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Official Committee Hansard

SENATE

STANDING COMMITTEE ON RURAL AND REGIONAL AFFAIRS
AND TRANSPORT

ESTIMATES

(Budget Estimates)

THURSDAY, 29 MAY 2008

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE STANDING COMMITTEE ON
RURAL AND REGIONAL AFFAIRS AND TRANSPORT
Thursday, 29 May 2008**

Members: Senator Sterle (*Chair*), Senator Siewert (*Deputy Chair*), Senators Heffernan, Hutchins, Hurley, McGauran, Nash and O'Brien

Participating members: Senators Abetz, Adams, Allison, Barnett, Bernardi, Birmingham, 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, Hogg, Humphries, Johnston, Joyce, Kemp, Kirk, Lightfoot, Lundy, Ian Macdonald, Sandy Macdonald, McEwen, McLucas, Marshall, Mason, Milne, Minchin, Moore, Murray, Nettle, Parry, Patterson, Payne, Polley, Ronaldson, Scullion, Stephens, Troeth, Trood, Watson, Webber and Wortley

Senators in attendance: Senators Adams, Barnett, Birmingham, Boswell, George Campbell, Jacinta Collins, Ellison, Fielding, Fisher, Heffernan, Hurley, Hutchins, Ian Macdonald, Johnston, McGauran, Milne, Nash, O'Brien, Parry, Scullion, Siewert, Sterle and Webber

Committee met at 9 am

**INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL
GOVERNMENT PORTFOLIO**

Consideration resumed from 28 May 2008

In Attendance

Senator Conroy, Minister for Broadband, Communications and the Digital Economy

**Department of Infrastructure, Transport, Regional Development and Local Government
Departmental Executive**

Ms Susan Page, Acting Secretary
Mr Andrew Tongue, Deputy Secretary
Mr Andrew Wilson, Acting Deputy Secretary

Corporate Services

Mr David Banham, Chief Operating Officer
Mr Paul Wood, Chief Financial Officer

Inspector of Transport Security

Mr Mick Palmer, Inspector of Transport Security
Mr Peter Pearsall, Director

Office of Transport Security

Mr Paul Retter, Executive Director
Ms Nicole Spencer, Acting General Manager, Aviation Security Operations
Mr Stuart Sargent, General Manager, Aviation Security Policy and Legislation
Mr Andrew Byrne, General Manager, Analysis and Operational Support
Mr Stewart Dietrich, Acting General Manager, Governance and Operations

Ms Philippa Power, General Manager, Maritime and Surface Security
Ms Cheryl Johnson, General Manager, Supply Chain and Identity Security

Civil Aviation Safety Authority

Mr Bruce Byron, Chief Executive Officer
Mr Shane Carmody, Deputy Chief Executive Officer, Strategy and Support
Mr Mick Quinn, Deputy Chief Executive Officer, Operations
Mr Peter Boyd, Head, Planning and Governance Office
Dr Jonathan Aleck, Head, Legal Services Group
Ms Betty Edwards, Chief Financial Officer
Mr Gary Harbor, Head, Human Resources
Mr Robert Wight, Acting Group General Manager, Air Transport Operations Group
Mr Greg Vaughan, Group General Manager, General Aviation Operations Group
Mr Greg Hood, Group General Manager, Personnel Licensing, Education and Training Group
Mr Chris Farrelley, Chief Information Officer
Mr Mark Sinclair, Head, Airworthiness Engineering Branch
Mr Paul Trotman, Acting Manager, Corporate Relations
Dr Ian Hosegood, Principal Medical Officer
Mr Peter Cromarty, Head, Airways and Aerodromes Regulation
Mr Michael Hart, Industry Complaints Commissioner

Australian Transport Safety Bureau

Mr Peter Foley, Acting Executive Director
Mr Julian Walsh, Director, Aviation Safety Investigation
Ms Kerryn Macaulay, Director, Strategy and Capability

Airservices Australia

Mr Greg Russell, Chief Executive Officer
Mr Richard Dudley, General Manager Corporate Affairs
Ms Caroline Fleming, General Manager People and Change
Mr Peter Curran, Manager National Air Traffic Control Service Capability

Aviation and Airports

Mr Stephen Borthwick, Acting Executive Director
Mr Mike Ford, General Manager, Aviation Regulation
Ms Karen Gosling, General Manager, Airports
Mr Scott Stone, Acting General Manager, Aviation Markets
Mr Jim Wolfe, General Manager, Aviation Strategy
Ms Maureen Ellis, General Manager, Aviation Services

Bureau of Infrastructure, Transport and Regional Economics

Dr Gary Dolman, General Manager, Regional Research and Transport Statistics
Mr David Gargett, Acting General Manager, Infrastructure and Transport Research

Infrastructure Investment

Ms Carolyn McNally, Executive Director
Mr Robert Hogan, General Manager, NSW and Investment Coordination
Mr Darren Crombie, General Manager, Policy and QLD/NT
Ms Joan Armitage, General Manager, Infrastructure Australia Coordination

Mr Neil Williams, General Manager, Rail
Mr Ned Rokvic, Acting General Manager, VIC/TAS and Strategic Projects
Mr Jason Maher, General Manager, WA/SA and Local Roads
Ms Heather White, Director, QLD/NT Branch

Australian Rail Track Corporation

Mr David Marchant, Chief Executive Officer

National Transport Strategy

Ms Leslie Riggs, Executive Director, National Transport Strategy
Mr John Elliott, General Manager, National Transport Policy

Infrastructure and Surface Transport Policy

Mr Michael Sutton, Acting Executive Director
Mr Peter Robertson, General Manager, Vehicle Safety Standards
Mr Lloyd Binks, Acting General Manager, Maritime
Mr Stewart Jones, General Manager, Transport Integration and Reform
Mr John Goldsworthy, Team Leader, Road Safety Branch

Australian Maritime Safety Authority

Mr Graham Peachey, Chief Executive Officer
Mr Gary Prosser, General Manager, Maritime Standards Division
Mr Mick Kinley, General Manager, Maritime Operations Division
Mr Yew Weng Ho, General Manager, Corporate Services Division
Mr John Young, Acting General Manager, Emergency Response Division

Local Government and Regional Development

Mr John Angley, Executive Director
Mr Tony Carmichael, General Manager, Better Regions Branch
Mr Marcus James, General Manager, Regional Engagement Branch
Mr Michael Pahlow, General Manager, Local Government and Office of Northern Australia Branch
Ms Judy Jenkins, Acting General Manager, Regional Policy Branch

CHAIR (Senator Sterle)—I declare open this public hearing of the Senate Standing Committee on Rural and Regional Affairs and Transport. The committee will continue its consideration of the 2008-09 budget estimates for the Infrastructure, Transport, Regional Development and Local Government portfolio. I remind the department that the committee is due to report to the Senate on 24 June 2008 and has fixed Friday, 18 July 2008 as the date for the return of answers to questions taken on notice. Under standing order 26 the committee must take all evidence in public session.

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.

The Senate has also resolved 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 of the claim.

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.

I welcome Senator the Hon. Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, representing the Minister for Infrastructure, Transport, Regional Development and Local Government, and portfolio officers. We are in continuation of questions. I call on Senator O'Brien.

Senator McGAURAN—Before Senator O'Brien starts, the minister at the table rather contemptuously wheeled in his suitcase. I want to know how long he thinks he'll be sitting at the table.

CHAIR—Senator McGauran, it is now two minutes past nine—I have lost the bet—

Senator McGAURAN—How long is the minister going to stay? We need him here to answer questions.

CHAIR—Senator McGauran, you are out of order.

Senator NASH—Just before we go on in continuation, following on from the request yesterday, can I just ask Ms Page for the list of Regional Partnerships projects? Can she now provide that to the committee this morning?

Ms Page—I think that we indicated yesterday that we would answer questions in relation to Regional Partnerships under that item.

Senator NASH—I do not think that you indicated that yesterday at all.

Senator Conroy—I think I did.

Senator SCULLION—I understood by looking and listening carefully yesterday that it was simply a question on notice. I think it was placed on notice. I understood that you said—

Senator Conroy—We took it on notice and we said that we would get back to you. I do not know how we will do every single piece of it but I think there is information we are going to be passing over when that part of the estimates comes on.

Senator SCULLION—That is right. This is just simply a question on notice which was provided yesterday. We did not think it was a particularly difficult question given it was just simply a list of stuff that we knew the department had and it would be convention to provide it rather than to wait until any particular section comes up. If it is ready now, for the benefit of information—

Senator Conroy—We will investigate whether it is ready to be handed over now and endeavour to get it to the committee as soon as practicable.

Ms Page—I do not have it with me, Senator.

Senator IAN MACDONALD—Is it not ready, Minister?

Senator Conroy—I said that we would endeavour to get it to the committee as fast as is practicable.

Senator IAN MACDONALD—No. We just want the list now. We can talk about it some other time, but we want the list, and we understand you have got it. Is that correct?

Senator Conroy—It is not with us at the moment but we will endeavour to get that list as soon as is practicable.

Senator IAN MACDONALD—Minister, the departmental staff have had the last 12 hours—I know that they do not sleep. It is a pretty simple thing to do. I am sure the list would be available and we would like it just at the beginning—

Senator Conroy—We appreciate your confidence, Senator Macdonald. I have answered your question—

Senator IAN MACDONALD—You haven't. The question is: is the list prepared?

Senator Conroy—I will contact the minister's office, who supply this information, and we will get back to you as soon as is practicable.

Senator IAN MACDONALD—With respect, and I do not want to embarrass the public servants—I never do. Perhaps you should ask the acting secretary whether the list is ready. I am sure that she will tell you, 'Yes, we took the instructions yesterday and, yes, we have got it ready and we are ready to table it at your direction, Minister.' I am sure that she will say that. Perhaps you might ask her.

Senator Conroy—I will contact the minister's office. As you would remember from your brief period as a minister, you were in charge when information was available, not the bureaucrats. So I will contact the minister's office—

Senator IAN MACDONALD—I am asking you or your officials: is the list prepared? That is question No. 1.

Senator Conroy—As I said, I will take that on notice.

Senator IAN MACDONALD—You do not need to take it on notice, because you could ask any one of the people sitting next to you and any one of them will be able to tell you, yes, it is prepared.

Senator Conroy—I am taking it on notice.

Senator SCULLION—Minister, I remind you that it was about this time in the last set of estimates that this very question was addressed. We had a short break. We sought advice from the Clerk of the Senate on this very matter. Mr Chairman, I am not sure where you have to go with this, but I can recall that they were given a question on notice again yesterday. This should come as no surprise, Minister, because you said that there was nobody in the room at the time. We said that it was only a short ride down the road so could we possibly get someone absolutely dying to cooperate. Now we are at the next set of estimates and the information still has not been provided, Minister. I think that you are going to have to start

defining that as becoming unhelpful. I know, Minister, that you are always saying how cooperative you would like to be. This is a very simple matter. It is a list. You knew yesterday and you knew at the last set of estimates.

Senator Conroy—We are anticipating that the list as requested will be available, and I will endeavour to chase up the minister's office to find out when.

Senator IAN MACDONALD—Minister, I am sorry, you have only been a minister for a couple of months—and I was a minister for seven years—so you have got a lot of learning to do.

Senator NASH—They were excellent years!

Senator IAN MACDONALD—I know the department will have the list available. You know it is available. You have been asked by this committee. Perhaps I will ask the chairman to re-read the opening address so that you can understand what your obligations are as a minister in this parliament.

Senator Conroy—My obligations are that I can take a question on notice, which is what I have done.

Senator IAN MACDONALD—But you have to give an answer; you cannot obfuscate.

Senator Conroy—I suggest, given you are a such a self-proclaimed expert, you read that.

Senator IAN MACDONALD—Read what?

Senator Conroy—Read the opening statement and the Clerk's advice. The Clerk has repeatedly said that—I know because I have had it read to me possibly even by you. I have taken it on notice, and that is the situation.

Senator IAN MACDONALD—Is it prepared?

Senator Conroy—I will take that on notice.

Senator IAN MACDONALD—You know it is prepared and, quite frankly, so does Ms Page.

Senator Conroy—I will take it on notice.

Senator IAN MACDONALD—Ms Page, I will ignore the minister and go directly to you. Is the list prepared?

Senator Conroy—Would you like to ask another question?

Senator IAN MACDONALD—Is the list prepared, Ms Page?

Senator Conroy—I have taken that on notice. All questions go through the minister.

CHAIR—He has taken the question on notice.

Senator IAN MACDONALD—He took it on notice yesterday, Chair.

CHAIR—He said he will contact the minister's office.

Senator Conroy—All questions go through the minister.

Senator IAN MACDONALD—Have you not spoken to the minister overnight?

Senator Conroy—No, actually.

Senator IAN MACDONALD—Have you spoken to him this morning?

Senator Conroy—No.

Senator IAN MACDONALD—And you are representing him here in the Senate estimates and you have not even bothered to pick up the phone and have a chat to him about what happened yesterday.

Senator NASH—Tell him about how the day went, maybe?

Senator Conroy—I am sure he is relaxed about how the day went. I have taken it on notice, as is my prerogative.

Senator IAN MACDONALD—You might like to have got some instructions from the minister.

Senator Conroy—I told you, I will contact him. Over the course of the morning I will contact him and we will get the information.

Senator IAN MACDONALD—We do want the information before Christmas.

CHAIR—Senator Macdonald, the minister is waiting to have questions asked in continuation by Senator O'Brien. In all fairness—

Senator IAN MACDONALD—My question is very simple, Chair: has he got the list prepared?

Senator Conroy—I do not have the list with me.

CHAIR—The answer, Senator Macdonald, is very simple, too.

Senator IAN MACDONALD—Minister, I do not want to have to accuse you of being untruthful. You know that the list is prepared.

Senator Conroy—I will contact—

Senator IAN MACDONALD—Tell me that you do not know that it is prepared.

Senator Conroy—I will contact the minister's office.

Senator IAN MACDONALD—Tell me that you do not know that it is prepared.

Senator Conroy—I know that it is being prepared; I do not know if it is completed and I do not know what is available.

Senator IAN MACDONALD—Ask Ms Page, because she knows.

Senator Conroy—I have taken it on notice.

Senator IAN MACDONALD—Ask Ms Page; you do not need to take it on notice. As you know, your government has a big administrative program. We do not want these proceedings to end up in the chamber in advance of any other business of the Senate. But if your attitude is going to be to obfuscate the duties of this committee when you clearly have a list, you clearly know it is there, Ms Page knows it is there—if it is not next door, if it is not amongst your briefs on the table, it would be a phone call away. I cannot believe that the public servants, knowing how efficient they are, would not have got that from the minister last night before they went to bed.

Senator Conroy—I appreciate that you have your opinions. As I said, we will get the information and we will provide it to the committee. We are not planning on providing it at five to 10, if that is what you are worried about.

Senator IAN MACDONALD—We might have to suspend these proceedings and take them on in the Senate chamber—

Senator Conroy—Feel free to suspend them.

Senator IAN MACDONALD—instead of government business in a fortnight's time.

Senator Conroy—If you think you can do that you are entitled to go down that path.

Senator IAN MACDONALD—I am sure I can do that.

Senator GEORGE CAMPBELL—Do it! Try it on!

Senator Conroy—You can walk out of estimates.

Senator IAN MACDONALD—It would seem to be a fairly pointless exercise, Minister, when you have the material with you—or officers have the material with them—and you are deliberately refusing to give it to this committee.

Senator Conroy—I have said that I will contact the minister's office and facilitate—

Senator IAN MACDONALD—Can we have a break of five minutes while you contact the minister's office?

CHAIR—No. I call the committee to order.

Senator SCULLION—In support of my colleague's remarks, let us get this absolutely clear. The minister has said that this is quite a legitimate line of questioning—it is not advice to the minister; it is not legal advice. We are asking him to simply turn to his right and ask Ms Page if the material has been prepared. For the minister not to be prepared to do that but to rather take a question on notice when we know that the department official sitting on the minister's right has the answer is hardly helpful to the committee, Mr Chairman. I think you have a responsibility in this. This is a committee of the Senate; it is not a Labor committee. I know that is what you believe and it is what we all believe. For the minister to now say that, under these circumstances, he is not going to simply turn to his right and ask Ms Page whether she has any information on the preparation of the documents is being completely obstructive to the Senate committee and I think it is your responsibility, Mr Chairman, to remind the minister about his responsibilities with regard to these proceedings.

CHAIR—In all fairness, I interpreted Senator Macdonald as threatening to cancel estimates in some way, shape or form. If that is what you want to do—

Senator SCULLION—He was simply pointing out a procedural process.

CHAIR—Senator Scullion, the minister has said that he will take the question on notice, and he is entitled to do that.

Senator IAN MACDONALD—He did that yesterday.

CHAIR—He answered that he would take it on notice. If there are no further questions I urge senators on my left—

Senator IAN MACDONALD—Mr Chairman, you do have a responsibility as chair, for as long as you happen to be the chair—

CHAIR—Hopefully, it will be longer than your ministerial career.

Senator IAN MACDONALD—You'll never be a minister in the next seven years so perhaps you will be chairman for the next few years.

Senator Conroy—I can assure you, Senator Sterle, you will not be sacked from the ministry by the Prime Minister, either.

Senator IAN MACDONALD—Until the Senate otherwise decides about committee chairs, I might add.

CHAIR—Thank you, minister.

Senator Conroy—Why did John Howard sack you? Why were you sacked?

Senator IAN MACDONALD—I do not know; you should ask him.

CHAIR—Senator Macdonald, what is your point?

Senator IAN MACDONALD—Mr Chairman, as chair of this committee you have a responsibility to require the minister not to take it on notice because he said he would do that yesterday. We are 24 hours later; we all know the list is prepared. In fact, half the journalists in this room have the list. The minister only has to turn to his right and ask Ms Page whether it is available, where it is and when it will be here, and we can move on.

CHAIR—Senator Macdonald, the minister will contact the minister's office and come back to this committee.

Senator IAN MACDONALD—Can we have a five-minute break while the minister picks up the phone?

Senator GEORGE CAMPBELL—Can you name the journalists who have the list?

Senator SCULLION—Before we have the five-minute break, Mr Chairman, I remind you of the last proceedings when we were in these exact circumstances. We then had a five-minute break and we sought advice from the Clerk of the Senate. The Clerk of the Senate's advice to the committee was that this would be seen as unhelpful or obstructive. The minister then went away and changed his mind and provided that information as soon as possible. I am reasonably sure that, given the consistency in advice from the Clerk of the Senate in the past, the Clerk will provide that advice again today. I am more than happy to follow that process but in view of history we should—

Senator Conroy—I am not refusing to answer a question or provide information, which are the grounds for the road you are currently doing down. We are going to provide the information.

Senator SCULLION—The question has been given to you. We know that the departmental secretary sitting on your right has the answer to that question. You are saying that all questions will come through you—

Senator Conroy—All questions come through me and all questions taken on notice go through the minister's office.

Senator SCULLION—What we are saying is that there is no need for you to take that question on notice.

Senator Conroy—I appreciate your opinion.

Senator SCULLION—The answer is sitting on your right.

Senator Conroy—The answer is not sitting on my right; the answer is sitting in the minister's office. End of story.

CHAIR—The minister has taken your question and he has said categorically that at some stage during the morning he will contact the minister's office and attempt to come back with the information. He has the right to do that.

Senator HEFFERNAN—I am a bit confused about this. There is a list that Minister Albanese has mentioned of community—is that what we are on?

Senator SCULLION—Regional partnerships.

Senator HEFFERNAN—There is a list of 116 in total—86 that are community based and that have been identified by the minister as worthy of a revisit. Surely that list is available.

Senator Conroy—And will be provided when the officers who are covering that section come to the table.

Senator McGAURAN—When?

Senator Conroy—When we get to them. We have now wasted nearly half an hour on this. Each moment that goes by—

Senator McGAURAN—The request was made prior to—

Senator Conroy—You can request. It is a request.

Senator NASH—It was a very fair request yesterday. The reason we requested it yesterday—in the middle of the day, from memory—was to give the department ample time to put together what is a very simple list. I remember when we had this discussion last time at the last estimates there was a comment from Senator O'Brien: 'Why didn't you inform the department that you wanted this information, because that's the normal process?' That is what we did yesterday. We have given the department an inordinate amount of time to put together a very simple list. Not only have you not brought it in this morning; you are not prepared to turn to your right and ask the official if the list has been prepared. She is sitting six inches from you. That, minister, is very unhelpful.

Senator IAN MACDONALD—I just remind the chair already—

CHAIR—Senator Scullion, I would call on you but your colleague is shouting over you.

Senator SCULLION—Perhaps I could just remind the committee of the question from my colleague. The last question from my colleague was in relation to the list. It was not demanding the list. It was simply asking the question: has the list been completed? We know that the departmental secretary will have the answer to that question. It is either yes, it has been completed, or, no it has not been completed. But the minister is even refusing to find out the status of that in regard to the first question, which is: will you give it on notice? The

answer was: 'No, we will take that on notice.' 'Will you provide it?' We just want to know where we are up to. I think that is a very reasonable request.

CHAIR—I can help you out. He has not refused. The minister has not refused to provide you with that information—

Senator NASH—Yes, he has.

CHAIR—The minister has not refused to answer the question. The minister is within his rights to take that on notice. I do not know how many times I have to say this. Would you like me to put it in writing? He has said he will contact the minister's office and come back to you during the course of the day.

Senator SCULLION—This is the reality: there is no reason for the minister to take it on notice—

CHAIR—The minister is within his rights to take it on notice.

Senator SCULLION—But the reason that you would normally take a question on notice is that the facilities within this room are not available to you. We are saying that the departmental secretary, who is sitting six inches away from him, is, in fact, the person who has the answer to that question. We know that. The notion of taking a question on notice is an absolutely flawed notion. There is no need to do that and it extremely unhelpful. This is a committee of the Senate and deliberately withholding information that is available in this room now is, in fact, in contempt of the Senate. It is a very serious matter and I think you should demand of the minister that he answer the question or allow the departmental official to at least answer the question.

CHAIR—The minister is within his rights. He has answered and he has said very clearly he will take that on notice and come back to you during the course of the day once he has spoken—he has even said he will speak personally—with the minister's office. I do not know how much clearer he can be.

Senator IAN MACDONALD—Can I ask the minister: has the list been prepared and, if you do not know, what do you have to do to inform yourself on whether or not the list has been prepared?

Senator Conroy—As I said, I will contact the minister's office to find out if it can be brought to the committee as fast as is practicable.

Senator IAN MACDONALD—Could I suggest the committee breaks for five minutes to allow the minister to contact the minister's office—

Senator Conroy—It may come as a surprise to you, but Mr Albanese is unlikely to be hanging on every word of the committee. As leader of the house, he is likely to be in the chamber dealing with a number of matters. So let me be clear: we will contact him as soon as we can and we will seek some information for you. We are not refusing to answer the question. We are not refusing to table documents—

Senator NASH—May I—

CHAIR—No, I am sorry, you cannot, Senator Nash. I am not being rude, but Senator Heffernan has the floor.

Senator HEFFERNAN—I may have missed Senator Scullion's question on the list, whether it is the Schindler's list or the Regional Partnerships list, but could the committee assist me in what is 'the list'? Is it the 86, the 116, the 494 or the 452?

Senator NASH—I can assist with that. The list is what we put on notice yesterday. The 116 projects that had been approved but not reached signed contract stage; the 494 projects that were still in the pipeline but were as yet to reach decision stage; and the 452 projects that had been both approved and contracted by the department.

Senator HEFFERNAN—Thank you.

Senator NASH—Can I please request that we have a private meeting?

CHAIR—There is no need for the committee to have a private meeting. The minister has answered the question that was put to him probably about a dozen times now. What I will do is I will go to Senator O'Brien in continuation and the minister will have time to do whatever he needs to do to contact the minister's office throughout the course of the morning—

Senator NASH—As a member of the committee, I would move that we have a five-minute adjournment.

CHAIR—There is no need for a five-minute adjournment. We are in continuation with infrastructure—

Senator SCULLION—You have a motion on the table, Mr Chairman.

Senator NASH—I have moved as a member of the committee that we have a five-minute adjournment.

Senator IAN MACDONALD—This will enable the minister to phone Minister Albanese's office. You have a motion, you have got to put it.

CHAIR—I am not deaf; I am just contemplating. We will have a five-minute break. Is it a five-minute break to have a meeting or are you insinuating that the minister should sprint to the minister's office—

Senator IAN MACDONALD—He can borrow my phone if he does not have his own.

Senator SCULLION—The motion was to have a private meeting.

CHAIR—We will have a private meeting. We will have a five-minute private meeting.

Senator IAN MACDONALD—With respect, you refused that, and Senator Nash moved that there be a five-minute break.

CHAIR—Mr Macdonald, I do not know if you need a cotton wool bud to clean out your ears, but I have said we will have a five-minute private meeting. Did you not hear that?

Senator IAN MACDONALD—You rejected that and Senator Nash then moved that we have a five-minute adjournment and during that time the minister will be able to borrow my phone if he needs to and ring Minister Albanese's office.

CHAIR—I do not know if you are having a struggle listening to me or hearing me—

Senator IAN MACDONALD—It is a struggle.

CHAIR—If you are able to just be quiet and extend to me the courtesy of letting me answer as I extended you the courtesy of letting you speak, we will have the five-minute private meeting.

Senator NASH—Okay. To be helpful I will withdraw my motion for the five-minute adjournment. I will revert to my previous request for a five-minute private meeting, and perhaps in the time of our five-minute private meeting the minister might go and find a phone and call Minister Albanese.

CHAIR—We will have the five-minute private meeting.

Proceedings suspended from 9.27 am to 10.00 am

CHAIR—We will now reconvene the Senate estimates hearings. Minister, did you wish to make a statement?

Senator Conroy—Yes. Unfortunately when I called the minister he was in a chamber on his feet, as I think I did indicate, but we passed a message to the minister that, as soon as he has approved and ticked off the various lists off during the course of the morning, they will be made available as soon as is possible. We were hoping that some lists will start to become available as soon as he has finished his business, and through the course of the morning we will attempt to make the rest available.

CHAIR—Thank you, Minister. In continuation with infrastructure investment, we will go Senator Fielding.

Senator FIELDING—Thank you, Chair. I wanted to follow on from last night on the public transport. It is in relation to some statements that Mr Albanese made regarding the funding and the history of funding from the infrastructure group that really did not go into public transport in the city areas. In an article from the *Sydney Morning Herald* Mr Albanese is quoted as saying:

The Commonwealth can't say any more that public transport is not our business ... Transport needs to be looked at in an integrated fashion, just as transport needs to be looked at in terms of the productivity as well as the amenity of a city like Sydney.

That article focused a lot on the city of Sydney. In another statement he said:

Improving public transport in Sydney could also generate important economic and social benefits ...

I am interested to know now about Melbourne. I have not seen too many statements about Melbourne. I am a senator from Victoria and, just following on from last night, I am very interested if you could outline whether any statements have been made about the city of Melbourne and the outer suburban areas where there are a lot of black spots as far as a lack of public transport.

Ms Page—The principal commitment to date is in relation to those quite extensive feasibility studies which I mentioned last night. That included the investment of \$12 million in a \$30 million study to consider the feasibility of some of the recommendations made by Sir Rod Eddington in his very comprehensive study, which is an all encompassing study of the transport needs of Melbourne.

Senator FIELDING—Thank you for that. I appreciate the update. Again, from last night, I was also interested that the Business Council of Australia estimates that congestion in cities will cost the economy more than \$30 billion by 2015. Obviously public transport in capital cities is important, as has been acknowledged by the minister. You outlined last night and you have taken on notice the amount of money that we have been spending and will be spending on local roads, and I am looking for an equivalent. Family First has got a position of having \$1 billion at the federal level being spent on public transport. Is that something that has come up before at all? Has it been discussed within the department?

Ms Page—As this stage, as I indicated last night, the government has commissioned a series of feasibility studies and that is clearly part of an attempt to define the nature of the government's interest in relation to public transport before considering further options.

Senator FIELDING—It is good that the focus is now shifting towards public transport. Rather than shifting, I would say 'in addition', building up more. Given that the Business Council has clearly indicated that we are looking for productivity gains, there is \$15 billion already and \$30 billion by 2015, so I think heavier investment in public transport would certainly remove a lot of congestion from cities. I look forward to seeing whether what we currently spend is being equalled with what we are spending on public transport. Thank you.

Ms McNally—Senator Fielding, last night you asked a question about the Victorian black spot panel chair. We found out that the chair is Steve Gibbons, the member for Bendigo.

Senator FIELDING—Thank you.

Senator O'BRIEN—I have a couple of questions. I wanted to follow through on those Tasmanian expenditure issues that I was discussing last night when we adjourned. I was prepared to finish if that was going to finish your visit here, but clearly that was not going to be the case. I understand that the budget provided for an additional \$11.1 million for local roads under the Roads to Recovery program. Is that in addition to the \$30.6 million allocated to local roads under federal financial assistance grants?

Ms McNally—\$11.1 million?

Senator O'BRIEN—Yes.

Ms McNally—I am not sure where you have taken that information from.

Ms Page—Is that in relation to Tasmania in particular?

Senator O'BRIEN—I thought it was, but perhaps I have cross-referenced the material wrongly.

Ms McNally—I might have to take that on notice for a few minutes. We will see if we can find out that information.

Senator O'BRIEN—I will put other questions that I have in that regard on notice. That will give me a chance to double-check that I am referring to the correct information. If I am, I will follow through with the other questions, which related to the same understanding. Thank you, Mr Chairman.

CHAIR—Thank you, Senator O'Brien. Senator Adams.

Senator ADAMS—I would like clarification on one of Labor's commitments for their plan for primary industries. It is the Grain Transport infrastructure. I did not get through the question I wanted to ask last night. Just to quote:

A Rudd Labor Government will invest \$3 million each in New South Wales and in Western Australia—

A Rudd Labor government will invest \$3 million each in New South Wales and in Western Australia—

I know that New South Wales has been dealt with, but I wanted to ask about Western Australia—

to set up a high-powered taskforce of growers, handlers, the National Farmers Federation, the Australian Rail Track Corporation and the WestNet Rail and the State Governments to get grain exports back on track in those states.

My question is: will that \$3 million be available for the task force in Western Australia?

Ms Page—The \$3 million will be. The minister is continuing to discuss the exact structure of that review with his Western Australian counterpart. There has been substantial work already done by the Western Australian government in relation to rationalisation or review of grain lines, and so the issue there is determining how best to use that money to progress that issue. But, yes, that money will be spent.

Senator ADAMS—Thank you.

CHAIR—Senator Heffernan.

Senator HEFFERNAN—I apologise, Chairman, for not being here for the concrete sleeper man last night. I am very familiar with the operation and I have to admit June is in the heart of it. You may take my question on notice because it is a curiosity at the plant, which is a fantastic new plant there at Bowman at Wagga. There is a huge stack of 100 yards by 50 yards—as I said out in the room there last night I think—of sleepers with a red X on them. I happened to go to Wagga one day with one of the guys who manages the plant and I said, 'What are those red Xs?' He said, 'They are rejects.' So, I wondered what the reject percentage was—I guess it is from stress and they are probably tested in some way—and what would become of them? He said that they will be used in lower grade lines. But I just wondered, given that it is a modern plant, what is the success rate of throughput—that is, the ones that meet the specifications and the ones that come out the other end under specification? Would it be one in 10, one in 50?

Ms Page—We would have to take that on notice with the ARTC.

Senator HEFFERNAN—It is an interesting phenomenon to see huge amounts of sleepers. They are pouring them out there day and night. I just wondered: why, how and how many are in the failure stack?

Mr Williams—Is that the concrete sleepers?

Senator HEFFERNAN—Yes.

CHAIR—Thank you, Senator Heffernan. Are there any other questions?

Senator IAN MACDONALD—Thank you. I am sorry I was not here last night, Minister, when this was being done, but can you point me to the areas of the budget where I would be able to get the details of what projects have been mentioned in the budget papers in relation to Queensland, Northern Territory and Western Australia?

Ms Page—We can provide you with the budget announcements in relation to Queensland and Western Australia.

Senator IAN MACDONALD—And the Northern Territory, please?

Ms Page—Yes.

Senator IAN MACDONALD—That may have already been requested by others last night.

Ms Page—We can provide you with that information.

Senator IAN MACDONALD—Dare I mention the word ‘lists’, but is it a lot of trouble to you just to actually prepare me a brief list of the projects?

Ms Page—There are formal announcements in relation to all new projects that were announced in the budget context.

Senator IAN MACDONALD—Are these media releases?

Ms Page—They are media releases, but they also have supporting information as well. We will put together a package for you of those.

Senator IAN MACDONALD—That would be very helpful. Thanks very much. That is all I have, Mr Chairman.

CHAIR—Thank you, Senator Macdonald. Are there any further questions to Infrastructure Investment? Senator Milne.

Senator MILNE—I would like to ask some questions about a particular road in Tasmania in your budget funding.

Senator Conroy—We did have quite a lengthy discussion about Tasmanian roads with Senator Abetz.

Senator MILNE—I am sure you did. This is on one particular road and I bet he did not ask about it.

Senator Conroy—You never know. He was very inquisitive. Please fire away.

Senator MILNE—Since he would have been the minister that approved it in the first place, Senator Conroy, I doubt that he was very interested in knowing about it. Did he ask about the Esperance Coast Road?

Senator Conroy—I have to confess that does not ring a bell.

Ms Page—In Tasmania?

Senator MILNE—Yes.

Senator Conroy—Senator O’Brien, he did not ask about that last night, did he?

Senator O’BRIEN—I was not here for all of that.

CHAIR—No, he did not ask about that.

Senator Conroy—Esperance does not ring a bell.

Senator MILNE—Esperance in Tasmania as opposed to Western Australia.

Ms Page—I am advised that it has been funded under the Strategic Regional Program and we are just seeking further advice on that. Construction is currently underway. This is the Huon Valley Council Esperance Coast Road upgrade.

Senator MILNE—That is right.

Ms Page—It was funded in the 2006 budget round of the Strategic Regional Program. Construction is underway. It commenced in February 2007. The expected completion is June 2008. The estimated project cost is \$4 million and the Huon Valley Council is contributing \$1.2 million of that; therefore, the Australian government contribution is \$2.8 million. The project involves the reconstruction and sealing of the 8.36 kilometre unsealed section of the Esperance Coast Road, together with essential rehabilitation of the 6.08 kilometre sealed section towards Dover. There is further detail on it, but I will not go through all of that. Progress at 31 March: construction on the gravel section of the road was 70 per cent complete and sealing 65 per cent complete. It is now expected to be completed by December 2008, so there has been some slippage.

Senator MILNE—I would like to ask what the basis for the funding of \$4 million allocated to this project was, and are you aware that the traffic count on this road is 185 vehicles a day?

Ms Page—That was a decision by the previous government and it was probably based on an application from the Huon Valley Council.

Senator MILNE—That is right. Surely there is some analysis of applications from councils. Four million dollars for a road on which there are 185 vehicles a day is an interesting decision, so I would like to know also: were reports on the planning process sent to the government as part of the acquittal process? And were all the required planning processes carried out by the Huon Valley Council during the planning period and before work started?

Ms Page—We will take that on notice.

Senator MILNE—I have a series of questions in relation to this road, especially in relation to land acquisitions and so on, but I will put those specific questions on notice, including for the rationale for the funding of this project in view of the vehicle count on that road.

Ms Page—Thank you.

Senator MILNE—Thank you. Do you do wharves?

Ms Page—No, we do not.

Senator MILNE—Who does wharves in Infrastructure?

Ms Page—The Commonwealth to date has not had an involvement in the funding of wharves. They are largely state government and private sector responsibilities.

Senator MILNE—Thank you. Who is responsible for regional water schemes?

Ms Page—That will be the department of environment.

Senator MILNE—That is what I thought. Thank you.

Senator HEFFERNAN—Did you say private enterprise does wharves?

Ms Page—Where a port obviously is owned and operated by the private sector, they would.

Senator HEFFERNAN—What is obviously going to have to happen in the near future will be a new deep sea port in the north-west somewhere, so would the government have a view on that?

Ms Page—Again, to repeat my earlier comments on this, if it is a major national piece of infrastructure with a high warrant you would imagine that is something that Infrastructure Australia may wish to comment upon. We have some further information for Senator O'Brien as well.

Ms McNally—You asked if the \$11.1 million for local roads under the Roads to Recovery program was additional to the \$30.6 million allocated to roads under the federal financial assistance grants and I can confirm that is additional, on top of that.

Senator O'BRIEN—For Tasmania?

Ms McNally—That is correct.

CHAIR—While Senator Heffernan and Senator Macdonald are in conversation, have you got a quick one, Senator Milne?

Senator MILNE—I just wanted to ask a question on transport policy. Is it this one or under transport policy?

Senator IAN MACDONALD—The next one.

CHAIR—Senator Macdonald.

Senator IAN MACDONALD—Just very quickly, I would like some updates. I understand Senator Heffernan might have mentioned the Ord River and the Daly River yesterday. Acknowledging that Senator Heffernan did a lot of good work on this as chairman of the northern task force, is the government currently investigating infrastructure spending in the Ord River or the Daly River areas of northern Australia?

Ms Page—The government has continued the Land and Water Taskforce within the office of Northern Australia, which is within our portfolio. Further to that again, the vehicle for consideration of major infrastructure now is the audit being conducted by Infrastructure Australia. The government and other governments will take account of the priorities that they identify.

Senator IAN MACDONALD—I might ask some more questions about that of the office of Northern Australia later on, if you are suggesting that would be more appropriate.

Ms Page—Certainly.

Senator IAN MACDONALD—Could you give me an update on the Townsville port access road?

Ms Page—Yes, I can.

Senator IAN MACDONALD—While you are looking for that, I just wanted updates on the Cape York roads and the Bruce Highway between Townsville and Cairns, and the Tully floodplain, for which funding was given three or four budgets ago.

Ms Page—The Townsville port access.

Ms McNally—The Australian government contribution to the Townsville port access road is \$95 million. It will be joint matching funds with the Queensland government and in 2008-09 the Australian government will provide \$20 million.

Senator IAN MACDONALD—That is in 2008-09.

Ms McNally—It will be \$20 million to get that project started in 2008-09.

Senator IAN MACDONALD—That is as much as I need to know. It has not started yet but that funding will get it started: that is what you are saying? Can you tell me about the Cape York Road and the Bruce Highway? Also, just while you are doing that, would the funding promise for the Kissing Point Defence conversion be for this department or Defence?

Ms Page—I am not aware of that project.

Senator IAN MACDONALD—It must be for Defence.

Ms McNally—Regarding the road for Cape York, the Australian government has committed \$10.5 million towards the project to provide more sealed roads, gravel roads, and improving creek crossings to remote communities in Cape York, such as the Lockhart River community. The funding forms part of a \$30 million commitment by the Australian government for improving roads connecting remote communities in Cape York and the north-west. The project is expected to commence in 2008-09 and the construction timetable will be determined when planning is further advanced.

Senator IAN MACDONALD—If you cannot give this to me immediately off the top of your head, can you just take it on notice? How is it going to be constructed? Does it have to be done by the Queensland main roads department? And do we then have to wait for them to actually do the design and construction or can it be let out to private tender?

Ms Page—The handling of the project will be a matter for the Queensland government, but they have a variety of options. They could choose to do it themselves or they could choose to contract it out.

Senator IAN MACDONALD—Or they could follow past form and do nothing. But, anyhow, that is my comment. I guess the same would apply to the Bruce Highway?

Ms Page—That is correct.

Senator IAN MACDONALD—We are still waiting for the Queensland government to get off their bums and do something?

Ms Page—Regarding the Bruce Highway, south of Townsville?

Senator IAN MACDONALD—No, north of Townsville.

Ms Page—North of Townsville—I am sorry; the Cardwell Range.

Senator IAN MACDONALD—South of Cairns.

Ms Page—Yes.

Senator IAN MACDONALD—The Tully flood plain.

Ms Page—For the upgrade of the north side of the Cardwell Range, the Australian government contribution is \$8 million. Planning is currently underway for that project. As you know, that project is to realign the Bruce Highway on the north side of the Cardwell Range. In total 4.15 kilometres of the Bruce Highway are going to be realigned with an existing overtaking lane extended through the crest of the range and a southbound overtaking lane will be built. Six million dollars has previously been advanced to the Queensland government for planning activities. A further \$2 million will be provided in 2008-09. The total Australian government contribution is \$90 million.

Senator IAN MACDONALD—I raised this with the previous minister without any greater success than I am sure I will get now, but can the federal government look at ways of advancing these projects independently of the Queensland government, on the basis that we provide the money? We have to wait for Queensland to do it. They are very slow and, in their defence, they are finding it hard to get engineers and road construction workers.

Ms Page—There has not been any particular consideration given to an alternative Commonwealth role, if you like, in relation to delivery. However, in this budget there have been a number of significant funding allocations for planning well in advance of works, and part of the rationale for that is to enable works to be brought forward faster. It is fair to say that in states where the construction industry is competing with the mining industry, such as in Queensland and Western Australia, there is very strong competition for expertise in the road construction sector.

Senator IAN MACDONALD—I will again make a qualification. I was never able to achieve much with the previous government, but it does not stop me trying here. As a question on notice, could I ask the minister to consider looking outside the square and investigating other ways that, once Commonwealth money is budgeted, we can actually get some action on it? That may mean tendering to private contractors, which will then require the Queensland government to allow private contractors independently of the Queensland government to deal with 'their roads', even though 'their roads' are really roads that are almost entirely funded by the Commonwealth or local government. As a question on notice, can the minister consider looking outside the square? It needs a better brain than mine to work out a way to do it, but the problem needs to be addressed.

Just finally, I have recently written to the minister about the dangerous, increasingly economically destructive situation that we have in northern Australia, which you all know is the future of this country as the south gets drier, because the north will be able to feed and clothe the rest. We already provide more than 30 per cent of Australia's export earnings, but a lot of that depends on the road network to the north. There is an increasing bottleneck—it is not quite a bottleneck yet—at the Burdekin Bridge, which was built 50 years ago. It was the latest of its style then, but nowadays it is a narrow, two-lane highway and it is really effectively the only road between the south of Australia and at least north Queensland. You can go inland. It desperately needs duplication, which is a major project. It is a major bridge—a bridge that is bigger than the Sydney Harbour Bridge. I recently wrote to the

minister asking that consideration be given to at least starting the planning process on that. I am just wondering (a) if it is on your radar, and (b) if the minister has got my letter—that is a minor part of the question. So, is on the radar? Is any action happening?

Ms Page—There is some funding being made available for rehabilitation at this stage. I will ask Ms McNally to talk about that.

Senator IAN MACDONALD—Yes, it is \$4 million for maintenance—whoopee!

Ms Page—No, it is rather larger.

Ms McNally—It is \$25 million being made available for the bridge.

Senator IAN MACDONALD—I was just repeating the local member's great announcement in the local paper that \$4 million had been given for rehabilitation, to which I said 'whoopee'. They are maintaining it, but—sorry, I am interrupting you.

Ms McNally—The \$25 million is the Australian government's contribution to this project. The project involves continued structural rehabilitation and patch painting and the project is due to commence in 2008.

Senator IAN MACDONALD—Stop there. That is fine. The current bridge does need to be maintained to make sure it does not fall down beneath us. What I am talking about is that it really does need duplication. Even now if you take a cane harvester across the bridge you have got to get police at either end holding up the whole of the Bruce Highway traffic while someone runs across it. It is not yet but, mark my words, within a few years it will be an absolutely chaotic situation and we need to be starting the planning now, anticipating that you might start building a duplicate bridge in 2020 or something, but we have to start now. I take it from your answer that no work has been done on that that you are aware of.

Ms Page—I could add to that as well. In relation to those feasibility studies that I mentioned earlier, some of those are relevant to the upgrading of the Bruce Highway. The funding is meant to look at the Bruce Highway in a more strategic and long-term way. The government is investing \$13 million in a number of planning studies to enable the upgrade of the Bruce Highway to begin as soon as possible. The Rudd Labor government plans to spend nearly \$2.2 billion to upgrade the Bruce Highway.

Senator IAN MACDONALD—You are not required to say 'Rudd Labor government'.

Ms Page—I am reading from the minister's media release.

Senator IAN MACDONALD—I appreciate that.

Ms Page—Projects for which planning will be brought forward include the Southern Motorway in Cairns, the Douglas Arterial duplication in Townsville, the southern approach to Mackay and the Calliope crossroads between Gladstone and Calliope. The total cost of the planning studies is \$18 million.

Senator IAN MACDONALD—Thank you for that information. I suppose it answers my question, but in a way it fills me with despair in that the project that I am talking about, which will eventually be more important than all of those, is the duplication. Perhaps you could refer this to the relevant minister: could he let me know what the government's view is on a possible duplication of the bridge over the Burdekin River between Ayr and Home Hill?

Ms Page—I will take that on notice.

Senator IAN MACDONALD—That is all I have. Thank you, Mr Chairman and my colleagues, for allowing me the indulgence.

CHAIR—Senator Milne.

Senator NASH—Is it 10.30, Chair?

CHAIR—Sorry Senator Milne. There is a black mark against me. It is 10.30. We will have a 15-minute break and will be back here at 10.45 sharp. Thank you.

Proceedings suspended from 10.30 am to 10.48 am

CHAIR—I welcome back officers from Infrastructure Investment.

Senator MILNE—Thank you. I wanted to ask some questions around the Kingston bypass. I am sure Senator Abetz asked some on that last night, but my questions relate to whether there has been any thinking or planning for linking the Kingston bypass to maybe any rapid transit options on the Southern Expressway from Hobart to Kingston. Has there been any discussion, any forward planning, any proposals or anything in relation to such an idea?

Ms McNally—The funding that has been provided by the government towards the bypass project is—

Senator MILNE—That is right.

Ms McNally—to free Kingston suburban streets of commuter traffic from Blackman's Bay and the fast growing Channel areas heading for Hobart. The bypass route is 2.8 kilometres. It leaves the existing Channel Highway near the Kingston High School, passes under the Summerlees Road west of the Summerlees Road roundabout, then passes west of residential and light industrial areas before crossing through two larger rural properties where it rejoins the Channel Highway in the vicinity of the existing Algona Main Road roundabout. Pedestrian and cycling facilities will be provided. The Australian government contribution to that project is \$15 million and construction is expected to commence in late 2009, with the road will open for traffic in mid-2012.

Senator MILNE—The issue that I have is not with the bypass but in the planning for the bypass route and future infrastructure planning. The Southern Expressway from Kingston to Hobart is becoming congested at the Hobart end at the top of Macquarie Street. There is a growing population base as would be acknowledged by the application for funding for the bypass. It is very clear that there is an option now to extend the bicycle route, but more particularly a rapid transit option, presumably by bus, onto the Southern Expressway. What I would like to put on notice is: when the Commonwealth is discussing this project with Tasmania, can we make sure the route is designed in such a way as it could complement a connection to a rapid transit option on the Southern Expressway, particularly because the Kingston High School is moving and there is an opportunity to make the Kingston High School site a nodal point for park and ride? It would be a logical way of linking that bypass to the Kingston High School site as the nodal point and then going for rapid transit to Hobart. If that has not been considered and all that has been considered to date is how to channel more cars—or the same cars, if you like—out of Kingston onto the Southern Expressway, who in

this department looks at the forward planning or is that left to the Tasmanian authorities and you just look at what they come up with?

Ms Page—It is primarily a responsibility for the Tasmanian government. However, we are certainly concerned to ensure that planning takes adequate account of growth, provides good value for money and takes into account the future transport needs of the area which has been planned for.

Senator MILNE—On that basis, can I ask that you go back to the Tasmanian government and ask them about future planning options in relation to rapid transit—

Ms Page—We can ask them about that.

Senator MILNE—and whether they can make sure it is taken into account so that the bypass does not come out somewhere well away from where public transport is. It could all be done so easily and so well if it is thought out now. There is a one-off opportunity with the high school moving.

Ms Page—Yes, we will take that on notice.

Senator MILNE—I am interested AusLink II, the 2009 to 2014 process, and list construction and so on. I would just like to know whether the new Infrastructure Australia will be reviewing that list as it is currently compiled or what the status of that list is now in view of the fact that there is an Infrastructure Australia?

Ms Page—The AusLink II program really comprises, I suppose, two broad groups of projects. Those projects, which will continue on from AusLink I, are major projects which will not be finished at the end of the next 12 months, and the balance of that program will be made up of government election commitments. The government has committed to meet all its election commitments. There is nothing to stop the government, if it wishes, from asking Infrastructure Australia to review some of those projects, and indeed some of them which are at very early planning stages and may offer scope for public-private partnerships and provide a possible group of projects which they may wish to provide to Infrastructure Australia for further consideration.

Senator MILNE—In that bidding list from the states for AusLink for funding, how is the AusLink indicative list, or priority list, compiled? Do you have any independent assessment of state bids or do you just take the state bids and put them on the list? How does it work?

Ms Page—The program at the moment is fully funded. In other words, the forward estimates comprise the cost of the continuing projects and all the government's election commitments. So, at the moment a process is not required—

Senator MILNE—No. What I am asking about is that most of those election commitments were taken from the AusLink list of priorities, and various parties looked at the AusLink list and chose what they wanted to promote in the election. What I am asking is: how did the project get on that list in the first place?

Ms Page—I cannot comment on the choice of election commitments.

Senator MILNE—No, I am not asking about the election commitments. I am asking how the projects got onto the AusLink II list from which people chose things. I am asking about how they got onto the list in the first place—your list.

Ms Page—We did not have a list. There are continuing projects and then the balance of AusLink II will be made up of the government's election commitments.

Senator MILNE—No political party just imagines—in some cases they do but mostly they do not—a project. They have to come off a list. From what I can see of the election projects, they came from bids that state governments had made that went onto a tentative or possible list—is that the case?

Ms Page—I cannot comment, I am afraid, on how the election commitments were determined. But there is clearly long-term planning that goes on within state governments—

Senator MILNE—Okay. Let me put it another way. When a state government has an idea about a road project, they tell the Commonwealth. Where is that put?

Ms Page—It varies considerably. The AusLink experience is still a relatively recent one. In relation to the first AusLink program, the government published a white paper with a list of projects in it that it would fund. In relation to the second AusLink program, that will be comprised of those projects which have not been completed and a series of election commitments made by the government, obviously in consultation with state governments.

Senator MILNE—Is there any independent analysis of the claims that state governments make about need and priority in terms of those AusLink lists?

Ms Page—They are election commitments and the government is committed to fund its election commitments.

Senator MILNE—You are saying there is no AusLink priority list anywhere or state government priority lists that the Commonwealth keeps—that it all just came out of nowhere in the election campaign?

Ms Page—Obviously, we—

Senator Conroy—The government's election commitments come after discussion among the cabinet and conversations with many stakeholders, including state governments and stakeholders in different communities. As Ms Page has indicated—and I have said so many times that even Senator Nash and Senator McGauran know it off by heart—we will be committing to delivery on all of our election promises. How we create them, as I said, is a process of consultations, discussions and prioritising by the federal opposition, as it was then.

Senator NASH—Is there any time line to that delivery? I know you have said over and over and over, ad nauseum, that you are going to deliver on your election promises, but is there any time line?

Ms Page—The government's election commitments for road and rail have essentially been broken into two groups. The government announced in the current budget the so-called Early Start projects. They are projects which will take funding from 2007-08 and 2008-09. We are starting to negotiate with the states on those projects that fall into the second AusLink period, which commences on 1 July 2009. Some of the money which was provided for the Early Start

projects will continue throughout because a lot of that, as I indicated, was for initial planning work to enable construction to start in the second AusLink II period.

Senator NASH—It is interesting because I think, Minister, some of your election promises that will be met which you continually talk about are off in the never-never. When you have a quick look: \$300 million for approvals and planning to start the M4 east from North Strathfield at CBD to reduce traffic on Parramatta Road; \$75 million for a feasibility study; \$150 million was the election promise for approvals and planning to start connecting the M3 through to the Sydney orbital. What do we see in the budget? Eight hundred thousand—oh look—for another study, a comprehensive study. What else have we got here? Fifteen million dollars to start the \$50 million Bega bypass on the Princess Highway, an election commitment that is going to be met by the government. What have we got so far? A bit of money: \$1 million for planning, and there is \$5 million for a review of the long-term transport needs for the central west—that is another election promise—including the potential for a Bells Line expressway, and of course those election promises are all are going to be met. Oh look, another study! I am sorry—this ‘all our election promises will be met’, with no end date to any of them, means that your words carry nothing, because it is off in the never-never.

Senator Conroy—I appreciate that the National Party are unused to actually going through any form of process before they throw buckets of money out the door—

Senator NASH—You know that is a blatant lie.

Senator Conroy—We have begun the funding for all of those projects you are talking about.

Senator NASH—And those election commitments will be met—it is just the people in the country do not know when; they have not got a clue.

Senator Conroy—After eleven and a half years of ignoring the infrastructure in this country, I know it upsets you to see a government that is sitting down carefully, consistently—

Senator NASH—Ignoring infrastructure. The fellow from the ART said last night that there was \$800 million, was it, towards rail?

Senator McGAURAN—Eight hundred.

Senator NASH—Eight hundred and eighty million, actually, I think. One thing, so I hardly think that is ignoring.

Senator Conroy—Despite ignoring 20 warnings from the Reserve Bank about infrastructure constraints, bottlenecks in the economy, you want to sit here now and say, ‘Why have you not fixed it all in your first budget?’ It is just a priceless performance.

Senator NASH—I am merely saying—

Senator Conroy—I know Harry Evans, the Clerk, often uses recordings from Senate estimates in his educational tapes. I hope he includes some of your performance today because, for bare-faced cheek, it is up there.

Senator NASH—Absolutely not. I am merely referring to the comments you have continually made. We have taken on board that the government is going to deliver on all their election promises, but it is a pretty hollow ring when none of it is actually time lined.

CHAIR—Senator Nash, Senator McGauran does have the call. I am sorry—how could I confuse you with Senator McGauran; I apologise.

Senator Conroy—There should be a motion of no-confidence in the chair after that.

CHAIR—I should be spanked.

Senator MILNE—If I can just make it clear what it is I am trying to understand. I have in front of me Victoria's AusLink II bid and they bid on the Western Ring Road, the Westgate Bridge, the Dynon Port rail access, the Web Dock rail access, and on and on and on it goes for about 20 different things they put in their bid. What I am trying to understand is the process by which a state government's set of bids comes through. I know people promise things in elections. That is not the point I want to get at. Is the process that is there a bilateral agreement between the Commonwealth and each state which tells the state, from their list of asks, the things that the Commonwealth will then fund, regardless of elections or otherwise?

Ms Page—I do not know what the document is to which you are referring, because the government has established what the projects for AusLink II will be by the process that I outlined. Under AusLink I the projects were formalised in a bilateral agreement which set out the projects to be funded, the funding shares to be provided by both sides and the conditions under which funding would be provided. This government has yet to determine how it wishes to formalise the arrangements with individual states.

Senator MILNE—That is important. We have no commitment yet as to whether there will be bilaterals in the old way or whether it will be different, but either way there have been election promises which will be funded. What I now need to know then is: under AusLink I in the process that was to just determine where there were bilaterals and the Commonwealth ticked them off from a list of state bids, was there any independent analysis from the Commonwealth of the states' claims about needs and costs? From where I am sitting, most of these state government bids have been determined by consultants who, in a lot of cases, have a vested interest in freeways being delivered. Was there any independent analysis of those bids or did the Commonwealth just accept what the states say and then choose which ones they wanted?

Senator Conroy—If you are referring to our election commitments—

Senator MILNE—No, I am not. I am referring to AusLink I now.

Senator Conroy—Which are—

Ms Page—That is the previous government on that.

Senator MILNE—That is what I am trying to understand. I am trying to understand if there was any independent assessment of state government bids under AusLink I before the Commonwealth agreed to fund anything?

Ms Page—AusLink I was an announcement, if you like, of a changed Commonwealth approach to the funding of road and rail. An amount of quite considerable research underpinned that work to determine what the route of the national network would be and what the priorities should be on that network. There was then a negotiation with the states, but ultimately it was a set of Commonwealth priorities, as any Commonwealth program ultimately is.

Senator MILNE—Who did the analysis of the state bids to determine need and whether they were justified and whether the cost estimates were real?

Ms Page—There are a couple of answers to that. All projects have to undertake a business case. The issue of cost estimates is a very vexed one and it is one that we continue to try to improve upon. There have been significant cost increases with current AusLink projects. We have commissioned some work from cost estimation experts, Evans & Peck, initially with one state government and then we extended that more generally across the Commonwealth. What that has shown us is that there is some variation in the way in which state road authorities estimate costs. Some of that has to do with, I suppose, inadequate project scoping at the outset. We are working through a process at the moment with the states to better define the nature of a project along the lines really that Mr Marchant described last night when he was describing the project at Wagga where the more planning you do upfront the more reliable both your delivery and your cost estimate can be.

In addition to that there is the problem of cost escalation, which is a far more difficult problem to solve. As I have indicated earlier, that is a problem most particularly in the states with very significant resource sectors, but not only with those states; it is now starting to spill over into other states. Some jurisdictions have been developing quite sophisticated means to try to manage that by developing their own indices which they are applying to their own estimates. We are looking at that work and at trying to standardise the way in which states provide their cost estimates to us and also at better training of both our own staff and state government cost estimating staff. But it is not an easy area to provide guarantees on. It is not a problem that we alone have and it is not an Australia-specific problem.

Senator MILNE—In looking at that and working that through with the states, will you have a process for identifying conflict of interest in terms of the consultancy reports that underpin a lot of what the states are going to put in? As I said, from what I can see, people who have a vested interest in public-private partnerships or who have a vested interest in road building are writing the consultancies to justify the state governments' bids for more freeways, more tunnels et cetera that they will in turn benefit from. Will there be a requirement that the conflict of interest is up-front and declared in any of the planning or consultancy work for any of this transport planning?

Ms Page—In relation to PPPs, the Commonwealth has funded few PPPs in the road area to date. We have certainly undertaken a couple of major studies with the states where we have been involved ourselves as parties to the business planning in relation to business plans to determine the validity of a PPP. We have that option. We have the option of being involved. We also have the option of seeking independent advice from Infrastructure Australia in relation to PPPs as well. There are a series of options open to the Commonwealth to test the validity and the business case of major investment proposals.

Senator MILNE—To return to the 2009 to 2014 AusLink II, am I to understand that is now fully expended in terms of forward estimates?

Ms Page—It is fully committed across the forward estimates, yes; that is correct.

Senator MILNE—It is fully committed on the basis of election promises—

Ms Page—A combination of—

Senator MILNE—Projects that were lacking and not completed and new projects—

Ms Page—Continuing projects. A good example would be the duplication of the Hume Highway, which is scheduled for completion in 2012. Also, of course, the forward estimates allocations for strategic regional black spots and Roads to Recovery.

Senator MILNE—In terms of urban passenger rail, which has been identified by just about every transport planner as something that is essential, how much of the forward commitment out of the \$4.2 billion for transport spending, I think it is—is that right—is to be spent on that?

Ms Page—I think it is rather more than that.

Senator MILNE—How much is urban passenger rail?

Ms Page—That funding will not be applied to urban passenger rail, but the government has made a separate allocation of \$75 million for a series of feasibility studies for those big urban projects. Presumably, it will consider its further interest or involvement in those projects when that work reports.

Senator MILNE—But at the moment, between 2009 and 2014 no AusLink funding is committed to urban passenger rails.

Ms Page—It is a road and rail program.

Senator MILNE—I apologise if this was asked last night, but, out of that \$4.2 billion, how much is for rail?

Ms Page—It is rather larger than \$4.2 billion, but—

Senator Conroy—Just while we are looking for that, I have some lists to begin the process, as promised. Could I seek the leave of the committee to table them and have them circulated?

Ms Page—The total funding to be made available under AusLink II is \$22.6 billion. In relation to rail, I would like to take that on notice because it will involve us adding up particular rail projects, some of which are continuing.

Senator MILNE—Okay. If you could identify the rail project separately, with a total, that is fine. Also, how many of those are freight routes from coal centres? The Hunter Valley will be one and there may be others.

Ms Page—We will take that on notice.

Senator MILNE—That would be good. The final question I have is: there was a lot of talk about an infrastructure gap in Australia. Or is this better put to the transport policy people? I will ask you and please say if it is more appropriate for them. There was a lot of talk and a big hoo-ha about there being a \$9 billion infrastructure gap in Australia. Whose report was that? Who identified that?

Ms Page—There have been a series of reports in relation to infrastructure needs of Australia: one by Infrastructure Partners Australia, one by the Business Council of Australia and one by CEDA. I cannot recall exactly which one identified that figure, but there are a variety of figures around by a number of groups which have made various attempts.

Engineers Australia has also done a similar report. They do a regular update. That issue is the issue which the government is using Infrastructure Australia to address. As I indicated last night, Infrastructure Australia is required to do a national audit of infrastructure by the end of the year and then form a national priority list by March to present to COAG. The reason for that audit is to review exactly the issue that you have described.

Senator MILNE—But, from what you have said, the money between now and 2014 is already committed, so is the Infrastructure Australia blueprint something that would start from 2014 onwards?

Ms Page—The work of Infrastructure Australia is broader than just road and rail projects—

Senator MILNE—I understand that, but, in terms of road and rail, does that mean that they are not going to be looking at a blueprint until post 2014?

Ms Page—The government has also put aside \$20 billion in the Building Australia Fund. It is also open to the government, of course, to consider any further amendments that it might wish to make to that program or any other program over the period. It has a variety of options open to it.

Senator MILNE—Just to go back to one of these reports that identified the \$9 billion infrastructure gap, which was, as you said, done by Infrastructure Partnerships Australia, they identified the M4 East and M4 Botany Tunnel, the Hume and Pacific Highway upgrades, the F3-M2/M7 connection in New South Wales, the East-West Growth Corridor Integration in Victoria, the south-east Queensland road upgrades, the Airport Northern Link and the F6 Freeway extension. Who are Infrastructure Partnerships Australia?

Ms Page—It is a body comprised of various groups with an interest in construction, design and building. It is a coalition of—

Senator MILNE—Exactly. It is a coalition of people whose main business is building freeways and tunnels who then bring out a report saying there is an infrastructure gap of \$9 billion and then identify a whole lot of critical projects which would funnel the work to them. That is why I am asking the question about vested interests, conflicts of interest and independent scrutiny of the claims made in relation to this. Will that be the sort of thing, Minister, that Infrastructure Australia will go back to and review?

Senator Conroy—The purpose of Infrastructure Australia is to devise its own list in consultation with a whole range of people.

Senator MILNE—I understand that—

Senator Conroy—If you are going to retrospectively review existing election commitments from the government, no.

Senator MILNE—There will not be any review of existing commitments, even if it can be shown—

Senator Conroy—They are election commitments.

Senator MILNE—that those election commitments were based on reports from companies who had a vested interest in building the projects that they were asking for and then were essentially laundered through state governments. That is what has happened.

Senator Conroy—Can I just make the point, and I have made it many times in the last day and a half: we went to the election with a stated list of election commitments. The Prime Minister has indicated many times, as have all of the ministers, that we will be delivering each and every one of our election commitments.

Senator MILNE—If those election commitments increase the greenhouse gas load in Australia from transport emissions, which are going up by the minute; if they increase oil consumption; or if they lead to ribbon development, you are still going to go ahead? You are not going to review any of those projects in the light of oil prices, greenhouse gas emissions, emissions trading, costs of carbon et cetera?

Ms Page—Those projects will still have to undertake a business case prior to construction and certainly issues, such as the cost of them, will be kept under review. At the moment these are broad announcements in relation to a particular concept, if you like. The detail of those projects is a process that will be refined over time in negotiation with the states.

Senator MILNE—The cost of the project is not going to reflect the flow-on effect of the greenhouse gas emissions that are going to be caused by the construction of the project. Of itself it will generate some, but it is the increased traffic load, the expansion of cities or the option of looking at an alternative by way of rapid transit or public transport that are the issues and the business case will not reflect that. Can you just confirm for me: did any of the projects, Senator Conroy, that you made as an election promise, give any indication of the greenhouse gas emission and oil use ramifications of those projects?

Senator Conroy—When shadow cabinet and our candidates and shadow ministers considered projects, we considered all of the issues and we went forward with solemn commitments to the people of Australia that we, unlike the previous government, would not engage in a core and non-core election promise stunt. Each and every one of our commitments will be delivered.

Senator MILNE—You said you took all of those things into account. Did you take the greenhouse gas emission ramifications or the oil use ramifications, or both, of each of those projects into account?

Senator Conroy—The shadow cabinet, the then Leader of the Opposition's office, the shadow ministers and the candidates weighed a whole range of issues when they considered what to commit to in the election campaign, and what I can assure you is that those promises that we made during the election campaign will be delivered upon.

Senator MILNE—That is not the question I asked. I have no doubt at all that you are going to deliver on your election promises, so I do not need to be told that again. The issue I am asking about is greenhouse gas emissions.

Senator Conroy—I said a whole range of issues were considered when we were assessing.

Senator MILNE—Would you please table the greenhouse gas emission assessment and the oil-use assessment of each of the projects that was considered by the shadow cabinet?

Senator Conroy—I am afraid internal working documents of the shadow cabinet or the existing cabinet, notwithstanding current circumstances, are not available.

Senator MILNE—Will you please just give me a yes or no—did you take it into account specifically with each project? The answer is clearly no, but just say it.

Senator Conroy—We considered a whole range of issues, including some of the issues that you have raised.

Senator MILNE—I am asking about one, Senator Conroy. Did you take the greenhouse gas emissions into account?

Senator Conroy—I am saying to you that and many other issues were taken into account when we considered all of these issues.

Senator MILNE—So, are you saying you did take greenhouse gas emissions into account?

Senator Conroy—I have said that. I said ‘those issues that you have mentioned and many others’, because you mentioned two or three—

Senator MILNE—I mentioned two. I mentioned greenhouse gas emissions and oil ramifications.

Senator Conroy—Those issues which you have mentioned were all taken into consideration and weighed up as part of the deliberations that led to—

Senator MILNE—I shall be going through each one of them and asking you what the expected increase in transport emissions are from each of the projects that you have approved in AusLink II, and I will most certainly be asking Infrastructure Australia, through the minister, to review those. I will speak to them when we get to that in a minute. Thank you.

Ms Page—This is the group of people who can talk about Infrastructure Australia. National Transport Policy deals with another set of issues again.

Senator MILNE—We are not on that yet. So, you can deal with Infrastructure Australia?

Ms Page—We can deal with Infrastructure Australia if you wish.

Senator MILNE—I thought it would be under something else, but, since we are dealing with Infrastructure Australia now, I say that I noticed that the board of Infrastructure Australia has been appointed and so it will be up and running shortly and will be preparing a blueprint for infrastructure, but, as we have just heard, they will not be reviewing the existing projects because they are election promises and, regardless of anything else, they will be carried out. But they will be looking at the \$20 billion fund to spend and review what the infrastructure might be. Can you tell me whether they will be taking into account, separate from any ministerial direction, the greenhouse gas ramifications of the construction or flow-on effects of all the infrastructure projects that they consider? And will they be looking at alternatives, including urban public transport?

Ms Page—The way in which Infrastructure Australia conducts and structures its audit and priority list is ultimately a matter for Infrastructure Australia. However, as I said last night, it has really got very broad discretion in the way it does that. It has to ‘conduct audits to determine the adequacy, capacity and condition of what is defined as nationally significant

infrastructure, taking into account forecast growth'. In doing that it has very broad discretion. It has the ability, certainly, to identify urban public transport alternatives and a variety of projects which it considers can meet the priority needs of Australia.

Senator MILNE—Minister, is urban public transport considered a nationally significant infrastructure?

Ms Page—'Nationally significant infrastructure' is defined in the act.

Senator MILNE—I know.

Ms Page—It is not exclusive, but it includes transport infrastructure. That is a very broad class of infrastructure.

Senator MILNE—I want to satisfy myself that it includes urban public transport on things like cycleways and that sort of thing.

Ms Page—There is nothing to preclude consideration of it.

Senator MILNE—Looking at the adequacy and so on, they could take into account the greenhouse gas ramifications and the oil ramifications of these projects?

Ms Page—They are required to take into account forecast growth, and again that would seem to me to encompass a very broad range of issues.

Senator MILNE—Thank you very much.

CHAIR—Are there any other questions?

Senator NASH—I will just return to Infrastructure Australia. Will Infrastructure Australia be considering infrastructure requirements that are the responsibilities of the states?

Ms Page—It is considering nationally significant infrastructure, so it is everything that fits that definition. There are no jurisdictional boundaries built into its consideration. That is partly why Infrastructure Australia reports back via COAG.

Senator NASH—Is that a bit of an indictment on the Labor states that the infrastructure priorities have not been up to speed, that you have to come up with Infrastructure Australia to pull them under that bailiwick?

Senator Conroy—That is asking an opinion and, as you know, officials cannot give opinions.

Senator NASH—Of course. Would you like to give me your opinion, Minister?

Senator Conroy—I am always confident about the conduct of my state colleagues. You look to be disappointed. I know you are confident about the conduct of your team; you voted yourselves out of existence.

Senator NASH—You obviously have not been talking to your state about the grain rail lines in New South Wales, but never mind. How is Infrastructure Australia going to develop a balance across the state boundaries, if you like, given that you have just said that it will be a holistic approach to dealing with infrastructure? There will still be very significant state needs or expectations as there are at the moment. How is Infrastructure Australia going to manage that?

Ms Page—It is not required to do that in that sense. It is required to conduct audits and to present a national priority list and then COAG considers that list. It will also include sectors where there is very significant private sector involvement. It is not just Commonwealth and state government. Much of the energy sector, for example, is funded by the private sector, and overwhelmingly in the communications area most infrastructure is funded by the private sector.

Senator NASH—Just on that, how is Infrastructure Australia going to resist particular leanings towards any particular state in that kind of issue? How are they going to make a balanced judgement?

Ms Page—That is a matter for Infrastructure Australia to determine.

Senator NASH—I take that on board, but how is the minister going to assure himself? What is the process by which the minister assures himself that there is not any parochial state-based leaning in any of these decisions or recommendations that are made?

Ms Page—The government has come up with a board, which is broadly representative of both the states and the Commonwealth. There is a representative with knowledge of local government and the private sector. Infrastructure Australia's job is to make recommendations, both to the minister and COAG, and it is a matter for the minister and COAG to determine what they do with those recommendations.

Senator NASH—Again, no aspersions of course on the list of people, which I have got since yesterday, but when you have got—and sorry to hark back to this—people who have very significant interests in a particular infrastructure area, it is very difficult. You have the CEO of Sydney Water. How difficult is it going to be for that particular person? I am talking as an objective view; I am not talking about the individuals themselves, but if somebody is the CEO of Sydney Water and at the time there is a discussion about water infrastructure that might be perhaps benefiting another state, is the minister absolutely sure that everybody on this list is going to be able to objectively make a decision on recommendations when it may very well be harming the organisation that they are with?

Ms Page—I cannot speculate on how the board might operate and what the government's assumptions have been in relation to the appointment of the board. There are provisions in the act, as we indicated last night, for the management of conflict of interest and they are standard—

Senator NASH—What are those provisions? I am very happy if you cannot discuss it now and you would prefer to take it on notice, but I would be very interested for the committee to have exactly what you are saying, that list of provisions that are there to ensure there is no conflict of interest.

Ms Page—It is in the legislation. It is a creature of the parliament, but we can read it out.

Ms McNally—Clauses 13 and 14 state:

13 Disclosure of interest to the Minister

A member must give written notice to the minister of all interest, pecuniary or otherwise, that the member has or acquires and that conflict or could conflict with the proper performance of the member's functions.

14 Disclosure of interests to Infrastructure Australia

A member who has an interest, pecuniary or otherwise, in a matter being considered or about to be considered by Infrastructure Australia must disclose the nature of the interest to a meeting of Infrastructure Australia.

The disclosure must be made as soon as possible after the relevant facts have come to the member's knowledge.

The disclosure must be recorded in the minutes of the meeting of Infrastructure Australia.

Unless Infrastructure Australia otherwise determines, the member:

must not be present during any deliberations by Infrastructure Australia on the matter; and

must not take part in any decision of Infrastructure Australia with respect to the matter.

(5) For the purposes of making a determination under subsection (4), the member:

must not be present during any deliberation of Infrastructure Australia for the purpose of making the determination; and

must not take part in making the determination.

(6) A determination under subsection (4) must be recorded in the minutes of the meeting of Infrastructure Australia.

Senator NASH—I might have missed it, but is there a prescriptive time by which that disclosure has to be made before the issue is discussed, if they believe they have a conflict of interest?

Ms McNally—It just says as soon as possible as the facts come to the member's knowledge.

Senator NASH—In terms of road priorities, when do you see that Infrastructure Australia might make its first recommendations? Is that part of that March 2009?

Ms McNally—That is correct.

Senator Conroy—Certainly after it has had its first meeting.

Senator NASH—Minister, if you are going to contribute, it would be good if it was worthwhile. As we discussed yesterday, there may well be some consideration of Labor's election promises on roads that they made during the election campaign. Will Infrastructure Australia be supplied with the analysis that was made on those promises?

Ms Page—What I said was the option is there if the minister wishes to refer a project for specific advice. That would really depend on what advice the minister wished to seek. That is simply an option that is available to the minister if he wishes to take it up.

Senator NASH—Just on that, in terms of the election promises on roads, is the department aware of the analysis that was taken for those promises at the time or, indeed, was there any analysis?

Senator Conroy—Senator Milne just spent half an hour asking that question.

Senator NASH—I am sorry, Senator Milne, I must have been distracted.

Senator Conroy—I am happy to give the same answer.

Senator MILNE—Minister—

Senator Conroy—I said I was happy to give you the same answer. It may surprise you what that answer is.

CHAIR—Can we not have this banter. Could we have one question, one answer, and then we will have an orderly process.

Senator Conroy—The answer to the question is that a whole range of factors, including factors that were raised by Senator Milne, were considered by the shadow cabinet, the shadow minister and the candidates when we were considering whether to make these election commitments. Those factors were taken into account.

Senator NASH—Factors and analysis are not the same thing. Can you explain what you mean by factors?

CHAIR—Can we hear the answer and then we will have another question?

Senator Conroy—I am saying we considered a whole range of information about the projects that we were going to consider supporting.

Senator NASH—I can imagine you did.

Senator Conroy—After we weighed up all of the relevant issues, facts and analysis, we made decisions and, as I have said on a number of occasions, once or twice, the election commitments made by the Rudd government will be delivered on in their entirety.

Senator NASH—That is right. We just do not know when.

Senator McGAURAN—Still on the same point, you mentioned you took the views of the candidates.

Senator NASH—Yes.

Senator McGAURAN—In the heat of an election—and common sense will prevail I am sure, if you understood—that could only realistically be a political view. Here is a candidate out in the field from whatever political party they come from seeking to win the seat. In the heat of an election it is all about politics and let us not believe it is not. There is no proper valued judgement, assessment or evaluation that could be made by a candidate. You have sought the view of the candidate.

CHAIR—Can we have a question? This is a long statement.

Senator Conroy—Could I actually encourage you to let him keep going because the National Party and Liberal Party are laying bare the processes by which they operate.

CHAIR—Other people have questions and if Senator McGauran does not have a question, but wishes to make a statement, there are other places to do that. If he wants to proceed to the question, that is good; if not, I will go to Senator Milne.

Senator McGAURAN—The question is about the candidates.

CHAIR—I thought you conceded.

Senator Conroy—About the candidates. It would sound like it is outside the scope of the Senate estimates process.

Senator McGAURAN—You have sought the views of your candidates, Minister, and my question leads to the wise judgement of seeking a view of a candidate. Do you think it is wise judgement, given that any candidate from any political party is going to bring a political view, not a proper evaluation? Even in Victoria alone, in the seat of Ballarat, there was some \$604 million committed by the Labor Party. It is not delivered, but we will get to that later.

Senator MILNE—A very successful candidate.

Senator McGAURAN—A very influential candidate.

Senator Conroy—Can I say that Catherine King is a first rate candidate.

Senator McGAURAN—And so it goes on. She is a member of parliament. What about the Gippsland candidate for \$140 million? Was the Gippsland candidate's views sought over that?

CHAIR—Do you have a question, Senator McGauran, because if you keep asking questions and making statements this will be rather more like a speech in the Senate than questions and answers at estimates. I will cut that off there and the minister can answer. Then we will go back to Senator Nash who tells me she only acceded to you to ask a related question, and following that we will go Senator Milne.

Senator Conroy—I would like to answer a question that Senator McGauran asked me and I have not had a chance to respond to since he asked me at about 9.01. He accused me of getting ready to leave and not attend estimates on the basis that he believed he saw a suitcase up the back that might be mine.

Senator McGAURAN—It looked like a suitcase.

Senator Conroy—Well, it is not quite a suitcase. It is more hand luggage, really. It was used to transport my computer and all my documents to the room, Senator McGauran. I am here for as long as you are today.

Senator McGAURAN—I regret if I—

Senator Conroy—Are you catching a plane?

Senator McGAURAN—No.

CHAIR—Let us get back to the estimates.

Senator Conroy—No. He cast a slur on me and I just wanted to—

CHAIR—You have made your statement, Minister. Senator Nash.

Senator Conroy—No, if I could just then respond to his second question, which was an attack on the processes of the shadow cabinet which I felt was more revealing about the processes that Senator McGauran has been engaged in which were highlighted by the Auditor-General's report—I think Ms De-Anne Kelly approved 45 programs with 15 minutes to go before the cut-off. I am sure there was a lot of consideration given to those programs that were quickly approved just before the cut-off. The Auditor-General has made extensive comments about that process. But I really think the way you describe the heat of battle is perhaps more symptomatic of the way that your party and your former party have conducted themselves, rather than as the attempt to reflect on the processes of, as it was then, the federal opposition.

Senator NASH—We can assume all your candidates are road tested then. I have a question on Infrastructure Australia again. Will you be seeking matching funding from the state governments for projects with the states?

Ms Page—As I indicated, Infrastructure Australia does not have a capital budget. It is an advisory body. It makes recommendations to governments and to COAG and it is then a matter for them to consider whether they wish to take up the projects, how they wish to finance them and what further commitments might be made.

Senator NASH—With the funding of \$20 million over four years for the operation of Infrastructure Australia, how is that figure arrived at? I assume it is \$5 million per year for the four years.

Ms Page—No. It is \$500,000 this financial year and \$6.5 million per year after that.

Senator NASH—How was that arrived at?

Ms Page—That is an election commitment.

Senator NASH—Is there a reason?

Ms Page—It is an election commitment.

Senator NASH—It is an election commitment. Minister, can you shed any light on it? Did you say it was \$500,000 for this year?

Ms McNally—This financial year.

Senator NASH—And then it is?

Ms McNally—It is \$6.5 million per year.

Senator NASH—Per year after that?

Ms McNally—For the next three years.

Senator NASH—Can you shed any light on that for me, Minister?

Senator Conroy—As I am sure you would understand, I was not involved in the preparation of all of our election commitments, but I am happy to take that on notice and see if there is any information that we can provide to you that sheds on light on it.

Senator NASH—Thank you. Very genuinely it seems quite extraordinary if it is weighted that way. It almost seems like there is an expectation that not that much is going to happen in the first year. If you could take that on notice that would be very useful. Indeed, I would like to know not just why it is skewed so extraordinarily towards the three out years, but what that funding actually goes towards.

Ms Page—That \$500,000 is only up to 30 June. As we indicated, Infrastructure Australia only has its first meeting next week.

Senator NASH—I am sorry, I assumed it was over the four years. That clarifies things a little.

Ms Page—It is for 2007-08.

Senator NASH—Thank you, that clarifies it a lot. That is 2007-08 and then for the following years it is \$6.5 million. For 2008-09, of the \$6.5 million, how much is going to pay the people at Infrastructure Australia?

Ms McNally—I will have to take that on notice. One of the issues is that the staff have yet to be recruited.

Senator NASH—I am sorry, I might have this entirely wrong—

Ms McNally—Are you referring to sitting fees?

Senator NASH—Yes, I am referring to the board.

Ms Page—We will take that on notice.

Ms McNally—It depends on how many meetings. They are being paid on a sitting day arrangement.

Senator NASH—They are getting paid per sitting?

Ms McNally—Yes.

Senator NASH—Is it not expected, though, that they will turn up to each one in the first year, which is only nine days? Is there an expectation that they might not?

Senator Conroy—You are asking for an opinion.

Senator NASH—I am sorry, I will rephrase it. Each board member is paid per day. Is that right?

Ms Page—We would have to take that on notice, but certainly it would be a relatively small percentage of that funding, most of which is to meet the cost of staff, of procuring information and the accommodation of Infrastructure Australia.

Senator NASH—I find it extraordinary you do not have that information here. If you could take on notice the remuneration and the process for the board members. How many staff will be retained over the course of the—

Ms Page—The staff have not been recruited yet and the infrastructure coordinator, in other words the CEO, has not yet been announced, so it is very difficult for us to provide you with an estimate of what the costs of sitting fees will be, let alone salaries.

Senator NASH—In essence it is a bucket of money?

Ms Page—That is correct. It is a bucket of money.

Senator NASH—When that information comes to hand to the department, could you supply it to the committee?

Ms Page—I am not trying to be difficult, but I suspect it will not be until the end of the first year of operation that we will have a reasonable understanding of how the costs of Infrastructure Australia are likely to fall.

Senator NASH—When you put people on the payroll don't you know how much you are going to pay them?

Ms Page—We have not put them on the payroll yet.

Senator NASH—I assume that they are going to be put on at some stage in the near future, given that Infrastructure Australia is going to start operating.

Ms Page—We will bear in mind the budget available to Infrastructure Australia, as we do with any other.

Senator NASH—Are you saying that you can only tell the committee retrospectively at the end of the financial year how much you are paying your staff?

Ms Page—No. I am saying that, to date, I cannot give you that until staff are recruited. We do not know how many staff Infrastructure Australia may wish to recruit, or at what levels or at what time throughout the financial year they may be recruited, so it is very difficult for us to provide you with an accurate breakdown of what the salary costs of Infrastructure Australia might be.

Senator NASH—I would suggest that perhaps we could get it monthly as the development of the first year rolls out and people are put on staff. I would not expect you to get back to the committee every day, but it would be appropriate if you could advise the committee at the end of each month how many people have been retained in that given month and at what cost.

Ms Page—I will take that on notice.

Senator NASH—Thank you.

Senator McGAURAN—Just on that matter—

CHAIR—No, Senator Nash has the call, then Senator Milne.

Senator McGAURAN—I am sure she will yield to me to follow up on that particular matter.

CHAIR—No. When I came back into the room, Senator McGauran, I clearly heard Senator O'Brien give the call to Senator Nash, then Senator Milne. Senator Milne will be before you, Senator McGauran.

Senator McGAURAN—Point of order!

Senator MILNE—I just want to clarify something from the minister.

CHAIR—I am sorry, Senator Milne, Senator Nash still has the call and as soon as Senator Nash is finished we will go to Senator Milne.

Senator NASH—Thank you, Chair. I have two very brief issues, not related to Infrastructure Australia, which I raised yesterday around the Road Safety Research Grants program, wherein you told me it would be appropriate for this part of the program.

Ms Page—That is Infrastructure and Surface Transport.

Senator NASH—Those two items are for Infrastructure and Surface Transport?

Ms Page—Yes.

Senator NASH—Thank you.

Senator MILNE—Senator Conroy, I would like to clarify a point. My understanding of what you said was that all of the election promises that Labor made regarding transport—road, rail et cetera—will be met in full. That is clearly what you said?

Senator Conroy—Yes. The Prime Minister has stated that on many occasions.

Senator MILNE—The Prime Minister, Minister Wong and Minister Garrett also made election promises saying that greenhouse gases in Australia would be reduced in this period. What is going to happen when there is a clash between the election promise to deliver on these transport election policies and the promise of the Prime Minister and Ministers Wong and Garrett of a whole-of-government approach in reducing emissions? How are you going to deal with the conflict between those election promises?

Senator Conroy—We are engaged in a comprehensive environment strategy to deal with greenhouse and we are confident that we can meet both commitments. If you want to ask what our environmental policies are then you will probably need to—

Senator MILNE—I know where your environment policies are. You are setting up a conflict now between delivering on transport infrastructure, when emissions are increasing in transport, and a promise for a whole-of-government approach in reducing greenhouse gas emissions. I am asking, since you are locked in to delivering on these transport strategies, are you going to exempt transport from emissions trading?

Senator Conroy—I am happy to take that on notice and seek any further information, but I suspect that is a question that you probably need to put to the environment minister or the climate change minister.

Senator MILNE—In terms of who is going to break their election promises, if Transport delivers on roads in the manner they have been promised, then it is the Prime Minister who will be breaking his election commitments. Is that correct?

Senator Conroy—No, you are attempting to put words in my mouth. What I said was that I was confident we could keep all of our election commitments, both in the transport area and in the greenhouse and environment area.

Senator MILNE—I will be interested to see by the next election how transport emissions have come down whilst you deliver on every tunnel, freeway, flyover and whatever that you have promised. That will be fascinating.

CHAIR—Senator Nash just had one more question and then to you, Senator McGauran.

Senator NASH—I am interested in a specific road project, the Banora Point upgrade at Sexton Hill. We did have some discussion around the duplication of the Pacific Highway yesterday, but I specifically wanted to refer to this particular piece of road. There is \$1.4 billion that was committed during the election to duplicate the highway from the Queensland border to Coffs Harbour. Can you just tell me the status of the Banora Point upgrade, Sexton Hill, as it is colloquially referred to, and where that fits into the \$1.4 billion? How much money has been committed to that particular part, if there is any plan at all to start proceedings or where it is at?

Mr Hogan—The Banora Point project is currently at the planning stage. An environmental assessment process is currently underway. Construction timing is yet to be determined. But there was an Australian government commitment to the project.

Ms Page—It is one of those projects that falls into the AusLink II period for which planning is currently being undertaken but construction will take place in the second AusLink period.

Senator NASH—Has there been any kind of determination yet on whether option B or option C should be the way to go?

Mr Hogan—I would have to take that on notice.

Senator NASH—I completely understand it is very difficult to be across every piece of asphalt around the country. Could you take on notice to give the committee a very clear briefing of what is the status of that project, what deliberations have been taken to date on the different options and currently which option is preferred by government? I would appreciate if you could give the committee a very clear understanding of the role of the state government in the development of this particular piece of road. Within the \$1.4 billion to duplicate the highway in that section of the state, are there any clear indications under the AusLink II and could you provide some dates and timings of when building would commence?

Ms Page—We can do that.

Senator NASH—Thank you.

Senator McGAURAN—Initially, like the others, I wish to register my disappointment in the answers given by the department that just simply refer committee members to a website. Senator Birmingham, who has had several questions relating to South Australian projects in this particular area, on each of his four or five questions he was referred to a website. Firstly, Ms Page, in relation to the references to a Labor Party website, whether it is Labor, Liberal, Green or a National Party website, a website is designed by the political parties, not by a government. The commitments are made prior to an election by political parties; post-election they become government commitments. So on one level reference to a government website is better than a reference to a political party's website. It is outrageous; it is insulting and it is compromising of your department and your officials in it to refer to a Labor Party website. I think it is utterly compromising to the Public Service's traditional role.

Ms Page—These are the minister's answers, but we are happy to answer questions on particular projects if you wish to ask, as we have been doing.

Senator McGAURAN—The minister directed you to answer this way?

Ms Page—In relation to all answers?

Senator Conroy—Answers that are tabled are not tabled by the department, they are tabled by the minister.

Senator McGAURAN—I know that they are tabled by the minister, but they are compiled by the department.

Senator Conroy—No, and they are subject to the approval of the minister. Let us be clear.

Senator McGAURAN—I know all of that.

Senator Conroy—Your criticisms ultimately go to criticisms of the minister, which is fair enough.

Senator McGAURAN—To the minister, he is compromising in these early stages of his ministry the Public Service in answering to this committee, and no doubt other committees, by referring to a Labor Party website, which is nothing short of a political website. There is propaganda on everyone's political website.

CHAIR—It happens to be the government's, Senator McGauran.

Senator McGAURAN—It was not comprehensive to begin with. On another level, referring to the government website or the AusLink website as you have on occasion to Senator Birmingham's questions on notice, it simply did not meet the particulars of his questions.

Senator Conroy—As you know, this point has been raised by a number of your colleagues and I have acknowledged the points that have been made and I have undertaken to take it up with the minister. I am not sure there is any more I can do than that, but I again repeat that I acknowledge the concerns that you are raising, as I did with your colleagues.

Senator McGAURAN—I am seeking to reinforce it.

Senator Conroy—I am accepting that and I am just trying to save a little bit of time. The point that you make has been taken on board.

Senator McGAURAN—Has it been well made?

Senator Conroy—It has been taken on board and I will raise the matter with the minister.

Senator McGAURAN—I would like to make another point that you raised—just to finish that discussion about the candidates being consulted. You mentioned a former member of parliament and a former minister who was utterly accountable to the auditor and to the parliament and to all of the processes. Candidates, those that have not been in the parliament, are not, and that is the big difference. For you to deny that they would make a proper value and objective judgement in the heat of an election campaign is fooling no one. They would be making a political judgement as to what best can win that seat. So you have introduced into your processes the political factor. I am not surprised, by the way, but for all the pontificating that you, and in particular the Prime Minister, have undertaken about extracting the political process, it has been exposed for what it is: a fake and a fraud. The question is: will in future candidates, those that are not in the parliament and not subject to scrutiny, be withdrawn from the process?

Senator Conroy—As I said—

CHAIR—Excuse me, may I just come in? I am sorry, Senator McGauran. Correct me if I am wrong—the *Hansard* will show it anyway—but did I hear you refer to the Prime Minister as a fake and a fraud?

Senator McGAURAN—If I did, I withdraw that.

CHAIR—Accepted, Senator McGauran. Minister, I am sorry, I cut in across you.

Senator Conroy—That is all right. Senator McGauran was in full flight.

Senator McGAURAN—Did I put the question in the end?

Senator Conroy—You did. I was just making the point that I have repeated many times now that the election commitments are firm commitments by the Rudd government. We will deliver them in full and, unlike the former government, which made promises like the Toowoomba second range crossing. In former Minister Macfarlane's first speech to parliament on 26 November 1998 the member for Groom said:

A new range crossing is on the drawing board but its completion date must be brought forward to 2005 if our region is going to be given a fair chance to develop.

By 2005, seven years later and when the deadline had slipped by, he was a cabinet minister and all he delivered was a study. That is it. So to be lectured by yourself or Senator Nash about timelines is frankly breathtaking, but I am getting used to that. We will deliver all of our election commitments.

Senator McGAURAN—Cheerio to your office that just sent that through. The point is that the former minister you mention is constantly re-elected with large majorities and was a good minister. He was a minister who did deliver. We will not go to that, but perhaps we will receive something from our office about Minister Macfarlane's achievements over his ministry. You will not get me to think otherwise about that minister.

Senator Conroy—I would just add to my answer. I probably am going to have to agree with an assessment made in a letter to the *Toowoomba Chronicle* on 24 April this year, 2008:

All those trucks on James Street have not just happened since November last year, Ian. They have been there all the time under your watch and you did nothing about it.

Senator McGAURAN—Signed by—

Senator Conroy—I can get you the name.

Senator McGAURAN—The local Labor Party president!

Senator Conroy—It is in the *Toowoomba Chronicle* on 24 April this year. That is 2008, which would be 10 years since the minister promised to complete the project and in April of this year, still nothing.

Senator McGAURAN—Are you finished with that?

Senator Conroy—Yes.

Senator McGAURAN—I take it you will continue to consult candidates as part of the process, prioritising Investment Australia and Infrastructure Investment—

Senator Conroy—As I said, we have made it clear that the election commitments are not being reviewed by Infrastructure Australia. I do not know how many times I have to make that point.

Senator McGAURAN—But in the future?

Senator Conroy—The new projects are all going to be projects prioritised after consultations and recommendations to the government by Infrastructure Australia.

Senator McGAURAN—In the future, will you be consulting candidates on the ground for their wish list?

Senator Conroy—I do not think Infrastructure Australia has ruled out consulting with anybody. But I would think it highly unlikely that they would even know who candidates on the ground were.

Senator McGAURAN—Let us hope it stays that way and that political interference does not even seep into Infrastructure Australia.

Senator Conroy—Senator McGauran.

Senator McGAURAN—There is another matter that you have raised on more than one occasion, Minister, that I am again compelled to ask questions about it, whoever the likely person is. With regard to the previous government's infrastructure projects, can you tell me the cost of the Alice to Darwin rail line and when it was completed?

Ms Page—I think we have provided an answer on that in the recent past, but we will take it on notice again and seek out that information.

Senator McGAURAN—If you provided it in the recent past, should it not be ready and handy?

Ms Page—We do not have it with us. No, I do not believe that we do. But we certainly have answered a question, I think, over the last 12 to 18 months, in my memory, concerning the costs of the Alice Springs to Darwin railway.

Senator McGAURAN—It was a major infrastructure project. But I think at the time it was Australia's largest infrastructure project since the Snowy.

Ms Page—I could not comment on that, Senator.

Senator McGAURAN—You could not? You are unaware or you cannot?

Ms Page—I do not know how you would judge infrastructure projects and where that fitted at the time in which it was built.

Senator McGAURAN—Would you find out for me, or do you not think it is down your line?

Ms Page—It is difficult to make retrospective judgements about how, a number of years ago, a particular project compared with others that were being constructed at the time. But we can certainly find you the information that we provided in the past concerning the cost of that project.

Senator McGAURAN—Well, I believe it was. What was the total global funding of AusLink I and AusLink II?

Ms Page—For AusLink II, I think I have already provided a figure of \$22.6 billion. AusLink I was \$15.9 billion.

Senator McGAURAN—Just for the record, so no-one can drive a truck through, AusLink I and AusLink II are seen quite clearly as infrastructure funding?

Ms Page—They are road and rail programs, Senator. They provide funding for a variety of types of programs.

Senator McGAURAN—Infrastructure?

Ms Page—Road and rail infrastructure on a defined network as well as funding for particular local roads and other roads and black spots.

Senator McGAURAN—As we all conceded, with rail we had a very good briefing.

Senator Conroy—An excellent briefing.

Senator McGAURAN—Yes, an excellent briefing by the Australian Rail Track Corporation executive officer. He spoke of the previous government's funding to rail upgrade maintenance and commerciality. Of course, it was the previous government that, under great duress from the unions and the states, formed the Australian Rail Track Corporation. It made one what was many. He spoke of \$800 million funding.

Ms Page—I think he mentioned \$880 million.

Senator McGAURAN—Thank you. And in regard to the proposed inland rail, the previous government was doing prep work for that too. Can you tell me the funding of that?

Ms Page—This government, I think, has committed a total of \$15 million to an inland rail alignment study.

Senator McGAURAN—The previous government was actually doing concrete sleepers down at Junee. Where is he when you want him?

Ms Page—The concrete sleeping is on the main north-south line generally. This money is for an alignment study to work out, based on the previous work done in the Ernst and Young study, the optimal engineering route as well as some other environmental and feasibility work.

Senator McGAURAN—While we are on it, the previous government's funding was tagged as inland rail preparation work, was it not? What was that funding?

Ms Page—This government has committed—

Senator McGAURAN—The previous coalition government—

Mr Williams—The government took a measure in the current budget, 2008-09, to defer some expenditure—

Senator McGAURAN—That is right.

Mr Williams—of \$65 million to 2009-10 in light of the commitment to the inland rail.

Senator McGAURAN—Correct. What was that \$65 million targeted for previously before it was cut back?

Ms Page—I think that was for an upgrade of the Cootamundra-Parkes section. But I think the government announced that it was appropriate to spend that money following the expenditure of the \$15 million on the alignment study. It would use that study to inform the investment of the \$65 million.

Senator McGAURAN—I will just go to the \$880 million. Pulling that together, I will also throw in another great project. It would now come under Infrastructure Investment. It is the Wimmera-Mallee pipeline, to which the previous government gave hundreds of millions of dollars. It is a magnificent project coming close to its end; it is in its third stage. Again, it was a commitment by the previous federal government. So I pull all that together—the Wimmera-

Mallee pipeline; \$880 million for the Australian Rail Track Corporation; the Alice Springs to Darwin rail line; and, of course, the billions in AusLink I and AusLink II. That is just four major infrastructure projects, Minister, from the previous government. Does that not make a fallacy and even a cheap point out of your comment? I can go back to the Hunter. You said there was neglect and no expenditure on infrastructure by the previous government. For the record I put that down. Does it not make a fallacy of yet another one of your outbursts? You do not have to answer that.

Senator Conroy—I think the Reserve Bank made it quite clear on 20 occasions—they were crying out, as were many business groups—that the previous government needed to invest in infrastructure projects. We have had port bottlenecks. We have had rail bottlenecks. We have had road bottlenecks and, importantly, for 21st century infrastructure, broadband bottlenecks. Your government sat back and did nothing. Your definition of infrastructure spending in 11½ years to deal with port bottlenecks was to give money to dredge Tumbly Creek, which then had a bit of rain and was flushed out anyway. That was your definition of infrastructure spending.

Senator McGAURAN—You mention bottlenecks. We will return to Infrastructure Australia. I will just get on to bottlenecks in a second. Senator Nash raised the matter of remuneration. For those members on Infrastructure Australia, it says here:

A member is to be paid the remuneration that is determined by the Remuneration Tribunal.

Does that include the board?

Ms Page—Yes. That relates to the remuneration for both the chair and the board members.

Senator McGAURAN—So that would be undertaken by an independent process?

Ms Page—It is being done by the Remuneration Tribunal, yes.

Senator McGAURAN—What is the process? Does that require a submission by the government?

Ms Page—The government makes the submission to the Remuneration Tribunal.

Senator McGAURAN—What do they benchmark this figure against, do you know?

Ms Page—I am not an expert on the processes of the Remuneration Tribunal. Certainly the submission that the government put to it provided advice on the nature of the work and the level of responsibility that it would expect from this board. Then it is a matter for the Remuneration Tribunal to come to an assessment about appropriate remuneration.

Senator McGAURAN—Thank you, yes. Sometimes we never know the mystery of the Remuneration Tribunal and what its judgements really are. The minister mentioned bottlenecks. I will just go through this, Minister. The question really relates to Infrastructure Australia and their ability to actually meet their mandate when there are so many other factors at play. Would they be able to take on this particular concern? I will read it out:

...that the Queensland government recently leased the port—that is, Dalrymple Bay—to prime infrastructure, which wanted to build a new coal loader to cope with the surge in demand for coal.

First of all, are you aware that it took the Queensland competition authority 22 months to come to a decision as to how much the coal companies will have to pay for the new loader? In

contrast, the adjacent Hay Point coal terminal, where no regulator is involved—this is the point; it is all about regulators and state regulators—has completed two expansions before Dalrymple Bay coal terminal has completed one expansion. So the point here is that regulators and dithering by state governments have created that log jam and a regulatory failure by a state Labor government.

Senator Conroy—And your solution to all of this was to give funding to dredge Tumbly Creek. What did you do for 11½ years? What did you do for 11½ years?

Senator McGAURAN—Well, there is no comparison between Tumbly Creek and Dalrymple Bay and the exports that go out of it. So how would Investment Australia or Infrastructure Australia—it is Infrastructure Australia. They have a nebulous role.

Senator Conroy—They have not met yet.

Senator McGAURAN—Well, Senator Nash really quite exposed this.

Senator Conroy—They were only created by parliament a couple of weeks ago.

Senator McGAURAN—They are an advisory board that I think Senator Nash exposed will barely be listened to. Nevertheless, how will they meet regulatory problems that the states have caused, the core problem down there?

Ms Page—Senator, the functions of Infrastructure Australia include policy, pricing and regulatory issues that may impact on the utilisation of infrastructure and create impediments to the efficient utilisation of national infrastructure networks, options and reforms, including regulatory reforms. It seeks to make the utilisation of national infrastructure networks more efficient. So they certainly have as a function the ability to provide advice in relation to regulatory impediments and impediments to efficient utilisation of infrastructure and investment.

Senator McGAURAN—Good. That is slightly encouraging. Would that same answer apply to this? How would Infrastructure Australia and the Building Australia Fund solve the problems raised by the Patrick Corporation in its submission to the exports and infrastructure taskforce of May 2005 no less? They pointed out that an operator of an interstate train may have to deal with seven rail safety regulators; three transport accident investigators; 15 pieces of legislation—all this is state based—covering occupational health and safety of rail operations; and 75 pieces of legislation with powers over environmental management?

Ms Page—Senator, we may be able to provide more information in the next session on that under the national transport plan. But Australian transport ministers have committed at a recent meeting to explore scope for a national rail safety regulatory scheme because they are fully aware of the impediments which you have listed.

Senator McGAURAN—Good. What is the role of the COAG road reform taskforce?

Ms Page—Do you mind if we do that in the session on surface and infrastructure policy? That group is overlooking some of that work. That is ongoing COAG work to do with the reform of heavy vehicle charging and regulation. That group can speak on that in more detail.

Senator McGAURAN—Okay, yes. But I will come from it another way because it was Senator Fielding who alerted me to this when he was speaking about the Black Spot Program,

which the government remained committed to and the Roads to Recovery program. Both of them are very locally based. Both of them are very council influenced. I am talking about Roads to Recovery, of course, but even the Black Spot Program. They all go through the council invariably. The answer to Senator Fielding's question was that they will remain in the minister's office.

Ms Page—I am sorry?

Senator McGAURAN—Well, is this correct? An answer to Senator Fielding's question about the process of the Black Spot Program and funding was that the assessment will remain the same and it will be the minister who will tick off. Therefore, I was just trying to cross-reference that with the role of the COAG road reform taskforce. It says in the budget paper that they will have an influence—policy guidance, analysis and advice—to ensure that COAG's objectives are achieved in Black Spot projects and Roads to Recovery. So if they have, I am just wondering to what point is this all coming out of the hands of the councils?

Ms Page—I am sorry. I think two things have been confused. The COAG road reform taskforce does not have a role in relation to black spots and local roads. Its job, as the PBS describes, is to coordinate delivery of COAG's research program to consider future heavy vehicle charging options on behalf of the Australian Transport Council. We are a member of that and contribute to that work. The list below that is the list of administered programs within that outcome. Those two items are not necessarily related.

Senator McGAURAN—Okay. In relation to road funding particularly, like everyone, we have our pet projects, so I would like to ask you about a few Victorian roads. I have other roads in Queensland that my colleagues have asked me about. In particular, I refer to the \$140 million so-called committed—it is looking very invisible at the moment—for the Princess Highway east duplication from Traralgon to Sale in the seat of Gippsland. What is the status of that commitment?

Ms McNally—Senator, the Princess Highway east duplication Traralgon to Sale project is for planning. The government has made \$1.2 million available initially in 2008-09 as part of its total commitment to the duplication, which is \$140 million.

Senator McGAURAN—What is the timeline for the \$1.2 million for planning?

Ms McNally—Planning is expected to commence in mid-2008.

Senator McGAURAN—And?

Ms McNally—And the expected construction will not commence until 2011.

Senator McGAURAN—Until 2011? That was not the commitment.

Senator Conroy—We are most certainly meeting that promise.

Senator McGAURAN—That was not the commitment. Was that the commitment—2011? The commitment was made before the election and since. Certainly it is believed by the good people of Gippsland that this is a project that will get up and running. It is not 2011.

Ms McNally—The advice we have had from the Victorian government is that they need to undertake planning. They will start that in 2008. The expected timetable for commencement is 2011.

Senator McGAURAN—Can you outline this planning?

Ms Page—That is engineering planning. It could also involve—

Senator McGAURAN—It is all desktop. There are no bulldozers, are there?

Ms Page—It could involve land acquisition, environmental assessment, geotechnical surveys of the land. This is quite a major project for a duplication.

Senator McGAURAN—It does not require three years of planning.

Ms McNally—I cannot comment on that.

Senator McGAURAN—Was this part of AusLink II?

Ms Page—It will fall within AusLink II, yes.

Senator McGAURAN—Why is the \$140 million not in the forward estimates, in the budget papers?

Ms Page—It is in the forward estimates.

Senator McGAURAN—Where?

Ms Page—It is in the forward estimates for AusLink II. An amount of \$22.6 billion contains the funding for this project. What the government has done under AusLink I is announce an amount of money to commence planning for a project whose construction and funding will take place under AusLink II.

Senator McGAURAN—Can you just say that again? Repeat that. It is where in the budget?

Ms Page—It is within the forward estimates, within the \$22.6 billion that I mentioned earlier, which is provisioned for. What the government has done has brought forward some money into AusLink I to enable planning to take place so that construction and funding will take place in the AusLink II period.

Senator McGAURAN—It is \$140 million. It is not whatever you just mentioned. This is a \$140 million project. Where is the \$140 million in the budget papers?

Ms Page—It is not in the budget papers per se. But it is contained in the sense that—

Senator McGAURAN—Within AusLink II?

Ms Page—Within the forward estimates allocated for AusLink II.

Senator McGAURAN—Okay. Why has this project now been delayed until 2011—

Ms Page—We would have to take—

Senator McGAURAN—if it was an election commitment? That is after the next election. So these election commitments—

Senator Conroy—I know that you are an expert on roads, Senator McGauran, but there is some planning necessary on a project. This is a large project, as you would willingly concede, an important and large project. So unlike you, who actually gives money to projects that ultimately fall over because they have been so poorly prepared, we are engaged in a process of commencing the project. There is money there to commence the project. I will defer to an

engineer over you any day about the needs and the timing in terms of the development and commencement of a project. But this is a large and important project which is an election commitment.

Senator McGAURAN—Yes. I hear you, Minister. So my question will be this: this is an election commitment that has been deferred. This is an election commitment where the first bulldozer, if you believe it, will start turning the sods after the next election in 2011. So it becomes two election promises. That makes a farce of the initial commitment.

Senator O'BRIEN—They might turn the sod? I am not sure about turning the sod.

Senator McGAURAN—What did I say?

Senator O'BRIEN—Bulldozers turning sods.

Senator Conroy—You continue to completely misrepresent—

Senator McGAURAN—No.

Senator Conroy—Completely misrepresent.

Senator McGAURAN—You cannot have it both ways, Minister. You make an election commitment. You want to deliver it, but you are not even going to start to deliver this until 2011 after the next election. Now this three years of planning is absurd. This has been in the pipeline for many, many years. I know, because I have been involved in these duplications. They do not take three years. This is not a priority project. The reason this is taking three years is because it is not a priority project. You have bumped it until past the next election.

Senator Conroy—That is completely untrue, Senator McGauran. Given that you were in government in both parties at varying stages for 11½ years, it was hardly a priority project under your government. Eleven and a half years and it never happened.

Senator McGAURAN—Have you seen the roads in Gippsland?

Senator Conroy—Yes. I have driven down them.

Senator McGAURAN—Have they asked you down there to campaign for the Gippsland by-election?

Senator Conroy—Eleven and a half years.

Senator McGAURAN—The roads are magnificent in Gippsland, but this is, without doubt, an urgent project, to which I should add that the Liberal Party candidate is lobbying and campaigning on strongly.

Senator Conroy—The Liberal Party or the National Party?

Senator McGAURAN—The Liberal Party candidate.

Senator NASH—I do not think Victoria matters very much at all.

Senator McGAURAN—And I am sure the National Party candidate has thrown his hat in the ring.

Senator Conroy—That is what I mean. I was actually trying to demonstrate to you, Senator Nash, that he was shamelessly campaigning for his own party against his former party.

Senator NASH—I do not think so. Senator McGauran is fit to do as he sees.

Senator McGAURAN—Well, the reason I do it is because I have the press releases.

CHAIR—They will be the same soon, so it does not matter. Carry on. Senator McGauran.

Senator Conroy—I know it does not really matter to Senator McGauran which one he hangs his hat on, but I thought Senator Nash might want to defend her own candidate.

Senator NASH—I have a very good map, as you well know, Minister.

Senator Conroy—A very good map. Are you going to merge? Are you voting for that?

CHAIR—Senator McGauran, do you have any further questions?

Senator Conroy—If you merge with them, you will endorse Senator McGauran's actions.

CHAIR—Minister, the senator is halfway through his questions. Senator McGauran.

Senator McGAURAN—Has this not—

Senator Conroy—Has what not?

Senator McGAURAN—You said the duplication between Traralgon and Sale of \$140 million was an election commitment. It has now been affirmed during the by-election campaign that it has been bumped until past the next election. The study set aside is simply a cover to delay this project because the Labor government did not see it as a priority. They are just trying to get through the by-election.

Senator Conroy—We are going through proper process. I know that is anathema to you, Senator McGauran.

Senator McGAURAN—Well, these studies do not take three years and for that particular road. It is pretty straightforward. It has been in AusLink II—

Senator Conroy—How long did it take—

Senator McGAURAN—It has been a project within AusLink II, has it not?

Ms Page—Senator, AusLink II did not exist essentially until the government made its election commitments.

Senator McGAURAN—The previous government established AusLink II.

Ms Page—The previous government had a process underway, but it had not announced its AusLink II program.

Senator McGAURAN—Well, we knew what was in it anyway. I knew what was in it. Minister, this is now going to become a 2010 election campaign commitment for a second time. So you will just keep rolling it out on the people of Gippsland that you promise to do it. It just keeps getting bumped because you have other priorities. That is quite obvious. You are going to put other projects ahead of this.

Senator Conroy—Let us just clear up the urgency and priority with which the former government actually dealt with this. This is an election commitment that has been brought forward. The coalition's commitment to this road, just like our commitment to this road, was under AusLink II. AusLink II was from 2009-10 to 2013-14. We have actually brought

forward funding into 2008-09 to get planning started early ahead of AusLink II. So you actually were not funding it until 2009.

Senator McGAURAN—No. I challenge that comment.

Senator Conroy—It was in AusLink II. Under the coalition, planning would not even have started until 2009-2010, meaning delivery would have been further delayed. If this was such a priority, why did you not give it funding in 11½ years? Do not come in here and make allegations that we have deferred it. The beginning of AusLink II under your party was 2009-10. We have brought it forward.

Senator McGAURAN—I challenge that information.

Senator Conroy—You can challenge it all you want. AusLink II was 2009-10 to 2013-14. We have brought it forward. We have started now.

Senator McGAURAN—The proposal for a 2011 start on this, is that pre June or post June?

Senator Conroy—We have brought it forward. We have started the planning on it a year earlier than you were planning to. End of story.

Senator McGAURAN—No. I challenge that, Minister.

Senator Conroy—You can challenge it all you want.

Senator McGAURAN—I will move on to another question, then.

Senator Conroy—I am sure you will. Senator Nash, would you like to bail him out?

Senator McGAURAN—The first half of June or post June?

Ms Page—Senator, it is too early to be that precise. The start date would almost certainly be determined by—

Senator McGAURAN—So you are bumping it out—

Senator Conroy—You are not bumping it out. We brought funding forward.

Senator McGAURAN—to 2012, really, if it is the latter end of—

Senator Conroy—We have brought the funding forward from when you were intending to start. You cannot have it both ways. You did not fund it for 11½ years. Then you claim it is a priority. Your funding envelope did not start until 2009 and we started a year early. Quickly call lunch. He is drowning.

CHAIR—Sorry, Minister.

Senator Conroy—I think Senator McGauran needs an early lunch. Senator McGauran needs an early lunch.

CHAIR—Minister, I will take this opportunity while opposition senators are just talking to each other quietly. The committee will break at 12.50 for a private meeting. I put members on notice.

Senator McGAURAN—On another road funding project, when is the Anthony's Cutting project at Bacchus Marsh proposed?

Ms Page—Senator, that project will fall in the second AusLink II period.

Senator McGAURAN—And proposed to begin?

Ms Page—In relation to projects that fall exclusively in the AusLink II period, as I think I said last night, they are still the subject of negotiation with the states. What the government has done with some projects is provide funding in 2007-08 and 2008-09 to accelerate projects or to bring forward planning. Those negotiations have taken place with states for that expenditure. For expenditure that falls exclusively in the second period, that process with the states is still underway. So until that is finalised, I am afraid we cannot give you further detail.

Senator McGAURAN—So there is no funding—

Ms Page—There is funding. The government has made a commitment to that project. The funding is in the forward estimates.

Senator McGAURAN—It is an election commitment. That is right.

Senator Conroy—It is in the forward estimates.

Senator McGAURAN—But you have not got any funding for planning.

Senator Conroy—Funding is in the forward estimates. It is an election commitment. We will be constructing it.

Senator McGAURAN—So if those that have planning attached to them—

Senator Conroy—No. The previous one, where we were talking about moving them forward. We are not able to bring them all forward. But they are on the same time profile as they were under your program.

Senator McGAURAN—The reason I ask is it was an election commitment. I think the member for Ballarat ought to be notified about this because she has publicly said that this is a commitment that has been brought forward and that would be undertaken in this term.

Ms Page—It may well be.

Senator McGAURAN—Even if you wanted to pull the veil that you have done on so many other projects over—

Senator Conroy—You should not necessarily respond to every wild allegation and assertion, particularly when Senator McGauran is allegedly quoting the member for Ballarat.

Senator McGAURAN—So, to be clear, there is not even funding allocated for—

Senator Conroy—That is not the case.

Senator McGAURAN—For planning. So it is not a priority project?

Ms Page—I cannot comment on what is a priority and what is not.

Senator McGAURAN—There has been funding allocated for planning for other projects.

Senator Conroy—We are happy to come back to you. If you want to ask us what all the priority projects are, we are happy to come back and give you some information.

Senator McGAURAN—I think they have it on hand.

Senator Conroy—I think they have just indicated they have not.

Ms Page—We do not have information on that because, as I indicated to you, the details of that project are still subject to negotiation with the Victorian state government.

Senator McGAURAN—What about the Western Highway duplication from Ballarat to Stawell?

Ms Page—I think we do have some information on that.

Senator Conroy—So you do have all our election commitments already. We told you they were on the public record. There is no need for these files that you have got.

Senator McGAURAN—They were coalition promises. Both of them were coalition promises which Labor copied, which they are entitled to. But we did all the hard work and research. We did not have to consult candidates. We knew from our ministerial—

Senator Conroy—I would stop there. I would stop there. I would not go any further. You have pre lunch entertainment at the moment, Senator McGauran.

Ms McNally—Senator, the Australian government contribution to the Western Highway duplication from Ballarat to Stawell project is \$5 million in 2008-09 for additional planning. Its total commitment to the duplication is \$404 million. The project involves planning for, and the commencement of, the construction of a four-lane dual carriageway-highway along the Western Highway between Ballarat and Stawell. It is aiming to improve safety for motorists, better efficiency for freight movements and reduce traffic volumes on those roads.

Senator McGAURAN—So that is another one on the planning board.

Ms Page—There is some construction also.

Senator Conroy—You just indicated it was money in 2008.

Senator McGAURAN—Does the previous government's mandatory commitment also hold for this government in relation to the level of sharing? It was 50 per cent for the urban projects from the states and 20 per cent from the non-urban projects. That is a minimum.

Ms Page—Senator, the government has announced funding of shares in relation to some election commitments. In relation to others, they are still the subject of negotiation with the states.

Senator McGAURAN—Well, they will negotiate you down, of course. So there is no guiding rule about the commitments from the states? It will vary from project to project?

Ms Page—Well, a large number of election commitments had matching provisions stated within them.

Senator McGAURAN—Is that matching fifty-fifty?

Ms Page—There is a variety. There is a series of percentage commitments. There are some matching commitments. There are some dollar commitments.

Senator McGAURAN—What is the status of the bridge over the Murray at Echuca-Moama in Victoria?

Ms Page—It is fair to say, Senator, it is not yet built.

Senator McGAURAN—It is a saga, all right.

Ms Page—The selection of a corridor that meets the traffic management needs of that area and respects Aboriginal cultural heritage has taken quite some time. But the Victorian minister for roads and ports, Mr Tim Pallas, announced in December 2007 that broad agreement had now been reached among the stakeholders in relation to the location of the second Murray River crossing at Echuca-Moama. VicRoads and the New South Wales Roads and Traffic Authority are now proceeding with detailed investigations and consultations to identify a preferred route within the agreed corridor and develop a concept design for the bridge and connecting roads and urban planning approval.

Senator McGAURAN—Sir Rod Eddington—is it Sir Rod? Does he still hold that pretentious title?

Senator Conroy—You like that, don't you.

Senator McGAURAN—He undertook some work for the Victorian government. It was an overview of the east-west link needs assessment in March 2008. One of his major recommendations was in regard to the West Gate Bridge.

Senator Conroy—Dear to my heart.

Senator McGAURAN—One recommendation was, of course, reducing the reliance on the West Gate Bridge. Another was reducing congestion. Of course, he made a recommendation—and I paraphrase greatly—that the Victorian government should approach the federal government for support and funding. I believe there is something in the budget papers in relation to that. Can you tell me?

Ms Page—Yes. The government has committed \$25 million in the budget for planning in relation to rehabilitation on the West Gate Bridge. The project is designed to rehabilitate and strengthen the West Gate Bridge to ensure serviceability and safety over its design life. Works will include the upgrade of bridge barriers; addressing security risks; and enabling the introduction of increased peak direction traffic carrying capacity as part of the Monash City Link-West Gate upgrade. The Australian government is going to contribute \$25 million in 2008-09 to progress structural analysis bridge modelling, options development and preconstruction. The government's total commitment to this project is \$120 million.

Senator McGAURAN—Over?

Ms Page—Over 2010-11.

Senator McGAURAN—I am getting near the end. I return to the seat of Gippsland. Is there any proposal for the duplication of what they call the Highland Highway? That is between Traralgon and Yarram.

Ms McNally—Between Traralgon and where?

Senator McGAURAN—Yarram.

Ms Page—I think we will take that one on notice, Senator.

Senator O'BRIEN—That is the end of this?

CHAIR—If there are no more questions for Infrastructure Investment, I thank the officers for their time. We have about six minutes. I do not know whether it is worth calling National Transport Strategy for six minutes, so we will have our private meeting. Does anyone have

any questions for them? If I have the support of the committee, we shall suspend now. Before we do, will there be any questions for National Transport Strategy? I believe a senator has some questions for National Transport Strategy, so we will reconvene, Ms Page, at 2.00 pm.

Proceedings suspended from 12.45 pm to 2.00 pm

Ms Page—Before we start, Mr Wilson has some corrections or answers to previous questions that he would like to table.

Mr Wilson—Senator Adams asked yesterday afternoon of the Aviation and Airports Division whether there were any schools insulated under the Adelaide Airport Noise Insulation Program. We answered that there had been four eligible buildings and one eligible school. The actual total of buildings was five eligible public buildings and one eligible school insulated under the Adelaide Airport Noise Insulation Program, and a list of the buildings is attached to the answer. I table that. Secondly, we were asked during the Bureau of Infrastructure, Transport and Regional Economics session about reports on regional public transport. I believe Senator Nash asked for copies of the documentation. I have copies of the documentation here.

CHAIR—Thank you, Mr Wilson.

[2.02 pm]

National Transport Strategy

Senator HEFFERNAN—I turn to the planning for rail, looking 50 years ahead. We may have to reconfigure the way we have not only settled but done business in rural and regional Australia. Has any thought been given to a rail corridor from Townsville to Mount Isa, then to a central line and then on to somewhere like a new port on the west coast of Western Australia—Wyndham or somewhere? I will bet you a pound to a peanut we will have one in 80 years time.

Ms Riggs—I do not know what will come up through the Infrastructure Australia audit. Such a line might arise in the context of that audit. I am aware that there is a small group focused predominantly on international freight—I do not know their name—who have a view that such a line might one day be a necessary part of Australia's rail transport links. But I think it is very much in the future planning space.

Senator HEFFERNAN—This is over-the-horizon stuff?

Ms Page—It might be helpful if I got Ms Riggs to describe the role of the National Transport Strategy Division.

Senator HEFFERNAN—I am off the mark, am I? Am I barking up the wrong tree?

Ms Page—The purpose of this group is really to coordinate a range of regulatory reforms on the whole. Ms Riggs can describe the nature of that work if that would be helpful.

Ms Riggs—On 29 February, meeting as the Transport Council, the Commonwealth, state and territory transport ministers agreed that they would pursue a more national approach to certain aspects of transport policy. For those purposes they agreed to establish a number of working groups that members of the council would chair and which would, over the course of 2008, undertake further examination with a view to bringing forward some strands of work

that would contribute to underpinning transport as a single national marketplace. That is the language they have used.

That work under those working groups has been refined and at a meeting on 2 May ministers agreed to forward work programs for each of those streams. The first of the streams is one that we are calling governance. It is about coordination of the total development of the strategy, which is a primary responsibility of the National Transport Strategy Division. But it is also about governance in the space of national transport.

Out of the 2 May meeting, ministers agreed to take further advice from officials on six significant areas of possible national regulatory reform. Those are in relation to heavy vehicles, truck driver licensing and a single national system for each of those; a single national system for rail safety regulation, rail safety investigations and the operation of commercial shipping; and whether or not to establish a national road safety council. Work on each of those will go forward to a meeting of transport ministers in late July.

The other streams of work that ministers have agreed to pursue are about other aspects of the economic framework for an efficient transport marketplace: infrastructure planning and investment; capacity constraints; supply chain performance; urban congestion; climate change, environment and energy; safety and security; strategic research and technology; workforce planning and skills; and social inclusion. As you can see, the array of possible measures that will be developed further under this national transport strategy is potentially quite broad.

Senator HEFFERNAN—We are looking 50 or 80 years ahead. The price of oil and the cost of not only fuel but also the carbon load are improving the prospects for rail being the most efficient way of moving bulk goods. Also, the world's largest population, two-thirds of it in fact, is on our doorstep in Asia. In your planning would you include planning around transport by fast overnight arrangements out of places such as Darwin into the market by fast ferries, for instance, which is marked up two or three days? Do you include that sort of visionary stuff in the planning? Where are we going to be as a nation in 80 years time?

Ms Riggs—It certainly has a focus on bringing Australian transport together more as a single national approach. But at this stage the focus of the work in each of the work plans is more on immediately achievable goals such as greater harmonisation of regulation.

Senator HEFFERNAN—One of the competitive restrictions for Australia is efficiency in the food chain. It intrigues me why a bullock hung up is \$3.40 but it is \$43.40 or so in the butcher's shop. Part of that is because we do not have a big domestic demand, so we are net exporters. Australia will have to compete with places such as Brazil, whose cattle herd is 4½ times ours. We are on the doorstep of the world's biggest market. The efficiency of the delivery chain will, if we neglect it, put us out of the market.

Ms Riggs—Led by the South Australian Minister for Transport, Patrick Conlon, ministers have identified 12 supply chains of national significance: coal; iron ore; livestock and meat; copper; grain; seafood; processed foods, including dairy; wine; forestry; automotive; petroleum; and general freight. In order to pursue the work in this area, the National Transport Commission has been tasked with undertaking what it is calling pilot studies, which are an examination of each of the supply chains in five areas with a view to identifying regulatory

constraints to the efficient operation of the supply chains, and also infrastructure bottlenecks that might impede their efficient operation. Those five pilot studies are into the livestock and meat supply chain, the grain supply chains, oil and gas, coal, and intermodal transport—that is, container shipping.

Senator HEFFERNAN—In our infrastructure planning for port facilities and extraction to market, are we planning against the background of the scientific knowledge on climate change? The climate change effects map of Australia shows that a big chunk of the Northern Territory—I will not name some of the pastoral areas that are going to become part of the inundation problem—and some port facilities around Australia will be below sea level, if the climate science is right. For instance, Shanghai and Bangladesh are set to go under. We are talking about 80 to 100 years from now. Is that included in the planning?

Ms Page—Part of the answer is contained in the answer that we gave Senator Milne on this same question just before lunch.

Senator HEFFERNAN—I am sorry; I missed that.

Ms Page—In relation to the work that Infrastructure Australia is doing to assess and audit infrastructure, it is looking not only at the adequacy, condition and capability of current infrastructure; it must take into account forecast growth. Clearly, that would enable Infrastructure Australia, if it chose, to take into account some of the issues that you are raising.

Ms Riggs—Ministers recognise that, while they have broken this work into a number of streams, there are interdependencies between them. They have identified that whatever solutions they adopt out of the work that is being undertaken should take account of government's climate change objectives. It is framed in the realities of climate change. There is a specific work stream that, again, is more immediately focused; it is around the issues of climate change, energy and environment in relation to transport and its impacts.

Senator HEFFERNAN—In our engineering planning for a future port, especially in a reclaimed situation, are we looking to the top of the scientific forecast for where the seabed will be? This will have a dramatic effect even if half right.

Ms Riggs—I appreciate that. It is a bit hard to talk about precisely how the impact of this work should play itself out in relation to any specific potential infrastructure project. I know that the committee has this morning and last night talked at some length about Infrastructure Australia and the way in which it will need to develop approaches to the future assessment of infrastructure projects and so on. One area of work that the climate change group will be further developing over the next few months will be how to bring together transport and land use planning. Yes, there is an awareness that those things have to come closer together in the further development of transport from an environmental perspective.

Senator Conroy—We now have another set of information requested this morning, which, with the leave of the committee, I seek to table and circulate.

CHAIR—Thank you, Minister.

Senator IAN MACDONALD—I notice that part of your responsibilities relate to urban congestion. What part is the Commonwealth playing in the activities being led by the Brisbane City Council to lessen urban congestion in the City of Brisbane?

Ms Riggs—At this stage we are keeping a watching brief on that. One of the working groups under the National Transport Strategy is on urban congestion. It has in part picked up work of a previously established COAG working group on urban congestion, which is about to report back to COAG on some further work that it has been undertaking. That proposes some further developmental work. Much of that further developmental work is about better information quality, better performance measures and better integration of transport and land use planning again. The measures in Queensland are some of those being used to inform the work that our officials are doing to further develop those sorts of measures and information flows—the sorts of things where good practice can be promulgated around the country in order to inform the feasibility studies, for example, that are being supported through the budget measure that I know has been discussed here today.

Ms Page—We also have a role as an observer on a committee chaired by the Queensland government in relation to examining options for through traffic across the Brisbane urban area. You will be aware that a series of studies has been underway for some time looking at transport options for the greater city of Brisbane, and we have an involvement in that process.

Senator Conroy—This government recognises the importance of the seamless movement of people and freight both within and between cities. An immediate priority under AusLink is to fund freight transport corridors in cities to clear congestion on our roads and free up lines for passenger rail services. Over 40 per cent of the government's investment under AusLink 2 is to improve transport in cities. Ms Page has mentioned Queensland. I will go on to mention a few others in a moment. The government's road and rail election commitments will inject around \$7 billion into projects in urban areas. Public transport is an important component of our plan to tackle urban congestion and the national transport policy more broadly.

There is no silver bullet in tackling urban congestion, but unlike the previous government, which just did not believe it was their problem, this government is engaged in urban issues and is committed to working cooperatively with the states to develop and implement the best solutions. We have allocated \$75 million to do the planning work on important projects for Australians' future.

In addition, the states will kick in a further \$57.5 million, bringing the total investment to \$132.5 million. For example, \$20 million will go towards the total cost of \$30 million for a planning study into the proposed western metro green line between Parramatta and Sydney CBD. This rail link would be independent of the existing rail network and have transfer opportunities at key points, which will significantly cut the transport burden on western Sydney. The planning study will identify the preferred alignments and establish a business case and estimates of patronage, revenue and cost.

Victoria's East West Link will get \$12 million towards the total cost of \$30 million to assess the projects identified in the Eddington report. The East West Link needs assessment study will assess projects that proceed to the feasibility study stage following the current consultation process. Recommendations in the study include: a 17-kilometre Melbourne

metro rail tunnel; Tarneit rail link; Sunbury rail line electrification; 18 kilometres of cross-city road connection; a truck action plan for the inner western suburbs; increased bus services to Doncaster; cycling and public transport priority measures and facilities; and rail and road freight measures. There are more in Australia and Western Australia as well, but I will pause there.

Senator IAN MACDONALD—What is actually being done? I understand, Ms Riggs, from what you mentioned, that your work is think-tanking—sitting around in committees looking at things. Is any practical action being taken? Keep that question in the back of your mind, if you would not mind. Does your branch of the department have a budget?

Ms Riggs—Yes.

Senator IAN MACDONALD—Is it a branch or what is it?

Ms Riggs—It is a small division.

Senator IAN MACDONALD—Does it have a budget?

Ms Riggs—Yes, it does.

Senator IAN MACDONALD—What is your internal budget?

Ms Riggs—\$1.66 million.

Senator IAN MACDONALD—Does that fund investigations and meeting with the states and Brisbane City Council and others, too?

Ms Riggs—That is right.

Ms Page—This is part of a process agreed to by ATC. There is a series of deadlines to which ministers are working. We are supporting the Commonwealth minister and also the secretariat. Ministers are working at the moment on these various working groups for which individual Commonwealth and state ministers have taken responsibility with a view to bringing a comprehensive series of recommendations together to COAG. There is an end point to this. It is not quite a think tank. It is developing a series of reform proposals for further consideration, including in relation to urban congestion.

Senator IAN MACDONALD—It is quite clear that the states collectively, and particularly the three bigger eastern states, until Campbell Newman came along in Brisbane, have comprehensively ignored long-term strategies for urban congestion. I have recently returned from doing things overseas and seeing Los Angeles. I am horrified to think that any Australian city might ever get to their ridiculous traffic situation. I thought Sydney was bad until I saw that, but I do know Sydney is getting worse. Taxi drivers tell me it is impossible. Brisbane is getting congested. Anyone who drives near the airport will know that. Until Campbell Newman had this long-term vision, nobody seemed to be doing the long-term work in Australia. I have also recently driven myself around Rotterdam, The Hague and Brussels. Although they have magnificent four-lane overflights, at times the traffic stops for half an hour at a time. This has been going on in Europe for 10 years. Is someone genuinely doing the work to make sure that in 20 years time we do not end up like Los Angeles, Brussels or Rotterdam are at the moment?

Ms Riggs—Perhaps I could describe two of the elements of the work program for the urban congestion group, which is led by Victoria, to illustrate the fact that we are bringing forward practical and helpful tools and information to assist planners, to assist governments in making decisions and to make them aware of the array of measures that might be available to them. Some work will be done jointly, potentially, between both the climate change group and the urban congestion group on guidelines to ensure a better integration of transport and land use planning. The second element is a piece of advice for transport ministers on the impacts and practicality of the range of pricing options available to assist them in better managing urban congestion.

Senator IAN MACDONALD—Thank you for that. That is interesting. If you have other things to say I would appreciate that on notice.

Senator Conroy—This is real money on real feasibility studies in urban areas to relieve urban congestion.

Senator IAN MACDONALD—This, surprisingly enough, is not a political question, which is why I want to move on and let perhaps more interesting matters get to the table. Ms Riggs, I am taking it that you are assuring me as best you can that there is a nationwide look forward 20 years to the problems of traffic, particularly road traffic, in our major cities to show that we have learnt from the experience of some overseas cities that are absolutely congested?

Senator HUTCHINS—In your answer, could you outline your involvement with the various state governments? As I understand it, the New South Wales government has a plan for urban congestion going up to 2030. There have been developments in Western Australia. Senator Macdonald is ‘hoping’ that there is planning underway. The implication from his question is that he appears to think there is not. As I understand it, planning is well underway by state governments, put in place by Liberal and Labor governments—Liberals when they were in power.

Senator IAN MACDONALD—I am delighted to hear that, but you cannot see it. I am concerned that we do not reach absolute gridlock in 20 years time. That is all my question was about. Assure me that this is being done.

Senator HUTCHINS—Last night the Australian Rail Track Corporation gave an impressive presentation to us on what they are doing with tracks. That did not happen overnight. That planning was done years ago while maybe we were in power and you definitely were in power. There are a lot of things done. As I said, despite the Jeremiahs saying nothing is being done, it has been done. I would like to know from Ms Riggs their involvement with various state governments in planning to alleviate urban congestion and their progress on that.

Senator IAN MACDONALD—I think she went through that before. All I wanted were assurances that this encompasses that. Between you and Senator Hutchins you have given me the assurance; I am happy. I think you answered Senator Hutchins’s question a little while ago.

Senator NASH—As to the list tabled, I am assuming that that is the list of projects that were both announced and contracted. Is that correct?

Ms Page—The most recent list you have is the continuing program. They are the projects that have been announced, approved and contracted.

CHAIR—Are there any other questions to National Transport Strategy? I have a couple on congestion. Previous submissions to Senate inquiries have told us that 80 per cent of all containers coming off the ports around Australia are delivered within 100 kilometres. Could you confirm that that is correct?

Ms Riggs—My understanding would be that for our three major eastern seaboard ports something in the order of 80 per cent of containers going out through the port and 80 per cent of containers coming in through the port have their primary origin or destination within 40 kilometres of the port.

CHAIR—What is the department doing to alleviate these bottlenecks, considering that the transport task is going to double by the year 2020?

Ms Riggs—The minister has already made reference to a number of feasibility studies in major urban centres, some of which will indeed go towards the issue of access to ports. Further, the supply chain work being done under the National Transport Strategy banner is, to the extent that those supply chains go through capital city ports—and one of the five pilot studies is on container movement precisely for that reason—about identifying the areas where there are still either physical or regulatory constraints to efficient movement at those bottlenecks. In addition—and Ms Page might be able to help me—there are substantial investments either currently underway or planned under the AusLink banner in relation to providing additional capacity for freight movement to and from ports—such as the southern Sydney freight line, the work being done around the Dynon precinct, and road and rail work on access to the port of Melbourne. There is an election commitment in relation to the port of Geelong and the Townsville port access road, for example. There are three different prongs of work that go towards that.

CHAIR—That is just flowing on from Senator Hutchins's comments about the presentation we had from Australian Rail Track Corporation last night. Obviously, there is a major problem that needs addressing and, fortunately, we are addressing it. Thank you very much for that. Are there any other questions to National Transport Strategy? If not, thank you very much. I now call Infrastructure and Surface Transport Policy.

[2.31 pm]

Infrastructure and Surface Transport Policy

Senator ADAMS—I would like to ask some questions regarding pilots and escort drivers with heavy vehicles. This is in relation to possible federal rebates or taxation incentives for accredited pilots Australia-wide to help with the rising fuel costs. In their situation, to claim a GST fuel rebate, the vehicle must be over 4.5 tonne GVM. In all states of Australia a lead pilot vehicle must not exceed 4.5 tonne. Most of these pilot vehicles in Australia weigh between one and three tonnes GVM. Do you have any information on that situation?

Mr Jones—The short answer is, no, we have no information. In the query that was passed through to us relating to pilots and escort arrangements, issues of taxation treatment were not raised at all. But the broader observation that the fuel tax credit entitlement is to the heavy

vehicle fleet, the heavy vehicle fleet being defined as 4.5 tonnes and above, is correct. We are clearly not the taxation department.

Senator ADAMS—I realise that.

Mr Jones—That would raise issues of relevance of any particular subset of vehicles on the road below 4.5 tonnes. But there certainly is not a transport specific question or an escort and pilot specific question that we have been aware of in that space.

Mr Wilson—You prefaced the question with a comment about accreditation and the possible benefits associated with accreditation?

Senator ADAMS—Accredited pilots, as in vehicle pilots. The ones that were actually specifically accredited.

Mr Wilson—If you do not mind, we will take the whole question on notice and provide you with an answer.

Senator ADAMS—Secondly, in relation to pilots and escort drivers operating interstate, why is it that Western Australian accreditation is only recognised in the Northern Territory and Queensland but not in the other states?

Mr Jones—There is not a process of mutual recognition currently. As to the regulatory framework in relation to pilots and escort drivers, there is a set of agreed guidelines that the Australian Transport Council put in place in late 2004. Those guidelines had been prepared by Queensland in conjunction with the National Transport Commission. They are accepted by the Australian Transport Council as a whole as a guideline to operate. But it is simply that. It is a guideline. It is not mandatory. It does not have within it a requirement on mutual recognition. Where mutual recognition exists currently there has been a voluntary process by those particular governments to get to that point.

In recent months, commencing the latter part of 2007, the National Transport Commission commenced a review of the current accreditation guidelines that operate in this area. That review process is at the point of having a draft report that is expected to go to the Australian Transport Council ministers within a matter of weeks. The expectation would be that Australian Transport Council ministers will be considering making that draft report public.

Broad themes include how can this process now, which currently does not involve mutual recognition and which does have a degree of inconsistency in some of the ways the arrangements apply across jurisdictions, move towards greater consistency, including being based on the principle of mutual recognition. That report should be available in a few weeks from now.

Senator ADAMS—Is that out as a discussion paper at the moment?

Mr Jones—Yes. The National Transport Commission, as part of its broader engagement and consultation with industry across a range of transport issues, put out a request for views and information in relation to this review of the current accreditation guidelines. There is material on the NTC website that invited industry stakeholders, of which there is a diverse number, as well as all of the state government roads agencies, the likes of industry transport bodies, trucking associations, and the associations that operate for the pilot and escort drivers as well.

Senator ADAMS—I am leading up to a safety issue in Western Australia. I have been approached by the pilots and escorts association there. With our mining boom and activity, huge vehicles are being piloted across from Queensland to Western Australia or else over the Nullarbor the other way. There are constraints when they reach a state boundary, because of the guidelines of that particular state, and this is a huge problem. Thirdly, when will the National Transport Commission introduce a national accreditation scheme for all pilots and escort drivers across Australia?

Mr Jones—The first response to that is that the National Transport Commission in itself does not have the power to introduce anything. Ministers are the decision-making entity. The National Transport Commission coordinates a process of discussion, preparation and proposals. Frequently where that has an explicit regulatory end point, the process will include the full development of a regulatory impact statement and then that is all put before the Australian Transport Council.

I mentioned the current review of the guidelines. The proposals that will go to Transport Council will, in addition to proposing that the document be publicly released, also be asking that the NTC be empowered to move to the next step of policy development on issues such as mutual recognition and improved uniformity. In respect of the link back to the safety dimension that you identified, in the current process the NTC, among the various questions put to stakeholders, asked specifically for reactions on whether the development and the commencement of the operation of the existing accreditation guidelines had been constructive from the perspective of safety outcomes. The response that they received on that issue was that there was general agreement that the guideline had contributed to the safety of the movement of the large vehicles, the over mass, oversize vehicles, to which the pilot and escort driver arrangements apply.

In particular, there was a good level of agreement among industry respondents that the guidelines had contributed to increasing the safety of travel associated with oversize, over mass vehicles. Having said that, there was nothing that we are aware of that had a particularly strong quantitative base. But there was just a broad perception among those in the game that the existence of the guidelines and the operation of them had been contributing to safety.

Mr Wilson—It needs to be noted that the regulations associated with the pilots and accreditation of the pilots is a state regulatory matter. It will take the full process through ATC and then it will take implementation through their regulatory regimes to actually put it into practice. The lag sometimes between ATC agreeing and implementation in the states can often be the hitch in these issues.

Senator ADAMS—I am fully aware of how slowly wheels work. But I thought it was a good opportunity to raise it. Fourthly, have any moneys been allocated under the \$20 billion Infrastructure Fund to increase public awareness through TV and radio announcements of safety issues regarding oversize loads and the role of escort drivers and pilots on our roads? Again, this is terribly confusing. A suggestion from Western Australia, because of the problems, is that perhaps—and this would be a state thing that may become national later—new drivers be given information about wide loads and what their duties are. Wide loads can take up the whole road, and you will have the pilot vehicle on the wrong side of the road

going forward and people trying to go past, thinking that they can pass on the inside of the big load.

Mr Wilson—I am not aware of any funding being allocated at the Commonwealth level in regard to an education program of the sort that you describe. I do not believe that we are aware of any educational programs that the states run in that regard.

Senator ADAMS—Queensland has prepared a disk addressing all of these issues. The other problem is that with the flashing lights in the eastern states and the flashing lights on top in WA, there seems to be no consistency. There are problems at the borders. I am highlighting this to the federal government to see if anything can be done. These vehicles are becoming larger and larger and there are more and more problems with them. It seems that the learner drivers, unfortunately, do not understand what it is all about. I am a rural person and I travel the roads a lot, and especially where these large vehicles are. I have seen some near mishaps.

CHAIR—If I may add some comment on that—

Senator ADAMS—This is with our truckies.

CHAIR—Years and years ago, the Western Australian state government developed an information booklet that was distributed through the vast network of roadhouses in Western Australia called *Mixing with Monsters*. I think they were referring to the size of the vehicles, not the people driving them. That state initiative was done years ago. Perhaps you could get hold of a copy of that from Main Roads in Western Australia. I think that is where Senator Adams might be coming from.

Mr Wilson—We will talk to the NTC about that issue and get a hold of the documentation.

Mr Jones—Once the document from the report on the review of the accreditation guidelines is public, that would open the opportunity for some broader issues that you have touched on to be discussed. Some of the observations you made there refer to the existing regulations and the underlying oversize/overmass regulations. Like a range of the road transport regulations area, there can be inconsistencies. All of the opportunities available for shedding additional light on those and considering scope to make them more uniform need to be taken.

On the issue of training—as Mr Wilson said, there is not a directly Commonwealth funded component as a subset of identified infrastructure expenditure. But we are certainly aware that the development of vocational training in the area of pilot and escort drivers has been subject to scrutiny and development over the last year or so in particular. We are aware that one of the major roads agencies, VicRoads, has been working through TDT Australia, which is linked closely with a range of vocational training and transport and logistics training, and they have developed units of competency which are presently going through the process through the Commonwealth department of being included within the national accreditation processes of training courses. There certainly are developments that are expanding the basis of vocational training in this area as well.

Senator ADAMS—I am very happy to hear that. But I was really more concerned about the problems associated with the general public just being unaware. As I said, Queensland

apparently—I have not seen it—has a program. Perhaps there might be some funding to look at that to improve the safety for the general public in Australia.

CHAIR—Are there any other questions to Infrastructure and Surface Transport Policy?

Senator O'BRIEN—Is this the right place to get an update on the Bass Strait Passenger Vehicle Equalisation Scheme?

Ms Page—Yes.

Senator O'BRIEN—I understand that the budget makes some changes to that scheme. Could that be outlined for the committee?

Mr Sutton—In the budget there was an announcement of implementation of the election commitment that will see an increase in the current subsidy for standard passenger vehicles to \$180, and a 20 per cent increases in the other categories of vehicle assistance under the scheme. That will be implemented from 1 July.

Senator O'BRIEN—So roughly what will the cost per vehicle be to the Commonwealth?

Mr Sutton—For the standard vehicles, at the middle of last year it was \$150. The former government increased it to \$168 in October. This increase will see an increase in the subsidy by a further \$12 to \$180.

Senator O'BRIEN—Could you detail the cost to the budget of this measure or expected cost for the current financial year?

Mr Sutton—Yes. The portfolio budget statements indicate that the increase in administered costs of the program in 2008-09 will be \$2.9 million; 2009-10, \$3 million; 2010-11, \$3.1 million; and 2011-12, \$3.2 million.

Senator O'BRIEN—Are they the additional costs?

Mr Sutton—They are the additional costs; that is correct.

Senator O'BRIEN—What is the actual cost?

Mr Sutton—The actual costs of the program?

Senator O'BRIEN—Yes.

Mr Sutton—The allocation for the program in 2008-09 is \$34.4 million.

Senator O'BRIEN—That is an estimate. It is obviously paid per vehicle, whatever it is?

Mr Sutton—That is correct; based on estimates of the vehicle usage.

Senator O'BRIEN—Could you update the committee on changes to the Tasmanian Freight Equalisation Scheme emerging from the budget?

Mr Sutton—Yes. There are two aspects there. The first is implementation of another election commitment on 1 July, which will be to introduce an intrastate component of the scheme covering cargoes carried between King Island and the main island of Tasmania, and Flinders Island and the main island of Tasmania. That will be introduced from 1 July at an estimated cost of \$0.7 million for each of the next four years.

More broadly, the government is continuing with the process of considering reforms to the Tasmanian freight schemes. That is the freight equalisation scheme and the wheat freight

frame, arising from a Productivity Commission report finalised in late 2005. Consultations were held with stakeholders in Tasmania in March this year. We have sought further comments from stakeholders. The government is currently considering the timing of implementation of the reforms, and further consultation processes.

Senator O'BRIEN—As to the intrastate component of the Bass Strait freight equalisation scheme that has just been or is being introduced, will that effectively alter the way that freight travels from those islands? Is it envisaged that that will have the effect of more freight travelling via Tasmania?

Mr Sutton—That will be subject to commercial decisions by the people who carry freight. At the moment the people on King and Flinders islands can access the general scheme. For example, products from the King Island dairy that go to Melbourne can receive assistance under the freight equalisation scheme. The new component will enable assistance to be received for King Island dairy products going to, say, Devonport for consumption in Hobart.

Senator O'BRIEN—I think livestock are likely to be a significant component of that trade, certainly from Flinders Island.

Mr Sutton—That is correct. Most of the trade from Flinders is livestock.

Senator O'BRIEN—I understand that there have been sea freight links between Flinders Island and Victoria. What is the expected impact of this measure on the way that primary producers on Flinders Island will market their product?

Mr Sutton—Again, that will be a commercial decision. You may be aware there is a single shipping company that provides services for Flinders Island. It is correct that that company provides services between Flinders and Port Welshpool in Victoria. As to the implications of the scheme, the assistance will be for eligible goods, and decisions on the routes it is carried will be matters for negotiation between Southern Shipping and its customers.

Senator O'BRIEN—I would draw from your comment that this will create another flexible option for primary producers and others—producers on both of those islands—as to the way they send their products to market.

Mr Sutton—Yes, I think that is a fair comment. It will reduce transport costs for intrastate transport and in that way will certainly give producers and buyers of their products more options on how they transact.

Senator O'BRIEN—I am moving on to another point.

Senator BARNETT—In terms of the freight equalisation scheme and the wheat freight scheme, you indicated the review that is taking place, and there have been consultations. Can you advise the committee who has been consulted, when they were consulted and when the report will be complete and available?

Mr Sutton—Yes, we can provide a list of the people who attended the public consultations. There are further people on our consultation list we advise what is happening. There will not be a report as such from those consultations. We can certainly provide to the committee the information that is on our website about those consultations.

Senator BARNETT—So you will take on notice who was invited and who was consulted and attended those meetings?

Mr Sutton—Yes.

Senator BARNETT—When and where the meetings occurred?

Mr Sutton—That's correct.

Senator BARNETT—The report, you said, will not be available. Why not?

Mr Sutton—As to the people at the public consultations, there was a public advertisement; we were open for anybody to attend.

Mr Wilson—I can probably put at least part of the question on notice. Public consultations were held in Hobart on 3 March, in Launceston on 4 March, in Devonport on 5 March, in King Island on 6 March and in Flinders Island on 7 March. As to your question about a report being released, the consultations and deliberations in regard to the administration of the scheme are being undertaken by the department on behalf of the minister. We will provide a formal briefing to the minister at the end of that process in regard to the consultation processes and any administrative changes that may be required to implement the scheme, and the minister will make decisions post that. So there will not be—

Senator BARNETT—When will that be?

Mr Wilson—I believe at the last estimates I indicated that we would hope to complete the full process by the end of this year, and with announcements in terms of the way forward within that time frame.

Senator BARNETT—So that is a refusal to provide the report because it is going to the minister? Is that what you are telling us? Or do you want to take it on notice?

Mr Wilson—The department will not be producing a report as such in terms of a document that is a standalone report into the consultations associated with the work we have undertaken. What we will do is take into account our work and our consultations with the community and provide a briefing to the minister in regard to that and any changes to the administrative arrangements that underpin the scheme.

Senator BARNETT—I am asking for any report, briefing papers, documents that you may have relevant to the consultation with members of the public regarding—

Senator O'BRIEN—What you are saying is that it is advice to the minister, is it?

Mr Wilson—I understand the question.

Senator BARNETT—I am happy for you to take it on notice. You cannot refuse, unless you have a reason for refusal, to provide a document.

Mr Wilson—No, I believe, if I understand your question, it was specific to the consultations, the documentation associated with the consultation?

Senator BARNETT—Sorry, I missed that.

Mr Wilson—Was your question about the provision of the material on which we consulted the community or provision of the material I will provide to the minister at the end of the review process?

Senator BARNETT—I am requesting both. I am happy for you to take it on notice, without delaying the committee.

Ms Page—We will take it on notice. But as a matter of practice we do not provide policy advice to the minister to this committee.

Senator BARNETT—I am aware of that. Thank you.

CHAIR—Are there any other—

Senator O'BRIEN—I was interrupted; I was going to a question on an initiative in the budget to help learner drivers and parents. I am not sure who is dealing with that.

Ms Page—Keys2drive. I think Mr Goldsworthy may be able to assist.

Senator O'BRIEN—My question is about an initiative in the budget that I understand is \$17 million over five years for an innovative road safety program that will provide, I am told, a number of free driving lessons to learner drivers and their parents. Could you give the committee more information about that program, please?

Mr Wilson—I will start and then Mr Goldsworthy can provide any additional details. \$17 million in funding has been provided over a five-year period towards the provision of a program in conjunction with the Australian Automobile Association. The program is entitled 'Keys2drive'. The major components of that program will be a free professional lesson for eligible learners during its period, provided they are accompanied by a supervisor, the development of an interactive website and other educational resources for both the learners and the supervisors, and an accreditation scheme for participating driving instructors. It is anticipated that over 200,000 driving lessons will be funded through the program, facilitated through the AAA.

Senator O'BRIEN—The amount of money is specific? So, when you reach that cap on a year-by-year basis, that will be within the program?

Ms Page—It is a contribution to a project. That's the Australian government contribution.

Senator O'BRIEN—What is the total cost of the project and where are the other funds coming from?

Ms Page—I do not know that we are aware of the total cost.

Mr Goldsworthy—At the present time our understanding is that the AAA is developing the program to be contained within the Commonwealth funding that has been allocated at this point. They are designing the program to be implemented over a five-year period with a cap of \$17 million. If, as I understand it, during the course of that process they find that they are able to access other sources of funding, through a user pays process or through industry contributions or through subsidies from the driver training industry, then there is scope for them to expand the program. But that is some way down the track.

Senator O'BRIEN—Are the expected outcomes of the program able to be set out for the committee?

Mr Wilson—The concept behind the program is that the majority of driving that a learner driver undertakes prior to obtaining their licence is actually undertaken with their supervisor, usually their parent or a mentor. The concept behind the program is to enable the learner

driver and that supervisor to undertake a lesson with a trained professional so that the trained professional can impart some of the skills associated with teaching driving in a professional manner as opposed to picking up habits that some of us develop over our driving lives and pass on subconsciously to our children and those that learn from us.

Senator O'BRIEN—Or consciously.

Mr Wilson—Or consciously, I guess.

Senator O'BRIEN—So it is almost a train the trainer program?

Mr Wilson—It is a train the trainer scheme. It provides the opportunity for both participants in that process to learn at the same time. It also provides some interactive web based material and educational material that can be used post the driving lesson to reinforce the hour-long driving lesson.

Senator McGAURAN—You mentioned the criteria. What are the criteria?

Mr Wilson—To obtain a lesson?

Senator McGAURAN—Yes.

Mr Wilson—The lesson will be for eligible learners, being those that do not have a licence, and the driving instructors will need to be accredited driving instructors.

Senator McGAURAN—So it is first in first served? Is it not means tested?

Mr Wilson—It is not means tested.

Senator McGAURAN—And there are limited funds?

Mr Wilson—The government has set aside \$17 million to provide through to the AAA for the scheme.

Senator McGAURAN—How is that broken up amongst the states?

Mr Wilson—It is not broken up amongst the states. We will be entering into a contractual arrangement with the AAA to deliver the program. At this stage there is no funding split between states.

Senator McGAURAN—That will not go far once you have split it and then it will be first in, first served.

Senator Conroy—That is an opinion.

Senator McGAURAN—It just looks like a bit of a showcase program.

Senator Conroy—You are asking for an opinion.

Senator McGAURAN—Is there any assurance that Victoria will get a fair share?

Mr Wilson—I cannot—

Senator Conroy—That is asking him for a policy opinion.

Senator McGAURAN—I will ask you, Minister.

Senator Conroy—I have every confidence that my colleague, notwithstanding he is from New South Wales, will be fair in his allocations.

Senator McGAURAN—The intent of the program is good, of course, and well meaning. But the whole process is pretty thin on the ground. What is the status of the novice driver education program?

Mr Goldsworthy—There are a number of components of that program at various stages of completion. I will run through a quick list of the key elements and where they stand at the moment. The first major component of the program is the development of the actual curriculum itself. That was contracted out to an organisation. That work is now almost complete. We have seen a draft curriculum and we are expecting that to be finalised very shortly. There is a self-assessment tool that is a specific element of that curriculum that has been developed independently by another contractor. That, I believe, has been delivered in draft form and is almost complete.

A preliminary pilot test of the on-road coaching component of the program was undertaken in December 2007. The feedback from that process is now contributing to the finetuning of the curriculum for the program. Two major requests for tenders are being developed and are almost at the point of being issued. One is for the appointment of a recruitment manager and one is for the appointment of an overall program delivery manager. We expect that those tender processes will commence very shortly. There was a separate tender process initiated last year for a specialist to actually develop and undertake the evaluation for the program. We are almost at the point of finalising the contract with that provider. The final major elements of the program are to do with incentive management branding and the communications side. That work is being overseen, I believe, by the Transport Accident Commission in Victoria. They are all the key components. I think the next big key stage for us is issuing those recruitment and program management tenders and appointing those organisations towards the end of this year.

Senator NASH—I have some questions to put on notice. But very briefly: the publication *Fatal Heavy Vehicle Crashes Australia*, which I gather does exactly that, gives statistics on crashes. When you do those, is there any indication given on the fault of the party in the crash?

Mr Wilson—No, I do not believe so. I do not believe that the publication provides a fault analysis, if you know what I mean, that is, it does not attribute blame.

Senator NASH—Is that something that has ever been considered? When we hear about truck crashes, we tend to assume that the truck is at fault. Would it be worth considering indicating fault in that publication?

Mr Goldsworthy—The publication that you are referring to, our quarterly fatal heavy vehicle crash bulletin, is drawn from data provided to us from the states and territories. That data does not contain at fault information. It is fairly top-line information about numbers. We fund a separate in-depth database that is compiled directly from coroners reports which provides a comprehensive set of information, and that does include some of the kind of more detailed info that you are referring to.

We do not publish that on a regular basis because there is a substantial time-lag in completing coroners reports and then compiling the data. At the moment I think that database is complete for 2004 data. Periodically we publish specific reports based on that data. In fact,

we are in the process of finalising a report on heavy vehicle crashes that I am hoping will be released within a month or so. That will contain some of that more detailed information that you are interested in.

CHAIR—Are there any other questions of the officers? If not, I thank the officers from Infrastructure and Surface Transport Policy and now call Australian Maritime Safety Authority.

[3.11 pm]

Australian Maritime Safety Authority

CHAIR—I welcome officers from the Australian Maritime Safety Authority. Do you have a brief opening statement?

Mr Peachey—No, we do not have a statement.

CHAIR—We will go to questions.

Senator NASH—The inspection of regional ports is obviously time consuming and expensive for AMSA. We are obviously a vast nation with a lot of regional facilities and port facilities in isolated areas. However, obviously, the ports receive numerous vessels from around the world, loading is efficient and turnaround times brief. Is the Australian Maritime Safety Authority adequately resourced to conduct all necessary inspections?

Mr Peachey—We have about 42 marine surveyors around Australia in our main ports. They conduct inspections, as you are suggesting. Yes, I believe we are well enough resourced to meet those demands.

Senator NASH—How many inspections a year do you do?

Mr Peachey—We do 2,800 inspections a year

Senator NASH—Do you inspect all the ships?

Mr Peachey—No, we do not. We take a risk based approach. We target the higher risk ships primarily.

Senator NASH—How many staff do you have?

Mr Peachey—We have at last count about 247 people, as I mentioned, 42 scattered around the ports.

Senator NASH—Have those numbers gone up and down at all in recent years?

Mr Peachey—No, they are pretty stable.

Senator NASH—How will the efficiency dividend, which we have had so much conversation about recently, going to impact on the staffing levels for you, if at all?

Mr Peachey—A lot of our work is exempt from that efficiency dividend. We are primarily funded from industry levies. It will have an effect in the sense that we will probably not fill one position in our emergency response area, one out of about 60-odd. We will also be looking at some other efficiencies to deliver the efficiency dividend that has been required.

Senator NASH—What is AMSA's current budget?

Mr Peachey—We have a budget of around \$100 million.

Senator NASH—Has that budget been cut at all or is that stable?

Mr Peachey—As I said, it is mainly from industry levies. The only cut that we have is through the efficiency dividend, which we have absorbed through efficiencies of our own.

Senator NASH—What percentage is the industry levy?

Mr Peachey—The industry levy is about \$60 million-odd out of the \$100 million, thereabouts. That is the sort of ballpark.

Senator SCULLION—I requested that the National Maritime Safety Council appear. I am not aware of the funding reasons. I am not big on it, and I am not going to beat anyone up for not appearing—not at this stage. Can you tell me how the National Maritime Safety Council is in fact funded?

Mr Peachey—Yes. The NMSC is funded through a contribution by all jurisdictions, including the Commonwealth.

Senator SCULLION—So it is in fact a body that we provide Commonwealth funding to. I understand they have not been asked to appear in the past. Why is that? I know they have not refused. I got the impression that AMSA will answer the questions, and I accept that. I am just asking in future whether they can handle the detail of the question.

Mr Peachey—If I can lead off and then perhaps someone from the department might be able to contribute as well.

Senator SCULLION—Certainly.

Mr Peachey—My understanding is that the NMSC is not appearing here today because it is not funded off the budget. While we do provide funding for its ongoing operations, it is not an organisation funded off the budget. In fact, it is an organisation set up under state law. It is quite removed from government itself.

Senator SCULLION—That is fine. But you do have the capacity to respond to questions around the NMSC?

Mr Peachey—Yes.

Senator SCULLION—How long has the National Maritime Safety Council been around?

Mr Peachey—I think it is in about its tenth year.

Senator SCULLION—What sort of money does the Commonwealth contribute through ATC as part of its commitment and is it an equal partner?

Mr Peachey—No, it is not. We pay about \$200,000. The budget is around \$2 million, of which we pay \$200,000.

Senator SCULLION—How is the share made up of the other states and territories? Do we just pay as an equal partnership?

Mr Peachey—No, we do not pay as an equal partnership.

Mr Wilson—The contributions in 2007-08 were \$207,000 from the Commonwealth; \$538,200 from New South Wales; \$445,050 from Victoria; \$445,050 from Queensland; \$212,175 from Western Australia; \$144,900 from South Australia; \$56,925 from Tasmania;

and \$20,700 from the Northern Territory. The shares for 2008-09 are in the same order of magnitude. The current budget is estimated to be \$2.142 million.

Senator SCULLION—Just to cut to the chase, I am very keen to hear what progress is made from what I understood to be a prime member of the advisory committee. One of the fundamental roles was to ensure the capacity for brown water ships—and that is the vernacular for those ships not operating under Solas voyages—to transfer seamlessly between states and territories. In other words, if you have a vessel that is surveyed in Tasmania for Tasmania, then it meets the requirements of New South Wales, Queensland. That is just quite a basic fundamental. As well as that there is the certification and manning requirement. If you are a master mariner or a master 5, 4 or whatever it is under the USL code in Tasmania or in Queensland, can you move to Western Australia and drive the same sort of boat in the same sorts of waters; are those qualifications accredited? Across most jurisdictions in most industries that is just a given. Generally speaking, a truck licence is transferable. I know we have some issues. The trucking sector is probably a bad choice. Seamless transfer makes for efficiency. We have had 10 years. The Commonwealth has spent some \$200,000 per year over that period. We have invested a million dollars between the states and territories and the Commonwealth per year for 10 years. For our \$10 million, how are we going with the seamless transfer?

Mr Wilson—I will give you a general comment and then one of my other officers may provide some more detail. It is fair to say that uniformity of regulation in the transport sector across the Australian economy between jurisdictions is an area that has been slow to move in all of the transport sector, in all three, road, rail and maritime. The NMSC is charged with the maritime issues. There is a challenge in terms of implementation post agreement at officials level. There is a challenge to get officials across jurisdictions to agree to changes to uniformity. It would be fair to say, I think, that we have not progressed as far as one would have hoped in the 10 years.

Senator SCULLION—I hate to verbal you, but they did not turn up, so I will be a little bit strict with them. Would it be fair to say that they have achieved pretty much bugger all in those two areas? If I get on one of my vessels and turn right out of Darwin—standard mariners' thing—I will get as far as Queensland and that is it. It is all over. Is my certification as a trading master 5 accepted in New South Wales? They are rhetorical questions, but you might help me with that.

Mr Wilson—I will not provide an answer to your rhetorical question. What I will say is that I believe all of the jurisdictions have become a little frustrated at the pace in regard to regulatory reform, and that would be across all of the transport modes. Ministers have agreed to undertake a review of the governance across the modes. In the maritime area there has been agreement by transport ministers to examine the way in which standards are developed and the way in which regulation is implemented. The Australian Maritime Group and a collective of jurisdictions is working towards presenting ministers with a paper on 25 July that provides an option to provide more regulatory certainty by considering expanding AMSA's role in the setting of standards for all commercial vessels. There is a degree of frustration from ministers as well as the Senate.

Senator SCULLION—It would be a terrifying circumstance, in my view, if AMSA took over that complete role. I will go into some of the detail in cross-examination in a moment as to why I have that view. I suspect you are not suggesting that, but you responded by saying that we would need to review the standards. We have just spent \$10 million on establishing the National Standard for Commercial Vessels. That is a painfully long standard. It has been substantially agreed by all the jurisdictions, although they are not actually going to implement it. Are you suggesting that, in a regulatory sense, we would develop a new standard?

Mr Wilson—No, I am not sorry if I was not clear. I am not saying that a review of the standards should be undertaken; rather, a change of the regulatory mechanism in which would you apply the standards. Rather than having a mechanism whereby the NMSC goes through the development process to establish standards and then all of the jurisdictions implement those standards individually, we would have a regime whereby the standards were developed and implemented under the auspices of AMSA. The development work that has been undertaken to date would be encapsulated within the regulatory regime considered by AMSA.

Senator SCULLION—It is certainly a visionary notion. At the moment we cannot get any of the states and territories to agree on a standard. They all have a standard; they have all agreed that it is a nice standard. But none of them is actually going to adopt it. That is the situation at the moment. That is the fact. If we then stick all of this under the Navigation Act or something—I imagine that AMSA would put it under the Navigation Act—it would require all of the jurisdictions in Australia to forgo their current control and regulation of shipping under the USL code, and it would all go to the Navigation Act. If we cannot get them to adopt a code in any event, how do we get them to give this up? Or perhaps you have news that I do not have; that they are happy to give up their current jurisdiction and control over those whole areas? I cannot see why, just because it transfers now into a Commonwealth act, they would be somehow more likely to adopt a comprehensive and consistent approach to the legislation across Australia, which is what we require.

Mr Wilson—Can I not comment for individual transport ministers or individual jurisdictions. What I can indicate is that transport ministers have requested that officials develop a detailed paper that provides them with how you would change the regime so that you would have a single national marketplace where for all commercial vessels you moved past the situation we have now where each individual jurisdiction is responsible for implementation of the individual standards.

Senator SCULLION—I appreciate you are having a fair crack at trying to answer the question. Just so I understand this, if I have to survey my pencil and I roll up in the Northern Territory and I say, ‘My pencil is sitting alongside the wharf. I would like to get to 2C survey’, would an AMSA officer come down and have a look at that and go through that process or would it simply be that the same person who is there now employed by the Northern Territory Maritime Authority would come down and simply apply the new Navigation Act or whatever the standard will be? Which would apply? Or would AMSA, as they do now with Commonwealth vessels in the Northern Territory, come down and provide the survey on a fee for service to a set of standards?

Mr Sutton—Perhaps I might answer that question and expand slightly on Mr Wilson’s answer earlier as well. Certainly we can distinguish between the development of the standards

and the implementation of the standards. The NMSC has been fairly successful in developing the standards. It is the implementation of those standards, getting the legislation changed in the jurisdictions, that has presented the real barriers to getting things done. There has been a good level of collaboration between all jurisdictions, including the Commonwealth, all the maritime jurisdictions, in getting those standards. The problems have arisen at the next stage, if you like, at that legislative level.

One of the attractions of a single national approach is potentially you could avoid or get around those problems in that the standards would be developed and implemented by AMSA. It is envisaged if that happens it will be fully supported by the states and there will be consultative mechanisms set up with the states to ensure that there are adequate levels of input into the standards.

Senator SCULLION—Will there no longer be a requirement for the states and territories to provide for regulations in their own—

Mr Sutton—That is one model. That would eliminate the current problems. Your query about surveying the pencil—

Senator SCULLION—It is all a matter of money, Mr Wilson. You can get this 2C through survey, trust me, no problem.

Mr Sutton—It depends on the delivery model. Certainly, one option, if the single national approach came about, would be to have AMSA officers doing exactly that work. There are other possible options, though. For example, delegating AMSA's work back to the current state authorities or contracting out in some way to deliver those services. All of those options will be fully worked through as we do the work that Mr Wilson referred to in the lead-up to the Australian Transport Council meeting.

Mr Peachey—It is a bit speculative at this stage to actually try to define the shape of what the future arrangements will be. Certainly, our overall aim is to set up an arrangement where there is national uniformity, consistency in regulation, and predictability within the industry about what the requirements are. But we are in very early days, as both Mr Sutton and Mr Wilson mentioned.

Senator SCULLION—What has been put to me by industry recently but over quite a number of years quite consistently is that there is a fear of AMSA having control over the blue water fleet. That is alive and well in the industry. There is a great deal of resistance from industry. I guess that is primarily because people with experience in brown water have been the backbone of the local port authority, marine authorities, and the sorts of surveyors they have are experienced in that and they are not experienced in fact in the blue water and Solas mechanism. I do not think there is any other reason for that. You might notionally go down this road—and maybe that will solve things—but people right now within the marine sections in all of those jurisdictions will be wondering what their future will be. Am I to assume reasonably that the level of experience they have would be kept as part of the corporate entity of the new AMSA? Would that be reasonable?

Mr Wilson—As Mr Peachey indicated, it is easy to be speculative at this stage. What we are currently going through is the development of options and a detailed paper for ministers' consideration. It would be fair to say that, depending on the model, you will have different

arrangements, with AMSA taking over all control of the current officers acting under agency arrangements; their employment arrangements may change. It is a little early to be anything more than speculative.

Senator SCULLION—I appreciate that. This is probably not so much a suggestion; the truth is that we are going to have a great deal of difficulty managing the tensions that will naturally occur with the brown water fleet. The National Marine Safety Committee—and I never thought Ms Horder got out enough, and I thought it would be great to have had a trip to Canberra; it would have been very useful—has done a great job. The reason they have done quite a good job within the advisory council and on the council is that they have actually managed to negotiate all those tensions. I guess the fact that they were principally dealing with USL materials rather than STCW issues was a fundamental reason for that. You are unbundling a lot of those arrangements. As a nation, we have to think seriously about how we are going to negotiate that tension. It is very difficult. I would like to ask you some questions about the entry differentials. As you would know, at the moment we have a labour shortage in almost every aspect of Australian life. At the moment we have two streams. We have the USL stream, if you like and the brown water, and we have the STCW stream and the blue water. The efficiency with which labour can move from one sector to another is very important to our capacity and productivity as a nation. I have been speaking to people in various aspects of the industry. What are we doing to ensure that there is a seamless transfer? As I understand it, the NMSC really is not dealing with, and has not been auspiced to dealing with, going from blue water across to brown water and the other way around?

Mr Kinley—There are a few aspects to that question. The first one I will touch on is that our marine orders part 3 is designed to implement STCW 95, which is the international convention, as you are aware, and to ensure Australia meets its obligations under that convention. That marine record is written to line up with NSCV part D, which is the replacement for the USL code qualifications section. We knew that NSCV part D was built to align with the STCW requirements to firstly make for a more streamlined alignment through into STCW qualifications. One of the hiccups there is only one state has actually adopted NSCV part D in full. There is actually a gap between what we were expecting to be coming through the state systems coming into our system for most of the jurisdictions.

Bearing that in mind, we are actually in the process at the moment of revising marine orders part 3 and working with all of our stakeholders to greatly enhance that streamlined process. We are making sure that, while we are still meeting our obligations under STCW, we are aligning this as closely as we can, and lowering the drawbridge, let us say, as much as we can to the people who are coming through the state system to allow them that more streamlined process. We are looking at the sea time requirements that are written into the marine order to make sure that we do what is required but we do not do more than what is required there. We are also looking at the other prerequisites to allow people to come into our system. We are certainly hoping to progress that marine order by the end of this year and have that work completed. We are very aware of the importance of having that streamlined career path and we are working on it. We are working with all our stakeholders to finalise that.

Senator SCULLION—I understand with STCW there is a whole range of IMO requirements. We are looking over here and we are meeting all these requirements. But at the

same time we have to continue to meet those requirements but allow people to come into that system. When you are talking about marine order part 3, particularly the sea time requirements, do you think it is possible to still maintain our obligations under IMO and change our sea time requirements or recognise the sea time that has been done in other jurisdictions? For example, the continual bane I think of competency based training that has been introduced, competency based assessment, which is a complete anathema to sea time as itself, and recognising qualifications and time that has been achieved in the STCW process, which has a strict liability about—when I was around—sea time?

Mr Kinley—There is a certain benchmark. STCW is also under review at the IMO, and we are working with that as well to look at where their benchmarks are. Certainly we are working within those frameworks and doing what we can to recognise the sea time on the smaller vessels, on the brown water fleet, to allow those people to progress through. We have spoken about this in public. It is referred to as the ‘tinny to tanker’ concept. We are allowing people that path to come through. I think we are making a lot of progress there. There are still minimum requirements that have to be met. But I am confident that it is going to be a lot more streamlined.

Senator SCULLION—I am pleased to hear that. As to one of the things you will have to have if you want to change streams to an STCW stream, when you go into the USL stream there is elements of shipboard safety, I think it was a long time ago. That is the principal entry level. It deals with all of the OH&S stuff and so on. That is not acceptable in STCW. So you make the swap. So, you are going to do the certificate of safety transport number whatever it is. It is the STCW component. The only difference is \$2,000. There are significant disincentives. Elements of shipboard safety is probably the same. It is about three days. They still throw you off a wharf into a life raft. I think they do it in a swimming pool nowadays. We didn’t have one of those when we went through; it was off Darwin wharf. It is still about a three-day component. But with the STCW one, again, there are quite a lot of differences.

It is really important. Industry will say, ‘Well, that’s another couple of grand that I’ve got to get. And I’ve already got it.’ They will say the elements in shipboard safety and the safety certificate of transport on the STCW side are fundamentally no different. We are going to have to recognise some elements of that. If you have completed that and this is a level, then have you completed that to that level. These are the sorts of issues that I am not so sure how we are going to get around. If we are going to go to changes to the Navigation Act to embrace this, this will be a principal issue.

Mr Peachey, I am moving to a new area briefly. As a country, we are signatories to a number of international obligations. Through AMSA I understand we would sign off to new treaties and obligations under IMO with reasonable frequency. I do not know what sort of frequency. From time to time, that is something that AMSA does. I will perhaps place this on record. How many of those have you signed off on in the last five years? You might want to take that on notice and you might want to supply me with those. I do not expect you to answer that now.

Mr Peachey—I might take you up on your offer and take that on notice.

Senator SCULLION—But particularly you might want to answer now in a general sense and perhaps place on notice specifically with each one of those what sort of consultation you would have as a policy? How do we consult with industry on each of those in Australia, or do we at all? Obviously different treaties and different things we are signing off on may require a different approach to different industries. You may wish to attach on notice specifically what you actually did, who you met with and what you said. That is why I am saying you can have that on notice. I understand Mr Sutton is looking more attentive than others.

Mr Sutton—The department works closely with AMSA in negotiations in the IMO and I think the general answer we can give is that there are extensive consultations with stakeholders in the negotiation of conventions so that AMSA and, where appropriate, the department sends along representatives to the IMO. We fully understand the views of Australian stakeholders in those negotiations. Following the finalisation of a convention, if the government goes down the path of ratification of that convention, again there is close consultation with stakeholders in the development of any legislation necessary to implement that convention in Australia.

Senator SCULLION—You might wish to add which of those we have actually signed and ratified, whatever the process is—there may be a multiple stage process—and indicate on each one of those what we are up to on each one. I would appreciate that.

Mr Sutton—Happy to.

Senator SCULLION—As a consequence of the tragedy of the Malu Sara, I understand that we would have made a number of changes. I am not sure where we are up to with that but can you just give me a thumbnail about how we have dealt with Department of Immigration, Customs, Federal Police, AFMA and those sorts of organisations? I understand the Grey Funnel Line are out, but what about those jurisdictions? What manning are we now requiring? What sorts of circumstances are we now providing for them, their legislative environmental area?

Mr Kinley—In general terms, we required independent evidence from all of those agencies that their vessels were built to the required standard which was the AS1799, I think, with the positive flotation requirements, et cetera, to ensure that those standards were all actually met.

Senator SCULLION—Can I just get that clear. Is the standard they were built to a national standard?

Mr Kinley—Yes, it is Australian Standard 1799.

Senator SCULLION—So that would be complementary to the state and territories departments. Is that exactly the same as Queensland would require?

Mr Kinley—Most of these boats are under 6 metres, so the USL code comes down a certain length and then it calls up 1799. That is the same as my understanding that the states or territories can call up. We further specified their safety equipment requirements. We required them to carry 406MHz EPIRBs and also enhanced their communication requirements. We are also continuing to work with agencies to ensure that they have full coxswain's certificates. Part of the issue there with the agencies has been the sea time

requirements for coxswains, which under USL code is 12 months, and we are just working with the agencies to make sure that they are bringing their people up to that standard.

Senator SCULLION—I think my views were shared by many in industry but I always thought that the way we should go is to not have AMSA somehow look after these, that we just simply say that you need to meet the requirements of the state or territory that you are operating in. Customs certainly would have the difficulty that they may do intrastate voyages and interstate voyages. That might be a bit difficult. But generally speaking, the view in industry is that this would not have happened, that the circumstances of the Malu Sara would have been completely avoided if the Commonwealth had nothing to do with it. I guess the view came from the fact that there was some reluctance to accept in the industry that people who often went to work in a lift when they are on a boat really did not understand the six metre end of the industry. I think that should be reasonably accepted.

Effectively AMSA run a blue water; that is what they are good at. The brown water fleet, particularly at this tiny end, is probably more the states and territories jurisdiction. Why was the decision not made to just go and operate under the exact regulations in every state and territory? Particularly since we are about to attempt to formalise that arrangement, would it not be the case we would now just simply say: meet the requirements for the states and territories. The reason for that is there is always someone there. Commonwealth surveyors are not as oft found on TI as they are in Sydney; there are a lot of difficulties with that. So why would you not just go and say: look, you just have to meet the regulatory requirements of every state and territory?

Mr Peachey—Before we go to that, the coronial has not actually come down with its findings but I have to say I do take objection to the observation that if AMSA was not involved, it was not a Commonwealth ship, the Malu Sara incident would not have occurred.

Senator SCULLION—I was not implying that at all. I withdraw that remark if that was taken that way. I certainly was not implying that at all. I was simply saying that, perhaps to take it from the other way around, the majority of the shipping and the majority of the work that AMSA does is in large ocean-going vessels. As I said, you go to work in a lift; they are like buildings. That is generally the experience and they do a fantastic job. States and territories do deal every day with very small boats and that end of the deal. As I said, they are just completely separate areas. I would have thought that since fundamentally, as Mr McKinley has said, a large amount of the challenge is in the very small boat area and because of the expertise at a state and territory level dealing with those every day—whether they are part of a mother ship or in the fishing industry, these sorts of things—that it would have been better dealt with or facilitated by the states and territories. But I certainly was not advancing that in the context of the Malu Sara, and I apologise if that implication was made.

Will there be consideration? As your response has now brought me up to date with the Malu Sara and where that is up to, for obvious reasons I do not want to go into that. Will it be subject to any determination by the coroner at that stage that you will actually decide exactly what the future will hold in terms of the way you are going to go about business?

Mr Peachey—In relation to the small vessels?

Senator SCULLION—In relation to the small vessels. Well, all the vessels that—

Mr Peachey—I guess we are going back to that issue that was raised earlier about the reforms. The ministerial council wishes to reshape who has jurisdiction over what and, as we said earlier, the indications are that there is a willingness for a national, single jurisdiction for commercial vessels. If those vessels fitted in within that commercial definition however it will be defined in the future and if the minister agreed to it, our expectation would be that we would have jurisdiction over that. But again, without trying to speculate, you raised some concerns earlier about the fact that AMSA has a role out there, and you are talking about in smaller vessels. Whatever arrangement is agreed, it is going to have to pick the best of what is there. The test ultimately for ministers is: is it going to work? And it is not going to work if we do not have properly skilled, trained and authorised people out there doing the work for our inspection requirements. We would be working very closely and very carefully with the jurisdictions to make sure, whatever that outcome was, that we would have access to that sort of expertise. This is not an AMSA takeover. This is not some brave new world driven from Canberra, it is something that is going to be carefully and very thoroughly negotiated with the states and territories to deliver the safety requirements that all of us, you and I and everyone out there in the community, expects.

Senator SCULLION—Certainly you are talking about a future that I have always supported. I did not think that this was necessarily the best way to achieve that but that is really the business for government. There are a number of different ways that we approach so many different issues in the jurisdictions. For example, in Queensland there is privatisation of the surveying system, with privatised surveyors and those sorts of things. It is different in the Northern Territory. So I look forward to hearing how you are going to make some of those changes. On notice I will be asking similar sorts of questions about how we are progressing in each of those areas. I have a number of questions that I would like to start putting on notice just creating some benchmarks with some of your work around the place. I understand that the published average rate of vessel inspection is some 70 per cent. Is that inspection rates of vessels in regional harbours?

Mr Kinley—That would be port state control inspection rates?

Senator SCULLION—That is right.

Mr Kinley—That is undertaken in ports all around Australia from our 14 regional offices. I think there are around 60 something ports that we inspect ships in, so our people spend a lot of time travelling to remote ports.

Mr Peachey—It is just worth adding to that. The numbers are fine but it is useful to understand that there is a very careful risk analysis sitting behind that inspection. We do not just go willy-nilly onto ships; there is some analysis about is the ship worthy of inspection; what is its past track record like; or does it fall in the high risk category? So we are targeting where the effort should be put.

Senator SCULLION—So you have an auditing regime where the frequency visitation is a function of compliance?

Mr Kinley—Yes. I would be delighted to show you our system any time you like. We are very proud of it. It is quite a complex targeting system in which we record every arrival of

foreign flagships into Australian ports. They are individually assessed and given a risk ranking and we decide whether to inspect or not the basis of that.

Senator SCULLION—I will take you up on that offer. I will have to clear that with the minister's office, of course. You are based locally, so I will do that. What percentage of ships would be actually inspected in regional harbours?

Mr Kinley—I can actually give you a full breakdown of inspection rates in each port around Australia, if you wish.

Senator SCULLION—If you could take that on notice, that would be great. You were saying people are pretty busy. When you inspect ships in Western Australia—places like Wyndham, Broome, Cape Cuvier or other parts of regional Western Australia—how do you actually inspect them? Do you have people on ground there? Do you send them from Canberra?

Mr Kinley—We have offices in Fremantle, Karratha and Port Hedland. Basically, our dedicated surveyors will attend and inspect the ship from whichever office is easiest to get to that port.

Senator SCULLION—How often do you fly someone from, let us say, Fremantle to a regional port?

Mr Kinley—Again, I can give you full details on those rates, but it is very common.

Senator SCULLION—It is fairly common; you can provide that on notice. When they fly do they use commercial flights or charter flights?

Mr Kinley—Usually commercial flights.

Senator SCULLION—So in terms of the cost, how do they fly? Do they fly at the front or the middle of the plane? Do they travel economy; what does it cost?

Mr Kinley—The best fare of the day.

Senator SCULLION—What about hire cars and accommodation?

Mr Kinley—If necessary the accommodation is all within government published travel allowance rates and, for hire cars, we actually have a contract with a provider. But in many of these remote ports, you do not have a big market, you have to take what you can get.

Senator SCULLION—It all sounds pretty expensive. I am a great proponent of having people in regional Australia. Is there any—

Senator Conroy—Is that an example of the polices you had under the previous government?

Mr Kinley—Yes, that is correct.

Mr Peachey—We cannot actually go into specifics about the costing of actually housing—

Senator SCULLION—I know the minister would agree with the ongoing policy of the previous government to continue to review our policies to ensure that we spend our taxpayers' dollars as wisely as possible. Will you be reviewing the arrangement in consideration of actually having people in those towns? I am not sure if you actually still have them in Port Hedland, but I know AMSA have personnel there to do the lighting from time to time, to run

some of the offshore navigation issues and all those sorts of things. Do you review that from time to time saying, well, is it actually worthwhile now, instead of going from Fremantle to an area, to have someone based in that area because of the amount of work that is now coming out of those ports?

Mr Kinley—We constantly evaluate our workload for our regional offices. We are actually in the throes of trying to put another surveyor in Port Hedland over the next year because we are constantly evaluating the workloads in those ports. If we do find a regional port develops a workload which warrants a person full-time, we will put them there but most of those ports do not warrant having a person there full-time. We also have issues that we prefer to have at least two people in a port because it raises issues having someone working on their own. There are other issues, social issues and work issues. But we do constantly evaluate our resources and how they are placed around the country.

Senator SCULLION—Dampier and Port Hedland would certainly have greater tonnage going in and out. I am not actually sure about the frequency of the shipping, but I would have thought that some sort of rationalisation in that area would have been something constantly considered.

Mr Kinley—It is, yes.

Mr Peachey—I do not think we should lose sight of the outcomes. I know cost is a factor. We do review the costs and we try and get the best bang for the dollar. But the outcome of our port state control inspection regime is very highly regarded internationally. It is certainly something that we are very proud of, and over the years it has had quite a significant impact on shipping into Australia. We must not lose sight of the fact that it is a program well regarded and thought of highly internationally.

Senator SCULLION—I am sure it is a great investment and I agree with you that it is well regarded internationally. Some of the offshore rigs and offshore establishments and facilities come under AMSA jurisdiction. What are the arrangements for visiting them?

Mr Kinley—The offshore rigs actually come under the jurisdiction of the National Offshore Petroleum Safety Agency when connected to the seabed but we do attempt to get out to some of those facilities when tankers are loading at those facilities to inspect those tankers. We also do joint inspections with NOPSA on some of those floating production facilities. Generally the companies will supply us a berth on the helicopters to get us out there so we do minimise costs as much as we can, but we feel it is important to get out there when necessary.

Senator SCULLION—Thank you very much. I have a number of questions I would like to place on notice.

CHAIR—It is 4 o'clock. Do you want to carry on after the tea break?

Senator SCULLION—No, I have established that I will put the remainder of questions on notice.

CHAIR—It is now 4 o'clock. There are no other questions for the Australian Maritime Safety Authority. I thank the officers and after the break at 4.15 sharp we will be calling Local Government and Regional Development. Thank you.

Proceedings suspended from 4.00 pm to 4.15 pm

Local Government and Regional Development

CHAIR—Welcome back, everyone. I welcome officials from Local Government and Regional Development. It is the desire of the committee that we start with opposition senators. Full committee members will be asking questions first because it is rather a popular session in estimates hearings, so I will seek the support of the committee. Once the opposition has asked questions we will go to the government senators' side and backward and forward to exhaust full committee membership. Then I will go state by state around the table, and I seek your full support. Senator Nash?

Senator IAN MACDONALD—I think Senator Nash wants to clarify, and so do I, before we start on the—

Senator Conroy—We accept that whatever the questions are about they are about.

CHAIR—I am sorry, I believe that Senator Nash and I had a very good conversation, and Senator Nash will have the floor—

Senator IAN MACDONALD—I am conscious of that.

Senator NASH—Before we get into the substantive issues, could I just say thank you very much to the minister and obviously the department for supplying those two lists we had this morning. We are still waiting on the list of 494 projects that were in the pipeline that had not reached decision stage that were also asked for on notice. I am assuming they are here now to be tabled.

Senator Conroy—We have provided all the information that we are able to provide at this stage. The Regional Partnership Program has closed. The applications in question have no status. They are not recipients of Commonwealth funding under the regional program. There is a difference between projects that were unsuccessful in a continuing program and projects that were never considered because the program does not exist. Given the expressed wish of the members of the committee to have access to this information, what the minister has decided is that we will write to the applicants to ask them if they are willing to have their details disclosed, and if the applicant is willing we are happy to provide the details.

Senator NASH—Why is there a difference between the lists we had today of those 116 that had been approved and not signed and the others that had been undertaken as to why there was no necessity to write to those proponents before that list—

Senator Conroy—I am going to—

Senator NASH—No, I am genuinely asking a question.

Senator Conroy—I think there is a slight misunderstanding. It is not quite 116 if you added them up, but for the purposes of this we will call them the famous 116. They were actually approved under a program. I think that is where the misunderstanding arises. They actually were approved and there were discussions around a contract, I believe.

Ms Page—In relation to those projects, they had been submitted under the Regional Partnerships Program. They had been assessed by the department. A recommendation had been made to the government and the government had approved them for funding and they had provided a letter to recipients saying subject to the conclusion of a satisfactory contract,

they would be provided with money. The 494, or more, projects that you refer to now have never been assessed. They are simply applications that the department has received for a program that is now closed. They have not been assessed by the department and they have not been considered either by this government or the previous government.

Senator NASH—Are you saying it is a privacy issue? You cannot release that information to this Senate committee until you have asked the proponents if they are prepared to have their details released to the Senate committee. I am just trying to be very clear.

Senator Conroy—The practice adopted by your previous administration was that unsuccessful applicants were not actually released—

Senator NASH—They are not unsuccessful.

Senator Conroy—No, but my point is we want to clarify with them that they are happy to be released.

Senator NASH—But unsuccessful is a different thing entirely. I am trying to ascertain very clearly if it is because of a privacy issue that you cannot release their details.

Senator Conroy—No. We just want to ensure that they are happy for their applications to be made public. If they are, we will release them. They are in a grey area. I accept the point you are making that there is a difference between successful, unsuccessful, grey area. It is because they are in a grey area that we are writing to them to ask whether they are happy for their information to be released publicly, and providing they say yes, we will provide it to the committee.

Senator IAN MACDONALD—I wish to raise with you a very serious matter of a contempt of this committee. You will recall this morning that the minister was assuring us that he could not get this list; that it was not available. I have here—

Senator Conroy—I never said that at any stage.

Senator IAN MACDONALD—I have here, and I am very happy to table it for the committee, that at 9.30 am Mr Jim Turnour, the Labor MP for Leichhardt—the ABC actually put on its website at 9.30 this morning, which was about the time we were having the argument, a media release from Mr Turnour indicating that he had details of the list that we were struggling to try and find in here. That, to me, seems to be a very serious contempt of this committee in that this information was obviously made available to some members of parliament who happened to be of a particular political party and not to this Senate committee. I am very concerned. Perhaps I have got it wrong; perhaps the minister has an explanation. But it does seem to me that this committee has been treated with absolute contempt by the minister and his colleague in the release of this information. If you would like, I will table this ABC news item which was printed at 4.01 today and it shows it was posted six hours 30 minutes ago which was 9.30 this morning.

Senator Conroy—It is entirely possible that there are a range of ways that Mr Turnour could have been in receipt of this knowledge. I am not suggesting you are incorrect. I am just saying it is not the only—I have no information on this whatsoever—but it is possible there is more than one way. If you would like me to seek some information from the minister, I am happy to. I am not sure, because I have not seen that yet, but I do not know whether Mr

Turnour is referring to the material that was supplied earlier this morning, as in the first list, or the second list—

Senator IAN MACDONALD—No. This was at 9.30 am it was posted on the ABC's website—

Senator Conroy—What I am asking you is which list is it from?

Senator IAN MACDONALD—It is from the first list. It is relating to the Northern Peninsula Area Regional Council. Clearly, Mr Turnour had this information and he said he congratulated them or offered them help. I am quite happy to table this but it is quite clear that Mr Turnour knew about this at the same time as this committee of parliament was being denied that information.

Senator Conroy—It has not been denied the information.

Senator IAN MACDONALD—It has not now; it was at 9.30.

Senator Conroy—It was provided earlier today—

Senator IAN MACDONALD—About 1 o'clock, I think, wasn't it—12.30 or something.

Senator Conroy—It might have been provided earlier if you had not spent an hour having a private meeting about how to provide it.

Senator IAN MACDONALD—You would remember that we argued for an hour at around 9.30 at the same time as a member of parliament obviously had the information. That is just one. I have a couple of other media releases, curiously from Labor members as well.

Senator Conroy—I was just wondering if you could explain how Mr Hartsuyker, who is in today's *Coffs Coast Advocate* quoting three projects, had the information. I would be interested in knowing how he had it.

Senator IAN MACDONALD—I would be too.

Senator Conroy—Quite seriously. He is the *Coffs Coast Advocate* today.

Senator IAN MACDONALD—I would be very interested in that but quite clearly he was not given it by—we could not get it from you, so you would not have given it to Mr Hartsuyker.

Senator Conroy—If Mr Hartsuyker was able to gain information without it coming from us, it is possible that Mr Turnour gained the information—

Senator NASH—It must have come from you originally. It was your decision and your list.

Senator Conroy—As I said, Mr Hartsuyker is in one of today's papers, which means he possibly had access to it yesterday.

Senator NASH—The decision that has been taken not to supply these 494 on the basis that the proponents need to be asked—

Senator Conroy—No—

Senator NASH—Yes, that was what you said.

Senator Conroy—No. What we said is we will ask them before we supply it—

Senator NASH—Okay, let me rephrase that—that you are unable at this time to supply that list of 494 to this committee because you want to ask the proponents if they are agreeable to releasing that information. When was that decision taken?

Senator Conroy—I think during the course of the day.

Senator NASH—Given that, yesterday in the middle of the day we put on notice that we wanted these projects listed and available, and even further to that my good colleague Senator Boswell wrote to your secretary on Monday morning asking exactly the same thing, why was there not a decision taken at lunchtime Monday that you needed to contact the proponents to get their agreement before you could bring this forward? Why did you only make the decision today that very conveniently you are going to have to ask the proponents before you can give this information to the Senate committee?

Senator Conroy—Following the request from Senator Boswell, the discussions yesterday, the discussions today this has obviously been taxing Minister Albanese's mind and he has thought about it during the course of the day and, because it is in this grey area, I think he has decided to take the cautious approach. He is not denying the committee any information. He is seeking permission to release the information to you.

Senator NASH—It is extremely convenient that having had three full days to determine three very simple lists—we are not talking about any great difficulty here, we are talking about one line for each list. You add them up and you get several hundred. It cannot possibly be that big a deal for the department to have to deliberate three days, or not, to suddenly today decide that they are going to go and ask—

Senator Conroy—It is not the department's decision.

Senator NASH—I am sorry, the minister—for the minister to deliberate for three days to suddenly decide that he had better ask the proponents before he ever releases that information to the committee. It is too convenient.

Senator Conroy—I think that Minister Albanese has erred on the side of caution. I think there is no drama or conspiracy involved. He has thought about your requests which have come in the last few days. I think you said Senator Boswell wrote last week, perhaps. He thought about that and he has made a decision because it is a grey area, because they are not accepted. You have got all the accepted ones. It is not rejected because you, yourselves, in the past have not released that information. It is in a grey area because it arrived and was not assessed.

Senator NASH—In all this deliberation that the minister took several days to arrive at the conclusion that he had better ask the proponents, what were the reasons that were discussed that he thought the proponents might not want this information released?

Senator Conroy—As you know, I have been here almost all day, so I have not been privy to all of the discussion or even much of the discussion around this in the minister's office. But I am happy to take that on notice and come back to you with an answer from Minister Albanese.

Senator NASH—I appreciate your explanation and, indeed, you are not the minister. But would it not be fair for people to think that the fact that that list has not been provided to this

committee this afternoon is something other than concern for proponents? This committee deserves to see that list of projects that were put forward in good faith by regional communities which, because of the decisions of this government, completely fell off the edge of the cliff and will not even continue to be considered. There are 494 communities out there who—and I might be completely wrong—probably would not mind at all for their information to be released to this committee this afternoon but I accept that is what you are saying that the minister's reasoning is. But I find it very convenient indeed.

Senator Conroy—I appreciate that those communities may be willing to release that information and, if they are, we will make that available to the committee.

Senator McGAURAN—It is no secret as it stands now in those communities.

Senator Conroy—I actually have not seen the list. I have no idea who is on the list so it is a secret from me, at least.

Senator McGAURAN—Every member of parliament gets approached by these groups, particularly when they are failed applicants, so there is no privacy in all of this.

Senator Conroy—These are not failed applicants, I thought we had agreed on that.

CHAIR—Before we go any further, Senator McGauran, I understand there are a lot of questions that need to be asked but, when I opened the proceedings after the tea break, I did say that we will go to the full members of the committee first.

Senator NASH—And that was the agreement but I just assumed that the list would be here. I am sorry that we are having—

CHAIR—No, I am not chastising you. I am just saying you have the call. I know your colleagues want to make some contributions but there are a host of questions to ask and I would like to keep some form of order in place as we go through the evening.

Senator IAN MACDONALD—Can I just refer to the serious matter I raised of the contempt of this committee. Perhaps I should leave it if Senator Conroy does get the answer for me on how it was provided. Perhaps this is yet another leak from this very leaking government. I understand that the ABC had all this last night—

Senator Conroy—The ABC—

Senator IAN MACDONALD—The leak has come from your government, perhaps to Mr Hartsuyker.

Senator NASH—We did not have the list; we did not leak it.

Senator Conroy—They are doing better than me.

Senator IAN MACDONALD—Perhaps the cold shivers were leaking to the bottom but I will take the minister up on his offer to find out for me how it was that Mr Turnour knew of this information when we were arguing and desperately trying to get the information from the minister.

Senator SCULLION—I have just a short question for the minister. It is in this area. We learnt this morning that there are two areas under which you are not required under standing orders to provide information to the Senate. Quite clearly, we understand what those two areas

are. You have said to us today that a process that involves the Area Consultative Committee—before a program gets put forward the entire community get to know about it and consult widely, have members of the community on the ACC, discuss matters with the ACC. They are the fundamental parts and building blocks of any application. What you are putting to us today is that somehow to make this publicly known we would have to actually ask the proponents. That is the whole idea of the ACC. There is nothing more public than these applications currently and there is nothing to be served by this ruse. This is just simply a ruse to ensure that the public are not able to get this information. Can I just remind you of the two areas—

Senator Conroy—The argument you just made is that everybody knows so by definition the public does know.

Senator SCULLION—This committee would like a comprehensive list and the list exists. If I could just remind you of the two reasons that you are able to say: you have the list, minister; there seems to be no doubt about that; the issue is whether or not you are happy to provide it to the committee. The two reasons that are allowable for you not to provide it to the committee are: one is that it is commercial in confidence material; and the second is that it is in the national interest. The standing order goes further to say that you will now have to tell the committee which of those two issues is triggered. If you can provide the committee why you are not providing on the basis of commercial in confidence or national interest.

Senator Conroy—You are struggling a little bit. Perhaps I did not explain myself sufficiently. I did not say we would not give them to you. What I said was we were writing to the individual proponents to seek their permission to give them to you. That is a quantum difference from what you have just described.

Senator SCULLION—The committee requires them now and there is no national interest or conflict of interest issue that you have put forward to the committee that I have yet to hear that would prevent us from taking those. The spurious excuses that I have heard—you say you want their permission—are simply a delaying tactic.

Senator Conroy—There may be some commercial information involved, that organisations do not want people to be aware that they were going out and getting involved in a project and they would have to borrow money or not borrow money, or whatever.

Senator SCULLION—If you are citing that as a particular interest, you will have to cite those specific instances.

Senator Conroy—What we are doing is we seeking the view—

Senator SCULLION—There are 494 of them.

Senator Conroy—We are seeking the view and permission of all of the proponents about whether they are comfortable if we release them. I expect most of them to say yes. I am not expecting any great drama.

Senator SCULLION—It is an interesting view to have, but this is a committee of the Senate and the Senate has determined that there are only two ways under which you are able to defend not providing information. If you cannot provide to this committee the very specific reasons why you are not providing this information then you are in contempt of the Senate.

Senator Conroy—You continue to misrepresent the position of the minister, which is that we are seeking information, and once that information is ascertained we will provide it. We are not saying you cannot have it.

Senator SCULLION—You cannot just say—imagine in any estimates sittings saying, ‘Look, what we are going to do’—

Senator Conroy—I have been in them for 11 and a half years.

Senator SCULLION—‘is we have got to check out with some people if they feel like us telling you about the content of the letter.’ It is almost any document that the government may have and they say, ‘Look, we need to check with the farmers. We have got to ask them all if the information we have got about how many cattle they have is able to be on the public record.’ This is not—

Senator Conroy—I do not really think—

Senator SCULLION—This is not a precedent that the Senate would accept.

Senator Conroy—I do not really think—

Senator SCULLION—It is a pathetic ruse at not providing information that this committee requires. Mr Chairman, you were present this morning when we were provided specific information that I have just spoken to the minister about on the two issues under which he may say that he is not able to provide—

CHAIR—I am very aware of that. You have made your point.

Senator SCULLION—No, I am just making sure that—

CHAIR—We had a half an hour or an hour this morning to discuss it. I do not think—

Senator SCULLION—I require that you remind the minister of those standing orders and ask him to provide the material.

CHAIR—I took it that the minister is well aware and has made a commitment that as soon as that is available he will come back to you. Senator Macdonald, I just want to reiterate because I did not hear an answer from the minister to your suggestion before Senator Scullion—

Senator Conroy—Senator Macdonald was saying that he was happy to take it that I would seek information about the Mr Turnour situation. I was adding, perhaps, Mr Hartsuyker. We are happy to ascertain information for Senator Macdonald on that matter—

Senator IAN MACDONALD—On how Mr Turnour was aware of the information when this committee was struggling to convince you—

Senator Conroy—As I said, unfortunately, you might have had it a lot earlier if you had not spent an hour arguing about trying to get the information. You may not have felt so aggrieved.

CHAIR—I think we can move on from that now and I hope we have an understanding of where we are heading.

Senator NASH—Absolutely. But just one last thing on that, when proponents make an application for regional partnerships is there any requirement in that initial application that they are prepared to be publicly named?

Mr Carmichael—No, there is no requirement. There is no permission given as they fill in the application that their information will be publicly released.

Senator NASH—Is there any information given to them that that might potentially happen?

Mr Carmichael—No.

Senator Conroy—They might expect that on winning some money that there will be an announcement—

Senator NASH—Which is why I just asked in the initial application was there any indication.

Senator Conroy—That comes back to the issue that your own government took the view that unsuccessful applicants should not be published because there could be some embarrassment. That was a position your government actually prosecuted quite a lot.

Senator NASH—Can I just ask some questions around the ACC executive officers group. Just briefly, who makes that up and what is their role?

Mr James—I do not have the list of members with me at the moment but I can get that. Basically, they are a group of executive officers, there is about eight of them, from a number of ACCs around the country. Nominees were asked for from the 54 ACCs and these people came forward, I think last year, before I joined this area. They are used as a sounding board for ACC operational and administrative issues for the department.

Ms Page—It is worth saying, as well, that the government has decided to transition the ACC network to a body known as Regional Development Australia. I think the future of the exec officers organisation will probably be considered further in the context of that new structure.

Mr James—We actually met with them earlier this week and we told them that.

Senator NASH—How many were there at that meeting?

Mr James—I do not have it with me, I am sorry.

Mr Angley—About 10.

Mr James—Eight to 10.

Senator NASH—All those 10 members were brought in to Canberra for that meeting earlier this week to discuss a range of issues?

Mr James—To talk about the transition to Regional Development Australia and operational arrangements that might need to be put in place over an interim period.

Senator NASH—I presume the process is that the parliamentary secretary books a room, organises the meeting and that type of thing? There was a room booked?

Mr James—There was a room booked, yes.

Senator NASH—How much did it cost to fly this group to Canberra?

Mr James—I do not have that with me, I am sorry.

Senator NASH—But you do reimburse or pay for their costs?

Mr James—Their costs comes out of their budget.

Senator NASH—Do you know where they came from?

Mr James—Around Australia—WA, NT.

Senator NASH—Does the department pay their travel allowance as well?

Mr James—No. These costs come out of the budgets that they have for the operation of the ACCs.

Ms Page—These people are not government or departmental employees. They are employees of what were the ACCs who have a budget which is provided for by the Commonwealth.

Senator NASH—But they do not have any of their own private moneys outlaid in terms of this; their costs are met?

Mr James—Indeed.

Senator NASH—Is it not a fact that that group waited in that room for an hour on Tuesday afternoon for the parliamentary secretary, Gary Gray, even to turn up? They turned up at 4 pm?

Mr James—He was unable to make the meeting.

Senator NASH—Is it that he was unable to make the meeting or that they got a call at 5 o'clock and were told, I think by you Mr James, that the parliamentary secretary had simply forgotten that the meeting was on?

Mr James—That is incorrect. They were told well before the meeting that the house was sitting and there was a risk that he would be delayed. They came over, they were ready for the meeting, and we were kept informed right throughout the process as two divisions occurred that he would have trouble getting there on time. Eventually, when the second division was called, he was unable to come and they were told it was very unfortunate, he was sorry, but he had run out of time to meet.

Senator NASH—You are absolutely denying that the parliamentary secretary had merely forgotten to attend the meeting?

Mr James—I cannot speak for the parliamentary secretary but that was the advice of the office.

Senator NASH—But you were at the meeting and you would have been there for discussion and you would have been the one conveying the message, wouldn't you, or was that somebody else?

Mr Angley—I was part of the message. I was waiting for Mr Gray in his office to join the meeting. Moments before we were due to leave, he was called to the chamber. Then there was a series of divisions with the censure motion and I left and went to meet with that committee

hoping that Mr Gray would be able to get out of the chamber but he was caught up there with a series of divisions.

Senator NASH—Let us be very clear here, the government pays for all the travel of these 10 people who have come from right around the country, not down the road here in departments, but they have flown in from right around the country. They are paying their costs for overnight stay and you schedule meetings during sitting afternoons with the parliamentary secretary when you know very well that the chance of divisions or something untoward happening is extremely high. Why would you do that?

Mr Angley—Part of the attraction of coming on a sitting day is that the parliamentary secretary is likely to be in town. It is easier to get it into the diary. There is always a risk, as happened the other day, but he is far more likely to be in Canberra.

Senator NASH—I would say that is a very big risk with an awful lot of money and what you just said could be done on a Monday morning before the 12.30 session starts.

Mr James—Also, if I might add, the executive officers group met with the department for the balance of the day, prior to the meeting with the parliamentary secretary, to work through a whole range of matters, and a number of them said to me after the meeting that of course they were disappointed but they had found it a useful day in terms of being able to work through a whole range of issues around the transition.

Senator NASH—A useful day without the parliamentary secretary. Did the parliamentary secretary or anyone in his office at any stage think to apply for a pair for an hour? Given that these people had been flown in at government expense from all the way around the country and were put up overnight, did nobody think to go and ask the whip to perhaps give him a pair?

Mr James—It is not a question I can answer.

Senator NASH—Perhaps somebody could take that on notice and come back to us because this just looks like a bungle, quite frankly.

Ms Page—This was not the only purpose of the visit. It is not unusual, in my experience, to have to cancel meetings of various groups with ministers and parliamentary secretaries. There is both a risk and an opportunity involved in scheduling meetings for people during sitting weeks. As Mr Jones and Mr Angley said, on this occasion the parliamentary secretary was not able to meet but that was not the only purpose of the meeting.

Senator NASH—I would imagine meeting the parliamentary secretary in the first few months of a new government, if it is not the only purpose, is certainly the prime purpose of the meeting and, if not, I would say it should have been.

Senator Conroy—Could I just add a touch of reality for a moment? I had a meeting of one of my working groups yesterday, and due to all of the debate that took place in this forum — and I was scheduled to go and visit them at lunchtime just to say hello and have a quick talk to them—there were a number of meetings that I had to have that followed the discussions here on matters that the committee asked me to follow up with the minister, which I did. Because of that I was barely able to get to the meeting over in my department's building. I was there for no more than 15, 20 minutes at the most—

Senator IAN MACDONALD—You should check your efficiency rating, then.

Senator Conroy—No, let us be clear. This committee—you and you—asked me to follow up some matters with the minister, which I did. I considered them to be quite important matters to gain the information you were seeking and also to follow up on a couple of other issues. What that meant was I was barely able to get a chance to meet all of the people and have a quick chat with them, wish them luck and say thank you for understanding on behalf of the government. A little sense of reality here: when parliament is sitting the best laid plans can go astray.

Senator NASH—Departments are there to make good plans, as you well know. You just mentioned that it was not the prime purpose of the visit. How long was the visit? How long were they in Canberra?

Mr Anglely—They were there all that day and left the next morning.

Senator NASH—What were the other undertakings of that Monday?

Mr Anglely—They had a series of meetings inside our department because we were following up on the meeting that Minister Albanese and parliamentary secretary Gray had had with the interim board of RDA about three weeks before.

Senator NASH—I can understand bringing a group such as this to meet with ministers or parliamentary secretaries, but surely with modern technology to just talk to department officials that could have been done by video conference, phone conference. Yet you spent—sorry, you cannot actually tell me how much it cost—I would imagine thousands of dollars bringing these officials to Canberra for a non-meeting for something that could have been avoided, I would suggest, with better planning at least on behalf of the department. I think it is a very, very obvious case of a complete bungle. If I can move on to another area. I would like to talk about 116 projects that were announced under that work but not yet contracted.

Senator Conroy—It was not actually 116. It was 115.

Senator NASH—I do stand corrected.

Senator Conroy—I would not want you to think that we were hiding anything.

Senator NASH—No, it is a good learning experience. There were 115 projects that were announced but did not reach finalisation of contract stage. Thank you; we finally got that list four months later, having asked for it way back in the last estimates. If I can take you to the statement of Ms McNally at the time that the government is currently considering what administrative arrangements it wants to have in place to manage the administrative aspects of regional programs. That was the reason we were given that those 115 programs were placed on hold. You told us that in February. In the three months since then, what has ensued in terms of reviewing those administrative arrangements as referred to by Ms McNally?

Ms Page—The government made a budget decision to cease the Regional Partnerships and Sustainable Regions program.

Senator NASH—I am sorry, could you just repeat that?

Ms Page—In the budget context, the government announced that it would close the Regional Partnerships and Sustainable Regions programs to new applications.

Senator NASH—Is that the extent of the review of the administrative arrangements?

Senator Conroy—Ultimately, a budget decision is a budget decision.

Senator NASH—I understand a budget decision is a budget decision. I am trying to understand how that can be described as an administrative arrangement. I am sorry, we might have got the wrong end of the stick in February, but when we were—

Senator Conroy—The departmental officials are not privy to budget decisions.

Senator NASH—I am not talking about the budget decision. In the last—

Senator Conroy—But you are suggesting that they should somehow have been aware of it and told you about it. They were not aware of it.

Senator NASH—True, which is exactly what I am trying to ascertain. We were given a very clear indication that there would be some kind of review process of the administrative arrangements. What I am just trying to determine is the only matter that is an administrative arrangement, if you like, is the budget decision to cut the program.

Senator Conroy—You seem to be confusing the role of officials in the department and the processes of drawing together a budget. Having just been through one, it has been a bit of a learning curve for me, as well. But there are these guys in white hats and black hats and the black hats are called Finance and Treasury and they are always searching for savings. When they make a decision, when the ERC process of government makes a decision, that is it. All administrative processes stop.

Senator NASH—We can ascertain then that the only outcome was to cut the Regional Partnerships Program in the budget, as Ms McNally has just referred to. You closed the Regional Partnerships Program.

Senator Conroy—That is what happened.

Senator NASH—At the time of the last estimates, the officials stated that of those 115, the proponents who called in were advised of the situation that those projects were now under this review of administrative arrangements. From the time of those estimates, was there then any proactive contact from the department with any of those proponents of the 115 projects to actually then advise them of this change in arrangements or did you merely, as you had been doing up until that point in time, give the information on contact?

Mr Carmichael—Any project that had written in we certainly gave advice that the program was subject to a review by government, as has just been explained. At the time the budget was announced, so the decision was taken, a personal letter was written to every project.

Senator NASH—I think you have got me wrong. I am talking about the period directly after the last February estimates up until the budget, not post budget, I am sorry.

Mr Carmichael—Up until caretaker period there was—

Senator NASH—No—

Mr Carmichael—I am just explaining the process. These projects were approved under the previous government. There was negotiation going on about their contracts. It was

suspended at the time the election was called, and that suspension held in terms of negotiation and contact with the proponents, unless they personally contacted us, up until the government made a decision on what the future of the program would be.

Senator NASH—A lot of these people out in regional communities, they have heard the announcement, they are assuming that the normal processes will take place. Unlike us, some people do not pay as much attention to governments changing as we do. So there was never any intent on the department's behalf to write to those 115—

Mr Carmichael—The onus was on the proponents almost in every case to respond back to the government on their contract negotiations. If they did, they were told that the contract negotiations were now suspended because the caretaker and the period of review. Every one of them had been in some form of negotiation. So it was not that they were unaware of what was happening, and if they were unaware they could contact the department and we would respond and let them know what the process was. Why there is a difference between the 116 and the 115 is before the government made their decision, one of those proponents was still processing their contract and got the contract back signed, and we have contracted them and they are a project that is now actively progressing.

Senator NASH—The budget decision, which was 16 days ago, was to close the Regional Partnerships Program. At that time there was no funding whatsoever in the budget for those 115 programs that had been announced but without a finalised contract—no money at all. Nothing, zip, nada, no money. That was 16 days ago. Now we have the situation where we see, all of a sudden, 86 projects out of that budget decision—government announce 'close regional partnerships'—86 of the 115—are now being considered. Can you take us through the process? Perhaps the minister would be better. I think you only need about 24 hours recollection on this?

Senator McGauran—It's called the Kochie factor.

Senator NASH—I think the time line is going to be very, very short on this decision, but do go ahead.

Senator Conroy—I think we call it the commonsense factor, Senator McGauran, but I appreciate your interjection and your sense of humour. The Rudd Labor government will provide certainty for up to 86 not-for-profit and local government projects which were granted approvals but did not have formal contracts under the previous government's Regional Partnerships Program—

Senator NASH—Yes, I read the release.

Senator Conroy—It is clear from discussions with community groups and local councils that many were led to believe that funding agreements had been finalised with the previous government—

Senator NASH—Had been finalised with the previous government—

Senator Conroy—This has placed community groups in a difficult situation—

Senator NASH—This has placed community groups in a difficult situation—

Senator Conroy—I am glad you have already got this information—

Senator NASH—I have read that. I asked for the time line.

Senator Conroy—Not all members of the committee may have it, so I will finish.

Senator IAN MACDONALD—We do not need you to waste the committee's time when we have already got—

Senator NASH—Can I draw you back to the question—

Senator Conroy—This has placed community groups in a difficult situation—

Senator NASH—If I could draw the minister back to the question?

CHAIR—Order! Senator Nash, you did ask the question—

Senator NASH—I did ask the minister a very specific—

CHAIR—If I may? I know that this committee has been notorious for the last four days for asking the same questions in a number of different ways but those who are joining us at the table today may not have heard the minister's answer and I encourage the minister to give an answer to your question.

Senator NASH—Certainly.

Senator Conroy—Thank you.

Senator NASH—But it is not answering the question.

Senator Conroy—As I was saying, that is why the government is taking a commonsense approach in considering these projects. Under the plan, the government would give 86 not-for-profit and local government projects until 31 July 2008 to complete contract negotiations with Minister Albanese's department. In addition, they will be required to meet strict timetables and requirements to begin construction. This is to ensure they are sustainable and genuine projects. Groups that cannot meet these strict requirements will not receive funding. Regional Partnerships is closed because of the National Audit Office's findings and we will, of course, honour all contracts in the system.

Senator IAN MACDONALD—That is a waste of the committee's time.

Senator NASH—Is that your answer?

Senator Conroy—Okay. In the budget we announced that Regional Partnerships would be closed and all projects that did not have a contract would not proceed to the next stage of assessment. This includes groups that were approved by former government but did not have a contract signed. Instead, we announced that there will be a new program for next year's budget, the Regional and Local Community Infrastructure program, to fund investments in community infrastructure, and we will deliver our Better Regions election commitments.

Senator NASH—I am sure that was very interesting for the committee, thank you, but I actually asked you what led to the change in decision from the government from the budget decision to close Regional Partnerships to now saying that 86 projects will be considered? But as you have just raised this media statement, I would like to go to exactly that?

Senator Conroy—Are you sure because you just told me not to raise it? You just objected when I did.

Senator NASH—I just thought it might have been a tad boring for everybody to have to listen to it when they had already read it. At the beginning of the media statement in the headline, the first word is ‘certainty’—‘Certainty and fairness for community groups’. In the first line of the first paragraph, ‘The Rudd Labor government will provide certainty for up to 86 not-for-profit and local government projects.’ ‘Certainty’ to me means something certain. I should have looked it up before. Certainty: certain, absolute, guaranteed, definitely, absolutely. I do not know that there would be too much movement away from that, but if we flip over—

Senator Conroy—You are marvellous at synonyms.

Senator NASH—Thank you. I am glad you agree that that is what they mean because, if you read the release a little bit further, the minister actually says that ‘not all of these projects will meet the requirements’. On one hand he is saying that the 86 projects will have ‘certainty’ and there have been media releases going out saying, ‘Yay, hoorah! The government has actually done a back flip and finally the government has come around to realising how important regional communities are and that there is going to be certainty now that we are going to get our money.’ But it is not actually certainty. It is not certainty at all. There is going to be a process, apparently. There is going to be a process.

Senator Conroy—We have introduced a process that actually does not involve rorts like you were involved in.

Senator NASH—I have a very high regard for this department and the processes they use—

Senator Conroy—Unfortunately, the Auditor-General did not in terms of the administration of your government.

Senator NASH—Nice try at trying to get off the track, but it is not going to work. Your minister has contradicted himself. He has led people to believe that all these proponents out there in regional communities who read this media statement and saw ‘certainty’—I had people contacting me jumping for joy because they thought they were definitely going to get their money—

Senator Conroy—We are not going to fund projects that were in the pipeline that were your rorts—

Senator NASH—which is what ‘certainty’ means. I understand you are only the representing minister, but Minister Albanese needs to make up his mind. He cannot have it both ways. On one hand he has gone out there and said ‘certainty’, which means these people, these regional communities, these hard-working regional communities are going to get the money for their projects that they thought the government had axed—which it did, 16 days ago, mind you. But there is a caveat on the back. They just might not.

Senator Conroy—Let me deal with some of the issues you have raised because you have raised quite a few and, unfortunately, you are going to have to sit and listen. I wanted to take you to one of the ‘rorts’ that you pulled in this program.

Senator NASH—No, we are talking about your government.

Senator Conroy—I am sorry, you are going to have to listen to my answer whether you like it or not. I want to talk about the status of the turtle interpretive centre at Bundaberg. I am advised it was approved but not contracted. It is approved when the Deputy Prime Minister wrote to the Bundaberg Regional Council on 3 May 2007 advising that the project was successful under the Regional Partnerships Program. There was a bit of a question mark around how much money was approved. I understand that \$1,114,300 GST inclusive was actually approved, which is interesting because that is not ultimately what was requested. Originally the Bundaberg council sought \$1,000,013 excluding GST but on 15 March 2007 the council wrote to the department and advised that they now only required \$524,000. On 15 March 2007, council wrote to the department and advised it no longer needed just over \$1 million, it now only needed half the amount of \$524,000. Yet on 3 May 2007, the Deputy Prime Minister, you guessed it, approved over \$1 million, the original amount. You have got to ask yourself why the Deputy Prime Minister approved more than double what council had requested. I have no idea. Perhaps you do, but it is typical of the manner in which the former government administered this program. That is why the National Audit Office was so scathing in its assessment of the administration of the program, and I quote:

The manner in which the program has been administered over the three-year period to 30 June 2006 examined by ANAO had fallen short of an acceptable standard of public administration.

That is Audit Office jargon for 'rort'. I am sure if the Audit Office inquired into the turtle interpretive centre it would have been equally horrified because that is why the government took the decision on 13 May to close down the Regional Partnerships Program. The program was broken beyond repair. It is further evidence of why you should not let the National Party administer any program that involves money. Just for the record, I understand that the project has run into some difficulties at the moment. The Mayor of Bundaberg was quoted on ABC News on 17 April 2008 saying that the cost of the project had blown out by \$3 million. She went on to say:

I can't see how any organisation in this current climate could even attempt to set up a business which relies solely on having live loggerhead turtle hatchlings as part of the attraction because as a business model it just didn't stack up.

This is the Mayor of Bundaberg. A day later the mayor formally announced that the turtle interpretive centre would not be built because of flawed planning and skyrocketing costs, including scientists to care for the animals. I do not believe that the council has actually formally communicated to the government it no longer wishes to proceed. But let us be clear: this was a rort. You gave them twice as much as they actually finally asked for. It collapsed in the end because it had no business case, as the Mayor of Bundaberg now confesses, and your local MP, who championed this and said how disappointed they were, had suddenly airbrushed his support for this project off his website. He has actually removed his press release supporting this project off the website. It does not exist to the local member in Bundaberg any more. Let us be clear about this: this program was a rort. You rorted it—

Senator McGAURAN—What have you got against Bundaberg?—

Senator Conroy—I love Bundaberg. It is a wonderful place. But let me be clear, you gave more than twice the amount of money needed to a project that has collapsed and which did

not even ask in the end for that money. This has been closed down. It is very simple because you cannot trust the National Party with any amount of money.

Senator BOSWELL—That is a scurrilous suggestion. I want a withdrawal.

Senator Conroy—No.

Senator NASH—It is unfortunate that *Hansard* is probably unable to record ‘minister reading from laptop’ through that entire diatribe. I do appreciate—

Senator Conroy—Did you just look at your laptop—

Senator NASH—Yes, a glance is not a five-minute speech.

Senator Conroy—The only way you will be able to get away with this now is if you close the top of your laptop for the rest of the meeting.

Senator NASH—Only if you do and you are not going to be able to do it.

Senator Conroy—If you want to throw stones, close your own laptop.

Senator NASH—But it was a five-minute speech, you must admit that. I am very pleased to hear about your obvious focus on proper process. That being the case, if we can cast back to the election campaign, with some of Labor’s election commitments. This is in the purview of your very strong point and obvious concern about political process. On that basis, why would Labor commit \$2.6 million for the Tree of Knowledge? That was a project that had been rejected by the department. I think that there might have been \$1.5 million committed and promised by the Labor opposition at the time to the Dysart sports complex—

Senator Conroy—Let us see you name some other programs without looking at your laptop—

Senator NASH—which had also previously been rejected by the department. This holier than thou rubbish from you about political processes when during the election campaign you went out and promised money for projects that had been rejected previously by the department.

Senator Conroy—I am advised that that one was still under consideration.

Senator NASH—Yes, it is now.

Senator Conroy—No. It was actually still under consideration under your old program.

Senator NASH—That was not my understanding. Are you sure because—

Senator Conroy—I am positive.

Senator NASH—When other senators are having their time I will go back through the *Hansard*—

Senator Conroy—Just to be clear, an early first proposal was withdrawn and a second one was submitted, and it was still under consideration.

Senator IAN MACDONALD—What, for the dead tree?

Senator NASH—Is this for the dead tree or the sports complex. We might just take some time during this proceeding to look into the dead tree that apparently needs \$2.5 million and find out from the last estimates if it was referred to.

Senator McGAURAN—I have got a picture of that tree, and I think it died anyway.

Senator Conroy—No wonder it died, they had been near it. No wonder the poor thing died, Senator McGauran has been somewhere near it.

Senator NASH—In terms of political processes, Labor has form.

Senator McGAURAN—The dead stump of knowledge.

Senator Conroy—That is not bad. I have to give you that one.

Senator NASH—If I can just go back to the ACCs for the moment. I believe there was a meeting of the ACC representatives at Terrigal recently; is that correct?

Mr James—Yes, there was. There were some executive officers who were attending that conference.

Senator NASH—What was discussed at the meeting?

Mr James—It was basically to catch up on interim arrangements and progress on transition to RDA. It just happened that they were at that conference and one of my people was up there at the conference as well, so they arranged to talk. This was not the EOrg. It was a number of EOs who happened to be going to the Terrigal conference.

Senator NASH—Was one of those issues concerns raised regarding funding levels and the possible problems of trading while insolvent?

Mr James—I was not there. I would have to take that on notice and talk to the person who was.

Senator NASH—Is there nobody here in the building, no officials next door? You have no knowledge of the outcomes of that meeting?

Mr James—I had a debrief on it but I do not recall that issue specifically, but I would have to talk to—

Senator NASH—You do not think you would recall if somebody mentioned to you there might be some concern around trading insolvent?

Ms Page—Is this an issue of ACCs possibly trading while insolvent?

Senator NASH—It is indeed. I just thought—

Ms Page—ACCs are not Commonwealth bodies. They receive funding from the Commonwealth but they are constituted under state legislation and they are therefore responsible, as are state governments, for ensuring their continued viability.

Senator NASH—Would that not be a concern, though, to the department, to the minister? I am not saying it is, but if that was raised—

Ms Page—From time to time we have had to provide advice to successive ministers in relation to ACCs who have experienced funding difficulties.

Mr James—And if I might add, we provided a reassurance to EOrg when we met earlier in the week that their funding over the interim period would be sufficient and if they had concerns they could raise that with us.

Senator NASH—I find it very intriguing that they did not raise it with you in the de-brief. Can I just go back to one of the programs which I am sure the proponents were extremely happy to realise they were on the list. Although now that they realise that there is not necessarily that certainty they might not be quite so happy. The City of Boroondara Courting the Future, \$300,000 on the list; now apparently back in the good books; one of these great projects. Isn't it interesting that a few months ago these projects were rorts; now they are worthy projects. I find that very interesting and it is a very interesting back flip. If I could go to that particular project, interestingly it was only on 13 May which was 16 days ago that the parliamentary secretary Gary Gray wrote to Mrs Helen Lanyon, who is the Director of Corporate Resources at the City of Boroondara, saying:

Accordingly, this letter is to inform you that your project will not be funded. Any offer or expectation of funding (express or implied) in relation to the project on the basis of the letter of offer provided to you by the former Minister for Transport and Regional Services or on the basis of any other approval or representation that funding will be made available for the project is withdrawn.

Can you tell me, minister, or anybody, that letter having gone to the proponent 16 days ago and we are now in a situation of having a very long list, Boroondara being one of them now being considered, what caused the minister and the government to change their mind?

Senator Conroy—I am confused. On the one hand you seem to be accusing the department of dragging its feet, taking its time, creating uncertainty; and yet when they demonstrate their ability to contact people after the budget efficiently—

Senator NASH—No, no. I am sorry, you are the one who is confused. This came from the parliamentary secretary not the department. I think you are entirely confused. This came from the parliamentary secretary. The parliamentary secretary has just announced 86 projects that will now be funded maybe, maybe—

Senator Conroy—What can I say? The parliamentary secretary is clearly very efficient.

Senator NASH—In changing his mind?

Senator Conroy—I think the minister has announced the change.

Senator NASH—Sixteen days ago we have the position where the parliamentary secretary is telling the proponent they are not getting any money. Today—

Senator Conroy—Are the turtles on the list?

Senator McGAURAN—Yes. The turtle interpretive centre is back on the list.

Senator Conroy—They are on the list.

Senator McGAURAN—With \$1.3 million, and you just called them a rort.

Senator Conroy—Even though they have collapsed.

CHAIR—Senator McGauran, Minister. Order! I am calling for order.

Senator Conroy—We have not—

CHAIR—I am calling for order. Senator Nash, your questions are very, very long. You do have the call. Senator McGauran, your colleague has the call. Senator Nash?

Senator Conroy—Given that they have announced it is not going ahead I am sure it will not make the final list.

Senator McGAURAN—You have already made the decision.

CHAIR—Senator McGauran. Minister Conroy, I have given Senator Nash the call. Senator McGauran, your colleague has the call. We have an arrangement that I opened up with that we would have questions coming from all senators and I would ask that we honour that commitment. Senator Nash?

Senator NASH—Thank you. As I was saying, we have this situation where the parliamentary secretary himself, not the department, had written to the proponent at Boroondara—I hope I have the pronunciation right—

Senator Conroy—Yes, you have. You have done very well.

Senator NASH—Good, lovely, thank you—that the project will not be funded, as simply and clearly as that. Your project will not be funded. Now, today, we see a list of 86. Boroondara is on that list of ones that are now to be funded. We think, we are not sure, because now there is a bit of uncertainty in the certainty and you, minister, have just said that the parliamentary secretary is efficient in that.

Senator Conroy—I am sure he will now equally efficiently write to them and say there is new process for you to go through.

Senator NASH—I realise that you are only the representing minister but my question is—

Senator Conroy—And I expect you to be congratulating him on his efficiency next time you see each other.

Senator NASH—but my question is—besides Mr Koch—what made your minister change his mind as Ms Page said earlier from the budget decision to close Regional Partnerships to re-open it? What made him change his mind?

Senator Conroy—I think I read out his press release and I think he said that we had decided to apply a commonsense test. The common-sense test was that, given that a number of people had commenced work and were engaged in ongoing discussions around a contract thinking that they had received approval, common sense said we should give them an opportunity to go through a fair process that enabled them to either achieve or not achieve. In the case of the turtles, what can I say? I suspect, given it has been publicly announced it is not proceeding, it may not achieve.

Senator NASH—I would say that common sense would have been to fund the project when they were in the pipeline six months ago and this is nothing more than a back flip.

Senator Conroy—You would have coughed up the \$1 million to the turtle project

Senator NASH—I am happy to yield to my colleagues for a while. I am conscious of taking so much time.

CHAIR—Thank you.

Senator McGAURAN—They were going through the process. Why have you put it on the list? It is a shonky list.

Senator Conroy—It is a shonky project. You gave it twice as much as it asked for and it has fallen over. It has fallen over.

Senator McGAURAN—They were going through the process.

CHAIR—Thank you, minister. Senator Nash.

Senator NASH—I have said I have no further questions.

CHAIR—I appreciate you giving your colleagues a chance to ask some questions. Senator Hutchins?

Senator HUTCHINS—I am glad someone got that word ‘shonky’ in. I think this question is to you, minister. There have been some press reports in the *Sun-Herald* in relation to a planned operation of an ethanol plant in Gunnedah, New South Wales, and a chap called Kelley. I do not suppose it will surprise you but the National Party are in there as well on this one.

Senator Conroy—Really?

Senator HUTCHINS—I know it is a surprise.

Senator Conroy—Senator Boswell, what have you done?

Senator HUTCHINS—It is in relation to a \$1.1 million grant awarded to a company called Primary Energy. Could either the minister or the department give a rundown of how the grant was approved in the first place and were there any irregularities in the approval process?

Ms Page—That project is covered in some detail in the ANAO report and the process for approving it is covered again in some detail in that report. I do not have that information available but there is a lot of information that has already been provided on that. I will get Mr Angley, if you like, to tell you where that project is currently at.

Mr Angley—The project funding of \$1.1 million, which was GST exclusive, was to finalise the financial planning for the project, including contributions to legal fees, the environmental impact assessment report, a lifecycle analysis, tax structure advice and various other preparation works.

Senator HUTCHINS—Was it unusual that a grant was approved for a financial planning study under the Regional Partnerships Program? Just yes or no?

Mr Carmichael—It was an eligible project under the Regional Partnerships Program.

Senator HUTCHINS—It was ineligible?

Mr Carmichael—It was eligible. Those sorts of activities were eligible under the program.

Senator HUTCHINS—What sort of conditions were placed on the approval of that grant?

Ms Page—We do not have a copy of the grant agreement but there are certainly a series of milestones of various tasks that had to be achieved against which money would be paid out. My understanding is that those milestones have been achieved, all but the final one, and some money is still owing against that project.

Senator HUTCHINS—What sort of milestones was Mr Kelley required to meet under the contract?

Ms Page—We do not have a copy of the contract with us.

Mr Carmichael—They were things that went to things like a proper business plan, a feasibility study, those sorts of things. As Mr Angley said, it was not for the construction of an ethanol plant but it certainly was for the preparation and the planning for the development of an ethanol plant.

Senator HUTCHINS—Did the department ever visit the site or Mr Kelley's business to see if he was complying with the conditions of his grant?

Mr Carmichael—The project was carefully managed. It was managed by our Orange regional office. They were in contact with him throughout the life of the program and are still in contact. Although there is some correspondence that we have entered into with the proponent about some media speculation that he might refund the money to the department, he has not responded to that.

Senator HUTCHINS—Did the department know of the state National Party MP, Mr Humphries', connection to Mr Kelley?

Ms Page—Sorry?

Senator HUTCHINS—Was the department aware of the connection of the state National Party MP Mr Kevin Humphries to Mr Kelley?

Ms Page—To the department's knowledge, Mr Humphries is not connected in any way to the Gunnedah ethanol project. His connection to Primary Energy was in relation to a proposed project in Moree. We are not aware of any other affiliation.

Senator HUTCHINS—Was he required to disclose his connection?

Ms Page—Certainly. As a matter of course we seek advice on conflicts and competitive neutrality issues in relation to applications. I cannot speak for the way in which the program operated at that time some years ago.

Mr Carmichael—At the time of the application, Mr Humphries was actually the Chair of the New England North West Area Consultative Committee, which was involved with the development of that project. If there was a conflict of interest, it is in our guidelines that he must declare that and no declaration was ever received by the department.

Senator HUTCHINS—Did you investigate whether that was the case at all, subsequently? Or is this in the ANAO report?

Ms Page—ANAO has certainly examined the project. I do not recall them coming to a conclusion about conflict of interest.

Senator HUTCHINS—I see in the press reports that Mr Kelley has offered to return the funds for something that has not been started. Have you contacted him to find out how he can return the money?

Ms Page—The project has met the milestones which were required of it. It was not a project to build an ethanol plant. The project proponent to date has met the requirements of the grant agreement imposed upon them, all bar that final payment. I will get Mr Angley to outline the nature of the correspondence we have had since with Mr Kelley.

Mr Angley—We saw the reports in the media speculating that Mr Kelley was thinking about returning the money to the government. About a week after that report, I wrote to Mr Kelley. I wrote on 2 May saying that we had seen the speculation and if he was intending to repay the money this was how it should be done. He has since contacted our regional office to say that he was seeking legal advice on the issue and he would get back in contact with us when he had pursued his legal options. We have not heard from him or had any more contact with him since then.

Senator HUTCHINS—When was that?

Mr Angley—I wrote to him on 2 May, so it was all around those days—early May.

Senator HUTCHINS—How much is the final payment?

Mr Angley—The final payment is \$46,000 but we understood from the speculation in the press that we were talking about the whole \$1.1 million minus the \$46,000.

Senator HUTCHINS—It has not been paid?

Mr Angley—No.

Senator Conroy—I am curious. Is there an ethanol plant, or not?

Ms Page—No. The project was not putting a plant—

Mr Angley—This project was for preparatory work.

Senator HUTCHINS—There was \$1.1 million allocated?

Mr Angley—Yes.

Senator HUTCHINS—That has been spent on?

Mr Angley—All but \$46,000 has been spent as the contract has met its milestones.

Senator Conroy—There is still no ethanol plant?

Mr Angley—No.

Ms Page—It was essentially for a prospectus, financial planning and legal fees—

Senator Conroy—The taxpayers were paying for this—

Senator HUTCHINS—The prospectus was done by this company called MAK; is that right? MAK?

Senator Conroy—Is that right, Senator McGauran? Taxpayers were paying for a prospectus to be—

Senator McGAURAN—It is all right.

CHAIR—Senator Hutchins is waiting for an answer.

Senator HUTCHINS—MAK Fuels; is that the company that was doing the prospectus?

Mr Carmichael—No, I do not see those initials.

Ms Page—The project proponent is Primary Energy. There may well have been other bodies to whom they contract.

Senator HUTCHINS—Primary Energy went to MAK Fuels?

Mr Angley—We do not know that either.

Ms Page—I do not know. They may well have done that.

Mr Angley—Certainly, that is our proponent.

Senator HUTCHINS—We do not know how the money was spent. All we know is that it was spent except for \$46,000?

Ms Page—The money was spent because they have achieved those particular milestones. That project will be required to be acquitted at the end, and we will require an audited acquittal statement to say that the funds were spent for the purposes for which they were contracted.

Senator Conroy—Will that require a copy of the prospectus to be provided as part of the acquittal process?

Mr Carmichael—What is required for the final payment of \$46,000 is finalisation of the environmental impact statement, the receipt of the final report, which would incorporate those sorts of things that I think you are talking about, and an audit of all payments to make sure the payments are made in accordance with the contract.

Senator HUTCHINS—Has this money just disappeared?

Ms Page—To our understanding, based on the payments that the department has made, the funds are being spent for the purposes for which they were contracted. If they have not—

Senator Conroy—Have you seen the prospectus?

Senator HUTCHINS—All we know is that the money has been spent?

Ms Page—We would not have made the milestone payments if the various milestones had not been achieved.

Senator Conroy—They do not have to provide a prospectus to you to get the million dollars?

Ms Page—The contract set out a series of milestones of various tasks under the contract which were to be achieved before the next stage of funding would be provided. If at the end we cannot get an acquitted statement then there is scope, as there is with all projects, to take legal action to recover the funds, and from time to time we do that. At this stage, however, I have no reason to understand that there is an issue.

Senator HUTCHINS—I do not quite grasp these milestones. What is this idea of milestones?

Ms Page—I think the best thing for us to do is to provide you with advice on what the actual milestones in relation to this contract were, but typically we do not provide funding for projects in a lump sum upfront. In advance of need, we calculate a schedule of payments based on the progress of the project.

Senator HUTCHINS—But this did not happen in this case, did it?

Ms Page—Yes, it did.

Senator HUTCHINS—So every time they reached a milestone you gave them money?

Ms Page—Yes.

Mr Angley—When they proved they had reached that.

Mr Carmichael—The sorts of things we require is documentation of a draft report. They specify particular milestones and it is the progression of the development of their business plans. There would have been certain things they would have had to produce, evidence that they had reached the milestone, before we could make that payment. The final payment is a requirement to bring all that work together. That is the outstanding payment and we are waiting for the final audit report. If, as Ms Page said, they have not done what they were supposed to do in terms of finalising that, we can take legal action to recover our money.

Senator HUTCHINS—When will you find that out?

Mr Carmichael—We are in negotiations. The project was due to finalise later this year and we are waiting on that final report. We are in contact with the proponent around that final milestone but—

Senator HUTCHINS—The proponent is Mr Kelley, is it?

Mr Carmichael—Yes.

Ms Page—Primary Energy.

Senator HUTCHINS—That is the one you have written a letter to and he has not written back yet?

Mr Angley—The sequence was that he was reported in the press. We asked our regional office to contact him because they had dealt with him throughout the project. He advised them that he was seeking legal advice on the issue. I waited a few days, got some advice from the regional officer. They had not heard again from him so I wrote to him offering him the method by which to make the payment if he decided to go that way. We have not heard from him since. My letter was on 2 May.

Mr Carmichael—To be specific, that letter was not in relation to the final payment. It was in relation to the media speculation, the separate process around him finalising his project in his final report to us.

Senator HUTCHINS—Are we likely to get an ethanol plant in Gunnedah?

Ms Page—That is not the subject of this particular project. We could not speculate on whether or not that is likely, I am afraid.

Senator HUTCHINS—It does not look like it to me. I have some other questions but I think there are others, who have questions, too.

CHAIR—Thank you. Senator Boswell has had to go, so Senator McGauran?

Senator McGAURAN—I yield to Senator Barnett.

CHAIR—In that case, I am sorry, but Senator Macdonald is representing Senator Heffernan, so Senator Macdonald.

Senator IAN MACDONALD—I know this has been the subject of media comment but I have not understood it. The department knocked back the dead tree proposal. Mr Rudd committed on 16 November to saying this:

... it must pass through three stages ... Number one: for anything to be considered by us under this program, it would need to have the endorsement of either a) the local council; b) the local area consultative committee; or c) the State government.

Secondly, it would need to form part of that community's local economic or community infrastructure and thirdly it would then need to pass the departmental seal of approval in order for it to proceed.

JOURNALIST: So ministers wouldn't be able to overturn the recommendations of the department, is that what you're saying?

RUDD: According to the three stage process I've outlined, absolutely ...

How could you then approve, without it going to the department, a project that has already been rejected by the department?

Senator Conroy—I did mention this earlier. Unfortunately, you have got some wrong information. The project was initially put into the department and it was withdrawn. It was never rejected. I think that is perhaps where the confusion is. The department never rejected it. A second project was then put in and was still under active consideration when we went into caretaker period. This argument that you have been hearing, which has unfortunately confused you, that it was rejected, is not actually factually accurate. The department will confirm this.

Senator IAN MACDONALD—It has been approved by the department. You have indicated you are going to fund it anyhow.

Senator Conroy—No.

Senator IAN MACDONALD—You are not going to fund it?

Senator Conroy—No, what we have said consistently is we were going to deliver on our election promises. But let me just take you through the debate about the tree. I am happy to have the debate about the tree because—

Senator IAN MACDONALD—I would rather you answered my questions.

Senator Conroy—I am going to give you the answer that I want to give, not necessarily the one you want to hear.

Senator IAN MACDONALD—No. You are required to answer my questions, not just wander off and have a little bit of a talk to yourself.

Senator Conroy—Let me be clear. Your former environment minister and good friend, Senator Ian Campbell, placed the tree on the National Heritage List in 2005. It was listed because the site of the Tree of Knowledge adds outstanding heritage value to the nation. Your environment minister did this.

Senator IAN MACDONALD—You have said that twice, thank you. I heard you the first time.

Senator Conroy—No, let us be clear. In relation to the National Heritage listing the *Courier-Mail* reported on 28 January 2006:

Heritage and Environment parliamentary secretary Greg Hunt said the 150-year-old tree, 1000 kilometres northwest of Brisbane, had played a major role in Australia's political and regional history.

Federal Member for Maranoa Bruce Scott said he was pleased to see this historic symbol awarded such an honour.

Senator IAN MACDONALD—My question was: has the department approved it? This is all very interesting but you are here to answer our questions, not to talk to yourself and hear the sound of your own voice.

Senator Conroy—Ian Campbell stated in his press release of 20 May, ‘Regardless of your political beliefs’—

Senator IAN MACDONALD—Has the department approved it?

Senator Conroy—‘Regardless of your political beliefs’—

Senator IAN MACDONALD—Has the department approved it? What do you not understand about those words?

Senator Conroy—Are you going to allow me to answer the question the way I see fit?

CHAIR—The minister is trying to answer.

Senator IAN MACDONALD—Talking about Ian Campbell, who is a great fellow, but I want to know—

CHAIR—I did hear you ask the same question about six times. I know that the minister was halfway through opening his mouth and you repeated the question. Could you give the minister a chance?

Senator Conroy—I will just finish this one bit and I will—

Senator IAN MACDONALD—I am not interested in Ian Campbell, lovely fellow though he is.

Senator Conroy—And good friend of yours I know, but let us be clear. He said, ‘Regardless of your political beliefs the Tree of Knowledge is a significant site in Australian political history’—

Senator IAN MACDONALD—Has the department approved it? Which words do you not understand?

Senator Conroy—‘and rural Queensland and most Australians would condemn this act of vandalism.’

CHAIR—The minister is trying to answer. Please carry on with your answer.

Senator Conroy—You are again confused, not just because you were wrong about the basis of your question before—

Senator IAN MACDONALD—Thank you. I have been confused much of my life. I do not need you to tell me. What I do need you to tell me—

Senator Conroy—You were also wrong about your question—

Senator IAN MACDONALD—What I do need you to tell me is has the department approved it?

CHAIR—The minister is trying to answer you. Please extend to him the courtesy of listening to the answer to your question?

Senator IAN MACDONALD—I will take you up on that. We have a limited amount of time here. We are asking questions of the minister and we expect him to either say, 'I cannot answer; I do not know; I will take it on notice,' or give the answer. Talking about something he might want to talk about is not what this process is all about.

CHAIR—I believe the minister is attempting to answer your question.

Senator Conroy—The premise of your question is unfortunately flawed. You keep asking: has it been approved? The department does not approve projects. It makes recommendations. Let us be clear that your original—

Senator IAN MACDONALD—Have they recommended it?

Senator Conroy—Your original premise was wrong.

Senator IAN MACDONALD—Have they recommended it?

Senator Conroy—Your subsequent premise for your question was wrong.

Senator IAN MACDONALD—Have they recommended it?

CHAIR—I must ask you one last time, you are asking the same question repeatedly. You have a habit lately of interrupting and I appreciate you may have some frustration but if you allow the minister to at least get past three or four seconds before you ask the same question again and talk over him while he is speaking. Minister, you are attempting to answer Senator Macdonald's question.

Senator Conroy—I actually am attempting to because Senator Macdonald has unfortunately been given some wrong information and I am trying to give him the information to allow him to perhaps formulate his next question. You unfortunately do have some wrong information. I will just keep going.

Senator IAN MACDONALD—I am asking you if the department has recommended it?

Senator Conroy—On 15 November 2000 the Labor Party committed \$2.6 million to the project. It is an election commitment.

Senator IAN MACDONALD—2000?

Senator Conroy—Federal funding will establish ongoing protection of the Tree of Knowledge and establishment of a memorial at the site.

Senator IAN MACDONALD—Did you mean 2000?

Senator Conroy—I said on 15 November 2007.

Senator IAN MACDONALD—2007.

Senator Conroy—That is an election commitment. We could not be clearer about this. I know you are going to regret asking this, but we are going to deliver all of our election commitments. The project that we have committed to supporting are different from the original project that an application was put in for and then withdrawn. Because of information you have been given, the premise of your questions is unfortunately—

Senator IAN MACDONALD—The department has not recommended funding of this dead tree at the moment.

Senator Conroy—As I said, when we hit caretaker period an application on this was still under active consideration. It has never been rejected by the department. But this then moves from an application under your previous program to a Labor Party election commitment.

Senator IAN MACDONALD—As of today has the department recommended that project?

Senator Conroy—The department is not vetting election commitments.

Senator IAN MACDONALD—Oh, thank you.

Senator Conroy—The election commitments are the election commitments.

Senator IAN MACDONALD—What program are the election commitments being funded out of, Minister?

Senator Conroy—It is an election commitment. I am advised it is from the Better Regions Program.

Senator IAN MACDONALD—Is this the program about which Mr Rudd said on 16 November, as I repeated before:

... thirdly it would then need to pass the departmental seal of approval in order for it to proceed.

... ..

RUDD: According to the three stage process I've outlined, absolutely ...

Senator Conroy—Unfortunately you are being a little cheeky, like Senator McGauran was yesterday, because the question was quite specific. Unfortunately you have not given the whole quote. I have read all of that transcript thanks to Senator McGauran's insistence that I should, and unfortunately Mr Rudd was referring to a different program. This is a different program that we are talking about.

Senator IAN MACDONALD—I see.

Senator Conroy—This is being funded under a different program.

Senator IAN MACDONALD—So Better Regions funding, which you just conceded this would come from, does not require the departmental approval if Mr Rudd makes a commitment.

Senator Conroy—The election commitments will be funded. I know that might come as a shock to a party that lived off core and non-core election promises. We have no non-core. All of our election commitments will be delivered.

Senator IAN MACDONALD—I can name one if you want to go into that, the means test on solar panels just for one.

Senator Conroy—All of our election commitments are being delivered.

Senator IAN MACDONALD—This is coming out of the Better Regions Program, but it will not have to go through the departmental approval process or recommendation process if Mr Rudd happens to promise it as an election commitment for this year, the next year or the following year?

Senator Conroy—Let us be clear. Our election commitments are our election commitments. There is no shock here.

Senator IAN MACDONALD—Why was there such a shock in relation to Mr Howard's commitments in the Gippsland electorate, which were pilloried by your party right, left and centre? They were election commitments and yet we heard the argument I am now making to you that they have never been through the department. How do you explain that inconsistency, Minister?

Senator Conroy—We gave a public commitment that we would do this project, and that is exactly what we are doing.

Senator IAN MACDONALD—Explain to me how when Mr Howard made an election commitment, according to the Labor Party's high dudgeon response, it had to go through the department. How dare he do that? But when Mr Rudd does it, it is all right. Is that the process?

Senator Conroy—Senator Macdonald, you seem to be confused and introducing things that have got nothing to do with senate estimates, nothing to do with senate estimates.

Senator IAN MACDONALD—If they are coming out of the Better Regions Program, they have got everything to do with the estimates, everything to do with it. I think most reasonable observers would realise the absolute hypocrisy of your position, so let me move on.

Senator Conroy—It may be hypocrisy for you to deliver on your election promises and that is how your government behaved. It is one of the reasons that the Australian public voted for us, because we are going to deliver our election promises.

Senator IAN MACDONALD—You say we were terrible at making election commitments and then delivering on them. You accused us of being wrong because the department did not approve them and yet you are doing the same thing yourself. I think a fair observer will understand the hypocrisy. Let me move on about the dead tree. What is the process? When are the funds going to roll? Who are they going to roll to?

Ms Page—The government is currently finalising the guidelines and the arrangements for the Better Regions Program and it is going to make an announcement on those projects and the processes shortly.

Senator IAN MACDONALD—Hang on, the decision has been made. There is no process here. The decision has been made to fund them.

Senator Conroy—The arrangements as well as process.

Senator IAN MACDONALD—The arrangements as well as the process. This is going to be fascinating.

Senator Conroy—Watching us deliver our election commitments?

Senator IAN MACDONALD—No. I fear for the public servants.

Senator Conroy—I agree it is going to be fascinating. It is a show stopper, in fact.

Senator IAN MACDONALD—I fear for the public servants.

Senator Conroy—The public are going, ‘Oh my God, after 11½ years a government is delivering its election commitments.’

Senator IAN MACDONALD—It could not get the nod before. It was so bad it was withdrawn. Tell me about the Dysart sports project.

Senator Conroy—Was it an election commitment?

Senator IAN MACDONALD—I thought it was also an application for the regional partnerships which did not get a favourable response. I am choosing my words carefully. Perhaps it was also withdrawn.

Ms Page—We do not have those projects that were still under consideration.

Senator Conroy—As far as you are aware, it was not rejected? I am happy for you to take it on notice.

Senator NASH—I can remember having this discussion at last estimates and there was a very clear understanding that it had been rejected.

Senator IAN MACDONALD—That is my recollection.

Senator Conroy—I am going to hand it to the officials at the moment.

Ms Page—We have to take that on notice.

Senator IAN MACDONALD—I do not recognise the faces.

Senator Conroy—New program.

Ms Page—I am sorry?

Senator IAN MACDONALD—I do not recognise the faces at the table. Is this a completely new department, new branch or new division?

Senator Conroy—New program.

Ms Page—We have combined two divisions. We used to have a Local Government, Territories and Natural Disaster Division and we lost the Territories and Natural Disaster function to the Attorney-General’s portfolio, so we combined our regional and our local government functions into a single division, which Mr Angley heads. As I indicated yesterday in the statement, we have had a change of personnel consistent with some of the changed functions and different emphasis that the department has, consistent with the government’s priorities.

Senator Conroy—That is a fair position.

Senator IAN MACDONALD—I understand Senator McGauran and others of my colleagues want to ask questions, so I will wait my turn and come back after this other question. Minister, can you or the department tell me if the minister or the parliamentary secretary has issued instructions to the department or to area consultative committee staff not to talk to members of parliament, local government, the media or any other group or individual about individual projects under the regional partnerships which have been abolished?

Ms Page—In relation to the department, I am not aware of any instructions. However, we exercise the normal protocols in relation to the way in which we converse with the press. We have a structure for doing that. There are no rules that I am aware of about contact with ACCs or project proponents. Indeed, a large part of our time is spent doing just that. I cannot speak for instructions that may have been given to anybody else.

Senator IAN MACDONALD—What you are telling me is that no instructions were given to you by the minister or the parliamentary secretary, but you are also telling me that you did not give instructions to the ACCs not to talk to members of parliament?

Senator Conroy—I am happy to take on notice what you asked about the minister or the parliamentary secretary?

Senator IAN MACDONALD—I am just eliminating the department first of all.

Ms Page—I certainly gave no instructions to ACCs, nor would I.

Senator IAN MACDONALD—Neither you nor any of your officers?

Ms Page—Certainly to the best of my knowledge no staff member has and I would be extraordinarily surprised if they had, because it had no authority.

Senator IAN MACDONALD—I just want to eliminate you as a suspect.

Senator Conroy—I can take on notice your question. I have no information on that.

Senator IAN MACDONALD—You have no information.

Senator Conroy—Are you alleging that there is?

Senator IAN MACDONALD—No. I am not alleging anything, but I wonder if the department knows if the minister or parliamentary secretary has issued that instruction.

Ms Page—No, I do not.

Senator IAN MACDONALD—Thank you, Minister, you will take that on notice and get back to me on that.

Senator McGAURAN—Can I go back to the dead tree?

Senator Conroy—I am happy to go back to the dead tree.

CHAIR—Senators around the table have been very helpful. I would just ask that we keep going on that agreement that we had prior to—

Senator Conroy—I know you are not in the National Party anymore, but do you remember Vaughan Johnson, the member for Gregory?

CHAIR—Minister! Minister! Minister, I cannot hear the senators. Senator Macdonald. Senator Macdonald, ignore what is going on, the banter between the minister and Senator McGauran.

Senator IAN MACDONALD—I will just finalise the ex-Tree of Knowledge. I think the secretary said 'shortly'. Did you give a time frame when the arrangements were—

Ms Page—I cannot confirm a time frame because I do not know, but the government is finalising the arrangements which will apply to the Better Regions Program and anticipates announcing those shortly.

Senator IAN MACDONALD—That is also the arrangements for the commitments they have already made as election promises. Will that be in the same lot of arrangements?

Ms Page—I cannot confirm how much the government wishes to announce when it makes announcements about that. That is entirely a matter for the minister.

Senator Conroy—If I could just table a photograph of a sapling of the Tree of Knowledge.

Senator McGAURAN—A sapling?

Senator Conroy—Yes.

Senator McGAURAN—I will take my photograph. I have got a stump. I do not know how it produced a sapling.

Senator Conroy—Sorry, a sibling, not a sapling.

Senator McGAURAN—Where?

Senator Conroy—It is a photograph taken on 7 April and it does contain a picture with a Mr Vaughan Johnson, the state National Party member for Gregory. You have probably forgotten him or washed him out of your mind, but I am sure Senator Nash knows who he is. I will just quickly table that for the committee.

CHAIR—Table that.

Senator IAN MACDONALD—You have not got a picture in response to any question I have asked. In fact if you had asked me I could have brought along my photo in front of the Tree of Knowledge taken about 20 years ago.

CHAIR—Senators! Senators! Senators, it is 10 to six. The dinner break is proposed for 6.30. Senator Macdonald, you have the call.

Senator IAN MACDONALD—I assume that the department is preparing the guidelines, or are they being done in the minister's office? This is for the arrangements for your role, if any, in overseeing the promise to give the dead tree some money.

Ms Page—We have certainly provided advice to the minister on that issue.

Senator IAN MACDONALD—There will be two separate sets of rules for Better Regions for this bucket of money. One will be what happens hereon and the others are what will happen from the Better Regions Program for those announcements already made by the government without any support from the department in looking at their veracity or otherwise.

Ms Page—I could not comment on that question. The guidelines are ultimately a matter for the minister.

Senator IAN MACDONALD—I would assume, and correct me if I am wrong by way of question, that the guidelines will be written within the department, not in the minister's office?

Ms Page—The minister has responsibility for approving the guidelines and the minister has already made public statements saying that his regional programs will be consistent with the ANAO Better Practice Guidelines and with the provisions of the Financial Management Act.

Senator IAN MACDONALD—Who is the relevant minister? Is it the minister or the parliamentary secretary?

Ms Page—The minister is responsible ultimately for approving arrangements in relation to programs. Certainly he has, as an administrative decision, asked Parliamentary Secretary Gray to manage regional issues on a day-to-day basis.

Senator IAN MACDONALD—I know you, the department, and the various ministers including Senator Conroy are struggling a bit because none of you have seen a charter letter yet, so it makes it very hard. Is it the parliamentary secretary that will be responsible for the Better Regions Program?

Ms Page—That is a matter for the minister to announce when he announces the arrangements which will apply to the Better Regions Program.

Senator McGAURAN—That photo—

Senator Conroy—I will tell you where it is in front of.

CHAIR—Minister, just ignore his comments.

Senator Conroy—No. I think it is important.

CHAIR—We have 40 minutes until the dinner break.

Senator Conroy—At a meeting on 7 April at the Barcaldine Shire Council chambers—

CHAIR—Senator Macdonald, you have the call.

Senator McGAURAN—Chair—

CHAIR—Senator McGauran, your colleague has the call. Senator Macdonald.

Senator IAN MACDONALD—Can you tell me what happens to commitments that have been made under the Regional Medical Infrastructure Fund?

Ms Page—We are continuing to administer contracted projects under that program and those for which contracts had not been made or for which funds had not been approved, and the money that goes with it, had been transferred to the health portfolio.

Senator IAN MACDONALD—It will be a health portfolio responsibility?

Ms Page—There is a list that the minister has tabled which indicates those projects that have been transferred to the health portfolio and we are continuing to administer those that are currently underway and will do so until they have completed their payments.

Senator IAN MACDONALD—Until they have completed their payments?

Ms Page—Yes. There seemed little point in transferring projects which were underway mid-way through a contract, so we agreed with the health portfolio that we would retain those, but future ones would be administered by them.

Senator IAN MACDONALD—New applications will be called by the Health Department, rather than you?

Ms Page—That is correct.

Senator IAN MACDONALD—Are the guidelines for those programs going to continue as is?

Ms Page—That is a matter for Minister Roxon.

Senator IAN MACDONALD—Are you aware of any announcement being made?

Ms Page—No. I am not aware of any.

Senator ADAMS—Can I just ask a question on this particular aspect?

CHAIR—Sorry, Senator Adams, is it only one question on this?

Senator ADAMS—Yes. It is just to get a clarification. Apart from the ones that you are keeping and you have got the funding for, for the others will the actual submissions be handed over to the Department of Health and Ageing?

Mr Carmichael—We are in the process of negotiating that with the Department of Health. They want to receive those applications. Again, we are seeking advice on the confidentiality nature of those submissions, but once we have got approval from the proponents we would pass them over to the Department of Health.

Senator ADAMS—I am very pleased to hear that because the effort that goes in from a rural community to get these submissions up is huge and just to see that thrown out would be unthinkable. I will comment about the others later, but the medical ones I am very interested in.

Mr Carmichael—We are working very closely with the Department of Health to facilitate the transfer of the program over to them. They were already involved with that program because they had to give advice on projects. It is much more administratively efficient that they do not only the assessment and take the projects, but give advice on how it fits with other health infrastructure. We always had to seek their advice anyway, so this is a more efficient administrative arrangement that they manage the program.

Senator ADAMS—And the residue of the funding goes to them?

Mr Carmichael—Yes.

Ms Page—The funding was transferred in the budget.

Senator ADAMS—I saw that. Thank you.

Senator IAN MACDONALD—Were there forward estimates for the Regional Partnerships Program last year?

Ms Page—Yes. There were forward estimates.

Senator IAN MACDONALD—What sort of money is involved? Do you have the figures in front of you? I am sure they are in the books.

Mr Carmichael—From the recent budget it is \$17.2 million. We still have forward commitments as we have talked about. There are still live projects that we are managing.

Senator IAN MACDONALD—No. I was really meaning last year's forward estimates. What was projected under last year's budget to be spent in 2008-09 on Regional Partnerships? You have got them in those books somewhere. I have not got my books with me.

Ms Page—The portfolio budget submissions the savings which are going to be returned to the budget, which is \$22.8 million in 2008-09, \$69 million in 2009-10, \$66 million in 2010-11, and \$67 million in 2011-12.

Senator IAN MACDONALD—You rightly point out that they are shown as savings on last year's forward estimates, so it really means that the amount available for these programs is being reduced by those figures, \$22.8, \$69, et cetera, over the out years?

Ms Page—That is correct.

Mr Carmichael—That includes departmental costs as well. That is administered and departmental.

Ms Page—Yes. That is the total.

Senator IAN MACDONALD—Effectively the Better Regions Program is substantially smaller financially in money terms than the—

Mr Carmichael—It has got its own separate appropriation.

Ms Page—The government has committed a total of \$176 million.

Senator IAN MACDONALD—Are you saying if you add that to what is still being spent under the Regional Partnerships that is, in aggregate, a greater amount?

Ms Page—I have not said that. I would have to add it up, but I think that is probably correct.

Senator IAN MACDONALD—There continues to be a line item for Regional Partnerships.

Ms Page—Yes. There is a line item because of the residual costs of the program.

Senator IAN MACDONALD—Is that the annual payments over the next three or four years?

Mr Carmichael—There are payments to 2009-10 totalling \$117.127 million.

Senator IAN MACDONALD—So, the \$117 million is not just for 2008-09?

Mr Carmichael—No. It also goes out to 2009-10. There is \$2.5 million in 2009-10 and there is \$41.4 million in 2008-09 and \$73 million in 2007-08.

Senator IAN MACDONALD—And what is the funding for Better Regions?

Mr Carmichael—Would you like it year by year? The funding for Better Regions is \$176.026 million over 2007 to 2011, for four years.

Senator IAN MACDONALD—Is the major cities unit involved in this same area of the department?

Ms Page—The major cities unit is to be co-located with the staff that will support Infrastructure Australia in our Sydney office.

Senator IAN MACDONALD—Will it come within the Better Regions Program?

Ms Page—No. It will have a role more in relation to dealing with some of the expenditure that the government has committed in relation to urban feasibility projects and assessing infrastructure and other needs in cities.

Senator IAN MACDONALD—Will the major cities unit be responsible for any grants at all?

Ms Page—Not at this stage, no.

Senator IAN MACDONALD—Do you have details of things like staff employed?

Ms Page—Not at this stage. We have not even got to that stage.

Senator IAN MACDONALD—Is it intended that there will be a board appointed for these major cities units?

Ms Page—No. It is an administrative unit which will work with our Infrastructure Australia staff in Sydney.

Senator IAN MACDONALD—It is a departmental thing?

Ms Page—It is a part of the department, yes.

Senator IAN MACDONALD—Do you have a definition of what constitutes a major city?

Mr Carmichael—In announcing the major cities unit, the minister talked about the capital cities, but included regional centres like Townsville, Geelong and Newcastle. It is still to be worked through.

Senator IAN MACDONALD—I am sorry?

Mr Carmichael—They are still working it through, but he did mention those other centres when he talked about major cities.

Senator IAN MACDONALD—I was going to ask the minister when we could expect that list. Here he is. Call of nature, Minister?

Senator Conroy—Thank you for your forbearance.

Senator IAN MACDONALD—I got to you at the wrong time.

Senator Conroy—I am sorry. Your question?

Senator IAN MACDONALD—We are talking about the major cities unit. I was just inquiring as to what a major city might be. I have been told that the minister has indicated a number of cities would be major cities, but you are still working on it.

Senator Conroy—The establishment of the major cities unit was announced by Minister Albanese on 30 April.

Senator IAN MACDONALD—Hang on, you have come in at the end of it.

Senator Conroy—The MCU will cover the eight capitals of Sydney, Melbourne, Brisbane, Darwin, Adelaide, Perth, Hobart and Canberra, as well as critical regional centres such as Townsville, Newcastle, the Gold Coast and Geelong.

Senator IAN MACDONALD—Is that exhaustive.

Mr Anglely—No.

Senator Conroy—I got the impression from the words there that it is not.

Senator IAN MACDONALD—That is where we got up to when you came back. Do you have any idea of when that is likely to be finalised?

Ms Page—Certainly early in the next financial year, which is the period from which the department has allocated money for this.

Senator IAN MACDONALD—Are there criteria for a major city?

Ms Page—They are all issues that we still need to discuss with the government and receive advice on. An amount of money has been committed to this.

Senator IAN MACDONALD—Was the Major Cities Program an election promise or is that something that has just arisen in the budget?

Senator Conroy—As a little bit of extra information, some of the criteria will be based on need and growth rates.

Senator IAN MACDONALD—I am sorry, need and growth rates?

Senator Conroy—Yes. They are a couple of the components, just to give you as much information as we have available.

Senator IAN MACDONALD—Can you let me know why a city with growth rates is being especially dealt with, as opposed to a large regional town with particular growth rates?

Senator Conroy—I am happy to seek further information and, if it is available before the end of the evening, get it to you, otherwise I will take that on notice. I am happy to try and get it.

Senator IAN MACDONALD—Do you understand what I am seeking? There is, as I might suggest, an appropriate focus on cities that are rapidly expanding and need assistance, but what about regional towns that are expanding and need assistance? Will they come within the same purview?

Senator Conroy—We have not finalised the actual criteria at this point, so I am sure we will pass on to the minister your question around that and allow him to consider that when he finalises the criteria.

Senator IAN MACDONALD—At this stage there is no money in this program; it is just a unit of the department.

Ms Page—There is no administered funding for this. It is not an administered program, it is an administrative unit within the department to undertake work.

Senator Conroy—This is something new that we are developing policy on in this area. For nearly 12 years there were no policies around this. We appreciate your genuine interest in it.

Senator IAN MACDONALD—Finally, I have a question for you, Minister. Can you indicate what it was that changed the mind of the minister who very publicly said that all of these 115 would not be funded to the announcement on *Sunrise* the other—

Senator Conroy—To be fair to the minister, he actually indicated himself. He said that they are taking a common-sense approach and that was the reason that they decided to go down this path. I think the minister was fairly straightforward and up front about it.

Senator IAN MACDONALD—Suggesting that when he made the decision to axe these projects it was an uncommon-sense approach?

Senator Conroy—I think the issue of projects that had already started expending money and had been in contract discussions are some of the factors that would have weighed on the minister's mind. To his credit he said, 'We are applying a common-sense principle here and we have decided to go down this new path.'

Senator IAN MACDONALD—I have to say it is yet another back flip, but in this case it is one that we are happy to see.

Senator Conroy—I will put that on the record.

Senator IAN MACDONALD—It is a pity he did not maintain the position on the dead tree, but anyway, that is another—

Senator Conroy—There was never a position on the tree as we have now established categorically.

Senator IAN MACDONALD—Yes, there was.

Senator Conroy—Not according to the departmental officials.

Senator IAN MACDONALD—I have a lot of questions that I will be placing on notice, but I will concede to other colleagues.

Senator HUTCHINS—Thank you. I have a question to ask in relation to the Dairy Regional Assistance Program in relation to a company called Indigo Cheese. I understand this company folded in March 2007. It was the subject of a grant of up to \$426,000-odd, yet it received a final instalment on this grant of \$22,125 on 28 June 2007, almost three months after the factory had closed down. How does that happen?

Ms Page—I will ask Mr Carmichael.

Mr Carmichael—Yes, I will answer that. Again, they met the milestones in the contract. We sought legal advice. The legal advice is that we cannot withhold a payment if they had met the milestones due to their business difficulties. The legal process for us now, and we are pursuing this process, is to investigate whether—

Senator Conroy—You wrote a contract, so even if a company closed down you still had to give them money, Senator McGauran?

Senator HUTCHINS—This is for us to ask questions. I cannot understand, as most Australians would not, how a company that has been a recipient of a grant of nearly half a million dollars can still receive \$22,000-odd three months after it closed down. In fact when the company folded in March the three full-time workers and the one part-time worker were told to leave mid-shift.

Ms Page—We are required to act within the law.

Senator Conroy—You are required not to notice that the company has closed down?

Senator HUTCHINS—How do you get to a situation, Ms Page, where you just hand over this money to a company that has no business plan? Do you look at a business plan?

Ms Page—I do not know the details of the project.

Senator Conroy—Isn't there an ongoing value for money, like it has closed down!

Ms Page—It would really depend on what it was that the program funded, which may have been an aspect of the company's development. It may not have been the total value of the enterprise. I am just guessing. But as Mr Carmichael has said, we sought legal advice in relation to what our requirements are there and we are acting in accordance with that advice. That is a practice that we adopt with all projects which strike financial difficulties.

Senator Conroy—Senator Nash, have you got any idea how you could pay money to a company that has already closed down?

Senator HUTCHINS—Ms Page, I would like to know what the milestones were, because this company clearly met them if you gave them the payment three months after they closed.

Ms Page—We can provide that on notice.

Senator Conroy—That is a cracker of a contract. Are we still paying them any money? Is there any outstanding money we have to pay them?

Senator HUTCHINS—I do not know. Ms Page, have we still got money we owe them?

Mr Carmichael—No. The final payment has been made. The legal advice was that because the government is an unsecured creditor we have to pay the money. It needs to go through the proper bankruptcy processes. We have a call. We purchased some stainless churns and cheese making facilities that the company needed in order to employ a certain number of staff. It met all those milestones, so as there was doubt in the contract we were obligated to make the payment. Now we are seeking legal recourse about the closure of the business and there is a legal process proceeding now.

Senator HUTCHINS—We have got this company, Indigo Cheese. I am sure you will have to take this on notice. Have we got other companies or other people who were recipients of grants from the Dairy Regional Assistance Program that equally went bust and we still paid money to them after they had ceased operating?

Ms Page—We would have to take that on notice.

Senator HUTCHINS—Why would the Commonwealth not be a secured creditor?

Mr Carmichael—These are business arrangements. If we were to become a secured creditor these for-profit organisations would not be able to secure loans from banks, because banks would want to loan only on the basis that they were the secured creditor.

Senator HUTCHINS—Is it usual or unusual or should it have been the fact that if a company ceases trading and went broke that you are able to recover funds?

Ms Page—It really depends at what point they become insolvent and what the arrangements were. It is not unusual, certainly in my relatively limited experience with some of these grants programs, that over time project proponents do become insolvent. There is no guarantee that if the Commonwealth provides assistance for a project at some point in its life, it has a continued commercial future.

Senator HUTCHINS—Do you not think it might be a wise idea to be able to recover Commonwealth funds if these operations cease trading?

Ms Page—We do under certain circumstances, but certainly if a company becomes insolvent some time after a grant is concluded there is very little or limited scope in our experience to recover funds.

Senator HUTCHINS—In this case you gave them money three months after they had ceased trading.

Mr Carmichael—That was in compliance with our legal obligations.

Senator HUTCHINS—Which is the milestones; is that correct?

Mr Carmichael—Yes.

Senator HUTCHINS—Are the milestones similar in each project?

Ms Page—No.

Senator HUTCHINS—Who draws up the milestones?

Ms Page—The dairy program is a very old program, which predates all of us. It is many years old. That would have been a project that had a residual life that we were still paying out against. Indeed, I think there are very few Dairy RAP projects which we have obligations against.

Mr Angley—Dairy RAP began back with the changes to the dairy industry around Australia probably in 2000 or 1999.

Ms Page—2000, 2001, I think

Mr Angley—It started in the agricultural portfolio and was later transferred over to be included with Regional Partnerships.

Senator IAN MACDONALD—As you are all relatively new, could I suggest your department look up the file of the grant made under the Newcastle Structural Adjustment package to the call centre in Newcastle where these issues came up and in fact a mortgage was taken. That is just for your own benefit.

Ms Page—Thank you.

Senator IAN MACDONALD—This issue is something that has concerned me for a long period of time, but I have been unable to convince the department that it is—

Senator HUTCHINS—I would like to just make sure, and I am sure my colleagues do as well, that we never get ourselves into a position like this again where we are giving out money to people that no longer trade. And where did the \$22,000 go? I will bet that it has not gone to those employees. I wonder if they got paid out. It has probably gone straight into the skyrocket of Indigo Cheese company. I have not got any more questions on that.

Senator IAN MACDONALD—Senator Hutchins, can I just say to you that back in the days of Senator Richardson, some grants were made to a timber mill in Ravenswood which went broke and ended up in funny pockets. So it is a problem that has been around for a long time, but unfortunately the public service never seem to be able to cope with it. There is a way out of it, which I just mentioned.

Senator HUTCHINS—I just wonder why we are giving money to private companies?

Mr Angley—That was one of the features of the program.

Senator HUTCHINS—I would have thought that private companies should not be in need of government assistance.

Senator IAN MACDONALD—Isn't that a free enterprise system? You should look at the forestry package up on the Atherton Tableland when your government did it back in those days.

CHAIR—Before we get into cross-room banter, Senator Hutchins, have you got any more questions of the department.

Senator HUTCHINS—No, nor banter.

CHAIR—It is 15 minutes until the dinner break and I will now go to Senator Adams.

Senator ADAMS—Thank you. As I have had a great interest in Regional Partnerships for quite some time I would just like to mention to the department, which has been said before, the problems this has caused for our rural communities. A constituent drew my attention to a speech made on 20 November during the ALP regional policy launch by the Hon. Simon Crean, which was made in Ballarat. He commented that Labor takes a different approach:

Labor will not be throwing out regional programs, including Regional Partnerships, but we will be improving their accountability and transparency.

This was still on the website two days after the budget announcements, so that was very confusing for this particular constituent because they had still been working with the area consultative committees on their project. I just wonder if the website is checked very often.

Senator BARNETT—As of yesterday it was still on the ALP website.

Senator ADAMS—Thank you, Senator Barnett. The other part that I find very disappointing in the area that I come from in the great southern of Western Australia is that the area consultative committees were still working on submissions after the budget. I felt that was really unfair to those community organisations who had put forward their applications for funding. What sort of instruction was given to the area consultative committees?

Ms Page—The advice that Senator Nash read out earlier, which was the advice we gave at the February estimates, that the government was considering the future administrative arrangements was the advice that was put out in correspondence, in telephone calls and in response to inquiries, and I believe the minister also used that wording himself.

Senator ADAMS—As far as I am concerned it is my constituents that are being affected here. I am very close to the area consultative committees in the wheat belt of Western Australia, the southwest and of course the great southern. I meet regularly with them and the projects that I have written letters of support for have not been rorts. I have one constituent who rang me and I will quote what was said. This is a project in Mount Barker which I would like to speak about in a few minutes when I have gone over these other comments. I just find this hard when constituents or others have got submissions in and their only response is a letter from the parliamentary secretary saying that their submission was really dead.

My comments are from Anderson Duffy, the chairman of the Mount Barker community centre. They have a very good project there and of course are absolutely devastated that it has

not been reconsidered. The comment was by the assistant adviser to Minister Albanese, Moksha Watts, who spoke to Anderson Duffy. He said that he received a call from the minister's office from this person:

She dutifully pointed out that the Regional Partnerships Program was found to have been riddled with rorts and so it had to be closed down.

This organisation sold land to take up a lease with the Plantagenet Shire Council. Their money was all in order and everything was going very well. They were also doing work for FaCSIA and working very closely with 400 Noongah people in that region. It is a very valuable organisation. But the reason I am raising this is that I feel it is an absolute insult for a minister's assistant adviser from a minister's office to say that. Is that the way that everyone really thinks about these programs? I will speak on behalf of the Western Australian local governments, who have really supported these programs. I support the rural areas and have spent a long time there. I just think that is an insult. These people are not rorting the system. You had the audit and you found the rorts.

CHAIR—Is there a question, Senator Adams?

Senator ADAMS—There is. I have asked is this the normal process from a minister's office.

Senator Conroy—I am sure the constituents that you have been talking to are disappointed. I am sure they would be disappointed if they read that Auditor-General's report. The reason this program is gone is the rorts engaged in by the previous ministers, staffers and people involved in it, including some people sitting at this table. We have had three examples here today, the turtles, the cheese factory that went bankrupt and the ethanol plant that still does not exist. They are just three of the many examples that the Auditor-General highlighted. If you are looking to try to explain to these genuine people about their genuine applications and what has gone wrong, point the finger where it genuinely is deserved, and that is the people who engaged in pouring money into inappropriate projects simply on a political whim, because they are the people who have actually caused your worthy projects to be denied funding. The Auditor-General has been absolutely clear on this. There are three projects tonight we have highlighted where there can be no justification for the program and the lax administration of this regional rorts effort. I have absolute sympathy for the people you are describing. It is they that have been let down by the people who used to run this program.

Senator ADAMS—Minister, do you consider that would be a standard answer from a minister's office?

Senator Conroy—Good projects will survive the test of time. The Audit Office said:

A feature of the program's administration was the frequency with which practice has departed from the published program guidelines and documented internal procedures.

Senator ADAMS—I am fully aware of that. My question is: is a suitable way for a minister's office to reply to someone who has had their project dismissed?

Senator Conroy—Some honesty from others involved in this process would have been useful. If you are saying to me it should not have been explained in the manner it was, I would disagree because I think it is important that people understand exactly where the fault

lay on this one, and the fault lay with people who rorted this program under the previous administration. They have cost your constituents a genuine chance to get access to this funding because it has had to be closed.

Senator ADAMS—Could you take on notice the number of rorts that have been discovered by the audit and how many Regional Partnerships funded projects and projects that have been in the system have not been rorted? I have had a number of local government people ring me and just say how disgusted they are that they are all considered to be rorters. I can assure you that I spend a lot of time going through the projects that I actually endorse. There is no way that I will write a letter of recommendation to any project that I have not gone through and looked very carefully into.

Senator Conroy—I can only congratulate you, Senator Adams, on your genuine thoroughness. Unfortunately that is not the way the rest of the program was administered. You do not have to look far to the questioning of this right across the last few years in both question time, in Senate estimates, in investigations by Senate committees and the Auditor-General where people have not been diligent and honest like you have been in their involvement in this program. If you want to have words with people who have cost genuine projects like the ones you are describing their funding, have a look at some of the people who have been sitting around you in the last few years. They are the ones who have ensured this program hit the fence. But the new process does allow for genuine projects, like the ones you have described, to be fairly assessed. There are 86 of them. There is a program that we have talked about into the next funding year. I think that is right.

Mr Angley—Yes.

Senator Conroy—We have a new project that is going to be properly and fairly administered, as opposed to rorted, senselessly, like this one was, by the previous administration. Senator O'Brien, you might want to help me here. Senator Eggleston was at one stage sitting in a room with officials helping decide what programs to fund. That is one of my recollections of this program. If you want to talk about who was responsible for helping this program hit the fence, have a chat with Senator Eggleston from your own state and get him to explain his role in the allocation of previous funding.

Senator ADAMS—I do not know about that, Senator Conroy. I am just putting forward—

Senator Conroy—If you do not want to be honest with the people that you are here championing, because it is a little embarrassing for Senator Eggleston and the government, I think everybody should be asked to have a read of this Auditor-General's report. Tell them about Indigo Cheese. Tell them about the ethanol plant. Tell them about the turtles.

Senator IAN MACDONALD—The question from Senator Adams was: do you agree that the minister's office calling honest people crooks is appropriate?

Senator Conroy—That is not what happened and that is not what Senator Adams said.

Senator IAN MACDONALD—I am paraphrasing.

Senator Conroy—I will paraphrase. You have put words in Senator Adams mouth. She did not make such a statement.

Senator IAN MACDONALD—What was it?

Senator ADAMS—I have had enough of words being put in my mouth.

CHAIR—Senator Adams is quite capable—

Senator IAN MACDONALD—Yes, but she is not getting the answers.

CHAIR—Senator Adams is quite capable of asking her own questions.

Senator IAN MACDONALD—She is very capable.

CHAIR—She is hearing the answers.

Senator Conroy—She has asked genuine questions.

CHAIR—Senator Adams.

Senator IAN MACDONALD—But she is not getting the answers.

CHAIR—Senator Adams, you have the call and it is now five minutes before the dinner break.

Senator ADAMS—I realise that. The actual question was regarding the comments from the minister's office, which did upset my constituent. From the 494 submissions that have not been given the same opportunity as the others, the question I would like to ask is about the process that was followed. Obviously, I have had it explained to me that the group of 86 projects were at a different stage in the process.

Senator Conroy—Yes. That is right.

Senator ADAMS—What my constituents and I find so hard is the fact that they have gone through all the effort of getting their projects up to the area; they have gone through the area consultative committee and their own area consultative committee to be put forward. They have probably been pruned a little bit or helped in some way so that they meet the guidelines. They have got up to the department and then all of a sudden some have been successful and others have not. So, I think it is very disappointing for the 494 who have not been given the same opportunity. Can you advise the process taken over all of the submissions that had actually got themselves to Canberra?

Ms Page—The 115 that have been referred to had been assessed by the department, considered by the ministerial committee and approved for funding. The 494 had not gone through that process, they had just been received by the department, so they were applications that had been received, but not assessed or a recommendation provided to the minister.

Senator Conroy—When we hit caretaker.

Ms Page—Yes.

Senator ADAMS—With all that work that has been done, like the medical infrastructure submissions that are going over to DoHA, why are these ones not able to perhaps go to the next area for the funding?

Senator Conroy—The program has been terminated.

Senator ADAMS—I know it has been terminated.

Senator Conroy—As I indicated a moment ago a new program will be in place in the 2009-10 budget.

Senator ADAMS—All that work that has been done in a situation such as I have—

Senator Conroy—Firstly, I would like to add some information. I understood the minister's office was going to get back with some further information for the constituents you raised earlier. My understanding is that they were going to get them some further information and there is some new information, as I have just described, which I am sure the minister's office will communicate to that constituent. But let me be clear again, if you want to talk about who has been let down, you need to talk about the people who engaged in this systematic rorting of this program. I have absolute sympathy for the individuals you are describing. They have been thoroughly let down because of the disgraceful behaviour as identified by the Auditor-General, and no-one on this side of the table was involved in it.

Senator IAN MACDONALD—You should not be talking about the public servants sitting around you.

Senator Conroy—I am talking about a range of your colleagues. I have made no mention of any public servant.

Senator IAN MACDONALD—You are saying the people who administered the program, so be careful of your words. You are accusing your public servants of outrageous conduct.

Senator Conroy—As far as I am concerned the minister administered the program, along with his friends, associates and cronies. If you want to raise these issues I have the absolute sympathy for the genuine people who genuinely worked hard to put in an application for this program. They did not know that they were being put into a rorted process and I have absolute sympathy for them. Let us be clear—

CHAIR—I am sorry, Minister, it is now 6.30 and we will take an hour break for tea and we will see everyone back here at 7.30. Thank you.

Proceedings suspended from 6.30 pm to 7.30 pm

ACTING CHAIR (Senator Hutchins)—We will resume. Senator Adams?

Senator ADAMS—Minister, would it be possible for me to have the number of Western Australian projects that have been cast aside?

Senator Conroy—Could you have what?

Senator ADAMS—They have been told no more, that is it; they will not be reviewed, and that is the end.

Senator Conroy—I think you may not have been here when we discussed this. What we are doing, in the past program, allocations that are passed have obviously been public information. In the past, applications that have failed and the previous government's policy was not to release them on the basis that it might be a little embarrassing—

Senator ADAMS—That is fine, I just want the number.

Senator Conroy—No; so there is a grey area around ones that were never assessed. We are writing to all of those asking them if we can release that information to the Senate committee. They are happy and comfortable.

Senator ADAMS—That is not the question; I just want to know the number.

Senator Conroy—No, I am just giving you the background, because you were not here.

Senator ADAMS—I was here; I heard that.

Senator Conroy—But I do not think we actually have that information at the table, so I am happy to take that on notice.

Senator ADAMS—Take it on notice?

Senator Conroy—Yes.

Senator ADAMS—Thank you very much. On a specific project, I would like confirmation that the Gnowangerup Community and Medical Centre project is a medical infrastructure project of the Western Australian Great Southern Area Consultative Committee; and has that gone across to DoHA?

Mr Angley—Sorry, could you say that again please?

Senator ADAMS—It is very difficult; it is called Gnowangerup; it is one of the number of 'up' places in WA.

Ms Page—No, senator, that has not been passed across. We are not aware of the status of that project.

Senator ADAMS—Well, we have huge problems associated with that one. It is a small community in the Great Southern, the problem being they have a medical centre that is full of asbestos. They have a doctor and a pharmacist in the town; they are the only doctor and pharmacist—the catchment is huge—for that particular area.

Mr Carmichael—Senator, if it is application, we are negotiating for all the applications to go across, but it does not seem like it is an approved not contracted project. So, it is not that it will not go across; it is just that we are in the process of negotiating all the RMIF applications, and they will all go across once we have permission from the proponents to send them across.

Senator ADAMS—This one worries me because it is a community centre, and it was under the Regional Partnerships, but it also has the medical centre involved with that community centre.

Ms Page—It could be that it is an RP project rather than an RMIF one.

Senator ADAMS—I think it is.

Ms Page—Particularly if it involves removal of asbestos. I think we will just have to take that one on notice to tell you the status of that project.

Senator ADAMS—It is a very important one, simply because the medical centre was to be involved with the library, toy library, telecentre and complementary medicine, but the underpinning of that one, because of the asbestos, is the fact that, if the doctor is no longer resident and working in Gnowangerup, the pharmacist will no longer be there, and as with all rural communities, the pharmacist is reliant completely on a doctor. If the doctor is not in town, they lose the pharmacist as well. So, I am very perturbed about that particular project. If you could just note it, please?

Ms Page—Yes, we will take that on notice and advise you what category that project fits into.

Senator ADAMS—Another very small project that was under assessment prior to budget is the Peaceful Bay Sea Rescue. Peaceful Bay is a little community right down on the southern coast, and the problem is that it has six times its population during the summer season. This project was for a rescue boat; they already have their shed from Regional Partnerships. They have to use their own boats to go out and rescue people who come from the metropolitan area and other areas and who are not familiar with that coastline. It can be very rugged, the weather changes dramatically, and this project is really and truly more of a safety issue than anything. The project has raised \$250,000 overall; they are asking for \$25,000.

Ms Page—We will take the status of that project on notice.

Senator ADAMS—That is one that is of great concern. Another one is the Wagin aged care facility which is in the Great Southern. The application was actually submitted on 14 June 2007. The applicants have contributed \$140,000 to it. They have had other funding partners of \$752,000, and they are asking for \$300,000 from the Australian government; once again, a very small community with a brilliant aged care facility, but it will not meet the standards if they cannot get the upgrade, so therefore we lose it. I know that aged care is a Health and Ageing problem, but this one is very, very important as well. Another one is the Albany Lions Community Care extension. They have all of their money ready. They have applied for \$200,000 of Regional Partnerships funding, and they have received \$350,000 towards this. They are ready to go, but are very, very upset that their pledged funding will disappear.

This is the problem with now having nearly two years before the next program comes up, and whether or not they can apply again. Once again, it is hurting the community. Albany has a lot of aged people, and it is a very, very popular retirement area, so this issue will just get worse and worse. It is a day care centre, it is going very well, but they just cannot cope with the current building because of the demand for their people. That is a carers issue as well. As I said, they have worked very, very hard. It is a Lions project as well, and lotteries and the state government have helped with that, but that still do not have quite enough to go on with it. I must say that, on behalf of Western Australia, we are very thrilled that there have been 22 more projects actually recognised that will hopefully make the grade on 31 July when they must provide the rest of their information to you. There is one more, but I might come back to that later on.

Senator PARRY—Minister, earlier today you used the term ‘common sense’ in response to a question from my very good colleague and fellow whip, Senator Nash—common sense to fund projects because all of the work undertaken, and all the money involved, and all the money that was spent, these projects deserved to be looked at again. What about the common sense for all those projects that have not been looked at again, and all the countless hours of work by volunteers that have been put into the applications? Can I just state the Tasmanian case, putting a parochial perspective for a moment? Only one single project out of Tasmania’s total of 18 that were all hit on the head on the night of the budget has been funded for a paltry sum of \$16,850, representing 0.29 per cent of the total funds allocated. What is your response?

Senator Conroy—I draw your attention again—and I think you have missed a fair bit, and I am not being trite when I say it; I am sure you have been in other committees—but—

Senator PARRY—No, I have not, I have been here for this entire discussion for Regional Partnerships.

Senator Conroy—Well, you would have heard the discussion I had with Senator Adams.

Senator PARRY—Yes.

Senator Conroy—The quite simple point is, Senator Parry—and I think you are completely innocent, like Senator Adams—you and the communities that you have supported with these programs are the innocent victims of the roting that has been conducted by others. Just to give you another example—

Senator PARRY—Sorry, minister—

Senator Conroy—I guess to answer the question—

Senator PARRY—Minister, we do not need examples.

Senator Conroy—Yes, you do.

Senator PARRY—No, we do not, because you have quoted three; I was here for the three you quoted.

Senator Conroy—Well, you are getting a new one.

Senator PARRY—Let us just remember the good ones, okay? Let us acknowledge that maybe there were some bad ones—

Senator Conroy—Not maybe.

Senator PARRY—Maybe there were some bad ones; that is not proven yet, Senator Conroy.

Senator Conroy—I think the Indigo Cheese Farm that closed down and still received funding definitely falls into the category of a complete roting.

Senator PARRY—Okay, where was the roting in Tasmania, then?

Senator Conroy—The problem is that the ANAO—

Senator PARRY—Let us confine our remarks to Tasmania for a moment.

Senator Conroy—The problem is that the ANAO looked at this program—

Senator PARRY—In Tasmania there is none.

Senator Conroy—It did not look at every single program.

Senator PARRY—Why not?

Senator Conroy—Because the ANAO actually has to do more than just this, but what it did find was systemic roting. Examples like the following: on 2 February 2004 the former prime minister announced that the government would commit \$845,000 to the Peel region tourist railway. This funding was to be provided from the Regional Partnerships Program. There was just one problem: no application had been submitted at that point. So you actually announced you were funding something through a program and its guidelines before the organisation even applied.

Senator PARRY—Could I suggest to you the Australian National—

Senator Conroy—I have not finished.

Senator PARRY—The Australian National Audit Office look at technicalities more so than practicalities—

Senator Conroy—Is it a technicality that an organisation had not submitted a funding application before the former prime minister announced it was received?

Senator PARRY—Maybe the paperwork—look, I am not defending these projects, but maybe the funding was given without a technical application being received, maybe, and I am not conceding that point, but maybe that happened. That could have been simply a processing error, an administrative error. You have highlighted a few examples, but there are hundreds, minister, 610 applications, and you have highlighted four examples.

Senator Conroy—There is systemic rorting that has taken place in this program.

Senator PARRY—I do not subscribe to that when it comes to Tasmania, and I want to confine my remarks to Tasmania for a moment.

Senator Conroy—Across Australia, systemic rorts. So, if you want to blame somebody, if you want to explain to those poor Tasmanian citizens whom you are here today representing—

Senator PARRY—This is what I am endeavouring to do.

Senator Conroy—You point to the National Party; you point to John Anderson—

Senator PARRY—Well, we do not have Nationals in Tasmania.

Senator Conroy—You point to Mark Vaile.

Senator NASH—Okay, minister.

Senator Conroy—I appreciate that is your own good luck. But they are the people who have rorted this program; they are the people who have brought this program into disrepute, and they are the reason—

Senator NASH—Minister, you should withdraw that.

Senator Conroy—that this program has been closed down.

Senator NASH—You should withdraw that, minister.

Senator Conroy—Okay? This is the reason why this has been closed down.

ACTING CHAIR—Minister!

Senator NASH—All right, minister, just—

ACTING CHAIR—Senator, hold on, I am in the chair.

Senator NASH—Sorry, Chair.

ACTING CHAIR—At the moment, Senator Parry is asking a question. Just remember: you might not like the answer, but ask your question.

Senator PARRY—But there is such a thing—

ACTING CHAIR—Hold on.

Senator McGAURAN—Can I take a point of order?

ACTING CHAIR—Point of order.

Senator McGAURAN—The minister at the table has an obligation not to verbal the Auditor-General.

ACTING CHAIR—I am sure he will take that into account in his next answer. Senator Parry.

Senator PARRY—Could I ask you a series of questions relating to exactly this, minister: is it not the case that the reason this program has been abandoned is not because of errors but because of a cost saving measure on behalf of the federal government?

Senator Conroy—You can try and pretend that these were technical errors.

Senator PARRY—No, I am asking a question.

Senator Conroy—It does you no service at all.

Senator PARRY—I am not pretending, I am just asking if that is the case.

Senator Conroy—You have described it as technical errors, and now just errors.

Senator PARRY—Potentially.

Senator Conroy—These are not potentially anything. These were identified in the most damning critique of a program over many, many years by the Auditor-General. Only one application was approved but not contracted, and that was in Hobart.

Senator PARRY—That is correct, \$16,850. I can list the other 17, if you like.

Senator Conroy—All the rest were just being assessed.

Senator PARRY—Yes, but months and months of work went into those. I have been personally involved in some of those—months and months and months of work by volunteers.

Senator Conroy—Well, blame them.

Senator PARRY—No.

Senator Conroy—Blame the people who brought this program into disrepute.

Senator PARRY—No, I am blaming the government that removed that program from people who deserved the program.

ACTING CHAIR—Order!

Senator Conroy—Blame the people who brought this program into disrepute.

ACTING CHAIR—Order!

Senator PARRY—It is nothing to do with anyone else.

ACTING CHAIR—Order!

Senator Conroy—And you know who they are.

ACTING CHAIR—Order, minister! Senator Parry, ask your questions. The Senate chamber is the place where you can make your speeches.

Senator PARRY—Well, thank you. I was responding, but thank you, chair.

Senator NASH—Are you going to rebuke the minister as well, chair?

ACTING CHAIR—Well, he is answering questions.

Senator PARRY—Well, he is inflaming the answers and—

ACTING CHAIR—No, he is inflaming you.

Senator PARRY—Inflaming the questioners. But thank you, chair, I do take your guidance.

Senator Conroy—The ANAO found that one-third of funds went to 10 coalition seats. Do you think that happened by accident?

Senator PARRY—We will just examine how many seats get what over a period of 50 years.

Senator Conroy—Have a chat—

Senator PARRY—It will be amazing how many coincidences come out.

Senator Conroy—Just 10? Have a chat to the people who rorted this program.

ACTING CHAIR—All right. Senator Parry—

Senator Conroy—You should come in here and raise issues on behalf of legitimate applications.

Senator PARRY—Let me come back to the questions.

ACTING CHAIR—Come back to your questions.

Senator ADAMS—Could I just make a geographical statement? If you really look at a map of Australia and see just how many Labor seats there are in regional areas, I think there would be a very good reason why one-third of the funding went there.

Senator Conroy—Yes, it went to ethanol plants that do not exist, cheese factories that closed down—

Senator ADAMS—I am not interested in all that.

Senator Conroy—food factories that never opened, or railways that burnt down.

Senator PARRY—How many businesses—

ACTING CHAIR—Hold on. Again—

Senator Conroy—That is where the money went.

ACTING CHAIR—Minister! Senator Parry, ask your question.

Senator PARRY—I could respond to that, minister, by saying how many businesses on a percentage basis do fail after a very good faith commencement in their infancy.

ACTING CHAIR—What is your question?

Senator PARRY—Okay, let us come back to the dead tree, the Labor Tree of Knowledge.

Senator Conroy—I hope you were listening to that earlier debate.

Senator PARRY—Yes, I was; I was here throughout the lot. I want to ask you a couple of questions which were not answered.

ACTING CHAIR—Just ask the question, Senator Parry.

Senator PARRY—Well, the minister should not interrupt when I am asking it, chair.

ACTING CHAIR—I will seek an assurance from him that he will not interrupt you.

Senator PARRY—With that tree—

Senator Conroy—I accept your admonishment, Mr Acting Chair.

Senator PARRY—Can we acknowledge that that was an original application under the Regional Partnerships Program?

Senator Conroy—You did say that you were here, so I will explain it again. There was an application—

Senator PARRY—No, I was here.

Senator Conroy—There was an application—

Senator PARRY—I am going to get to the withdrawn application.

Senator Conroy—It was withdrawn.

Senator PARRY—I am going to get to that. It was an original application—

Senator Conroy—Yes, I said that. It was withdrawn.

Senator PARRY—Okay. What was the value—

Senator Conroy—A second application was then put in.

Senator PARRY—For the value of \$2.6 million.

Senator Conroy—A second application was then put in.

Senator PARRY—For the value of \$2.6 million.

Ms Page—Senator, I cannot recall the value of the second application. We might have it here. The scope of that project I think is different from that which the government is committed to as part of its election commitment. I do not think they are comparable projects.

Senator PARRY—If I could just deal with the original application prior to withdrawal. Do we know the value of the original application prior to the withdrawal of that application? What was being sought in the way of funding?

Ms Page—I think we will have to take that on notice. It is quite sometime ago.

Senator Conroy—Just while the officers are looking for that, I will supplement one of my answers, because I think someone kept mumbling just then about regional and rural seats. Can someone help me out here? I will probably need someone from Sydney—Steve, you might be able to help. Where is Bondi and Vaucluse?

ACTING CHAIR—I think they are in the federal seat of Wentworth.

Senator Conroy—Can you help me here? My geography is not great; is that a regional seat?

ACTING CHAIR—I would not think so.

Senator NASH—Minister, can I help you out here?

Senator Conroy—Well, how did Mr Turnbull's inner suburban leafy seat get a regional rural grant?

ACTING CHAIR—Minister—

Senator NASH—Can I ask the minister a question?

ACTING CHAIR—No, it is Senator Parry's turn.

Senator Conroy—I am confused.

ACTING CHAIR—Senator Parry has the call.

Senator PARRY—I am happy if Senator Nash can assist my cause here, Chair.

ACTING CHAIR—No, if you do not want to ask a question, Senator McGauran is the next person to ask questions.

Senator NASH—We have had an arrangement, as you know, that there is the opportunity to yield for a question that is on the same topic.

ACTING CHAIR—I have a list here in front of me which was supplied by the chairman.

Senator PARRY—Could I yield on this same topic? I think this is a reasonable option.

ACTING CHAIR—If you want to help the minister, tell him where Bondi is.

Senator NASH—I just want to help the good minister.

Senator Conroy—Do you know where Vaucluse is?

Senator NASH—Indeed. Is the minister aware—

Senator Conroy—Is it a regional seat?

Senator NASH—You may not be as you are the minister representing, but are you aware that there is a metropolitan ACC, and that the Regional Partnerships program relates to all ACCs? Were you aware of that?

Senator Conroy—So, where did Wentworth get the funding from?

Senator NASH—Were you aware of that? The metropolitan ACC—

Senator Conroy—Where did Wentworth—

Senator NASH—Maybe the department could tell me whether I am—

Senator Conroy—Even you cannot keep a straight face.

Senator NASH—Maybe the department could tell me whether or not I am correct. Is there still in existence—

Senator Conroy—Come on, even Senator Parry has the grace to blush.

Senator NASH—Is there still in existence a metropolitan ACC and do they have the opportunity to apply for Regional Partnerships funding?

Ms Page—ACCs, when they existed—now replaced by Regional Development Australia—cover all the Australian mainland and Tasmania, and indeed Norfolk Island and the external territories. Melbourne has a number of ACCs.

Senator NASH—Yes, minister, so I thought that might assist you. Sorry, Senator Parry.

Senator Conroy—Let me quote from the Leader of the Nationals—

ACTING CHAIR—Hold on—

Senator Conroy—No, you have asked me to withdraw; I will respond to that. The Leader of the Nationals, on ABC Broken Hill on 8 May 2008 said:

Now, this program was specifically designed to provide things in small communities. The big cities have got the resources and can often provide on a commercial basis projects which are simply unviable in regional areas.

You funded Bondi and Vacluse.

Senator McGAURAN—It is an ACC.

Senator Conroy—Fair dinkum. Do not sit here and cry poor on behalf of residents unless you are prepared to tell them the truth about who rorted this program.

Senator PARRY—Can I now draw us back to the island state of Tasmania?

Senator Conroy—The island state of Tasmania. Is that anywhere near Bondi and Vacluse, because I accept that you are a regional case?

ACTING CHAIR—Minister, let Senator Parry ask the question.

Senator Conroy—Sorry.

Senator PARRY—I want to come back to the island state of Tasmania. There were two projects that were withdrawn on budget night, or very shortly after—after the announcement.

Senator Conroy—No, when the program was closed.

Senator PARRY—When was it closed?

Senator Conroy—Budget night.

Senator NASH—No, two days later it was still up.

Senator PARRY—But it was closed effectively on the night—when the budget was handed down, the scheme was closed, am I correct in that? I probably need clarification on that. Minister, can one of the departmental staff here answer that? Did it officially close—

Ms Page—It officially closed on budget night.

Senator PARRY—At 7.30, midnight—do we have a technical closing time?

Senator Conroy—We would have to consult the lawyers to find out what the actual position is.

Mr Angley—We presume it would be the announcement.

Senator PARRY—So, during the budget speech, the program terminated? That was the termination point, and that is when most people would be listening, or those who were listening in horror would have heard it. So, two programs closed, and that was the Naracoopa jetty on King Island and Bicheno's war memorial hall. Both of those were withdrawn because of the extended delay in assessment.

Senator Conroy—So whose extended delay was that?

Senator PARRY—Yours, because prior to the election, not one word was uttered about the closure of this program. Let us forget all the other issues; this is a very important time line. Then we go to budget night, and the program is closed some five months, or whatever it is, later. These people have put hours and hours of work into it. If you were going to close it, at least you could have had the decency in your election campaign to say, ‘Look, if we get elected, we will be closing this; so people, stop doing all that work or at least suspend it.’

Senator Conroy—Your projects were never assessed. The ones you are talking about were never assessed.

Senator PARRY—Irrespective of whether or not they were assessed, those applications were made and were in the system.

Senator Conroy—Yes, but they were never assessed.

ACTING CHAIR—Come back to your question, please, senator.

Senator PARRY—I am coming back to it. This is very important, chair, because—

ACTING CHAIR—I understand that, but you also have to come to the question.

Senator PARRY—The minister just said they were not assessed, and Mr Carmichael said earlier this evening, before the dinner break—and I will quote him because I wrote it down. In response to Senator Nash, ‘The programs were suspended from the calling of the election until the budget was handed down.’ They were suspended without any knowledge. No one had any knowledge of what was happening for that entire five-month period—no-one.

Senator Conroy—I also listened to what Mr Carmichael had to say—

Senator PARRY—*Hansard* will bear me out on this.

Senator Conroy—I am afraid, on the first part, you may have been accurate, but on the second part you just verbalised him something shocking. You actually paraphrased him and completely misrepresented what Mr Carmichael said. He quite clearly said, when people contacted them, for instance, to find out what was going on, they were informed.

Senator PARRY—He further added to his answer—that first statement is correct. Now, unless people bothered to contact, they still did not know. I thought it would have been really compelling on the department to notify every single applicant, look, sorry, as soon as they knew. But obviously the department—

Senator Conroy—The department is not in a position that it can breach budget confidences.

Senator PARRY—Exactly.

Senator Conroy—It is not in a position. It is not their decision, it is not their authority—they are bound.

Senator PARRY—So unless any organisation or service club, local government authority, or whoever, contacted the department, they would have never known that their application was not still being considered, and they would have been collecting further evidence. No-one knew. What about those who put them in prior to budget night and had done months of work since the election?

Senator Conroy—Again you are misrepresenting the facts.

Senator PARRY—No, I am not.

Senator Conroy—The minister said for a considerable period of time that this program was under review. I think those are almost his exact words. He said that for months and months and months.

Senator PARRY—Well, that did not happen early, because we started to put the pressure on when we did not know, and we could never get a straight answer. The only answer we got was budget night.

Senator Conroy—It was under review. You were told in February it was under review.

Senator PARRY—Yes, under review.

Senator Conroy—In February.

Senator PARRY—That does not mean, ‘we are suspending, we are closing, we will not continue’.

Senator Conroy—Under review; I do not know what under review means in your household—

Senator PARRY—It could have meant an enhancement of the program. It could have meant, ‘We are going to put more money in; we are going to relax some of the conditions.’ It could have meant anything.

Senator Conroy—What, relax the conditions—

Senator PARRY—It could have meant anything.

ACTING CHAIR—Hold on. What is your question, Senator Parry?

Senator PARRY—My question is: will the government now consider compensation for all those people who have put a claim in from the night the election was called through to the budget night? What are you going to do for compensation for those hours and hours and hours, and the dollars spent on legal fees—

Senator Conroy—Are you suggesting—

ACTING CHAIR—Hold on, minister, hold on.

Senator PARRY—On accounting fees, travelling costs, the enormous amount of energy and work put in by all these communities, will the government compensate?

Senator Conroy—Are you suggesting that your belief is that an application to this program guaranteed an outcome?

Senator PARRY—No, it did not guarantee an outcome.

Senator Conroy—Do you compensate the ones that failed?

Senator PARRY—No, but what you have done is you have strung along countless communities—

Senator Conroy—We have not strung along.

Senator PARRY—They did not know the program had stopped or ceased or was under review.

ACTING CHAIR—All right, minister, answer.

Senator Conroy—Not only at the last estimates, but frequently I heard Minister Albanese say the program was under review in light of the ANAO report. I do not know how much clearer he could be. The ANAO report is a damning indictment. Do not come in here and cry crocodile tears for people, when the people who have caused your constituents to miss out sit in the same party room as you, or they will be soon. It is the National Party who have run and administered this rort to their own benefit for years.

Senator NASH—Minister, withdraw that.

Senator Conroy—You did not bother to complain then—

Senator NASH—Withdraw that.

Senator Conroy—So do not come in here and cry crocodile tears now.

Senator NASH—You are lowering yourself below any kind of level seen, minister.

ACTING CHAIR—Order!

Senator Conroy—You will vote your party out of existence.

Senator PARRY—I have never been presented with evidence—

ACTING CHAIR—Order, please! Order! Senator Parry!

Senator Conroy—You will have to change your and vote yourself out of existence to get elected.

ACTING CHAIR—Minister, have you finished your answer?

Senator Conroy—Yes.

ACTING CHAIR—Senator Parry.

Senator PARRY—Thank you, chair. What about the programs now, and the Burnie rhododendron garden is a classic example, an international rhododendron garden that attracts visitors from all around the world. It sought funding of \$29,000 from the Commonwealth; it received a favourable response. It obtained \$22,000 from the state government; it obtained \$20,000 from the local city council—are you listening, minister?

Senator Conroy—I am just making sure everybody is actually listening.

Senator PARRY—In the spirit of the partnerships program, it had these two other grants from state and local government. Now, it has lost the ability to have any of that funding because the program has finished, it has moved on. The local council were waiting and waiting and waiting. This application had been in for a fair period of time, and nothing happened. Now it has all gone, it is finished.

Senator Conroy—You can go back to them and explain how the National Party rorted this program senseless—

Senator PARRY—No, that has nothing to do with it.

Senator Conroy—The Auditor-General condemned it extensively, and this government has terminated it. You explain that that is the reason.

Senator McGAURAN—The National Party is not in Tasmania.

Senator Conroy—I did not say they were. And you have ratted on them, so stop defending them.

Senator PARRY—Okay. Now let me move to the Labor Party's election commitments of six of the Regional Partnerships programs in Tasmania. The first one was to the Central Coast, redevelopment of the Ulverstone showgrounds, \$1.84 million; the second one was to the Kingborough council redevelopment of a hall and upgrading of facilities, \$184,000; the third one was the redevelopment of the Callington Mill, an historic mill in Oatlands, \$1.2 million; the fourth one, redevelopment expansion of Launceston Tennis Centre, \$500,000; the fifth one, conversion of an existing council-owned building to a medical centre—the Central Coast council gave it to a medical centre, \$60,000. These were election commitments transferred from the Regional Partnerships program. What is happening to all those? Where do they now fit within the system? Where is the money for those?

Senator Conroy—First, I would make the point that I have made whenever any Labor election commitment has been raised.

Senator PARRY—So these will be honoured?

Senator Conroy—They will absolutely be honoured.

Senator NASH—They are under Better Regions?

Senator Conroy—We went to the Australian people with a commitment that we would honour our election promises, and we will be honouring them. In terms of the program, I think Ms Page may be able to assist on some of the wilder statements you have made, which I think are actually inaccurate, but I hope that Ms Page can comment on them.

Ms Page—We do not have a list of all the Better Regions commitments. I suspect that some of them are likely to fall within that program, some of them maybe being funded by other portfolios. We cannot confirm that, but, as the minister has indicated, they are election commitments that the government is committed to meet.

Senator PARRY—The million dollar question, minister, is: do these five programs I have just highlighted, which would have a bill of some two point something million dollars, without adding it up—will these five projects come from the Better Regions program?

Senator Conroy—I am not in a position to announce that.

Senator PARRY—Can it now be taken on notice?

Senator Conroy—What you can take home is that they will be funded. Which program they will be funded from, we will take on notice and let you know.

Senator PARRY—So if any of these fall into the Better Regions funding, that will now not commence until 2009-10?

Ms Page—No, that will commence on 1 July.

Senator Conroy—On 1 July.

Senator PARRY—2009?

Ms Page—No, 2008.

Senator PARRY—So what will commence on 1 July 2008?

Ms Page—As to the Better Regions program, my colleague has just reminded me—

Senator PARRY—When does the funding kick in?

Ms Page—Some funding was actually allocated for 2007-08, so some funding is available. As I indicated to you, the minister is finalising the administrative arrangements for that program and will make an announcement shortly on that program and some of those projects that are likely to be funded under it. We cannot confirm what projects will be in that program because that is a matter for the minister. However, it is possible that some of those projects might fall within the programs of other portfolios. We are not in a position to advise you on that.

Senator PARRY—Okay. If I accept the minister's statement, and certainly yours, Ms Page, this evening, that means those five projects will be funded one way or another?

Senator Conroy—They are election commitments.

Senator PARRY—Okay, that is fine. It is good to see you honour your election commitments.

Senator Conroy—And we will deliver on our election commitments. There are no core and non-core election commitments in this party.

Senator PARRY—And we will keep you to that, minister. Then I go to the remaining 17; there were 18, one has been funded, less five, so that means 12 projects are left in Tasmania. When can those 12 projects apply again under the Better Regions program?

Ms Page—The Better Regions program is fully committed at this stage.

Senator PARRY—Ah, so they cannot apply? There is no funding?

Ms Page—The government—

ACTING CHAIR—Hold on; can we wait for Ms Page to finish her answer, please?

Senator PARRY—Sorry, chair.

Senator Conroy—I do not mind if you interject on me, but not on Ms Page.

Ms Page—The government has announced that there will be a successor program that will be considered in the 2009-10 budget which will provide funding for regional and community infrastructure projects.

Senator Conroy—It will actually have a fair process. So you can tell those individuals who you are referring to that they can actually commence their work and they know that they will get fair treatment, unlike the rorted process they were unfortunately being drawn into by you.

Senator PARRY—In 2009-10 they can apply because we have just heard that there is no money left. The till is empty as far as this because, I assume, all the election commitments will be funded through Better Regions.

Senator Conroy—We are funding our election commitments. You can make an assertion if you want—

Senator PARRY—Well, I think it is fairly accurate now that we have had the evidence at the table.

Senator Conroy—No, we have not had any such evidence.

Senator PARRY—So these programs, and these people who have put these hours of work in, and they have partnerships—the whole idea of the Regional Partnerships—

Senator Conroy—You should have explained to them the rort that you were drawing them into.

Senator PARRY—Excuse me, minister; they applied in good faith. They did not have a clue about the system; they applied in good faith.

Senator Conroy—Exactly.

Senator PARRY—So let us—

ACTING CHAIR—Order! Senator Parry, Minister!

Senator Conroy—They applied to a rorted system.

ACTING CHAIR—Minister! Now, ask your question.

Senator PARRY—Thank you, Chair.

ACTING CHAIR—And let him ask it.

Senator PARRY—These people who applied in good faith have had partners lined up. They have had the state government, the local government—this is the beauty of this scheme, it involved other bodies. It involved partners; that is the whole idea of regional partnership, and these groups, these volunteers, have put hours upon hours of their lives' work into these projects, about which they are passionate, and which were worthwhile. Now we have to go back to them and say, 'Look, sorry'—

ACTING CHAIR—Where is your question, Senator Parry?

Senator PARRY—Well, there is no money, so what are we going to do to these groups? How can we fast-track these groups? How can we get these groups back into the system again without their having to go through all this rigmarole again, and all this hard work? How are we going to accommodate these people who did things in good faith?

Senator Conroy—You need to go back and tell them the truth. The truth is that this program was rorted senseless by the National Party.

Senator PARRY—That is not their problem.

Senator Conroy—Rorted senseless, and you should give them a copy of the ANAO report so they can read for themselves and be ashamed—

Senator NASH—You did not even know at last estimates what the figures were, minister; you had no idea. I bet you still do not.

Senator Conroy—of what actually went on. You should be honest with them, give them a copy and say, ‘This is the reason the program was canned,’ because some of your political colleagues—

Senator PARRY—So I go back and say that Minister Conroy—

ACTING CHAIR—Just a minute, Senator Parry, let the minister finish his answer.

Senator Conroy—Some of your political colleagues were engaged in a systematic pilfering of taxpayer funds to their own political benefit. That is why the program has been closed down.

Senator PARRY—You may say that, minister; I do not agree with what you say.

Senator Conroy—Well, the ANAO have said it.

Senator PARRY—The ANAO have spoken on a technical aspect. Let us leave the ANAO—

Senator Conroy—They have not spoken on a technical aspect.

Senator PARRY—Let us leave that to one side.

Senator Conroy—You are misleading yourself and your constituents.

Senator PARRY—I am not misleading anyone.

ACTING CHAIR—Just get to your question, Senator Parry.

Senator PARRY—The question is: what is the minister going to do to these groups—and this would be replicated around Australia—I will go back to my home state and say, ‘Minister Conroy doesn’t give a damn; he just wants me to tell you about the ANAO report.’

Senator Conroy—No, he wants you to tell them the truth.

Senator PARRY—Well, that is the truth. That is all you are saying. You are not giving us a solution.

Senator Conroy—The truth is your colleagues and you sat back and let them do it for years, and you sat back and said nothing while you let the National Party rot this program senseless.

Senator NASH—Minister, withdraw that because you know it is untrue. You know it is untrue.

Senator Conroy—It is not untrue. The ANAO—

Senator NASH—All right, well tell me out of the Regional Partnerships audit—

ACTING CHAIR—Hold on, hold on!

Senator NASH—what percentage—

ACTING CHAIR—Hold on! Listen, minister; Senator Parry, do you have any more questions?

Senator PARRY—If my colleagues are happy for me to continue for a couple more minutes. I am happy to yield.

Senator NASH—Yes, absolutely, you can take as long as you like.

Senator PARRY—Okay, well thank you colleagues, and thank you Senator O'Brien, and thank you for your patience, Chair.

ACTING CHAIR—Hutchins will do.

Senator PARRY—Well, Senator O'Brien is listening to this as well. Minister, a simple answer: what are we going to do to fast-track these people who have done this work in good faith, forgetting all the other issues, we do not want to debate that. They have done this in good faith; what are we going to do to assist them? You are the government, we cannot do anything, what are you going to do to assist them?

Senator Conroy—There was much you could have done.

Senator PARRY—No, not could have, I am looking forward now to assist you.

Senator Conroy—But you did not. You can look forward because you cannot afford to look behind you on this one.

Senator PARRY—Well, we cannot look backwards all the time. So, what are we going to do?

Senator Conroy—You can explain to them that there is another program that will be fairly and properly administered—

Senator PARRY—In a year's time.

Senator Conroy—In line with the ANAO's reported suggested guidelines.

Senator PARRY—In fact, over a year's time.

Senator Conroy—So you can suggest that to them.

Senator PARRY—So what happens when they lose their partners? They have now lost their local government partners, their state government partners; they move on—

Senator Conroy—You say to them the truth, 'I was not a big enough man to stand up in the party room and tell the National Party to stop rorting it senseless, and it has gone because of it.'

Senator PARRY—That is not correct.

Senator Conroy—You sat back and said nothing; do not come in here and cry crocodile tears now.

Senator NASH—You are pushing the boundaries, minister, and you know it.

Senator PARRY—You certainly are, minister.

ACTING CHAIR—Senator Parry, what is your question?

Senator PARRY—I still want a sensible answer from the minister: what is our solution? How are we going to fix this problem? How are we going to assist these people since you have stopped their legitimate process? How are we going to fix it?

Senator Conroy—There is a program that will be fairly administered starting in 2009.

Senator PARRY—All right; I will rest there before I get too upset about it, chair.

Senator McGAURAN—Minister, with your indulgence—

Senator Conroy—Always.

Senator McGAURAN—I will just preambule that I have in fact read the report, unlike yourself, who has just taken the glib remarks fed to you from the department.

Senator Conroy—No, let us be clear; the department is not involved in feeding me glib lines.

Senator McGAURAN—I sought your indulgence, minister.

Senator Conroy—No, no, I just want you to be accurate; I do not mind indulging you, but we have actually just cast aspersion on the department which is not true.

ACTING CHAIR—Senator McGauran, if you could come to your question.

Senator McGAURAN—Well, the minister has utterly, I believe, verbalised the Auditor-General's senior officer and has not given a balanced approach. Like my colleague said, there were matters to attend to and recommendations which the previous government did—and very swiftly, I might add—such as setting up a three-ministerial panel. There were projects that could have been administered better. But on balance, the truth of the matter is in this summary report. You have not read that. Your attack on the National Party is just political spin, bias—

Senator Conroy—You are not re-ratting, are you?

Senator McGAURAN—I am defending my coalition colleagues.

Senator Conroy—Are you after No. 2 on the Senate ticket again?

ACTING CHAIR—Minister!

Senator Conroy—They've got to give it back to you—

ACTING CHAIR—Hold on, Minister! Minister!

Senator Conroy—Sorry, I apologise.

ACTING CHAIR—Senator McGauran, can you get to your question, please?

Senator McGAURAN—The question is: I want the minister to confirm what I am about to read—and I seek his indulgence in reading it—and the interpretation which the Auditor-General has clearly given to this.

ACTING CHAIR—Move on.

Senator McGAURAN—So, on the matters that he attacked the National Party, utterly unwarranted—not unexpected, of course—he made his political capital out of these sorts of cheap attacks, but it never deters the National Party or the Liberal Party from holding more seats in the rural sector than Labor has and ever will. The point is this: this is exactly what the Auditor-General said about the National Party. I seek your indulgence, because it is very important that I get through it all. It is the summary document of the audit, page 106, and I will read certain significant paragraphs. First of all, I will start from page 45 in regard to the ministerial decisions which you have mentioned today. At page 45, paragraph 97, it states:

A total of 1,366 funding decisions were taken between 1 July 2003 and 30 June 2006 where there was a departmental recommendation before the ministerial decision maker. The ministerial decision

differed from the departmental recommendation on 88 occasions (6.4 per cent of decisions), of which 50—

and I am giving the figures straight from the report—

Senator Conroy—Doing some quick maths there, are you?

Senator McGAURAN—(3.7 per cent of decisions) related to the minister approving funding for a project not recommended by the department or approving higher funding than DOTARS had recommended.

Senator NASH—Was that three per cent?

Senator McGAURAN—Yes, 3.7 per cent. I will continue on. At page 106, paragraphs 250, 251 and 252, if you will indulge me, it states:

In the three years examined by ANAO, there had been substantially higher numbers of applications received from Liberal-held electorates than electorates held by representatives from other parties. A comparison of the proportion of the seats held by each party with the rate at which Regional Partnerships applications have been received in those seats to 30 June 2006 identified that: Labor Party electorates were submitting substantially fewer applications relative to their representation in the parliament ...

Senator NASH—Really?

Senator Conroy—Stop it.

Senator McGAURAN—Just to ad lib, that is called lazy.

Senator Conroy—Stop it or you will go blind. No, come on, tell the truth: your staffers earmarked those pages and underlined those sections, did they not? Tell the truth.

Senator McGAURAN—Going on:

National Party electorates were submitting significantly more applications—

Senator Conroy—Come on, tell the truth. You haven't read that.

CHAIR—Minister!

Senator McGAURAN—relative to their representation in the parliament. This was in part due to the fact that, consistent with the focus on the regional and rural communities identified in the Programme Guidelines and the *Stronger Regions, A Stronger Australia* statement on which the program is based, the largest proportion (73 per cent of the applications) submitted over the first three years related to projects located in electorates categorised by the Australian Electoral Commission as 'rural'...

Not regional—rural. So of course the National Party holds most of the rural seats. It goes on:

However, applications from the Labor-held rural electorates were under represented in the applications received compared to the proportion of rural electorates held.

Lazy. It goes on.

This was particularly the case in the period prior to 2004 election, when Labor-held rural electorates accounted for 11 per cent of rural seats but only 5 per cent of the applications from rural electorates. In the period following the election to 30 June 2006, applications from Labor-held rural electorates (9 per cent of such electorates) represented 7 per cent of all applications—

So they got to work after a while. I will read one last paragraph, on page 107:

There was also little difference in approval rates in electorates held by various Parties prior to the 2004 election, apart from the lower approval rate in the National Party-held seats.

The lower approval rate. It goes on:

However, there was a substantial reduction in approval rates in the period following 2004 election—
from everyone—

to 30 June 2006 in all electorates, except for National Party-held seats which experienced only a slightly lower approval rate.

So, minister, that is something you failed to outline, and I would ask you to answer the question that preceded the Auditor-General's true comments about the National Party, and about the rate of approvals. I ask you to respond to that, if not apologise.

Senator Conroy—I think the selective quoting of all of this is a tribute to your staff, Senator McGauran, and you should give them a pat on the back when you get back to the office.

Senator McGAURAN—I have no staff in Canberra.

Senator Conroy—That does not matter.

Senator McGAURAN—This is a library—

Senator Conroy—I enjoyed the fact that—

Senator McGAURAN—This is from the library, Minister.

Senator Conroy—I enjoyed the fact—so the library did that for you?

Senator McGAURAN—No, I got this out of the library this afternoon.

Senator Conroy—The record of approval for 44 of the 50 applications that the department had assessed as not satisfying the program guidelines or as only satisfying the guidelines did not set out the basis for which the minister had considered the project to be in accordance with the guidelines and represent efficient and effective use of public money having regard to the nature of the advice provided in the department assessment or ACC comments. Now, the ANAO did not do 100 per cent audit; they took a sample.

Senator McGAURAN—Now it is a sample.

Senator Conroy—They found—

Senator McGAURAN—It was not a good enough sample, was it?

Senator Conroy—I am sorry, they took a sample; that was the basis on which they did the report.

Senator McGAURAN—You said it with great cynicism.

Senator Conroy—No-one is suggesting—no I did not. I said they took a sample. What they discovered was systematic rotting of this program by the minister—

Senator McGAURAN—No, you are verballing.

Senator Conroy—and the whole range of the tawdry political operatives that were involved in this. We had reports—you will all remember, this has been debated at some length

in the chamber, in Senate and committee hearings, and I remember Senator Eggleston sitting in the room up the back—

CHAIR—Minister, I apologise for being out of the room earlier, but Senator McGauran, are there any questions—and I do apologise, minister, because I know I have heard the answer many, many times—

Senator Conroy—He did ask for indulgence.

CHAIR—If we could come straight to an answer, because honestly, Senator McGauran, do you have many more questions for the minister? Senator McGauran? Sorry, I know you are in deep conversation, even when answers are being given too, but do you have any further questions for the minister at this late hour?

Senator McGAURAN—Yes. Having put that on the record, and that is most important. I know I will never convince you; we will just go back and forth.

Senator Conroy—Did you put on the record that you borrowed that from the library and have pretended that you read the whole thing in the afternoon?

Senator McGAURAN—I read that.

Senator Conroy—Sure, you have read it.

CHAIR—Minister, senator—

Senator McGAURAN—Well, I flicked through this.

CHAIR—Senator McGauran—

Senator McGAURAN—What are we talking about? Why am I bothering?

CHAIR—Senator McGauran, and the minister, as entertaining as it is, I do not think the officials are really sitting here wasting this much time enjoying the banter that you two may be enjoying at this late stage.

Senator McGAURAN—No, I am not enjoying it.

CHAIR—Senator McGauran, can I please ask you to put questions to the minister, and minister, I know you will dutifully answer them. Senator McGauran.

Senator Conroy—Give him more questions in question time, Steve.

Senator McGAURAN—I want to get on to a real rort, a serious rort.

Senator Conroy—You are not going to start talking about Ted Baillieu's website, are you?

Senator McGAURAN—Now, a serious sort, a rort that is going to go through the parliament without any check, any balance, any process—

Senator Conroy—Actually, you control the numbers in the Senate.

CHAIR—Minister, I am sure Senator McGauran is coming to a question for you where you will have a chance to answer it. Senator McGauran, you have the call.

Senator McGAURAN—That is the Tree of Knowledge.

CHAIR—Senator McGauran, do you have a question?

Senator McGAURAN—How pretentious—the Tree of Knowledge. How pretentious, and how even more pretentious it is that you think you can open a museum and the public will come to it.

CHAIR—Is there a question, Senator McGauran?

Senator McGAURAN—The question is: have you done a business plan?

Senator Conroy—Oh dear. I am sorry, are you actually asking me the details of an election commitment? I would have to genuinely take that on notice; I do not have that detail.

Senator McGAURAN—I can tell you. Come on.

CHAIR—Senator McGauran, the minister has answered you; do you have any more questions?

Senator Conroy—I honestly have no information about that.

Senator McGAURAN—Would you agree with me that this project has to give value to the taxpayers' dollar?

Senator Conroy—I have quoted Ian Campbell. I have quoted Greg Hunt. I have quoted Bruce Scott; I am happy to requote them to you, if you like.

Senator McGAURAN—Are you sure they are not referring to a sapling of knowledge.

Senator Conroy—Your government did, as I have already point out, put it on the National Heritage List and said very nice things about it. They are quotes from Ian Campbell, your good friend, your colleague in arms. Would you like me to repeat them?

CHAIR—No, it is quite all right, minister, it is fine. Senator McGauran is just taking your answer in.

Senator McGAURAN—Blind Freddy can see that it is in the marginal seat of Flynn, this grant. But there is another museum in the marginal seat of Flynn, and was there any consideration of at least just linking up with this museum and using one of their roots?

Senator Conroy—I will have to take that on notice. I am afraid I have no information on that.

Senator McGAURAN—The other museum is the dinosaur museum; I would have thought it fitted very neatly.

Senator Conroy—I said I would take it on notice.

Senator McGAURAN—Is the Tree of Knowledge still where it is meant to be? I have it being lifted out of the ground, and I have done some calculations, rough as they might be, and you can correct me, but I figure what is left of it, it is 16 feet, 12 feet of it was in the ground—you can see the dirt level where it cuts off—so that leaves a 4-foot stump, and it has been jacked out of the ground. Like you, I am trying to think that—

Senator Conroy—Let me just go back—

Senator McGAURAN—I would not even guarantee that that is a sapling of the Tree of Knowledge.

Senator Conroy—No, sibling, we said. Unfortunately my notes are a little hard to read.

Senator McGAURAN—What is a sibling?

Senator Conroy—A sibling or a sapling, take your pick, we do not mind.

Senator McGAURAN—I have a picture here of the dead stump of knowledge being jacked out of the ground. Is it where the museum is going to go, or are you going to go looking for this stump? Is the museum going to be fitted around the stump?

Senator Conroy—You know you are asking details which, as you know, I—

Senator McGAURAN—Well, for \$2.6 million, why would you ask for details?

CHAIR—Senator McGauran, you have asked the minister a question; please let him answer it.

Senator McGAURAN—Why can I not ask details about a \$2.6 million project?

CHAIR—Let him answer it, please Senator McGauran.

Senator Conroy—You can, and I am taking them on notice. I just do not have them. But I am actually looking for the details which I did partially read out, and in deference to Senator Macdonald, I did not read out all of it, but I do have a detailed note on what the actual money is for. So I am just looking at that to respond to your questions.

Senator McGAURAN—Please respond to the fact that the dinosaur museum—

Senator Conroy—I am sure that if anybody is listening they might be able send me that brief again, because I just cannot seem to find it. But I do have a detailed note on it, if anybody is watching or listening. I am sure it is coming. Okay, here we are. Federal funding—

Senator NASH—Are not these answers in your mind, minister?

Senator Conroy—Look , you say that, and as you turn to your computer to look something up, after you said that. Federal funding will—

Senator NASH—Minister, what about earlier in the day playing games?

Senator Conroy—No, that is being very naughty, Senator Nash. Federal funding will establish ongoing protection of the Tree of Knowledge, and the establishment of a memorial at the site. The interpretation of the Australian Tree of Knowledge story within the Australian Workers Heritage Centre, creation of a themed pathway to enable visitors to walk to the memorial and facilitate access to the museum and town, better car parking for visitors to the site including coaches, and capacity to provide visitor information centre, visitor facilities and a gift shop.

Senator McGAURAN—What evaluation was made that the Australian public want—

Senator Conroy—I accept it is not a fishing hall of fame; I accept it is not the non-existent ethanol plant in Gunnedah or the Indigo cheese factory, but it is an election commitment—

Senator McGAURAN—Or the Stockman's Hall of Fame? I mean, that makes money. That has turnover.

Senator Conroy—It is an election commitment from the Labor Party that we will honour.

Senator McGAURAN—But what evaluations were made that the public will even want to go to this pretentious museum?

Senator Conroy—Well, as I said—

Senator McGAURAN—You have to do a business plan.

Senator Conroy—Seeing that you have decided to be insulting about the museum, let me read to you again what parliamentary secretary for Heritage and Environment, Greg Hunt, said when it was given national heritage listing.

Senator McGAURAN—So that gives it approval, does it?

Senator Conroy—A 1,000 kilometre—well, I would have thought an endorsement from Greg Hunt—

Senator McGAURAN—No, it does not.

Senator Conroy—an endorsement from Bruce Scott—

Senator McGAURAN—No, it does not.

Senator Conroy—an endorsement from Ian Campbell, the minister.

Senator McGAURAN—No, it does not.

Senator Conroy—He starts, ‘Regardless of your political beliefs’—

Senator McGAURAN—Who is this?

Senator Conroy—This is Ian Campbell on 20 May:

Regardless of your political beliefs, the Tree of Knowledge is a significant site in Australian political history and rural Queensland’s development. Most Australians would condemn this act of vandalism.

It had been vandalised. He continued:

I sincerely hope the Tree of Knowledge will survive. However, if it does not, its listing in the National Heritage List will remain and it will continue to be an important place for all Australians.

So let me be clear: you may have a narrow minded view about it, but Ian Macdonald, Greg Hunt, Bruce Scott and that state member whom I mentioned earlier—the member for Gregory, Mr Vaughan it might have been—have all endorsed the museum and the memorial, and the work around the site.

Senator McGAURAN—Will it be funded by Better Regions?

Senator Conroy—As I said, we will take that on notice. We have not made those decisions.

Senator McGAURAN—I look forward to the next estimates on this matter. Moving on, ACCs—they may cross with some of Senator Nash’s questions. How many require chairs?

Ms Page—I think there are six chairs outstanding at present.

Senator McGAURAN—Do you know which ones?

Ms Page—Yes, I have a list of outstanding appointments somewhere, I think. There are four chairs and two deputy chairs vacant. There is the chair of the Area Consultative Committee, Adelaide Metropolitan; the deputy chair of the Greater Brisbane ACC; the chair

of the Pilbara ACC; the chair of the Torres NPA ACC; the chair of the Outback New South Wales ACC; and the deputy chair of the Mackay Region ACC.

Senator McGAURAN—What is the process of appointment?

Ms Page—They are ministerial appointments.

Senator McGAURAN—Direct ministerial?

Ms Page—They are direct ministerial.

Senator McGAURAN—Recommendations from the department at all?

Ms Page—No, I do not believe so. We might be asked for advice, but they are direct ministerial appointments.

Senator McGAURAN—So the ACC will not go through the department with their recommendation; they will go straight to the minister?

Ms Page—It is a matter for the minister's decision. He may or may not consult the ACC in the process.

Senator McGAURAN—What check and balance is there against sheer political appointments?

Senator Conroy—Are you applying?

Senator McGAURAN—You would be concerned about that, minister. You talk about it a lot.

Ms Page—There has been no change—

Senator Conroy—You should put in an application.

CHAIR—Senator McGauran and the minister, Ms Page is answering a question, or is endeavouring to answer, sorry. Ms Page.

Ms Page—There has not been any recent change to the manner in which chairs and deputy chairs are appointed. However, as I indicated to you, the area consultative committee network is being transitioned into an organisation called Regional Development Australia and it is open to the minister to consider how he might wish to make appointments to those bodies.

Senator McGAURAN—Has the minister a criteria before him on which he will make a judgment for a chair?

Ms Page—In relation to these positions?

Senator McGAURAN—Yes?

Ms Page—I do not know where the appointment of those positions is at. The minister might be considering appointees, but that is a matter for the minister.

Senator McGAURAN—What is the global budget for 12 months for all these ACCs, because for the first six months of this government, they have been sitting around without direction, and parliamentary secretaries who will not turn up to meetings and disinterest right across the board of the new government; now they have another six months of uncertainty. So there is 12 months of outlays for a big group, and a responsible group of local leaders, with nothing to do or no direction.

Ms Page—There is \$17.8 million provided in the 2008-09 budget, and there is funding committed across the forward estimates of \$18.325, \$18.728 and \$19.140 million.

Senator McGAURAN—I visited an ACC—I will not mention which one—but they are literally floundering; they are sitting there waiting for direction.

Ms Page—The minister recently met with the interim chairs, Board of Regional Development Australia.

Mr Anglely—On 29 April.

Mr James—We outlined a number of tasks for them over the interim period.

Senator McGAURAN—What are those tasks?

Mr James—They are to provide advice on improving Australian Government engagement with regional communities, regional development organisations and local government; advise on the principles and priorities for the new regional and local community infrastructure program to be developed as part of the 2009-10 budget; and to provide advice on priorities for the types of local community infrastructure that should encourage economic development in local communities.

Senator McGAURAN—These are ACCs that everyone acknowledges from both sides of parliament have been an enormous success. They have roped in for once the local leaders with great enthusiasm. Everything that Senator Nash and Senator Adams were saying about these local groups—they now have somewhere to go; they have a leadership group; there is tremendous energy and enthusiasm in them. That just cannot be cobbled together; it has taken years to do, but it can be unravelled very, very quickly, and if they are sitting around for 12 months with this great disinterest, where parliamentary secretaries will not even bother to meet with them, you will lose these leadership groups. They have other things to do; there are other jobs, no less than the waste of taxpayers' money for the positions that are paid for. Okay, for the first six months, the government is settling in, but there is another six months to go. There has to be a better effort from within the government to get this Better Regions program up and running. But we have heard from questions on the matter that they still have no idea of the criteria of Better Regions or the processes. I point that out particularly to the minister. Do not play around with local leadership and enthusiasm. How do you respond to that—dare I ask? All right, I will refer to a couple of quick projects. No doubt each one in this group—the famous 86—have already heard that they are on the list and would be very enthused. We are led to believe that what is on the list will be approved. We hear tonight that that is not the case. That will have its own ramifications. We heard tonight that the minister has already made his decision on one, if not more. Forget the process, if you are on this list, some of them will not even see the process.

Senator Conroy—Senator—

Senator McGAURAN—It is on the list. I ask this question in light of that interjection. Will every organisation on this list be subject to a fair, open and transparent process? Why would it be on the list otherwise?

Ms Page—The 86 project proponents are about to be advised that they are being offered an opportunity to finalise their contract with the Commonwealth. They will be advised that their

project will be eligible for contracting if the government is satisfied that it meets the Regional Partnerships Program criteria and that they have already entered into commitments in good faith based on the advice of the previous government. In addition, they will be required to meet the conditions of the original funding approval and finalise contract negotiations and sign a contract by 31 July 2008. This is the advice that I understand will be passed to them:

If your project involves construction and/or requires a tender process, you will have until 31 December 2008 to commence your project and/or have your tender process completed. If the project does not involve construction or require a tender process they will be required to commence the project within six months of contract execution.

Senator McGAURAN—There are three projects I just want to bring to your attention to seek the status of each one. In Ballarat there was a pre-election commitment for the Ballarat Aquatic Centre of \$1.5 million. Is that to be funded under Better Regions? It cannot be found for love nor money in the budget?

Senator Conroy—We will take it on notice. As we have indicated, that those decisions have not been made yet.

Senator McGAURAN—Two Regional Partnerships applications were—at least they got into the department—the Gippsland Stratford RSL Hall, to redevelop it into a community hall, and the Sale TAFE, a \$5 million application to move the Sale TAFE into Sale and to build certain sporting facilities. It must be just on the outer regions. What is the status for those two projects?

Ms Page—I think we will have to take those on notice, as with Senator Adams's projects, and advise you of their status.

Senator McGAURAN—I have one last question. This sapling sibling of the Tree of Knowledge—the dead stump of knowledge—can you just give me the background brief of that? What a Shakespearean farce that you would have that photocopied and passed around. Where is it? What is it in front of? Who are those jokers? That was a leading question, I know. Do not answer. What was that to convince us of?

CHAIR—Senator McGauran, you may wish to retract that—

Senator McGAURAN—Was that to justify the tree being worth \$1 million—

CHAIR—Senator McGauran, you may wish to retract that last statement about the people in the photo.

Senator McGAURAN—I do retract.

CHAIR—Thank you.

Senator Conroy—I think the question was to say what was the point, but the point was to demonstrate that, notwithstanding the small-mindedness of Senator McGauran's view on the Tree of Knowledge, a whole range of his political colleagues have got a far broader perspective. I have already read some of them out and that will show that another National Party MP endorsed the project.

Senator McGAURAN—He is a state MP, that is different.

Senator Conroy—Yes, I said he was a state MP.

Senator McGAURAN—He said he would take some questions on notice. I was quite serious about where is the dead stump of knowledge now—

Senator Conroy—I will have to take that on notice.

Senator McGAURAN—Is it in the same place? Also—

CHAIR—You have asked that and the minister has said that he will take it on notice.

Senator McGAURAN—I want to be sure. Also, those measurements that I judged it at, I want to know whether it is a four foot stump, or not?

Senator Conroy—We will endeavour to gain as much information as we can on notice.

CHAIR—Senator McGauran, your colleague has been waiting very patiently on the other side of the room. Senator Fisher?

Senator FISHER—In respect of some projects in South Australia, I would like to start with some projects that were the subject of application to the Regional Partnerships Program but are not on the list of 86. I will refer to three or four, most likely. I will begin with—

Senator Conroy—Are we going to go through this again?

Senator FISHER—Yes—

Senator Conroy—As long as your colleagues are happy to hear the same answers.

Senator FISHER—I think—

Senator Conroy—I am more than happy to go through it with you.

Senator FISHER—Good, because the applicants have dedicated a lot of time and resources and they are genuine in their applications, so I think they deserve that courtesy.

Senator Conroy—And it is a terrible pity that they were dragged into a complete rort—

Senator FISHER—I will be very careful in my factual questioning, if you will allow me to proceed with it?

Senator Conroy—perpetrated by the National Party.

CHAIR—Senator Fisher.

Senator FISHER—Thank you. I will start with three projects the subject of application and not on the list of 86 that are—

Senator Conroy—If they are not on the list of 86 that would imply that they were not assessed—

Senator FISHER—They are not on the list of 86.

Senator Conroy—They were not assessed? I just wanted to make sure that we are talking about the same things. The 86 had a contract, negotiation undertaken—

Senator FISHER—They are not on the list of 86.

Senator Conroy—They were just applications that were never assessed?

Senator FISHER—That is actually a question I want to ask you, but if I provide you with the details—

Senator Conroy—That is fine.

Senator FISHER—of the projects I would welcome that information coming back as soon as possible to clarify it for the applicants. One application was in respect of the Ceduna airport redevelopment, a project worth over \$6 million. The Regional Partnerships request was for \$1 million. Port Lincoln foreshore redevelopment is the second project. The total project value was about \$1.5 million and the Regional Partnerships request was \$441,000. The final project also in the federal electorate of Grey was a KESAB, APY Lands Palya, cleaner communities project; total project value \$363,000 and the Regional Partnerships request was \$228,000. In respect of those three—

Senator Conroy—Obviously, I will have to take the finer details of that on notice. I am happy to get back to you as quick as we can. I suspect—and departmental officials might want to jump in—

Mr Angley—No, I think they must be applications—

Senator Conroy—They are all, we suspect, in the category that is described as applications that have never been assessed. But if we find anything different from that or there is any other information we can find, we will.

Senator FISHER—My information is that the applications were submitted between May and September 2007.

Mr Angley—I am sure the department will find that out.

Senator FISHER—The final project that falls into that category about which I would like the details as to the status is an application in respect of the Concordia Kindergarten in Murray Bridge in South Australia in the electorate of Barker. It was an application that would have extended part of the kindergarten facilities. It is actually a project that had been the subject of discussion, as I understand it, between the Regional Partnerships team and the project proponents for approximately two years. It is actually a project that the South Australian government had agreed to partly fund, in fact, fund to the tune of \$40,000—

Senator Conroy—We are happy to come back for that. I am happy to find out whatever information we can on that for you.

Senator FISHER—Obviously, that community is in some difficulty trying to work out what to do with partially progressed state government money, so I would appreciate details as to the status of that application.

Senator Conroy—Certainly.

Senator FISHER—Thank you. In respect of some four projects that are on the list of 86 and which are—

Senator Conroy—As long as it is not a turtle farm, is it?

Senator FISHER—in South Australia. Sorry?

Senator Conroy—As long as it is not a turtle farm but, no, you said South Australia. That is in Bundaberg—

Senator FISHER—Sorry?

Senator Conroy—It is a turtle farm that is in Bundaberg, not South Australia.

Senator FISHER—I wish to address four projects that are on the list, the Lock Institute amenities upgrade, the Ardrossan Sports Centre upgrade and the Laura and Gladstone Community Recovery project. Those names will ring a bell, given the tragedies recently experienced by those communities with an explosion. Part of the project was about assisting the communities to recover. In respect of those projects, the communities are of course getting on with the business whilst not knowing the outcome of their projects, effectively having had them suspended for the past six months. The final project in this category in South Australia about which I want to ask is the American River jetty upgrade. It is a project to upgrade a jetty on Kangaroo Island in South Australia. It is a project that the community has seen fit to try to partially fund itself and in this case the local council has had to assist. There was also state government funding involved. Once again, the progress or not is critical. In respect of those four projects which are on the list of 86, are you able to guarantee that they will receive the funding sought?

Senator Conroy—I think they fall into the category that we have had some discussion of earlier. I might let Ms Page describe the process that we are going through, but in terms of the 86—

Ms Page—Those 86 projects have until 31 July to conclude a contract with the Commonwealth. They will be eligible, as I indicated, if the government is satisfied that the project meets the Regional Partnerships Program criteria and that the communities have already entered into commitments in good faith based on the advice of the previous government. There are then some requirements in relation to any tender or development approval processes that may need to be undertaken and also a commencement date for the project, as I indicated before.

Senator FISHER—I understand from your answers given to, for example, Senator McGauran, Ms Page, that all those on the list of 86, including those four projects either in the federal electorate of Grey or the federal electorate of Mayo that I have just named, ‘will be advised’ I think your words were. You indicated what they would be advised about. You also indicated that you understood—I think were your words—that this is the advice that will be passed to them. Who will be passing that advice to the list of 86 and in what form will that advice be passed on?

Ms Page—I will let Mr Anglely answer that.

Mr Anglely—The parliamentary secretary, Gary Gray, wrote to the proponents of all 86, including the four you have nominated today. People will be getting letters over the next couple of days, or Monday, depending where they are. It sets out the same material that Ms Page read out a couple of minutes ago plus it offers some contact points for those proponents to get in contact with the department to move the process concerning their contracts.

Senator FISHER—Were those letters standard letters from Mr Gray?

Mr Anglely—Yes. They were outlining the criteria that applied to all the projects on the list of 86, but then obviously when we start to talk to the individual contract proponents they will each be different. They will reflect their own projects.

Senator FISHER—To the extent that Mr Gray's letter reflected a standard, are you able to provide the committee tonight with that standard?

Mr Anglely—Could I check on that?

Ms Page—We do not have a copy of the signed letter at this stage.

Senator FISHER—Minister, to the extent that Mr Gray's letter to the list of 86 was a standard letter, are you able to procure a copy for the committee tonight?

Senator Conroy—Parliament has risen in the House of Representatives and I think both minister Albanese and—

Senator FISHER—Minister. Minister, I think—

Senator Conroy—Parliamentary Secretary Gray have left the building.

Senator FISHER—I think you have heard about the importance of this issue to the communities concerned.

Senator Conroy—I will take that on notice and endeavour to get as much information to you as fast as we can.

Senator FISHER—By when, please?

Senator Conroy—They have left the building. I do not know whether Mr Gray is flying to Perth now or in the morning so—

Senator FISHER—We all have staff.

Senator Conroy—Yes, you have asked for a signed copy and unfortunately they may not have signed one yet.

When you say 'when', you are asking a number of imponderables, which is why we have this process where we say we will take it on notice and get back to you as fast as we can.

Senator FISHER—If no letter has been signed yet, then I am now confused given Ms Page and Mr Anglely's indication that letters were despatched today—

Senator Conroy—I said I did not know.

Senator FISHER—Presumably they were letters signed by Mr Gray.

Senator Conroy—We will get you as much information as fast as we can. We have taken it on notice. That is the rules of the committee.

Senator FISHER—I ask you to give a commitment. Name a time commitment.

Senator Conroy—I have taken it on notice. That is the purpose of the taking it on notice provisions of the committee hearing.

Senator FISHER—The government's press release of yesterday led with the line that the Rudd Labor government will provide certainty for the up to 86.

Senator Conroy—We have written directly to them. We do not need to use as our post box. We have written to them directly, according to Ms Page.

Senator FISHER—The certainty that I am seeking is a commitment to provide a copy of a standard letter that has been sent to the list of 86.

Senator IAN MACDONALD—I think you misunderstood her. She did not want a signed copy herself, she wanted to know if a copy of the signed letter had gone; is that correct?

Senator Conroy—The point Senator Fisher has just made is that we do not have certainty. We are giving these 86 certainty because we have written to them directly. We do not need Senator Fisher to be our post box. We are happy to get you a copy as fast as we can—

Senator FISHER—Thank you. I take your answer. Moving to the certainty that you indicate you are providing to the list of 86 by writing to them—Ms Page this question might be for you—what is your process to resolve each application and each contract for each and every proponent on the list of 86?

Ms Page—We will be seeking an indication in accordance with the process that I outlined concerning whether the project proponent wishes to avail themselves of the opportunity to finalise a contract by 31 July. We will then assess their proposal for consistency with the conditions that I read out and provide a recommendation, I think, to the government.

Senator FISHER—That is part of the process. What will be your time lines around that process? In particular, I note your earlier reference to the fact that the minister's press release indicates the proponents will be required to meet strict timetables and requirements to begin construction. You said something about six months?

Ms Page—If the project involves construction and/or requires a tender process the project will have until 31 December 2008 to commence and/or have a tender process completed. If the project does not involve construction or require a tender process, the project will be required to have commenced within six weeks of contract execution.

Senator FISHER—That sort of important verbiage is included in Mr Gray's standard letter, I presume.

Ms Page—It was material along those lines. I have been here all day. I have not seen the letter, nor have my colleagues.

Senator FISHER—We would all like to see the letter. Let us presume the letter sets out for the proponents a time line with which they must comply if they wish to attempt to proceed to—

Ms Page—They have until 31 July to advise whether they wish to avail themselves of the opportunity to finalise the contract —

Senator FISHER—Yes. Then there are further time lines foreshadowed to them depending upon the nature of their application.

Ms Page—That is correct.

Senator FISHER—What time lines is the department putting on itself and what time lines is the government putting upon itself to bring these matters to finalisation with certainty in terms of the process, given that the parties have waited thus far at least six months let alone the time that their applications may or may not have been in the pipeline before then?

Ms Page—It is fairly clear I think that we would do our utmost to ensure that people were given the maximum opportunity given the time frame to avail themselves—

Senator FISHER—What does that mean? Does that mean that they can have as long as they want so the uncertainty is in their lap?

Ms Page—No, they do not have as long as they want. They have until 31 July. But our ability to process the application that they send will depend on the extent of the information they provide us with, the accuracy of the information and whether the information is complete.

Senator FISHER—Obviously you need to assess in accordance with some sort of criteria. However, the government has indicated it is providing in its view these proponents with certainty. You have indicated that Mr Gray's standard letter makes it clear to the proponents that there will be clear timing expectations placed upon them if they proceed at the other end. What timing commitments will the government give? But let us start with the department. What timing commitments will the department give the proponents in terms of bringing this bit of the process to finalisation so that the list of 86 finally know whether they are in or whether they are out?

Ms Page—The minister's statement says:

The government is advised that under the plan it will give 86 not-for-profit and local government projects until 31 July 2008 to complete contract negotiations with my department. Therefore we are required to complete that—

Senator FISHER—What happens if the American River jetty upgrade project gets their further proposal to the department on 31 July? What happens then?

Ms Page—I think that is a matter that we would refer to the minister.

Senator FISHER—Are you going to be telling the proponents that, because—

Ms Page—The proponents will be advised of the time line or will have been advised—

Senator FISHER—What will be the time line? That is all I am asking.

Mr Angley—It needs to be finalised by—

Ms Page—They have to finalise their contract by 31 July.

Senator FISHER—Let us put it another way. If the American River jetty project were to get to you its proposal by the end of next week, by when would you get back to the proponents of the American jetty project to indicate whether their proposal was half-way there, not there at all, or totally there?

Ms Page—It is the responsibility of the government to advise the project proponent whether or not the project is going to be funded. It is possible in that time we may contact the project proponent if some of the required information is not there, which is the case in relation to the assessment of all Regional Partnerships projects.

Senator FISHER—But the government has committed to certainty. What certainty are you giving the proponents?

Senator Conroy—A decision by the 31st.

Senator FISHER—You may not get back to them until 30 July. And if Ms Page and her department get back to the American River jetty project proponents by 30 July and if they

want to seek more information, what provision is there for the proponents of the American River jetty project to be able to provide that information—

Senator Conroy—I am not sure which conspiracy—

Senator FISHER—in order to bring the process to a conclusion by 31 July. No conspiracy, Minister, but these communities—

Senator Conroy—I am confident—

Senator FISHER—have been subject to significant uncertainty. Your government has promised them certainty.

Senator Conroy—I am confident that there will be an iterative process taking place to hopefully reach a satisfactory conclusion for all of these—

Senator FISHER—Your confidence is uplifting and inspiring but all I am asking for is a plan.

Senator Conroy—I am pleased for you.

Senator FISHER—You name it. You name the plan and the proponents will therefore know.

Senator Conroy—The plan is in the letter to the proponents.

Senator FISHER—No, it is not.

Senator Conroy—You have never seen the letter, so you—

Senator FISHER—Exactly. But you are saying, ‘My colleagues have left the building and I can’t get a letter.’ It is 2008.

CHAIR—You do not have to yell. Have a glass of water. Let the minister answer, then ask—

Senator NASH—He has been doing his best to—

CHAIR—Senator Nash, I do not expect every senator to have to follow Senator McGauran’s lead or Senator Macdonald’s. Senator Fisher, you have the call. Do you have more questions for the minister?

Senator FISHER—Will you provide your time line for this process?

Senator Conroy—It is in the letter that has been sent and has been outlined to you.

Senator FISHER—If the letter contains what Ms Page has indicated, the only time line that is in the letter is completion of contract negotiations by 31 July this year and there are—

Senator Conroy—That sounds like a time line to me.

Senator FISHER—Not one that gives the proponents any confidence to know that once they—

Senator Conroy—Given they have not received the letter yet I am amazed at your clairvoyance. You cannot possibly have spoken to a recipient of the letter yet.

Senator FISHER—Particularly not if they have only been posted today.

Senator Conroy—That is correct. So I am amazed at your clairvoyance—

Senator FISHER—I would not have thought that the Kangaroo Island people would have received the letter by today.

Senator Conroy—and how you can continue to speak on their behalf when they have not received the letter.

Senator FISHER—I am not speaking on their behalf. I am asking questions in respect of the project.

Senator Conroy—You continue to speak on their behalf.

Senator FISHER—And I am posing hypothetical issues in respect of those proponents on the list of 86, which is why I am struggling to see why neither the department nor the minister can answer them—

CHAIR—Senator Fisher, sorry to interrupt you, but you cannot expect answers from hypothetical questions.

Senator FISHER—They are very operational in respect of those people on the list of 86.

CHAIR—I understand. You may wish to—

Senator Conroy—As I said, I am sure the department will be having an iterative process with the 86 to ensure conclusion by the date described. After that they can speak for themselves. They can contact the department—

Senator FISHER—You cannot guarantee that those on the list of 86 will receive the funding they have sought?

Senator Conroy—No.

Senator FISHER—You cannot guarantee—

Senator Conroy—We said they had to comply with the guidelines that were originally set down by your former government.

Senator FISHER—You cannot even provide procedural certainty.

Senator Conroy—That is an allegation by you.

Senator FISHER—I am asking you to provide it.

Senator Conroy—It is an allegation. You have made an allegation.

Senator FISHER—Please provide it.

Senator Conroy—You have made an allegation.

Senator FISHER—Please provide, for example, some very simple—

Senator Conroy—You have made an allegation.

Senator FISHER—Ms Page, how about—

Senator Conroy—I am sorry, questions go through the minister. You have made an allegation. You have not asked a question.

Senator FISHER—Through you, Minister, will the department—

Senator Conroy—I take the question unless I refer them on.

Senator FISHER—Will the department provide a guarantee to respond to, for example, any proponent that provides the department with paperwork in response to Mr Gray's letter within seven days of having received that correspondence? Who knows to whom the proponents are supposed to write, but let us presume it is the department. Will the department undertake to respond to a proponent within seven days of receiving from a proponent the further information sent to the department in response to Mr Gray's letter?

Senator Conroy—I am sure—

Senator FISHER—Give us a time frame?

Senator Conroy—I am sure that the department will conduct themselves professionally to assist in the completion—

Senator FISHER—That is not certainty.

Senator Conroy—That is an allegation. That is an assertion by you, that is not a question. If you have a question, we will answer it but we are not going to respond to your baseless assertions.

Senator FISHER—Will the department undertake to respond—

CHAIR—One minute, Senator Fisher, till tea break.

Senator FISHER—Once a proponent has provided the department with a response to Mr Gray's letter, will the department undertake to provide the proponent with the department's response within seven days of receiving that communication from the proponent?

Senator Conroy—I am confident that the department will respond professionally to ensure that all the applications

to ensure that all the applications will be completed and recommended to the minister by the date outlined in the letter.

Senator FISHER—I am disappointed that the minister cannot provide—

CHAIR—Thank you. Senator Fisher it is now 9 pm and we will now—

Senator FISHER—the certainty that he promised—

CHAIR—We will be breaking for a 15 minute tea break and you will have the call when we come back.

Proceedings suspended from 9.01 pm to 9.14 pm

CHAIR—We welcome back officers from Local Government and Regional Development.

Senator PARRY—Thank you very much, Chair. It is good to have you back in that chair. Senator Hutchins was very good, but it is just good to have you back.

CHAIR—Well, that is no recommendation, Senator Parry. What is your question?

Senator PARRY—Minister, we were discussing the Parliamentary Secretary for Regional Development and Northern Australia, the honourable Gary Gray, who happens to have the seat of Brand in Western Australia. I am very happy to table this document. The chair has received a copy of this document. It is addressed to the honourable Gary Gray from the office

of the Mayor of the City of Mandurah. It is signed by the mayor, Paddi Creevey. I will just read a couple of very brief excerpts from this letter.

Senator Conroy—I have been to Mandurah. Have you?

Senator PARRY—I have. This is to do with Regional Partnerships. I note that in the seat that Mr Gray is in, out of those 86 approvals, he gets four to the value of \$2.849 million. I would hardly call Mandurah a rural seat. It would be very difficult to describe it as that.

Senator Conroy—These are your programs. These are the ones approved.

Senator PARRY—These are the ones that you are reinstating.

Senator Conroy Oh, my goodness! You cannot be serious.

Senator PARRY—What a coincidence. It is four of them in Mr Gray's seat.

Senator Conroy You have got to laugh.

Senator PARRY—Funnily, Minister, Mr Gray received the letter the day before his announcement. This letter is quite scathing. I am not surprised why Mr Gray has reinstated these things. First of all, it says:

As you know, the City of Mandurah received formal written notification in August 2007 indicating the project had been approved in principle.

It is about surf lifesaving clubs. Then it goes on further down at page 2:

The importance of these projects cannot be understated.

And it goes on as to why it is needed. Then it goes on to it being a high quality venue for all of the city. This is the killer blow that I am sure made Mr Gray change his mind and insist that these programs be reinstated:

It is hard to adequately express the disillusionment and pain this unfair and unjust decision—

that is the Labor Party decision—

has caused. We seek your advice as to where these citizens will find the funds to complete these needed community facilities.

I just place that on record, Minister, because maybe this indicates that there was some pressure.

Senator Conroy—Can I just ask what the question is.

Senator PARRY—I am just placing it on record. I will ask you: was the parliamentary secretary pressured?

CHAIR—Before you answer, Minister—

Senator Conroy—When we are finished, I will tell you a play story.

CHAIR—Minister, if you may indulge me, please, just for a second. I am happy to table the scathing letter that I received, as did every other Western Australian Labor politician, from the Mayor of Mandurah and other people, if you wish, Senator Parry. To insinuate that it is something between the member for Brand and the Mandurah shire, I think, is a little far-reaching.

Senator PARRY—Well, he is the responsible parliamentary secretary. I do note that. All Tasmania wanted was a mere \$1.81 million for all the projects. Mr Gray gets \$2.849 million. Whilst we are on it, I really want the minister to respond to the issue of the Tree of Knowledge that my colleague Senator McGauran raised brilliantly in the previous session. An amount of \$2.6 million seems to be written everywhere about the cost of the election commitment. Can you at least say it is about that level, Minister, or could one of your department officials say that?

Senator Conroy—I think I read out earlier a briefing note I had which indicated a figure of around that. I read out what it was for. I am sure you were here. I am confident you were here.

Senator PARRY—Well, I just think we really need to put things into perspective. I now have to go back to the people of Tasmania. We wanted \$1.81 million for projects like the installation of 12 silhouettes for a community court in Westbury; the construction of a multipurpose storage room for \$29,000; the development of a waste recovery centre for the George Town people to assist with hiring unemployed people; the construction of a new community house at Dodges Ferry in a community that desperately needs it; the collocation of council services and COTA services; the installation of winched lines—they are only \$50,000—to provide entertainment and enjoyment to people; the redevelopment of the Australasian Golf Museum; the revamp of the town entrance tourism info centre and camping grounds in a great island like Tasmania, where camping is prolific; the construction of a new track for just \$44,000; refurbishing the court—

Senator Conroy—Senator Parry—

Senator PARRY—Hang on. Excuse me.

Senator Conroy—If you would like to table the list, that is fine.

Senator PARRY—No. I am just about finished.

Senator Conroy—You are not even asking a question.

Senator PARRY—Because we are not asking for much in Tasmania.

Senator Conroy—You are not asking a question.

Senator PARRY—It is just about finished. Resurfacing courts; disabled access and clubroom refurbishment, \$40,000; the construction of toilets in an area where they do not have any public toilets for a showground in central Tasmania; the construction of a playground; the establishment of a sustainable horticultural business with organic medicinal herbs; and developing the skills of long-term unemployed young people. For those projects, \$1.81 million was all that was asked and you are going to spend \$2.6 million for the preservation of a dead tree. The people of Tasmania miss out when all they wanted was \$1.81 million. Shame on the Labor government, Minister. Thank you, Chair.

Senator ADAMS—I want to know about two projects. One submitted on 31 July 2007 is the Katanning centre upgrade. This one is a \$2 million project. They have asked for \$250,000. The project, as I understand it, was under assessment prior to the budget. Katanning is a very multicultural area. This aquatic centre is a meeting place for a number of the different residents there. There is a large group of Noongar women and a very, very large group of

Christmas Islander women. Of course, they do not go swimming—there are special classes being set up for them—when everyone else does. So this facility has been put around—

Senator Conroy—Do you have a question?

Senator ADAMS—I am going to. It is based around a multicultural area as well as just the aquatic centre. So my question is: where is that? This was under assessment. I do not know whether it actually made the grade as far as the projects that were looked at with the ones today.

Senator Conroy—Well, the 86 have been identified. If it is not in the 86—

Senator ADAMS—No, it is not.

Senator Conroy—or the others, then it is eligible to apply for the new funding program.

Ms Page—Subject to the government's determination of eligibility and other requirements, I suppose.

Senator ADAMS—The other one is the Kojonup medical centre—a fairly recent one—for \$400,000. That was put under rural and regional partnerships. I just wonder whether you have received it and whether you know anything about the medical centre in Kojonup in the great southern.

Ms Page—I think we will have to take that on notice.

Senator ADAMS—If you could take that on notice, I would be very keen to know. Thank you very much.

Senator NASH—Just on the list of the 86, I am obviously assuming that any that are not on there were not approved. There is no chance at all that in the working out of that list there would have been any mistakes? I am assuming the department has been extremely thorough in what they have been doing going through?

Ms Page—Senator, there are some other projects. As we indicated to you earlier, there was a total of 115 on that list. There are 86 not-for-profit organisations and local government, which are being provided with the opportunity to conclude a contract by 31 July. There is a further group. I have lost my list of numbers.

Mr Carmichael—Yes. I can answer that question. They tend to be defined to the department of health. Four were non-RMIF and six were RMIF projects. There are 11 others that will be funded off that list.

Senator NASH—I am assuming that this project is not one for profit because it deals with respite care.

Mr Carmichael—Do you want to name the project?

Senator NASH—Absolutely. Golden City Support Service. It is in Victoria. Obviously it was all a bit of a crazy time running up to the campaign. My understanding was that it actually had been approved. Would you mind just taking that on notice and just double-checking that project for me.

Mr Anglely—Yes. We will certainly do that.

Senator Conroy—If you have ones that you think are in that category, we are happy to take them on notice.

Senator NASH—That would be great, because this would obviously have been on the list of 494. If you would not mind checking that. I ask because it was actually to construct a carer respite house for families. The community is absolutely desperate now because the one and only respite bed in the region was closed last week. They actually believed that the respite house was going ahead. Could you take on notice and check whether it is one that did not get to the approved stage. I did not realise until tonight that Better Regions was actually full. Am I correct in assuming that this project, if it wants funding, is now going to have to wait for that 2009-10 bucket of money?

Ms Page—It is possible that it may be in a group that is transferred to the department of health. I think that is why we would like to take it on notice.

Senator NASH—I understand about questions on notice. If you could check. If it has been referred to somewhere else for funding—

Senator Conroy—We will let you know.

Senator NASH—The speedier we could do that, the better. If not, the fact that they now have to wait until 2009-10, I just have to place on record, is absolutely appalling. This is respite care. So if you could check as quickly as possible.

Mr Carmichael—Can you tell me the name.

Senator NASH—It is RP3465, if that helps.

Mr Carmichael—That helps.

Senator NASH—It is just heartbreaking for these communities.

Mr Carmichael—Nelson, Victoria, were you saying?

Senator NASH—I am not sure of the actual town. It is definitely Victoria. I am happy to carry on with other questions if you want to continue looking. If you can sort it out before 11 o'clock, great. If not, as quickly as possible. I would really appreciate that.

Ms Page—We have found it. It is in that group that was still under assessment. It had not been approved.

Senator NASH—It had not been approved. I suppose you will not be able to tell me anyway. Do you know how long it had actually been in the pipeline?

Mr Carmichael—It came in on 1 June 2007.

Senator NASH—June 2007. So you had it from June until October. I do understand that some of these things can be held up because you are waiting on information from proponents.

Ms Page—Senator, we do not know the story with that. That is why it is usual for there to be an iterative process, particularly with more complex projects.

Senator NASH—I do understand that. Minister, given that it did not get to the approval stage, could I ask you to perhaps take this one to the relevant department—I do not know if that would be aged care or which department it would be—and see if there is not some funding bucket for this project. I know there is \$494 million sitting there and everybody

would want to be asking for that project. But I think this is one that, given the circumstances, could do with some quick and speedy assessment if we could find somewhere to place it.

Senator Conroy—I am happy to take that matter up with Minister Albanese and see if there are potential alternative buckets that you describe.

Senator NASH—Thank you, Minister. I appreciate that very much. I have a couple of other things. I want to talk about Better Regions for a moment. We have discussed it today a bit backwards and forwards. I want to get some specifics around this. The Better Regions program will start on 1 July?

Ms Page—As we indicated, I think some money had been appropriated for this year—a relatively small amount. The government is still finalising the administrative arrangements which will apply to that program. Certainly the bulk of the funding commences on 1 July 2008. The program will certainly start in the coming financial year.

Senator NASH—So how much funding has been allocated?

Mr Carmichael—It is \$176.026 million from 2007 to 2011.

Senator NASH—I know the Better Regions program is talked about a lot, but when did it actually come into being? As I understand from tonight, it is now full. Is that correct? It is full? The \$176 million has all been—

Ms Page—The program is fully committed based on the government's election commitments.

Senator NASH—Fully committed from the election commitments. So when did that program actually—sorry, but I do not know the correct terminology—come into being, if you like? The Labor Party talked during the campaign about the Better Regions program they would bring in. When did it actually turn into a being, if you like?

Ms Page—It is essentially an election commitment.

Senator NASH—So the minute they won government, it was in operation? There are no processes or anything?

Ms Page—There will be some processes associated with the projects that the government has identified in order to enable funding agreements to be satisfactorily concluded with the proponents. The program, if you like, is an election commitment.

Senator NASH—Of that \$176 million, how many projects is that spread across?

Ms Page—The government has not announced that yet.

Senator NASH—So it is fully committed but we do not know where they have gone?

Senator Conroy—You do not mind if we actually announce our own programs.

Senator NASH—No. I am just asking some questions, Minister. Do not panic. Have any of them been announced yet?

Ms Page—I think there have been some indications that things such as the Tree of Knowledge are likely to be funded under that program. But I am not aware that any have been confirmed.

Senator NASH—So the tree, the stump, is in there again.

Senator Conroy—Don't start being unkind.

Senator NASH—I am sorry, but that is just priceless. A tree.

Senator Conroy—You stick to dredging Tumby Creek and we will both be fine.

Senator NASH—I will move on. That is very, very interesting, Minister, indeed. The Tree of Knowledge is one.

Ms Page—I have indicated that I think the government has—

Senator NASH—I am sorry, Ms Page. I did not mean to say that. It is a type of project that may fall into that.

Ms Page—It may fall into that category. That is correct.

Senator NASH—So it is \$176 million. It is fully committed. You are not able to inform us of any of the projects that have been—

Ms Page—The government will make an announcement shortly concerning that program.

Senator NASH—What processes did the department use in analysing and assessing these projects?

Ms Page—These are election commitments, Senator.

Senator NASH—Does that mean that the department did not do any assessment of these projects?

Ms Page—They are election commitments.

Senator Conroy—If you want to be smart about it, they are election commitments.

Senator NASH—I just wanted that to be on the record to be absolutely clear. So because they are election commitments, there was no assessment. Minister, you might like to answer this. The department has been doing an extremely good job in years gone by in assessing these programs. It has been doing a very diligent and thorough job. Minister, you now have an entire program called Better Regions funded to \$176 million which is fully committed. We have no idea what the projects are and there has been no assessment by the department because they are election commitments. I might be a little confused here, but the minister seems to have been spending a lot of time over the last couple of days talking about due process. I cannot see for the life of me one single piece of due process in awarding the money to those projects. Maybe I have missed something. But if the department has not done any analysis and you have announced them during the campaign, it seems to me there might be absolutely no due process here whatsoever.

Senator Conroy—The due process is that we went to the election campaign saying we would deliver them and we will deliver them. We have had this discussion endlessly at the last estimates and this estimates.

Senator NASH—I find it extraordinary—

Senator Conroy—We will deliver on each and every one of our election commitments.

Senator NASH—I find it extraordinary that you can rail against an extremely good program like Regional Partnerships, which was very diligently and thoroughly—

Senator Conroy—I find it extraordinary that you can keep a straight face while you say that.

Senator NASH—And thoroughly administered by the department. And you have been sitting here today yelling vitriol at us about due process and what did not take place.

Senator O'BRIEN—He was not yelling.

Senator NASH—Okay. You are quite right, Senator O'Brien. He has been speaking with a modulated loud voice.

Senator Conroy—Thank you.

Senator NASH—I am just absolutely flabbergasted by the hypocrisy of this. It is just breathtaking, absolutely breathtaking to sit there and to pretend to lecture about due process when you have an entire program that has had no assessment or independent analysis. You are giving a bucket of money to a whole lot of projects and you will not even tell us that they have had no assessment. Minister, do you really think that is due process?

Senator Conroy—As I said, there is the right to deliver, as we promised the Australian public, on our election commitments. We do reserve the right to make the announcements ourselves rather than have you make them for us.

Senator NASH—I completely understand that, Minister. But it is hypocrisy to the highest degree to expect due process from the previous coalition government and to not be prepared to engage in it yourself. I have one last question, I promise. Senator O'Brien, I asked him if he believed it was due process.

CHAIR—Carry, on Senator Nash. There is still plenty of time.

Senator O'BRIEN—There are a lot of questions that have not been asked.

Senator NASH—I am sorry I am not entertaining enough to keep you following what I am saying, Senator O'Brien.

Senator Conroy—That is never the case.

Senator O'BRIEN—We are still waiting for the question.

Senator NASH—Again, I know it has been outlined very clearly by the department today what the due process is going to be for the 86 projects. It gave us a bit of a quandary this morning with the media release saying certainly, but obviously there is now some sort of process, so projects may or may not get back up again. I am interested because there is a process. There is obviously a process, Minister, and you are very aware of this process. You are very keen for that process to take place.

Senator Conroy—What is the entire question?

Senator NASH—The entire question is that we have been discussing the process for the 86. I said you are very keen on that process. You are very sure the process is going to take place, that it is appropriate?

Senator Conroy—The process has been outlined. We are using your criteria.

Senator NASH—And you are not going to deviate from that? The minister is not going to deviate from that?

Senator Conroy—I am hopeful that all of them will meet the criteria and get a run.

Senator NASH—I agree. I am just talking about the process. But there will be no deviation from the process. That is what you are saying?

Senator Conroy—Well, it is the process we have outlined in the letter which Ms Page read out.

Senator NASH—Why, then, would it be that the parliamentary secretary, Gary Gray, would have called a proponent yesterday to advise him that his project would be going ahead? That is circumventing the process, wouldn't you say?

Senator Conroy—I am happy to take that on notice and raise it with Mr Gray.

Senator NASH—Do you not think it is very curious and interesting that, having discussed the process at length to the 31st, the parliamentary secretary responsible for this has as recently as yesterday advised a proponent that their project would be going ahead?

Senator Conroy—Well, that is—

Senator NASH—You are not aware of that, Minister?

Senator Conroy—Obviously not.

Senator NASH—Obviously not. I would say obviously not.

Senator Conroy—I will happily take it on notice and raise it with Mr Gray.

Senator NASH—I am sure you will. Could you come back to the committee with a very clear and distinct answer on why that advice was given to the proponent. Thank you, Minister.

Senator Conroy—Thank you.

[9.39 pm]

Senator IAN MACDONALD—Let us move to output 3.1.1. Regional Partnerships is one element of that, so do not send people home.

Senator Conroy—You got my hopes up there, Senator Macdonald.

Senator IAN MACDONALD—I have a couple of quick questions before I move to regional development. Is the Remote Air Services Subsidy Scheme a new program?

Ms Page—No. It is one of the Commonwealth's oldest programs. The reason that it is in the portfolio budget submission is that the government supplemented the funding for it.

Senator IAN MACDONALD—It shows a 100 per cent increase on page 61. Is that correct?

Senator Conroy—Sounds good to me.

Ms Page—We are currently conducting a tender process. We use a number of carriers with whom we have funding agreements who deliver those services on the Commonwealth's behalf or provide a freight and passenger service to more than 239 remote communities. As a result of the current tender process, we became aware that the costs of those services had

increased very significantly, largely because of the cost of fuel. As a result, the government has agreed to supplement the cost of those services.

Senator IAN MACDONALD—That is good. As I read it, the Foundation for Rural and Regional Renewal has been axed by the government. Is that correct?

Ms Page—No. That program is still continuing without change.

Senator IAN MACDONALD—So it has been funded to the extent of \$500,000?

Ms Page—The government has a commitment over a period of time which results in \$500,000 per annum in 2007-08 and 2008-09.

Senator IAN MACDONALD—And what beyond 2008-09?

Mr James—That is the end of the current commitment.

Senator IAN MACDONALD—What was it? A five-year program?

Mr James—It goes back to—

Ms Page—To 2001. The government provided what it referred to as the challenge grant.

Senator IAN MACDONALD—The current government has not funded that beyond next year. There is no talk at this stage of extension?

Mr James—That is the existing grant. The foundation operates off a \$10 million loan that the federal government has given it.

Senator IAN MACDONALD—When did we give that?

Mr James—When it was set up.

Senator IAN MACDONALD—I see that this year and next year are mentioned in the figures but there is nothing for the out years.

Mr James—That is correct. That was the original agreement for the extra money, which is the \$500,000.

Senator IAN MACDONALD—So that stops unless the federal government extends it?

Mr James—Correct.

Senator IAN MACDONALD—And there has been no decision made to extend it?

Mr James—I am not aware of any.

Senator IAN MACDONALD—Minister, is that going to be looked at, do you know?

Senator Conroy—I will take that on notice.

Senator IAN MACDONALD—Thanks very much. The regional and rural research and development grant facilitates research into issues affecting regional Australia. What funding has been committed for that?

Ms Page—That is a very small administered program. A total of \$228,000 was allocated to the program in 2007-08.

Senator IAN MACDONALD—And how much this year?

Ms Page—It is about an equivalent amount. It certainly has not been cut.

Mr James—It is continuing.

Senator IAN MACDONALD—I do not see it in the figures on this PBS.

Mr James—It is on page 61.

Senator IAN MACDONALD—Yes. I have that.

Mr James—If you follow the table down, it is about the fifth item—regional and rural research and development grants.

Senator IAN MACDONALD—I have it. Who gets those?

Ms Page—It might help if we talk about those that have currently been agreed.

Senator IAN MACDONALD—It just goes to, what, individual research agencies?

Mr Angley—Small programs.

Ms Page—Small projects.

Mr Angley—Like \$25,000—

Senator IAN MACDONALD—To universities, and that sort of thing?

Mr Angley—That is correct.

Ms Page—A variety, yes.

Mr Angley—Yes. Different types of groups.

Mr James—And to conference sponsorship contributions about regional development.

Senator IAN MACDONALD—Could you on notice give me a list of the ones that have been funded in the current financial year?

Ms Page—We can indicate to you now, I think, that on 9 May 2008 Minister Albanese confirmed funding for four proposals, including the Peel regional partnerships for a community child development research project, the sponsorship of the 2008 Australia and New Zealand Regional Science Association International national conference; sponsorship of the 2008 desert knowledge symposium and business showcase; and a research study into the downstream impacts of drought in the Murray-Darling Basin.

Senator IAN MACDONALD—And who were they to, if you could just respectively indicate without repeating them?

Ms Page—For the Peel regional partnerships, the proponent is Murdoch University and the Telethon Institute for Child Health Research. For the conference I referred to, the proponent is the Australia and New Zealand Regional Science Association International Inc. For the study into the downstream social impacts of the drought in the Murray-Darling Basin, the proponent is the Charles Sturt University. For the desert knowledge symposium, the proponent is Desert Knowledge Australia.

Senator IAN MACDONALD—And who is Desert Knowledge Australia? Just remind me.

Ms Page—It is an organisation which Fred Chaney is instrumental in.

Senator Conroy—Now do not let your factional bias come into play.

Senator IAN MACDONALD—I am conscious of the time. I know Senator Adams wants to talk about women's representation and decision making, so I will skip that. I will briefly turn to Regional Development Australia, which is loosely, I guess, described as a replacement of the area consultative committees. I take it that there are no guidelines out yet on what form Regional Development Australia will take?

Ms Page—Well, the government has had a meeting with the interim board of Regional Development Australia. It has, as Mr James indicated, outlined some broad tasks that it would like RDA to undertake. In the meantime, the minister and parliamentary secretary will be consulting with their state and territory counterparts and local government concerning collaboration with RDA and certainly refining their views, I think, in relation to the future—what the optimal form of organisation for the body should be.

Senator IAN MACDONALD—You say that Mr James spoke about this. This has been discussed before, perhaps when I was not in the room?

Ms Page—Yes. I can just run through it quickly again. The minister and parliamentary secretary outlined three initial tasks for the RDA network. They wish it to provide advice on improving the engagement of regional communities, regional development organisations and local government with the Australian government. There is a timeline of 31 August 2008 for that. They are seeking advice on principles and priorities for the new regional and local community infrastructure program by 31 October this year. Finally, they are seeking advice, also by 31 October, on priorities for the types of local community infrastructure that could encourage economic development.

Senator IAN MACDONALD—I see at page 63 there is another set of responsibilities for RDA.

Ms Page—They are the broad objectives, if you like, for RDA. What I read out to you are the initial tasks which the government has commissioned of it.

Senator IAN MACDONALD—If you have been through this before, please, very quickly tell me because I do not think I was here. What is Regional Development Australia?

Ms Page—At this stage, Regional Development Australia is essentially the ACC network.

Senator IAN MACDONALD—But what is it? Is it a government corporation?

Ms Page—There has been no change to the status of the individual organisations which make up RDA. They are still independently incorporated bodies under state legislation.

Senator IAN MACDONALD—So RDA is a conglomerate of the existing 54 ACCs?

Ms Page—That is correct.

Senator IAN MACDONALD—They have their own national body, which has been renamed Regional Development Australia?

Ms Page—There used to be a body called the Chairs Reference Group, which was the representative group of the area consultative committees. The government has formed essentially a board of Regional Development Australia, which is the peak consultative body for RDA.

Senator IAN MACDONALD—I am trying to very briefly get the form of the board.

Ms Page—It is essentially an advisory body.

Mr James—It is an advisory body. The department provides secretariat for it.

Senator IAN MACDONALD—Your department provides a secretariat. Who are the people on this?

Ms Page—We can either provide that or take it on notice.

Senator IAN MACDONALD—Are they chairs of the existing ones?

Mr James—Yes. There are 12 existing chairs.

Senator IAN MACDONALD—And who is the chairman of the chairs, the chairman of the board?

Ms Page—Mr Don Phillips, who was the chair of the previous chairs group.

Senator IAN MACDONALD—Where is he from?

Ms Page—He is from northern New South Wales.

Senator IAN MACDONALD—Can you just give me that list. When did we discuss this before? How did this come up before?

Mr James—There were some questions about ACCs and the arrangements.

Senator IAN MACDONALD—I see it says it is to commence on 1 January 2009.

Ms Page—I think we indicated that the board is an interim board and that the government would be undertaking further consultation with RDA on its final form. That period of consultation is to take place and consideration through the rest of this year, with the final structure to be put in place early next year.

Mr James—And the board has been advised of that.

Ms Page—Mr James can provide you with advice on the members of the interim board of RDA.

Mr James—Would you like them?

Senator IAN MACDONALD—On notice, please, because we are running out of time. It is going to commence on 1 January 2009, so I assume from that that it is not going to be the existing arrangement. It will be a new arrangement.

Ms Page—I think it is too early to tell that, Senator. I think the government wants to undertake a period of consideration to determine what—

Senator IAN MACDONALD—Was this an election promise?

Ms Page—The government has committed to an organisation called Regional Development Australia as an election commitment, yes.

Senator IAN MACDONALD—I am sure the department will have a copy of the election commitment. Is that readily available?

Senator Conroy—That question has been asked about the board. We have an answer from the Prime Minister, who indicated that all our election commitments were public and had costings attached and they are on the public record.

Senator IAN MACDONALD—Can you help me, Minister, and give me a reference where I would find it. There is no shame about the department having it. If they have to administer it, they have to at least know what you have said.

Senator Conroy—The Prime Minister has given an answer in response to the whole of the government in terms of election commitments and their accessibility.

Senator IAN MACDONALD—Can I ask the department to provide on notice the written instructions upon which they are working when they consider—

Senator Conroy—We will take that on notice.

Senator IAN MACDONALD—Regional Development Australia. That would be fine. Thank you, Minister. I look forward to the answer. I will now move to consider very briefly the Regional and Local Community Infrastructure Program. I see that fully costed proposals are to be submitted for consideration in next year's budget. Can you tell me something about that. Is that an election commitment? What is it meant to be?

Ms Page—No. That is a budget announcement by government, yes.

Senator IAN MACDONALD—Can you tell me any more than what I can see at page 63?

Ms Page—The government has indicated, as I think I said, that it is asking Regional Development Australia for advice concerning that possible program.

Senator IAN MACDONALD—So there is—

Ms Page—The House of Representatives inquiry into Regional Partnerships will also be asked to provide advice on a possible future program.

Senator IAN MACDONALD—And what money is provided for that in this budget?

Ms Page—No money is provided in this budget. That is a matter for the 2009-10 budget context.

Senator IAN MACDONALD—So there would not be anything in the out years if there is nothing in the in years. Finally, I want to go to the Office of Northern Australia. I want to again refer, as even the Labor ministers have done, to the excellent work Senator Heffernan did in this area as leader of the taskforce. I am praising him and he is not even here to hear it. I know Senator Heffernan wants to ask some questions about it. Just before he does, is there to be one physical office or two or more?

Ms Page—The Office of Northern Australia?

Senator IAN MACDONALD—Yes.

Ms Page—The government has already indicated that it will have offices in Darwin and Townsville. As you know, we have regional offices in both those locations, which will be certainly used to assist the operation of the Office of Northern Australia.

Senator IAN MACDONALD—So the department already has offices there.

Ms Page—We do.

Senator IAN MACDONALD—Doing what exactly?

Ms Page—At the moment they are providing advice in relation to the administration of the Regional Partnerships Program.

Senator IAN MACDONALD—Did I read somewhere in the paper that the Townsville and Darwin ACCs, or whatever they are properly called, are going to be rolled into those same offices physically?

Ms Page—No. The ACCs are not employees of the department.

Senator IAN MACDONALD—So I did not read that?

Ms Page—No.

Senator IAN MACDONALD—Has there been any thought given to having an office in Western Australia in the north-west of Western Australia? I am delighted there is one in North Queensland and delighted there is one in the Northern Territory.

Ms Page—The government's commitment was to offices in Darwin and Townsville.

Senator IAN MACDONALD—Minister, is there any reason why the north-west of Western Australia, which contributes to a very substantial part of Australia's export earnings, is not included?

Senator Conroy—I will take that on notice and inquire for you.

Senator IAN MACDONALD—What sort of staffing do you expect to have for these offices?

Ms Page—We have current staffing in both offices. The Townsville office is a much larger office than the Darwin office. At this stage, I think we are still working out the extent of the task of operating the Office of Northern Australia.

Senator IAN MACDONALD—Where would I find the budget moneys allocated for that office?

Mr Anglely—It is \$2 million a year.

Senator IAN MACDONALD—Where would I find that?

Mr Anglely—Reflecting the election commitment.

Ms Page—Page 21.

Mr Anglely—And then there is an explanation on page 63. The dollars are on page 21.

Senator IAN MACDONALD—I am reading from page 63. There were numbers on page 61 for everything else but not that. So do I go to page 21?

Mr Anglely—No. The text is on page 63 and the financial information is on page 21 at table 1.2, about one-third of the way down the page.

Senator IAN MACDONALD—Yes. I have it now. There is \$2 million a year for the next four years. And that is to run the offices?

Mr Anglely—Yes. It is to run the offices and contribute to the work of the office.

Senator IAN MACDONALD—And what do you currently spend per year on the departmental offices? I suspect not in a separate line item in the budget but within your internal budget, what do you currently spend?

Ms Page—I would have to take that on notice.

Senator IAN MACDONALD—And how many staff do you currently have in Townsville and Cairns?

Ms Page—I would be guessing, but it is of the order of probably about eight in Townsville and I think two or three in Darwin.

Senator IAN MACDONALD—Could you just confirm that if you find out what you are currently spending, you could find out what the current staffing arrangement is for them. You say you are looking at what the staffing will be into the future. Do I take it from that that whilst it is lovely to have an Office of Northern Australia, it is really nothing new. It is just re-badging an existing departmental entity?

Ms Page—No. The staff working for the Office of Northern Australia will have different duties to those of other regional office staff.

Senator IAN MACDONALD—So you are saying that the existing staff in the Townsville and Darwin offices will continue in number and support and the Office of Northern Australia will be a completely newly funded and newly staffed—

Ms Page—It is a new function for the department.

Senator IAN MACDONALD—Can you tell me if the existing staff will continue? I do not mean individuals but positions.

Ms Page—The department is closing four offices in capital cities. It is retaining the Townsville and Darwin offices. There are no plans to close those offices. However, the staffing requirements of those offices, as with any offices, including our national office in Canberra, are always under review. So I could not provide guarantees concerning the numbers of people in both those offices. But those offices will remain open.

Senator IAN MACDONALD—Who is going to do the work the offices in the capital cities did now that they are closed?

Ms Page—That work will be centralised in Canberra. Some of the work may be reallocated amongst the regional offices as well.

Senator IAN MACDONALD—When you say the ‘regional offices’, are there other regional offices besides—

Ms Page—Yes, there are offices in Darwin, Townsville, Newcastle, Orange, Wollongong, Bendigo and Hobart, which will remain open.

Senator IAN MACDONALD—None in Western Australia?

Ms Page—The Perth office is being closed.

Senator IAN MACDONALD—Who is here from Western Australia? Senator Adams, that sounds like a headline for you!

Senator ADAMS—I am here just shaking my head.

Senator IAN MACDONALD—Are there offices, plural, of Northern Australia or is it the Office of Northern Australia.

Ms Page—It is an office that will have two presences.

Mr Angley—Three: our leading Canberra base and the Townsville and Darwin offices.

Senator IAN MACDONALD—And the staffing and terms of engagement for that office are still being determined?

Ms Page—That is correct.

Mr Angley—Yes.

Senator IAN MACDONALD—Will the offices comprise—I am not quite sure how to phrase this; I'm not being snobbish about this—clerical people or researchers and scientists?

Ms Page—I doubt whether they will be scientists. To the extent to which the Office of Northern Australia requires particular expertise, that expertise will be contracted. They are more likely to be in the nature of clerical staff I think. But we have not finalised that yet.

Senator IAN MACDONALD—So any contracted research staff would be paid for out of the \$2 million.

Ms Page—Yes, that is correct.

Senator IAN MACDONALD—The minister seems to have gone missing in action again. Was there ever an office in the past in Cairns?

Ms Page—I will have to take that on notice.

Senator IAN MACDONALD—Well, there isn't currently an office in Cairns?

Ms Page—There is not currently.

Mr Angley—Not in recent times.

Ms Page—There has not been in recent times.

Senator IAN MACDONALD—Again, this is really the minister's question, but do you have any idea why Townsville and Darwin were selected as opposed to, say, Cairns and Katherine?

Mr Angley—Because there are regional offices of the department in those two towns.

Senator IAN MACDONALD—Because they are already there?

Mr Angley—They were there. It is part of the reasoning, I presume.

Ms Page—I think it is largely for historical reasons. Some of it relates to the fact that the network was inherited, I think, from former portfolios. Why decisions were made to locate offices in particular centres, I cannot give you an answer. But they predate their home within this portfolio.

Senator IAN MACDONALD—Sure, that is in relation to the existing offices. My question, which I will ask you to take on notice, seeing that the minister is not here, is why Townsville and Darwin were selected. Certainly, I am delighted about Townsville, my home base, but I wonder what the rationale for Townsville and Darwin was as opposed to, for

example, Cairns and Katherine. So if you could take that on notice. In again recognising the great work that Senator Heffernan did, can I get you to update me on those of Senator Heffernan's committee, apart from politicians, who are now members of the task force. You did tell me at the February estimates that all of them had been invited. I think you might have said all of them had accepted, or a fair percentage. But I wonder whether you could update me on who has accepted and who has not.

Mr Angley—The people who have accepted are Mr David Crombie, Mr David Baffsky, Mr Lachlan Murdoch, Mrs Terry Underwood, Dr Andrew Johnson and Mr Joe Ross.

Senator IAN MACDONALD—Have others been added to that?

Mr Angley—No. The other members are being considered at the moment.

Senator IAN MACDONALD—And that is a ministerial appointment by Mr Gray?

Mr Angley—Minister Albanese and Mr Gray.

Senator IAN MACDONALD—I assume if appointments are still being considered that the taskforce has not met since the election?

Mr Angley—No, that is right. That is correct.

Senator IAN MACDONALD—Finally, talking about Mr Gray—this is apropos nothing, but apropos everything—is Mr Gray the former ALP general secretary? Is that the Mr Gray it is?

Senator Conroy—That is the Mr Gray.

Senator IAN MACDONALD—What was his job immediately prior to his appointment, minister?

Senator Conroy—Woodside. Remember? He was a director at Woodside.

CHAIR—International affairs, Senator Macdonald, if it helps you.

Senator IAN MACDONALD—Based in Perth, was he?

CHAIR—Yes.

Senator IAN MACDONALD—Does he still have any interest with Woodside?

Senator Conroy—I am sure if he did he would have it on his declarations. He probably has some shares but he actually resigned all positions there slightly before the actual election. Anything he had would be registered.

Senator IAN MACDONALD—On the public register?

Senator Conroy—Yes.

Senator IAN MACDONALD—Thanks very much. Thank you, Mr Chair.

CHAIR—Senator Heffernan?

Senator HEFFERNAN—I was wanting an update. The minister wants to go home and so do I. Senator Macdonald, you have done a pretty good job there in updating us, and the previous government had a budget of \$10 million. Is that what we put into it?

Mr Angley—A bit less than that, I think. We have inherited about \$700,000 to come with the taskforce. The rest has stayed in the department of environment with the assessment.

Senator HEFFERNAN—The 2011?

Mr Angley—Yes. The major assessment that they are doing across—

Senator HEFFERNAN—The dirty dogs. I understand, because Senator Macdonald has asked some pretty good questions on the department's development of the north, that obviously there will need to be a strong connection into the untapped potential of a lot of the Indigenous freehold land up there for economic opportunity. As I said last night, plain as the nose on your face, there is a need in Australia to get some downstream development, fertiliser, et cetera, off the North-West Gas Shelf, and how you hub that up will be an argument amongst the various players there. But there is a lot of information, which a decent administrative office rather than the scientists can already put together through those departments, which is in isolated silos all over the place. I thought that the previous government had allocated to the Bureau of Meteorology and CSIRO or someone—was it \$50 million to look at some work on the Great Artesian Basin?

Mr Angley—Yes, I am pretty sure you are right about that. I do remember that being a budget measure a couple of years ago.

Senator HEFFERNAN—I wonder what happened to that money?

Mr Angley—I could provide you with some written advice on that.

Senator HEFFERNAN—Thanks very much for that.

Senator IAN MACDONALD—It was in addition to what we provided for the Great Artesian Basin initiative.

Senator HEFFERNAN—Yes. It was about \$50 million, I think, to research the—

Senator IAN MACDONALD—Yes, but that is not this. There is a capping—

Senator HEFFERNAN—No, this was not the capping.

CHAIR—While opposition senators have a history lesson, are there any questions? Senator Heffernan, you have the call.

Senator HEFFERNAN—There are some pockets of money that are in the system now. Rather than go through a great long spiel again tonight, I suppose the best way to summarise it is, could we have an update? I mean, obviously when I was the chairman we would have the opportunity to do the interim report which was due in about the time frame of the election. I do not think this should be a political operation at all. It ought to be national interest and all Australians ought to be enthusiastically behind it. We did not put in an interim report because I did not just think that we should degrade it as an electoral tool for either side. But the information—Christine Schweizer was the person we were dealing with in the department of DEW. It is now transferred to Anthony Albanese's and Gary Gray's custody. Who is the person who is actually running the taskforce now?

Mr Angley—Mr Pahlow is the branch manager and we have recruited someone from the taskforce.

Senator HEFFERNAN—So Andrew Dickson has come across, has he?

Mr Anglely—Yes. And we have inherited obviously—

Senator HEFFERNAN—Can I just ask you, because one of the curious questions I had and one of the temptations when someone gives you \$20 million, how did they divvy that up back to the department because I am pretty possessive of the need to have money for the taskforce and for the research rather than—you have to do the work before you do the assessment. How much did they bring across for the work side of it?

Mr Anglely—\$700,000 a year.

Senator HEFFERNAN—How much did they leave back with the assessment of that work?

Mr Anglely—Whatever the rest was, I am not sure. I thought you must have made that decision when you were involved—might have been involved—at the time.

Senator HEFFERNAN—No, that was not my decision.

Mr Anglely—No, about the split between the assessment and the taskforce. At the time when we were negotiating the move of the function—

Senator HEFFERNAN—Yes. I just wondered, in the divvy up, whether the work side of it might have got the poor side of the pineapple, as it were, and a lot of money was put back into the assessment. We really have to have a reasonable amount of money to get a lot of the mapping, the land mapping and infrastructure stuff—like that bridge on the Daly River thing—a lot of the work has been done and a lot of the soil types have been mapped and a lot of the water has been mapped. To figure the complementary infrastructure—

Senator Conroy—Bill, we only have a few minutes left. Could you ask questions? I know you are feeling around looking for them.

Senator HEFFERNAN—No, I am not fiddling around.

Senator Conroy—No, I said ‘feeling around’, not ‘fiddling’.

Senator HEFFERNAN—No. Well, I am just not wanting to be a smartarse in all of this. I am trying to be fair dinkum.

Senator Conroy—That is why I said that you are feeling around.

Senator HEFFERNAN—So there is \$2 million for the northern development offices.

Mr Anglely—\$2 million a year.

Senator HEFFERNAN—How much for the scientific work?

Mr Anglely—There is \$2 million allocated to the Office of Northern Australia per year, and I was saying that, in addition, we have \$700,000 a year for two years that came with the taskforce.

Senator HEFFERNAN—Anyhow, I will deal with that. As you would know, if we are serious about assessing, for instance, the Gilbert River or revisiting the Wild Rivers legislation, where they are going to lock up the first kilometre from all those rivers, which is a

serious mistake, which even the Australian Conservation Foundation says has to be revisited, we need more than \$700,000. I will just leave it at that.

Mr Angley—Yes. I hear your view on that. We had discussions at the time and we will revisit it, but that was how it appeared to be divided in the department before we inherited our part.

Senator HEFFERNAN—We need to get a couple of these up. We need to get to the full potential of a couple of schemes, just to signal Australia on our way. I will not burden you with any further, but that is very informative, and thank you Senator Macdonald for the questions earlier.

Senator IAN MACDONALD—Can I just add to Senator Heffernan, what happened to that assessment money that was being done by the department of environment?

Mr Angley—That is still there.

Senator IAN MACDONALD—It is not your department but do you know if it is still being done by the department of environment?

Mr Angley—The assessment is continuing in the department of environment.

Senator IAN MACDONALD—And will feed into the Office of Northern Australia.

Mr Angley—Yes, we certainly have a lot of contact with them because they were together and we have taken the taskforce but the assessment and its activities have remained there.

CHAIR—Are there any further questions from senators?

Senator ADAMS—I have.

CHAIR—It is quite all right, Senator Adams, I will not forget you. Senator Adams.

Senator ADAMS—I would like to go to Output 3.1.1, the Regional Development Policy Program and Improving Regional Women's Representation in Decision Making Program. Given that the Labor government is abolishing the Improving Regional Women's Representation in Decision Making Program, what alternative assistance will be provided for women in this area?

Ms Page—The government is committed to a national rural women's summit in June 2008. The Office for Women is taking a lead role in the planning and development of the summit. Following the summit, the government plans to establish a national rural women's network to work in partnership with the existing allied rural women's network. We are supporting these initiatives but we are not directly involved in any funding for them. That initiative is being coordinated, as I indicated, by the Office for Women.

Senator ADAMS—And they have been funded for it, have they?

Ms Page—I am not aware of the funding arrangements for that.

Senator ADAMS—The reason that I am concerned is because also DAFF have abolished their Advancing Agricultural Industries as well, also the program Pathways to Participation, which helped women in agricultural industries gain skills and opportunities to enable them to contribute to the industries' decision making. Is there anything else to take that place?

Ms Page—We could not comment on any arrangements in relation to the DAFF portfolio beyond what I have indicated that the Office for Women—

Senator Conroy—I do have some information, just briefly, for you. At the end of June, my colleague, Minister Plibersek will host a rural women's summit, with support from Minister's Albanese's department. This summit will look at opportunities for improving social and economic outcomes for rural women and increasing their participation in a range of policy areas, including agriculture and regional development. I am also pleased to inform you that after that summit Minister Albanese will be reviewing the Rural Women's Advisory Council in his portfolio and strengthening the role the body plays in terms of policy advice and development.

Senator ADAMS—I am sure rural women will be delighted because I know a lot of them are very agitated thinking that they were being wiped off. Regarding the government's budget cuts to the Sustainable Regions Program—this is once again a Western Australian question—following the axing of the Sustainable Regions Program and in view of the unparalleled growth in the Pilbara region due to the mining boom, can you advise what provision has been made to assist the town of Port Hedland and the Pilbara region generally with the urgent need for improved community as opposed to road, port, rail and transport infrastructure and services?

Ms Page—I am not aware that there was any funding prior to the budget being spent in the Pilbara area under the Sustainable Regions Program. I think the sustainable region in Western Australia had closed long before the election. There had been a sustainable region in that area. It had a defined amount of money and it had either all been spent or very close to it, I think, by the budget. At this stage, the government has made a series of election commitments in relation to regional Australia. I am unaware of the extent to which any of those relate to the Pilbara area but, as the minister has indicated, there will also be a regional and community infrastructure program commencing from or being considered in the 2009-10 budget.

Senator ADAMS—By that time, the Pilbara will probably have burst its seams, I would think. I have two questions on local government.

Senator IAN MACDONALD—Before you get off the regional issues, looking at page 64 under the key performance indicators, 'Priority issues affecting major projects and sustainable development in Northern Australia identified through consultation' is to be done by 30 June 2008, which is less than 30 days away. Is that report just about completed?

Ms Page—We are in the process of providing advice to the minister on that matter.

Senator IAN MACDONALD—Will the priority issues be announced on 30 June?

Ms Page—I do not know what processes or what plans the minister may have to make any announcements or, indeed, whether he may simply use that to guide further development of the way in which the Office of Northern Australia will operate.

Senator IAN MACDONALD—If this document means anything, it is to be identified by 30 June and the first taskforce progress report is to be delivered to government by 30 September, which is less than four months away, and that is going to be difficult seeing the taskforce has not yet been formed, let alone having met. A bit optimistic perhaps?

Mr Angley—I think it reflects both the taskforce that you are talking about and the office itself, which are associated but different roles.

Senator IAN MACDONALD—I can read the body language that perhaps page 64 made good reading but really did not have much association with reality. That was not inviting a comment. The taskforce report due on 30 September no doubt would be available to us at next estimates?

Ms Page—That will be a matter for the minister.

Senator IAN MACDONALD—Taskforce report on the investigation of the land and water development in Northern Australia is to be delivered in about a year, so that will be eagerly awaited too.

Senator ADAMS—This question is about local government funding arrangements, the distribution of financial assistance grants. Budget Paper No. 3, Part 3, refers to payments for specific purposes. By way of background, the Commonwealth provides general purpose assistance to local government and has done so since 1974-75. This is untied funding and can be spent according to each council's own priorities. The last paragraph of this section on local government states, 'The treatment of local government payments under the new framework for federal financial relations is yet to be decided.' I seek clarification of this statement and what it entails for Australia's local government sector and what guarantees can be given that local government funding will be maintained and grow, and what certainty can be given to the sector whilst the process is held up by a review?

Ms Page—Nothing is being held up. There is funding provision for local government across the forward estimates and there has been no change to that funding. You might recall that COAG has agreed to different arrangements or more streamlined arrangements for the payment of specific purpose payments. They are still considering, I think, or they have left room to consider, whether or not they might change the administrative arrangements which attach to the FAGs grants. They have yet to consider that. But at this stage there is no indication that funding levels will change. There is no provision to hold up funding to local government and there is continued provision in the forward estimates.

Senator ADAMS—Thank you very much.

Senator IAN MACDONALD—What do you mean by administrative arrangements?

Ms Page—In relation to the specific purpose payments, COAG has agreed to streamline a number of specific purpose payments to reduce the number into a smaller group and to streamline the administrative arrangements to make the administration more outcomes focused. COAG has yet to consider whether or not it wants to change the administrative arrangements in relation to financial assistance grants and how it might wish to treat or administer those grants.

Senator IAN MACDONALD—Thank you, Ms Page. You have spoken for a few seconds and told us absolutely nothing. Senator Adams asked about the statement, 'The treatment of local government payments under the framework for federal financial relations is yet to be decided.'. We know how it has operated for time immemorial almost. What administrative arrangements, if you can be more specific—I understand you are saying COAG is looking at

it and all the bureaucracy speak, but what exactly are the administrative arrangements mentioned in the Budget Paper No. 3 that Senator Adams—

Ms Page—I do not have Budget Paper No. 3 with me and I do not know in any detail the types of things that COAG may wish to consider. Payments to—

Senator IAN MACDONALD—Well, it is hardly a COAG matter, either. These are federal financial assistance grants that go to—

Ms Page—They are paid through the states.

Senator IAN MACDONALD—Paid through the states, much to the chagrin, I might say, of local government. Perhaps that is the administrative arrangement that is being adverted to?

Ms Page—It could be. I do not know what COAG may wish to consider. COAG has changed the arrangements under which it makes specific purpose payments to the states. These are grants that are also paid via the states and COAG has reserved the ability to consider whether it may wish to continue to pay those payments in the same manner.

Senator IAN MACDONALD—But these are not special purpose payments, are they? They are payments under the Financial Assistance Grants Act.

Ms Page—That is correct.

Senator IAN MACDONALD—So they are not special purpose payments?

Ms Page—They are not special purpose payments but they are payments made via the states and COAG has already examined the way in which it makes payments to states—the way in which the Commonwealth makes payments to the states.

Senator IAN MACDONALD—Senator Adams has identified a paragraph in a section of the budget, which is your document, and when I say ‘your document’ I mean the government’s document. Is there anyone who could tell us what exactly that means? Perhaps if there is no-one here at this time of night, which any sensible person would not be, perhaps you might take it on notice and give us an answer that means something.

Ms Page—I do not believe I can help you further. COAG has flagged that this is a matter that it wishes to look at. I have no further information on that other than to tell you that COAG has expressed an interest in it.

Senator IAN MACDONALD—Is the Australian Local Government Association aware of this happening?

Mr Anglely—Yes, they are a member of COAG. They are on COAG and this is part of a broader process where all payments to the states and through the states are being considered.

Senator IAN MACDONALD—I would say they would know that the treatment of local government payments under the new framework is yet to be decided. They would be fully aware of that?

Ms Page—I believe so.

Mr Anglely—Yes. They are a member of COAG. The president of ALGA is on COAG.

Senator IAN MACDONALD—I would be interested to get their reaction to that. You are saying it is not just that nobody here knows, you say no-one would know?

Senator Conroy—No, it is ongoing discussions because they have not been finalised.

Senator IAN MACDONALD—It is no use taking it on notice. You are saying even taken on notice you would not be able to tell us more?

Ms Page—We have no further information.

Mr Angley—No.

Ms Page—And I do not believe the minister would, either.

Senator ADAMS—Watch this space and I will ask that question next estimates.

Mr Angley—Yes.

Senator Conroy—PM in C is possibly a place you might want to go first.

Ms Page—PM in C or Treasury, I think.

Senator ADAMS—When is the Council of Australian Local Governments to be established?

Ms Page—The minister is finalising the arrangements and the membership of the Council of Australian Local Governments and will make an announcement shortly.

Senator ADAMS—What is this council going to do?

Ms Page—I think there were some indications in the government's election commitment which we could—

Mr Angley—It seeks to provide a direct contact between the federal government and the local government sector.

Senator IAN MACDONALD—It is about the constitution, though.

Mr Angley—That is one of the things that has been flagged that it would consider when it is formed.

Senator ADAMS—How many members are there going to be on it?

Mr Angley—Undecided. We have provided some advice to the minister.

Senator ADAMS—The next question: how will the council participants be selected and who will be consulted regarding the selection of participants?

Ms Page—The minister determines the selection of participants and that is a matter for his discretion.

Senator ADAMS—How will the council be funded?

Ms Page—No funding has been provided for the council, but the department will absorb the costs of providing the secretariat service.

Senator ADAMS—Will this council duplicate the activities of and services provided by the Australian Local Government Association, which represents all Australian local councils through its state and territory members?

Mr Angley—No.

Senator ADAMS—Why not?

Mr Angley—It depends on what the minister decides. He could consider a broader membership than the local government councils that are members of ALGA.

Senator ADAMS—ALGA is a peak body, a representative body, of all councils. If this body is tasked with providing advice to government on local government matters, it is a slightly broader mandate?

Mr Angley—That is right. So it could pick up other sectors if the minister decided to go that way.

Senator IAN MACDONALD—And this was an election commitment?

Ms Page—It was.

Mr Angley—Yes, it was.

Senator IAN MACDONALD—ALGA is a very professional body, as are the state organisations, and has always provided a very good interface between—

Senator Conroy—ALGA are highly regarded by this government, as well.

Senator IAN MACDONALD—Well, it does not seem so. It seems you are going to be duplicating them.

Senator Conroy—The officer said that is not the case.

Senator ADAMS—This is quite a bone of contention amongst local governments: when will you be consulting with local, state and territory governments to consider constitutional recognition of local government?

Ms Page—That is a matter which the government may choose to give COALG as a task.

Senator ADAMS—So they will deal with the consultation then?

Ms Page—They may. That is an area that the government may wish to consider asking, using COALG as part of the consultation process.

Senator ADAMS—What would be the time lines for the consultation?

Ms Page—No announcements have been made in relation to that.

Senator IAN MACDONALD—But your document says that COALG will consider the consultation process for constitutional recognition of local government. So, according to this document, they are going to do it and they are going to do so by 30 June 2009.

Ms Page—Sorry, senator, what document is that?

Senator IAN MACDONALD—This is portfolio budget statement, page 66, the key performance indicator.

Ms Page—I think I would still prefer to wait for the minister to make announcements on what he has in mind in relation to that.

Senator IAN MACDONALD—Is this the minister's document?

Ms Page—The minister signs the document off.

Senator Conroy—We said COAG would be given task of considering a process for constitutional recognition.

Senator IAN MACDONALD—This is the minister's document.

Senator Conroy—I have said we have indicated COAG will be given the task of considering a process for constitutional recognition.

Senator IAN MACDONALD—I accept it is late at night but that is a different answer to the answer that was given to Senator Adams. Perhaps it is just late.

CHAIR—Could I have an indication that we will be finished tonight and we are not required tomorrow, are we?

Senator Conroy—There is no spill-over day.

Senator IAN MACDONALD—I do not know that that is so categorical but in answer to your question—

Senator Conroy—Can I give you a firm commitment that it is the case.

Senator IAN MACDONALD—Mr Chairman, I think we are just about finished.

CHAIR—We have until 11 o'clock, Senator Macdonald. I do not intend to rush you.

Senator Conroy—Are you indicating on behalf of the coalition that you will actually support the constitutional recognition as opposed to what you did in 1974 and 1988?

Senator ADAMS—We did not say that; we just asked the question.

Senator IAN MACDONALD—If you are interested in my views, perhaps you should Google them.

Senator Conroy—No, I said on behalf of the coalition.

Senator IAN MACDONALD—Perhaps you should Google them.

Senator Conroy—No, I asked on behalf of the coalition; is that what you are indicating?

Senator IAN MACDONALD—You should Google them.

CHAIR—Senator Macdonald, you have the call.

Senator IAN MACDONALD—Senator Adams has actually.

CHAIR—I am sorry, Senator Adams. Questions?

Senator ADAMS—Page 60 of the Portfolio Budget Statements, Budget Paper No. 1.13, from the Infrastructure, Transport, Regional Development and Local Government portfolio. I note that the staffing numbers in the local government department Output 3.2.1 are flagged to go from 255 in 2007-08 to 217 in 2008-09. So my question is, is this correct?

Ms Page—That reflects the closure I think of the offices that I mentioned earlier.

Senator ADAMS—How will the decrease in staff numbers impact upon the department's capacity to meet its obligation to its local government output?

Ms Page—The reduction relates to a reduction in departmental funding that accompanies the cuts or the closure of the Regional Partnerships and Sustainable Regions programs.

Senator ADAMS—Which staff, at which levels, and which program or policy development areas will be affected?

Ms Page—At this stage, as I indicated in my statement yesterday morning, the offices in Perth, Melbourne, Adelaide and Brisbane and also in our national office in Canberra.

Senator ADAMS—I remember that now. Sorry, I do not have that sheet with me now. What will happen to the staff? Are they going to be redeployed in the department?

Ms Page—I will go back to my statement. I promise you I will not read it again in its entirety.

Senator ADAMS—I do have it but I just do not know where.

Ms Page—We are working closely with the staff of those four offices to identify redeployment opportunities across other areas of the department or in other APS agencies in accordance with the department's collective agreement and advice provided by the Australian Public Service Commission. Where possible, affected staff will be redeployed to the national office, other state and territory offices, and to other APS agencies in those locations. Consistent with the department's CA, staff who do not wish to be redeployed will be made an offer of voluntary redundancy. There will also be a reduction in staffing in the Local Government and Regional Development Division in the national office in Canberra.

Senator ADAMS—Thank you. I am not sure whether I heard correctly, but has the Natural Disaster Mitigation Program moved somewhere else?

Ms Page—That has moved to the Department of the Attorney-General. It is now a part of, I think, Emergency Management Australia.

Senator ADAMS—I was just concerned, as a number of local governments are, about the funding for 12 months. So could you explain why that has happened?

Ms Page—No. I cannot. That is a budget decision and one that relates to another portfolio. I cannot provide advice on that.

Senator ADAMS—This one is on roads and access in the Northern Territory, and it is concerned with local government and the changes in the new system of local government in the Northern Territory.

Ms Page—We have some transitional provisions where there is a change to council arrangements. I am not sure exactly which roads and councils you are referring to.

Senator ADAMS—I will just explain the scenario, that the shires, in some cases in Queensland and WA, will replace a myriad local councils and the shire meetings are to be held on a rotational basis in different townships. As the third tier of government, these meetings must be open to the public with the usual confidential section as prescribed by the act for the normal carry on, but the problem that this constituent feels as a normal person, not a councillor or a member of parliament, because they can have access—

CHAIR—Are we not normal?

Senator ADAMS—We apparently have access with the permit system going into a community that is closed but the normal public do not. So we are just wondering whether this has been considered, that any reinstated permit system would have to be lifted on the day of the shire meetings?

Ms Page—We do not have any responsibility for the permit system and we do not have responsibility for the conduct of council meetings. That is an issue which really relates to state and territory legislation. Our role is principally in relation to the provision of financial assistance to councils through state governments.

Senator ADAMS—Thank you very much.

CHAIR—Are there any other questions? If there are no further questions, on behalf of the committee I would like to thank the officers for appearing. It has been a testing couple of days. Thank you very, very much to senators. Thank you for your assistance. Most importantly to the secretariat and to the Hansard staff, thank you, and goodnight. The hearing is now adjourned.

Committee adjourned at 10.40 pm