to absorb that?

Mr Radford—In three main ways. We are looking at efficiencies in administration and hoping for staff attrition. That is one area. The first thing we look at are internal efficiencies. Then unfortunately we have had to cut our touring exhibition program. We have built our temporary exhibition program in our 25th year up to 10 exhibitions touring the nation at one time, and we had hoped to maintain that but we cannot with the cuts. So we will be allowing that to run down. The tours will eventually finish and we will add one more in the next financial year. The numbers may sink down to about five or six.

Senator KEMP—From 10?

Mr Radford—From 10. The other area is publications. I have been very much involved in wanting to publish on the collections and they have been cut back. Instead of doing several publications a year on the collections, we will be doing one or two a year.

Senator LUNDY—How do you decide what publications you are going to produce? How will you make the decision what not to publish?

Mr Radford—I have already made the decision. I make the decision, usually.

Senator LUNDY—How do you make those decisions?

Mr Radford—I have to look at the priorities. For example, what becomes a priority is an Aboriginal and Torres Strait Island publication because of stage 1 coming on board, but the publication on our Indian collection will be delayed and the publication on our European and American collections will be delayed.

Senator LUNDY—Are these publications associated with specific exhibitions that are being created?

Mr Radford—No. These are publications on our collections.

Senator LUNDY—So are publications associated with special exhibitions, like *Turner to Monet*, going to be affected?

Mr Radford—Yes and no. It will not affect, for example, the Degas or the Ballets Russes catalogue. Of the exhibitions that we have chosen to add this year, one already has a catalogue, so we do not have to print one. If we chose one of the other two or three exhibitions, we would have to produce a catalogue at considerable expense, so we have chosen one for which a catalogue already exists, which is *The Story of Australian Printmaking*.

Senator LUNDY—When you produce a catalogue like the beautiful book that came with *Turner to Monet*, is that a loss-making exercise or a profit-making exercise?

Mr Radford—No, but it was very inexpensive, as you would realise, at \$39.95. That is a price that is very accessible to as many people as possible.

Senator LUNDY—A fact that a lot of people I know are really grateful for.

Mr Radford—So we have gone for bulk. We do make a profit but not very much. It has had to be reprinted three times. We get the third edition next week.

Senator LUNDY—How many were produced all up?

Mr Radford—I think altogether 20,000.

Senator LUNDY—And you will make a small profit on that?

Mr Radford—We will make a profit on that because of the huge numbers. We have already sold 13,000.

Senator KEMP—I know the NGA is very active at raising funds.

Mr Radford—Yes.

Senator KEMP—How is your fundraising going?

Mr Radford—We launched our 25th anniversary appeal for \$25 million—\$25 million to represent 25 years—last year, and we are into \$24 million now.

Senator KEMP—That money goes to assist with the purchase of new works of art?

Mr Radford—Most of it has gone into assisting with purchasing new works of art.

Senator LUNDY—You have raised \$24 million already?

Mr Radford—Yes. That also includes the general sponsorship of the National Bank for the National Sculpture Gallery and the sponsorship of the first Aboriginal triennial which is touring Australia.

Senator KEMP—Can you give the committee an indication of how much you have spent on acquisitions in the last 12 months.

Mr Radford—All of it.

Senator KEMP—All of it?

Mr Radford—We have spent every penny of that already.

Senator KEMP—How much do you get from the government for acquisitions?

Mr Radford—The figure designated for acquisitions is \$4 million.

Senator KEMP—Then you add to that from your own sponsorships and fundraising efforts?

Mr Radford—Yes, and also from some bequests.

Senator KEMP—In the last 12 months, roughly how much would you have you spent on acquiring new works of art?

Mr Radford—I might have to take that on notice, because we have to add bequests and what we have raised.

Senator KEMP—Take it on notice. I think it would be quite interesting for the committee to see the trend over the last, say, five years or so.

Mr Radford—It has certainly gone up.

Senator KEMP—I know that you have a very active NGA foundation.

Mr Radford—Yes.

Senator KEMP—Is that helpful?

Mr Radford—Yes, and we are raising more money each year.

Senator KEMP—You are raising \$4 million—

Mr Radford—No, I said each year the amount is going up. We are hoping that by the end of our 25th birthday year, which of course is 12 October this year, we will well and truly have had more than the \$25 million that we are aiming at.

Senator KEMP—Would the National Gallery of Australia be spending more on acquiring new works of art than the National Gallery of Victoria?

Mr Radford—I would think so, yes.

Senator KEMP—That probably covers my questions. I would like to indicate to Mr Radford that I am delighted to hear of the progress that has been made with the new building, and I look forward in due course to coming to Canberra to visit it.

Mr Radford—You are coming to the opening, I hope?

Senator KEMP—If I am asked, I'll come!

Senator BIRMINGHAM—I think Mr Radford was about to give himself a plug there.

Mr Radford—Yes, that is right. All the politicians have been invited—and some of you have not replied—on 4 June, next week, for a light dinner and a look at *Turner to Monet* just before it finishes. You should have received this invitation.

Senator KEMP—Is that next Wednesday?

Mr Radford—Next Wednesday, 4 June.

Senator McLUCAS—Mr Radford, you might like to know that that is the hearing date for the Health Senate estimates.

Mr Radford—The choice is yours!

Senator LUNDY—We know what we would rather be doing!

Senator BIRMINGHAM—Senator McLucas records her apologies. The rest of us will put in best endeavours.

Mr Radford—Mental health or physical health?

Senator LUNDY—I know what I would rather be doing.

Senator BIRMINGHAM—Mr Radford, very briefly—and I only raise this because there have been media reports suggesting the gallery has in some way had a visit from the AFP regards the Henson matter?

Mr Radford—That is correct.

Senator BIRMINGHAM—Are there any issues that arise from that that you think need to be cleared on the public record in any regard to that matter?

Mr Radford—We are assisting the police in their investigation of our works by Henson.

Senator BIRMINGHAM—Thanks, Mr Radford. I do not have any desire to dig around in that issue.

Mr Radford—Thank you.

Senator EGGLESTON—You mentioned travelling exhibitions and an Indigenous travelling exhibition.

Mr Radford—Yes.

Senator EGGLESTON—Have you plans for other travelling exhibitions? If so, have such plans been affected by your efficiency dividend?

Mr Radford—Yes. That is the point I was making. We have built up the numbers to 10, which I think is a record, but now we will have to scale them down.

Senator EGGLESTON—Can you provide some detail of what you might be planning to not send on a trip around Australia?

Mr Radford—We are allowing the tours to finish and we are only adding one extra in the next financial year. We are not stopping any current tours; we are letting the tours finish.

Senator EGGLESTON—When the present group have concluded, what kind of program will you have after that?

Mr Radford—We will continue. We regard it as a very important part of our program and we will continue to do it, but it will be reduced. It will not be 10 exhibitions a year around the nation.

Senator EGGLESTON—How many do you think it might be?

Mr Radford—Probably more like five or six.

Senator EGGLESTON—So it is a very significant 50 per cent?

Mr Radford—Yes.

Senator EGGLESTON—I see. Thank you.

CHAIR—Thank you, Senator Eggleston. There are no further questions? Thank you very much for attending tonight, gentlemen.

Mr Radford—Thank you very much.

[9.00 pm]

National Museum of Australia

CHAIR—I would now like to ask officers of the National Museum of Australia to come to the table.

Senator KEMP—There is a person missing.

Ms Nethercott-Watson—Our director, Mr Craddock Morton, is currently in Japan opening the Emily Kngwarreye exhibition.

Senator KEMP—Excellent! Thank you.

Ms Nethercott-Watson—He sends his apologies.

Senator KEMP—I am pleased to hear that that project, which he is very keen on, has finally come off.

Ms Nethercott-Watson—Yes. It has been very successful. It has been fantastically received.

Senator KEMP—The number of visitors to your institution: how are they trending?

Ms Nethercott-Watson—They are trending up. We expect to reach approximately one million visitors in the current financial year.

Senator KEMP—What is your record number of visitors?

Ms Nethercott-Watson—In fact, this will be our record year.

Senator KEMP—What is the reason for that?

Ms Nethercott-Watson—There have been some very successful travelling exhibitions that have really aided the numbers of visitors coming to the National Museum. We have had a very successful exhibition called *Between the Flags*, representing 100 years of surf-lifesaving, that, in the life of its travelling exhibition time frame as well as its time in Canberra, would have probably reached around 250,000 visitors. We have had a number of exhibitions like that

that have aided our visitor numbers and we have had a very constant number of visitors to our facility in Canberra.

Senator KEMP—At what stage is the implementation of the Carroll report recommendations?

Ms Nethercott-Watson—There are three main components of that. One was the redevelopment of our multimedia Circa feature, which has now been completed and opened.

Senator KEMP—And opened?

Ms Nethercott-Watson—That is correct, yes. We are in a phase of testing the technology.

Senator LUNDY—Didn't you get an invitation?

Senator KEMP—Apparently not. I will have to check on that!

Ms Nethercott-Watson—We have decided to have a slightly quieter opening, while we ensure the technology works. When you have major complicated new pieces, it is one of those things that you want to make sure happens.

Senator KEMP—Is it based on the same sort of concept as the original Circa?

Ms Nethercott-Watson—The content that it delivers is produced in a slightly different way.

Senator KEMP—I am very hopeful that the content it delivers is vastly different, but I was wondering whether the way you arrange that, when you go into the gallery, is similar.

Ms Nethercott-Watson—It is still a rotating theatre in terms of the physical experience that it delivers, but the content is broken up into four chronological components. If I could ask my colleague, he will be able to talk to that.

Senator KEMP—If my colleague Senator Birmingham and I walked in off the street, we could go and actually see it now, could we? Is that right?

Ms Nethercott-Watson—Yes, that is correct.

Senator KEMP—What has been the reception for this?

Ms Nethercott-Watson—It has been very well received. The visitors have definitely been very satisfied.

Senator KEMP—And it has, I hope, a slightly more positive view of Australia than the previous one.

Senator LUNDY—Controversial, Senator Kemp!

Mr Trinca—It introduces a chronological view through Australian history.

Senator KEMP—That is radical stuff now, isn't it? A museum: a chronological history. Gosh!

Senator LUNDY—I want to follow this up. Are you admitting involvement in censoring the museum's exhibitions?

Senator KEMP—Not at all, but now that I am free of those responsibilities I feel even freer to express my views. I think that that did need to be changed. That was certainly what I was hoping.

Senator LUNDY—Is that why you set up the Carroll review?

Senator KEMP—No. I was very pleasantly surprised that there was a recommendation in the Carroll report to change that.

Senator LUNDY—How interesting.

Senator KEMP—I am delighted. Go and see it. I think you will find it worth seeing. What else is happening? You have got Circa.

Ms Nethercott-Watson—Yes, Circa, and there are two permanent galleries that are being redeveloped: one that will be called *Australian Journeys* and one called *Creating a Country*. The *Australian Journeys* gallery will open during the next financial year and *Creating a Country* will open the following financial year.

Senator KEMP—The total all-up cost of this?

Ms Nethercott-Watson—The funds that were injected from the new policy proposal were around \$6.6 million, but there was always recognition that the museum would supplement those funds with its internal capital reserves. And, separate to the new policy proposal that was also part of the funding of the two galleries and the Circa multimedia theatre, there was also a capital injection for acquisitions for the collection of around \$6 million over six years.

Senator KEMP—Just pulling all these figures together, what is the all-up budget?

Ms Nethercott-Watson—The actual money that the new policy proposal injected was approximately \$12.6 million, but there was recognition that the museum would also fund additional internal capital reserves to supplement that, so the total amount of the projects is higher.

Senator KEMP—Have we done the efficiency dividend?

Ms Nethercott-Watson—No, we have not.

Senator KEMP—What is happening there?

Ms Nethercott-Watson—The museum's impact in regard to the efficiency dividend in the current financial year of 2007-08 is \$188,000, in 2008-09 it is \$926,000, and the figure moves forward in the years after that.

Senator KEMP—And the implications for staff?

Ms Nethercott-Watson—We have tried to work out how to absorb that in a number of ways. We have offered a number of voluntary redundancies. We have also looked at other ways that we can look at operating costs, and a rephasing of program costs.

Senator KEMP—And the numbers of staff involved?

Ms Nethercott-Watson—We have offered six voluntary redundancies to date.

Senator KEMP—Have they occurred, or they are happening at the moment?

Ms Nethercott-Watson—Four, I believe, have occurred, and one to two remain for the next few months.

Senator KEMP—Thank you for that. I look forward to coming down and seeing all these magnificent new developments.

Ms Nethercott-Watson—Thanks.

Senator LUNDY—What were the visitation numbers to your temporary exhibitions? I know you have had several successful ones in the temporary exhibition space.

Ms Nethercott-Watson—Sure.

Senator LUNDY—Was it the Papunya exhibition? And there was also the *100 Years of Rugby League*.

Ms Nethercott-Watson—Certainly. At the start of the calendar year we had a very successful exhibition called *Papunya Painting*, which was the early works of the Papunya Tula community from the Northern Territory. We had very slightly under 50,000 come to that exhibition at the museum.

Senator LUNDY—Was that a record?

Ms Nethercott-Watson—For exhibitions that we have had at the museum, no; we have had higher than that. But we are very proud of that figure.

Senator LUNDY—Yes.

Ms Nethercott-Watson—That is a very healthy number. It was very well received and there was a lot of word-of-mouth that built that visitation number.

Senator LUNDY—Yes, there was a lot of talk about it in the community—a lot of word-of-mouth, spreading how good it was.

Ms Nethercott-Watson—Yes.

Senator LUNDY—What about *100 Years of Rugby League*? Is that continuing?

Ms Nethercott-Watson—It recently closed—on 11 May—and the National Museum of Australia received approximately 34,000 visitors. Sorry, there has been a correction to that already—it has actually closed at 40,000.

Senator LUNDY—Have you got any other temporary exhibitions planned?

Ms Nethercott-Watson—We have got a long program plan, but this calendar year we are bringing the Emily exhibition, which is currently showing in Japan, to Canberra. We will be opening that in August. After that, we have an exhibition on Darwin that is coming from the American natural history museum.

Senator LUNDY—Thank you. How is the utilisation of the function space at the National Museum going? How strong a source of revenue for the museum is hiring out the hall and the function rooms?

Ms Nethercott-Watson—The outsourced arrangement that we have for catering and banqueting is a total function. It represents the restaurant, two cafes and the hiring out of function space. The revenue figure from all of those sources, the amount that we receive, is

around \$300,000, I believe, from memory, but I would have to confirm that if you wanted further details, and there are a number of reimbursements that we get paid, for security staff and the like, so I would have to check that they are not in there. The banqueting spaces are hired out through the contractor. Their success varies in different months. They view it as going reasonably well, and it is a modest source of income for us.

Senator LUNDY—Thank you.

CHAIR—Thank you. Are there any further questions? Thanks very much to the National Museum for coming tonight. That concludes the agencies under this portfolio, so now we go to output 4.1, which is questions of the department.

Senator McLucas—Excuse me, Chair. There are two more agencies that are here.

CHAIR—Who is that?

Senator McLucas—Senators did want to question them. Could we do that now, and then the agency people could go?

CHAIR—Okay.

Senator McLucas—Those agencies are the Bundanon Trust—

CHAIR—And the Australia Business Arts Foundation. Is that right?

Senator McLucas—That is correct.

CHAIR—I am sorry about that. Are there any questions for those agencies?

Senator KEMP—Yes, there are.

CHAIR—All right. We will have those officers first.

Senator McLucas—Thank you very much, Chair.

Senator KEMP—They can both come up to the table.

[9.12 pm]

Bundanon Trust

Australia Business Arts Foundation

Senator KEMP—We will start off with the Bundanon Trust. Tell me it is not true that you had an efficiency dividend imposed on you by this dreadful government.

Ms Ely—No, it is not true.

Senator KEMP—Excellent!

Ms Ely—Yes, that is what I thought, too.

Senator KEMP—So you managed to escape?

Ms Ely—Indeed.

Senator KEMP—And what is the reason for that, Ms Bean?

Ms Bean—Both the Bundanon Trust and the Australia Business Arts Foundation are funded via a funding agreement with the department, so the money is appropriated to the

department as administered money, and the efficiency dividend was not imposed on administered money.

Senator KEMP—Tell me the number of visitors that the trust has received in the last year?

Ms Ely—The numbers have been increasing. We are anticipating 15,000 to 16,000 this year, which is, obviously, largely people staying in residence with us. It is quite a significant increase over the last 18 months. Eighteen months ago I think it was about 9½ thousand. We are doing quite well.

Senator KEMP—What is your capacity?

Ms Ely—In beds?

Senator KEMP—In terms of the residence.

Ms Ely—We can sleep nearly 50 people a night, schoolchildren and artists, in an ‘either/or’ or ‘both’ combination. We had an event about five weeks ago with 2,000 people on site for a public program event. There are different kinds of capacity, depending on the part of our program.

Senator KEMP—Roughly how many people stayed at Bundanon in the last year?

Ms Ely—I would probably have to take that, in detail, on notice, but 3,000 to 4,000 schoolchildren have stayed with us and we have had 113 artists from all over Australia.

Senator KEMP—In residence?

Ms Ely—In residence; up to six weeks at any one time for any one artist.

Senator KEMP—Gosh! How much of your funding comes from sources other than government now?

Ms Ely—About 30 per cent of our funding is self-generated and about two-thirds is from the department.

Senator KEMP—Has there been any progress in fixing up that dangerous road?

Ms Ely—Yes, there has been. We have completed stages 1 and 2 of the three-stage road program. We have a wonderful, safe road now to Riversdale.

Senator KEMP—What was the cost of that?

Ms Ely—Overall, the project is about \$800,000, and we still have, as I say, a small portion to complete.

Senator KEMP—Was that paid for by the state, the Commonwealth or yourselves?

Ms Ely—That came from the trust’s own reserves, with the support of the government to proceed in that way.

Senator KEMP—It was quite dangerous, wasn’t it? It gave that appearance as you drove down.

Ms Ely—It was very dangerous. It was sort of a dirt goat track, really.

Senator KEMP—Is the Artist in Residence program funded by Bundanon or funded separately?

Ms Ely—It is funded from a range of sources: obviously, in part, from government sources, because they support the basic infrastructure, but the Australia Council for the Arts also give us special funding for the Artist in Residence program, and sometimes those artists come to us with funding sources of their own. So it is a mixed model.

Senator KEMP—How many programs do you have that perhaps bring you closer to the local community down there?

Ms Ely—We have a lot of programs that involve the region. We have programs that involve regional arts, literature and music organisations. We have a very developed outreach program for children at risk in the region, which is a growing program, and obviously all our concerts and events are predominantly attended by people—

Senator KEMP—Yes. I think some years ago there was a bit of a feeling, rightly or wrongly, that Bundanon could be somewhat closer to or more involved with the local community. I have to say I was never entirely sure whether that was merited or not, but I think there were some concerns. Those concerns are not being expressed these days?

Ms Ely—Certainly not now. We have made significant inroads into those kinds of perceptions. With our recent programming, we have been getting an enormous amount of support from the local community and the local press. We are regularly in the press—every week at the moment.

Senator KEMP—Excellent. Are you based down there? Do you live there?

Ms Ely—Yes, I do. I own property there.

Senator KEMP—What is your background?

Ms Ely—I was 10 years with state government.

Senator KEMP—Oh dear, that is a bad sign!

Ms Ely—But about 20 years as an art curator.

Senator KEMP—Turning now to ABaF: what progress have you made in the past 12 months?

Ms Haley—We are going extraordinarily well with new programs and activities, and probably one of the most significant things for us was opening an office in the ACT yesterday, about which I am very pleased. So the programs and services that AbaF have in place are gaining more currency and greater understanding in both the business and arts sectors, and we are getting a greater take-up of those programs and services.

Senator KEMP—Can you mention the number of companies that are involved in your activities? Is that a meaningful way to—

Ms Haley—We have 86 councillors who are connected to the organisation, which is a mix of businesses and also of some of our leaders who have been given AbaF awards over the last several years at our annual awards events. But that is probably the tip of the iceberg in some ways, because in fact AbaF works with a much broader number of companies in other ways than through the council. We do not have a number or a figure that I can put onto that, but we have a number of strategies that we have put in place in the recent past to increase our reach

into the small to medium sector of business where we see a real opportunity for increasing the connections between arts and business.

Senator KEMP—But is it possible to say that business is becoming more interested? Can you speak in general terms like that?

Ms Haley—I believe so, yes. The advocacy that is undertaken by our senior business leaders has proved to be quite an effective strategy, to get those business leaders to be the ones that go and talk to other businesses about what the value of getting involved with the arts is. I think awareness is definitely building and there is an increasing level of interest in having a relationship with AbaF.

Senator KEMP—Tell me all those rumours are not true about mergers of AbaF and some other arts body. Is there?

Ms Haley—There has been a perennial and persistent—

Senator KEMP—Yes, I know. While I was there I constantly squashed that, but it seems to have emerged again.

Ms Haley—We are drawing towards the end of a review of AbaF. One of the questions under consideration is whether there would be value in a merger with the Australia Council.

Senator KEMP—Who did the review?

Ms Bean—It is being undertaken by the department. We do have consultants on board to assist us.

Senator KEMP—If the department would like my view, just ask the consultant to give me a call, will you?

Ms Bean—Thank you.

Senator LUNDY—Are you angling for work again, Senator Kemp?

Senator KEMP—Before 30 June.

Ms Bean—Thank you.

Senator KEMP—You have a number of major events each year. Are they still occurring?

Ms Haley—Absolutely. We have our annual dinner.

Senator KEMP—Yes.

Ms Haley—Which is still occurring, which is the event at which we make our awards. We continue to attract a high calibre of nominations for those awards. What we have introduced in the last couple of years is awards at state level, which have been fantastic for promoting locally, particularly in the smaller states where perhaps they do not have the same economies of scale around their arts and business relationships. I have to say that in Tasmania, for example, it has been fantastic and a great impetus for arts and business in that state to have awards at a local level.

Senator KEMP—It is very important. When we could get the Prime Minister involved in some of these functions, I always thought that that was a bit of a help in encouraging business

to come on board in even greater numbers. Have you been able to encourage the current Prime Minister to attend one of your major functions?

Ms Haley—We have not yet had an event to which we could invite the Prime Minister, but we would certainly be expecting to do so in October.

Senator KEMP—Excellent. That is good to hear. That probably covers my questions on AbaF.

CHAIR—Thank you, Senator Kemp. Any further questions? No. Thank you very much for attending tonight.

[9.22 pm]

CHAIR—Now we will go to output 4.1, questions of the department.

Senator KEMP—I have got a number of areas I would like to cover but—

CHAIR—I was going to give the call to Senator Eggleston.

Senator KEMP—Okay.

Senator EGGLESTON—Thank you, Chair. First of all Regional Arts Australia—

Senator KEMP—Hold on. We did not deal with the National Portrait Gallery.

Senator LUNDY—We still can. They are within the department.

Senator KEMP—Okay.

Senator EGGLESTON—Regional Arts Australia had its funding, I gather, reduced by \$4.3 million over four years. I wondered where the cuts might apply to regional arts programs around Australia. I believe you requested \$24 million from the government in your prebudget submission but you only received around half of what you were seeking. So what are the consequences of that for regional arts around this country?

Ms Bean—I presume you are referring to the Regional Arts Fund.

Senator EGGLESTON—Yes, I think so. The fund, yes.

Ms Bean—There was a terminating component to that. There will be \$11.7 million over four years to the regional arts organisations under the Regional Arts Fund. At this stage we have to develop new guidelines for the use of that money or revise the guidelines. That is not yet finalised.

Senator EGGLESTON—So we have to await the development of these guidelines.

Ms Bean—Yes, that obviously has to happen pretty quick smart because the money is allied to known money that we are talking about. So, in order to put the funding agreements in place for the 2008-09 financial year, the guidelines need to be finalised and agreed by the minister within the next month or so.

Senator EGGLESTON—It is a program that is very important to regional Australia. Fostering arts in regional centres is very important because they add such an important dimension to life in regional centres. So I will be very interested to see your guidelines when they are developed.

Ms Bean—I should add that there is \$10 million over four years going to the Australia Council for the Creative Communities program, which potentially will support arts. That is supporting programs in the community, and that of course is locally based and will include potentially regional, remote, very remote and so on communities.

Senator EGGLESTON—I am interested in both of those: regional and remote. How is that administered?

Ms Bean—That will be administered by the Australia Council.

Senator EGGLESTON—But how: at a regional level or through a state intermediary?

Ms Bean—It will not be a devolved program like the Regional Arts Fund; it will be directly administered by the—

Senator EGGLESTON—Directly.

Ms Bean—Australia Council working with local partners, as I understand it.

Senator EGGLESTON—Thank you very much. There is another matter that I would like to ask some questions about in a general way, which again concerns a former minister who took a particular interest in this area, and that is the Indigenous art report.

Senator LUNDY—Would you be referring to Senator Kemp?

Senator EGGLESTON—I am, as it happens, yes. He was very keen on this issue of Indigenous art and overcoming some of the problems associated with Indigenous art as an industry. Last year there was a report which was brought down, as you would know, Ms Bean. I wondered what was happening with the recommendations that were made in that report, particularly the financial side of it. The main recommendation, of course, was:

... that the Commonwealth establish a new infrastructure fund to assist Indigenous visual arts and craft; that this fund complement existing NACIS program funding; that this infrastructure fund be for a sum of the order of \$25 million, made available over five years; and that the fund be administered by DCITA.

I wondered where that was at and whether the government was taking any action on the other recommendations, of which there were quite a number.

Ms Bean—The government is still considering its formal response to the report, and that has yet to be tabled. There have been a number of commitments that arise from the report that have not been part of the formal response. For example, there was an increase to the NACIS program of \$7.6 million over four years. There has been some work undertaken already by the ACCC—

Senator EGGLESTON—I was going to ask about the ACCC.

Ms Bean—on the development of an industry-wide code of conduct. They are working with various bodies in the sector.

Senator EGGLESTON—The committee also thought the ACCC should consider setting up an Indigenous art unit. Is there any progress on that recommendation?

Ms Bean—That is something that will be considered in the context of the formal response to the report.

Senator EGGLESTON—There was also going to be an Indigenous art commercial code of conduct completed. Has that occurred?

Ms Bean—That is the industry code of conduct that I was referring to that the ACCC is working with industry partners on—for example, the National Association for the Visual Arts, who are the prime developers.

Senator EGGLESTON—Are there any other comments you would like to make about progress on the various recommendations?

Ms Bean—At this stage I think that is probably all I can say.

Senator EGGLESTON—Thank you very much. I would like to put on record that Senator Kemp should be recognised as the person who initiated this inquiry and drove it to the conclusion.

CHAIR—Thank you, Senator Eggleston.

Senator KEMP—I think others may slightly query that but, anyway, it was very kind of you to say that.

CHAIR—We are scheduled to go to a tea break now.

Proceedings suspended from 9.30 pm to 9.40 pm

CHAIR—All right, we are ready. Senator Kemp.

Senator KEMP—Can I just follow up that excellent series of questions from my colleague Senator Eggleston on regional arts funds. I understand that you are revamping the guidelines. Is the mechanism by which those funds are delivered going to remain essentially the same?

Ms Bean—The guidelines are only being developed for the 12-month period, but certainly for the coming 12 months that will be the same.

Senator KEMP—And the amount of funds which will be available for the coming 12 months compared with the previous period?

Ms Bean—There is \$11.7 million over the next four years. Previous funding was \$16.1 million over the last four years, 2004-05 to 2007-08.

Senator KEMP—So the available funds have been cut by just under a million a year. Is that right?

Ms Bean—Yes.

Senator KEMP—Was this part of the new measures in the budget, the cutting of the regional arts funds?

Ms Bean—No, it was a terminating program, so that money was not in the forward estimates and it has terminated.

Senator KEMP—Really? I am surprised Mr Garrett did not fight hard to get that non-terminated.

Ms Bean—I am not sure that it is appropriate for me to comment on that.

Senator KEMP—I wonder whether the senator could shed some light on that for us?

Senator McLucas—It is a terminating program. You would know better than anybody here about terminating programs.

Senator KEMP—We all know about terminating programs. The major aim of a minister is to make sure that a terminating program, particularly if it is a good program, is not terminated.

Senator McLucas—You would also be aware that Creative Communities is a new program that is valued at \$10 million over four years. I think that will be well regarded by the arts community generally and the community more broadly.

Senator KEMP—We shall see. How does Creative Communities differ in terms of its guidelines to the regional arts fund?

Senator McLucas—As the officer indicated earlier, the guidelines are being drawn up now for the roll-out of Creative Communities.

Senator KEMP—The point I am making is: I am not sure that they are quite the same. If they are the same, that would be very interesting but they seem to me to be different programs entirely. Is that right?

Ms Bean—They are certainly not identical and their delivery mechanism is different, but the Creative Communities program is targeted at working with different communities, and that will be a range of communities across the country; it will not just be urban communities.

Senator KEMP—This is a program which creates a lot of interest, and I am sure that people will be looking with great interest to see what happens there. On the very bipartisan report on Indigenous art, I took it that you said that there were some initiatives that were consistent with the recommendations in the report and the code of conduct. Is that right?

Ms Bean—Yes, the code of conduct is being developed. The ACCC is working with NAVA, which is the National Association for the Visual Arts, to develop a draft that NAVA had produced.

Senator KEMP—You said the ACCC are working with NAVA. Is that right?

Ms Bean—Yes.

Senator KEMP—Is that what was essentially proposed in the report?

Ms Bean—Yes, broadly. I cannot remember the exact wording, but certainly that was the intent.

Senator KEMP—Yes. The government has had the report in its hands now for seven months. I was critical, as you know, that we did not move on this more rapidly. On the other hand, the election was pressing upon us, so there were some excuses. When can we hope to get a response from the government to the report? Senator, you might be able to answer this from one of your briefing notes.

Senator McLucas—I do not have a briefing note on this issue but I am happy to take it on notice, Senator Kemp.

Senator KEMP—The points that could be made there are that this was a bipartisan report and it was taken very seriously. There was widespread consultation on it and when we

released it—I think Senator Lundy would agree with me—it was well received by the Indigenous community. If you would not mind just making the point that it has not been forgotten, because there are quite a few people looking to see what happens. The recommendations were not hugely expensive. They would involve some funds, but we did think that it made an important step in addressing some of the real problems that there are in the Indigenous art market. I think if that report was not picked up and those problems continued, people would be right to feel somewhat aggrieved.

Senator McLucas—I am advised that it has not been forgotten and it is under active consideration.

Senator KEMP—Okay. Dealing with the department overall, can we have the figures on the impact of the efficiency dividend on the department?

Mr Borthwick—When we are talking about the department, we are talking all four outcomes?

Senator KEMP—Yes.

Mr Borthwick—For the 2007-08 financial year, it is \$2,237,000; and for the 2008-09 year, it is \$8,612,000. Do you want the next year?

Senator KEMP—Yes.

Mr Borthwick—For 2009-10, \$8,078,000; and for 2010-11, \$7,755,000.

Senator KEMP—So over the forward estimates the effect on the department is close to \$30 million over that period. How will it affect the types of programs that are being run through the department; for example, the cultural training institutions?

Ms Bean—They are administered programs.

Senator KEMP—So it will not affect them at all?

Ms Bean—No.

Mr Borthwick—No, it does not affect them. It only affects departmental expenses, not administered programs.

Senator KEMP—The cultural training institutions would know that?

Ms Bean—Yes.

Senator KEMP—Does it follow from that that their budgets are essentially the same as they were the previous year, the six or so members of the roundtable?

Ms Bean—Yes.

Senator KEMP—Indexed?

Ms Bean—Yes.

Mr Borthwick—I just want to make sure—the numbers I gave you are across the whole of the department, not just the arts functions.

Senator KEMP—I am assuming that that excludes bodies like the Australia Council.

Mr Borthwick—Yes, it does.

Senator KEMP—And excludes the collecting institutions we have.

Mr Borthwick—No, it is the department itself.

Senator KEMP—That is right, yes.

Mr Borthwick—Covering the four outcomes of the department.

Senator KEMP—That covers that. Can I get a bit of a report on some of the developments in these cultural training institutions. The Australian Ballet School: there has been a lot of discussion about establishing a residence. There have been some delays there but are you able to give me any reports on how that is—

Ms Bean—There was funding allocated in 2007-08 to address OH&S problems and to scope an expanding training program, which included investigating the site options and potential options for residency. They have completed a design for a refurbishment which addresses the OH&S problems. They are working on the planning for the extended training program. A number of issues arose that required links, and they will need to be addressed jointly with the Australian Ballet. There was a joint working group established, so it is actually progressing quite well.

Senator KEMP—So the money is there for that program?

Ms Bean—Yes.

Senator KEMP—How much is allocated?

Ms Bean—It was \$4.6 million in total: \$2.9 million for OH&S and \$1.7 million for scoping models for the expanded training program—\$2.9 million of the total \$4.6 million has been rephased into next year.

Senator KEMP—Have any guidelines been given on the likely capital outcome?

Ms Bean—No. There is still the planning work going on.

Senator KEMP—I think we had a figure in mind, though, if I remember rightly.

Ms Bean—There has not been an outcome from the planning, and there are a number of options that have yet to crystallise.

Senator KEMP—I am not sure what that all means, Ms Bean.

Ms Bean—In that case, it was a very good answer, wasn't it?

Senator KEMP—The essential aim was that there was to be a scoping program which would lead to the creation of a residence.

Ms Bean—Yes, but you would be aware that there were a number of options and different approaches at different times to the residence question.

Senator KEMP—Absolutely. I think that one of the problems is the many approaches, but we do not want to see any back-sliding on that particular issue. NAISDA's move has worked out well?

Ms Bean—NAISDA is doing fine. They have moved to Mount Penang near Gosford. The refurbishment of that facility is not yet complete, but they are there. There is currently a tender process under way for the construction contract for the works.

Senator KEMP—How much was the budget that was prepared for that?

Ms Bean—That was \$6.974 million over four years through the 2006-07 additional estimates.

Senator KEMP—What is happening with NICA?

Ms Bean—NICA is fine. NICA has virtually completed the development of the circa centre. There are some minor fit-out works still to go.

Senator KEMP—How are their arrangements with Swinburne panning out?

Ms Bean—I would need to take the detail of this on notice, but I understand that Swinburne is looking at the structure of the arrangements at the moment.

Senator KEMP—But nothing has been determined?

Ms Bean—No.

Senator KEMP—Are they looking at it in the sense that NICA would remain an independent organisation, independent of the university?

Ms Bean—I do not know. I would need to take that on notice.

Senator KEMP—That is rather a threshold decision. I think all those other cultural training institutions are independent bodies, if I remember it correctly—NIDA and AFTRS and ANAM.

Ms Bean—Different institutions have different links. ANAM, for example, is a subsidiary company of the University of Melbourne, and NIDA has close links with the University of New South Wales, although they are not related.

Senator KEMP—I think NIDA's connection with the University of New South Wales is basically counselling services, if I remember rightly.

Ms Bean—The building is on University of New South Wales land and they do operate with the University of New South Wales—

Senator KEMP—They own the building.

Ms Bean—The Commonwealth owns the building. Yes, there are counselling services. I believe there are student services and certain things provided, but I do not have the detail. There are quite close links.

Senator KEMP—Their budgets have not been affected in the cutbacks which have been announced?

Ms Bean—Their budgets are running on track, the way they have for many years.

CHAIR—Thank you, Senator Kemp. Are there any further questions for the department?

Senator KEMP—In that case, we might go onto Old Parliament House. How is your expansion program going? You now have plenty of space coming up.

Ms Anderson—Yes, we have. Old Parliament House is proceeding quite well with its refurbishment and redevelopment.

Senator KEMP—Is it? When will the Gallery of Australian Democracy be completed?

Ms Anderson—The Gallery of Australian Democracy will open in May 2009, so just under 12 months.

Senator KEMP—Is that going to contain a ‘must see’?

Ms Anderson—It certainly will.

Senator KEMP—Can you enlighten the committee as to what you are planning, or is that still under wraps?

Ms Anderson—It is still publicly quite under wraps, but I can promise you it will be exciting. You will be able to wade through the journey of our evolution into democracy, not just looking at the past but looking at the present and the future.

Senator KEMP—I was very shocked with a board move. Barry Cohen, an excellent Labor arts minister, was not reappointed.

Ms Anderson—No. Mr Cohen had been deputy chair of Old Parliament House Governing Council for just on 10 years, and we have a new appointment to that position.

Senator KEMP—He just wants me to say that he is very unhappy about it. I fully support him. No, he takes it in exceedingly good humour. Barry Cohen did make a very important contribution.

Ms Anderson—Yes, he did.

Senator KEMP—He was always happy to serve. If summoned, he would serve. Anyway, I will pass that comment on to him. That program will be completed in about a year’s time. Is that right?

Ms Anderson—Yes, in May 2009, to coincide with Old Parliament House’s 82nd birthday.

Senator KEMP—The other very important development at Old Parliament House: what is now happening to Senator Guilfoyle’s old office? I assume it is part of the forward planning to restore that to its pristine glory as it was in 1977.

Ms Anderson—I will not promise that today, but I can tell you that it is in the first stage of the Australian Prime Ministers Centre and it is currently being used as a seminar room and a meeting room for our fellows on the research program.

Senator KEMP—I do not think that is very satisfactory. I think it should be restored. As you have some important officers there, and Senator Guilfoyle, as you know, was the first cabinet minister with a portfolio, I thought it was a serious blunder of the previous board of Old Parliament House to tear out that office and replace it with—whose office?

Ms Anderson—It has not been torn out and it has not been replaced with an office. It is being used as a meeting room or a small seminar room for our research fellows, because it is currently where the first stage of the Australian Prime Ministers Centre is located. So it gets used.

Senator KEMP—As a humble backbencher, allow me to lobby—

Ms Anderson—You can certainly lobby.

Senator KEMP—that it should be restored to what it was in that period when Senator Guilfoyle, as I said, was the first female cabinet minister with a portfolio. Old Parliament

House does so many things so well, I was stunned when I went down there to see what had happened. Anyway, you will take that on notice, will you?

Ms Anderson—I will take that on board, but the room is still there and it is being used for a good purpose at the moment.

Senator KEMP—Excellent. Thank you for that. We look forward to the host of developments at Old Parliament House being completed.

Ms Anderson—Thank you.

Senator KEMP—Now the National Portrait Gallery.

Ms Anderson—I can answer for that too.

Senator KEMP—You can?

Ms Anderson—I can, yes.

Senator KEMP—Is that on time and on budget?

Ms Anderson—Yes, the new building is on time and is on budget. The building is expected to be finished in September, and the Portrait Gallery will open its doors to the public on 3 December.

Senator KEMP—I read press reports from time to time about fundraising activities. Would you like to brief the committee on that?

Ms Anderson—On the donations that we receive?

Senator KEMP—Yes.

Ms Anderson—The National Portrait Gallery does receive significant donations to help with the acquisition of collections. They have been very fortunate to receive those donations, and they will certainly be put to good use in enhancing the collection for the new building.

Senator KEMP—Has there been any fundraising associated with the new galleries which are going to be established?

Ms Anderson—I might refer to Andrew Sayers, Director of the National Portrait Gallery.

Senator KEMP—A very well-known personality.

Mr Sayers—The situation in respect of fundraising for the galleries is that the National Portrait Gallery is very fortunate, as Jenny said, to receive significant donations. Since March this year we have received \$3.5 million of donations to build the collection. As a consequence of the gallery's recognition of these donations, spaces within the National Portrait Gallery are named in honour of those significant donations.

Senator KEMP—Excellent.

Mr Sayers—In the new Portrait Gallery there will be a Robert Oatley Gallery and a John Schaeffer Gallery. Robert Oatley and John Schaeffer each donated \$1¼ million dollars to go towards the acquisition of the Cook portrait in the year 2000. There will be an Ian Potter Gallery—the Ian Potter Foundation has given us \$1 million—there will be a Tim Fairfax Gallery—he has recently given us \$3 million—and there will be a Marilyn Darling Gallery

and a Gordon Darling Entrance Hall in recognition of the significant role that they have played.

Senator KEMP—The Darlings have played an absolutely critical role in the development of the gallery.

Mr Sayers—Indeed.

Senator KEMP—I am delighted to hear that, I must say. When the new gallery becomes fully operative, how many visitors are you forecasting?

Mr Sayers—We are forecasting at the moment somewhere between 250,000 and 300,000 visitors a year. Our figuring is based on that. With the attraction of the National Portrait Gallery proximate to the National Gallery, we believe that is a reasonable figure to expect. We hope to exceed that.

Senator KEMP—Obviously that was the thinking behind it. You will benefit from being fairly closely co-located.

Mr Sayers—Indeed.

Senator KEMP—Are there any other important developments that you would like to bring to the committee's attention?

Senator LUNDY—Car parking.

Senator KEMP—Car parking? We always leave the car parking questions to Senator Lundy.

Mr Sayers—I am very happy to report that the building of the National Portrait Gallery, which is currently on track, has 150 public car parking spaces underneath and 40 car parking spaces for staff. So it has an adequate provision, we believe, for gallery visitors.

Senator KEMP—Senator Lundy, are you happy with that? You are the car parking expert!

Senator LUNDY—It will be a vast improvement for the whole precinct. The National Gallery acknowledges the benefits of the care that is taken with it as well. I think it will be really helpful.

Mr Sayers—One of the things that we will be doing is working closely with the National Gallery because, clearly, parking for the National Gallery and the National Portrait Gallery will be shared by visitors to both galleries to some extent.

Senator KEMP—Well done! It sounds to me as though it is all progressing on track. It is a wonderful project, so congratulations on it.

Senator LUNDY—For the record, which minister was in place when this was initiated?

Ms Anderson—That would be Senator Rod Kemp, Senator Lundy.

Senator LUNDY—Thank you, Ms Anderson.

Senator KEMP—Thank you for reminding us, Senator.

Senator LUNDY—My pleasure, Senator Kemp.

Senator KEMP—Much appreciated.

CHAIR—I understand Senator Parry wants to say something in a minute, but I will just do the formalities, if I can. That completes the examination of the Environment, Water, Heritage and the Arts portfolio. I thank Senator McLucas and officers for their attendance tonight. Senators are reminded that written questions on notice should be provided to the secretariat by close of business Friday next week. I would like to acknowledge that this is the final estimates hearings for three senators who are retiring from the Senate and from this committee at the end of June: Senator Kemp, of course, and Senators Webber and Bartlett. I would like to thank them for their excellent contributions and for their cooperation, mostly, as members of the committee.

Senator KEMP—For some of the time!

CHAIR—It has been a pleasure to chair you, Senator Kemp.

Senator PARRY—I would like to record the coalition's respect for Senator Webber and, in particular, Senator the Hon. Rod Kemp, and thanks for being on this committee. I co-opted Rod back to this committee because of his vast experience, and it has been a delight to be on this committee with him.

Senator KEMP—I didn't fight too hard!

Senator PARRY—You didn't fight very hard at all! It is the knowledge, the spirit and the style that we will very much miss with Senator Kemp. I know a lot will be said in other places at other times but, on behalf of your colleagues on this committee, Senator Kemp, it has been a great pleasure to have you here. Your experience has been invaluable to our side, but I think even Senator Lundy would admit that some of the experience has even moved over to the other side too.

Senator KEMP—I would never admit that!

Senator PARRY—We very much appreciate your great contribution, thank you, Senator Kemp

Committee adjourned at 10.07 pm