



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON ENVIRONMENT,
COMMUNICATIONS AND THE ARTS

ESTIMATES

(Additional Estimates)

TUESDAY, 24 FEBRUARY 2009

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

Tuesday, 24 February 2009

Members: Senator McEwen (*Chair*), Senator Birmingham (*Deputy Chair*), and Senators Arbib, Boswell, Ludlam, Lundy, Troeth and Wortley

Participating members: Senators Abetz, Adams, Arbib, Barnett, Bernardi, Bilyk, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Fielding, Fieravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Macdonald, Marshall, Mason, McGauran, McLucas, Milne, Minchin, Moore, Nash, O'Brien, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Stephens, Sterle, Trood and Xenophon

Senators in attendance: Senators Abetz, Barnett, Bilyk, Birmingham, Bob Brown, Cormann, Eggleston, Fielding, Fisher, Hanson-Young, Heffernan, Ludlam, Lundy, McDonald, McEwan, Milne, Nash, Scullion, Siewert, Troeth, Wortley and Xenophon

Committee met at 9.00 am

ENVIRONMENT, WATER, HERITAGE AND THE ARTS PORTFOLIO

In Attendance

Senator Penny Wong, Minister for Climate Change and Water

Department of the Environment, Water, Heritage and the Arts

Executive

Mr Gerard Early, Acting Secretary
Mr Malcolm Forbes, Acting Deputy Secretary
Dr James Horne, Deputy Secretary
Mr Mark Tucker, Deputy Secretary
Mr Malcolm Thompson, Acting Deputy Secretary

Approvals and Wildlife Division

Mr Peter Burnett, First Assistant Secretary
Ms Vicki Middleton, Assistant Secretary, Environment Assessment Branch
Ms Cathy Skippington, Assistant Secretary, Environment Assessment Branch
Mr Mark Flanigan, Assistant Secretary, Strategic Approvals and Legislation Branch
Ms Rose Webb, Assistant Secretary, Compliance and Enforcement Branch
Ms Kerry Smith, Assistant Secretary, Wildlife
Ms Kath Collins, Assistant Secretary, Business Systems and Governance Branch

Australian Antarctic Division

Ms Lyn Maddock, Director
Ms Virginia Mudie, Deputy Director
Mr Rob Wooding, General Manager, Support Centre
Mr Tom Maggs, Acting General Manager, Policy

Mr Martin Riddle, Program Leader, Environmental Protection and Change

Mr Matthew Sutton, Finance Manager

Land and Coasts Division

Ms Alex Rankin, First Assistant Secretary

Ms Mary Colreavy, Assistant Secretary, Business Planning and Performance

Ms Kathleen Mackie, Assistant Secretary, Indigenous Policy

Mr Charlie Zammit, Assistant Secretary, Biodiversity Conservation

Mr Hilton Taylor, Assistant Secretary, Reef Rescue and Aquatic Partnerships

Bureau of Meteorology

Dr Neville Smith, Acting Director of Meteorology

Mr Gary Foley, Deputy Director, Deputy Director

Dr Rob Vertessy, Deputy Director, Water

Corporate Strategies Division

Mr Peter Woods, Acting First Assistant Secretary

Mr Aaron Hughes, Acting Assistant Secretary, Financial Management Branch

Environment Quality Division

Dr Diana Wright, First Assistant Secretary, Environment Quality Division

Great Barrier Reef Marine Park Authority

Dr Russell Reichelt, Chair and Chief Executive

Mr Bruce Elliot, General Manager, Corporate Services

Ms Margaret Johnson, Manager, Strategy and Policy Unit

Heritage Division

Mr James Shevlin, First Assistant Secretary

Mr Theo Hooy, Assistant Secretary, Historic Heritage Branch

Mr Terry Bailey, Assistant Secretary, Natural and Indigenous Heritage Branch

Mr Greg Terrill, Assistant Secretary, Heritage Strategy

Marine Division

Ms Donna Petrachenko, First Assistant Secretary

Ms Tania Rishniw, Assistant Secretary, Marine Conservation Branch

Mr Andrew McNee, Assistant Secretary, Marine Environment Branch

Ms Claire Howlett, Acting Assistant Secretary

Mr Charlton Clark, Acting Assistant Secretary

Murray Darling Basin Authority

Mr Rob Freeman, Acting Chair/Chief Executive

Mr Frank Nicholas, Executive Director

Mr David Dreverman, Executive Director, River Murray

National Water Commission

Mr Ken Matthews, Chair and Chief Executive Officer

Mr Matt Kendall, General Manager of Water Science Group

Ms Kerry Olsson, General Manager, Water Reform Group

Mr Ross Martin, General Manager, Water Markets and Assessments Group

Parks Australia Division

Mr Peter Cochrane, Director of National Parks

Policy Coordination Division

Mr Sean Sullivan, Acting First Assistant Secretary, Portfolio Policy and Advice Branch
Mr Peter Webb, Director, Budget Strategies Section

Renewable Energy Efficiency Division

Mr Ross Carter, First Assistant Secretary
Mr Stephen Oxley, Assistant Secretary, Energy Efficiency
Ms Mary Wiley-Smith, Assistant Secretary, Community and Industry Partnerships
Mr Peter Young, Assistant Secretary, Renewable Energy
Mr Kevin Keefe, Assistant Secretary, Energy Futures
Mr Chris Baker, Energy Futures

Supervising Scientist Division

Mr Alan Hughes, Supervising Scientist

Sydney Harbour Federation Trust

Mr Geoff Bailey, Executive Director

Water Reform Division

Mr Tony Slatyer, First Assistant Secretary
Ms Chris Schweizer, Assistant Secretary, Environmental Water and Natural Resources
Mr Russell James, Assistant Secretary, Water Resources
Mr Bruce Male, Acting Assistant Secretary, Water Policy

Water Efficiency Division

Ms Mary Harwood, First Assistant Secretary
Mr Colin Mues, Acting Assistant Secretary, Water Recovery
Mr Richard McLoughlin, Assistant Secretary, Irrigation Efficiency Northern
Mr David Calvert, Acting Assistant Secretary, Irrigation Efficiency Southern

Water Governance Division

Mr Ian Robinson, First Assistant Secretary
Mr Steve Costello, Assistant Secretary, Urban Water Security Branch
Ms Gayle Milnes, Assistant Secretary, Market Development

CHAIR (Senator McEwen)—Welcome. We continue the examination of the Environment, Water, Heritage and the Arts Portfolio in accordance with the agenda. The committee has fixed Thursday, 9 April 2009 as the date for the return of answers to questions taken on notice. Senators are reminded that written questions on notice should be provided to the secretariat by close of business next Monday. Under Standing Order 26, the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings: any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion

to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

The Senate has resolved also that an officer of the department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer having regard to the ground which is claimed. Any claim that it would be contrary to the public interest to answer a question must be made by the minister and should be accompanied by a statement setting out the basis for the claim.

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

Senator Wong—No thank you, Chair.

[9.02 am]

Bureau of Meteorology

CHAIR—I now call officers from the Bureau of Meteorology. Does anybody from the Bureau of Meteorology wish to make an opening statement?

Dr Smith—No.

CHAIR—I therefore invite questions.

Senator IAN MACDONALD—Minister or officers, one of the measures of global warming is rising land and sea temperatures. Is that correct?

Dr Smith—Yes, that is correct.

Senator IAN MACDONALD—Thank you for your answers to my questions on notice at the last estimates committee where you gave me details showing that for the seven year period between 2000 and 2006 the average surface sea temperature, as I understand your answer, was 14.4 degrees Centigrade and for the last 18 months, from May 2007 to October 2008, was 14.3 degrees Centigrade which is actually a cooling. How does that relate to what you agreed with me earlier?

Dr Smith—From year to year there are a number of other climate mechanisms that can affect global temperatures. The most significant is El Nino and as we go through these phases of El Nino you will get variability from year to year. We do not expect for global climate change to be a linear trend; there will be a lot of variability around that trend. We should not be surprised if some years happen to be cooler than previous years.

Senator IAN MACDONALD—You told me this information came from the United Kingdom Climatic Research Unit in collaboration with the UK met office. Does the Australian Bureau of Meteorology do its own sea temperatures?

Dr Smith—We contribute sea temperatures to products like that. Of course we focus most of our operations on the Australian region; we do not produce a global temperature product ourselves.

Senator IAN MACDONALD—What I was looking for last time, but perhaps you can get it for me this time if you do not have it with you, is what the sea temperatures are doing around Australia. I am a Queenslander and therefore I am always interested in the Great Barrier Reef and the Gulf and right along the east coast of Australia. Do you do temperature readings of those areas?

Dr Smith—We have a number of monitoring systems that do measure temperatures in those regions. The Australian Institute of Marine Science also does monitoring, particularly for the Great Barrier Reef region.

Senator IAN MACDONALD—How would they compare with this answer you have given me?

Dr Smith—The general trends for temperatures around Australia are very similar to the global trends, but Australia is more susceptible to the interannual variability because of the closeness of the Pacific Ocean in particular. What we tend to see in regions like that as we go through phases of El Nino is the temperatures in the Coral Sea and to some extent in the eastern Indian Ocean will vary. Whilst the overall trend seems to be consistent with the global trends, there is this interannual variability.

Senator IAN MACDONALD—I assume you do not have the figures in your head or in your folder there so perhaps on notice you could give me some indications over the periods that I have used, just to keep it consistent with the UK research, of the sea temperatures in the north of Australia, both east and west—wherever you do the recordings—for those same periods of 2000 to 2006 and the last 18 months perhaps updated to the last 24 months, depending on what your information is. I, like many others, struggle with understanding how it all works, and it just seems curious to me that the trend in sea temperatures seems to be the other way. I take on board what you said earlier but I would just like to get your figures. Would that be possible do you think?

Dr Smith—I am happy to take that on notice. I do not have those figures with me.

Senator IAN MACDONALD—It is not a huge job. You will have that information somewhere.

Dr Smith—We can get that information.

Senator IAN MACDONALD—Dr Smith, you are acting.

Dr Smith—I am acting director.

Senator IAN MACDONALD—What is the process there? What is going to happen? When are we getting a full director?

Dr Smith—That is not a process that I am connected with. I think I should probably pass that question across to either the acting secretary or Malcolm Thompson.

Senator Wong—Senator, that is an appointment to be approved by cabinet. It has not yet been determined by cabinet.

Senator IAN MACDONALD—When do you think that might be, Minister?

Senator Wong—In the near future. I do not know that I have a date on that.

Senator IAN MACDONALD—How long have you been acting, Mr Smith?

Dr Smith—We have had various people acting. In fact, my co-deputy directors have also acted. Geoff Love was director.

Senator IAN MACDONALD—You drew the straw.

Dr Smith—It is a pleasure to act in this position. Geoff Love, the previous director, retired on 13 August 2008.

Senator IAN MACDONALD—That was seven months ago.

Dr Smith—Yes.

Senator IAN MACDONALD—Minister, do you advertise this position? We have had a series of directors and a series of excellent acting directors I might add.

Senator Wong—My recollection is that it was. Perhaps Mr Early can assist.

Mr Early—I am acting pending the arrival of our new secretary, Ms Robyn Kruk, next Monday.

Senator IAN MACDONALD—What happened to Mr Borthwick?

Mr Early—Mr Borthwick retired in December.

Senator Wong—I am sorry, Chair. I have just realised that Mr Early did want to do an opening statement from the Department of the Environment, Water, Heritage and the Arts. You asked me did I have an opening statement and I said no and I did not think to ask Mr Early. I apologise. I do not know if you want him to interrupt now. He just wanted to say a couple of things.

CHAIR—I take it that addresses some of these questions.

Senator Wong—No, it just suddenly occurred to me that I had not done that. Do you mind if we just let Mr Early put it on the record here, because he did want to mention a couple of things?

CHAIR—Yes, please.

Mr Early—Thank you for your indulgence, Madam Chair. I just wanted to acknowledge our many friends and colleagues in the Victorian Department of Sustainability and Environment. Obviously we work quite closely with that department and, as I said, we have many friends and colleagues there. They have been working on the front line in the Victorian bushfires in difficult and often dangerous situations, and I would just like to record that the thoughts of all the staff in DEWHA, particularly those of us who work closely with the Victorian department, are with them. We wish them well.

Senator Wong—As is self-evident, Mr Early is the acting secretary and Mr Borthwick retired in January.

CHAIR—Thank you very much, Mr Early. I am sure the committee members share your thoughts.

Mr Early—To answer your question Senator, the position was advertised and there have been interviews with a selection committee that included the head of the Australian Public Service Commission. Those recommendations have gone to the minister and it is going through the process.

Senator IAN MACDONALD—That is for BOM?

Mr Early—Yes.

Senator IAN MACDONALD—Your new secretary has been selected?

Mr Early—That is right.

Senator Wong—And announced.

Senator IAN MACDONALD—Who is that?

Senator Wong—Robyn Kruk.

Senator IAN MACDONALD—Where does he come from?

Senator Wong—She is a woman.

Senator IAN MACDONALD—She, yes.

Mr Early—She has had a long and distinguished career in the New South Wales public service. Most recently, up until October last year, she was head of the Department of Premier and Cabinet. She has also been head of health and was also head of the National Parks and Wildlife Service. So she has been a senior New South Wales public servant.

Senator IAN MACDONALD—New South Wales National Parks and Wildlife Service?

Mr Early—Some of the time.

Senator Wong—I think under a coalition government, from memory.

Senator IAN MACDONALD—Then the Department of Premier and Cabinet of New South Wales?

Mr Early—That is right.

Senator IAN MACDONALD—I look forward to meeting her. It is good to see you, Mr Early. We go back to when we were in opposition last. I used to think you were the arch-devil in those estimates. Then I realised for 11 years that you were not a bad guy. I will go back to Dr Smith. You talked before about the work that people are doing in Victoria, and of course we all agree with that. There has been an enormous effort by a lot of people, not the least of whom are the department and BOM. As a North Queenslander, I am continually in awe of the work that BOM do in the north—with floods and cyclones in particular—but I am very concerned at the situation in the north with staffing. My understanding is that very soon the Townsville office, which looks after the defence base and Australia's largest tropical city, will be practically unoperational. I have had disturbing reports, I might say, from former meteorological officers who are very critical of the approach of BOM and the downgrading of weather services. I am conscious that a couple of estimates sessions ago we raised this, as a result of which, the Prime Minister himself announced at question time that there would be no reductions in certain areas. I am not sure that he gave you more money; he just said, 'Well you've got an efficiency dividend and you have to keep these in these marginal seats,' so you

have done it. I do not know how you have managed it, but I am particularly concerned, so perhaps you could just tell me what the process is or what the plans are for provision of meteorological services in all their forms. As I say, I am being parochial but it is a part of Australia that desperately needs good on-the-spot provision of services. Can you tell me what is happening?

Dr Smith—Thank you. I will pass to my deputy director of services to give you specific details on Townsville, but in opening I will give you some remarks on that. We are introducing new technologies to improve our monitoring and prediction services and to permit efficiencies, and I think we did mention this briefly on the last occasion. A number of key stakeholders including Defence and the aviation industry have also requested changes. Those two stakeholders in particular are relevant to your question about Townsville. Together with the operational considerations which we always have in focus and the need to maintain services and retain all regional offices—as you will recall, the Prime Minister did make a statement on that matter—we have reconfigured staff at a number of locations, considering all the matters that we need to consider when we are staffing our regional offices and our state offices.

I should just emphasise again that the level of service is not degrading at all; if anything we believe the level of service will improve this year and next year. We are reconfiguring the staffing to make sure that we continue the quality of services.

Senator IAN MACDONALD—But you are cutting them down, aren't you?

Dr Smith—We are reconfiguring in a number of ways.

Senator IAN MACDONALD—No, you are cutting them down.

Dr Smith—No, we do not use the words 'cutting down'. We are reconfiguring them.

Senator IAN MACDONALD—Maybe you do not use the words, but how many people are going to be there now and how many in the future?

Senator Wong—Senator, Mr Smith is partway through an answer. You can ask your question, I respectfully suggest, when he has finished his answer.

Senator IAN MACDONALD—Thank you for your helpful intervention.

Senator Wong—I think a little bit of courtesy might be useful.

Senator IAN MACDONALD—I am asking questions.

Senator Wong—He had not finished his answer.

Senator IAN MACDONALD—I do not want to get into semantics about the English usage of 'reconfiguring' and 'cutting down'. I want to know what the staff numbers are.

Senator Wong—If he could finish his answer, Senator, and if you do not—

Senator IAN MACDONALD—I can save him some time by suggesting that he—

Senator Wong—You are not answering the questions; you are asking them. If he could finish his answer, you are always entitled to follow up with another question if you do not like the answer.

Senator IAN MACDONALD—Thank you, Minister. I am grateful for your advice.

Senator Wong—A little courtesy is sometimes useful.

Senator IAN MACDONALD—Thank you, Minister. I am grateful for your manners advice as well. Yes, Dr Smith?

Dr Smith—As I said, I will pass that to Mr Foley in a minute. In all of our offices, of course, the staff are going up and down. In some cases at present some of the regional staff are in fact increasing and some are going down. We are not referring to them as cuts. Mr Foley might like to give some details specifically on Townsville.

Mr Foley—Thank you. As I was born in Townsville and worked for seven years at the Townsville met office in the seventies, Townsville is a special place for me as well. When I worked there, there were 30 people in the Townsville met office. At the moment there are 14 people in the office, basically performing the same duties or perhaps even more duties than they did when I was there. What we are trying to do is make sure that we have the right numbers of people right around Australia to perform the duties that we need to perform. In doing that and in deference to demands from the aviation industry for a bigger focus in Cairns because of the international aviation hub that has developed there, and in deference too to the fact that the Neptune bomber squadron which was housed in Townsville when I was there is no longer there—

Senator IAN MACDONALD—Time is short.

Mr Foley—Do you want the numbers? Yes.

Senator IAN MACDONALD—I appreciate your history of Townsville, but let me be more specific. What staff have you got in Townsville at the moment?

Mr Foley—We have six forecasters. At the moment we have four observers and three technicians that maintain equipment around the area.

Senator IAN MACDONALD—What do you plan to move that to?

Mr Foley—Our plan is to reduce the number of forecasters to three.

Senator IAN MACDONALD—From six?

Mr Foley—From six, yes. So that means that they will not be doing 24 hours around the clock, but then again they will not be doing the same aviation duties that were encompassed in that. They still have a good span of the day when they would be in the office and helping people. The observers would be reduced to three—again, because of new technology.

Senator IAN MACDONALD—Down from four?

Mr Foley—Down from four, yes. There will be the same number of technicians because our technology is complex and we need to maintain it.

Senator IAN MACDONALD—What shifts do they work at the moment? Is it an eight-hour shift?

Mr Foley—I think they work 12-hour shifts.

Senator IAN MACDONALD—So, with that small staff, there is going to be one person on duty?

Mr Foley—Yes.

Senator IAN MACDONALD—That is in the largest city in northern Australia, one prone to cyclones, with an air force base, and a substantial domestic service which is about to increase. And—as much as I hate to say this—unfortunately, Cairns’s international hub is a bit problematical. So, in the face of all that and in despite of Dr Smith’s reconfiguring, it is a very clear cut of staff at the pointy end.

Mr Foley—As far as tropical cyclones are concerned, policy and forecasting is performed in the Brisbane Tropical Cyclone Warning Centre. Certainly the staff at Townsville do a great job in assisting the emergency managers in their duties, and that is going to continue. A lot of people these days get their information through the internet.

Senator IAN MACDONALD—Is the graphical forecast editor, the GFE, going to be introduced into Townsville?

Mr Foley—No, there are no plans to introduce that into Townsville. We hope to introduce it into the main regional forecast centres around Australia. But the products that it produces would certainly cover the whole of North Queensland.

Senator IAN MACDONALD—You would be aware—perhaps better than I, and I do not have the details—of plane cancellations for aircraft coming out of Melbourne. They are being told by Brisbane what the weather forecasts are—and how much fuel they put on in Melbourne depends on the weather. They get to Townsville and your model has told them one thing but the locals, from their base in Townsville, can actually see what is happening and know the models are wrong. There was quite a celebrated incident recently where an aircraft was in some trouble over that, because they could not get the right forecast. Are you aware of that?

Mr Foley—I am not aware of that particular incident.

Senator IAN MACDONALD—But you are aware of similar incidents? Is it a general cause for concern?

Mr Foley—The staff at Townsville have control of their terminal aerodrome forecast.

Senator IAN MACDONALD—No, they do not—and you and I both know that. They put in a report to Brisbane and it is up to Brisbane whether they take any notice of it, and in this case they did not.

Mr Foley—No, that is not true; no. They input directly into the aviation forecast system.

Senator IAN MACDONALD—And they adjust it for local conditions?

Mr Foley—Yes, they monitor it. That is the prime reason for it.

Senator IAN MACDONALD—I did not think they could. I thought that was done in Brisbane.

Mr Foley—No.

Mr Early—Senator, I think the issue is that, with the reconfiguration, as Dr Smith has said, there has been no reduction in services. There has been a change in the number of staff in Townsville and Cairns, but the same services are being provided.

Senator IAN MACDONALD—Mr Early, you would say that and thank you. I have to say the facts are a fraction different and there is real concern.

Senator Wong—Senator, as I understood Mr Smith's evidence, and I might have misunderstood it, the aviation hub—is that the phrase used?—is going to Cairns and, as a result, some of the forecasters' functions will be performed in Cairns as opposed to Townsville. But, again, I reiterate Mr Early's point: there has not been a diminution of services.

Senator IAN MACDONALD—Mr Foley, you are very, very conscious—and I have mentioned it before—of the interaction between local forecasters and the local media, particularly in times of calamity. When the staff are reduced—are cut; are slashed, I might say—by 50 per cent for meteorologists and 30 per cent for forecasters and, as you say, they are on a 12-hour shift, is there going to be anyone left to talk to the local media?

Mr Foley—Yes there will, and having three people in an office you cannot work a 24-hour shift. So they will be there from early morning into the evening. They will be there to—

Senator IAN MACDONALD—So if someone goes on holidays or someone is sick?

Mr Foley—Yes, there are provisions for overtime and we certainly import forecasters from other centres to take up the leave when people go away.

Senator IAN MACDONALD—So if they are sick for two days, you will send someone up from Brisbane?

Mr Foley—Not for two days.

Senator IAN MACDONALD—No, of course not. So we are left with two people trying to run a very busy area on 12-hour shifts. I would like to hear what the minister with her Labor party connections would say about that sort of overwork.

Mr Foley—Well, as I said, they would not be working 12-hour shifts. They cannot work 24 hours.

Senator IAN MACDONALD—So not only are we cutting the number of staff, we are actually substantially cutting the coverage. Let us hope the cyclones understand that and do not come between midnight and 8 am.

Mr Foley—Well, if they do, there will be a full coverage from the Brisbane Tropical Cyclone Warning Centre and information will still be pouring out to people.

Senator IAN MACDONALD—Mr Foley, are you suggesting to me that Brisbane can do everything Townsville can do, by themselves?

Mr Foley—Yes. Cairns will take up some of the aviation work but Brisbane is capable of doing the whole of Queensland, as Perth is capable of doing the whole of Western Australia.

Senator IAN MACDONALD—So when the wind and the rain shift locally, which the locals know about and Brisbane has got no idea of, that is just bad luck for anyone coming into Townsville?

Mr Foley—I do not think that is the case anymore. I think that, with the innovations that we have brought in with satellite, radar and the new suite of numerical models, we are getting caught out less and less.

Senator IAN MACDONALD—Mr Foley, I do not want to try and get into an argument with you over matters that you are very skilled with and have spent years studying, but my simple understanding—from talking to people and former officers who are very concerned about what is happening in Townsville—is that you put in a range of data to get the forecast. If you are on the spot, you can see where the different climatic situations are occurring. Brisbane cannot see that.

Mr Foley—The forecasting these days is very much model-driven and it can be done from remote locations. If that were not the case then we would have forecasters in every town in Australia.

Senator IAN MACDONALD—So why do we not move everything to Melbourne?

Mr Foley—That may well happen in the future; I cannot tell. But technology is advancing very quickly and we are responding to that. I do not think it could be done at the moment and we certainly need to be very closely aligned with our emergency management stakeholders in capital cities.

Senator IAN MACDONALD—Indeed you do—and that is in Townsville and Cairns and Mackay rather than in Brisbane or Melbourne.

Dr Smith—Senator, I would just add that we are very conscious of the service levels that need to be maintained, particularly in regional Australia and—hand over heart—we believe the service levels in all of those regions are going to be as good, if not better, this year and next year. Even with these changes and reconfigurations, we do not accept that we are slashing services. We do not accept that we are slashing staff. We are tuning and optimising those staff but we believe the services will be maintained. The public services will not be—

Senator IAN MACDONALD—Dr Smith, as I said to the minister, I do not want to enter into a debate on English, but cutting by 50 per cent is slashing; it is not reconfiguring.

Senator Wong—It is a bigger word, Senator.

Senator IAN MACDONALD—Former officers tell me there has been a continual bias by Brisbane and Melbourne against Townsville and other regional centres. How would you respond to that?

Dr Smith—I am not aware of any bias at all.

Senator IAN MACDONALD—The suggestion to me is that it is more about internal power games and program managers flexing their muscles—you would not agree with that?

Dr Smith—I would not agree with that, no.

Senator IAN MACDONALD—I am sorry I have not sought permission from this former officer to name him, but he and others have given me very concerning information about the quality of services that there will be in Townsville and in other places in the north when the staff is cut. Are you aware of the Prime Minister's directive that the number of staff was not to be cut in these regional offices?

Dr Smith—The Prime Minister made a statement that our services would be maintained and the regional offices would remain open, and all of our plans now and for the future are consistent with that direction.

Senator IAN MACDONALD—So he did not say that the staff numbers would stay the same?

Dr Smith—No, of course not. Of course the staff across all of our offices, including head officer are always changing and responding as priorities change and as circumstances change. It would be impossible to maintain staff precisely at a number for all offices into the future.

Senator IAN MACDONALD—Minister, you might like to table the Prime Minister's question time answer just to see exactly what he did say?

Senator Wong—I do not have that to hand. I am sure it is on the public record. Again I remind you, Senator, because I know you have a particular interest in these matters, the evidence today confirms services will be maintained. It is the case that some functions are being undertaken in Cairns as opposed to Townsville. Dr Smith and Mr Foley have outlined why that is and have outlined to you how the services will be maintained and that the regional office will remain open. If you want to play politics with that, that is a matter for you. I would have thought it would be a good thing if the Bureau of Meteorology were able to continue to deliver the high level of service it does to Australians and maintain these regional offices and reconfigure to provide the best service possible. It is also entirely consistent with the Prime Minister indicating that it was his expectation that no regional offices would be closed.

Senator IAN MACDONALD—Mr Foley or Dr Smith, would you agree with me that the GFE—

Senator Wong—Senator, I think you asked for the Prime Minister's answer.

Senator IAN MACDONALD—Yes, thank you.

Senator Wong—This is in relationship to Rockhampton:

I know from the Honourable Member, the excellent work done by her local Bureau of Meteorology office there. That is why I have asked the minister responsible to ensure that the Bureau of Meteorology there not only continues to operate but also continues to operate all the meteorology services that it has provided in the past ... Of course, beyond that, we need for the same reasons to ensure that meteorology services that are delivered in those other areas which have been subject to recent debate: in Cairns, Townsville and Launceston—where I have also received representations from local members.

The *Hansard* reference is Wednesday, 20 February 2008.

Senator IAN MACDONALD—Thank you, Minister. I know how it was reported locally. I know how the local members reported it and that was that staff and services locally would stay the same. That is the impression the Prime Minister gave to them and to the Australian public. I am now being told that that means that maybe the staff will be cut, but services will be maintained from Brisbane.

Senator Wong—Not only Brisbane, from Cairns. If the Bureau of Meteorology makes a decision, and the evidence today is that it has, that there are better ways to provide the services and ways to continue to improve the services to Australians, are you suggesting that they should not be—

Senator IAN MACDONALD—You need to have a look at your geography. Cairns is a long way from Rockhampton, Minister. Mr Foley, are you aware that there are considerable concerns about the GFE technology?

Mr Foley—I was not aware that there were considerable concerns about it, Senator.

Senator IAN MACDONALD—Are you aware of different people, very well qualified, expressing concerns to you and publicly about these issues?

Mr Foley—Specifically?

Senator IAN MACDONALD—Are you aware of anyone in the Bureau of Meteorology?

Dr Smith—No, I am not aware of any specific issues being raised with us about GFE, and remembering GFE at the moment is in a pilot mode or a demonstration mode in Victoria only.

Senator IAN MACDONALD—It is coming everywhere, is it not?

Dr Smith—No decision has been made on that at this time.

Senator IAN MACDONALD—That sounds like good news. Although I understand it is not a bad technology, but without local input there are concerns with it. That is my layman's understanding. Do you agree with that?

Dr Smith—The whole basis of GFE requires local input. Local station data, particularly from automated weather stations, is critical for a system like GFE to work well.

Senator IAN MACDONALD—How are you going to get that if there is no-one working between midnight and dawn?

Dr Smith—We have automatic weather stations in many, many locations. We have observers in a number of key locations. We are certain we have sufficient local data inputs as well as the model inputs to make GFE work.

Senator IAN MACDONALD—What are the current and projected staffing numbers for Cairns?

Dr Smith—I will pass you to Mr Foley for that.

Mr Foley—Cairns presently has five meteorologists, five observers and one technician; a total of 12. Our projected staff numbers would be an increase to six meteorologists, a decrease to one observer and an increase to three technicians. That is 10, sorry.

Senator IAN MACDONALD—So we go up one and take three away?

Mr Foley—So we are slashed by two from 12 to 10.

Senator IAN MACDONALD—In Townsville?

Mr Foley—In Cairns.

Senator IAN MACDONALD—You are cutting them back in Townsville as well. Yet a minute ago you were telling me that Townsville will be right because Cairns is—

Mr Foley—We are cutting meteorologists in Townsville and increasing them in Cairns.

Senator IAN MACDONALD—By one.

Mr Foley—Yes, Senator.

Senator IAN MACDONALD—Cutting by three, increasing by one.

Mr Foley—Yes.

Senator IAN MACDONALD—Your technical people have gone from one to three. How one of them will keep the computers running I am not quite sure. In Townsville they are staying at three—is that right?

Mr Foley—That is right.

Senator IAN MACDONALD—Tell me about Mt Isa.

Mr Foley—Mt Isa has a complement of two observers at the moment, and we plan to run that as a one-person station.

Senator IAN MACDONALD—When does that one person sleep?

Mr Foley—That one person would probably start at about five in the morning.

Senator IAN MACDONALD—And go until five the next morning?

Mr Foley—No, work a shift. Monday to Friday, 36¾ hours.

Senator IAN MACDONALD—We just hope there is no cyclones, fires, floods when he does not happen to be around.

Mr Foley—They are automated observing systems; that is why we are doing it, because the main function of the observer was to make observations. Most of that is being done by automation these days. We have a person in the community to liaise with the community.

Senator IAN MACDONALD—Who is doing his job when he is talking to the local media about severe weather events?

Mr Foley—That is part of his job.

Senator IAN MACDONALD—To talk to the media and do everything else, a one-man show?

Mr Foley—Yes.

Senator IAN MACDONALD—I am sure the people of Mt Isa will be pleased to hear that. Tell me about Rockhampton?

Mr Foley—Rockhampton has—

Senator IAN MACDONALD—Be careful here, the Prime Minister has a personal interest.

Mr Foley—I will read it very carefully. One meteorologist, four observers and one technician at present; a total of six. We plan that to be one meteorologist, three observers and one technician; a total of five.

Senator IAN MACDONALD—Mackay?

Mr Foley—Mackay, three observers at present, becoming a one-person operation.

Senator IAN MACDONALD—Three down to one?

Mr Foley—Yes.

Senator IAN MACDONALD—Mr Bidgood will be delighted to hear that too, I am sure, as I guess will the Prime Minister.

CHAIR—Senator Macdonald, sorry to interrupt you but we have been on this for 40 minutes. I am conscious that other senators have got questions.

Senator IAN MACDONALD—It is a hugely important issue—

CHAIR—I am sure it is, Senator.

Senator SIEWERT—40 minutes, Senator.

Senator IAN MACDONALD—in a place that depends on the Bureau of Meteorology for cyclones.

CHAIR—I understand that, Senator Macdonald.

Senator SIEWERT—There are other important environmental issues too and we have only got a certain amount of time.

Senator IAN MACDONALD—Thank you for your help. I will take notice of what you say. Finally, at the urging of my Greens colleagues and the chair who are obviously not terribly keen for this to be exposed, what happens in Weipa and Thursday Island? Where is your coverage for there? Is that all from Cairns?

Mr Foley—Aviationwise it is. Public weatherwise it comes from the forecasts emanating from Brisbane as they have—

Senator IAN MACDONALD—Is there no-one in Weipa or Thursday Island?

Mr Foley—We used to have an observing office in Thursday Island, but we relocated it to Weipa when industry really took off there. Again, I guess we are responding to the needs in that part of the world.

Senator IAN MACDONALD—What is at Weipa now?

Mr Foley—Weipa is a one-person station.

Senator IAN MACDONALD—What category is that?

Mr Foley—An observing station.

Senator IAN MACDONALD—An observer?

Mr Foley—Yes, as it always has been.

Senator IAN MACDONALD—Could you take on notice to give me some information about the GFE and what part local import and local observations play in the accuracy or otherwise of that system?

Mr Foley—Certainly, and in the interests of time, I would be happy to supply that.

Senator IAN MACDONALD—Also on notice, could you please check for me that incident? I am bit vague, but I am quite confident you will have detail with the problems at Major Creek with an aircraft because the Brisbane observers took little notice of data that was put in by the locals. I will try and identify that down a bit better out of school.

Mr Foley—Thank you very much

Senator IAN MACDONALD—Thank you, Madam Chair.

CHAIR—Thank you, Senator Macdonald. Are there any further questions for the Bureau?

Senator FIELDING—Can you outline the meteorological role that you folk were doing before and throughout the Victorian bushfires?

Dr Smith—Thank you. Of course the Bureau of Meteorology had a significant role both before the event with the extreme heatwave in late January and through the events surrounding 7 February. I think it is well known that the weather conditions were extreme. Numerous records for February were broken for maximum temperatures. Numerous all-time records were broken for temperatures through that period around 7 February and we also had extreme winds—very high and dry winds. It was extreme in just about every way we look at it. The bureau of course—I am proud to say—just kept on and did the job that we are here to do, and I think they did it professionally and with the can-do attitude that we expect in the bureau. We are not aware of any issues at the moment surrounding any of those forecasts. The team worked superbly with the command centre, with the Department of Sustainability and Environment officials and with CFA and other fire officials. That integration and that working together was something that we thought worked very well. Of course, the royal commission has now been called and a lot of analysis of the events surrounding that will be subject to that royal commission. At the moment, we are simply focusing on making sure that we have collected all the data that will be necessary to inform the commission and the coronial inquiries.

Senator FIELDING—A number of people told me that they were very thankful for the work that you did. I thought it was worth acknowledging. I think quite a few people worked around the clock in your area. Is that right?

Dr Smith—That is right, yes. It was a very intense period.

Senator FIELDING—I would just like to say thank you, because I have heard of some very good work from that department, especially with those very difficult circumstances. Thank you.

Dr Smith—They will appreciate that. Thank you very much.

CHAIR—Thank you, Senator Fielding. Are there any further questions of the bureau? If not, thank you very much, officers, for appearing before us this morning. I would now like to call to the table officers from the Great Barrier Reef Marine Park Authority.

[9.45 am]

Great Barrier Reef Marine Park Authority

CHAIR—Welcome, Dr Reichelt. We will go to Senator Siewert for questions.

Senator SIEWERT—Thank you and I will try and make it quick. Are you the appropriate people to be asking about the structure readjustment package?

Dr Reichelt—For the fishing industry?

Senator SIEWERT—For the fishing industry.

Dr Reichelt—That would be a departmental managed program.

Senator SIEWERT—Should I ask that now or later? I am happy to be told where to ask it. I can do it under marine if it is better doing it there.

Senator Wong—My experience, Madam Chair, is we sometimes flick between the authority and the department on the marine side. If the officers from GBRMPA who are responsible for this would come forward I would appreciate it. Thank you.

Senator SIEWERT—It might be better to do it now. I do have a lot of marine questions for later.

Senator Wong—Ms Petrachenko, how are you?

Senator SIEWERT—Some of these questions you may want to take on notice. If it is going to take you some time, I am happy to take them on notice. I am after the final figures that were paid to fishers for the structural readjustment.

Ms Petrachenko—The current amount which we have expended for structural adjustment payments is in the order of \$210 million.

Senator SIEWERT—\$210 million. Was that out of the Commonwealth allocation of funds?

Ms Petrachenko—That is correct.

Senator SIEWERT—Was any further money paid by the Queensland government that you are aware of?

Ms Petrachenko—Not to my knowledge.

Senator SIEWERT—Thank you. How did you make those decisions between the fisheries and the fishers on where to allocate the resources?

Ms Petrachenko—The overall package was divided into a number of components going back in time. First we had a licensed buy-out component, and then there was business restructuring assistance and business exit assistance, as well as assistance for business advisors. The last three components were based on what kind of applications came forward.

Senator SIEWERT—So there was no prioritisation of particular fisheries?

Ms Petrachenko—No.

Senator SIEWERT—It was just what applications you had?

Ms Petrachenko—That is right.

Senator SIEWERT—Thank you. How many individual payments were made?

Ms Petrachenko—Over a thousand applicants have been paid out.

Senator SIEWERT—Have there been any second or follow-up payments?

Ms Petrachenko—Yes there have.

Senator SIEWERT—How much were they?

Ms Petrachenko—I will have to take that question on notice.

Senator SIEWERT—Thank you. If you could tell me how many there were and of what value those were, that would be appreciated. What was the range of the individual payments that were made? What were the minimum and maximum payments?

Ms Petrachenko—At various points in time during the years there were changes to the minimums and maximums based on some very large businesses coming forward. At one point there was a cap. That was reassessed and guidance was changed on that. I will take that on notice because over a number of years there were a number of changes to the program.

Senator SIEWERT—That would be appreciated. So that I am not taking up time now, could you explain what drove those changes?

Ms Petrachenko—There were a number of changes to the program itself. It was very difficult to determine how much take-up there would be for various businesses. When we saw the numbers of applications coming forward and the size of some of the applications then we had to re-evaluate.

Senator SIEWERT—Thank you. I am assuming there was a set list of criteria that people had to meet for an allocation?

Ms Petrachenko—Yes.

Senator SIEWERT—I am happy for you to take that on notice.

Ms Petrachenko—Yes. We will take that on notice. There are very detailed criteria for each different component of the adjustment package.

Senator SIEWERT—Yes, I thought there might be. If we could have that it would be appreciated. Did you commission any advice or research in helping to develop the criteria?

Ms Petrachenko—Yes; a number of times during the development of the package. At the beginning we were involved as well with the Queensland Seafood Industry advisory group, who know, obviously, the details of the fishery. We also contracted with the Queensland Rural Adjustment Authority to help administer with the package. We also commissioned some independent views, for example from Dr Hunt, on some of the business valuation aspects, and we also contracted with KPMG to give us advice as well.

Senator SIEWERT—Thank you. Who determined the final criteria on which determinations were made? You developed it with research and got the criteria. Who ended up approving it?

Ms Petrachenko—That would be a government decision.

Senator SIEWERT—Was that the minister of the time?

Ms Petrachenko—I believe so; yes.

Senator SIEWERT—So the department had prepared then the minister approved it?

Ms Petrachenko—Yes.

Senator SIEWERT—Thank you. How did you work out how much to approve?

Ms Petrachenko—One question I took on notice is the various criteria and the various components of the package. Under that package a decision maker was appointed. I am the independent decision maker. So the applications were assessed against those criteria. My job

as the decision maker is to ensure that the application has been assessed appropriately to the criteria and that it meets those criteria. Then approve it or not.

Senator SIEWERT—When the application was assessed and they would say, ‘We think it should be this much,’ you then approved or disapproved it depending on how you thought they met the criteria?

Ms Petrachenko—That is correct.

Senator SIEWERT—Thank you. Not that I doubt your skills, but what sort of checking was done in terms of an audit of that process?

Ms Petrachenko—For the first component of the package, which was the licence buyback component, there was an independent review conducted. That came forward last year; it is available on the department’s website. That one assessed the administration of the package and its achievement of the program objectives. In terms of the actual adjustment packages to individual businesses and fishery businesses, we have an appeal mechanism in place. So if the applicant is not happy with the decision maker’s decision they can appeal and it goes to a separate and independent process for a second assessment in an appeal process.

Senator SIEWERT—Of the compensated fishers, how many are still in the industry, do you know?

Ms Petrachenko—I do not have that information.

Senator SIEWERT—Is anybody monitoring that?

Ms Petrachenko—Not that I am aware of.

Senator SIEWERT—You cannot answer my next question then. Thank you for your answers. Answers to the questions taken on notice would be appreciated.

Ms Petrachenko—Thank you.

CHAIR—Senator Macdonald?

Senator IAN MACDONALD—Just on that, Ms Petrachenko, this is really not for GBRMPA—this is really departmental stuff—but, while we are on the subject, the underlying principle behind the payments to fishermen were by way of recompensing them for what they had lost as a result of a decision made by a government for the greater public good, namely increased green zones. Is that the underlying principle?

Ms Petrachenko—That is correct.

Senator IAN MACDONALD—So any payments that are made are a best human being assessment of the loss they personally suffered as a result of being caught up in the greater public good?

Ms Petrachenko—Yes. The criteria which Senator Siewert asked about very specifically say we had to look at the impact of the rezoning on the individual business or the individual’s operation themselves.

Senator IAN MACDONALD—Thank you. Moving to GBRMPA, welcome as always, Dr Reichelt. I suspect most of these questions will again be for the department, but what part are you playing in the Reef Rescue package? Would you explain the elements of that.

Dr Reichelt—Thank you, Senator Macdonald. The marine park authority's role is specifically in the area of water quality monitoring in the marine sphere, which is something we had been doing earlier and has been enhanced by the Reef Rescue package. Our role is also to facilitate Indigenous partnerships, particularly through the promulgation of traditional use of marine resource agreements. They are our main two areas. We, of course, are cooperating with the other areas in the department working on the water quality improvement grants; that is a departmental function. We maintain a good cooperation with the Queensland government on the reef plan, where we are working to make sure our marine work integrates with what happens on the land—in other words, lining up our monitoring of specific areas to make sure we are complementing Queensland's monitoring.

Senator IAN MACDONALD—These may be questions for the department. If you do not have the information or do not have it available through your organisation, let me know and I will give the conservation of coasts and oceans people advance notice that I will be looking for this information. The \$146 million announced for the Great Barrier Reef water quality program—that was done I think in August last year. Are you involved in that?

Dr Reichelt—No. I believe that figure relates to the water quality improvement grants program, which the department manages.

Senator IAN MACDONALD—So you are not involved? Are you involved in the Healthy Reef Partnerships Program, \$12 million?

Dr Reichelt—No.

Senator IAN MACDONALD—What about the \$10 million great barrier reef water quality research and development program?

Dr Reichelt—Not directly. We may be asked to give advice on priorities, but it is not something we are managing.

Senator IAN MACDONALD—What about the \$22 million water quality monitoring and reporting program?

Dr Reichelt—Yes, that is a program we are heavily involved in.

Senator IAN MACDONALD—How long has that been going? It was announced by Mr Garrett and Mr Burke in May as a new initiative.

Dr Reichelt—That program was put in place towards the end of last year, just before the wet season, around October or November. The monitoring contracts are in place and the teams have been very active in the current wet season.

Senator IAN MACDONALD—Do you get your hot little hands on the \$22 million? Is it all spent through you?

Senator Wong—I am not sure Dr Reichelt has hot little hands.

Senator IAN MACDONALD—He will excuse me saying that.

Dr Reichelt—Yes, that part of the program is managed through us via an MOU with the department.

Senator IAN MACDONALD—Can you, either now or on notice, tell me how much of the \$22 million has been spent up to as recently as you have looked at the chequebook?

Dr Reichelt—I can give you approximate answers now and would be happy to follow up. There are contracts for the current year of approximately \$3 million for the monitoring. The \$22 million is spread over five years. We are committing now for this current year with about \$3 million for monitoring. The monitoring is being done by a consortium managed by the Reef and Rainforest Research Centre, but it involves the Australian Institute of Marine Science, CSIRO and James Cook University. That is the main commitment.

Senator IAN MACDONALD—But the \$22 million is additional to your normal funding. You are paying that out of the \$22 million.

Dr Reichelt—Yes.

Senator IAN MACDONALD—And you have control of the \$22 million, do you?

Dr Reichelt—Yes.

Senator IAN MACDONALD—Finally, how involved are you in the \$10 million Land and Sea Country Indigenous Partnerships Program?

Dr Reichelt—We are also managing that, in a similar fashion. That one has, if you like, less history than the marine monitoring program and is in the start-up phase this year. There has been some initial work. I cannot tell you right now whether any funds have been spent, but I believe it is intended to commit approximately \$1 million of that \$10 million in this start-up year.

Senator IAN MACDONALD—Is the Caring for our Country element not something GBRMPA is directly involved in?

Dr Reichelt—My understanding is that Caring for our Country is the broader umbrella of the major package and Reef Rescue is a key component of that.

Senator IAN MACDONALD—As I say, I do not want to ask you questions if they are not yours to answer, but Caring for our Country was supposed to put a lot of money into Reef Rescue. Are you the person to ask about where the money has been spent, how much has been spent and what on-the-ground activity I can see for the many announcements during the course of last year?

Dr Reichelt—That is departmental.

Senator IAN MACDONALD—I will save those and the departmental people will be well aware of the nature of my queries when we come to them later. That is all I have. Again, congratulations to you and your team. How is the museum going, Reef HQ?

Dr Reichelt—Reef HQ is going well. It remains a good performing asset for that region. As you know from previous statements, it is about 70 per cent cost recovered. I understand that annual subscriptions are up this year and it is performing well.

Senator IAN MACDONALD—The 70 per cent cost recovered is far in excess of most other similar Commonwealth supported agencies, as I recall. Is that right?

Dr Reichelt—Yes.

Senator IAN MACDONALD—One other thing. We have the financial crisis hitting Australia and suggestions that we are going into recession—and we have allocated \$42 billion allegedly to stop us going into recession by putting batts in our roofs. That is going to be great. That is commentary; I do not need you to comment on that, Dr Reichelt. One would assume that the number of travellers to Townsville and the number of people in Townsville with less disposable income would mean a reduction in the commercial operations of Reef HQ. I am just wondering whether you are planning forward with that in mind and are letting the department and government know that you will need additional assistance because of what I anticipate would be, in these circumstances, a normal fall off in patronage.

Dr Reichelt—At this stage we are monitoring that closely, as you can imagine. We have stepped up our marketing to compensate for what appears to be a downturn in tourism. We are in the middle of quite a wet January and February as you know, and I think the combined effects of those, when we get the figures probably in a few months time, will show there has probably been a drop. At this stage we are managing that within normal variation. I said that subscriptions were up, but casual visitors are probably down in the washout of that. We will know what it has been in the end-of-year figures. It is likely to have an impact; we do not know exactly how much at the moment.

Senator IAN MACDONALD—Could I just conclude, Minister, by flagging to you that I anticipate it. I am not involved at all in the day-to-day operations or even anywhere near that close. It stands to reason that with the financial problems there will be less recovery of income. It is a fabulous asset, not just for tourism but for research. Could I just flag with you that there may be some opportunities out of the \$42 billion to ensure that the jobs are continued in the reef HQ, recognising of course that many of the people working there are volunteers. I just flag that with you.

Senator Wong—The \$42 billion, meaning the stimulus package, Senator?

Senator IAN MACDONALD—Yes.

Senator Wong—Thank you for your interest and for your advice. I note that you are very happy to give the government advice on how to spend a package that you opposed.

Senator IAN MACDONALD—Thank you, Minister. You cannot help but make a political argument out of any sensible suggestion.

Senator Wong—I mean, seriously.

Senator IAN MACDONALD—I do oppose it. It is a ridiculous position, but it is there, Minister, and, if you are going to slosh it round on so many unworthy projects, could I just suggest you might use some of the \$42 billion on a worthy project that I anticipate will need support. That was the suggestion of the conciliatory offer I thought I would indicate to you.

Senator Wong—I assume that sloshing it around on unworthy projects does not include any of the schools in Queensland that will benefit.

Senator IAN MACDONALD—Well, Minister, if it is a stimulus package putting batts into my roof when I can afford to pay for them myself, it is hardly a stimulus package. But, we are not arguing about that now.

Senator Wong—Senator Macdonald, that is exactly the climate change policy your Mr Turnbull wants put in place. He says he can achieve emissions reductions by energy efficiency.

Senator IAN MACDONALD—Minister, regrettably you are the government, for a little while. Minister, let me get back; we are not here to argue.

Senator Wong—So you oppose Mr Turnbull's package? That is the logical conclusion of the position that you took.

Senator IAN MACDONALD—Oh dear. I understand you spent yesterday asking questions of the opposition?

Senator Wong—No, I am just making the point.

Senator IAN MACDONALD—No—we are here to ask you questions.

Senator Wong—The position, Senator, that you are putting is inconsistent with your leader's position.

CHAIR—Order!

Senator IAN MACDONALD—We are not here to talk about a stupid spending package.

CHAIR—Order! Senator Macdonald, have you got a question?

Senator IAN MACDONALD—Yes, well I have put my question. In relation to GBRMPA, Minister—

Senator Wong—He has lost the plot.

Senator IAN MACDONALD—there is some money sloshing around. Could I just urge that you ask Mr Garrett to try and get some to make sure it is spent on what I know is a very worthy operation and which does create employment.

Senator Wong—We are very big supporters.

CHAIR—Thank you. Senators. To facilitate another senator who is not quite here but is soon coming, I propose that we deal with the Sydney Harbour Federation Trust next and then go to the Supervising Scientist Division, just to enable someone who is asking questions elsewhere.

[10.09 am]

Department of the Environment, Water, Heritage and the Arts

CHAIR—We are going back to plan A—that is, the Supervising Scientist Division. Thank you, Mr Hughes.

Senator LUDLAM—My apologies for my absence a little earlier. Thanks for coming all the way down to Canberra this morning. Mr Hughes, I think we last spoke in October, so I would just like to pick up on some of the points that were raised at that time, particularly with regard to the feasibility study work for the expansion of the Ranger mine and other operations in that region. What is your understanding of the final closure point of the Ranger operation? Is it possible to pin down a particular date?

Mr Hughes—I am the Supervising Scientist for the Alligator Rivers Region. At the current time, Ranger operates on the Ranger Project Area, which is an authority issued under the Atomic Energy Act 1953. The authority currently has an expiry date of 2026. Operations may run under that authority until 2021, and that is followed by a rehabilitation period which goes to January 2026, I think.

Senator LUDLAM—My understanding was that the mine was initially scheduled to close potentially in 2008-09—going back a long time ago, when those agreements were signed. Now we are looking at mining perhaps taking place until 2020 or 2021. Has that impacted the time line for the rehabilitation by 2026—that time line becoming shorter?

Mr Hughes—The 2026 rehabilitation closure date is related to the 2021 end-of-mining date, so that was always considered in partnership. The two dates were always linked.

Senator LUDLAM—What happens in 2026? At that point does the ownership of that property revert to the Commonwealth or to the Northern Territory?

Mr Hughes—I believe that the mining company will need to be released from its obligations before they would cease to have any liabilities to work on that property.

Senator LUDLAM—Presumably your office would be involved, if you were not happy with the quality of the rehabilitation work, in an extension of that time line?

Mr Hughes—Yes, that is correct.

Senator LUDLAM—If necessary.

Mr Hughes—Yes, that is correct.

Senator LUDLAM—Last time we discussed a prefeasibility study on the expansion of the mine. At that time, which was I think mid-October 2008, was it not the case that that feasibility study was complete?

Mr Hughes—ERA currently have a number of feasibility studies, I understand, in which they are engaged. Specifically, one of the studies was to do with the potential expansion of the pit, and they have since taken that particular option off the board. There has been no submission made to date for an expansion program of the pit.

Senator LUDLAM—You said ‘a number of feasibility studies’. So you do not think it is clear that ERA intends to go ahead with open-cut mining outside the present extent of pit 3, for example?

Mr Hughes—There is nothing currently extant on extending the pit beyond the current approved outline.

Senator LUDLAM—That is the open cut; what about the construction of a heap-leaching plant?

Mr Hughes—The company has announced that it intends to submit a referral for the construction of a heap leach plant. At this stage, it has circulated a draft of that proposal to a number of stakeholders, but there has been no formal referral made to the government.

Senator LUDLAM—Does the same go for two plants: a radiometric sorting plant and a laterite beneficiation plant?

Mr Hughes—No, the radiometric sorting and the laterite beneficiation plants have both been approved by the NT regulator.

Senator LUDLAM—Okay, so those were referred and approved in there?

Mr Hughes—They were not judged to require an EPBC referral.

Senator LUDLAM—The pit 3 expansion would require a referral under EPBC?

Mr Hughes—That probably depends on the exact nature of that particular proposal, but we have not seen the proposal.

Senator LUDLAM—We will not know until we see it. What about the proposal for a second tailings dam?

Mr Hughes—That is part of the study that ERA is currently undertaking to do with the heap leach program.

Senator LUDLAM—My understanding is that they have approached the traditional owners of the area for cultural heritage clearance at the site; is that your understanding?

Mr Hughes—That is my understanding as well. As I say, they have had discussions with stakeholders about that proposal to go ahead with that work.

Senator LUDLAM—It is also clear—or there is certainly information in the public domain—that ERA has found ore in places on the lease that are not inside the current operating area: some on the north bank of the Magela, one just inside the lease and another just outside the lease at the foot of the Mount Brockman site. Can you give us the degree to which your office is feeding into the company's proposals to expand into these new areas?

Mr Hughes—Again, any intention of the miner to go outside to undertake any activity on those areas would be subject to the normal assessment process. It would require a referral before any mining activities. In the case of exploration on those areas that are within the lease, that is probably within the scope of their current approvals. What they need to do is just to seek specific authorisation from the NT government regulator to undertake those actual exploration activities in a proper and safe manner.

Senator LUDLAM—Can you just sketch out for us the role that your office plays in activities such as this? Mining operations are fairly dynamic affairs and they change and they grow. What is the role of your office, and where do you fit in the regulatory environment between the Commonwealth, the NT mines department and the company? At what point are you notified of companies' intentions to do certain things?

Mr Hughes—There is a formal notification process in the NT Mining Management Act. There is a section within that act that says that the NT must consult with the Commonwealth before it takes any approval action on a project that involves uranium or thorium. There are a number of agreements and memoranda of understanding between government parties which provide that the Supervising Scientist is that point of contact in the first instance. The NT government is restricted from making any approval in regard to Ranger, for example, without having consulted with us and sought our opinion of that approval.

Senator LUDLAM—But it would not be normal in that case for the mining company to come to your office before submitting an approval to the NT mines department? You are a kind of gatekeeper between the NT and the Commonwealth, as it were?

Mr Hughes—No, the way it actually works is that the NT chairs a group called the mine site technical committee, which is a group which has in it representatives of most of the principal stakeholders. On the mine site technical committee is a representative of the mining company, a representative of the NT regulator—that is, the NT mines division—the Northern Land Council and us, as well as a representative of the traditional owners who sits in as an observer. The normal process is that ERA provide a briefing to the mine site technical committee to give them a bit of a heads-up that they are proposing to undertake a certain activity or seek approval to undertake a certain activity. The mine site technical committee, having been aware of that, then is usually prepared and waiting to see the formal application so that they have a chance to do a proper assessment of it. We are one of the contributing parties to the assessment of that particular process.

Senator LUDLAM—Just getting back to the expansion of the open cut: it seems like there is quite a bit of information in the public domain but you seem a bit reluctant to put anything on the record from your office's point of view as to whether you are involved in or aware of the open-cut expansion.

Mr Hughes—No, ERA has specifically made a public release to the effect that it is not seeking, at this stage, to expand the open cut.

Senator LUDLAM—What about an expansion into underground operations at Ranger?

Mr Hughes—Yes, they have made an announcement that they are looking at the possibilities of going to an underground operation at Ranger. Again, we have not received any formal EPBC referral on that, but what we have been told at the mine site technical committee meeting level is—and there has been draft material circulated—to the extent that ERA are likely to propose to put in an underground adit to facilitate further drilling to assist them in determining whether or not it is feasible to undertake underground mining on the site.

Senator LUDLAM—So that is for evaluation at this stage. Your role, I suppose, is less operational and more about monitoring contamination and the integrity of the surrounding environment. Would it be normal for the mining company to come to the OSS before they had submitted proposals, for example, to the NT mines department?

Mr Hughes—No. Again, this is another case where it is referred or spoken about at the minesite technical committee meeting in the first instance prior to a submission of a proposal or an application to the regulator to undertake the work.

Senator LUDLAM—Are you at that table?

Mr Hughes—We are at that table.

Senator LUDLAM—Thank you, that is helpful. In your role of monitoring the integrity of the surrounding environment, last time we were here we discussed a seepage plume that was travelling north from the tailings dam. I asked you about the kind of volume of water that was seeping out and you indicated it was tens of cubic metres or something like that. Do you recall that exchange?

Mr Hughes—I recall the discussion, yes.

Senator LUDLAM—The implication that I took away from that was that the total plume was only tens of cubic metres in volume. Is that what you meant or have I misinterpreted your words?

Mr Hughes—I do not recall the exact way the words were spoken. I would have suggested that the number is probably more than tens of metres, but it would be only tens of metres in a given period of time.

Senator LUDLAM—But is that a given period time over days, for example? Forgive me if I misinterpreted your words, but your tone did tend to minimise the accumulation of contaminated water seeping. I am just wondering if you can tell us in a bit more detail the rate of accumulation of contaminated water under that tailings dam.

Mr Hughes—ERA have undertaken a number of studies on the seepage rates from the tailings dam. The seepage into the groundwater goes into fractured rock aquifers, so it is quite difficult to know what the actual volume of material is in those fractured rock aquifers. But the company has undertaken a number of geophysical surveys over the years in the area. The water that seeps from the tailings dam has a reasonably high salt content, so it is detectable by these electrical surveys. I think we can be reasonably confident that the distribution of seepage waters from the tailings dam is limited to just a number of these fracture zones. I think last time we discussed it I said that there was an area probably to the south-west of the tailings dam and the main one to the north of the tailings dam, which is the one to which you are referring now.

Senator LUDLAM—That is right. So it is not seeping out evenly into sand; it is travelling differentially according to the geology through fractures?

Mr Hughes—That is correct.

Senator LUDLAM—Because the engineering assessment for the height of the dam walls indicates that the rate of seepage is more likely about a hundred cubic metres per day. Does that sound like a reasonable estimate?

Mr Hughes—That sounds about right.

Senator LUDLAM—ERA has acknowledged that the rehab plans mean the only way to remediate that plume is to pump the water out, treating the contaminated water and recovering it. Does that accord with your assessment?

Mr Hughes—That is probably the case, yes.

Senator LUDLAM—The water cannot stay there; that it is seeping into the environment and it will need to be removed before the mine site is returned to the public?

Mr Hughes—There will need to be further studies on the amount and distribution of that water when the tailings dam has been removed. Part of rehabilitation plan is that that entire tailings dam will be removed.

Senator LUDLAM—In October, you stated that the plume was ‘immediately adjacent to it’—you were referring to the tailings dam. I clarified that it was just at the foot of the dam, and you confirmed that that was the case. I am somewhat puzzled that you are now

acknowledging that it is actually travelling some distance from the dam along geological faults.

Mr Hughes—Yes. As I said before, the geophysics that has been undertaken give a reasonably clear picture of that, and the main movement direction is to the north.

Senator LUDLAM—Can you confirm that the water quality of retention pond 1 and the Coonjimba Billabong have already been impacted by the seepage?

Mr Hughes—It is quite possible that the water quality of RP1, retention pond 1, has been impacted to a degree by seepage. But it also receives other inputs which do contain some levels of contaminant from the minesite itself which makes it difficult to detect whether it is seepage from the tailings dam or whether it is overland flow from material that is washed off rock stockpiles and water that has been through the wetland filtration system.

Senator LUDLAM—But presumably the chemical signature of water coming out from under the dam would be measurably different from contamination flows coming from elsewhere. Is that work that you are undertaking to establish whether there is a measurable flow of water from the dam?

Mr Hughes—Not currently. The water quality in retention pond 1 is actually pretty good.

Senator LUDLAM—Is that a scientific assessment? I guess my question is: are you directly measuring or are you interested in whether or not seepage water from under the dam has reached that retention pond?

Mr Hughes—I do not believe that any significant volume of water from the tailings dam has reached the retention pond through seepage.

Senator LUDLAM—But perhaps an insignificant volume; it sounds like it is still an open question.

Mr Hughes—Yes; there would be a minor amount going in there.

Senator LUDLAM—So it has probably reached there. What about the Coonjimba Billabong—are there measurable impacts?

Mr Hughes—Coonjimba Billabong is a receiving water body from retention pond 1. During the wet season retention pond 1 reaches a certain level and then it overflows into Coonjimba Billabong. So, whatever the water quality is in RP1, that can be the water quality in Coonjimba Billabong. Coonjimba Billabong is also subject to back-flushing from Magela Creek, so that at times it has water quality more like Magela Creek and at other times it has water quality more like retention pond 1. That can vary on an almost daily basis because of the back-flushing and level changes in the water bodies around the place.

Senator LUDLAM—All-right. I am not trying to verbal you; I am trying to go fairly carefully here, but what you are saying essentially is that if the water quality in retention pond 1 has been impacted by seepage from the dam then there is likely to be measurable impacts in the water bodies that it flows into from there, including the billabong?

Mr Hughes—The water quality of retention pond 1 fluctuates quite considerably through the year, depending on the time of the season. ERA has installed a control gate on the spillway

there, which gives it some degree of ability to manage when that actually spills. The idea is to ensure that RPI does not spill prematurely while Magela Creek is still not at a high flow level.

Senator LUDLAM—It is about dilution and not letting it go while the creek is low in the dry season?

Mr Hughes—That is right. It is managing it by quality.

Senator LUDLAM—I think last time we spoke you indicated that ERA was doing a groundwater study in that area and that you expected to receive a report from them. Is your office now in receipt of that report?

Mr Hughes—Yes, we have received that report. We have also received some other reports and we have asked some further questions of ERA on that.

Senator LUDLAM—Can you tell us anything about the reports? Firstly, are those reports in the public domain?

Mr Hughes—I doubt that the report is in the public domain.

Senator LUDLAM—Is that something you are able to check for the committee?

Mr Hughes—We could check that, yes.

Senator LUDLAM—Thank you. Within the limits of what you are able to tell us about the material in the report, what does it reveal about the state of the groundwater in the area?

Mr Hughes—It is consistent with what I told you before.

Senator LUDLAM—Do ERA try to estimate the total volume of contaminated water that is accumulated downstream of the dam?

Mr Hughes—The work that ERA has undertaken does try to look at the flux rate of the seepage plume from the tailings dam, which is I think what you are asking me.

Senator LUDLAM—Obviously, they are aware for how long it has been seeping, so there would be some way of estimating the total volume of water that is leaving the dam?

Mr Hughes—Yes.

Senator LUDLAM—When the mine was established, was it the case that the tailings dam was meant to contain the water that was impounded there, or was it always intended that there would be this kind of seepage?

Mr Hughes—All tailings dams are intended to leak.

Senator LUDLAM—They are intended to leak. Lastly from me, we also discussed very briefly the government's proposed register of radiation dose exposure for workers in the industry. You indicated that that was not within the bailiwick of your office, but I am wondering whether OSS staff are routinely monitored for radiation dose exposure in the course of their work.

Mr Hughes—Yes.

Senator LUDLAM—They are? Is that something that is new or has that been the case?

Mr Hughes—Workers who are involved in potential exposure situations are monitored.

Senator LUDLAM—For how long has that been the case?

Mr Hughes—Forever as far I know.

Senator LUDLAM—Nothing new in terms of the recording of radiation doses; nothing new since we spoke in October?

Mr Hughes—No.

Senator LUDLAM—Lastly, do you have concerns about the performance of this operation? That is probably a little bit broad actually. In particular, since receiving the groundwater study that we were referring to just previously, has that raised any particular alarm bells for you since the last time we spoke?

Mr Hughes—Not overly so. We have some questions which we have put to ERA and asked ERA to provide further information. We understand that they intend to extend their monitoring program in the vicinity of the tailings dam. In the course of doing that, they will be able to collect more data and will have a better idea of what is actually occurring in that area. At this stage, I do not see any significant reason for concerns.

Senator LUDLAM—Are you assisting ERA in preparation for removing and treating that contaminated groundwater that is coming out from under the dam? How advanced are plans for cleaning up that contamination?

Mr Hughes—We are not specifically involved in any projects concerned with the cleaning up of the water which is beneath the tailings dam. At this stage it is probably premature to attempt to do any of that work ahead of decommissioning of the tailings dam.

Senator LUDLAM—Are we going to work out how to do that when the mine has closed? Is there no preliminary work to be done at all?

Mr Hughes—Yes, the monitoring work that I was talking about—extending the monitoring program and answering questions about flow rates and things like that around the dam that we have been looking into—are actually components of planning for that sort of work.

Senator LUDLAM—I could see how that could be very important, but whose responsibility is it to work out how to remove several hundred thousand tonnes of contaminated water from downstream of that dam? Is that entirely up to ERA or do you play some role in working out how that is to be achieved?

Mr Hughes—The responsibility for doing that belongs to ERA. Our responsibility is to ensure that it is done in an appropriate fashion.

Senator LUDLAM—Thank you. I have no other questions.

CHAIR—Thank you very much, Senator Ludlum. Thank you very much, Mr Hughes, for taking the time to come down and appear before the committee today; we appreciate it.

Mr Hughes—Thank you.

[10.32 am]

Sydney Harbour Federation Trust

CHAIR—I welcome Mr Bailey and officers of the Sydney Harbour Federation Trust.

Senator BIRMINGHAM—Thank you, Chair. Mr Bailey, nice to see you again. You will not be surprised that I would like to pursue the status of the MOU with the Department of Defence. Back in estimates hearings in May of last year I think you indicated that the matter should be resolved by June 30, 2008. At the October hearings Mr Borthwick I think then indicated that the MOU would hopefully be signed as soon as we could muster it. Where are we at now in February 2009?

Mr Bailey—The MOU did prove to be more difficult than any of us would have liked in the discussions. However, I am confident that we have now in fact resolved all of the issues. The trust is in a position now where it can forward its advice and its recommendations to the minister. I am only waiting on confirmation from my colleagues in Defence that they are similarly ready to do so and I would expect to have that in a matter of days. As far as we are concerned, all of the matters are now resolved and we are ready to proceed.

Senator BIRMINGHAM—You would expect that certainly by the next time we appear, both yourselves and Defence will have provided your relevant advice to your ministers and presumably your ministers will have signed the MOU or it will have been signed at chief executive level or wherever it has to be signed at?

Mr Bailey—Certainly.

Senator BIRMINGHAM—That is good news. Some of those blockages and issues that you were facing as I recall related to liability issues; how have they been resolved?

Mr Bailey—Concerns about third party liability and the liability of the trust itself indefinitely into the future.

Senator BIRMINGHAM—That is right. My recollection is they were the outstanding issues when last we met.

Mr Bailey—They were.

Senator BIRMINGHAM—In what way have they been resolved?

Mr Bailey—I guess by concessions on both sides and sufficient levels of comfort being written into the document now to satisfy both sides that everyone's interests are protected.

Senator BIRMINGHAM—Compromise on both sides sounds like it means the trust will be picking up a level of liability or risk into the future?

Mr Bailey—I think inevitably there is always some level of liability and risk in engaging in these things. We feel we have kept that to an acceptable minimum.

Senator BIRMINGHAM—Does that mean that Defence will be maintaining some level of interest in the site or ongoing responsibility themselves for its clean-up et cetera?

Mr Bailey—They will be maintaining a level of responsibility until the clean-up is complete and independent auditors have signed off that it is complete and that the site is safe.

Senator BIRMINGHAM—What is the time line expected for that clean-up process?

Mr Bailey—We are expecting that the clean-up will take approximately two years.

Senator BIRMINGHAM—The independent audit is a requirement of that and those auditors will be paid for by the trust or by Defence?

Mr Bailey—They will be paid for by Defence.

Senator BIRMINGHAM—So they have to provide all of the evidence to the trust under the MOU at the end that the site has been cleaned to the satisfaction of independent auditors?

Mr Bailey—Correct.

Senator BIRMINGHAM—Excellent. In terms of the process for resolution, was it all resolved at officer level or did it require ministerial intervention?

Mr Bailey—No, it has been resolved at officer level.

Senator BIRMINGHAM—What liaison have you had with the community during this time to resolve the issue and to ensure that community frustrations that may have been developing about the delays that had been occurring did not reach too great a level?

Mr Bailey—We have not detected significant community disquiet on the topic. I think those that have an interest have always readily contacted the trust directly and we discuss those issues. But I would have to say, there has been very little inquiry on that level. I think people are satisfied that things are moving forward, albeit not as quickly as they would have liked but they can also appreciate the difficulty involved.

Senator BIRMINGHAM—If I can jump of the MOU into the draft plan for HMAS *Platypus*. At the October hearing I think you indicated that the minister was awaiting comments from the New South Wales government before signing off on the draft plan?

Mr Bailey—Correct.

Senator BIRMINGHAM—Have those comments been received?

Mr Bailey—They were received I think last week.

Senator BIRMINGHAM—Are they broadly supportive of the draft plan?

Mr Bailey—They are.

Senator BIRMINGHAM—They are, and have they proposed any changes?

Mr Bailey—None that I can recall.

Senator BIRMINGHAM—What time line would you expect? Are there further processes that need to be followed for the finalisation of the plan or is this the completion of that consultation period?

Mr Bailey—It is the completion of the consultation period and it now falls to the minister to determine the matter.

Senator BIRMINGHAM—Under what time line would you expect that to be determined?

Mr Bailey—That is a matter entirely for the minister, I am afraid.

Senator BIRMINGHAM—Has the trust got a time line that it needs the plan to be approved by to facilitate your works?

Mr Bailey—No; I guess the primary issue confronting the trust is the clean-up of the site. As I say, we expect that will take around two years but we expect it could be delayed; it will depend on what happens when we open up the site. There are very large tar pits on the site and we are expecting that it is not going to be a pleasant job cleaning it up.

Senator BIRMINGHAM—All of the costs for the clean-up are met by Defence?

Mr Bailey—Correct.

Senator BIRMINGHAM—Do you have an estimate as to what those costs are?

Mr Bailey—Approximately \$45 million.

Senator BIRMINGHAM—So it is \$45 million of works over two years for the site clean-up?

Mr Bailey—Correct.

Senator BIRMINGHAM—In terms of consultation with the community about the works that will have to be undertaken for the site clean-up, is there a plan in place to advise the community of the nature of those works and so on?

Mr Bailey—There is. There will be extensive community consultation once we commence the process of cleaning up. The initial process will be to go out to tender and at that point we will engage the community and begin to discuss the detail of what is involved in that clean-up and how we will manage it.

Senator BIRMINGHAM—How quickly would you hope works to commence?

Mr Bailey—That will depend on the signing of the MOU but from the time of that signing I would hope between six and nine months.

Senator BIRMINGHAM—I am assuming, given that they are paying for it and they are responsible for it, that Defence are obviously the project managers for the works as well?

Mr Bailey—No, the trust will be the project managers but there are detailed provisions for the oversight of that by Defence officers as well. I should say there is a regular reporting mechanism in place to Defence for every element of the clean-up and the expenditure of funds et cetera.

Senator BIRMINGHAM—I am following up on rumours. Are there any plans to hand control of the trust over to New South Wales?

Mr Bailey—At the moment, no. The trust's life was extended in September 2007 from nominally 2011 to 2033 and that was really a product of community pressure, community interest and support. The original intention was to transfer it to New South Wales. Broadly, the community were very happy with the outcomes that the trust was producing and the government saw fit to extend its life for another 25 years.

Senator BIRMINGHAM—There have been no government-to-government discussions about the possible transfer of the trust?

Mr Bailey—Not since the period of the amendment to the act which extended the life of the trust.

Senator BIRMINGHAM—Does the New South Wales government commit any funding to the trust?

Mr Bailey—No; the New South Wales government nominates two trustees, two board members, being directors, to the trust and that is its commitment.

Senator BIRMINGHAM—Thank you, Mr Bailey. That is all from me. It is nice to have positive progress.

Mr Bailey—Thank you.

CHAIR—As there are no more questions for the trust, we thank you very much, Mr Bailey, for appearing before the committee today.

Proceedings suspended from 10.42 am to 11.01 am

CHAIR—I now welcome the Director of National Parks, Mr Cochrane, thank you for joining us today. Senator Scullion has questions.

Senator SCULLION—I have some questions principally in relation to part of my electorate in Cocos Keeling, Pulu Keeling, the park and the management plan and issues associated with that. As you would be well aware, there is a degree of community concern about the exact position of the reference. I am not sure—I have to use the right terminology—but the Environment, Protection and Biodiversity Conservation Act 1999 has a whole range of steps, so whether it is referred or a public inquiry, where are we up to with it? Could you provide a report on where we are up to now, what is the next stage and perhaps provide some indications of the timing about when decisions associated with that process will in fact be made? I think that is the EPBC Act reference 2002/844 proposal. I am not sure whether that is absolutely correct, but that is the indication of the actual application.

Mr Early—I could provide more detail on notice if what I am about to say is not quite correct, but my understanding is that the referral required some consideration by the community, and they were to come back with some advice to the department. I do not think that has actually happened. I think the action is with the community to determine precisely what it is they want and how they want to achieve it. If that is not the case, I will clarify that on notice.

Senator SCULLION—Perhaps you would take on notice, because I am sure the information is at hand or behind you, the exact information that is required of the community to provide? I find that a little surprising. I am sure there is no mischief; this is a long and onerous process. Every time I have visited the community, including my most recent visit, I thought the community had made it very clear that in a number of agreements there will be the development of surveying of birds, both on Keeling and on Horsburgh Island. Then it will move to a management plan for the sustainable harvest of *Sula sula*. That seemed to be a recurrent theme through all the agreements prior to the Environment, Protection and Biodiversity Conservation Act being imposed. The difficulty seems to be now to put into effect the previous agreements that were made with congress as part of the leasing of the island to the director.

So, what you are putting to me in terms of the detail I will take on notice, but it does surprise me, and perhaps you can help me with this, that it was back to the community to see what they thought about something. If that area is seeking their advice on numbers, times or specifics of the management, I would understand that. But given the general theme has not changed—and I note there is a fair bit of action behind there, Mr Early—perhaps you could provide me with the nature of the overall framework of the sorts of issues that the community now has to provide?

Mr Burnett—The general position is that we have sought some information and we are just attempting to get some details specifically as to what information we have requested.

Senator SCULLION—Perhaps I will ask some general questions. This issue came up around August 2007, and I note a number of pieces of what I consider significant correspondence about the views of the people who have leased the island back to the Commonwealth. I will cite a letter to Vicki Middleton, the Assistant Secretary, Environmental Assessment Branch—and I understand because of the response that that is the correct place to go. I am happy to table the letter, but it states in part, ‘As the Cocos Congress,’ who own the island and lease it to the director ‘has expressed its concern that the matter of community management plan for the harvesting of red-footed boobies, *Sula sula*, in the Cocos (Keeling) Islands has dragged on for some time, at the Cocos Congress meeting held on 31 July 2007, it was decided not to proceed with either the community restoration of habitat on the southern atoll on Cocos (Keeling) Islands or the hand-raising of seabird chicks at this stage.’ It goes on to say, ‘The Cocos Congress therefore wishes to withdraw this proposal, but we may consider these projects in the future.’ The administrator obviously was contacted at the same time, and in a letter to Haji Adam of the Cocos Congress, he notes in three dot points, and the third dot point, which is appropriate to the discussion—the other parts of the letter have no bearing on the content of this matter—is booby harvesting. It states, ‘I note our discussions this week and confirm that I have spoken to the department in Canberra explaining my understanding of the situation—that is, Congress have withdrawn its proposal relating to the revegetation and the rearing of sea chicks at the present time, and wishes the minister to make a decision on the harvesting proposal as soon as possible.’ I am happy to table that letter.

The reason I am providing that piece of correspondence is that it frames the views of the people on the island, in that they are very, very frustrated that there has been, for over a decade, a clear understanding that they believe went back to the understanding about the leasing of the island. We will lease the island; it will become a national park. That was their side of things, and they have done that. So it has been a national park. But what national parks were to do was to formulate a management plan for the sustainable take of *Sula sula* so that principally people can carry on their traditional and cultural ceremonies, particularly of marriages on Home Island. So, for a decade now—and I am just sharing with you the frustration of the people on the island—that side of the agreement has not been reached.

They are at the point now where they are saying with respect to Horsburgh Island, which was devegetated during the war—and I will not go into details of that—that there was a prospect, with high levels of unemployment on the island, that the revegetation of Horsburgh Island would provide extra habitat for sea birds, obviously in the interest of the environment, as well as the raising of injured chicks, and that they would take on all of those sorts of things. They have actually said, ‘We are not doing this simply because you are not picking up your side of the bargain.’ There is no question about that. My question is: where are we up to with this process? What I need to be convinced of is not only that you are not dragging your feet, but I want to know that you have not made a fundamental decision that Environment Australia has simply decided that that is not going to happen. I think the people on Cocos deserve to have that answer rather than the frustration of continual meetings. I understand that you are

still trying to get some detail, but I thought I would provide the background, and perhaps for the benefit of others on the committee, the reasons and the motive for my line of questioning.

Mr Early—I am afraid we will need to take some of that on notice, but in answer to the second part of your question, I can assure you that there has been no decision from the department or the minister that says that this proposal cannot go ahead. Having said that, I am not quite sure what stage we are at, so I will have to take that on notice.

Senator SCULLION—From the islander perspective, that is actually a decision. When the minister does not make a decision, there is no burning. There is no aspect to go and have their continued traditional and cultural activities, which is a problem. If the minister has not made a decision, the circumstances remain the same. They do not have access.

Mr Early—I thought you were asking whether the minister had made a decision not to—

Senator SCULLION—No. I understand that you are saying the minister has not made a decision. Let us say for the next 30 years, if the minister does not make a decision, the outcomes for the islanders will be the same.

Mr Early—Yes, I understand.

Senator SCULLION—I had assumed that your officers would have had something to hand. I am not pressing you on this, but perhaps you can give me an understanding in terms of timing. On notice, I would not have thought it would have been too difficult, that the information would be available today. I think it is important.

Mr Early—We will try to get it today.

Senator SCULLION—That would be great. Given that whatever decision is made by the minister it would obviously be based on good science, I understand that part of the agreement was that a number of surveys would be conducted, and the basis of those surveys would be some benchmarking to understand the spatial dynamics of the population of *Sula sula* and to establish from that a sustainable take. There are some formulaic things around the world for different sorts of wildlife species. Would you be able to provide me with the numbers of surveys that have been conducted, say, in the last five years, in addition to those things on notice, and provide me also on notice—I expect that you do not have it here, in view of the fact that more substantive answers are not available—with the results of those surveys? Would you be able to provide me with the sort of formulaic structure of a sustainable use plan? I assume that you are getting this baseline data, and from that baseline data you will then use some sort of a formula to establish whether you have ‘some take’ or ‘no take’ based on whatever the numbers are. Can you take those questions on notice?

Mr Early—Yes.

Senator SCULLION—Perhaps you would be able to tell me directly what sort of a framework, in terms of access, has been planned by the department when you have finalised the results of the surveys?

Mr Early—I can provide all of that information on notice.

Senator SCULLION—We have actually had a look, for a number of years, at how many birds are on the islands; is that correct?

Mr Cochrane—That is correct, Senator.

Senator SCULLION—I would make the assumption—and you can correct me if I am wrong—that because of the vagaries of any wild population, you would have to do a survey every year, and make a decision on sustainable use or sustainable take in that particular year, because there may be other events—such as a cyclone, a disease or something that affects the population. You would not just say, over five years: ‘That’s it. Here’s a five-year plan. Every year, go out.’ I make the assumption that you would have to do a survey each year, and then the plan would be adjusted on the numbers provided in the survey. Would that be right?

Mr Cochrane—It would be desirable to do a survey every year. I cannot tell you at the moment whether that is what we have been doing, but we have been doing regular surveys of the red-footed booby population since 1985. We do know over that time that the numbers have fluctuated quite dramatically. I recall that they went very low after a major cyclone went through there some time ago. The last data that I have, which was from a few years ago, suggested that their numbers had recovered, but dramatic fluctuations like that are a matter of concern for any proposals to sustainably harvest a species like that. However, I should add that, as you know, since the introduction of the EPBC Act, the red-footed booby became a protected species under the act, and therefore any proposals to kill it need to be referred and considered under processes under the act. That is the matter you are referring to, and we are checking as to whether there is a formal referral in the works. There has been a lot of discussion about it.

Senator SCULLION—We love discussion. They do not like it very much at all. They prefer action.

Mr Cochrane—We have provided some considerable assistance to the community in terms of information and assistance with the process.

Senator SCULLION—Yes, and I acknowledge that. It is very useful that you are providing some of the answers, Mr Cochrane. I know that you actually have a great deal of experience in north Australia with the management of Kakadu and those sorts of areas. It would seem to me that the Indigenous take of dugong within the areas that are controlled by Kakadu National Park would be a very similar sort of issue in that both species are protected under the Environmental Protection and Biodiversity Conservation Act. Now that you have some experience in managing a species that is listed and is critically endangered or whatever it is—and my research certainly indicates that the dugong is in far greater trouble than *Sula sula* at Keeling—in terms of consistency, do you think that the department would have the same approach in terms of traditional access to those species?

Mr Cochrane—It would have the same approach. However, there are some differences. First, I am not aware of any dugong take within Kakadu National Park.

Senator SCULLION—Obviously, dugongs do not walk, and the coastline that abuts the park and the rivers that come under the control of the park are the areas I was referring to.

Mr Cochrane—Sure. As I said, I am not aware of any dugong take within the park.

Senator SCULLION—But are not all dugong on the Northern Territory coast protected under the Environmental Protection and Biodiversity Conservation Act?

Mr Cochrane—Yes, they would be.

Senator SCULLION—So it is similar. Let's not get picky about it; I think there are some quite clear similarities between the species and our approach, and I think it is a very important matter that we do have some consistency. I am not sure how we have managed that in terms of the dugongs. Certainly, all the information indicates that they are far less populous and more threatened than *Sula sula*. I would have thought that, given it has been possible somehow through some arrangement to ensure a sustainable take of one species under the EPBC, we should be able to do that with the other species. Do you think there are some similarities in terms of the approach?

Mr Cochrane—In some respects, but there are some significant differences, and in coming to that, the EPBC Act—in, I think, section 2(11)—provides for a relationship with the Native Title Act, and certain activities undertaken by Indigenous people have an exemption of some sort. I might have to defer to my colleagues who are more expert in the act than I, but Indigenous people and their subsistence harvesting are treated differently under the act, whereas the Cocos Islanders are not regarded as Indigenous peoples under the definition of Indigenous peoples under the act.

Senator SCULLION—Whilst that is true, perhaps you could provide me with some advice on this. I understand under section 8.1.6 in the Pulu Keeling National Park Management Plan it states:

During the life of the Plan, the Director may develop, review or update existing operational plans and management strategies for carrying out prescriptions in the Plan dealing with conservation and Park management issues for both the marine and terrestrial areas. These conservation and management issues include but are not limited to:

- (a) management of individual species (animal or plant), including native and introduced species;
- (b) management of a number of species and/or communities;

And most importantly:

- (c) the collecting, taking or harvesting of a species;

I would have thought that was pretty clear. Given that it is Pulu Keeling, I am sure outside of section 4.3 that deals with fisheries, that would be the only sustainable take issue. Given the long discussions we have had about it, I am quite sure that is exactly what it is referring to. Doesn't this actual part of the management plan give you, as the director mentioned in here, the capacity to manage the collecting, taking or harvesting of a species?

Mr Cochrane—It is there to provide us with the capacity, yes.

Senator SCULLION—Do you think that would be the way, given your experience in these matters, to declare a specific plan of management for a species, or would you simply make it part of the plan? I am not sure about the actual mechanics of how you would achieve that.

Mr Cochrane—There is a provision under the EPBC Act for conservation and management plans—I think that is what they are called—for threatened species. That particular provision was in the Pulu Keeling plan of management was inserted in there so that

that would be possible. We are not saying it will happen. It just says that the director may do that, so that means we are not prohibited from doing it.

Senator SCULLION—No. Again, I am not asking for a comment on this, but perhaps there are pieces of correspondence or meetings I am not aware of—in fact, I am sure there have been. With respect to all of the people I spoke to on Cocos (Keeling)—and perhaps I spoke to the wrong ones—every time I have gone there, it was their view that you were going out there and measuring numbers of birds, and any minute you will come up with that management plan for a sustainable take. That is their view. It is their view clearly through all of the correspondence, from all the meetings and all their interactions, that that is your intent. If it was your intent to say you would not look at that, I would have thought that would have emerged over the many years we have been doing this. A plan of management can have zero take, and that would be most appropriate in many of the circumstances you are talking about where there has been a natural disaster or there is something affecting the population. We have plenty of experience of that in Australia on the mainland with a whole range of species. Are there other meetings or some other particular position that has been taken, that I am not aware of, that would change that situation—that situation being that everybody at the moment understands what you are doing is moving towards a plan of management that will have a level of sustainable take, from zero to whatever?

Mr Cochrane—I believe there is probably a communication issue then, because my understanding of the position was that, under the act, if someone wants to harvest a protected species it needs to be referred under the act and there needs to be a proponent, and the Director of National Parks is not the proponent under this. My understanding from community meetings was that the community itself intended to be the proponent. We have tried to play a supporting role in providing information and assisting them with the process, but at the end of the day it is the community that is seeking to undertake these actions. We have made provision in plans of management, if this referral is successful, that it can be put in place. But I am certainly not of the impression that it is actually our responsibility to develop this on our own initiative.

Senator SCULLION—The congress leased you the island. When they leased you the island they said the fundamental part of making this a national park, which would never have happened without congress agreeing to it—and there is no doubt that the nature of the iconic biodiversity represented in that park is important—was that the deal was that you developed a management plan. But with everything I am hearing from you now, I know we can pick up the body language, and I know you well and I have a great deal of respect for you. The deal was that you developed a plan of management. We are 10 years later. I know how capable you are. I know how capable Environment Australia is. I know the surveys have been done for the last five years. It just seems completely incongruous to me and to anyone else who has had a look at the situation that you are now telling me that that is their responsibility to do all of that, that the community will have to come up as a proponent. Who else in the Australian government would be there, if you think it is perhaps inappropriate for Environment Australia to be playing that role, to assist a community to ensure that the Commonwealth meets its obligations? They have met their obligations. They have been a community who have said, ‘Okay, we have now placed a moratorium on the taking of seabirds,’ and it has gone on and

on and on. Who do you think that they should then look to if Environment Australia are perhaps not the ones? You have just said it is not appropriate that you are the proponent, and I can understand that, but where would they seek assistance from, given that this is a fundamental part of an agreement that apparently we are trying to meet?

Mr Early—I am not sure that that is actually accurate. My memory may be a little behind, but my understanding is that the deal, if you would like to categorise it that way, was that the national park was declared, and the main obligation that the Commonwealth met was the buying and handing over of the Clunies-Ross house, Oceania House, to the community. I know that there was some discussion at the time about possible booby harvest, but my understanding is that it was on the side, it was not actually part of the agreement.

As Mr Cochrane said, part of this may well be a communication issue in terms of people knowing that those things were discussed at the time and thinking that there was some sort of agreement by the Commonwealth. As I said, my memory may be faulty, but I do not think so. I do not think that was actually part of the deal. Essentially it was about Oceania House and North Keeling Island.

Senator SCULLION—I do not have the information to hand. There was an agreement in 1986. I have sourced a copy. If you have a copy of the 1986 agreement that deals in that matter, I would really appreciate it. I cannot find one here or anywhere across the country. I understand that probably the most likely people to have that is you. I understand that that is absolutely black and white in that agreement. There is no question of that at all. It just seems odd that the administrator from the Indian Ocean islands would write in August 2007 and say: 'I note our discussions and confirm I have spoken to the department in Canberra explaining our understanding of the situation. Congress have withdrawn the proposal regarding vegetation and rearing seabirds. What you are putting to me is that the congress has just simply come up and put an application to go and eat boobies, that this has sort of come out of the blue, and any arrangement, notional or clear understanding with the community may be because of a miscommunication, that maybe someone does not understand or there has been a misunderstanding. So correct me; tell me exactly what the understanding of the Commonwealth is with regard to any agreement to proceed to a sustainable take of *Sula sula* on Keeling Island.

Mr Early—I cannot tell you precisely because I do not have the documentation in front of me. I was trying to clarify the situation for you. I would not at any stage suggest that the application came out of the blue. We have known since the very beginning that the community wanted to harvest the booby. That has been on the table. All I am saying is that I do not think at any stage the Commonwealth or any minister has actually agreed to that. It has always been: 'We'll discuss it and we'll see what can be done.'

Senator SCULLION—That is not entirely true. I understand the provision in the park plan for permits to be issued for the take of booby birds on Horsburgh Island for periods of time, with that capacity to remain with the director, was a function of the original discussions. Otherwise, why would that have all appeared in your own plans?

Mr Early—I really cannot add anything. I am happy to go back and give you the information on notice.

Senator SCULLION—I acknowledge that there is no mischief, and perhaps I should have given you a little bit more notice. I certainly did not intend to come here to have some sort of confrontation and so you were not able to have the material. If I can put you on notice, at the next set of estimates I would like to be able to comprehensively examine all of the written agreements and the correspondence. That would be very useful. In fact, on notice, could you provide me with that? I am interested only in the correspondence with respect to the agreements about the original lease arrangements and any of the correspondence there has been with regard to this. I acknowledge that there was a whole range of agreements and then suddenly the Environment Protection and Biodiversity Conservation Act came down. We have had a whole range of other international documents that we are signatory to that now apply because of the Environment Protection and Biodiversity Conservation Act. But as far as I and the community are concerned, we had an agreement before all of those things, and when those instruments come down we need to have the capacity to be able to move forward on that.

I do not see any reason at all why we cannot move to a sustainable take in a practical sense, given that we have had a number of surveys take place and it is permissible under the Environment Protection and Biodiversity Conservation Act. Part 8 of your own plan permits it and obviously would countenance it, because they have given the director approval to do so. I know you have taken that particular part on notice, but I am not sure why we simply do not proceed with it unless that is a policy issue—and I am sure you can take that on notice and you will not answer on a policy matter. I do not think the minister is in a position to provide any extra information on that, and I acknowledge that. If you can provide on notice those things for me and be prepared at the next estimates, we can air this issue in a way that can give some confidence about exactly where we are up to and where we are going with this matter, because it has been a great deal of time. I will just cite these words from Environment Australia:

At the time of the Self Government Determination in 1984 the Commonwealth gave a commitment to the Cocos-Malay people to respect their religious beliefs, traditions and culture. In all interactions and consultations with the Cocos-Malay community, this respect is of great importance.

Of course it is. They see this as a breach of faith. One of the other reasons I am bringing this up is that they have now said, ‘This has been a breach of faith; I am not entering into negotiations with Environment Australia on Horsburgh Island revegetation or chick rearing.’ That has been since 2007, and still nothing has happened. They tell me now: ‘When people come and see us about managing the gong gong, we are not talking to them. Why would we possibly enter into an agreement with people where we are the only people with skin in the game? We are the only people who say, “We won’t do this, we won’t do that.” We’ve done our side of the deal and they have done nothing.’ This may only be a perception, Mr Early, but my motive for exploring this particular issue is to give some clarity to a community that clearly needs it.

So could you take those questions on notice. Given the lack of clarity on this matter or availability of information, there are another couple of issues for which you can provide answers to questions on notice. If you have them here, please provide it. I refer to the numbers of prosecutions for poaching birds on the island. People go out there to have a wedding so they will go out and poach birds, and I understand there have been some prosecutions.

It may not be a matter for you, but I do know that you have been apprised of the issues associated with the ownership of firearms on Home Island and the incidences of poaching. I understand that this would not normally be a matter for you, but given that the whole islands are in fact a national park, it is very different circumstances, so if you could provide answers to those questions on notice, that would be appreciated.

Mr Cochrane, just on some general questions in regard to North Keeling, I know that you are very interested in ensuring that we maximise opportunities for employment on Home Island. As you know, we have very, very high levels of unemployment, and I suspect, as we have shared the view, that certainly Parks believe there is a high level of opportunity. Perhaps again on notice if you do not have the information here you can provide the numbers of permits for people to actually visit Keeling Island. You may be able to tell me the numbers of Cocos Malays under the act where you train Cocos Malays as guides, because without that they cannot get access to the island. How many Cocos Malays have actually been trained as guides? You might be able to provide that information now.

Mr Cochrane—I was unaware that we had a commitment to train guides specifically. I know that we have been supporting the community in terms of developing some guiding capacity, but I was not aware of any obligation that we had to do that.

Senator SCULLION—It is something that I took out of the management plan. I cannot put my finger on it right now. It was not so much an undertaking but the legislation provided that you cannot become a tour guide unless you receive training from Parks. Is that correct?

Mr Cochrane—I think you are correct.

Senator SCULLION—I think that is the case. Please provide me with the numbers if that has happened at all. I will certainly provide you on notice with the reference in your plan.

Given the unemployment directly adjacent to this park, I notice under section 4.3 there are some restrictions on fishing around the island. Recreational fishing is permitted, and I think it is restricted to trawling. I do not want to get into the details. Any sort of commercial fishing is not permitted, and on the face of it I understand why that would be the case. Commercial fishing extends to somebody as a guide from the local island taking someone out trawling with them and taking the same bag limit as is permissible on the island by a recreational fisher. It would seem that it is an impediment to employment, given that it does not matter if Senator Wong and the officers at the table are all fish, they are four fish, and they are taken out of the ocean onto a boat; the environment is only less four fish. It does not matter at all whether or not one is sold.

I just cannot understand how this is really an environmental control. I understand that in terms of sustainable use, they already have a take. You are only allowed to take so many. There is a differential between, let us say, a fishing tour operator, one of the local island Malays who wishes to take a tourist out to the island to catch fish and put it on the boat exactly the same as he would—there is a bag limit—and he can then have an employment. I know that that is not permitted under the act. Could you take that into consideration? I know that from time to time you review the act, because it does seem like a clear impediment to employment that would have no impact on the environment whatsoever, given that there are existing bag limits and there are controls in terms of the definition of ‘recreational fisher’. If

the definition of 'commercial', simply because he makes money out of taking you out rather than being an industrial fisher, was somehow dealt with, I think that would make a great deal of difference. Could you talk to me just briefly about your capacity to be able to interact? What is the timing? What are your views on that?

Mr Cochrane—I would like to take the question on notice as to how we treat recreational fishers and/or charters. Just coming back to the first part of your question, in terms of permits, we have permitted three commercial tour operators to Pulu Keeling, and in the last financial year we granted 46 entry permits to the island. Secondly, in terms of how we would treat what I assume would be a charter operation taking recreational fishers out to the island, I would need to take that on notice. It does happen in some places, but I would be very surprised if there was a substantial income to be generated by a small operation travelling out 24 kilometres over the open ocean to Pulu Keeling to take recreational bag limits, if they did apply. Nonetheless, you might be right, so let me take it on notice.

Senator SCULLION—With respect, you know my background. I have a great deal more experience in that matter than you, Mr Cochrane, and in terms of commerciality or opportunities to make money, I can tell you that Pulu Keeling is an amazing place. To go there as a tour operator, there are a number of experiences to be had. One of them maybe the taking of a fish, to take home for the barbeque as part of a complete package. As you know, in tourism it is the diversity of the package that often makes the quality of the package. That is my view. I would appreciate it if you could perhaps take that on notice. I have read the plan and I do know that that is currently prohibited, as I understand it.

Senator SIEWERT—I have a general question about funding and then I will go to Christmas Island issues. How much of the new NRS and IPA funding that has been committed has already been spent and what it has been spent on in the categories of what is going into the state reserve system, IPAs and private protected areas?

Mr Cochrane—I can give you some information. I might have to take some of that on notice. With respect to the National Reserve System, the allocation for the National Reserve System this year is \$25.7 million out of Caring for our Country. The minister has approved the expenditure of all of that for applications that have come in. In terms of money out the door, however, 18 properties have been approved for purchase out of those funds. Contracts for the majority of those are still under negotiation. Most of that money is not out the door yet. I do know that one property has been concluded and I am sure I will get questions on it, and I refer to Toorale Station.

Senator SIEWERT—I will leave that to others to ask questions on.

Mr Cochrane—That expenditure has been made. In terms of Indigenous protected areas, 24 out of the 25 declared IPAs were funded this financial year, or sought funding and have had that approved. There are 33 consultation projects that have been approved, and two other projects for co-management consultations have been approved—so 24 declared IPAs, 33 consultation projects and two co-management projects. Of all of those, we have signed 38 contracts, which actually cover 45 projects, and we still have 14 contracts under negotiation.

Senator SIEWERT—I do not expect you to provide this now, but would you provide on notice a list of the projects for both the NRS—and I appreciate there may be some commercial-in-confidence.

Mr Cochrane—I can provide the IPA projects but not the NRS projects because they are only released if there is a successful purchase. As I have answered many times, they are commercial-in-confidence until the deals are done.

Senator SIEWERT—Okay; I will follow that up in May. What I am also keen to know is how the properties match against priority bio-regions, for example. I appreciate that you cannot answer that until they are actually purchased.

Mr Cochrane—That is correct.

Senator SIEWERT—I will continue to follow that up. If the contracts are not signed, sealed and delivered by the end of June, does that money stay in the bank for those properties, or do we run into problems with next year's budget?

Mr Cochrane—No; we put a provisional list of projects up to the minister as well, which he has also approved. So if some fall over, for whatever reason, we have if you like a B list. I have told you that we had 18 properties approved. Another six are subject to funding, but that is out of a total of over 100 applications for funding, so we had a lot of choice.

Senator SIEWERT—It is not just if they fall over. If, due to circumstances beyond your control—you still want them and the seller is still willing—it cannot get signed off by June, we do not lose the funding?

Mr Cochrane—No, but it is also why we ask the minister to approve more projects than there is available funds for.

Senator SIEWERT—So you take one from one year and put it in there?

Mr Cochrane—Yes, correct.

Senator SIEWERT—I am just trying to make sure that we do not have the same thing that happened when \$6 million worth of hotspot money got handed back. I never want to see money for biodiversity handed back. I now turn to Christmas Island. I may need to ask the department, and it may need to come under the EPBC section, but I am keen to follow up on what has happened with the court case. Last time we had estimates, as I understand it, advice was going to go back to the minister from the department on the mining issue. I am keen to know where that is at. Shall I ask it now?

Mr Early—Yes, senator, we might as well deal with it now. Essentially, because of the time lapse since the original application and the court case decision, which was quite a long time, on the basis of legal advice we have asked PRL if there is any new information that they need to provide because the decision has to be made at the time it is made rather than on the basis of it being a couple of years old. They have until 31 March to get back to us. Then the process will continue. Depending on what they say, we may need to go out for public comment again to get comment on what the company has said. Then it will go through the process of the minister making a new decision.

Senator SIEWERT—What criteria would you use to make a decision about whether you would go out for public consultation again?

Mr Early—Mr Burnett may have another view, but I guess it just depends on whether we consider it to be significant new information that will be a key issue in the minister's decision making. If that is the case, I think it would be appropriate for it to be released for public comment.

Senator SIEWERT—PRL has until when to report back any significant change?

Mr Burnett—By 31 March.

Senator SIEWERT—What is the time frame then for the department to decide whether it is new information?

Mr Burnett—I am not sure that there is a time frame. The court set aside the previous minister's final decision, but not all the preliminary stages, so it goes back into that end stage. I am not sure as a matter of legal interpretation whether the standard decision making time frame applies or not.

Senator SIEWERT—Could you maybe take that on notice? I am obviously keen to find out what the process is from here, how you decide what a significant change is, how the community finds out what is going on and how the minister makes a decision. It seems to me that there is a potential that the community can get cut out of making any comment here on what could potentially be a significant decision by the minister, if the minister overturns the previous minister's advice.

Mr Burnett—We will take it on notice, but as Mr Early said, we are talking about if there is any significant new information. We are talking about factual information. We would have to take into account how significant it was, and if there is any doubt about it. It may be absolutely incontestable factual information; just developments that have occurred since the original decision. It is not a matter of going out for comment in terms of opinion. The minister is required to make a fresh decision, and it is just a question of whether there is any significant new information that he should take into account in making that decision.

Senator SIEWERT—If the minister makes a decision different from the decision made previously, it seems to me that any new advice the minister receives would be significant and that should be out there before the community.

Mr Burnett—I just want to emphasise that it is not new advice; it is new information.

Senator SIEWERT—Okay, new information. I would have thought that anything that would be of such significance that the minister changes his decision should go out for public discussion.

Mr Burnett—I think that is a call the minister will have to make once the information has come in, and the department has advised him on whether it is significant.

Senator SIEWERT—With all due respect, it seems to me that we are on new ground here. If you cannot tell me what the legal process is from here, or what the process is under the act, how can we be confident that we will not end up in the same place that we ended up before, which is in court?

Mr Early—We cannot be confident in any way, because it will be a new decision which will be appealable under the act.

Senator SIEWERT—But at the moment you cannot even tell me what the process is that you will use.

Mr Early—I think we have. The process is as Mr Burnett said: the court has intervened and said that the final part of the process was flawed and therefore has to be made again, so everything still stands. It is essentially a matter of giving the company natural justice in terms of being able to put forward new information. We agree with you; if the new information is significant then we will go out and seek public comment on that if the minister decides that that is significant enough. Otherwise the minister will simply make another decision. It is only the very last step that has to be made again. Everything else stands.

Senator SIEWERT—It is not the very last step, with all due respect, because you have gone out for new information from the company. If you have gone out for new information from the company—and I appreciate why you have to do that—surely you need to go out for new information from the community?

Mr Early—We are not saying we will not, but that is a decision that the minister has to make. For example, if the company comes back with nothing new, why delay the process? If there is nothing contestable, it is just a waste of time. We will go down that path.

Senator SIEWERT—Could you take on notice the actual steps and the time line, because I understand from your answers that you cannot tell me at the moment. I would appreciate it sooner rather than later, because obviously that decision could be made in the relatively near future.

Mr Early—Yes.

Senator SIEWERT—I have other broader questions which I direct to Mr Cochrane in terms of Christmas Island specifically. I have some funding issues, and it will not surprise you to learn that I have questions about pipistrelle bats, which may be in fact questions that the department needs to take a bit later. In terms of funding for Christmas Island, could you tell me how many FTEs are currently in place for the administration of Christmas Island?

Mr Cochrane—Not for the administration of Christmas Island, but in terms of park staff—

Senator SIEWERT—Sorry—management.

Mr Cochrane—I hasten to add that our park staff on Christmas Island are funded from a number of sources as well. Some come directly out of my budget; some are funded out of the rehabilitation money that we received via the Attorney-General's Department from the conservation levy on the island. We also have some new policy proposal funds which are employing staff at the moment to control crazy ants or to provide additional effort on crazy ants.

Senator SIEWERT—I have questions on crazy ants also.

Mr Cochrane—Current staffing at the moment on the island is 28. Some of those are involved in the management of Cocos as well, because we transferred a position over to Christmas Island to harvest some efficiencies of operations.

Senator SIEWERT—Some are project staff?

Mr Cochrane—Yes. I would have to take on notice exactly what the break-up would be of project staff.

Senator SIEWERT—That would be appreciated. I am also keen to know how the staff numbers have fluctuated over the last, say, 10 years?

Mr Cochrane—I can tell you that it has grown. In 2003-04 we had 12 staff on the island, and that has grown steadily over the subsequent years to its current level.

Senator SIEWERT—Thank you for that. Can I now move to bats? I do not know if you are the person whom I should be asking.

Mr Cochrane—You can try me; I am not a bat expert.

Senator SIEWERT—I understand that a number of reports have been done around the biodiversity on Christmas Island, and a report was concluded in March 2007, is that correct?

Mr Cochrane—Christmas Island is a very popular place for researchers, partly because of its uniqueness. We have had a large number of scientists visit the island, both to do work that we have commissioned and also who have come voluntarily to do their own work. A number of papers have been published from work on the island, so I am not sure to which one you are referring.

Senator SIEWERT—I am told there is a summary and seven specific reports into the biodiversity and monitoring program that was done for the Department of Finance and Deregulation and the environment department.

Mr Cochrane—There is a final report that we provided to the Department of Finance and Deregulation from the project that they funded on island over three years.

Senator SIEWERT—Has that been given to the department?

Mr Cochrane—It has been provided to the department of finance, yes.

Senator SIEWERT—How long ago was that?

Mr Cochrane—The second half of last year. I am happy to provide it and I am happy to tell you when we gave it to them.

Senator SIEWERT—That would be appreciated. Have they ever been publicly released?

Mr Cochrane—No, because essentially it was a consultancy that the department of finance funded us to do, and we provided them with the final report.

Senator SIEWERT—So the ownership of the report is with the Department of Finance and Deregulation?

Mr Cochrane—Yes. I would be surprised if they had any difficulty with our making it available to you, but we had better check.

Senator SIEWERT—If you could, that would be appreciated. It will actually save me going into that estimates and asking them for it. If you could ask them, and if you could make it publicly available, that would be very much appreciated.

Mr Cochrane—Certainly.

Senator SIEWERT—Did part of that report—and I will obviously be able to read this for myself if you provide it—deal with the pipistrelle bat?

Mr Cochrane—Yes.

Senator SIEWERT—Did it talk about its conservation status?

Mr Cochrane—It did. We have had a number of reports on the pipistrelle bat, not just those ones, and I have one in front of me that is a draft report from 21 January this year as well.

Senator SIEWERT—Is that the one that has been highlighted in the media?

Mr Cochrane—Yes. In fact, we have a report from 1999, done by the same researcher, into the pipistrelle bat, so it has been a very well studied animal.

Senator SIEWERT—I think that is the point I am getting to. It sounds like there have been a number of reports. Estimates of how many bats we have left vary, but we are down to the last few and I am keen to know why we are at this point. We are now debating whether we should catch the last remaining few and use them for a captive breeding program or go with the alternative, which I believe the minister is going with, of setting up a program with—I have forgotten the particular name—

Mr Cochrane—The *Pipistrellus westralis*.

Senator SIEWERT—That is it, the micro-bat, and going with that alternative program. I am wondering why it has been so long before we reached this point where it is literally at the tip of becoming extinct?

Mr Cochrane—As I said, it has been studied quite intensively for a long period of time. As a result of those studies, in 2004 a recovery plan was made for the species, and we have been progressively implementing the actions in that ever since. Its numbers continue to decline, and in 2006 it was listed as critically endangered. We have put a lot of work into implementing the recovery plan actions, but the overall situation is quite well summarised in the report we received in January this year, and that is we are still no clearer on the causes of its decline. There are still a number of hypotheses around as to what might be causing it, but none of the evidence so far is conclusive either way. We have not been able to rule anything in or out, which is making management of it in the field very difficult for us. The major actions that have been recommended by our consultants and scientists involved in this have been to protect the remaining known roost trees, and we have done that. We have created artificial roosts, and protected them from what were thought to be the current predators. The bats did not use those, and their numbers continue to decline. It is a very vexed issue for us when no-one can point to clear management actions for us to take, other than the ones we have taken. Now we are at the point where there appear to be a very small number left.

Senator SIEWERT—Could you outline very briefly the reasons for the decision that was taken in terms of going for the particular breeding program that you have gone for? I have two sets of advice: one set says that is the best, and another set from the people involved in the research suggesting it would be better to capture the remaining population. I am just wondering what advice you received, and why you went for one particular approach over the other?

Mr Cochrane—I should say the minister has been very concerned about this, and when this issue came to our attention in the current state that it was, he immediately asked the Threatened Species Scientific Committee for advice on this, which is his statutory committee on these sorts of matters. They looked at the material that has been amassed on the bat—the history of it—and they expressed some concerns about going straight into a captive breeding program when there seemed to be so few left. I have to say I share those concerns quite strongly. From reading the January draft report, they could not trap the last animals they saw, and they observed them actively avoiding the traps, which is fairly unusual behaviour because in the past they have been quite easy to capture. They were actively avoiding the nets that the researchers had put up. That was unusual. Secondly, there were a couple of individuals that actively avoided them repeatedly. The first point is that they are clearly difficult to catch. Secondly, she at least inferred from their behaviour that the four animals she saw in her most recent survey were probably lactating females, so looking after young. Again, that raises some real questions as to whether you would try to capture them, in addition to the fact that they seemed to be difficult to capture.

Then there is quite a bit of literature about how they can be quite difficult to raise in captivity for long periods. There is some experience with different species, but generally the commentary in the literature that I have found suggests that they can be difficult to rear and sustain for a long period of time, and that is what we would have to do. So, the dilemma we face is that we re-double our efforts to find out what is going on in the wild, or there is a risk of our watching them die in front of us in cages. It is an invidious position to be in; hence the Threatened Species Scientific Committee's advice to pull together an expert group to review all the evidence and look at what has been done. This question of the decline of the pipistrelles is not an isolated issue on Christmas, as you would know. There are two other mammal species that went extinct on the island shortly after Europeans arrived. Another one has not been seen since 1985, and some of our reptile species are in serious decline as well. So there is a long history of the biodiversity on this island being under sustained pressure. The Threatened Species Scientific Committee said that they really need to look at this on a whole-of-island basis rather than on a single species basis.

Senator SIEWERT—When is the expert committee due to report?

Mr Cochrane—They have had a teleconference already. We are still assembling the committee to meet on island within a few weeks. Associate Professor Bob Beeton, who chairs the Threatened Species Scientific Committee, has taken a very strong interest in this and has offered to chair the expert working group. It is a question now just of the logistics of getting the right people on the island. I will provide you on notice the list of names.

Senator SIEWERT—That would be appreciated.

Mr Cochrane—They are amongst Australia's leading conservation biologists.

Senator SIEWERT—My understanding is that the panel will be doing its review but there is a commitment of funding for captive breeding.

Mr Cochrane—Sorry, you did ask that question. The other actions that the minister has signalled in his press release are as follows. As you pointed out, we are undertaking a trial captive breeding program on a related species: another small pipistrelle, which is abundant in

the Darwin area. The Territory Wildlife Park in the Northern Territory has agreed to do this work, to capture them and raise them. We need to understand more about the diet of these animals. Very little is known about the Christmas Island pipistrelle's diet. Nothing is known about breeding it or the husbandry techniques—what sort of cages we would need and what sort of hygiene measures we would need to undertake. One hypothesis for its decline is disease. That is another thing that we have to be very mindful of—we may make the situation worse by bringing the remaining ones together in a cage, for example. So the Territory Wildlife Park will undertake a trial program for us. They are currently assessing whether one of their current fauna-holding facilities is suitable. We need to make sure that they are rat-and snake-proof, because snakes have been implicated, possibly, in the decline of the bat.

At the same time, we are also identifying where we can do an on-island captive-breeding program ourselves. We are doing that in parallel. We are identifying what food we would need to bring. I would hope we would just use native species but we are going to have to provide an adequate food supply for the bats. Elsewhere in the world they have been raised on mealworms, but we would have to bring mealworms onto the island. All of those are just logistics things, but we are working our way through them carefully to make sure that we do not make the existing situation worse.

Senator SIEWERT—I have some more questions on ants but I will put them on notice.

CHAIR—Ant questions will be on notice; that is good.

Senator BIRMINGHAM—Thank you for your time today, Mr Cochrane. I would like to quickly follow up on some issues around Kakadu and the introduction of fees there, which I understand will take place from 1 April 2010.

Mr Cochrane—That is correct.

Senator BIRMINGHAM—Information provided, possibly to the House, suggests the income you have budgeted to be derived from those fees. If you have those figures, perhaps you could take us through them just to check that what I have is accurate.

Mr Cochrane—Yes. The question was asked as to what total revenue was expected from the reintroduced fees for this current financial year. That is nil because it is being introduced on 1 April 2010. We anticipate that it will bring in \$1.169 million in the next financial year and \$3.897 million in subsequent years.

Senator BIRMINGHAM—In regards to the use of those fees and the government funds going into Kakadu, is it the intention that the money generated by the charging of those fees will be additional to the recurrent government funding for Kakadu?

Mr Cochrane—It will, and it will be retained by the park.

Senator BIRMINGHAM—So it will be retained by the park and totally isolated, and there will be no offsetting cut to government recurrent funding?

Mr Cochrane—No cut to the forward estimates that are provided for my budget.

Senator BIRMINGHAM—What is the expectation, then, as to the usage of those fees and the revenue generated?

Mr Cochrane—They will be applied to the management of the park. Entry fees in a full year will make up nearly a quarter of our park budget, so they will be applied to visitor management and weed and feral animal control across the board. Were we not to get those fees, we would obviously have a consequent reduction in effort across the board.

Senator BIRMINGHAM—It is not that you would have a consequent reduction in effort, because you do not have the fees at present and the government is not cutting your funding. Presumably you will be able to actually have an increase in activity and output as a result of getting the fees from 2010.

Mr Cochrane—The fees are replacing the supplementation that we receive at the moment. When the former Prime Minister abolished the fees in 2004, he replaced the income we lost with supplementation.

Senator BIRMINGHAM—Okay. So the fees are in fact replacing some government funding.

Mr Cochrane—They are—specific time-limited funding that was provided.

Senator BIRMINGHAM—How much is the park receiving and how much is Kakadu in particular receiving from that special funding?

Mr Cochrane—Currently, this year, we receive \$4.432 million from the supplementation.

Senator BIRMINGHAM—That means there will actually be a cut in funding, a reduced funding availability, going on from 2010-11. Is that correct?

Mr Cochrane—That is a hypothetical question because we have not come to this year's budget for next year.

Senator BIRMINGHAM—The \$4.432 million is a special allocation. It is specifically to make up for not having the fees?

Mr Cochrane—It was continued on from the former government's supplementation, yes; that is correct.

Senator BIRMINGHAM—So it is your hope that the shortfall between that \$4.432 million and the revenue that you will generate from the charging of entrance fees will be made up in the budgetary process?

Mr Cochrane—It is my hope.

Senator BIRMINGHAM—Otherwise there will have to be a reduction of a touch over \$1 million, approximately, in operations in Kakadu?

Mr Cochrane—That is the hypothetical question.

Senator BIRMINGHAM—It is, although at present you do not have the funding going forward, so we can only budget on what you have at present. So it is hypothetical, yes, but perhaps it is less hypothetical than actually having the funding made up at this point in time.

There has been some commentary recently, during January in particular, about the management of Kakadu and the state of infrastructure there from a visitor perspective. It was quite critical about the state of infrastructure. Is there an urgent need for more significant capital injection to Kakadu?

Mr Cochrane—If you will indulge me, I will make a comment on that media article, because it was not a particularly good example of the work of a journalist who otherwise researches his articles very well. His sources were very limited for his views, I would have to say, and he did not appear interested in obtaining information from the park. His article was unfortunate in a number of ways, not the least being the information that it had. He had some incorrect visitor numbers in it, for example. It was a little misleading. Having said that, his article provoked some quite strong responses from a number of senior tourism industry representatives, who pointed out in letters to editors that were published and others I am aware of that newspapers chose not to publish that the park has been very serious about addressing visitor concerns for the last five or six years. There have been some substantial investments in replacing and upgrading visitor infrastructure and in completely refocusing our approach to visitors. The article that you are referring to failed to make any comment on or acknowledgement of some very substantial efforts over the last four years to address visitor issues.

Having said that, it is a very large park. It has a lot of infrastructure in it. It gets a fair punishing from the wet season, roads in particular, so there is a very high recurrent expenditure in the park on replacing, upgrading and just repairing some basic infrastructure like tracks and roads. When we have bad or particularly severe wet seasons, the damage can be a lot worse. Some of that in recent years we have reclaimed on insurance for damage where it can be attributed to a specific event. I have probably answered your question, I hope, in large part.

Senator BIRMINGHAM—You have, at least in part, certainly recognising that, yes, there are annual pressures on Kakadu. I guess my question was going more particularly to at least some of the suggestions in the article that overall the state of infrastructure in the park is tired, to put it that way, and it needs refreshing perhaps more than annual maintenance budgets can achieve.

Mr Cochrane—That is probably a fair comment in some respects. There are significant parts of our infrastructure which do need refreshing. We have an annual maintenance program in which we schedule progressive refreshing of our infrastructure, but we cannot do all of that in any one year, so at any one time we will have infrastructure which probably does not look its best.

Senator BIRMINGHAM—A quote within the article was attributed to a Parks Australia spokesman in Canberra:

The main reason it hasn't been upgraded is that there hasn't been traditional owner acceptance that this is the right thing to do," said a Parks Australia spokesman in Canberra.

The main reason it hasn't been upgraded is that there hasn't been traditional owner acceptance that this is the right thing to do.

I think that was talking about one of the access roads. You suggested that the journalist had not been eager to speak to parks spokespeople or speak to parks authorities. Is that an accurate quote from a Parks Australia spokesperson?

Mr Cochrane—It is fairly vague. You are correct—there was a quote from a Parks Australia spokesperson in reference to the Jim Jim Road, which is a long gravel road, and

there are occasional calls for it to be upgraded and sealed. There is resistance from at least some traditional owners to that. There is also resistance in some quarters of the tourism industry to doing that because there is an argument that the gravel road and approach to Twin Falls and Jim Jim Falls is part of the experience and that sealing it would detract from that experience. So there are varying views as to what we should do with that road, but we certainly need to at the very least regrade it and occasionally repair it from year to year. It is an ongoing cost for us.

Senator BIRMINGHAM—Whilst the cost of sealing it would be significant, that would reduce the ongoing maintenance cost?

Mr Cochrane—That is correct, yes.

Senator BIRMINGHAM—Is it an option that is still on the table or under discussion?

Mr Cochrane—It would be an option on the table, absolutely, but it would need traditional owner agreement to do it. The board would need to agree, as it is a very significant investment in the park.

Senator BIRMINGHAM—Is it likely to be considered by the board again in the next 12 months? Does it feature in your immediate plans?

Mr Cochrane—It has come up probably each year for the last few years in terms of what we do and what is the right approach to it. If you take a long lifetime approach to it—say, over 15 years—it would probably make economic sense to seal it, but we do need to deal with the different views of both traditional owners and the tourism sector about what the best approach would be.

Senator BIRMINGHAM—How long is the road, out of curiosity?

Mr Cochrane—I am sorry, I do not have that in my head.

Senator BIRMINGHAM—Take that on notice.

Mr Cochrane—I will take that on notice.

Senator BIRMINGHAM—If it is coming up for discussion at the board every year and over a medium- to long-term period it makes economic sense, it sounds like there is a particular stumbling block in terms of the ability to take it through the board, partly due to the board's composition or structure and the need to be mindful of those cultural issues. Are there particular steps being taken to address those cultural concerns by the Indigenous owners?

Mr Cochrane—It is not just traditional owners; it is also some of the tourism sector who would prefer to keep the experience as it is. In terms of addressing the issue, the cost of repairing it will come up in the next year's budget discussions. I cannot give you an answer as to whether we will finally come to grips with that question this year, next or the year after, but we are getting closer to a point where we are going to have to make that decision.

Senator BIRMINGHAM—Thanks, Mr Cochrane. I am sure we will follow it up as you get through those budget discussions in the next couple of years.

CHAIR—Are there any further questions for national parks? If not, thank you very much, Mr Cochrane and Mr Burnett. That concludes questioning of that agency.

[12.19 pm]

CHAIR—We will now move to departmental questions in relation to output 1.1—Energy efficiency and climate change action.

Senator BIRMINGHAM—I might just take this opportunity to pursue one or two general departmental issues before we go into the specifics. Firstly, in relation to Ms Kruk's appointment, what was the process followed for her appointment?

Senator Wong—Departmental secretaries are appointed by the Prime Minister, and I believe it is generally on the advice of the Secretary of the Department of the Prime Minister and Cabinet, as was the case under your government.

Senator BIRMINGHAM—When did Mr Borthwick provide his notice of resignation?

Senator Wong—We will help you as far as we can, but these are probably matters that should be addressed to the Prime Minister's portfolio. Neither Mr Garrett nor I make this appointment; this is an appointment made by the Prime Minister.

Mr Early—I do not know the exact dates—we could give them to you on notice—but my recollection is that Mr Borthwick announced he was retiring some time in early to mid-December, and 2 January was his last day.

Senator BIRMINGHAM—I note the minister's point that these may be best pursued with PM&C, and we will put some of those on notice if need be. I just note that Ms Kruk was most recently, I think, Director General of the Department of Premier and Cabinet. In leaving that post the New South Wales Premier, Mr Rees, said that she had advised him that she did not feel she had the level of energy required to lead the New South Wales Public Service for the next 2½ years and beyond, which struck me as a strange comment. I note it is attributed to Premier Rees rather than to Ms Kruk, but, Minister, I am taking from your earlier comment that it is not something you will be commenting on and you would prefer us to put those questions through finance and public administration.

Senator Wong—First, I do not think I need to comment on something the Premier of New South Wales said about someone. Second, I am not sure what your point is in relation to a member of the Public Service. I am not sure what point you are trying to make or what implication you are trying to draw, Senator.

Senator BIRMINGHAM—No, I am trying to at least explore the issue. Mr Rees has obviously had a conversation about issues, and it did not seem to be a commitment to New South Wales that he cited as being the problem. If she had wanted to leave the New South Wales Public Service, that would have been understandable, but, as I indicated, that is fine. We will put a few questions on notice, Minister.

Senator Wong—What implication are you seeking to make, Senator?

Senator BIRMINGHAM—I am just, as I said, trying to ascertain the process.

Senator Wong—Well, I think you should be—

Senator BIRMINGHAM—I am trying to ascertain the process—

Senator Wong—No, that is not a question—

Senator BIRMINGHAM—that occurred—

Senator Wong—About?

Senator BIRMINGHAM—The discussions that may have occurred between the Secretary of the Department of the Prime Minister and Cabinet and Ms Kruk—whether Mr Rees's comments were explored with Ms Kruk in relation to her appointment.

Senator Wong—One of the things that occurred under your government was extraordinary political commentary, discussion and, frankly, at times disrespect to the Public Service, Senator Birmingham. I would hope that you would be a senator who would not go down that path. Ms Kruk has been appointed by the Prime Minister on merit. If you want to make political commentary about a person who will be a secretary of a Commonwealth department and who has as yet not started, that is a matter for you.

Senator BIRMINGHAM—Minister, I am not attempting to make political commentary and I am not attempting to make any allegations about or cast slurs on Ms Kruk. I am simply attempting to pursue something that was put on the public record by the Premier of New South Wales and ascertain any corrections to the statements that he may have made in that regard.

Senator Wong—I think everybody knows what you are trying to do, Senator Birmingham.

Senator BIRMINGHAM—Thanks, Minister.

Senator Wong—Everybody knows.

Senator BIRMINGHAM—Thank you.

Senator Wong—And generally I would have thought better of you.

Senator BIRMINGHAM—Well, we are off to a good start.

Senator Wong—Yes, we are.

Senator BIRMINGHAM—Could I go to some staffing matters identified in the additional estimates statements. Page 31 indicates that the average staffing level of the department under outcome 1 will increase by 146 in 2008-09 from the originally budgeted amount. This followed, of course, earlier announcements. Is there a revision to that expected figure following the UEFO announcements?

Mr Thompson—We do expect some revision to that.

Senator BIRMINGHAM—That revision, I assume, given the additional expenditure, will be upwards?

Mr Thompson—It depends on reorganising priorities within the department as well, but we have not reached a final position on that.

Senator BIRMINGHAM—So you cannot give us updated estimates of the expected staffing numbers at this stage?

Mr Thompson—Not at this point, sir, sorry.

Senator BIRMINGHAM—You may need to take this on notice, but, in terms of the 146 that are stated, are you able to provide a breakdown of the level of positions that are being filled?

Mr Thompson—Yes. I will take that on notice.

Senator BIRMINGHAM—Thanks, Mr Thompson. If you cannot give us an update for this year at this stage, following UEFO, presumably you are not in a position to give us an update for future year forecasts either at this point?

Mr Thompson—That is right.

Senator BIRMINGHAM—Perhaps you could take those on notice. If you are able to provide them for the period, excellent; if not, I am sure we will see them in the budget papers when they come out soon enough. Thank you. Could I turn to the Green Loans program, firstly. Is the assessor program completed yet?

Mr Carter—Senator, as we have mentioned a number of times in estimates, the Green Loans program is a complex program and has quite a number of elements to it, which certainly progressed well on the development of training of assessors and of the support that goes into both the accreditation and the online tools that those assessors need to use. My most recent numbers on assessors show that we have completed the training of some 589 assessors and we are on schedule at the moment, I think, to complete by the end of March the training of some 830 assessors. So the assessment components of the program are certainly well on track.

Senator BIRMINGHAM—With the completion of 589 assessors, are people now able to seek assessment under the program?

Mr Carter—Senator, the launch of those elements of the program has not occurred yet.

Senator BIRMINGHAM—Are the guidelines for the program finalised?

Mr Carter—The program guidelines are not yet finalised, Senator.

Senator BIRMINGHAM—Why is that the case?

Mr Carter—Senator, as I mentioned earlier, there are a lot of components to the program. The minister has been intimately involved in the elements of the program but they need to be packaged into the final guidelines prior to launch of the program.

Senator BIRMINGHAM—When do we expect those guidelines to be finalised?

Mr Carter—Senator, our work on the guidelines is proceeding on schedule, but finalisation is the minister's decision to make.

Senator BIRMINGHAM—Your work on finalising the guidelines is proceeding on schedule, Mr Carter. How is it proceeding on schedule when I thought the green loans were meant to be available at the beginning of this year?

Mr Carter—Senator, the green loans were meant to be available in 2009 and were scheduled to be available this financial year, in 2009.

Senator BIRMINGHAM—Are they still going to be available this financial year, 2008-09?

Mr Carter—That is certainly the schedule we are working to, Senator.

Senator BIRMINGHAM—When do you expect those guidelines to be publicly released?

Mr Carter—Senator, I do not have a time frame. The minister would determine the release date.

Senator BIRMINGHAM—By the end of March we will have 830 qualified assessors ready to go out and assess people's homes, but there are no guidelines to use for assessment?

Mr Carter—Senator, I would be getting outside of the level of information I can provide, because the final decision is one for the minister.

Senator BIRMINGHAM—Is the drafting of the guidelines finished? Are they simply with the minister for approval now or you are still finalising issues at a departmental level in the drafting of the guidelines?

Mr Carter—We are still finalising some elements of the program. As I mentioned and as we have discussed before in estimates, the program has quite a number of elements to it, and we are still finalising some of those elements, including some of the negotiations with third parties around that.

Senator BIRMINGHAM—What seems to be holding them up? What are those elements?

Mr Carter—I would not say that there is anything holding up those elements, Senator. They are progressing. There is a level of complexity in the program. We are currently engaging in quite detailed discussion with financial institutions.

Senator BIRMINGHAM—That pre-empts another question. That suggests that the matter of the financial institutions, from where the loans will be provided, has not been resolved?

Mr Carter—Not completely, Senator. We have certainly worked in some detail with financial institutions over their preferred mode of delivery of the loan. We have also undertaken research with a number of universities on what the barriers might be to the uptake of those loans, which has informed the characteristics of the discussion with the financial institutions, but we are still going through that negotiation with them.

Senator BIRMINGHAM—It is expected that you will source financing through multiple financial institutions?

Mr Carter—Yes, Senator.

Senator BIRMINGHAM—Have contracts been entered into with any financial institutions at this stage?

Mr Carter—No, Senator, not as yet.

Senator BIRMINGHAM—So the guidelines are not ready and the contracts have not been entered into with any financial institutions, but we will have 830 assessors ready to roll by the end of March. How many assessments do you expect to be undertaken this financial year? Have you revised any of your estimates at this stage?

Mr Keeffe—We anticipated 9,000 green loans to be issued this year. That would be based on a number of assessments larger than that, but I have to take on notice the exact number of assessments that would lead to that.

Senator BIRMINGHAM—Nine thousand is the current plan for this year. In answer to questions on notice from our supplementary budget estimates in October, question on notice No. 54, for the benefit of anyone who wants to look it up, indicated that you were planning to undertake 52,000 assessments in the calendar year of 2009. Is that still the target?

Mr Keffe—That is still the target, Senator.

Senator BIRMINGHAM—I think elsewhere overall figures indicate that throughout the life of the program you estimate that you will need to undertake 300,000 assessments to get about 200,000 takers of the loans?

Mr Keffe—That is the general equation that the advice has given us.

Senator BIRMINGHAM—So we are looking at a two-in-three sort of take-up?

Mr Keffe—Roughly, yes.

Mr Carter—If I might just add to that: as we have discussed previously, the department's view is that the assessment process is an incredibly important part of the program and that the energy efficiency gains that come from that assessment in their own right would be quite extensive. The further we explore and research this issue, and in further consultation with industry, the more that point is emphasised to us—the importance of behavioural change. Understanding how to operate within a house that may have energy-efficient appliances and fittings can make a critical difference to the outcome for the householder.

Senator BIRMINGHAM—I appreciate that, Mr Carter, and that is a point that you have made very clear previously. So to achieve your target of about 9,000 loans this year, you would expect around 13,000 or 14,000 assessments to be required if that overall two-out-of-three take-up rate is to be applied in this financial year?

Mr Keffe—That is the calculation.

Senator BIRMINGHAM—How long do you expect the process, of assessment and then application for a loan and so on, to take?

Mr Keffe—Each assessment would take an hour and a half in-house, and we would expect a full, detailed, sustainability report to be provided to the household within a matter of weeks after that.

Senator BIRMINGHAM—So weeks after the assessment somebody gets their report. Then what is the process for applying for a loan from there if they decide to go down that path, as the department is hoping two out of three of them will?

Mr Keffe—That is one of the areas on which we are working with financial institutions and the Australian Banking Association to have a defined process for. It will be defined in the guidelines, but that is not necessarily finalised yet.

Senator BIRMINGHAM—But, again, one would reasonably expect that to be a matter of weeks as well?

Mr Keffe—That is correct.

Senator BIRMINGHAM—At a minimum?

Mr Keffe—Yes.

Senator BIRMINGHAM—So we are talking of potentially up to a couple of months between assessment occurring and loan going out the door?

Mr Keeffe—That is correct—well, that is an outer limit.

Senator BIRMINGHAM—An outer limit? Say, six to eight weeks, then. We are talking of a matter of weeks for the written assessment report to be completed—assuming that somebody gets an assessor on their doorstep the day after they have made the phone call—and then a matter of weeks for the loan to be reported: so, six to eight weeks, which means that for anybody to get a loan this year they will need to have an assessment undertaken by the middle of May at the latest, one would have thought?

Mr Keeffe—That is a reasonable calculation.

Senator BIRMINGHAM—It does not leave an awful lot of time if you do not currently have guidelines/financiers in place, and you are looking to have 13,000 or 14,000 assessments undertaken by the middle of May.

Mr Keeffe—When we say that we do not have the finalised guidelines and finalised arrangements in place, that is not to assume that we have not started those processes and that they are not ready for a quick closure once those negotiations occur and decisions are taken.

Senator BIRMINGHAM—In terms of the securing of finance, what impact has the financial crisis had on your ability to secure finance?

Mr Carter—We have certainly had some advice from the Australian Banking Association that the global financial crisis is not expected to have a significant impact on offering loans to low-income households and that the risk factors for household loans in Australia would remain the same. However, as we have indicated earlier, we are not experts in that particular area, and that is a rapidly moving field. We would expect financial institutions to be raising those concerns with us in our current negotiations.

Senator BIRMINGHAM—Nonetheless, you think you are on track to get the financial institutions signed up to provide the necessary finance at some stage in the next couple of months, we assume, if we are to meet the 13,000 or 14,000 assessment target this year. Can I turn to the impact on the Green Loans program of some of the other recent policy announcements from the government?

Senator MILNE—Senator, would you mind if I asked a supplementary question just on green loans and we can come back to you?

Senator BIRMINGHAM—I am sticking broadly with green loans, but certainly.

Senator MILNE—I just wanted to ask specifically on the arrangements with the financial institutions: what is the range of the loan subsidy you are going to get? I understand this is actually a loan subsidy scheme where you organise a personal loan and get a subsidy on the interest rate. What is the subsidy the government is proposing to provide?

Mr Carter—Senator, the basis for discussion is for the initial years of the loan to be subsidised fully.

Senator MILNE—Fully subsidised for how long?

Mr Carter—This does depend on the detail of negotiations in terms of the administrative costs as well, but at the moment we are looking at a period of up to four years.

Senator MILNE—Up to four years of full subsidy and then phasing out, or the loan has to be paid out in four years?

Mr Carter—Depending on the nature of the loan, the subsidy would apply for that initial period. Then, if the individual who entered that loan had a longer period, it would return to the normal arrangements with the financial institution for those extended periods.

Senator MILNE—So it is an interest rate subsidy for four years. Thank you.

Senator BIRMINGHAM—And it is a full subsidy of the interest rates? So it is an interest free loan for up to the four-year period?

Mr Carter—Yes, that is the current basis of discussion.

Senator BIRMINGHAM—And the figure remains capped at \$10,000?

Mr Carter—Yes.

Senator BIRMINGHAM—In regard to the estimates of the environmental benefits as well as, indeed, the take-up of this program—and I think we asked some questions about statements on your website last time about the potential savings of 600,000 tonnes of CO₂ equivalent per annum as a result of the program, and you kindly provided some breakdowns to that in Question on Notice No. 55 from our last time together—and that the range of actions considered in your abatement calculations are some 120,000 homes for ceiling insulation, some 40,000 homes for wall insulation and some 100,000 homes for solar and other high-performance hot-water systems, given the sudden surge of money for nothing for insulation and hot-water service installation and so on, do we still expect people to be taking out green loans to undertake those actions?

Mr Carter—Clearly, for the actions that are now covered in the Energy Efficient Homes package we would expect them not to be taken up via the loan mechanism, and we would need to recast some of the estimates around green loans on what may be taken up in them.

Senator BIRMINGHAM—It is a significant component, I suspect, of the estimates you have provided here and a significant component of the potential greenhouse savings that have been taken out of the Green Loans program by virtue of it being provided free in other programs. You have not made any re-estimates either as to the take-up rate of the Green Loans program or the environmental benefits it is likely to deliver?

Mr Carter—We have not recast those calculations yet. We are happy to take that on notice and to undertake that work. I might add, though, that we had identified insulation and solar hot water as being areas of great interest in energy efficiency because they can achieve great gains at a household level. They are not the exhaustive list of actions an individual householder may take, so there are still significant actions that householders can take that would be available under a green loan. I might also add that, in examining the rollout of the other packages that you have mentioned, we have been having a very detailed consideration of how the green loan and the assessment process might dovetail into that process so that households taking advantage of getting ceiling insulation or solar hot water through those programs would also be made aware of the availability of assessments and of green loans to

maximise the benefit of taking up those other offerings of government. We are working through the detail of how that might work at the moment.

To go back to your original question: yes, the Energy Efficient Homes package that has been announced has an implication for the sorts of actions that we thought would be the initial ones that households would look at under Green Loans but, as I mentioned, there are quite a number of other actions that households can take.

Senator BIRMINGHAM—I certainly acknowledge that there are other actions householders can take and that it may cause a need for a significant reformatting of your expectations. It strikes me that if an assessor goes out now and walks through somebody's house and says, 'Here are the things you could do in your house,' and the first two or three of them are things that are essentially being provided free under a government program and that they can get done simply without having to go through the hassle of a green loan, then perhaps the two-in-three take-up rate may be a little ambitious as people see easier and potentially cheaper ways for them to achieve the types of benefits and contributions to reducing emissions that they would hope to achieve. Do you think you will need to look further at that two-in-three take-up rate and that, in fact, your assessors may end up driving people more to the insulation programs and other things than to Green Loans?

Mr Carter—I would be cautious about speculating on which direction it may go. The reverse may actually be true: that we might see an increase in interest in Green Loans because people would have taken up the increased offerings on ceiling insulation and solar hot water. That is why I mentioned that we were looking at the detail of being able to provide additional information to households on how they may be able to make the best of those offerings. For example, ceiling insulation will make a large difference to the efficiency of a house that is currently uninsulated, but there are a range of other things that households can do that relate to the way in which, for example, they heat the home and to some of the other appliances that they might be operating in the home. As we were formulating the details of Green Loans, we always anticipated that there would be a prioritised menu or suite of things that a household could choose from that would improve the energy efficiency of their home. Yes, we had assumed that ceiling insulation and solar hot water would feature high up that priority list; however, there would still be quite a range of other options available for householders.

Senator BIRMINGHAM—Does the accreditation process for assessors contain details on how people will or can apply for a green loan?

Mr Keefe—In the basic outlines of it as it has been developed so far, that is part of the training that is being delivered, but further information will be supplied to the trained assessors as we roll out the details.

Senator BIRMINGHAM—Obviously. I guess there are limits to what can be given to the assessors at present without having guidelines to give to them. Have assessors, including those currently undergoing their assessment, been provided with information on the other new programs that the government has announced recently?

Mr Keefe—We are making sure that all of the assessors are aware of all options available to households from Commonwealth, state and territory governments that will improve both the energy effectiveness and the water efficiency of their households.

Senator BIRMINGHAM—So all of those details will be provided?

Mr Keeffe—They will be provided, yes.

Senator BIRMINGHAM—As a complete kit?

Mr Keeffe—Yes.

Senator BIRMINGHAM—Was there any consideration of the impact—it does not sound as if there was—of the Green Loans program during the development of the spending package in which the government introduced its new measures for insulation and hot water and otherwise?

Mr Carter—I am unaware of any advice that we provided in that vein.

Senator BIRMINGHAM—As the officers responsible for this program, presumably you would be aware of advice in relation at least to the impact on this particular program.

Senator Wong—That is a hypothetical position, Senator. I just make the point that the Commonwealth and the Rudd Government, in the Nation Building and Jobs Plan, provided the largest investment in energy efficiency in the nation's history. Yes, as a result, there will be a consequence for a range of other aspects of Commonwealth programs, but our judgement and the judgement of the government is that these are important investments not only for climate change outcomes but also as a stimulus to economic activity.

Senator BIRMINGHAM—I acknowledge aspects of that. A lot of the questioning goes, I guess, to the coordination and strategy within government. I think the first time we questioned officers here on the Green Loans program we saw that there was very little knowledge about the detail of the program, despite it being a Labor party election commitment that is now more than 18 months old. We have now gone through, of course, the process of delays in its implementation and, it seems, concerns about whether it will meet its targets, and we are looking now at whether, indeed, you have squeezed the balloon in the sense of public policy on insulation and other things by shifting from one program to another.

Senator Wong—Senator, I think you were in government for 12 years, and you might correct me, but I do not recall you having a green loans program. We delivered in our first budget, and I can certainly speak for my portfolio, part of which is included in this department. The election commitments of the government were funded in our first budget. Of course, a range of programs take some time to roll out. When you are dealing with multimillion-dollar programs which have a range of implementation processes which you have to go through, you do not start them overnight. We funded our election commitments such as those we are discussing in our first budget, and we are implementing a range of, I think, very progressive and important election commitments in this space.

Senator BIRMINGHAM—Thank you, Minister, for that little speech. We will, I am sure, examine a number of the other issues—

Senator Wong—Well, Senator—

Senator BIRMINGHAM—Minister, each time we front up we get to hear about the 12 years prior, and that is fine.

Senator Wong—Senator Birmingham, I will not give speeches if you stop making gratuitous political commentary, but you will not refrain from doing that, so if you serve it up then you will get it back.

Senator BIRMINGHAM—That is fine. As long as we all know where we stand, Minister, that is okay. I am sure it will be a colourful exchange as the day goes on. How much do assessors get paid? It is per assessment, I assume.

Mr Keeffe—I will have to take that on notice, I am sorry, Senator.

Senator BIRMINGHAM—I would appreciate it if you could do that and if you could, perhaps, also take on notice this question: in terms of the breakdown of the costs that are budgeted for this program, how much is spent in administration, how much is spent on the assessors and what sorts of fees in addition to the subsidisation of interest are paid to the financial institutions? Those types of details—not all of which, obviously, are currently available—would be appreciated. Thank you. Senator Milne is champing at the bit.

Senator MILNE—I just wanted to follow up on the issue of capacity. Of course, I welcome the retrofit of homes across Australia with ceiling insulation and solar hot water. However, my concern goes particularly to solar hot water and the capacity in certain parts of Australia for trained people—plumbers—with the skills to install. I take that from my own experience in Tasmania, where I had a solar hot water system sitting in my driveway for some months because (a) I just could not get a plumber to come and do a relatively small job in the scheme of things for them and (b) there are not that many with the skills or ability to do it. When I asked Treasury about whether they had modelled capacity across the country to do this, they said that their view was that there is aggregate capacity, but regional differences are very significant in terms of access to skilled tradespeople and training for skilled tradespeople to, maybe, do a short course for special expertise in some of these areas. So I just wondered what analysis you had done or what you are doing to make sure that there is the capacity to have this program delivered in as timely a manner as possible.

Mr Carter—We have certainly been also concerned about capacity issues with the program and have been having discussions with industry. Indeed, in his roundtables last year, the minister was talking to a range of industry stakeholders, including solar hot water rebate. We have had discussion with industry that has given anecdotal examples of where they have been looking at taking on new tradespeople who have been coming out of, for example, downturn mining areas and putting those people through short courses. We have been engaging with the coordinator general process to look at the capacity and training issues and how that might link to some of the government's funding programs. At this point, industry is indicating to us that they can increase to meet the capacity of it, but we are yet to get all the detailed analysis that would support that and there may need to be other things that we do to try to progress that in DEEWR. We have been talking to DEEWR about the funding that might be available in some of the green job streams.

Senator Wong—Actually, it is quite a valid point, Senator. I do not know where Mr Keeffe and Mr Carter have got to with the Deputy Prime Minister's department, but certainly that aspect of trying to ensure that some of the skills programs support the programs which have been announced in other aspects of government in this space has been something that has

been discussed. I do not have details, obviously. That department is not here today. However, we will see if we can provide any further information on that.

Senator MILNE—I would just follow that up by saying that now that we have managed to secure an increased commitment to reaching a six-star rating on residential buildings as soon as possible across the country, and no later than May next year, and also a commitment to energy-efficient design and energy-efficient features in the infrastructure package for schools, there is a huge, I would suspect, skills gap there and even a capacity gap in providing that kind of expertise quickly to the design of those schools to state governments and also housing authorities and so on. Is there any discussion going on with DEEWR about making the courses for energy auditors and courses in environmental design and implementation of six-star rating and so on permanent parts of TAFE training across the country rather than just auditor training for this particular package?

Mr Oxley—The framework under which training is currently developed and undertaken is quite complex in relation to a broad range of areas of energy efficiency training activities. The National Framework for Energy Efficiency, which is auspiced by the Ministerial Council on Energy, has a particular stream which is all about professional and trades training and accreditation, and under that stream work is being undertaken continuously on a whole range of identified areas where we need to improve the availability of skills in the workforce. I would have to take on notice the sort of activity being undertaken and would be happy to provide you with further information.

Separately to that, the questioning started around solar hot water installations. As part of the national hot water strategy, which was signed off by the Ministerial Council on Energy last year, under which electric-resistance hot water systems are being phased out progressively—the policy of this government and agreed by all governments—there is actually a training component being developed, and our department is in discussions at the moment with an independent service provider to provide training to get more plumbers skilled in the area of installing hot water systems. The department previously has invested under the broad banner of the Low Emissions Technology and Abatement program and the Solar Hot Water Rebate Program in the development of training materials for the plumbing sector in relation to solar hot water. All these things are done in some way in connection with the existing system of providing trades training for the industry skills councils and then delivered by TAFEs and by registered training organisations. So there is connectivity across that system. What we are seeing in response to the emerging uptake of these technologies is increasing focus by government on providing training in these areas.

Senator MILNE—The problem I have is that, whilst I welcome that trend that is going on, there is a disconnect in terms of speed. The government wants \$20 billion or more worth of infrastructure with tenders let no later than the end of the year, and most of these major projects will be going up next year. That is a new building in every primary school or in a lot of primary schools, and 20,000 new affordable homes around the country. The training is not going to meet the need if we are to make sure that those buildings are designed for efficiency and have as many of the energy-efficiency components as possible. Is there any mechanism to transfer skills with training, given we have the financial crisis and a lot of people losing their jobs and also given the urgency because of the delivery of the infrastructure package? Are we

capable of delivering to maximise the benefits of energy efficiency in the time frame and what can we do to accelerate that focus on training and getting people losing their jobs into this kind of employment?

Senator Wong—Senator, the officers at the table may be able to give you more detailed information on these programs. I think you made some comments somewhat critical of the coordination. I have to just say that these are very substantial and wide-ranging reforms and implementation does not just happen because you say it. You always have to work through in government.

Senator MILNE—No, I understand.

Senator Wong—But sometimes it seems, to be honest, that the view from there is that you would just say it and it happens. Implementation requires an enormous amount of work and an enormous amount of detail. We are seeking to progress an ambitious reform agenda in this space. The officers may be able to give you some further information. I can say to you, and I have just seen, that the Prime Minister and the Deputy Prime Minister have announced another just under \$300,000 million investment in employment services for retrenched workers which include the implementation of additional places for training. We are very conscious of the need to provide services as an aspect of economic stimulus responding to the global financial crisis. We are aware of the need to try and integrate those training programs and to try and recognise the training that is required, bearing in mind the other aspects of the government's stimulus package. I do not have all the detail of what the Deputy Prime Minister is doing. As I said, to you, I am happy to try to provide further information or to arrange for them to have a discussion with you, if you wish. All I can say is that these are matters that we are aware of, and in a range of the areas in which investment is being made we are seeking to take account of them.

CHAIR—Thank you, Minister. It is one o'clock. I think we will now break for lunch. If the officers could come back with an answer after lunch, we will continue examination of this portfolio area then. Thank you.

Proceedings suspended from 1.02 pm to 2.02 pm

CHAIR—We will resume proceedings. There are two things. Senator Milne was expecting an answer to her question. She is not here at the moment, but we will go back to Senator Milne with the answer if she comes. Senator Birmingham has some questions. The other thing is that, with regard to the Australian Antarctic Division, in an attempt to facilitate the officers of the division being able to get back to Hobart tonight, the committee has agreed that we will attempt to deal with the Australian Antarctic Division immediately after we have completed output 1.1 After the Australian Antarctic division we will go back to output 1.2.

Senator TROETH—I would like to ask some questions about insulation. The government announced in its budget in May 2008 a \$500 rebate for landlords to install insulation in houses. It also effectively reannounced the program as part of its wider stimulus insulation package last month but also increased the rebate to \$1,000. The government is talking up this announcement that 2.7 million homes will get insulation, but from various articles that I have read and some newspaper corroboration it seems that there is not one single pink batt installed between these two programs. Certainly, the *Age* Melbourne newspaper revealed this on 11

February 2009, and not a single pink batt was funded and installed under the Low Emissions Plan for Renters, which was the first program announced in May last year. I would like to ask: under that plan how many pink batts were actually funded and installed?

Mr Carter—The Low Emission Plan for Renters was in the May budget announcement. We were at the point of submitting guidelines to the minister for approval and for launch of that program when the Energy Efficient Homes stimulus package was formulated, and so we have rolled it into that existing program design with the increase in funding and the number of houses. It is correct to say that not a single piece of insulation has been installed under that program, because the program is yet to be launched.

Senator TROETH—Has there been any explanation to consumers over the fact that they have waited so long for either program to take up? I am not talking about the stimulus package, but the Low Emissions Plan for Renters.

Mr Carter—I will be corrected by my colleague if I am wrong, but I think information on our website would have indicated that the program was yet to be launched but that for it funding had been announced. There would have been that level of communication.

Senator TROETH—That was a program announced as part of the government's election campaign in 2007, allegedly funded in May 2008, and here we are in 2009 and still nothing is happening.

Mr Carter—It was funded in the May budget last year and was scheduled for launch in early this year. This was on schedule for the launch to occur.

Senator TROETH—At what stage this year?

Mr Carter—We were to submit the draft guidelines to the minister imminently. However, we have revised those guidelines and in fact have provided draft guidelines to the minister for the launch of the program.

Senator TROETH—Will it be the combination of the two packages?

Mr Carter—It will be the combination of the original announced package, which was the \$500 for 200,000 homes, the increase to \$1,000 and the addition of 500,000 homes to that program.

Senator TROETH—If there has been nothing delivered in all of this time how can there be any reasonable expectation that you will be able to install insulation in 2.7 million homes as a result of the expanded program?

Mr Carter—There has not been any delay in that program's development. It was announced in the May budget. We have been working on developing the systems and the guidelines to support the rollout of that. We have been meeting the minister's requirements in that regard and we are at the point of submitting guidelines to him for launch of the program. It was anticipated that it would occur at this point.

Senator TROETH—I understand that the Treasurer in question time yesterday admitted that insulation would have to be imported to fill the orders, but he cannot say how much. Can you give me any idea of your estimation of how much insulation will need to be imported, given that we cannot possibly fill that amount here in Australia?

Mr Keeffe—I am not aware of what the Treasurer has said and would not want to contradict the Treasurer. Our indications from consultations with business are that they can scale up to meet the demand of the numbers that are prefigured in the Low Emissions Plan for Renters.

Senator TROETH—So, there would not be any need to import insulation?

Mr Keeffe—I cannot guarantee that there will be no need to import, but their comments were quite clear that they can meet the demand. Most manufacturing of insulation occurs locally. There is not much import-export trade in it because of its very nature, its size and lack of weight, so most of it is produced in key areas of Australian cities. Where there is an existing downturn in new housing insulation going on because of the financial crisis, the existing manufacturing plants will be shifting their effort into producing insulation for retrofitting houses. They are quite confident.

Senator TROETH—When you say ‘they’, from whom did you seek that statement?

Mr Keeffe—We held a consultation workshop just last week with industry stakeholders from all of the major manufacturers, insulation companies and the Insulation Council of Australia and New Zealand. They were quite consistent in giving us that message at the time.

Senator TROETH—I understand that analysis carried out by Citigroup, quoted in the *Australian Financial Review* on 6 February, said that to implement the Rudd plan vast imports may have to be ordered, and the spokesman from Citigroup also warned that CSR, who is one of the major insulation manufacturers, said it would see its insulation market permanently depleted within three years because imports would crowd out potential longer term sales.

Mr Keeffe—I am not across the basis of Citigroup’s argument. The range of industry stakeholders at very senior levels was quite confident in their expressions to us. That included CSR.

Senator TROETH—Was CSR at that roundtable?

Mr Keeffe—Yes.

Senator TROETH—Did they make any mention of their worries about supply at that roundtable?

Mr Keeffe—We asked the question about guaranteeing supply and they came back with that response.

Senator TROETH—Were they confident that there was a lot of supply available in the country?

Mr Keeffe—Yes, and a capacity to gear up, which is part of the job stimulus element.

Senator TROETH—Was any modelling or research done prior to the announcement of the stimulus package to ensure that Australian manufacturers could meet this need?

Mr Keeffe—I am not aware of any information, but I will check for you and get back to you on notice.

Senator TROETH—Yes, if you could. It would be helpful if you could advise whether that was done in the department or elsewhere. This is more of a statement than a question, but

if it is needed to import insulation then it would help the jobs of only overseas manufacturers rather than Australian jobs. I am interested that everyone was confident that they would be able to supply the amount that was needed. If the insulation industry has the capacity to produce the material, has the department taken any steps to cope with the spike that will be there in demand for insulation?

Mr Keffe—We are working through the demand management issues as we develop guidelines for the program. We are consulting with industry on the best way of managing that demand to ensure a steady, even rollout of capacity to meet demand. Those issues are under discussion at present.

Senator TROETH—Can you give me any idea how you are proposing to work through the demand?

Mr Keffe—Some of the ideas that we are discussing at present are to prioritise low-income groups as an initial rollout, and communities in special need. Also, from commencement of the formal program mid-year we hope to have a better understanding and analysis done of capacity and future demand in the rollout. At this stage we are not totally sure how the demand will process through time, so we are trying to make sure there is no spike coming in July.

Senator TROETH—I am interested in why the measure covers only houses without insulation, because surely in most capital cities there would be suburbs with older houses where there is a minimum amount of practically useless insulation. Under the guidelines I gather that houses with existing insulation are barred from taking advantage of this offer.

Mr Keffe—Our initial data showed that there are some 40 per cent of Australian homes that are not presently insulated and that there is a demand that can be met. The verification of processes to ensure that people are not taking out old insulation and putting in new insulation or putting new insulation on top of old insulation is very hard to monitor and audit. The blanket rule of only ceiling insulation is the first step. There are other programs from states and territories or other investments that people can choose to make. It is not that they are barred from doing so, but that they are paid for by the householder themselves rather than being paid through the program.

Senator TROETH—Will you be able to monitor any existing or any proven cases where people have taken out insulation and then proceeded to claim the proposal?

Mr Keffe—One of the very pleasing elements of the discussions with industry was their great willingness to cooperate and be engaged in monitoring and audit processes. We will be able to do that. We are still in the process of finalising the details of the guidelines, but the installer will be required to verify that there is no insulation installed.

Senator TROETH—And never has been?

Mr Keffe—Just that there is no insulation and that it is an uninsulated house that it is being put into. ‘Never’ is a hard word for a program manager to live with.

Senator TROETH—What if people did proceed to take out insulation now, going into the cooler months, and then when this proposal gets running, say, in nine or 12 months time, proceed to claim this, but they have already had insulation in? It is fine to ask the installers,

but they have a vested interest in it because they are getting the job, anyway. You are using them as the—I will not say ‘police force’—monitors of this system to see whether there has ever been any insulation?

Mr Carter—It is certainly an area that we have considered as being a difficult one to provide a compliance or audit regime around. We have factored into the calculations on the number of houses that will be treated under the program an allowance for circumstances where currently insulated houses may have insulation shifted. We would hope that the inconvenience of moving old insulation for new is a fairly low proportion of activity that occurs, given that the whole program is one that provides a service from the government in insulating homes. It is an area of risk that is very difficult to manage.

The area that we are more able to provide quality assurance around is where insulation is inadequate. We are working with industry now on the sorts of guidance and how we would draw the line on what is inadequate insulation that would still be eligible under the program. But, as I said, it is very difficult to provide a compliance or audit regime around what may have been in the ceiling prior to the program.

Senator TROETH—Are you proposing any penalties for such misdemeanours?

Mr Carter—In any program of this nature a household that takes up the offer for eligibility makes declarations within that about the status of their house and insulation, as does the installer. If there are any discrepancies found in that we would certainly be building in make-good provisions and we would refer to our legal area for recovery if someone was found not to be compliant with those requirements.

Senator TROETH—With the development of the guidelines and the rolling of the two schemes into one, what is the earliest that you would be expecting the actual installation of batts in domestic houses?

Mr Carter—I might just indicate that the program was available from date of announcement. We are anticipating guidelines being available on 26 February, being Thursday this week, for households that have installed insulation or landlords that have installed insulation from 3 February. We are putting in place a reimbursement process for people who have already undertaken that work. We would imagine that there are households that have already undertaken insulation and would be eligible under the program as at 3 February.

To draw a slight parallel under the solar hot water program, since 3 February we have already received something in the order of 250 applications for the increased rebate of \$1,600, and we will be moving into processing those applications as soon as we have completed the applications made prior to 3 February.

Senator TROETH—Thank you.

Senator BIRMINGHAM—I would like to follow up on some of the issues that Senator Troeth touched on. How many grants under the original Low Emissions Plan for Renters program were you expecting to hand out this financial year?

Mr Keeffe—We will have to take that on notice.

Mr Carter—The original program in total was for 200,000 homes. I do not have the breakdown with me.

Senator BIRMINGHAM—Do you have the breakdown of the budget allocation for this year?

Mr Thompson—I might be able to help my colleagues there. The aggregate number for the Low Emission Plan for Renters in 2008-09 in the budget papers is \$10.5 million.

Senator BIRMINGHAM—For comparison, what will it be in 2009-10?

Mr Thompson—In 2009-10 it is \$37.5 million and in 2010-11 and 2011-12 it is \$50 million.

Senator BIRMINGHAM—With 200,000 homes you would have been looking at least 10,000 or so this year if we are looking at those figures of grants that would have gone out?

Mr Carter—It would have been a ramping out proportional allocation.

Senator BIRMINGHAM—Just to confirm the information that Senator Troeth obtained, are the guidelines for that program with the minister for approval?

Mr Carter—No. We were about to submit the guidelines to the minister, so they had been completed within the department and then the Energy Efficient Homes stimulus package decisions came through prior to our being able to do that.

Senator BIRMINGHAM—Was the department aware in working on the Energy Efficient Homes package prior to its announcement or did your knowledge of this only occur at the time of its public announcement?

Senator Wong—You are actually asking a question that goes to cabinet processes.

Senator BIRMINGHAM—I am trying to ascertain when the department realised that it had to put its guidelines for the existing program on ice.

Mr Carter—We provided answers to the Senate inquiry in relation to the bills that gave the time lines when we were first involved in it. I think we first met with central agencies on 8 January in relation to the stimulus package in a general sense of receiving advice. We were advised of the general nature of the outcome of government's considerations on 28 January.

Senator BIRMINGHAM—We will call it mid-January, for want of anything better, as to what we are looking at as to when the department became aware that the nearly completed or just completed draft guidelines for the Low Emission Plan for Renters needed to be filed, revised and started again for a new and revised program. Is that a fair assessment?

Mr Carter—We were certainly aware that government was actively considering that, but we were also aware that such a proposal still had to be run through due parliamentary and Senate processes.

Senator BIRMINGHAM—How quickly do you think you will get the new guidelines prepared?

Mr Carter—The new guidelines have been submitted to the minister for consideration and the minister has indicated they will be available from Thursday this week.

Senator BIRMINGHAM—From Thursday this week they will be publicly available?

Mr Carter—Yes.

Senator BIRMINGHAM—What are the targets now for this financial year under the revised program?

Mr Carter—The initial guidelines and rollout were to make sure that the information was available to landlords and tenants and to home owners under both elements of the insulation package in relation to the reimbursement of people who would undertake those activities before the launch of the more formal program mid this year. The guidelines relate to that reimbursement so that people who are engaging or have engaged insulation installers from 3 February understand the requirements of how they need to seek reimbursement, so it will be demand driven between now and the launch of the program. We can take on notice any estimates that we might have made of uptake of that between now and that launch.

Senator BIRMINGHAM—Presumably the whole program is demand driven. It will become a grants program whereby people will not be seeking reimbursement but payments will be going direct to the installer; is that correct?

Mr Carter—Certainly for the ceiling insulation element payment will be going to the installer.

Senator BIRMINGHAM—With the guidelines being released this week why are you unable to commence the program in a fully fledged fashion from now? Why does it have to start off as a reimbursement based program?

Mr Keefe—Because we have to go through a procurement process to ensure that we have the call centre available and the booking service available. We have to have complete agreement on the standards that would apply. There is a range of issues to work through in detail to deliver the process whereby anyone anywhere in Australia can just phone and, after getting the quotes, have an installer deliver the insulation and install it.

Senator BIRMINGHAM—Presumably you would have to accredit a whole lot of installers across the country as well to be able to undertake that work?

Mr Keefe—We have to ensure that they are suitably qualified.

Senator BIRMINGHAM—They have to be suitably qualified and then you have to arrange the appropriate contract with them as to what terms of payment are made and so on?

Mr Keefe—They are the issues we are working through in detail. To ensure that the installation of insulation happens speedily and there is no delay to people we designed this first-stage process. The program in the announcement of the stimulus package was not due to commence until 1 July. We have got this interim step to ensure that, as the senator was talking about before, there is no spike in demand and that there is a steady build-up of insulation.

Senator BIRMINGHAM—And, more significantly between now and 1 July, no sudden crash in demand?

Mr Keefe—That is correct.

Senator BIRMINGHAM—What steps have been taken to initiate the process you are undertaking for accreditation and the contractual arrangements with installers?

Mr Keefe—We are in discussions with industry NGOs and other government bodies to tap into various networks to design the best approach for doing that, whether to do it on a

regional brokerage basis or on a national, single call centre basis. Those are the sorts of issues we are working through.

Senator BIRMINGHAM—At this stage there is no fixed model as to how you see it being delivered?

Mr Keeffe—No fixed model, no.

Senator BIRMINGHAM—Do you have an estimate as to how many installers will be required?

Mr Keeffe—I could take that on notice. That is the sort of thing we are talking to industry about.

Senator FIELDING—I want to check whether anyone has seen the recent publication as to the proceedings of the National Academy of Sciences in the US which says that relationship breakdown or divorce is having an impact on climate change.

Mr Carter—I was unaware of that publication.

Senator FIELDING—It is a serious question, by the way. There is a report out in the US on it.

Senator Wong—Is this because essentially people are running two homes and there is the additional carbon footprint as a result of that?

Senator FIELDING—Yes. Have you seen the report? It is from the reputable proceedings of the National Academy of Sciences in the US. The study found that the number of rooms per person in divorced households was 33 per cent to 95 per cent greater than that in married households. Divorced households spent 46 per cent to 56 per cent more on electricity and water per person than married households. Divorced households in the US could have saved more than 38 million rooms, 73 billion kilowatt hours of electricity and 627 billion gallons of water in 2005 alone if their resource use efficiency had been comparable to that of married households. Also, the US households that experienced divorce used 42 per cent to 61 per cent more resources per person than before the dissolution. It also claims that mitigating the impacts of resource inefficient lifestyles such as divorce helps to achieve global and environmental sustainability and saves money for households. If divorced households were combined to have the same average household size as marriage households there could have been 7.4 million fewer households around. I assume there would be similar effects in Australia that would make relationship breakdown or divorce an important issue for energy efficiency in cutting back on carbon emissions; wouldn't there be?

Mr Carter—I would assume so. I am not aware of that particular report. It does go to a broader issue around the size of housing that we have seen as a general trend in Australia where we have seen, from the mid-1980s, I think, an average house size of around 120 square metres and we are now seeing constructed houses of an average size of 230 square metres. We are also seeing a significant drop in the number of people within each household. I would imagine that the sort of information that you are quoting from that study would be another factor that would have increased the usage of housing space and decreased the efficiency of that usage.

Senator FIELDING—Has the department measured the impact of relationship breakdown and divorce on Australia's efforts to cut back on carbon emissions?

Mr Carter—Not that I am aware of.

Senator FIELDING—Has the department considered the impact of relationship breakdown and divorce on climate change?

Mr Carter—Not that I am aware of.

Senator FIELDING—Last year I talked to the Australian Institute of Family Studies about the five key drivers of relationship breakdown which they identified as 'communication, family conflict and violence, financial management, differences in values and differences in expectations of and satisfaction with relationships'. Obviously marriage and relationship breakdown is an important issue for our community because of its terrible impact on people's lives and the cohesion of communities in itself. But have you considered those five drivers as important issues when looking at reducing the impact of climate change as well? Given that there is a link between the two, will the department look at it and consider it?

Mr Carter—Not that we are aware of, but we will discuss that with other agencies in the Commonwealth. It is not something that we have specifically looked at though.

Senator FIELDING—I am certainly not suggesting that there should be zero relationship breakdown. What I am saying is that I think there is an impact on the climate from that issue. If we do not actually measure it or understand it then we will not have the same emphasis on it. We understand that there is a social problem but now we are seeing there is also an environmental impact on the footprint, so I would appreciate it if you would have a look at it and maybe come back and let us know what you find.

Mr Carter—I might also add to that that we have found in quite a lot of our work—and I have mentioned this earlier in the context of green loans—a significant link between general household behaviour and energy efficiency and the way in which people operate and live in their houses. Some of our consultations, particularly with welfare and non-government organisations that are very much involved in delivery of programs to low-income households in particular, have found that the gains just from the behavioural, educational and outreach aspects of their programs have been very significant. That is certainly a factor in the consideration that we give to designing programs, how to target household behaviours and the way that people operate in houses.

Senator BIRMINGHAM—How many schools have had solar panels installed under the National Solar Schools Program?

Mr Carter—I will just turn to my notes but I think it is in the order of 20 schools that have currently got photovoltaics fitted under the program. Yes, it is a total of 20 photovoltaics installed currently under the National Solar Schools Program.

Senator BIRMINGHAM—When did that program become operational?

Mr Carter—That commenced on 1 July 2008.

Senator BIRMINGHAM—That happened quite swiftly. It was also a project announced in last year's budget, was it?

Mr Carter—Yes, it was.

Senator BIRMINGHAM—Obviously the guidelines for that one were easy to do.

Mr Carter—Perhaps so.

Senator BIRMINGHAM—Or they were at least prepared quickly. What is the target for this year?

Mr Young—Within the funding envelope available we are expecting somewhere in the order of 700 to 800 schools to have payments made this financial year. We already have somewhat over 400 claims from schools which we are assessing. Once those payments are made, schools would generally have a period of six months in which to proceed to installation.

Senator BIRMINGHAM—From the advice Mr Carter gave before, 20 schools have had installation. How many schools have lodged applications?

Mr Young—We have received somewhat over 400 claims from schools.

Senator BIRMINGHAM—That puts you effectively at about the half-way mark at least in terms of claims or applications. Are they claims or applications in terms of these being paid in advance of the installation?

Mr Young—Yes. This is a grants program so the claims are paid before installation goes ahead.

Senator BIRMINGHAM—Are you hoping to achieve 700 or 800 grants this year or 700 to 800 installations?

Mr Young—The funding envelope we have allows for about 700 to 800 grants.

Senator BIRMINGHAM—So the article from the *Age* that I think Senator Troeth quoted in regard to one of the other programs is incorrect in its assertion that no solar panels have been installed under this program?

Mr Young—That is correct.

Senator BIRMINGHAM—Can you explain to me why some of the state government education departments might be recommending that schools not proceed with claims at this point?

Mr Young—That is obviously a matter for individual state jurisdictions to address. The advice we have received from a number of those states is that they are looking for the opportunity to achieve improved efficiency outcomes for the program, for instance through cooperative purchasing arrangements. There will also be opportunities for linkages with some other state programs. For instance, there is a Victorian Solar in Schools Program underway and a similar program in Queensland state schools.

Senator BIRMINGHAM—What proportion of the cost does the government program cover?

Mr Young—The government program does not provide a strict percentage for costs; it provides a capped dollar amount.

Senator BIRMINGHAM—What is the capped dollar amount per school?

Mr Young—For single campus schools it is \$50,000.

Senator BIRMINGHAM—That would support a four- or five-kilowatt system, would it?

Mr Young—Of that order, yes.

Senator BIRMINGHAM—I am advised that on 23 February the South Australian education department website stated that the department had advised that individual schools should not proceed with individual claims for funding. The New South Wales education department says that it has contacted government schools and encouraged them to defer preparing or submitting any individual claims. If you have state education departments holding up the process there is a concern about schools being able to proceed.

Mr Young—We are working very closely with the relevant jurisdictions. I know the minister is taking a keen interest in ensuring that any arrangements that states undertake do not impede the effective rollout of the program.

Senator BIRMINGHAM—You are aware of these concerns and representations have been made at a departmental level to try to overcome them?

Mr Young—Yes.

Senator BIRMINGHAM—Have representations been made at a ministerial level in this regard?

Mr Young—I would need to take that on notice. I am not aware of any.

Mr Carter—From our perspective in managing the program, working in collaboration with jurisdictions gives us the opportunity to ensure that we get a packaged rollout that is more cost effective within a jurisdiction. More importantly, I think that if we can get the program very much embedded in the education activities that are occurring at the state level that will be a distinct advantage—something that we have been trying to ensure through the program. I think that, yes, there is potential for jurisdictions to slow down the rate of individual applications but we would hope that, in working through with jurisdictions on a bulked up approach to it, we would get a better, more consistent rollout and that we would also increase the chance of getting a good educational outcome and potentially good linkages across schools through the program.

Senator BIRMINGHAM—Do you have a breakdown, of the approximately 400 claims that you have had to date, between government and non-government schools?

Mr Young—No, I do not, I am afraid. I would have to take that on notice.

Senator BIRMINGHAM—That would be appreciated, just to see whether or not there is a particular problem in the government sector that the comments of the education departments highlight. In regard to the ongoing operation of this program, are schools encouraged to access other grants simultaneous to this one, such as rainwater capture and the other types of school based grants that the government is offering? Or is it up to individual schools?

Mr Young—This program actually provides funding for a whole range of incentives beyond simply photovoltaic systems, so there is a potential for schools to access a program for a range of energy efficiency initiatives. Also we are very keen to ensure that schools

access all other relevant programs as well to maximise the value that we can achieve through this program.

Mr Carter—I can provide a little more detail on that. We have done some assessment over some 100 of the claims that have been approved or paid and the indication from those schools is that 89 per cent of them included solar power systems, 13 per cent included hot water systems, 26 per cent included energy efficiency items, 25 per cent included rainwater tanks and four per cent included other renewable power—for example, wind and hydro. So there is a real mix of energy-efficiency measures that schools are uptaking through the program.

Senator BIRMINGHAM—I assume solar panels have to be grid connected.

Mr Young—No, that is not correct. Schools in off-grid areas are eligible as well.

Senator BIRMINGHAM—That is understandable for schools in off-grid areas but, should a school be—as most schools are—in a grid area, do they have to be grid connected?

Mr Young—Yes, that is correct.

Senator BIRMINGHAM—With regard to the RECs, is there an expectation that those RECs be kept by the school or is it up to state governments to work that out?

Mr Young—That is usually a matter for individual schools to determine but we are very keen to ensure that, where practical, schools maximise the value of the RECs that they have.

Senator BIRMINGHAM—Again, it has been put to me that the New South Wales government has indicated that if schools purchase under the government's program the department will keep the Renewable Energy Certificates—which, obviously, is a nice little income earner for state education departments in that sense.

Mr Young—That is one of the issues that we are addressing as we negotiate with the New South Wales government.

Senator BIRMINGHAM—Is that an issue with other state governments as well?

Mr Young—I will take that one on notice if I may.

Senator BIRMINGHAM—This is potentially one of those factors as to why state governments appear to be instructing their schools not to proceed at this time.

Mr Young—I do not want to speculate on why a state government is taking a particular approach beyond reasons that Mr Carter and I outlined earlier.

Senator BIRMINGHAM—Mr Carter, of the 100 schools that you did analyse, did you have any breakdown between government and non-government?

Mr Carter—No, I do not have that number. We would have to take that on notice.

Senator BIRMINGHAM—Can you give us any indication today as to whether there is an endemic problem in take-up in the government school sector that seems to be being held up by state education departments?

Mr Carter—We will take on notice what that split is. I would just go back to saying that we see discussions with jurisdictions about the roll-out of this in state schools as an opportunity to make sure that we get better outcomes from the program in terms of embedding it in the educational process as well as in getting better purchasing power and

more from the program than otherwise. Certainly, you have raised the issue of RECs, and that is one factor. We would be keen to see that RECs generated under this are in fact part of the subsidisation of the works that are occurring in schools.

Senator BIRMINGHAM—Minister, are you aware of any discussions at ministerial level that have occurred in relation to this program and delays and reticence of state education departments for their schools to proceed in it at present? I am mindful of the Prime Minister's recent language about bashing heads together and so on in relation to the spending package and wonder if he has done so in relation to this.

Senator Wong—Is the question, 'Am I aware as to whether Mr Garrett has had any ministerial level discussions about whether or not schools can keep the value of the RECs they generate?' Is that the question?

Senator BIRMINGHAM—No. It is, perhaps, a little broader than that, and that is: has Mr Garrett or the Prime Minister had ministerial level discussions about this program in state education departments at present recommending their schools not proceed with it?

Senator Wong—I do not know.

Senator BIRMINGHAM—That will do on this issue, for now. Senator Troeth, you were about to jump in.

CHAIR—Any further questions on the National Solar Schools Program?

Senator TROETH—I have questions on a similar project: rainwater tanks for surf clubs.

Senator Wong—That is in water, which is my program.

Senator TROETH—I will discuss it when we get to that, then.

CHAIR—Are there any further questions under output 1.1?

Senator BOB BROWN—The government told the Senate last week or the week before that it had no figures on the greenhouse gas emissions from logging and land clearance in Australia. Can you confirm that is the case, Minister, and, if so, whether the government intends to continue to not have information about the impact on climate change of native vegetation clearance in Australia?

Senator Wong—I am sorry but those matters are handled by the Department of Climate Change and those officers appeared last night before the Finance and Public Administration Committee. I do not have officers here in relation to the carbon accounting. My recollection is that I remember signing off on that answer to you and I think the point that was made was that it was consistent with the Kyoto accounting rules that are applicable to Australia subsequent to our ratification. I am sorry, but those matters are dealt with by the Department of Climate Change.

Senator BOB BROWN—Are you satisfied as minister that the government does not know what the output is from native vegetation clearance and is not endeavouring to find out?

Senator Wong—These are questions that really did need to be asked last night. I do not have officers at the table who can assist you with this information.

Senator BOB BROWN—No, but I am asking you for your degree of satisfaction about that, Minister.

Senator Wong—Senator Brown, can I finish my answer or are you going to just interrupt me?

Senator BOB BROWN—If you answer me, I will be happy to do that.

Senator Wong—With respect, Senator Brown, you do not have the right to tell me how to answer a question. What I have said to you is that I do not have the officers here who have the information about Australia's carbon accounting system. I would have been very happy to have answered those questions last night, but that is the responsibility of a different department. I am sitting here today representing Minister Garrett in the Environment, Heritage and the Arts portfolio, so I am not able to assist you on that point. I have provided you with a detailed answer in the Senate. I know that your argument, which you have put quite eloquently, is that you have a view about the logging of forests in Tasmania from a number of perspectives, including the carbon store. You are entitled to that view but I am not able to assist you with the sort of detailed information you want because that department is not the department at the table.

Senator BOB BROWN—Can you tell me, on behalf of Minister Garrett, why the minister for the environment does not know what the impact of native vegetation clearance is on climate change in Australia?

Senator Wong—I am not sure that I would agree with your assertion that he does not know.

Senator BOB BROWN—Well, he does not because the government said in the Senate that it does not know.

Senator Wong—I have explained to you that you are asking questions in the wrong portfolio. I would have been happy to answer these last night.

Senator BOB BROWN—And you have no opinion on that matter?

Senator Wong—What I am saying is that these questions properly belong to the portfolio of climate change, which appeared last night.

Senator BOB BROWN—No. You misunderstand me, Minister; they belong to the minister. I am asking you as Minister.

Senator Wong—Senator Brown, I am trying to be polite here and not make the point that you are late and you should have turned up last night when the rest of us were here.

Senator BOB BROWN—I think I was busy listening to you on the *7.30 Report*. My priorities may have been correct—

CHAIR—Senator Brown, let the minister answer.

Senator Wong—I am very happy to have this discussion with you. I do not have the officers who are responsible for Australia's carbon accounting system who could give you the information about what information we do have on the clearance of native vegetation and what information we are developing in terms of the National Carbon Accounting System. I provided, I thought, quite a detailed answer—a written answer—to you on notice in the

Senate, which I think is the one you are responding to. I do not have a copy of that here. If you want to have a further discussion about this, I am happy to, but this is not the portfolio and these are not the officers who have responsibility for that.

Senator BOB BROWN—Chair, the question is to do with climate change action and the minister for the environment's ability to act on the basis of information. I will not pursue it.

Senator Wong—I can take it on notice. That is reasonable.

Senator BOB BROWN—Are you going to let me finish, Minister? If you would not mind, give me the same courtesy you demanded for yourself. The question is: why is it that the government does not do the work to establish the impact of native vegetation clearance in Australia on climate change?

Senator Wong—I think you will need to put that on notice to the Department of Climate Change. If you want me to take on notice your previous question, which was in relation to Minister Garrett's knowledge, I can take that on notice reasonably because I am representing him, but the second question is for the portfolio of climate change.

Senator BOB BROWN—I will put both those questions on notice.

Senator Wong—One will need to be referred to the other committee.

Senator BOB BROWN—I will thank you for referring it, Minister.

CHAIR—Are there any further questions for this output?

Senator BIRMINGHAM—Yes.

CHAIR—Okay. I am just mindful that we are trying to move on to the Australian Antarctic Division.

Senator BIRMINGHAM—I will attempt to move through as quickly as we can. This is probably still for you, Mr Carter, or Mr Oxley. You would be disappointed if we did not at least touch on the solar panel rebates and the new RECs based offsetting method. How much will a person living in Melbourne who installs, on average, a one kilowatt system receive?

Senator Wong—Those questions should have been asked of the Department of Climate Change, which has responsibility for the renewable energy target. Your colleague, Senator Ryan, did come along and ask some questions about that. He also asked questions about the current Solar Homes and Communities Plan, which is the old solar rebate. I indicated to him that those officers would be here today if he wanted to ask those questions. In relation to the new solar credits, that is under the renewable energy target, and we did have a brief discussion about that last night.

Senator BIRMINGHAM—Thank you for that clarification. As you know, I was in estimates last night, as were you, and I did not have a chance to be at Climate Change. That is not your fault. Equally, of course, I had not realised that the revised version of this program shifted from the department of environment to the Department of Climate Change.

Senator Wong—It is in the admin orders that the Department of Climate Change is responsible for the renewable energy target. I can assist you to some extent. Regarding the question you asked—and there has been some media about that—I do not have the officers

who are responsible for the calculation of the solar credits under the proposed renewable energy legislation as they are in the Department of Climate Change.

Senator BIRMINGHAM—Okay. What credits are available to help households who wish to get solar panels installed today?

Senator Wong—Currently?

Senator BIRMINGHAM—Currently.

Senator Wong—The current program?

Senator BIRMINGHAM—What credits, or offsets, or rebates?

Senator Wong—Mr Carter can deal with that.

Mr Carter—It is currently 1,000 renewable energy certificates per kilowatt installed.

Senator BIRMINGHAM—So, the initial part of the change that Minister Garrett announced in December last year is to it now being 1,000 RECs per kilowatt installed.

Senator Wong—No. In December last year the Treasurer, Minister Garrett and I announced the government's draft legislation for the renewable energy target delivering a fourfold increase in renewable energy. As part of that there was a multiplier proposed for solar panels which were described as solar credits and which from memory allow a five-times multiplier for the RECs to be created under the scheme for microgeneration, which would assist solar panels but would also assist other microgeneration capacity. The consultation period on that draft legislation finished last Friday and the government is considering the feedback from industry and the community. It also needs to be discussed with state governments. So, that was government policy but it is not yet implemented because it is not yet put into legislation.

Mr Carter can assist you in terms of the current, existing program, in relation to which you have asked quite a number of questions previously. As I said, the renewable energy target is the responsibility of the Department of Climate Change.

Senator BIRMINGHAM—To go back to the question: if a household today wants to install solar panels, what government assistance, incentives, rebates et cetera, do they receive?

Senator Wong—Currently?

Senator BIRMINGHAM—Currently. Today.

Mr Carter—There is the current Solar Homes and Communities Plan, which provides the up-to \$8,000 rebate, and there is the existing renewable energy certificates that are generated that they are able to claim under the existing renewable energy target scheme.

Senator BIRMINGHAM—At this stage nothing under the program has changed from how it was operating last time we met?

Mr Carter—That is correct.

Senator BIRMINGHAM—Except for the fact that there is a plan in place for a new system of incentives that Minister Wong outlined, and that new system of incentives will be administered by the Department of Climate Change.

Senator Wong—Firstly, the set of incentives depend on government determining what its position is; secondly, the legislation being agreed with the states; and thirdly, the Commonwealth parliament passing the legislation. With all those three things, what I can tell you is the current proposal is for the multiplier that I described.

Senator BIRMINGHAM—Given the number of hurdles that you outlined and that you have to jump, will the Solar Homes and Communities Plan \$8,000 rebate continue until the new incentives are in place?

Mr Carter—The minister has continued to indicate that demand from the program would continue to be met until transitional arrangements to a new scheme are put in place.

Senator BIRMINGHAM—Has the means test on the \$8,000 rebate been adjusted at all?

Mr Carter—No. It remains in place.

Senator BIRMINGHAM—But the new incentive is not means tested. Is that the correct assumption, Minister?

Senator Wong—No, it is not—and I do not know how you would, because it is a market based incentive.

Senator BIRMINGHAM—It is a market based incentive, yes.

Senator Wong—You set an increased renewable energy target and you give an additional multiplier on the renewable energy certificates. It would be rather administratively complex to means test it but, in any event, the government's indication is that it would not be means tested.

Senator BIRMINGHAM—That was simply a clear statement that I was looking for that there is—no matter how complicated they may be—no means testing to the new program, unlike the existing program. Mr Carter, perhaps you could fill us in on how applications have continued under the existing program.

Mr Carter—Certainly, we can fill that in. We have had some minor changes over the Christmas period in terms of the rates of applications versus the rates of installation. We are not sure of the factors that contribute to that—whether it is the Christmas break that changes the nature of people who are taking up the system—but we have certainly continued at a high level of applications. Do we have the recent numbers?

Mr Young—This financial year the program has received somewhat over 27,000 applications to date compared to 11,000 in the previous financial year.

Senator BIRMINGHAM—I am to take it from Mr Carter's statements that after the early surge in program applications there has been some reduction in the last couple of months?

Mr Young—There has been a little bit of volatility in the numbers. Weekly numbers have ranged from 1,200 one week in December down to the mid-500s in one week in January. For the week ending 13 February we received 980 applications.

Senator BIRMINGHAM—Applications continue to be strong and the government's intention, at least as you understand it, Mr Carter, is that they will continue to meet demand under the existing program not indefinitely but until the alternative arrangements are put in place?

Mr Carter—The minister has indicated that will be until transitional arrangements can be put in place for the new program. That was a commitment to be in consultation with industry. We have been consulting with industry over the last several months around the program and we are scheduled to meet later this week with the Clean Energy Council following the closure of the submission period to the renewable energy target to commence some of the discussions with them.

Senator BIRMINGHAM—My understanding is that the solar hot water rebate means test has been lifted or is to be lifted.

Mr Carter—It has been lifted from date of announcement of the Energy Efficient Homes package on 3 February.

Senator BIRMINGHAM—What was the policy rationale for lifting that means test?

Mr Carter—This was primarily because of the stimulus nature of the increase in both the rebate and the removal of the means test to make it more broadly available for the economic activity it would generate.

Senator BIRMINGHAM—Thank you.

CHAIR—If there are no further questions for 1.1, I thank the officers.

[3.04 pm]

Australian Antarctic Division

CHAIR—I thank the officers of the Australian Antarctic Division. I welcome especially Ms Lyn Maddock at her first estimates appearance for this entity. We will go to questions unless someone would like to make an opening statement.

Ms Maddock—I am delighted to be here. I have been here only three weeks. We have a new chief scientist, Mr John Gunn, who is behind me and has been in the position for three weeks and four days.

Senator SIEWERT—Since we last met with the division, I understand there has been some new work that you have released on the role Antarctica is playing in climate change. Is somebody able to take us through that?

Mr Riddle—Climate change research is a major part of the Australian Antarctic program. This is consistent with one of the government's goals, which is understanding the climate of Antarctica and its role in the global climate system. The Antarctic Division undertakes climate change research both internally and together with the Antarctic Climate and Ecosystems Collaborative Research Centre in Hobart. The research covers a very wide range of topics within the general theme of climate change.

The research looks at the effects of climate change on the biota and the living systems within the Antarctic. It looks at the effects of climate change on the living resources and how that might impact upon the management of those resources through the Convention for the Conservation of Antarctic Marine Living Resources. It looks at the processes of climate change through the physical mechanisms of the interactions of the atmosphere, the ice and the ocean, and it also looks at how Antarctica's changing climate will affect the climate of Australia.

Senator SIEWERT—I understood that you had released just recently some further research on the areas where we are seeing the impact of climate change on Antarctica.

Ms Maddock—Are you referring to the research about the different rates of adaptation?

Senator SIEWERT—Yes.

Mr Riddle—If I am correct, I think what you are referring to is some research not done by the Australian program. There has been an analysis of data using both on-the-ground meteorological data and satellite imagery, and this has corrected the previous understanding, which was that East Antarctica and the main area of Continental Antarctica was not undergoing warming. It was previously understood that the main body, which includes East Antarctica and the Australian Antarctic Territory, was not warming and that in fact there could be marginal cooling there. This reanalysis has indicated that there is indeed warming going on in the Australian Antarctic Territory. This is based on on-the-ground measurements and satellite remote sensing data. It has gone back through the record of satellite data that is available and, by using those two data forms in a complementary way, the scientists were able to fill in the gaps.

Senator SIEWERT—Is it warming as fast as the Arctic or is it slower than that? To what degree is it warming?

Mr Riddle—It is slower than the Arctic. It is also slower than the Antarctic Peninsula. It has been known for many years that the Antarctic Peninsula is warming at a rate that is faster than most other locations on the planet. The warming rate that has been identified for East Antarctica is very much lower than that seen in the peninsula and in the Arctic.

Senator SIEWERT—Has this changed any of the research that the division has been undertaking?

Mr Riddle—The division is continually reviewing its research. We are currently in the process of developing a rebid for the Antarctic Climate and Ecosystems CRC, in collaboration with the partners in that, and this research is certainly influencing the questions that that proposed centre will tackle into the next five years.

Senator SIEWERT—I know that you are not the CRC, but since I have you here I will ask this question. When is the CRC rebid next due?

Ms Maddock—Its current contract does not expire until 2010-11. However, it is bidding in the current round.

Senator SIEWERT—Can you advise what funding you have for this financial year for climate change research?

Mr Riddle—I do not have the figures for funding. What I can tell you is that for the 2008-09 year a total of 125 science projects were approved and of those 70 were related to climate and climate change.

Mr Wooding—All of our climate change research is funded from within our internal resources. We have up to 30 staff in our science area who work on climate change. We do not have a specific external budget or any specific budget for it. However, it is a large part of what we do.

Senator SIEWERT—We were discussing previously that this is essentially about the interpretations of data. In terms of the way the new data has been interpreted, does that have any global impacts? Does that alter the models now? Is that portion of Antarctica warming faster than what was previously thought, or in fact warming rather than not?

Mr Riddle—It is a very important finding. The Intergovernmental Panel on Climate Change's *Fourth Assessment Report* identified that the Antarctic and Southern Ocean and its response to climate change was one of the big uncertainties in predictions. The Antarctic holds most of the fresh water on the planet. If it were to melt over thousands or tens of thousands of years it would contribute 70 metres to sea level rise.

Senator SIEWERT—Does that mean that, given this new information, more refinement and modelling needs to take place?

Mr Riddle—That new information has certainly put the focus back on the Antarctic or it has reinforced the focus on the Antarctic and its role in the global climate system, and it reinforces the need for understanding how that system works as the basis for predictions of how climate change may play out over the entire planet.

Senator SIEWERT—Has there been any work that? Does it have any implications for the local ecosystems in the immediate future?

Mr Riddle—Are you meaning locally in the Antarctic?

Senator SIEWERT—Yes. Sorry, I was not precise. I am thinking in terms of the impact on krill, whales and the local ecosystem in the immediate area.

Mr Riddle—It would be too much to extrapolate to this finding of warming definite proven links to changes in the ecosystem at the moment. Those links are not yet established. In fact, the rebid for the Antarctic Climate and Ecosystem CRC includes one major theme, being one out of four themes, which is ecosystem processes. That is very specifically to understand the impacts of climate change processes on the living systems in the Antarctic.

Senator SIEWERT—How soon is some of that research likely to become available?

Mr Riddle—Scientists have a great imperative to get their science out as soon as they can, but of course it goes through a rigorous peer review process. The science is continually being published.

Senator SIEWERT—I have another specific question but not about climate change.

Senator BIRMINGHAM—Senator Siewert has covered most of those climate change issues fairly well, but, in terms of the difference in measured changes across the continent on the different sides, what reasons do we understand for those differences, or is it related to ocean currents or other factors?

Mr Riddle—It is a very complex system. The Antarctic Peninsula is a maritime environment compared with the main body of the continent, which is a continental climate. There are major differences, as we know, between maritime and continental climates. The maritime environment is more influenced by changes in the marine system, and the Antarctic Peninsula is in fact surrounded and quite intimately connected to the marine system. Much of the continent is in fact very remote from the oceans around Antarctica.

Senator BIRMINGHAM—Many have looked at the Arctic region and pointed to fairly dire consequences as a result of climate change in that region, and yet commentary has been a lot more mixed in regard to the impact on the Antarctic. Has the evidence that you have given to Senator Siewert put paid to those points of difference or are the issues facing the Arctic still more dire, if we can put it that way, than those facing the Antarctic?

Mr Riddle—The Arctic is very different from the Antarctic in a number of ways. The Arctic is an ocean surrounded by land. Much of the land area north of the Arctic Circle is seasonally ice-free. Only 16 per cent of the land in the Arctic is covered by a permanent ice shelf, and that is mostly in Greenland. There is clear evidence that the ice shelf is retreating. The Antarctic is perhaps the opposite of that. It is a land continent surrounded by an ocean. Only 0.4 per cent of the Antarctic is seasonally ice-free. The ice sheet there covers more than 99 per cent of it. In places it is four kilometres deep. There is a significant inertia, if you like, to change there, but if and when the momentum starts there will be a significant force continuing that change.

Senator BIRMINGHAM—I have other questions, but I am happy to defer back to Senator Siewert.

Senator SIEWERT—I would like to talk about the *Aurora Australis* and its use by the Japanese to resupply their base. Has that been undertaken and completed?

Ms Maddock—It came back from Hobart last Friday.

Senator SIEWERT—How long did that process take? When did it start?

Ms Mudie—The ship departed on 27 December and arrived back on Friday, 19 February.

Senator SIEWERT—My recollection from when we previously met was that there were a number of projects that were going to be undertaken both by Australian and Japanese teams. Were those projects completed?

Ms Mudie—That is correct. Dr Riddle could give you some detail on the particular projects that were undertaken.

Senator SIEWERT—That would be most appreciated.

Mr Riddle—The science on the voyage was made by a principal research scientist of the Australian Antarctic Division. He has led the development of the tool, the continuous plankton recorder, and has very successfully got a number of international partners in a program of deploying the continuous plankton recorder through the southern ocean. This is giving very important repeat data over the same transects for a period of 15 years now, which is providing us with some of the most rigorous information for understanding how the Southern Ocean is changing at the base of the food chain.

Senator SIEWERT—What has it been showing?

Mr Riddle—It has shown that there has been a change in the nature and make-up of the plankton communities over this 15-year period.

Senator SIEWERT—Is the change positive, negative or you do not know?

Mr Riddle—It is hard to put a value judgment on changes in plankton communities, but the information that there is change going on is absolutely essential to understanding the

system. One of the major problems with understanding climate change and its impacts is understanding the scale of natural variability, both between years, between decades and longer. This sort of data is one of the key ways of understanding that natural variability and being able to identify against the background of that natural variability what may be trends associated with climate change.

Senator SIEWERT—I am not a plankton expert, it might surprise you to know! When you say ‘changes’, have there been any decreases? Just what do you mean by ‘changes’?

Mr Riddle—There has actually been a shift in the structure of the plankton communities in some areas away from the crustacean based communities to the gelatinous species.

Senator SIEWERT—That obviously has an impact on the whole food chain?

Mr Riddle—That has the potential to impact on the whole food chain, absolutely.

Senator SIEWERT—I presume there were other projects undertaken?

Mr Riddle—The CPR, the continuous plankton recorder, was deployed on a number of occasions. There were other plankton nets deployed at specific sites. There were also physical and chemical parameters measured to understand the environment that these biological samples were being taken from. Some krill were collected for the Australian Antarctic Division’s krill aquarium for ongoing studies there.

Senator SIEWERT—Were those joint projects carried out between you and the Japanese or did you carry out separate projects?

Mr Riddle—As I understand it, they were joined. I understand that most of the marine scientists involved on the voyage, doing the hands-on work, were Australian scientists, but this is a collaborative project.

Senator SIEWERT—From our previous estimates it was not clear whether there were going to be two separate lots of research done or it was going to be a joint project.

Ms Maddock—We were aware of that and we were very conscious of making sure that we could be as clear as possible today.

Senator SIEWERT—It is much appreciated; thank you.

Senator IAN MACDONALD—Ms Maddock, I see that you are the director—congratulations on your appointment. I have a long association with the AAD, and I have not seen you around. Where do you come from?

Ms Maddock—I think I was here most recently representing Screen Australia, which may seem an odd segue.

Senator IAN MACDONALD—There are lots of marvellous films about the Antarctic.

Ms Maddock—But my full-time position was previously as Deputy Chair of the Communications and Media Authority. I think I am at the Antarctic Division for my managerial experience rather than my regulatory experience.

Senator IAN MACDONALD—I was going to ask about that. Ms Mudie, are you new, too?

Ms Maddock—No, Ms Mudie has been there for several years.

Senator IAN MACDONALD—But you do not have a background in science?

Ms Maddock—I am an economist.

Senator SIEWERT—We will not hold that against you!

Ms Maddock—I am proud of it.

Senator IAN MACDONALD—You are all based in Hobart, which is, I understand, why we have rearranged things to get to you.

Ms Maddock—Yes, and I have just moved to Hobart from Sydney so I am very conscious of the difficulty of getting to and from Hobart compared with to and from Sydney.

Senator IAN MACDONALD—You have inherited a magnificent organisation, I might say—an organisation that does magnificent things in science and otherwise, but you know that. This is slightly off centre, but what is the position of the division's support for ANARE?

Ms Maddock—I do not know. I will pass that to Mr Wooding.

Mr Wooding—I am relatively new, too, but as I understand it ANARE, Australian National Antarctic Research Expeditions, was the former name. That is basically what we are. We are the successor to that. In fact, it is a fairly unbroken stream.

Senator IAN MACDONALD—I really meant the ANARE Club. I understand they are getting some support from the division—minimal but significant just the same.

Mr Wooding—Yes, I know there is. I am terribly sorry; I do not have those figures with me, but I can get them on notice. I understand there is some support there. I am not sure of the precise nature of it.

Senator IAN MACDONALD—The last time I was talking to some of them they were sort of expressing to me a concern that the great tradition and histories of the expeditioners of old was parting company with the division, which would concern me. Perhaps I have got that wrong. Can anyone comment on that?

Ms Maddock—I could start by saying that, although very new, I am very conscious of those traditions. We will find out the information you want on notice. Although I have been in the job for three weeks I indeed spent the first week with Dr Gunn down at Casey Base, so I have become fully aware—or as far as you can in a week—of the conditions and the work et cetera being done down there, to ensure that we do not neglect our traditions and the real role we play on the ice.

Senator IAN MACDONALD—The ANARE Clubs are groups of former expeditioners, some of whom are quite elderly now, with an enormous wealth of experience. It would be unwise not to take advantage of that every now and again. There is a huge expertise there.

Ms Mudie—We try to provide one space on the ship per year to take one of the ex-ANARE members. Every year around mid-winter they have a number of functions, which a number of the executive attend. I have done two of those to date. There are some opportunities that we would like to explore in terms of how we might utilise the experience of that group in terms of education. That is something I have yet to talk to Ms Maddock about.

Senator IAN MACDONALD—That is good. I might be wrong, but I seem to recall that you somehow assisted them in some resources at times for their various functions but that that was sort of drying up. Did someone tell me that?

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

Senator IAN MACDONALD—Okay. The aircraft is now operating successfully, I understand, after 20 years of trying.

Ms Mudie—In fact, it landed about an hour ago back in Hobart.

Senator IAN MACDONALD—The minister invited me to go, but I was not able to. Did you go, Senator Birmingham?

Senator BIRMINGHAM—Yes, I did. I can report the aircraft is working very satisfactorily.

Senator IAN MACDONALD—Excellent. I can ask you the rest of the questions I was going to ask about that! The supply ship still does the bulk of the heavy lifting, but the scientists—and one or two politicians—go in and out more quickly and time sensitively—

Ms Mudie—That is correct.

Ms Maddock—Senator, we utilise both means. We have scientists going on the ship as well as by the aircraft, and indeed coming out the same ways as well. It is a mix and match according to needs.

Senator IAN MACDONALD—The Mawson's Huts Foundation, a private philanthropic group, has always received some funding from the federal government. What is the extent of their support in the last financial year?

Mr Wooding—In 2007-08 they received a \$1.3 million grant from the federal government, which was meant to cover activities for the next two financial years. So there is no actual funding this financial year, but there is still the continuation of that funding from 2007-08.

Senator IAN MACDONALD—So it was a two-year grant?

Mr Wooding—A three-year grant. It was a grant in one financial year to them, because they are a charitable trust to help them with their next three years of activities.

Senator IAN MACDONALD—How does that compare with what they were receiving before that? Do you have those figures?

Mr Wooding—My understanding is that they received \$300,000 in assistance as start-up funding prior to that. They are primarily an organisation that is intended to raise private charitable donations, but they had this assistance early on and then this further grant of \$1.3 million to enable them to undertake activities for the three years.

Senator IAN MACDONALD—I think they regularly received financing; every budget they would be the recipient of money.

Mr Wooding—I am not aware of that. I am only aware of that \$1.3 million, and I think it was \$300,000 before that. If I find there was more before that I will—

Senator IAN MACDONALD—Don't worry; I can assure you there was. I was personally involved in much of it.

Mr Wooding—As I understand it, they sort of went into abeyance for a while and were then resurrected, so maybe there is a—

Senator IAN MACDONALD—With the financial situation as it is within Australia at the moment—and I have not spoken to anyone for a while—I anticipate that their ability to draw corporate funding will be severely limited in the not-too-distant future and yet, as you know, they do a fantastic job with one of Australia's most significant heritage sites in the Antarctic. Have they approached the division or perhaps the department for some additional assistance into the future?

Ms Maddock—They are still in the midst of the three years covered by their existing grant. It would not be to us that they would come for additional funds.

Mr Early—We will get back to you on notice if that is not correct.

Senator IAN MACDONALD—Minister, I wonder whether you could pass on to Mr Garrett that, if there are any requests that come along, they might be sympathetically considered in view of the fact that it is a charitable organisation that does fabulous work. I just guess they will be struggling with corporate donations this year and, if they do come, I am sure Mr Garrett would sympathetically consider any support in view of the work they do.

Senator Wong—I will be sure to pass it on.

Senator IAN MACDONALD—Thank you.

Senator BIRMINGHAM—Ms Mudie, during the time I spent with you in Hobart, in the absence of the *Aurora* you were preparing a major load of cargo to be shipped to the different bases. Did that shipment and unloading all proceed smoothly?

Ms Mudie—Yes, it did. In fact, I can get you the date it is due to return.

Ms Maddock—I think the ship is on its way back.

Ms Mudie—It is on its way back and is due to arrive on 6 March.

Senator BIRMINGHAM—That is good to hear. So there has been a positive latter half of the season for you compared to a more challenging first half?

Ms Mudie—That is correct.

Senator BIRMINGHAM—Whilst this may be an unusual question to ask given the experience Senator McEwen and I had during January, I have noted increasing commentary about tourism to the Antarctic. I am sure it occurs more around the peninsula than elsewhere. What issues has the AAD identified with regard to the increase in Antarctic related tourism and these matters that are under discussion as part of discussions between treaty countries and others?

Ms Mudie—Certainly Australia regards Antarctic tourism as an appropriate use of Antarctica provided basically that it is conducted in a safe and environmentally responsible manner. With regard to work in the Antarctic Treaty System, as you are probably aware all tourist activities must undergo an environmental assessment before they can proceed to Antarctica. There is no sign of these carefully managed activities causing any environmental impacts at this point in time. Australia is concerned about incidents, but they are mainly off the peninsula area, not off the east Antarctic region. It is my understanding that the Antarctic

Treaty parties will be discussing tourism at the next Antarctic Treaty meeting in Baltimore, which occurs in April this year.

Senator BIRMINGHAM—As to the conditions that must be adhered to for tourism to Antarctica, remind me again of the definition of Antarctica. It is not necessarily jumping off a ship and traipsing around the peninsula. I assume it is actually Antarctic waters to some extent for the number of ships that are undertaking cruises.

Ms Maddock—South of 60 degrees.

Senator BIRMINGHAM—Yes.

Ms Maddock—I am getting with the jargon.

Senator BIRMINGHAM—Indeed, very good. Let me also congratulate you. When you sat down it took me a moment to work out where I had last seen you. I have seen you a few times, so we have now deduced. Do the treaty parties maintain accurate data and statistics of the increasing volume of tourism?

Ms Maddock—Certainly on the large majority of tourists. I think there were some 13,000 in 2007-08. They have actually got those figures. The Antarctic Treaty System keeps those figures.

Senator BIRMINGHAM—The treaty, of course, is administered by—

Ms Maddock—The secretariat.

Senator BIRMINGHAM—What type of growth rate has there been?

Ms Maddock—Can we come back to you on that, please?

Senator BIRMINGHAM—Certainly.

Mr Riddle—During the season 1999-2000, that was the first time the figures exceeded 20,000 visitors, and I believe the figures for 2007-08 are 46,000.

Senator BIRMINGHAM—So there has been a growth of at least 26,000 since 2000.

Mr Riddle—Yes.

Senator BIRMINGHAM—Are there particular protocols under the treaty relating to tourism?

Ms Mudie—There are requirements for them to be assessed. Every single voyage that goes down south needs to be assessed by the country that they apply to. As I said, most of them come out of the Antarctic Peninsula area, but some of those are in fact Australian operators. But other countries operate as well and they go through a rigorous assessment process before they are permitted down south.

Mr Riddle—Tourism is not treated as a different activity compared to any of the other activities in terms of its coverage under a protocol. It comes under the Madrid protocol and is regulated in the same way that all other activities are regulated under the Madrid protocol through the Antarctic Treaty System.

Ms Mudie—Australia has participated in intercessional work on passenger vessel safety, and that is going to be continued in the consultative meeting in Baltimore.

Senator BIRMINGHAM—That is where I was going next. I seem to recall at least one shipping incident that required some intervention or rescue. Given the increased level of passenger shipping and tourist shipping occurring below south 60, what consideration is being given to the rescue requirements and capabilities? Who meets those?

Ms Mudie—Would you clarify your question?

Senator BIRMINGHAM—What sort of consideration is being given to the rescue requirements and emergency capabilities that exist and might be required given those significant increased numbers in tourists in what are, of course, fairly isolated waters?

Ms Mudie—As I mentioned earlier, it is certainly on the agenda for Baltimore, because there is some concern particularly about the size of vessels that go down and therefore, if there is an incident, what the rescue requirements are. That would be fairly high on the agenda for the Antarctic Treaty meeting in April.

Senator BIRMINGHAM—Has the division had any approaches to assist with whaling surveillance or operations during the current whaling season?

Ms Mudie—No, we have not.

CHAIR—Thank you, Senator, and I would also like to send my best wishes to the krill at Kingston. Thank you very much for appearing before the committee today.

Proceedings suspended from 3.43 pm to 4.00 pm

CHAIR—We will commence now with output 1.2, Conservation of the land and inland waters. Would the relevant officers come to the table, please? I call on Senator Siewert to commence questioning.

Senator SIEWERT—Can I clarify whether we are doing wetlands here or in ‘water’? I am happy to wait and do it in water.

Senator Wong—Would that be all right?

Senator SIEWERT—Yes, absolutely.

Senator Wong—Thank you.

Senator SIEWERT—I heard it announced on the radio that spare funding from Caring for our Country for this financial year will be put into rehabilitation as a consequence of the fires in Victoria. Is that correct?

Ms Rankin—Yes, that is correct. We have a number of projects, such as communications, monitoring and evaluation, whose budgets have not been fully allocated this year. Our intention is to use that money to, I guess, help provide some support for bushfire recovery in Victoria.

Senator SIEWERT—Roughly how much is that?

Ms Rankin—The ministers have announced a relief package of more than \$5 million and they are currently considering how much the total package will be.

Senator SIEWERT—Has that \$5 million come from Caring for our Country? I think I have misunderstood what you have just said. What is the total package?

Ms Rankin—A final figure for the total package is still to be decided. The ministers have certainly decided that it will be more than \$5 million, which we have currently identified as coming from, as I said, unallocated money for communications, monitoring and evaluation in the Caring for our Country 2008-09 budget.

Senator SIEWERT—Is the \$5 million coming out of that?

Ms Rankin—Yes.

Senator SIEWERT—Are we still waiting for an announcement on the final amount?

Ms Rankin—That is right.

Senator SIEWERT—I am not suggesting for a moment that money should not be going to dealing with rehabilitation in Victoria, but I am also looking at the money that is left unspent in terms of communications, monitoring and evaluation. Was your intention originally to allocate that money to those programs, or is it that the number of applications you had was not enough to use that funding?

Ms Rankin—No. That money was indicatively allocated for expenditure on communications, monitoring and evaluation. In this first year we have found that it has taken longer than expected to get up to speed with spending funding on some of those issues. For example, we are still working on finalising a Caring for our Country monitoring evaluation strategy. Once that has been finalised and we have had the opportunity to discuss that with the states and the regions, we will be able to fully ramp up expenditure under that component. But, in its first year, we had probably phased the funding expenditure at too high a level.

Senator SIEWERT—So the plan is still to roll out a comprehensive monitoring evaluation program; it is just that now it is phased into the forward years.

Ms Rankin—That is right, yes.

Senator SIEWERT—You have just said that you are finalising the plan for monitoring and evaluation. Firstly, when is it going to be finalised; and, secondly, is it going out for some sort of consultation process or is it considered to be done and dusted when it goes out?

Ms Rankin—We already have an NRM national monitoring and evaluation strategy, so what we are developing at the moment is the detailed Caring for our Country one that sits within that national framework. At the moment, we are certainly hoping to have that finalised within the next couple of months; that is my understanding. We are talking to the states about that as part of the cooperative agreement bilateral discussions we are having with them for the post-transition-year phase of Caring for our Country.

Senator SIEWERT—What about with regional groups and other stakeholders?

Ms Rankin—I will ask Mary to answer your question about consultation. She has been more closely involved in that than I have been.

Ms Colreavy—We have some consultants engaged working on the MERI strategy for Caring for our Country. MERI is the monitoring, evaluation, reporting and improvement strategy; that is the name widely used for it. We have promised regions and all of our stakeholders that there will be opportunities for consultation on the strategy. We expect to receive a draft from our consultants at the end of this month. We will look at that internally

and initially, probably in the first two to four weeks, have some discussions within government. We will be taking that out fairly quickly thereafter to the states and the regions.

As part of the exercise, we have required the consultants to provide us with a consultation strategy and we are working through that with them. We have not yet finalised the details of that consultation strategy, but we are very, very keen that there be as much opportunity as possible for all relevant stakeholders who might be required to implement that strategy to have a say in it. So we are planning to have quite detailed consultations. The aim is to finalise the MERI strategy for Caring for our Country by about the end of May so that we know what requirements should be included in future contracts. Any contracts let out under the 2009-10 business plan will incorporate some components of the requirements we have in order to fulfil what is needed under the MERI strategy.

Senator SIEWERT—Can we go to where we are up to with allocations for regional groups for the next financial year. When are the applications for the next round—we are now talking of 2009-10—going to be called for, or have they been called for already?

Ms Rankin—Have they been called for? Yes, the business plan calling for those applications was released in November last year.

Senator SIEWERT—You say that the business plan has been released, so that would have been when applications were actually called for.

Ms Rankin—That is right.

Senator SIEWERT—I presume they have gone in.

Ms Rankin—No. We originally set a closing date of 6 March for the applications. At the time they agreed to allocate what I suppose is the bushfire relief package, the ministers—in light of the situation that a lot of the regions in Victoria and North Queensland, with the flooding there, were finding themselves in—decided to extend the deadline for all applications until 3 April.

Senator SIEWERT—What is your deadline for getting back to regional groups?

Ms Rankin—I am sorry but, just to clarify what we are talking about, the business plan allows anybody to apply for funding, including regional groups and other stakeholders out in the community; that is industry groups, Landcare groups or anybody who wants to apply for funding. The process will be that ministers will still be aiming to advise successful recipients of funding by June this year.

Senator SIEWERT—Can we return to the thorny old issue of how much regional groups are guaranteed. Regional groups overall get 60 per cent. Of the funding, there is a guarantee of 60 per cent for regional groups, but not per regional group.

Ms Rankin—That is right.

Senator SIEWERT—As of this new financial year, what bottom line can regional groups expect; is there any?

Ms Rankin—Yes. We have advised regions, I think in the last week, of all of their guaranteed regional allocation for the next four years. So each region knows exactly what

guaranteed baseline funding they will receive from Caring for our Country over the remaining years of the Caring for our Country program.

Senator SIEWERT—Can you tell us what that is and how it was decided?

Ms Rankin—Do you want me to go through all 56 regions?

Senator SIEWERT—I appreciate that I am not going to take up the limited amount of time we have with you going through each one. Is it possible for that list to be tabled?

Ms Rankin—It is, yes.

Senator SIEWERT—Could you then tell us the basis on which those decisions were made?

Ms Rankin—Certainly. We went through a process of using a range of criteria, including the fact that we understand that each region needs a minimum threshold level of funding to continue to operate. So, based on historical averages, we worked out the fundamental core operating costs that would allow a regional body to survive. Then we looked at overlaying the priorities and targets, outlined in the Caring for our Country business plan, around the regional boundaries in order to get a sense of how many targets and priorities fell within each region. We also looked at an assessment of each regional body's capacity to deliver projects that would contribute to meeting those targets and priorities and, I guess, at their level of preparedness to deliver projects that were aimed at achieving that. So we used a range of criteria like that. We consulted about those criteria with regional groups and with our state agencies and co-chairs on the joint steering committees. Then we applied those and had discussions with the ministerial board, which made the final decision.

Senator SIEWERT—So the ministerial board made the final decision on who got what?

Ms Rankin—They did, yes.

Senator SIEWERT—Who did the assessment for each region; was it the department, or did you have an advisory board as well?

Ms Rankin—Largely that was done with our internal state teams within the department.

Senator SIEWERT—So you did not have stakeholder involvement in that decision making?

Ms Rankin—We had stakeholder involvement to the extent that we discussed with them the broad principles that we were going to apply but not to the extent of going out and consulting with them about how those particular criteria were applied in each region.

Senator SIEWERT—Was there a minimum baseline that everybody received?

Ms Rankin—The final decision was that no region would receive less than 50 per cent of its historic average allocation and no region would receive more than 100 per cent of its historic average allocation. So all of the regions have been guaranteed an allocation somewhere within the range of 50 to 100 per cent of their historic average.

Senator BIRMINGHAM—How is that historic average calculated? Is that a five-year history?

Ms Rankin—Yes. It is a five-year history based on the combined funding between NHT2 and a NAP, a national action plan.

Senator SIEWERT—For those regions that have a NAP.

Ms Rankin—For those regions that have NAPs.

Senator SIEWERT—How is that information presented in the table that you can provide us with? Can we see from that table which areas or regions have decreased their funding or stayed the same?

Ms Rankin—We can provide that information in whatever way you would like it. We could provide you with the historic average allocation by region and their guaranteed regional allocation.

Senator SIEWERT—That would be much appreciated. I understand that those regions can still apply for other rounds of funding for additional projects. Is that correct?

Ms Rankin—That is right, yes.

Senator SIEWERT—It is competitive, so they can apply in the same way that anybody else can apply.

Ms Rankin—That is right.

Senator SIEWERT—You informed the regions last week what their ongoing funding will be for the next four years.

Ms Rankin—Yes.

Senator SIEWERT—What is the process then for them applying in the normal competitive round? Have they applied for it, or will they now apply for it and they will have until 3 April?

Ms Rankin—They would apply through the business plan; they would put in a response to the business plan in the same way as everyone else would. They would submit a Caring for our Country application. That would encompass both what they intend to spend their guaranteed regional allocation on as well as the additional amounts that they are applying for out of the remaining competitive pool.

Senator SIEWERT—Who will be assessing those applications for the remaining competitive pool?

Ms Rankin—There will be quite a complex assessment process because we are assessing a broad range of activities, as you are aware, ranging from National Reserve System projects to Indigenous protected areas, Coastcare projects and Landcare projects. We intend to have a mixture of some initial departmental assessment to make sure that people are complying with the criteria that have been set out in the application form and guidelines. Then we will go to a range of different independent expert panels and community based panels for some of the different types of projects.

Senator SIEWERT—Is that based on whether it is Coastcare or private and so on?

Ms Rankin—Yes. There is a mixture of different types of panels largely depending on what types of projects are being assessed. For the Coastcare projects, particularly for the

small-scale Coastcare ones, we will be looking at using community Coastcare panels, as we did for the transition-year round. For the provision of advice on the larger scale expressions of interest projects, such as larger scale Coastcare projects, we are looking at using a more scientifically based independent expert panel. But we will be bringing it all back together so that we can make an overall assessment across the whole program of where the relative priorities for funding should be.

Senator SIEWERT—Are state governments able to put up applications without involving community based organisations or without having either industry or community partners?

Ms Rankin—They can, yes; but we have certainly tried to make it clear in the guidelines and the business plan that we will be giving quite a lot of weighting to proposals that are developed in partnership with community groups and industry groups and that show a strong sense of partnership in delivery across regions and communities.

Senator SIEWERT—Apologies for this, but can I jump back to the monitoring and evaluation process? Is it envisaged that, out of that pot of funding, there will be big projects funded for monitoring and evaluation? That MERI paper will not be finished until the end of May. What will be the process for implementing that specific part of Caring for our Country; how will it be rolled out?

Ms Colreavy—All proposals under the business plan are requested to include a plan for monitoring and evaluation as part of the proposal and to be costed as part of the budget. So it is expected that individual activities and things that are funded will include a monitoring evaluation component and will be funded as part of the overall costing of that activity. We have a separate budget that we administer for managing the overarching MERI program and for undertaking specific activities at a national scale that we believe should be done. To do those, we use different techniques, depending on what they are. For example, if we are gathering baseline data that will be made available for other people to use to assist them in monitoring future projects, we would go out to tender or go to internal consultants' lists or whatever that we have to do that sort of work, if that is what we are doing. It depends on the nature of the activity.

Senator SIEWERT—My concern is that the MERI paper will not be ready until the end of May and, as we all know, one of the long-term issues with all the previous programs we have always had for Landcare and resource management et cetera has been monitoring and evaluation. That was one of the things that came out of the Audit Office report. With the projects that are coming in now and being assessed in this round being done outside of the consultation process or the monitoring and evaluation framework, how are you going to make sure that the projects—we are talking about some pretty big projects here—will be consistent with that national approach? What is different about how it will be done this time from how it has been done for the last 25 years?

Ms Colreavy—The proponents submitting to the 2009-10 business plan have been referred to the overarching NRM MERI framework; so all of our work is cascading down that. That is the big picture framework. Most of our proponents are familiar with that and directions on how to use that are accessible via the web. The Caring for our Country MERI strategy will be consistent also with that. The essential difference in the work that we will be doing now is in

identifying the specific elements that we require measurement and recording of and how they can be rolled out. So we will be looking at what things we need to measure for each target and how they will roll up to report against the five-year outcomes for Caring for our Country. So a lot of work is happening around standards of data: how things should be measured and what are the correct things to be measured. You can measure lots of things, but obviously we do not want to measure a huge plethora of things; we need to choose the best measurements. That work is happening now.

Senator SIEWERT—I appreciate that, but surely that is what the projects are going to measure. Will there be a process whereby applicants understand that they may well need to refine their monitoring and evaluation program in line with the outcomes from the MERI process?

Ms Colreavy—For some projects, there may be a little bit of work done on what they will measure and report on when we negotiate the final contract with them. We have talked about this in our consultations with people when we have gone out with the road shows. I do not think it will be a major problem. I think it would have been more desirable to have had that MERI strategy in place already. Because of the time frame and the quick turnaround, we were not able to do that; so we have been doing it simultaneously. But we do believe that we can put that into effect through the contracting process at the start of those projects. It should not impact adversely on proponents at all.

Senator SIEWERT—Can we go back to regional groups. Have any major geographical areas had a significant decrease in their percentage of funding against their historical average? Are there any that are closer to the 50 per cent than to the 100 per cent?

Ms Rankin—There are certainly regions that are closer to 50 per cent than to 100 per cent, yes.

Senator SIEWERT—Which ones are they?

Ms Rankin—There are a couple of regions in New South Wales. They tend to be mixed across each of the different states. For example, the Namoi region in New South Wales is at 53.7 per cent; Burdekin in Queensland is 52.5 per cent; and Northern Rivers is at 58.5 per cent. I can go through all of them, if you would like me to. Glenelg Hopkins in Victoria is 50.8 per cent.

Senator SIEWERT—Is that because they do not have priority issues in their region?

Ms Rankin—Mainly it comes down to the assessment we did, as I said, overlaying the combined assessment of the baseline regional funding operational costs plus overlaying the priorities and capacity to deliver on targets against Caring for our Country and the assessment of their capacity to undertake activities that would help us achieve our targets in the time frame applied. Also, obviously one of the historical issues that we have been grappling with is the significant disparity between some of the regions that did receive significant amounts of money versus those that did not. To some extent, we are aware that some of the Queensland regions in particular are also getting significant amounts of money, for example, through the Reef Rescue package. This does not include funding that they are getting from those other sources.

Senator SIEWERT—Can you tell me about my home state, please?

Ms Rankin—The Avon region in WA is getting 56.9 per cent; Northern Agricultural region is getting 56.7 per cent; Rangelands is getting 80.9 per cent; South West is getting 54.5 per cent; South Coast is getting 55.4 per cent; and Swan is getting 64 per cent.

Senator SIEWERT—So all of Western Australia has taken a substantive cut.

Ms Rankin—I would not say that it is any more substantive than other states.

Senator SIEWERT—Every single one of our six regions, which you have just mentioned, have taken nearly a 50 per cent cut—except for Rangelands, which is 80 per cent, but they did not have a lot to begin with. I am going to be parochial now. In Western Australia, that is a substantive funding cut for every region except Rangelands. I presume they will get funding from the IPA program. That is not included in that, is it?

Ms Rankin—No.

Senator SIEWERT—Does that mean that WA has copped a cut overall from Caring for our Country, or is it anticipated that there will be a higher percentage allocation on some of the other projects?

Ms Rankin—It is hard to make a decision about whether jurisdictions are having a cut overall or not because it is dependent on the quality of projects that come through the competitive business plan process. We certainly expect WA to be very competitive in responding to the business plan, when you look at some of our targets and outcomes there. Particularly in relation to significant biodiversity hot spot areas, we have an area of high priority identified up around the Kimberley area as well as a target area for action. A range of other targets would also fall within Western Australia that you would think would be very competitively placed to apply for funding under the business plan. It is pretty hard to make an overall assessment about how well different jurisdictions are doing or not doing, particularly as we only have the transition year funding to assess it on at this stage.

Senator SIEWERT—In terms of the competitiveness of the projects?

Ms Rankin—Yes.

Senator SIEWERT—What did WA get for the transition last year?

Ms Rankin—They got \$29.42 million overall as their guaranteed regional allocation compared to a historic average annual allocation of \$40.5 million. I do not have a percentage figure for that; I am sorry.

Senator SIEWERT—That is quite a drop from the historical allocation.

Ms Rankin—It is a drop from \$40.5 million to \$29.4 million, yes.

Senator SIEWERT—That \$29.4 million was the transition compared to the previous allocations under NHT and NAPP.

Ms Rankin—That is right.

Senator SIEWERT—Just so I am clear: the \$40.5 million was NHT and NAPP alone.

Ms Rankin—Yes.

Senator SIEWERT—Would part of the reason for that drop be that salinity is no longer one of the national priorities?

Ms Rankin—There is probably a larger proportion of it. Some of the significant investments in salinity that occurred in some of those regions and some of the large-scale, I guess, infrastructure projects that were funded in some of those regions as a one-off thing do tend to skew their historic average annual allocation.

Senator SIEWERT—When you talk about infrastructure, what projects are you talking about?

Ms Rankin—Like the drainage.

Senator SIEWERT—Yes, okay.

Ms Rankin—And the \$100 million tree project.

Senator SIEWERT—Do not get me started. The time line for the allocation of the remaining money is June, did you say?

Ms Rankin—No. June will be for the announcement of successful projects from the 2009-10 business plan, and that might include funding. One of the key things under Caring for our Country is that we are obviously approving funding but for multiple years for some projects. So that might take some funding out from 2009-10 plus some of the future years as well—in the one announcement in June.

Senator SIEWERT—So, where you have two- or three-year projects, you will have forward announcements.

Ms Rankin—That is right.

Senator SIEWERT—Have you set a percentage on the amount of forward allocations you are making?

Ms Rankin—We have a sort of guideline that we are using because we obviously do not want to commit all of the future years' funding in this one year's decision-making process. I do not think I have seen it in my briefing but, from memory, something like no more than 30 per cent or 40 per cent of the 2010-11 year's funding could be precommitted this year and it scales down after that. I would have to confirm and get back to you with the specific details, but it is a guideline only.

Ms Colreavy—It is a guideline, yes; it is not hard and fast.

Senator SIEWERT—Could you this take on notice? We started talking about the different assessment panels. Rather than going through the detail now, would you be able to provide us with a list or some sort of schematic or whatever of how you intend to carry out the assessment process with the different themes and then how that will be assessed? Is that possible?

Ms Rankin—I can do that, yes.

Senator SIEWERT—I am conscious of the time.

Ms Rankin—I will not be able to give you names of panel members at this point, because we are still going through that.

Senator SIEWERT—Maybe how you are going to select those panel members would be useful, if you have decided that.

Ms Rankin—Yes.

Senator SIEWERT—Then there are the overall criteria. The assessment process is different for some of the grants.

Ms Rankin—All of the projects have to meet the same criteria that were outlined in the business plan. We have set the assessment criteria already as part of that process, so we are expecting every project to go through the same assessment process to some extent obviously, and they will have to be able to demonstrate their performance against those criteria. But clearly, if we are talking about a \$20 million project, we are going to be looking much more carefully at risk assessment and the credentials of the group that is proposing to deliver versus a \$20,000 project.

Senator SIEWERT—Exactly. It is that level of difference that I am after.

Ms Rankin—Yes.

Senator SIEWERT—Are Landcare projects going to be assessed separately, as they have been in the past when handled by Minister Burke?

Ms Rankin—Minister Burke will be making the final decision on the Landcare projects; likewise, they still have to go through the same assessment process of meeting the same assessment criteria. When you look at the schematic, you will see there is an intention to make sure that, as they go through that process, we have specific people with Landcare-related experience on the panels that are assessing Landcare projects. Rather than it going through a completely separate parallel assessment process, it will be part of the one process.

Senator SIEWERT—Essentially, they will be part of the one process, but their final decision announcement will go to Minister Burke and the rest will go to Minister Garrett. Is that correct?

Ms Rankin—Minister Burke makes the sole decision on Landcare projects; Minister Garrett makes the sole decision on National Reserve System, Working on Country and World Heritage projects; and they make decisions on the rest jointly.

Senator SIEWERT—That has just reminded me to ask about World Heritage projects. Applications for World Heritage projects go through the same process; is that correct?

Ms Rankin—Certainly that is the expectation. There is obviously an issue where we have long-term commitments, say, with Tasmania and Queensland for funding our arrangements with them in contributing to the management of the Wet Tropics World Heritage Area and the Tasmanian forests World Heritage Area. It is probably not appropriate for that to be part of the competitive process, so that is probably excluded from the business plan. But the rest will go through this process, yes.

Senator SIEWERT—What happens if you do not get in the type of applications in the priority areas that you were hoping for?

Ms Rankin—I think we have quite a lot of flexibility that will enable us to take projects and to work with proponents and to say, ‘We think you are nearly there, but it would help if

this project did these other three things as well,' or 'did not do this bit,' and maybe amend things that way; otherwise, we can be a bit more flexible about how the money is allocated across the years. So we might spend less on World Heritage next year but more on it the following year, once we have the quality of projects that we are looking for. Obviously we would take the next year to work with the people we would expect those projects to come from in order to try to make sure that we get the quality of projects and applications that we were hoping for.

Senator SIEWERT—I have one more question in this particular area. I am sorry, but I want to go back to the regional process. My understanding of the regional process is that not all groups were guaranteed their 60 per cent—last year they were but this year they are not—but there is a guarantee of 60 per cent of regional funding going to regions. Is that correct?

Ms Rankin—That is right.

Senator SIEWERT—What happens to that other part of the 60 per cent? There is another bit on top of that, isn't there? Is that the same again? I keep remembering bits of data just lying around. How is that going to be allocated?

Ms Rankin—All the rest of the money is in the Caring for our Country business plan, so it is all part of that competitive pool.

Senator SIEWERT—So, with the 60 per cent guaranteed money, some get between 50 per cent and 100 per cent. Does that mean that 60 per cent has been allocated across the groups now?

Ms Rankin—That is right.

Senator SIEWERT—It has just been shared out differently.

Ms Rankin—Yes.

Senator SIEWERT—I just wanted to check where all of that 60 per cent had been allocated. There is a dollop of money that goes on top of that, isn't there, or is that just the transition year?

Ms Rankin—No. There is a bit on top of that, but that has been included in the guaranteed baseline allocation that we have advised regions of.

Senator SIEWERT—So that is all they are going to get through that guaranteed regional process and the rest of their money now all comes from the competitive process.

Ms Rankin—That is right, yes.

Senator SIEWERT—I have other land questions, but that is probably enough from me on Caring for Country.

CHAIR—Are there any further questions on this side for output 1.2?

Senator BIRMINGHAM—As I have indicated, Chair, I am going to overwhelmingly put all of mine on notice. However, there is one I want to pursue that is a follow-on to Senator Siewert's questions and goes to the average level of funding for each of the regional groups. I know that you are going to provide the committee with a detailed breakdown of each of them, but overall can you answer this: at present on average are they receiving 60 per cent or 65 per

cent of their future baseline funding? You said that the rule was no less than 50 per cent and no more than 100 per cent. Do we have an across-the-board figure or not?

Ms Rankin—I do not think I have an across-the-board percentage; I am sorry. Obviously it all adds up to 60 per cent of the historic average funding as the dollar amount that is being shared out amongst them, but I do not have an average percentage per region.

Senator SIEWERT—I have some questions on land. I want to go to some issues around clearing. Has the federal government invested any resources into stopping broad-scale clearing of remnant vegetation; have there been any packages funded?

Mr Zammit—The way the Commonwealth has handled the broad-scale land-clearing agenda for the last six or seven years and beyond, in large part, has been through the ministerial council. We have established a remnant vegetation framework and have worked across jurisdictions through the old NHT program to encourage each jurisdiction to create legislation, if you will, for managing land clearing. Most of our momentum has been through collaborative policy at the national scale; it has not been through investment but mostly through policy.

Senator SIEWERT—Will that continue to be the approach—through policy rather than through investment?

Mr Zammit—I do not have a view on that. I am not sure.

Mr Thompson—I think that, in part, is a policy question.

Senator SIEWERT—I appreciate that; thank you. I think the rest of my questions in this area can be put on notice.

CHAIR—As there are no further questions for output 1.2, I thank the officers very much for answering questions on that output. We will now move to output 1.3: Conservation of the coasts and oceans.

[4.40 pm]

Output 1.3 Conservation of the coasts and oceans

Senator Wong—Chair, Senator Macdonald, I think, flagged earlier in the hearing that he wanted to speak about Reef Rescue.

CHAIR—Is that under 1.3?

Ms Rankin—No. It is under 1.2.

Senator Wong—Ms Rankin very politely has raised that with me too, as it is her area.

CHAIR—Senator Macdonald is not here. Perhaps you could hang around and we will try to find him.

Ms Rankin—Okay.

CHAIR—In the meantime we will continue with 1.3.

Senator Wong—Thank you.

CHAIR—Senator Barnett has questions.

Senator BARNETT—Thank you, Chair. My questions are initially to Minister Wong and concern Japanese whaling in our Southern Oceans and specifically, to start with, the raid by the Australian Federal Police on the ship the *Steve Irwin*. In estimates yesterday, Minister, you and I had an interchange and I suppose I am chasing you down and saying that ‘you can run but you cannot hide’. So here we are today, and you know the first question that I will ask because I flagged it with you yesterday. We know that two federal ministers—

Senator Wong—I have an answer.

Senator BARNETT—were made aware of the allegations from the Japanese fishing agency prior to notice being given to the Australian Federal Police; they were the federal Attorney-General and the Minister for Home Affairs. My question is: can you advise when Peter Garrett, the Minister for the Environment, was first advised and by whom?

Senator Wong—That was quite a wind-up to begin the question. Can I say I generally would hope that running and hiding would not be something that characterises our approach to these estimates committees. I did seek advice and I have been provided with the following advice: Minister Garrett’s office was informed by email from the office of the Minister for Home Affairs just before noon on Friday, 20 February. The office was informed that this matter was strictly operational and that any queries should be directed to the AFP. The office was also informed of this matter by the Department of Environment, Heritage and the Arts via email later on the afternoon of Friday, 20 February.

Senator BARNETT—From whom?

Senator Wong—I just told you that: the Department of the Environment, Heritage and the Arts.

Senator BARNETT—I did not get your last point. The Department of the Environment, Heritage and the Arts—

Senator Wong—I will read it again.

Senator BARNETT—Would you like to table it?

Senator Wong—No, because it is advice to me from the office and there are other matters on it. But I will read it again and perhaps I will do it slowly: Minister Garrett’s office was informed via email from the office of the Minister for Home Affairs just before noon on Friday, 20 February. The office was informed that this matter was strictly operational and that any queries should be directed to the AFP. The office was informed of this matter—I would interpolate there ‘also’—by the Department of the Environment, Heritage and the Arts via email later on the afternoon of Friday, 20 February.

Senator BARNETT—Thank you, Minister. Can you advise what communication, if any, the minister undertook following receipt of that advice?

Senator Wong—I am not aware of any communication of the minister as a result of that advice. I would indicate that the advice to Minister Garrett consistent with this is that the matter was strictly operational.

Senator BARNETT—I did hear that, Minister. I am asking you whether Minister Garrett undertook any communication with any other minister, including the Prime Minister; and, if so, when?

Senator Wong—I do not have that information.

Senator BARNETT—So does that mean that you are taking it on notice?

Senator Wong—I can take it on notice. I do not have that information.

Senator BARNETT—You were advised yesterday that we would be having an interchange today regarding Minister Garrett's knowledge and understanding of this matter and his actions flowing from it.

Senator Wong—I do not have details—and, frankly, nor would they be provided to an estimates committee—of every interaction between every minister in the government and the Prime Minister on any particular issue. I have given you the information you sought in the estimates hearing yesterday, which was when Minister Garrett was informed. If you have questions about whether the Prime Minister was or was not aware of this issue prior to the matter being in the media, as I said to you yesterday, they should have been raised in the Finance and Public Admin Committee in the Prime Minister's portfolio.

Senator BARNETT—Minister, I would like to know what Minister Garrett knew and what he did about it and when. It appears that you cannot answer the question.

Senator Wong—I told you that he knew about it on Friday, 20 February. My recollection is that this matter became public on the following day. We have also provided evidence, both today and yesterday, about the nature of these matters. The advice from Minister Garrett was, as per the evidence yesterday, consistent with this matter being an operational matter dealt with by the AFP; we had evidence yesterday from the Attorney-General's Department about the nature of the international obligations; and it is clear the basis on which the Australian Federal Police acted.

Senator BARNETT—Minister Garrett's office received advice and a query from a media outlet, I understand, on the day prior to it becoming public on the Saturday. Can you advise whether that is correct and what his response was to that query and any other queries he may have received regarding the allegation by the Japanese fishing agency?

Senator Wong—I do not have any information about what media inquiries were or were not made of Minister Garrett's office. It would be surprising if the matter became public and media inquiries were not made of this minister.

Senator BARNETT—So are you saying, Minister, that you are taking that on notice?

Senator Wong—No.

Senator BARNETT—You are here representing and to answer questions on behalf of the minister.

Senator Wong—What is the question in relation to the minister's portfolio?

Senator BARNETT—Indeed, it is.

Senator Wong—No. What is it?

Senator BARNETT—The question is: did he receive a communication from a media outlet or any other media outlets or stakeholders regarding this matter other than the communication you have referred to in your initial answer; and, if so, when and what did he do about it?

Senator Wong—I would encourage you to try to narrow your requests there. I would have thought that, once this matter became known to the media, there would have been any number of media inquiries of Minister Garrett. If your question is whether or not there was any contact of Minister Garrett's office from the media prior to him being formally advised through the means that I have outlined, I can take that on notice. But surely you are not asking for how many phone calls the minister for the environment got after this matter became public. Clearly it was a matter—

Senator BARNETT—I am asking—

Senator Wong—I have not finished. Clearly it was a matter in relation to which there was a significant amount of media interest. If your question is how I outlined it, I will take that on notice.

Senator BARNETT—I ask you to take on notice my question: what communication did he receive from a media outlet or any other stakeholder or interested party in this matter prior to this matter becoming public?

Senator Wong—Can I make a suggestion? The correct question should be 'prior to him being advised by the Minister for Home Affairs' office'. Surely, once the matter became a matter of public knowledge and media inquiries were being made, you do not want to know every phone call that Minister Garrett's office got around it.

Senator BARNETT—No, I am not worried about that, Minister.

Senator Wong—I am just trying to assist in terms of narrowing this down.

Senator BARNETT—Okay. Let us narrow it to the time frame in which you have outlined. Can you please advise what communication he had, if any, from Japanese government officials or other key stakeholder groups related to the incident?

Senator Wong—Yes, I will take that on notice.

Senator BARNETT—Thank you.

Senator Wong—But I think the evidence yesterday indicated that it was the Australian Federal Police who were dealing with this matter; it was not the minister for the environment.

Senator BARNETT—We know it is a current operational matter; I am aware of that.

Senator Wong—But that is my point. I will take it on notice, but let us emphasise again that this is not a matter that officers at the table would be dealing with. People may be aware of it, but it is an operational matter being dealt with by the Australian Federal Police in accordance with obligations under a convention.

Senator BARNETT—Yes. Minister, last summer the Australian government sent an Australian Customs vessel, the *Oceanic Viking*, to monitor Japanese whaling in our southern oceans with a view to taking legal action to block illegal commercial whaling. However, since then, my understanding is, in terms of the actions of the government, little has occurred with

respect to taking legal action. Minister, could you please advise with respect to the evidence collected by the Australian Customs Service 12 months ago—their monitoring and gathering of that evidence was from 8 January 2008 to 15 February 2008—what has happened to that evidence; is it being used for litigation purposes; and does the government still plan to pursue litigation?

Senator Wong—I will ask Ms Petrachenko to assist.

Ms Petrachenko— Senator, we used the *Oceanic Viking* last year. We said at that time that it was to gather information for a possible court case and I think Minister Garrett has made it clear in public statements that that is still a possibility. The decision has been made to pursue all diplomatic efforts to try to put an end to unilateral scientific whaling and we are engaged in those efforts now; but the government has not put aside the idea of potential legal action.

Senator BARNETT—So my question is: why would the Australian government undertake that monitoring if they were not of the view that they would wish to pursue litigation as a matter of course? That, of course, is now over 12 months ago.

Senator Wong—That is a non sequitur. You have just had an answer which says that legal action remains an option but the government's preference is for a diplomatic solution.

Senator BARNETT—I will read some quotes from the Prime Minister and former shadow minister in the opposition going back firstly to 18 July 2005:

The Howard government must act immediately to take Japan to the International Court of Justice.

On 19 May 2007:

Take Japan to international courts such as the International Court of Justice or the International Tribunal for the Law of the Sea to end the slaughter of whales.

On 20 May 2007:

Take Japan and any other country necessary to court in the International Court of Justice in order to bring a stop to this practice.

On 20 May 2007:

Obviously that approach of international pressure through the IWC has not worked.

On 17 January 2008:

Our approach from beginning has been what do we need to do in terms of creating evidence for the construction of a possible legal case against Japan to bring a halt to commercial whaling?

And then as recently as 10 February 2008:

I know this will be a bit rocky. I understand that, but we have a responsibility here as well.

There seems a steadfast objective to pursue this matter to stop whaling in the southern oceans and specifically to follow that through with litigation. Do you wish to respond to those promises and commitments given by your Prime Minister?

Senator Wong—The government have undertaken a substantial amount of action in relation to whaling. You have correctly pointed out that evidence was collected in the last season. In December, shortly after our election, we announced a set of measures designed to encourage the end of scientific whaling. This included a demarche monitoring, as I said, of

the Japanese whaling fleet. We reinvigorated the government's efforts in the International Whaling Commission. We appointed a special envoy to engage in direct dialogue with the government of Japan. We commissioned a public report on the current status of whaling and we are examining options for international legal action. All of the initiatives outlined in December have been implemented.

Senator BARNETT—That is not so for the last option, the international legal action. That clearly has not been implemented, has it?

Senator Wong—No. We are examining options for an international legal action. It is the case that legal action remains an option. Minister Garrett's speech to the Lowy Institute indicates that our preference is for a diplomatic solution. The reason for that is that our view and Minister Garrett's view at present is that greater progress can be made and made more quickly through the International Whaling Commission. Through you, Chair, Ms Petrachenko is happy to table a copy of the Lowy Institute speech of 18 February which outlines these matters.

Senator BARNETT—Minister, you are no doubt fully aware of a statement made by Minister Garrett today regarding whaling by Iceland and Norway. He said:

The Australian government has expressed its extreme disappointment about the actions of Iceland and Norway.

It goes on to say:

The Australian government is absolutely opposed to commercial and so-called scientific whaling.

It also says:

In the same way as we condemn Japan's whaling program in the name of science, we urge the governments of Iceland and Norway to cease commercial whaling immediately.

Does it not seem hypocritical to you that on the one hand Minister Garrett is protesting loudly and profusely about whaling by Iceland and Norway but on the other hand appears entirely ineffective with respect to Japanese whaling in our southern oceans?

Senator Wong—You are asking for my opinion. Minister Garrett is being absolutely consistent with the position of the Australian government that we are opposed to whaling. That is the position he has outlined in his statement in relation to the decision by Iceland and Norway to maintain and potentially increase their annual whale harvest. It is the same position as we have taken in relation to the Japanese whaling.

Senator BARNETT—It is a little bit hard to believe that statement when you and your government have been so adamant in terms of stopping whaling prior to the election and since the election. You then had the monitoring in the southern oceans more than 12 months ago. You collected the evidence to enable litigation to commence and here we are 12 months later and nothing has happened. We see a statement from today where Minister Garrett is condemning Iceland and Norway for their actions with respect to whaling, but appears entirely ineffective with respect to Japanese whaling in our southern oceans. Who are we to believe?

Senator Wong—With respect, I am not going to believe you. You have a particular political view and you want to make a speech about that, which is fine. What I am saying to

you is that Minister Garrett and other members of the government, through the measures I have outlined, have continued to advocate and work for an end to so-called scientific whaling. That is the position of the government. We have engaged in a range of activities and, just to remind you, we have done significantly more than was ever undertaken by your government. I do not recall you pressing for these issues to be undertaken by the Howard government. We have continued to advocate that. Obviously it is not something that is easy to achieve and the Japanese position on this is well documented. Minister Garrett has continued to work, as have other ministers, through the range of means that I have outlined, to argue for an end to scientific whaling.

Senator BARNETT—I am aware that Senator Birmingham has a number of questions regarding the role of the government with regard to the International Whaling Commission and I will pass to Senator Birmingham to continue that prosecution, but I would like to say that the response from the government appears flimsy at best and hypocritical. On the one hand there is a lot of protestation and rhetoric, but on the other hand there has been little action, and certainly in terms of effectiveness it has been a dud.

CHAIR—There is no question there.

Senator Wong—There was no question, and maybe you should go outside and give a speech or hold a press conference. That is not a question. It is a statement of opinion and not one that a fair-minded observer would agree with.

Senator BARNETT—Minister, you have been obfuscating. You have been running and hiding and trying to not answer the questions. You can protest and lecture as much as you want, but in terms of getting outcomes with respect to the protection of whales, it has not been very effective.

Senator Wong—Where is the obfuscation? I think you think obfuscation means I do not agree with political assertions you make. That is not obfuscation; that is my not agreeing with political assertions you make.

Senator BARNETT—I would call it fobbing off comments, whether they be from the Attorney-General's office, the Minister Peter Garrett's office, the Minister for Home Affairs, and quite possibly the Minister for Foreign Affairs. We would like to know the view of the Prime Minister with respect to these matters.

Senator Wong—With respect, it shows some laziness on your part that when I refer you to the appropriate committee and the representing minister you describe that as obfuscation or running and hiding. If you cannot be bothered turning up to the right committees to ask those questions, then do not turn up here and just make a—

Senator IAN MACDONALD—Point of order.

CHAIR—Senator Macdonald, I will give you the call in a moment.

Senator IAN MACDONALD—I have a point of order.

CHAIR—I am just waiting for the minister to finish.

Senator IAN MACDONALD—It is about what she is saying that I have the point of order.

CHAIR—Yes, Senator Macdonald. There are no points of order at committee meetings, and you well know that.

Senator IAN MACDONALD—If there are no points of order we will just take it into our own hands and shout down this offensive minister who gratuitously insults committee members for no purpose whatsoever. Others may stand for it; I will not.

CHAIR—Senator Barnett, have you got any questions? I know Senator Siewert does have questions on whaling and we are on a tight time line. I would like to move to her if you have finished with your line of questioning.

Senator BARNETT—I take offence at the minister's comments and observations. The reason I am here today is to ask the minister. I was in a different committee yesterday; that is why I am here today—to track you down, to chase you down, and to try to get some answers. That is why I am sitting here. I find your comments offensive.

Senator Wong—I have given you the information which you sought yesterday. I have sought, obtained and provided to you today the information about when Minister Garrett was advised. That is what you flagged with me in estimates in another committee yesterday. You then are asserting in here that, because I am not telling you when the Minister for Foreign Affairs or the Prime Minister was advised, somehow I am running and hiding, when you well know that those questions need to be addressed to the ministers representing those ministers in the appropriate estimates committee because I do not represent those ministers. That was what occurred when we were in opposition. I take issue with your construction of our response when you well know that I am not here representing the Prime Minister, nor am I here representing the Minister for Foreign Affairs.

Senator BARNETT—You are here representing Minister Peter Garrett.

Senator Wong—I am, and I have responded.

Senator BARNETT—I have asked you a number of questions and you have agreed to take those on notice. You were given notice yesterday that I would be here and you are unable to answer those questions. Now you are taking them on notice.

Senator Wong—I provided you with the answers.

CHAIR—Order! Senator Barnett, that was not a question. Minister, I think you have finished your answer. Senator Siewert, do you have any questions?

Senator SIEWERT—Yes, I do. I want to go back to the issue of taking international legal action. I am aware that IFAW presented a follow-up report to their previous reports about potential avenues of international legal action. The last one, which I think was 20 January, was around the Antarctic Treaty and possible avenues under the Antarctic Treaty. My questions are: have you looked at that report, what is your opinion of that report and do you concur with the conclusions that there are potential avenues there?

Ms Petrachenko—Yes. The report that was commissioned by the International Fund for Animal Welfare is referred to as the Canberra panel report. That was received, as you said, in January. At the officials level we did have a general presentation from Professor Rothwell and others and my understanding now is that, following government practice, since it is a legal opinion it is being assessed by the Attorney-General's Department.

Senator SIEWERT—Is the department aware of any indication of how long that assessment will take?

Ms Petrachenko—No, I am not aware.

Senator SIEWERT—The minister in his speech to the Lowy Institute last week, as has been pointed out, said that legal action is still being considered. What is the time frame on the finalisation of that consideration, which has been considered for 16 months?

Ms Petrachenko—I am unaware of any time frame on that decision. As I stated earlier, the government has indicated its preference at this point in time is to pursue the diplomatic course of action and the time frame that we are working on for that is leading up to the annual meeting of the International Whaling Commission in Portugal in June this year.

Senator SIEWERT—Does the interpretation of those remarks mean that, depending on the outcome of IWC and in particular the reform processes that I am aware that the minister is pursuing, legal action may be considered after that date but will not be considered before that date?

Ms Petrachenko—No. I would not interpret it that way. I would say that the only time frame I am operating under is the IWC time frame. The government can decide at any point in time it feels it is appropriate to pursue legal action, before or after.

Senator SIEWERT—I would like to go back to the summer's whaling season. When the *Sea Shepherd* first caught up with one of the boats from the whaling fleet I understand that boat was actually in Australian waters. Is that correct? That is certainly what the *Sea Shepherd* reported and the media reported.

Ms Petrachenko—I do not have any information on that.

Senator SIEWERT—Who would have that information?

Senator Wong—I am just not sure whether there would be an Australian department that would have that information. As we previously indicated, we are not monitoring this season so we would not have had vessels in the vicinity.

Senator SIEWERT—The problem here is that late last year the government was fairly clear that the Japanese whaling fleet this season would not be in Australian waters.

Ms Petrachenko—The Japanese whaling fleet is not allowed in Australian waters under the EPBC Act. If we talk about the waters that are under Australian Antarctic Territory then that is the issue. With the incident that you are talking about when the Sea Shepherd Conservation Society and the *Steve Irwin* encountered the Japanese whaling fleet, I am not aware whether they were in Australian Antarctic Territory waters.

Senator SIEWERT—I want to go back to the issue that the minister was reported in the media—I must admit I am taking at face value what the media said—that the fleet would not be in Australian Antarctic Territory waters either, that it would be in the Ross Sea and that they vary seasonally between Australian Antarctic waters and the Ross Sea. Therefore, there is a notion that Australia did not have to be as concerned this time; we did not have to send monitoring vessels because they were not going to be in the extended version of our waters.

Was that correct? I thought the Japanese did inform us—and that was part of the plan that goes through IWC—when they are going to be in Australian Antarctic waters. Is that correct?

Ms Petrachenko—I commented at previous estimates that with the plan that goes forward under their JARPA program, which is the so-called scientific whaling program they do unilaterally, they give an indication of their ‘research plan’ for a number of years of which area of the Antarctic they will be in. They indicated to all members of the IWC in that research plan that they would be focussing their efforts on the Ross Sea.

Senator SIEWERT—Reports from the Sea Shepherd, which I have not seen the Japanese contradict, stated that they ended up in Australian Antarctic waters.

Ms Petrachenko—I do not know whether that is true.

Senator SIEWERT—How does Australia normally find out? Now we do not even know if they are in our waters.

Ms Petrachenko—The department of the environment does not do monitoring of activities in our waters.

Senator SIEWERT—How do we find out whether they were in our waters, if they were taking whales, and how many whales they took?

Senator Wong—In the absence of monitoring or surveillance we would not be aware of any particular vessel being in Australian waters.

Senator SIEWERT—Will we be asking the Japanese whether they were in our waters and how many whales they took?

Senator Wong—I would have to refer that question to Minister Garrett, unless Ms Petrachenko can assist. In relation to my last answer, obviously the point is that if there is no particular monitoring then we would not necessarily be aware. Of course Australia’s Defence, customs and other services may well be monitoring. I do not have any information on that point. I can take that on notice and see if I can provide anything to you. In relation to your second question, which is whether the government is going to seek information from the Japanese, I will have to take that question on notice. I think I recall a media report to the effect that assertion was made about the Japanese being in Australian waters, but I was not otherwise aware of it.

Senator SIEWERT—Sea Shepherd discovered them in Australian waters. There are a number of areas of concern. There is the fact, if they are, the Japanese said that they were not going to be in our waters.

Senator Wong—We understand the point. I will take that on notice.

Senator SIEWERT—That is one of the purported reasons why you did not send monitoring vessels down, that they were not going to be in our waters, and now they are. I would like to know how long they were there and what they took, if anything, from Australian waters? If you could take that on notice, that would be appreciated.

Senator Wong—I will.

Senator SIEWERT—I would like to touch on the IWC process. As I understand it, in Minister Garrett’s speech to the Lowy Institute he said that Australia is opposed to

commercial whaling of any form and is opposed to any proposal from the IWC in terms of swapping out of southern oceans into any coastal water whaling. Is that a correct interpretation of what the minister said?

Ms Petrachenko—Yes.

Senator SIEWERT—Why are we remaining in these negotiations if that is the proposal on the table?

Ms Petrachenko—It might be helpful if I outline where we are at in the process under the auspices of the IWC. I need to emphasise it is a process. Last year at the annual meeting of the IWC the commission agreed to put in place a small working group to discuss the future of the IWC. That working group met, which comprises about 30 members of the IWC, which has 80-member countries. Thirty countries met and at that time 33 issues about the future of the IWC were put on the table—issues of interest to all 30 or maybe one issue is only of interest to one country. Everybody had to put all their ideas on the table, what their interests were. There have been a number of meetings of that working group to say, ‘We need to reinvigorate the IWC.’ I will not reiterate what Australia’s position is. That is in the minister’s speech and we have made it clear a number of times as the minister has today, but where we are at now with the process is that the chairs of that small working group have tried to summarise what is in their view a potential item for further discussion at the intercessional meeting which will be held in Rome in the first week of March.

It is not a proposal from any country; it is a summary by the chair of the IWC and the chair of the small working group, Ambassador de Soto, who have tried to come up with options and ideas to focus the discussion of the 80 members of the commission at the intercessional. There is no concrete proposal on the table.

Senator SIEWERT—Out of the summary of 33, has that one made it into the next list?

Ms Petrachenko—Yes.

Senator SIEWERT—Bearing in mind the minister has made a public statement in Australia, has Australia formally distanced itself from that proposal through the IWC process?

Ms Petrachenko—Yes. The minister has made it clear in that speech and the position is clear. The chair has even mentioned it in the paper, that it does not represent the views of any country. It is solely the chairs’ paper. It is not something that we have been asked to support. If you look at our position and the chairs’ paper, there is no congruence between them. Our position is not reflected, as is the case with a number of other country’s positions.

Senator Wong—I would like to make an observation here which may or may not be helpful. It is a reasonably common process in international negotiations for chair’s drafts, chair’s reports, to be circulated where there is no agreement or any purported agreement by countries. As you probably know, this often happens in the climate change context and I am sure it happens in other contexts because the process of getting agreement can be so difficult. Sometimes you cannot even get the process started, so putting a chair’s draft—even if there is going to be substantial disagreement to it—on the table is not uncommon to try and get those negotiations and discussions going. I think Minister Garrett’s speech that has been tabled, and

that you obviously have seen, is fairly clear about the Australian government's position and the minister's position.

Senator SIEWERT—I have one more question regarding the whale research grant that the federal government announced relatively recently of \$1.5 million, which was partly to demonstrate that you do not need lethal processes to study whales. Is it purely focused on whales or is it on other marine fauna as well?

Ms Petrachenko—I will ask Mr McNee to give you some detail on that, but we should emphasise that there is the Southern Ocean Research Partnership which is focused on non-lethal research for cetaceans and then there is other research funding for broader marine mammal studies in Australia. Mr McNee will answer in some detail.

Mr McNee—As Ms Petrachenko said, that is one element of the proposals that the government will be supporting this year. It is one of three elements. There is an Australian-led Southern Ocean Research Partnership, which is being initiated in March and which is a global exercise. Then there is a range of efforts that are being put into enhancement and coordination of marine mammal work. A significant proportion of the money that is going into that will obviously be for whales and dolphins, but because it is going through the marine mammal centre it does mean that the work that is being done on pinnipeds and dugongs will continue to be a part of the call and that \$1.5 million that was announced by the minister the other day is part of a global call for marine mammals in Australia.

Senator SIEWERT—I have further whale questions.

CHAIR—Senator Birmingham has whale questions as well, so perhaps we will give him a turn.

Senator SIEWERT—I have got some more marine questions, too.

Senator BIRMINGHAM—Following up from some of the questions that Senator Siewert was asking regarding the negotiations through the International Whaling Commission and some coverage about Australia's views in that regard, the US state department memo in question that seemed to be widely reported was quoted as saying:

We believe—

that is, the US state department—

Australia's proposal ... shows openings for negotiations that were unimaginable even a year earlier.'

What are those openings for negotiations, or is the US state department wrong in that regard?

Ms Petrachenko—I think the common practice of officials anyway, and governments more generally, is not to comment on something that is alleged to be a communication from another government.

Senator BIRMINGHAM—Minister Smith, in response to this, said, 'Our priority remains Japan ceasing whaling in the Great Southern Ocean and our overall objective is for whaling to end completely.' Minister Garrett's speech describes a complete ban on commercial whaling as a long-term objective. All of these things seem to be quite remote from the sounding fury of the government in its early days, and particularly Minister Garrett. Is the government now conceding that any approach towards ending whaling is more likely to be a staged process?

Ms Petrachenko—No. I would again draw your attention to Minister Garrett's speech that was given on 18 February which outlines very clearly Australia's continued opposition to any form of commercial whaling and any change in the commercial whaling moratorium, that Australia has as a primary objective and a fundamental principle an end to so-called scientific whaling. Those are the concrete aspects of our position and have been reiterated for a long time now.

Senator BIRMINGHAM—Would Australia accept a position that provided for the long-term end to whaling but involved slower or more staggered reductions in the size of annual whaling harvests?

Ms Petrachenko—If I understand the question correctly, I have outlined what the Australian position is now and you are asking me for some conjecture on a potential change in a policy position, and that is not something I can do.

Senator BIRMINGHAM—In the terms you have given then, it seems to be at least to some extent the type of proposal outlined in the leaked Hogarth package documents, as it has been described, that the Australian government would dismiss that approach that may be being canvassed at the IWC as inconsistent with our policy and therefore not accepted?

Senator Wong—Are the issues in relation to reductions what you are essentially asking about?

Senator BIRMINGHAM—That is right.

Senator Wong—That is the aspect of the report to which you refer?

Senator BIRMINGHAM—Yes.

Senator Wong—Minister Garrett made the position very clear. Clearly for Australia a reduction, temporary or permanent, cannot constitute such a resolution. It cannot in itself resolve the difference of view between Australia and Japan. That can be achieved only when unilateral scientific whaling is brought to an end.

Senator BIRMINGHAM—There seems little room for negotiation in that regard. I am curious as to how the belief that 'Australia's proposal shows openings for negotiations that were unimaginable even a year earlier' came about. Have there been discussions between the government and, I assume, the whaling envoy in particular, Mr Hollway and Dr Hogarth?

Ms Petrachenko—Could you clarify the question, please? Have there been discussions between whom?

Senator BIRMINGHAM—Mr Hollway and Dr Hogarth.

Ms Petrachenko—Yes. He was in Washington in December and I believe he met with Dr Hogarth.

Senator BIRMINGHAM—Did he also meet in Washington with US officials? Dr Hogarth, I assume, acts as chairman of the commission.

Ms Petrachenko—That is correct.

Senator BIRMINGHAM—Whilst in Washington, Mr Hollway met with US officials as well?

Ms Petrachenko—Yes, he did.

Senator BIRMINGHAM—Is it therefore reasonable to assume that this memo from the US state department came from Mr Hollway's meetings?

Senator Wong—You cannot do that. Congratulations for trying to set up the cross-examination question, but you know that that was the bridge too far. We are not in a position—and Ms Petrachenko has indicated that—to comment on what may or may not have been contained in a foreign government's cable. We can tell you what the Australian government's position is.

Senator BIRMINGHAM—To be very clear, the Australian government has never agreed to the proposals in Dr Hogarth's paper?

Ms Petrachenko—No, we have not.

Senator BIRMINGHAM—Has Mr Hollway been reappointed or had his appointment extended?

Ms Petrachenko—No, his current contract expires on 5 March.

Senator BIRMINGHAM—Which is nine days away, so he has not been reappointed or had his appointment extended at this stage?

Ms Petrachenko—No, it has not been.

Senator BIRMINGHAM—Minister, you may shed some light on that. Is there an expectation that Australia's whaling envoy—an election commitment of your government—will still exist in 10 days time?

Ms Petrachenko—To clarify, there is an option in the existing contract for an extension and that decision can be made by ministers up until 5 March.

Senator BIRMINGHAM—So, no decision has been made to extend Mr Hollway's appointment?

Ms Petrachenko—Not to my knowledge.

Senator BIRMINGHAM—Minister, I realise you are representing the minister, but it is always worth checking.

Senator Wong—The reference to ministers, I assume, is a reference to Ministers Smith and Garrett, not Minister Wong.

Senator BIRMINGHAM—So, we have the legal action that Senator Barnett pursued that has not gone anywhere and at this stage we are nine days away from the expiry of the whaling envoy's appointment and there has been no commitment that he will be reappointed. What countries has Mr Hollway visited since his appointment?

Ms Petrachenko—He has visited the United States, Japan and New Zealand and he has met in Australia with a number of heads of missions here in Canberra. Last week he was in Nairobi. The reason why he was in Nairobi is there were a number of senior ministers from various European countries for a United Nations environment program meeting in Nairobi. I believe he had eight meetings with various ministers or officials and this week he is

continuing meetings in Europe. He was in the United Kingdom and Prague, and I can take on notice for you his full itinerary.

Senator BIRMINGHAM—The IWC meeting in Chile was before his appointment?

Ms Petrachenko—That is correct.

Senator BIRMINGHAM—So, he would not have been able to attend that one. So he has had meetings across at least six countries, which you just mentioned, in the five months since he was appointed—on 5 October last year. Is that correct?

Ms Petrachenko—Yes. I can tell you that. It was 5 October. That is correct.

Senator BIRMINGHAM—You may need to take this on notice, but has Mr Hollway travelled on his own to these meetings?

Ms Petrachenko—No, he has not. He has been accompanied by officials from the Department of Foreign Affairs and Trade and/or our department of environment.

Senator BIRMINGHAM—If you could provide details of accompaniments when you provide the full list of countries—and those accompanying the envoy and the costs associated with those trips—that would be appreciated. I note that there was additional funding provided to the department in 2008-09 related to the whaling envoy's appointment. That was funding of \$100,000 for this financial year. Is that the full cost of the appointment of Mr Hollway, the whaling envoy?

Ms Petrachenko—Those are the additional funds which we received to cover the costs of Mr Hollway's contract.

Senator BIRMINGHAM—Do you have a total cost estimate for the whaling envoy?

Ms Petrachenko—I can tell you that from our financial system total fees paid to date are \$33,165 and total travel expenses are approximately \$34,000.

Senator BIRMINGHAM—We assume obviously that, given that Mr Hollway is away at present, those will increase up until 5 March and we shall see what happens beyond that. That will suffice on whaling for me for now. I should—because his staff will be watching—flag that Senator Macdonald might like to scoot quickly back from rural.

CHAIR—He might.

Senator SIEWERT—Could we do sharks in the meantime?

CHAIR—I am sure we could do sharks until Senator Macdonald comes in. Sorry about all the jumping around. We are just trying to accommodate everybody.

Senator SIEWERT—How many shark fisheries are allowed to export? Are there any in Australia anymore?

Ms Petrachenko—Yes. There are a number of fisheries in Australia, both state and Commonwealth, which have an export component that would include sharks. They would include the Queensland East Coast Inshore Finfish Fishery, the New South Wales Ocean Trap and Line Fishery and a range of Commonwealth fisheries.

Senator SIEWERT—I will not get you to give me the range of Commonwealth ones now, but could you take on notice the Commonwealth fisheries that have export licences?

Ms Petrachenko—Yes.

Senator SIEWERT—I understand, and in fact I have a copy of, the removal of the authority for the Northern Shark Fishery—which I understand happened in April last year. Is that correct?

Ms Petrachenko—That is correct.

Senator SIEWERT—That has not been overturned or reinstated, has it?

Ms Petrachenko—No, that is still valid.

Senator SIEWERT—I have some questions around that particular fishery. It relates to that because that is where I am aware of some potential issues, but it relates more generally to any export. What checks and balances are there to ensure that a shark fishery that is no longer accredited under the act is in fact not exporting shark fins? You would be aware of the issue that there are rumours going around the joint that, in fact, fins are being exported through other licences.

Mr McNee—In response to that question: where in the case, for example, of the Western Australian Fishery or the Joint Authority Fishery, the authority to fish no longer exists under the state law, state compliance activities exist to pick up anyone who is, in fact, potentially commercially fishing without a licence and then the states and the Australian Fisheries Management Authority have processes, compliance and enforcement activities to ensure that people who are not eligible to fish cannot fish.

Senator SIEWERT—Where there is still a state fishery, what happens to check that they do not have an export licence?

Mr McNee—I do not actually understand that question. I think it is a matter of us working very closely with the state agency to understand whether there is any potential risk of a lack of compliance with the Commonwealth export authorities. To date, that has been not a particularly high risk because of the number of fisheries that have been through the process and have received export assessments. But in the case of where you have fisheries that are no longer export approved, they would attract a higher level of interest; we would work closely with the states to identify an appropriate program to pick up any illegal activity.

Senator SIEWERT—Who does the checking? Do you, or are the states responsible for it?

Mr McNee—It would be a matter of discussion between the states and the Commonwealth but at the end of the day, though, it would be a breach of the Commonwealth legislation, the EPBC Act.

Senator SIEWERT—So, what do you do to ensure that, in fact, things are not being sold through a different fishery? The buck stops with you. How do you ensure it?

Mr McNee—The critical question is whether they are taken illegally in the first place. If somebody has an authority to fish, which we have endorsed, the process is correct. If it is about illegal activity, then generally the states and the Commonwealth have as great an interest in ensuring that there is not an illegal take of sharks because it will be transferred.

Senator SIEWERT—So, if they have got an authority to fish, they are not allowed to fish for shark fins as it is illegal to take fins. But if they have taken fins how do you know they are

not going through another export licence through another fishery that they did not actually come from? Do you see what I am getting at? How do you check that? How do we know?

Mr McNee—It is very difficult, actually. It is a matter of identifying where you think there is a high risk of that occurring and putting in place approaches to it. There is a range of Commonwealth policy initiatives like the National Plan of Action for Sharks. Also, we would use our own processes to work out whether we need to target specific activity, either at the point at which the illegal activity is taking place or looking further back to the point of export occurring and those types of things. But, given the value of shark fin and the increased value, the risk is increasing.

Ms Petrachenko—We do within the department have a compliance enforcement section. If we were to receive a tip-off, a complaint, something like that, or we have information that would lead us to believe there was illegal activity, our compliance and enforcement branch would obviously undertake appropriate action.

Senator SIEWERT—Finally, how do you know whether there are in fact more things being exported from Australia than there are catch returns for? In other words, that would be a fairly strong signal, wouldn't it?

Mr McNee—The short answer to that question is at this stage I do not think you can be confident that that is the case. That is certainly an issue that we along with other agencies have been thinking about.

Senator SIEWERT—Is the bottom line that we do not know whether illegal things are being exported out of Australia?

Mr McNee—Where our emphasis goes is in ensuring that where things are potentially taken those activities are subject to approval by the appropriate authorities and to enforcement and compliance regimes on the water.

Senator SIEWERT—I have more questions about shark fishing specifically relating to Queensland, but I will put them on notice.

[5.40 pm]

CHAIR—To accommodate Senator Macdonald, we are going back to output 1.2, Reef Rescue; is that correct?

Senator IAN MACDONALD—Yes. I must say I am somewhat confused how Reef Rescue is part of inland waters, but I assume it relates to the land component. Perhaps someone could just start me off by explaining the nomenclature for me?

Ms Rankin—Reef Rescue falls within my area of responsibility because it is a component of Caring for our Country, which my division is responsible for implementing. That is why it falls within this output.

Senator IAN MACDONALD—Caring for our Country is in the land and inland waters element?

Ms Rankin—It is largely covered under output 1.2, yes.

Senator IAN MACDONALD—Where else is it covered? I am just curious—

Ms Rankin—You can ask questions under output 1.3 as well.

Senator Wong—We have the officers at the table here.

Senator IAN MACDONALD—I was just curious for the future, so that I do not get confused again. I did indicate these questions to Dr Reichelt so perhaps you heard them. I was interested in the \$146 billion Great Barrier Reef water quality grants program. How much of that money has gone into projects that are under way? I am really looking for projects that I can go and see in operation.

Mr Taylor—With regard to the projects that have been let under the water quality grants and reef partnerships component of Reef Rescue there was a budget approved of \$23 million for 2008-09 financial year. All of that has been contracted out through the regional bodies and the partnership groups that form the alliance for Reef Rescue. These activities are under way. There has been a range of activities already started on the ground. The regions from the Wet Tropics down to Burnett-Mary have started working with the sugar industry, the grazing industry, the horticultural industry and the dairy sector. They have had proposals coming in to address minimum tilling and precision farming, both aimed at reducing soil erosion, compaction, run-off and water quality issues. They have also had proposals in for equipment upgrades to improve the delivery of fertiliser and chemical application for herbicides and other pesticides. All of these are aimed at reduced run-off of pollutants to the reef lagoon.

Senator IAN MACDONALD—Are you telling me that is \$23 million of the \$146 million program?

Mr Taylor—\$23 million of this year's \$30 million is going on to the ground in this financial year for those programs.

Senator IAN MACDONALD—The \$146 million is \$30 million a year for several years, is it?

Ms Rankin—It is \$146 million. The \$30 million is part of the \$200 million over five years for Caring for our Country—divided by the five years.

Senator IAN MACDONALD—I am sorry?

Ms Rankin—The Reef Rescue total package is \$200 million over five years, so that works out at \$30 million a year. Of that \$200 million, \$146 million over five years constitutes the water quality improvement project.

Senator IAN MACDONALD—I am only going from Mr Garrett's and Mr Burke's material. They said it was \$146 million for the water quality program over five years.

Ms Rankin—That is right.

Senator IAN MACDONALD—And of that \$146 million you have just told me about \$23 million for this year's component of that \$146 million; is that correct?

Mr Taylor—The spending profile is not even over the years.

Senator IAN MACDONALD—Bearing in mind there would be seven or eight NRM bodies receiving that—

Mr Taylor—Six.

Senator IAN MACDONALD—Perhaps on notice can you just tell me how much has gone to each one, or can you tell me now?

Mr Taylor—I can tell you now. The total distribution across the regions and the other proponents were as follows. The Burdekin Dry Tropics have received about \$3.5 million; Burnett-Mary, \$3.1 million; Fitzroy Basin, \$3.4 million; reef catchments or Mackay-Whitsunday, \$5.8 million; and terrain, \$6.8 million. They are the regions. In addition to that there is Cape York, which was assigned in a later process and received about \$0.234 million. In addition to those regional bodies there are a number of other groups where we see funding in the program. They range through the various peak bodies—Queensland Farmers Federation, AgForce, cotton industry, Growcom, dairy, sugar and others. They collectively each receive between about \$30,000 and \$220,000 for different activities that they are undertaking.

Senator IAN MACDONALD—Is there anywhere I would find this? I think we might go back to where we started; can you give me on notice all of that \$23 million?

Mr Taylor—Yes.

Senator IAN MACDONALD—Has the cheque for that money actually gone out to all those recipients?

Mr Taylor—The first payments have gone to all of those, so \$18.9 million of that is out the door. The second payment is due about now—dependent on milestone delivery—and it is for a further \$4.7 million.

Senator IAN MACDONALD—That is only \$22 million then, \$23 million?

Mr Taylor—It is \$18.9 million plus \$4.7 million.

Senator IAN MACDONALD—It has all gone. The reason I am asking this is people tell me that 18 months after all the promise of this current government nothing has happened. When you ask the people what has happened they say they do not have the money. That is why I am curious. That is the nature of my inquiry. I am interested to know that it has actually gone to the groups involved. I assume every group that has got money from you did so on the basis of a business proposition they put to you on where they were going to spend it?

Mr Taylor—There has been a time line started in about July last year, and following the Reef Summit in October, or around the time of the Reef Summit in October last year, there were announcements of the allocations to the various regional locations and how much indicative funds were to go out. There was then a process whereby proposals were submitted and assessed against those regional allocations.

Senator IAN MACDONALD—That is fine. I am simply wanting to know that the money has gone, and you have told me it has. Can you give me a list for that? If it is easy to do, or even if it is not, even a headline indication of what projects each of those six bodies and the however many peak bodies were going to spend their money on?

Mr Taylor—Yes.

Senator IAN MACDONALD—I have the same question for the \$12 million Healthy Reef Partnerships program to boost partnerships between the government, state agencies and non-

government agencies that support landowners with local expertise and extension staff. What is the state of that? Is that \$12 million over five years, is it?

Mr Taylor—That is correct. The partnerships program and the water quality program have been combined into that \$23 million. There was a bit of a weighting where the partnerships program funding actually went towards some of the industry peak bodies where they had extension programs, BMP programs—best management practice programs—that they wanted to run extension programs on and things like that.

Senator IAN MACDONALD—That is \$212 million over five years, which on average is \$44 million. You said it does not all flow evenly. Out of the first year's average of \$44 million some \$23 million has been allocated so far. Is that all that is intended for this first year—or second year, it will almost be?

Mr Taylor—The total allocation for the first year was around \$30 million and it was made up of a mix of the reef water quality initiative and the partnerships funding. There was also a component of M&E funding.

Senator IAN MACDONALD—What is M&E?

Mr Taylor—Monitoring and evaluation.

Senator IAN MACDONALD—Is that the same as monitoring and reporting?

Mr Taylor—Yes.

Senator IAN MACDONALD—You should use Mr Garrett's term. He calls it the water quality monitoring and reporting program. That is not \$22 million, of course.

Mr Taylor—Over five years.

Senator IAN MACDONALD—Over five years?

Mr Taylor—That is correct. I can give you a breakdown for this year.

Senator IAN MACDONALD—I must say that you are confusing me more the longer you go. If you add the \$22 million in it is a \$234 million program over five years, which is almost \$50 million a year, and you have allocated \$23 million this year.

Mr Taylor—The \$22 million is part of the \$200 million. These numbers I am giving you are subsets of that \$200 million.

Senator IAN MACDONALD—I know that. But if you divide \$200 million by five you get \$40 million.

Mr Taylor—That is correct.

Senator IAN MACDONALD—You have allocated \$23 million this year. You did say there is an uneven distribution but—

Mr Taylor—We have allocated \$23 million for water quality work and the partnership.

Senator IAN MACDONALD—In addition you said it had an element of what you call M&E, which I am calling M&R, as well.

Ms Rankin—It might clarify things if we take that on notice. We will table for you the cash flow for five years for Reef Rescue as well as the breakdown in the expenditure this year for the different components of the Reef Rescue program.

Senator IAN MACDONALD—That would be good, thank you. But I am very keen to see what has already gone from all of those programs. I think Mr Reichelt said the monitoring was his.

Mr Taylor—Water quality.

Senator IAN MACDONALD—Water quality.

Mr Taylor—And reporting, yes.

Ms Rankin—He is also responsible for the Land and Sea Country Indigenous Partnerships component.

Senator IAN MACDONALD—That is right. Yes, he did say that. That is the bit that I am very keen to see.

Ms Rankin—We can give you a breakdown on approved projects for each one of those components.

Senator IAN MACDONALD—That has all come out of the Caring for our Country element, hasn't it?

Ms Rankin—That is right.

Senator IAN MACDONALD—What was the total for Caring for our Country? Was it \$2.2 billion?

Ms Rankin—Over five years, yes.

Senator IAN MACDONALD—And \$200 million goes to Reef Rescue?

Ms Rankin—That is right.

Senator IAN MACDONALD—Is there any other reef program currently in the system apart from the ones we have just mentioned?

Ms Rankin—A range of activities that operate obviously in the reef catchments have been funded in addition to Reef Rescue through proposals that have been submitted this year as part of the open grants Community Coastcare process through the regional funding that we provided to regional groups themselves. A number of those bodies and projects are also undertaking activities in reef catchments along coastal areas that might have a benefit for the reef, but they are not specifically tagged as reef projects.

Senator IAN MACDONALD—You said you are in charge of the Caring for our Country. Again, a complaint coming to me is that it will be I think the end of the financial year before a lot of the NRM groups get their funding from the Commonwealth. Is that correct?

Ms Rankin—Certainly not. They have mostly received all of their funding for this year apart from a final payment that is due to be provided once we have confirmed their latest progress reports.

Senator IAN MACDONALD—This is the 60 per cent base funding, is it?

Ms Rankin—Yes, that is right, and we are currently going through final contractual arrangements for where they received money under open grants or Coastcare grants.

Senator IAN MACDONALD—As to the open grants and Coastcare grants, when are they likely to get that cash?

Ms Rankin—We have been going through a process and I think the first payments have been made on around about 70 per cent of the open grants projects so far, and the contracts and final milestones are currently being negotiated for a significant number of the Coastcare projects as well. The aim is to get the initial payments out for all of the Coastcare projects in the next month.

Senator IAN MACDONALD—There are many NRM bodies who tell me that they cannot plan and they cannot keep staff on. They are losing staff because of uncertainty about future funding. You are saying they must have it wrong because they have got all their funding and understand what they are going to get?

Ms Rankin—They have got a lot of their money for this year. I think the issue you might be raising is the one about understanding their guaranteed regional allocations for future years. That was something that we advised regions of in the last week.

Senator IAN MACDONALD—Do they all know?

Ms Rankin—They all know that what they are going to get is a guaranteed baseline allocation for the next four years.

Senator IAN MACDONALD—Is that out of the 60 per cent?

Ms Rankin—That is right.

Senator IAN MACDONALD—The 40 per cent competitive grants programs are going to be done year by year, are they?

Ms Rankin—The remainder of the money comes through the Caring for our Country business plan, which is released on an annual basis. But the 2009-10 one was released in November last year, with applications now closing on 3 April. But that allows us to approve multiple-year projects as a result of approvals under that business plan.

Senator IAN MACDONALD—Will most of them be multiple-year projects or will most of them be single-year projects?

Ms Rankin—There will clearly be a mixture, I think. The larger projects are likely to go over multiple years, whereas some of the small projects we would want to keep to a single-year basis. When we were answering questions earlier we indicated that we use a rough guideline internally to say that we are trying not to commit the full five years of funding or four years of remaining funding upfront now so that we can allow opportunities for new projects to come through and to ensure that we are continuing to target the funding at the best projects in future years. We have developed some guidelines that say we cannot commit more than, say, 40 per cent of the 2010-11 budget as part of the approvals this year and then scaling down from there.

Senator IAN MACDONALD—Of this Caring for our Country money I understand state government agencies and instrumentalities and local governments are also eligible to apply.

Ms Rankin—That is right.

Senator IAN MACDONALD—Can I find anywhere what the various state governments have already been allocated?

Ms Rankin—On our website we have published a list of all approved open grants and Community Coastcare grants plus funding that has been allocated under Caring for our Country in this transition year, and that would include which payments have gone to state agencies.

Senator IAN MACDONALD—Can you perhaps identify for me the projects that have gone out of the Caring for our Country money to state and federal government agencies? I am particularly interested in Queensland. I am not sure if anyone else wants them from anywhere else. If nobody else speaks up I will stop it there and just ask that for Queensland. Could you indicate to me what has gone in those allocations to NRM bodies, local and state government agencies, currently and projected?

Ms Rankin—We can do 2008-09 and provide you the regional allocations for future years, but that would probably be the limit of what we are able to provide at this point.

Senator IAN MACDONALD—That would probably be what?

Ms Rankin—We will not be able to project how much money will go to state agencies in future years of the project program.

Senator IAN MACDONALD—No, what is being allocated now if they are for future years. Finally, as to SeaNet—

CHAIR—We are scheduled to go for dinner now. Perhaps you could put that question on notice.

Senator IAN MACDONALD—Someone might just tell me: is SeaNet all finished?

Ms Rankin—SeaNet has received funding this year through the open grants process.

Senator IAN MACDONALD—For one year?

Ms Rankin—Yes, at this stage, and they are obviously able to apply for continued funding through the business plan.

Senator IAN MACDONALD—Could you on notice give me the details of that, so I won't keep you now.

Proceedings suspended from 6.00 pm to 7.00 pm

CHAIR—We will resume proceedings and continue with Output 1.3, Conservation of the coasts and ocean. I will just remind people that our objective is to try to get to water by 8 o'clock. I believe Senator Siewert has questions.

Senator SIEWERT—I will ask a few on my long list for marine protected areas and then I will put the rest on notice. I have a few expenditure questions first. Before we go to MPAs, what was the expenditure on specific domestic cetacean conservation initiatives in 2007-08 and what is the spending to date in the current financial year?

Ms Petrachenko—In terms of answering the question specifically, I cannot separate out domestic and international. What I can tell you is that in 2007-08 cetacean policy and

management, which is when the functional responsibility was transferred from Approvals and Wildlife Division and Antarctic Division into the Marine Division, was a total of \$435,350, plus \$1,068,610 from the Natural Heritage Trust, as well as supplementary estimates funding for new actions in pursuant of a permanent international ban on commercial whaling. That is a total of \$1.135 million.

Senator SIEWERT—That was the last financial year. What are the totals to date for this financial year?

Ms Petrachenko—For this financial year we had \$414,000. That is the \$435,000 less the efficiency dividend. From transitional funding from Caring for our Country we had \$370,000, plus the additional funds which were approved and are in the portfolio budget statement for additional estimates—over \$5 million—for the new whale conservation initiatives. I will get the exact figure for you.

Senator SIEWERT—I am now looking at marine expenditure. I am trying to compare marine expenditure. I know it is going to be tricky because it was in the 2007-08 year and you are crossing over NHT. Could you give me a level for marine conservation expenditure in 2007-08?

Ms Petrachenko—What is difficult—and I might have to take it on notice to give some detail—is that the appropriation for the division last year was for the Marine and Biodiversity Division. The actual expenditure was \$34.072 million. That had a lot of the terrestrial biodiversity and NHT funding in there. This year it is the total budget for the Marine Division only, so without the terrestrial biodiversity component of \$28,952,000.

Senator SIEWERT—That would not be a realistic comparison, because you had biodiversity in the previous year?

Ms Petrachenko—That is right. I can take that on notice and try to separate that out for you.

Senator SIEWERT—That would be appreciated. Is it possible to give me the figures that were marine conservation in 2006-07? You can see where I am coming from. I am trying to compare 2006-07, 2007-08 and how much you are going to spend this year.

Ms Petrachenko—Yes, we can take that on notice.

Senator SIEWERT—Thank you. I have a series of questions around the NPA process, but in view of the time I will put most of them on notice. I would like to look at the stakeholder engagement in the regional marine planning process. How are you undertaking stakeholder engagement now and has it changed substantially from the previous processes the nation has been through in terms of marine planning?

Ms Petrachenko—This is marine bioregional planning. You are aware that we have released three bioregional profiles. The fourth should be released shortly. That is for the east marine region. In the preparation of those profiles we have had a number of stakeholder workshops and scientific workshops to help us identify key conservation values and all the science underpinning those. The profiles are out now and then we move into the planning stage. In that stage we anticipate going out for stakeholder consultation on the draft plan itself. That would be when we have a view of where marine protected areas may be identified

as well as what the key conservation values are, and what other tools under the EPBC Act should be utilised. Prior to that step—and we are not sure yet how we are going to approach it—we may be meeting individually or multisectorally just to bring the stakeholders up to speed on where we are at.

Senator SIEWERT—Is that with peak bodies or do you have a process where you can engage individuals if they wish to be engaged?

Ms Petrachenko—Yes. When we get to the more formal part of the bioregional planning process when we have the draft plan then it will be available for public input. As well, when we actually identify and specifically have determination by government of the siting of marine protected areas, then we go into the statutory declaration process, which has a number of statutory periods of time for full public consultation.

Senator SIEWERT—Thank you.

[7.10 pm]

CHAIR—As there are no further questions for Output 1.3, I thank the officers. We will now move to Output 1.4, Conservation of natural, Indigenous and historic heritage. Mr Early, do you have a statement to make?

Mr Early—Yes. I have some information that Senator Scullion asked about earlier today. It was in relation to the Cocos Islands referral about red-footed boobies. The Cocos Congress Incorporated lodged a referral under the EPBC Act on behalf of the Cocos-Malay community on 23 October 2002. The referral was for a proposal to harvest up to 3,000 red-footed boobies per year from the waters surrounding Cocos-Keeling Islands, mainly between Horsburgh and North Keeling Islands. The proposed action was determined to be a controlled action under the Environment Protection and Biodiversity Conservation Act on 26 November 2002. At that time the Cocos Congress was asked to provide preliminary information on the proposal.

No action occurred on the referral for some time, and in early 2006 the department, through Parks Australia, funded a consultant to assist the Cocos Congress in preparing the EPBC Act documentation. The documentation was presented to the department on 15 March 2007. The department then sought clarification on some matters in the documentation on 5 July 2007. Those matters went to issues including how congress would establish, manage and monitor the birds to be taken consistent with the proposed annual quota, as well as methods for harvesting the birds safely and humanely. There have been a number of teleconferences with representatives of congress regarding these matters, but they have not yet been resolved. That is the situation. Senator Scullion asked a number of other questions in more detail and I will provide those on notice.

CHAIR—Thank you for that information. Senator Siewert, do you have questions for Output 1.4?

Senator SIEWERT—Of course. I would like to go to the Kimberley. Shall I ask about the Kimberley now or in the next one? It is about the strategic assessment.

Mr Thompson—If it is the strategic assessment then it would be the EPBC Act.

Senator SIEWERT—That will be in Output 1.5. I do have some questions that I wanted to ask for Senator Ludlam, because he is at another committee.

CHAIR—Does anybody else have questions for 1.4?

Senator ABETZ—Yes. I have two quick questions on areas of interest to me in the state of Tasmania. First of all, where are we at with the Richmond Bridge? I understand it has been listed. I am not sure what it is called when it has been listed. Is it an action plan or a preservation plan? What is the terminology that we use?

Mr Shevlin—The Richmond Bridge is included on Australia's National Heritage List. I think the term that you are looking for is 'management plan'.

Senator ABETZ—Thank you very much. I understand there has been some considerable delay in getting a management plan together. Is that correct?

Mr Shevlin—Yes. As with all places on the National Heritage List that are not under Commonwealth control, the Commonwealth can only use its best endeavours to assist or to encourage the development of those management plans. You are right that there has been a delay in preparing that one.

Senator ABETZ—Whom do we blame in relation to the delays when you are using your 'best endeavours'? I am willing to accept that as face value. Is it the state government or the local council?

Mr Shevlin—I would not want to blame anyone, but the responsibility for preparing those does lie with the state.

Senator ABETZ—Basically it is on the national list, but you are waiting on the state government to provide you with a management plan. Then what do you do with that? Do you approve it and accept it as being appropriate or do you just note it?

Mr Shevlin—We look at those plans to check. There is funny wording in the legislation, but it is to ensure that they are 'not inconsistent' with the management principles.

Senator ABETZ—That is a good double negative.

Mr Shevlin—Yes.

Senator ABETZ—When did the Richmond Bridge find its way on the list?

Mr Shevlin—It was on 25 November 2005.

Senator ABETZ—Here we are, three and a bit years later, still without a management plan. Is it normal for a historic structure or building to take so long to develop a management plan?

Mr Shevlin—To be honest, I do not have the details of all of the places that have management plans. I do not want to make too many comments about whether it is or is not.

Senator ABETZ—Nothing much rides on it other than there has been a huge delay in relation to the Richmond Bridge. That is my assertion. It is not the federals' fault. It is your department waiting on the state department to provide you with that management plan. Have you even been presented with a draft management plan?

Mr Shevlin—Yes. I have just been checking the details. The management principles under the legislation are quite prescriptive and, to be honest, they are quite process focused. There are a number of places that have management arrangements in place that do not absolutely

meet the requirements of the legislation but would still deliver a reasonable management outcome. The information I have in front of me is that Richmond Bridge does have a management plan or a management arrangement of some sort in place. It is not, in its present form, entirely consistent with the requirements of the EPBC Act.

Senator ABETZ—Have you notified the state government of this?

Mr Shevlin—We received a draft plan in 2008 and, according to the details I have in front of me, with minor amendment the plan in place would satisfy the requirements of the act.

Senator ABETZ—In fairness, a fair bit of movement has taken place in the space over the last few months?

Mr Shevlin—That is my understanding.

Senator ABETZ—I might be taking some time later on in the evening, so let me move on. Port Arthur has now been nominated for the world listing. Who is responsible for designating the actual area that is nominated? Let me get right to the crux of the issue. It has been asserted to me that the area of the Port Arthur Historic Site has been misidentified so that some private properties surrounding the Port Arthur Historic Site have inadvertently come into the designated area and, as a result, private property potentially is being impacted by this World Heritage listing. Are you able to shed any light on that?

Mr Shevlin—A standard requirement of the World Heritage convention is that you have the boundary of the listed property, and that was negotiated with the state, and then there is a buffer zone around that. The World Heritage convention encourages and almost requires those to get nominations up. In effect, that buffer zone idea is just to make sure that, if you list a particular area, there is not something that happens just outside that area that would have a negative impact on the inside of it. In effect, it is no different from the National Heritage listing that we have for the place. By being on the National Heritage List that also protects the place from activities that might happen outside the listed site. The World Heritage convention assumes that you do not have legislation like that, so the practical effect of having a buffer zone is probably little, if any.

Senator ABETZ—I am just wondering whether the normal process would be to notify any private landholder, in the event that they were to fall in the buffer zone, as to the possible consequences. As I understand it, everybody was more than agreeable to having their neighbouring property listed for World Heritage purposes because it was very worthy but without any realisation or notification that they may in fact be impacted by this buffer zone. Would it be the state government that would undertake those negotiations with landholders or would it be the federal department?

Mr Bailey—As part of the preparation of the World Heritage nomination—the convict sites serial nomination—community consultations were conducted, including a community consultation meeting at Port Arthur in the lead-up to the preparation of the nomination, which included discussions about the ongoing management arrangements for both the Port Arthur site and adjoining.

Senator ABETZ—Were buffer zones specifically mentioned at that discussion and were neighbouring landholders specifically contacted to be told that this might be a consequence of listing?

Mr Bailey—The consultation was attended by me representing the Commonwealth and coordinated and conducted by each of the states and territories where the consultation was actually run. It was run over 11 different sites around Australia. The community at large was invited.

Senator ABETZ—If I may, I think time is very short. All I really want to know is whether neighbouring landowners were specifically told as to the buffer zone consequences and, if so, by whom. Whose responsibility do you believe it was to notify those landowners?

Mr Bailey—The discussions we had in the preparation for that consultation was for all the states and territories to make the arrangements for people to attend and then they would be briefed during the session.

Senator ABETZ—Can you recall at the one that you attended at Port Arthur whether landholders who were right next door were actually told about this? This is not a memory test. I do not know whether you have some notes that you might be able to look to and answer on notice. Sorry, the time is very short. I am trying to restrict you right to the point I am asking about.

Mr Bailey—We certainly got the information that was presented at that, including a slide around the management implications associated with the ownership and ongoing management of the properties.

Senator ABETZ—But did it specifically talk about the buffer zone? That is the only issue. Everybody loves the idea that it is on the World Heritage List et cetera. It is just that some landholders adjoining or abutting the World Heritage area are now somewhat surprised at the buffer zone consequences. I just want to know whether they were told and, if they were not told, who do you believe had the responsibility to inform them?

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

Senator ABETZ—You can take that on notice because time is short and I do not think anything is going to change on the basis of whatever answer you are going to give.

Senator SIEWERT—I have a series of questions and I will see how far I get. I will try to be quick. I understand that the Western Australian state government has now advised of boundaries for the Ningaloo site. Is that correct?

Mr Shevlin—We have received a letter from the Western Australian government indicating their preferred boundary.

Senator SIEWERT—What was the response?

Mr Shevlin—The boundary is not the same as the one that the Commonwealth would prefer. Just to lead into what might be your next question, we are continuing to negotiate with the Western Australian government to hopefully reach agreement on a boundary for a nomination that we can make this year.

Senator SIEWERT—Is that for May this year?

Mr Shevlin—We want to put it in. It needs to be in by 1 February next year to be considered, so we are looking to do it this year.

Senator SIEWERT—How substantially different are the boundaries?

Mr Shevlin—There are a couple of areas that we are in discussion on, but the Commonwealth has looked at those and believes they are significant, and therefore we do not want to pursue a nomination unless we believe it has the best possible chance of success.

Senator SIEWERT—Can you tell us what those areas are?

Mr Shevlin—They are the Muiron Islands to the north of the site and also some of the limestone karst country.

Senator SIEWERT—Funnily enough, I am not surprised. I would like to go on to some funding issues. At the last estimates hearing Senator Ludlam asked some questions around the recurrent funding for heritage and noted that it had been declining. We understand that the government is aware of that. Can you provide any updates as to what efforts are being made to redress this issue of recurrent funding for heritage?

Mr Shevlin—Thank you. It almost feels like a Dorothy Dixier.

Senator SIEWERT—That was not my intent.

Mr Shevlin—You will have been aware that the negotiations between the minor parties and the government were in relation to the stimulus package.

Senator SIEWERT—We are very aware of the \$60 million that we managed to negotiate.

Mr Shevlin—The \$60 million for heritage projects obviously more than redresses the decline that previously occurred in the heritage funding.

Senator SIEWERT—I am talking about recurrent funding. As much as we would like to see that as a permanent increase, what is going to happen into the future?

Mr Shevlin—On our current forward profile there would have been a slight dip in funding next year, based on what has already been approved, and to some extent the funding for the stimulus package will actually just top up that minor difference. For next year, at least, I am not expecting that there will be a reduction in funding.

Senator SIEWERT—We will obviously be watching that, because we do not want to see the money that we managed to get this year come out next year. As I said, it also does not fix the long-term issue of the decline in funding for heritage, which has been going on for some time. I would now like to ask about the review report on the national and Commonwealth heritage lists for the period 2004 to 2008 tabled by the minister. Did the Australian Heritage Council contribute to this review?

Mr Shevlin—The requirements for the review are actually set out in the legislation, so the majority of those are fairly quantitative and factual. We advised the council of it, but the council was not involved in actually preparing it.

Senator SIEWERT—Have they commented on the report? I appreciate your comment that it is a factually based review. Were they invited to comment on the list once it had been compiled?

Mr Shevlin—It is an agenda item for the first meeting of the council, which is next week. It is on their agenda for discussion.

Senator SIEWERT—On page 9 the report deals with damages and threats to national or Commonwealth heritage, and over that four-year period it specifies only two specific actions and threats that were found to have a significant impact. In 1999-2000 there were 1,590 referrals on Commonwealth actions, of which 161 were found to be significant, and in the following year there was a similar level. There seems to have been a substantive drop from 161 down to 106 and now to two. Is there a possible explanation for that drop?

Mr Shevlin—I am sorry; you mentioned page 9 and I cannot find it.

Senator SIEWERT—I have been told that it is page 9 of the report that details it.

Mr Shevlin—I have page 9, but it does not have that.

Senator SIEWERT—Maybe it is our electronic version.

Senator Wong—Can you give us more information?

Senator SIEWERT—The report lists some of the major threats.

Mr Shevlin—I have the page where it refers to the two general threats.

Senator SIEWERT—My issue is not about those threats specifically but about the fact that previously the reports have listed a lot of threats and now we are down to two. Is there an explanation?

Mr Shevlin—This is the first report of this type.

Senator SIEWERT—Previous reports have looked at threats to national heritage.

Mr Shevlin—Maybe the question is related to the EPBC report, which does have numbers about controlled actions and so on, but that is not in this report.

Senator SIEWERT—That is not contained in your report?

Mr Shevlin—No.

Senator SIEWERT—Are we comparing apples and oranges? I am aware that the act has changed as well. Previously under the act we have identified threats to heritage. They were significantly high and now they are lower.

Mr Early—It does not seem to be realistic. There might be some issue there. I assume that the numbers that you quoted for the previous two years were the number of controlled actions because of Commonwealth heritage.

Senator SIEWERT—Let us take a step back. How did you report threats to heritage before the act was changed?

Mr Early—We did not report threats to heritage other than the number of controlled actions where Commonwealth heritage was a controlling provision. That is what we still do. Unfortunately, I do not have a copy of the EPBC Act annual report with me, but we could take that on notice. I cannot imagine that there were only two controlled actions for Commonwealth heritage in the last financial year. That does not seem accurate.

Senator SIEWERT—That is what I thought. So are we comparing apples and oranges through the two reports?

Mr Early—I think so. I cannot say that definitively, but I think so.

Senator SIEWERT—I will double check my figures and put that on notice. The question then is whether we are still doing the reports that we did previously looking at those controlled actions?

Mr Early—We are still doing those.

Senator SIEWERT—Would it be higher than two?

Mr Early—I cannot imagine that it would not be.

Senator SIEWERT—How are we presenting that information?

Mr Early—The actual EPBC Act annual report is exactly the same as it always has been, so there will be comparative figures in that.

Senator SIEWERT—Is that subsequent to the heritage area going into the act?

Mr Early—Yes.

Senator SIEWERT—In the report there is the mention of a review of the national heritage management plans. When will this review be completed and will it be made public?

Mr Shevlin—I will need to answer you slightly more generally. There have been reviews done of management plans in the past. There are reviews of individual management plans by the council. The Australian Heritage Council looks at management plans and, again, it is an item that they will be discussing at their next meeting, looking at the efficacy of management plans as to whether we have the right requirements in place to achieve the outcomes we want. At the moment there has been an internal review done by the division. It was a fairly brief thing that will go to the council to inform the discussion about what we might do in the future. Some of those things we would expect to be addressed as part of the EPBC Act review process; there will be commentary on that as well.

Senator SIEWERT—You may pick that up. Instead of going through a separate consultation process, are you saying that you might address that particular issue under the review process?

Mr Shevlin—There are other people here probably better qualified than me to talk about the EPBC Act review process, but certainly heritage is one of the issues that is part of the review. I know because I have seen some of the comments that there will likely be comments on the management plan requirements and the efficacy of the management plans.

Senator SIEWERT—There are national heritage plans and Commonwealth heritage plans. Would the answer you just gave be the same for a review of the Commonwealth heritage plans as well?

Mr Shevlin—Yes.

Senator SIEWERT—Those issues are both going to be discussed?

Mr Shevlin—Yes.

Senator SIEWERT—I will follow that up at the next estimates. Chair, I have a number of other questions. Perhaps we can put some on notice.

CHAIR—That would be good, because I know other senators have questions in this portfolio area.

Senator TROETH—I would like to ask about the stimulus package in relation to the heritage funding. Is it so that some funding was then given to the National Trust in each state?

Mr Shevlin—The details of exactly how the money will be allocated are still under discussion with the minister. Unfortunately, I cannot give you any further information.

Senator TROETH—Was it simply a block funding to the heritage part of the plan?

Mr Shevlin—Yes, that is right.

Senator TROETH—Is there nothing that you can tell me at the moment that will indicate how that will be allocated?

Mr Shevlin—Unfortunately I cannot at the moment, but I hope that the government will be in a position to announce that fairly soon. I do not want to put a timeframe on it.

Senator TROETH—I understand that. I will make further inquiries in due course.

Mr Tucker—There was a component in the announcement that specifically identified the National Trust, but as Mr Shevlin has stated, that is yet to be determined to a level of detail.

Senator TROETH—Thank you. I will await further details.

Senator SIEWERT—I asked previously whether the AHC provided any advice to the minister regarding the decline of overall heritage funding. Since that time has the AHC provided any advice to the minister on funding specifically?

Mr Shevlin—I am not aware that the council has written to the minister in that respect, but the members of the council meet with the minister at different times, so they may have.

Senator SIEWERT—You say you are not aware whether they have written. Is that because you need to check or is the answer no?

Mr Shevlin—I do not think they have. I did not want to give you an absolute answer because I would need to check to make sure that was right.

Senator SIEWERT—That is what I was getting to. If you are not sure you could take it on notice.

Mr Shevlin—Yes.

Senator SIEWERT—At the last estimate hearings you advised that the minister was to establish a new heritage working group to advise him, and details of this new group were sought on notice. Can details be provided about its membership and terms of reference?

Mr Shevlin—There are details of that group now on our website. It gives the membership and also what their areas of focus are.

Senator SIEWERT—How does the working group relate to the Heritage Council itself?

Mr Shevlin—The Heritage Council is set up under the Australian Heritage Council Act, which is quite restrictive in membership. It says it must have two historic, two Indigenous and

two natural heritage experts on it, together with a chair. The working group includes some members of the council but also some people who bring other expertise to it. For example, it includes someone from the tourism industry and a professor of economics so the group can provide the minister with some wider advice on heritage and how to work to increase public awareness of the value of heritage. It is more than just having people who are experts on heritage per se.

Senator SIEWERT—How are those two groups going to interact? You have one group that is statutory and you have another group that is more informal.

Mr Shevlin—The Australian Heritage Council has a statutory task in relation to identification and recommendations to the minister of places for the National Heritage List or the Commonwealth Heritage List, so they have a really clear statutory function. The working group that has been established is an informal advisory group for the minister which, as I said, includes some members of the council as well. There is not a complete separation, but it is there to have a wider group of people being able to provide the minister with advice on issues related to increasing awareness of the value of heritage, how to actually quantify the value of heritage and those sorts of issues.

Senator SIEWERT—I suspect I am about to enter a policy area. I know there is the review of the EPBC Act, but is there consideration being given to a broader group extending the remit and/or the people on the Heritage Council to take care of the issues that you have just mentioned, rather than having two bodies that seem to cross over? It seems to me it is going to be confusing.

Mr Shevlin—That will depend on what proposals are put to the review, what the review panel recommends and how the government responds to those recommendations. I could not comment.

Senator SIEWERT—How often is the group expected to meet?

Mr Shevlin—In a way it will be when there are issues that the minister would like to have advice on, but I am expecting that the group will meet several times this year.

Senator SIEWERT—Is that the same basis that the AHC meets with the minister?

Mr Shevlin—The Australian Heritage Council meets roughly four times a year.

Senator SIEWERT—With the minister?

Mr Shevlin—No. They do meet with the minister but every one of their meetings is not with the minister.

Senator SIEWERT—When they meet with them it is done on an as-needed basis as well?

Mr Shevlin—They and/or the chair meet with the minister at times that are convenient but they are not around their specific meetings.

CHAIR—I thank the officers.

[7.43 pm]

CHAIR—We will move to output 1.5, Response to the impacts of human settlement.

Senator CORMANN—I have a few questions about the interaction on the environmental approvals process between the federal and state processes in relation to development applications. Could you perhaps give me a broad description just to get us into the issue of how the federal processes and the state processes interact?

Mr Burnett—Yes, I will endeavour to do that. It does get a bit complicated at times.

Senator CORMANN—You say that. I think you will find that people who try to get a business going find that too.

Mr Burnett—The underlying principle is that they remain separate processes. If there is a matter of national environmental significance involved—that is, a matter identified by the EPBC Act—then federal approval will be required in addition to whatever state approval is required. Most developments need some kind of state approval. Some developments need federal approval as well under the act we administer if there is a matter of national environmental significance involved. That is the underlying principle.

Then the act encourages cooperation between the levels of government and it specifically provides for bilateral agreements between the federal minister and relevant state ministers to try as far as possible to assess the proposal under a single process. The way we most commonly do that is through what is called an assessments bilateral. That is an agreement between the federal environment minister and the relevant state ministers to say, ‘Even though there are two approvals required—one from each level of government—we can accredit the state assessment process, the environmental impact assessment process, and use the single assessment report to inform the decisions by both levels of government.’ Those agreements exist now with all jurisdictions, with one caveat. The last two jurisdictions to come on board are South Australia and the ACT. The agreements have been negotiated but they are not quite through the last stages of statutory endorsement. In a very short space of time we will have those assessment bilaterals with all jurisdictions. In the case of, say, a proposal for a new mine, the state process would be accredited so it may need approval from both levels; it is a single process with a single environmental impact assessment documentation. Just to correct one point: I said South Australia and the ACT; it is Victoria and the ACT.

Senator CORMANN—You mentioned the Commonwealth gets involved on matters of national environmental significance. What is the test for national environmental significance? What is the threshold where you actually become involved?

Mr Burnett—These are matters set out in our legislation, in the EPBC Act. If I can reel them off from memory—

Senator CORMANN—The key with any act, of course, is as it is applied. The purpose of what we are trying today is to see how your department applies it in practice.

Mr Burnett—Firstly, it is necessary to ask: is there a matter of national environmental significance involved? Is it World Heritage listed or, say, a nationally threatened species? That is the most common matter of any that is triggered. Say there is a federal species known to be present in the area concerned or its habitat is known in that area, then the statutory question is: is the proposal likely to have a significant impact on that matter? If it involved clearing some land to build something and we knew there was a federally listed threatened species there, the proponent is required to ask themselves the question: is what I am proposing to do likely to

have a significant impact on this federal matter? If yes, it is referred to the federal environment minister and that kicks off our process. There are two broad stages to the process. The first is like a screening stage. The referral comes in. It is a short process. As I said, it is a screening type process. There are only 20 business days allowed for it—basically a month. It is notified publicly and the question is: do we think it is going to have this significant impact? If yes, it is declared a controlled action, and then it has to go through a more detailed approval process. If no, then no federal approval is required and that is the end of the matter.

Senator CORMANN—If it is a controlled action, how long does that process take?

Mr Burnett—It depends on the level of assessment which in turn will depend on the size and complexity of the proposal and the view of the minister or delegate on what level of public consultation is required. There are four or five levels of consultation, ranging from assessment on referral information—which is the briefest and which sort of says, ‘Well, we have got all the papers in front of us; we will just put it out for a short time for public consultation’—through to the full environmental impact assessment or indeed a statutory inquiry, which obviously takes quite a bit longer.

Senator CORMANN—I have got a specific project here which was first submitted in 2005. It relates to a quarry in Carrabungup. Are you aware of that? Have you an officer here who might be across that issue?

Mr Burnett—I am sorry, but I am not personally familiar with it. I am sorry; we do not know where that is.

Senator CORMANN—It is in the Shire of Murray in the great state of Western Australia. It is a project that went through all the state environmental approvals with only very minor changes to the project that was submitted. State agencies declared that the environmental impact was insufficient to be classified as a significant environmental impact. The matter was referred to the federal department in January 2007, returned to sender and referred again in April 2008, and you declared it a controlled action requiring ministerial assessment in June 2008 and that is where it is still. It is listed as a potential threat to threatened species in wetlands of international importance. I gather what we are talking about is a Carnaby’s black cockatoo. Is that the usual sort of time frame, from January 2007 to February 2009?

Mr Burnett—It does depend to a substantial extent on the proponent. For example, if a matter is declared to be a controlled action and there is then a requirement to prepare an environmental impact assessment, the proponent then has to do that and they can take as long as they like to do that. Sometimes proponents do take quite a considerable time to do that. It is a matter in their hands. While our legislation tells us to turn things around in certain time frames at certain points—for example, it may give the minister 40 working days to make a final decision once all the documentation has come in—there are various other stages of the assessment process where it is in the hands of the proponent and, as I say, they can take whatever time they like. Also sometimes there is a stop-clock process and sometimes we stop the clock if we ask for more information. Again, it is up to the proponent as to how long they take to provide that information. I am not personally aware of that matter. I cannot give you a more definitive answer.

Senator CORMANN—You can see that people who want to pursue economic development—and who are following all the right processes: local, state, planning and environmental heritage, federal—find that the whole thing goes on for years and essentially nothing happens. Is there a way that this can be done better? When does your involvement become disproportionate to any assessed risk? Do you go back to it after you have made your initial screening assessment and two years have lapsed? How does it work?

Mr Burnett—I am not sure if I quite understand your question. We try to move the assessments along as quickly as we can, but if a proponent is taking a long time to prepare their documentation we would not normally pursue them. We do not attempt to project manage the stages of the process that are with the proponent—

Senator CORMANN—I think you would find that there has been quite a bit of interaction and there is a perception that perhaps there is an attempt by the department to micromanage certainly in this particular case. I urge you to have a close look at it. As I understand it the ecological reports make the point that it is highly unlikely that there is a probability of nesting activities of the carnaby's black cockatoo but, irrespective of that, the matter has not been resolved. The department is apparently pressing for what is described as offsets. Can you describe that process for me?

Mr Burnett—Of offsets?

Senator CORMANN—Yes.

Mr Burnett—Yes. Sometimes the minister agrees to offsets if there is going to be an impact. For example, if an area of land were going to be cleared and that would destroy some habitat area of a bird like the cockatoo, the minister may nevertheless approve that proposal on the basis that the proponent is providing an offset area somewhere else, so they might buy another area of land down the road and lock it up permanently as a habitat area for that bird.

Senator CORMANN—If the project proponent cannot offer an offset or does not offer an offset to the department's satisfaction, what happens to the process? Does it stall?

Mr Burnett—No. It would come to a decision. The proponent may be able to reduce the impact to the point where the minister might agree to it and put some conditions on it, or the minister might say: 'No, I am sorry, I cannot approve that project. I think the impact on the environment is too great.' It is very hard to answer in the abstract.

Senator CORMANN—In terms of general trends, in recent years have you become involved more often or are the numbers about the same?

Mr Burnett—The trend is about the same. Of the matters referred to us—I am rounding the statistics slightly—

Senator CORMANN—Give us an indication.

Mr Burnett—To give you an indication, approximately half of everything referred to us we would say is a not controlled action—in other words, that is the end of it; you do not need to come back to us; we do not have any involvement. About another 25 per cent, maybe a little less, are not controlled action particular manners, which is one step up which says: 'As long as you carry out that project in the way you have described and you do the things you said you were going to do then, again, we do not need to regulate it; we do not need to see

you any further.’ So it is only about 25 per cent, or a bit over, that are declared to be controlled actions.

Senator CORMANN—You have given me a proportion. I guess what I am looking for is absolute numbers. In recent years what has been the trend in terms of the absolute number of cases where your department got themselves involved because you identified issues of national environmental significance?

Senator Wong—While Mr Burnett is looking for that information, the sort of implication behind ‘got themselves involved’ is perhaps one I would take issue with. This is federal legislation, legislation I think Senator Hill brought forward and I think is to be commended for it. The department acts in accordance with the law of the land.

Senator CORMANN—I totally appreciate your comments. My query is not with the law of the land; my query is with the way the department is applying the law of the land, and that is why we are here. Essentially, I am trying to ask questions as to whether the way the law of the land is being applied by your department is reasonable and fair and within the spirit of the law as it currently stands. I guess some questions have been raised as to whether perhaps the department is getting more stringent in the way it applies the law than what would be appropriate. I think with all these things it is a matter of keeping the right balance, and answer my questions.

Mr Burnett—The trend is not for us to get more stringent. The broad trend is about the same. The overall numbers are increasing. More matters are being referred to us but in percentage terms the trend in terms of what percentage of matters are declared to be controlled actions—in other words, are regulated—is about the same.

Senator CORMANN—Because I have to move along could you perhaps give me on notice the number of projects that your department has got themselves involved in on the basis of national environmental significance over the last three calendar years and perhaps could you have a closer look at the case that I have referred to, which is one of a number of examples that I have in my home state of Western Australia, to give me an indication as to whether that you think that the way it is currently being handled is appropriate? On that basis I would be happy to conclude.

Senator IAN MACDONALD—Could you tell me the state of the EPBC Act application to Mr Garrett for the Traveston Crossing Dam?

Mr Burnett—Yes. It is about the same as when we discussed it at the last estimates hearing, which is that the next step in the process is for the Queensland government to take a decision on whether the dam is to proceed and then to refer the matter to Minister Garrett for his decision, and that has not yet occurred.

Senator IAN MACDONALD—Do you have any indication of when the Queensland government is going to proceed further?

Mr Burnett—I think you would have to say now that Queensland has called an election that all bets are off, but the last indication we had before the election was announced was that we might get the matter referred to the minister in April, but the date has shifted before. That is just an informal indication.

Senator IAN MACDONALD—Your understanding would be that the application was going to come forward in April?

Mr Burnett—Yes.

Senator IAN MACDONALD—The application to proceed with the dam.

Mr Burnett—I will just ask Ms Skippington whether she wants to add anything to that, but that is my understanding.

Ms Skippington—We met with Queensland earlier this year and they were talking us through the process. Queensland have asked the proponent, which is Queensland Water Infrastructure, for some feedback on the independent reports that we published in November. They have also asked the proponent for some feedback on Queensland's proposed position that they announced in their parliament last November that, if they were to approve the project, they would approve it with conditions that would not allow the construction to commence until the proponent had satisfied mitigation requirements. The Queensland Coordinator-General has made some specific information requests to the proponent in relation to that. They were not expecting the proponent to get back to them until March or April. When they got that information they would need to prepare their assessment report. April was the date that they were giving to us, but it was unlikely that those time frames were going to be met, given the assessment that still needed to be done from Queensland.

Senator IAN MACDONALD—I have just got some information from another estimates committee that they are rerouting the main Bruce Highway on the understanding from the Queensland government that the dam will go ahead and so the road is being rerouted. That information came obviously from the transport estimates. But that is your understanding, that it will come back to you with these conditions?

Ms Skippington—Queensland needs to do an assessment report on the Traveston Crossing Dam proposal and that needs to come to Minister Garrett to get the EPBC approval before that project can continue. Part of the referral that we received for Traveston Crossing Dam included references to infrastructure that might need to be relocated because of the dam. One element of that infrastructure was the Bruce Highway for 10 kilometres which if the dam continued would be flooded. Simultaneously, the Main Roads Department in Queensland is looking to upgrade sections of the Bruce Highway for safety and road alignment issues. QWI in January put in a variation to their referral process to ask to have the road taken out of the dam association and we agreed to that because it makes no difference to our assessment of the dam or our assessment of the highway when that comes to us as well.

Senator IAN MACDONALD—But QWI, which of course is the Queensland government under a corporatised agency, has said, 'Yes, we want to move the road because we do not want it interfering with the dam.'

Ms Skippington—They need to move the highway because if the dam proceeded it would flood it.

Senator IAN MACDONALD—I know Senator Siewert and her colleagues in Queensland will share my concern about the ongoing nature of this.

Senator BIRMINGHAM—Go and give her a hug. It is all arranged.

Senator SIEWERT—This is an interesting alliance. You are going to regret this.

Senator IAN MACDONALD—I am just hoping Senator Siewert might mention this to her Queensland colleagues in three or four weeks when they are deciding something or other. Thank you very much for that update.

Senator ABETZ—Is the department working on listing fuel reduction burning as a threatening process under the EPBC Act?

Mr Burnett—The Threatened Species Scientific Committee, which is an expert committee under the act, has a work plan called the finalised priority assessment list, or FPAL. One of the items on that work program is a possible key threatened process under the EPBC Act and the item is ‘contemporary fire regimes resulting in the loss of vegetation heterogeneity and biodiversity throughout Australia’.

Senator ABETZ—In laymen’s terms, for a country boy like me would that definition embrace or include fuel reduction burns?

Mr Burnett—I think so.

Senator ABETZ—I was hoping you would simply say no and I could move onto the next topic. How far advanced is this particular issue?

Mr Burnett—It is in the very early stages. On the work program it is not due to report to the environment minister until 2010, so this work is only just beginning.

Senator ABETZ—I hope the expert committee takes itself to the mountains of Victoria that were burnt in the last fires, to north-east Tasmania, to New South Wales in the former electorate of Gwydir and to Victoria as well to see what uncontrolled bushfires do to assist threatened species and I think they might take a different look at that. But I do not think I can take this any further rather than to give some gratuitous advice that I am very concerned that that is the case.

Senator Wong—I am sure that you would share our view that everyone in the parliament is shocked, appalled and saddened by what has occurred in Victoria and agrees that we need to treat the approach to the consideration of what lessons we can learn from this tragedy with the utmost seriousness and gravity and that no different implication was being made by you in your previous comments.

Senator ABETZ—That you should seek to make those comments I find totally unnecessary. I raised these issues at another committee in relation to the failure of the ministerial council, which I used to be a member of, to deal with the issue of fuel reduction burns back in 2007 when I gave the ministers in Victoria and New South Wales a warning as to what might, unfortunately, happen. I have a track record of following through on this issue because I was concerned that something like what has happened in Victoria would actually happen. I can assure you I have a track record in this area and I have consistently pursued it. Going to the pulp mill, has the department received advice from the Independent Expert Group as to effluent trigger levels for Commonwealth waters?

Mr Burnett—I think the short answer to that is yes. The minister received comprehensive advice from the Independent Expert Group in the course of considering the modules he recently approved of the environmental impact management plan for the mill. Those modules

and that advice included some trigger levels. The answer to your question is, yes, the advice has been received but I am just reminded that there were three modules that the minister did not approve, of which I am sure you are aware.

Senator ABETZ—We can go to that later. What is that advice and are we able to have that made available? I note that another report was made available and a lot of mischief created with it, but clearly there is another report. I am just wondering what the advice is and can we get a copy of it.

Mr Burnett—I will take that on notice. I can tell you in terms of the general process that the Independent Expert Group provided quite comprehensive advice in relation to each of those modules. It is advice to the minister. I will take it on notice as to whether—

Senator ABETZ—I am sorry, time is very short. All I am concentrating on at the moment is effluent trigger levels in the water. As I understand it, the trigger levels are for 500 metres and 2,500 metres as to the dilution—

Mr Burnett—I think it is a little bit more complicated than that. The 500 metres is in state waters. That is the diffusion zone. The waters within the area of Commonwealth jurisdiction start at three nautical miles, which I think would be more than 2,500 metres.

Senator ABETZ—Or thereabouts. Are we able to get a copy of that report? Did you say you need to take that on notice?

Mr Burnett—I said I would take that on notice.

Senator ABETZ—Did the department or the Independent Expert Group commission the CSIRO to provide advice on what the appropriate trigger levels would be and the acceptable dilution levels?

Mr Burnett—I am told that the IEG did not commission separate advice. There are people on the Independent Expert Group who are CSIRO staff.

Senator ABETZ—Did the Independent Expert Group obtain information to provide advice to the government on what the appropriate levels should be?

Mr Burnett—The IEG had the benefit of a range of expertise, including CSIRO scientists on the group.

Senator ABETZ—When was that advice provided to the department?

Mr Burnett—A number of times the Independent Expert Group considered the modules throughout most of last year and following most of their meetings they then wrote to the minister and provided advice on the modules that they had before them. That culminated in a final letter of advice on 17 December 2008 from the chair of the IEG in relation to modules L, M and N, which I think are the ones that you are most interested in.

Senator ABETZ—To whom was that letter written?

Mr Burnett—The minister.

Senator ABETZ—But when was the department advised of the view of the Independent Expert Group?

Mr Burnett—The department services the secretariat to the IEG and is present when the advice is discussed, so we are aware of it as it is being assembled and we assisted the IEG in drafting their letter of advice to the minister.

Senator ABETZ—Was the proponent of the pulp mill, Gunns, ever made aware of the conclusions reached by the IEG in relation to module L?

Mr Burnett—I might ask Ms Webb to answer this.

Ms Webb—There were a number of meetings between some members of the IEG and the Gunns people and the Gunns consultants during the course of the process of developing the Environmental Impact Management Plan. That was a sort of iterative process where quite a few discussions took place.

Senator ABETZ—I am aware of that, but specifically in relation to the trigger levels and module L.

Ms Webb—As to the water quality trigger level, yes, there were some discussions which then led Gunns to put particular numbers into the module as a result of discussions with the IEG.

Senator ABETZ—The numbers that we now find in module L in a table—I think it might be table 1—they were in fact then the figures that had been developed by the Independent Expert Group. Sorry, it is table 26 on page 57 of module L, just so we are under no misapprehension as to what we are talking about. So the figures that appear in that are in fact a direct lift of the figures recommended by the IEG?

Ms Webb—It was probably more of an iterative process of developing those figures over time between the department, the IEG and Gunns, so no-one really lifted them from anyone else.

Senator ABETZ—To your knowledge will the Independent Expert Group say, ‘Where on earth did you get these figures from in table 26? You know, they are just plucked out of the air.’ Or are they figures with which the Independent Expert Group would have a degree of comfort in?

Ms Webb—The latter.

Senator ABETZ—It would be fair to say that module L was therefore developed—let us cut to the chase—on the basis of discussions and that the Independent Expert Group thought that these were the appropriate levels?

Ms Webb—Yes.

Senator ABETZ—Are you able to tell us when that advice was given to Gunns as to those figures that now appear in the public document at table 26 on page 57?

Mr Burnett—We never formally advised Gunns, to my recollection, of what is in the modules. There is a process which Ms Webb has described of iteration and discussion, but the IEG then formulates its advice to the minister and Gunns only become aware of the final decision when the minister takes it.

Senator ABETZ—We have a situation where the proponent discusses it with the IEG and then you have the potential of the IEG changing its mind after telling the proponent, ‘We think these are acceptable levels,’ and then saying something else to the minister.

Mr Burnett—We do not know that they did tell the proponent they were acceptable levels.

Senator ABETZ—I do not want to verbal you, Ms Webb, but I thought we had virtually agreed that those figures that were contained in the table were in fact as a result of the iterative process, I think we were told, between Gunns and the Independent Expert Group and therefore these figures have been no surprise to them and chances are they would be satisfactory.

Mr Burnett—Yes, but it is not a negotiation between the IEG and Gunns. Just because there has been a discussion between them and some iteration does not mean that there has been any agreement. In fact the IEG’s overall charter remains to advise the minister.

Senator ABETZ—Are you able to share with us whether, for example, the trigger level for aluminium was seen as being 0.5 as per the table in module L?

Senator Wong—I think the difficulty with this line of questioning is that you are asking Mr Burnett or Ms Webb to give you a view about what the IEG may have thought or not thought about particular facts. We can indicate to you what the minister’s view was as a result. I am uncomfortable with a line of questioning which continues to press these officers on what another set of individuals might or might not think about some of the technical issues you are raising.

Senator ABETZ—As I understand it, an Independent Expert Group was set up to deal with some of the scientific issues to assist as to what the appropriate levels would and should be in relation to the proposed mill—

Mr Burnett—Specifically to advise the minister.

Senator ABETZ—Yes. It would seem unfortunate if a proponent, on the basis of discussions and an iterative process, were to go ahead with levels that one presumes from what Ms Webb said were acceptable to the Independent Expert Group, finds its way into the module and then later on that advice is rejected. Does the department have any concerns about the expertise of this Independent Expert Group.

Mr Early—We are getting sidetracked in terms of whether the IEG would give advice one minute and change at the next. The minister, in his letter to Gunns which he has released publicly, has indicated that he did not approve the modules because he wants to see the hydrodynamic modelling.

Senator ABETZ—I am aware of that.

Mr Early—He also went on to say that, although he had not approved the models, having regard to the advice of the Independent Expert Group he is satisfied with the scope of the hydrodynamic modelling set out in draft module L and the other contents of modules L, M and N insofar as the material does not relate to or rely on results of the hydrodynamic modelling. In a sense, this discussion has been a bit theoretical given that the minister has already indicated what he has done on the basis of the advice from the Independent Expert Group.

Senator ABETZ—Thank you for that. You may well have assisted me. Basically, the minister is saying that table 26 that I have referred to in module L is an appropriate standard, but it will be dependent on the outcome of the hydrodynamic modelling. Is that correct?

Mr Early—That is right. Basically, what he said is satisfactory is the type of modelling to be carried out, which is identified in the module. It is a configuration. The model runs require the parameters to be modelled. It is that kind of thing.

Senator ABETZ—Is that paragraph 4 of his letter?

Mr Early—Yes.

Senator ABETZ—If I am rushing it and verballing you please stop me, but would it be fair to say that is a preliminary approval subject to hydrodynamic modelling being satisfactory?

Mr Early—The minister is saying that, if Gunns does the work as set out in the modules to date, that will give him sufficient confidence to be able to look at the results and then determine what he should do. I would not call it preliminary approval. He has basically agreed that the modelling has been identified as what is required. If they go ahead and do that, he will have a good evidence base on which to make a decision on whether or not to approve the mill based on the results of modelling.

Senator ABETZ—Modelling always depends on what you put into it. What we are putting into it here are all the amounts of effluent and what would be an appropriate level, so I am just trying to get a handle on that.

Mr Early—The minister has said, on the basis of the advice that he has got from the Independent Expert Group, he is satisfied with the scope of that modelling. It remains to be seen what the actual outcome is in real time.

Senator ABETZ—Basically, subject to how the hydrodynamic modelling deals with all the levels contained in table 26, everything should be okay?

Mr Early—They are your words.

Senator ABETZ—Yes. Time is of the essence with my colleagues here so I am trying to cut through a bit.

Mr Early—I go back to the words of the minister: if the modelling is done in accordance with what has been set down—

Senator ABETZ—Yes. I would like to go to the Herzfeld report. I understand that was dated 2007. That was one input into the IEG, as I understand it. Is that correct? That Herzfeld report was able to be obtained, if I can use that term, with an application for FOI or we nearly got to that and then it was released, as I understand it. I am just wondering if any later report by the IEG could be similarly obtained by an FOI and, if it could, can we truncate that by asking for it here?

Senator BARNETT—Which report are you asking for?

Senator Wong—We have a hypothetical report that may or may not be subject to FOI. You want us to avoid the FOI provisions and give it to you now; that is essentially the question?

Senator ABETZ—Let us be very careful on this. Are you saying a report does not exist? Be very careful, Minister.

Senator Wong—No, I have to confess that I—

Senator ABETZ—Methinks there might be a written report.

Senator Wong—Can I finish?

Senator ABETZ—Yes, of course, sorry.

Senator Wong—I am familiar with the fact of the report that you were just describing before that last question, but I thought you were asking whether there was another report.

Senator ABETZ—That is right.

Senator Wong—I do not know.

Senator ABETZ—I would imagine that there must be another report from the IEG and that is the matter you have taken on notice, Mr Burnett, as to whether that can be released. I would have thought that, if no report exists, that question as to whether it can be released would not have to have been taken on notice. It was just a bit of intuition on my part, but I will not take that any further.

Mr Burnett—You asked for the advice to the minister from the IEG, and I have taken that on notice.

Senator ABETZ—Was any written report provided to Gunns?

Senator Wong—By whom?

Senator ABETZ—By the department that emanated from the IEG?

Mr Burnett—No. Not to my knowledge.

Senator ABETZ—All right. Where did these levels come from in table 26?

Mr Early—There is no report as such.

Senator ABETZ—Another document?

Mr Early—There were obviously lots of documents and emails.

Senator ABETZ—Sorry, I used the term ‘report’ and I should have used the term ‘document’. Is there a document that exists that basically sets out in tabulation form that which is at table 26 on page 57 of module L?

Mr Early—I do not think there is. There is information about those various parameters, but I do not think there is anything that replicates that table.

Mr Burnett—We will check, but I am not aware of any other report. The only document that I can think of is the advice of the IEG to the minister. There may have been correspondence, but I do not know.

Senator ABETZ—Can you please take that on notice and search very carefully, because I have a feeling there may be such a document that was relied upon potentially for table 26 in module L. I will leave that aspect.

Senator Wong—Just to be clear, you are asking the department to take on notice whether there is a document with the figures that are in table 26?

Senator ABETZ—That is it. If there is such a document can it be made available and, if not, why not? I accept it may be commercially sensitive, but let us wait and see. I was going to ask about the trigger levels in that document. The trigger levels in module L are different from those that were being considered in the Herzfeld report. Is that correct?

Mr Burnett—The Herzfeld report is a different kind of document. It is not a valid comparison.

Senator ABETZ—Why is it not a valid comparison?

Mr Burnett—The Herzfeld document was essentially a briefing paper for the Independent Expert Group to demonstrate how the modelling would work.

Senator ABETZ—Is that the hydrodynamic modelling?

Mr Burnett—Yes, the hydrodynamic modelling of work.

Senator ABETZ—The trigger levels in it were only hypothetical?

Mr Burnett—They were not necessarily hypothetical. They were numbers that Dr Herzfeld had available to him at the time, but they could have been from any source. They could have been adopted by him for the purposes of demonstration. You would need to have a detailed discussion with him about where those numbers came from.

Senator ABETZ—I accept that.

Mr Burnett—The final numbers in module L are the product of the consideration of the IEG, and that is way down the track.

Senator ABETZ—They are the product of the consideration of the IEG; thank you for that. The Herzfeld report was used to seriously bash up Gunns in Tasmania in relation to trigger levels and so on. The explanation you have just given is very informative, for which I thank you. The trigger levels that were hypothesised about in the Herzfeld report actually were just one input to the Independent Expert Group?

Mr Early—Yes, as I understand it.

Senator ABETZ—I will now take you to Minister Garrett's letter to Gunns. I have already asked you whether paragraph 4 could be considered as preliminary approval. In my layman's terms that is what it seems, but we will not go there again. How much notice was given to Gunns of the letter and the minister's decision?

Mr Burnett—Notice before what, Senator?

Senator ABETZ—Before the minister made his public announcement at 12.30 on whatever day it was in January.

Mr Burnett—Approximately half an hour.

Senator ABETZ—Would you please take on notice that question and give me the exact time?

Mr Burnett—I cannot give you the exact time. I notified Gunns.

Senator ABETZ—What did you do to notify them? Did you tell them a letter was coming in the mail or you were going to fax it?

Mr Burnett—From recollection, I telephoned Mr Calton Frame of Gunns, advised him of the decision, and then emailed him a PDF version of the minister's letter. That was at approximately 12 o'clock.

Senator ABETZ—So if you could get me the exact date, because I assume your email send box would tell you the time you sent it. That would be of interest to me. Mr Burnett, you were the one to ring Gunns?

Mr Burnett—Yes.

Senator ABETZ—Did the minister?

Mr Burnett—No, not to my knowledge.

Senator ABETZ—When you emailed the letter did you also email the media release that Minister Garrett put out?

Mr Burnett—I do not believe so.

Senator ABETZ—Did the department help prepare the letter?

Mr Burnett—Yes.

Senator ABETZ—Did the department help prepare the media release?

Mr Burnett—I believe so. Yes, probably an early draft.

Senator ABETZ—Did you see the final version before it was sent out?

Mr Burnett—I do not think so.

Senator ABETZ—Was anyone else told about the pending announcement before it was actually officially announced at 12.30 by the minister?

Mr Burnett—You have asked the minister that question on notice.

Senator ABETZ—And it has been now more than 28 or 30 days.

Mr Burnett—He is in the process of answering that himself. He will be answering that question.

Senator ABETZ—I put it on notice because I thought the time would have expired by the time of these estimates for the minister to respond. Given that the minister and you are clearly aware of my questions on notice, I am sure you have the information and I am inviting you to share it with me.

Mr Burnett—I cannot do that. It is up to the minister to answer that question.

Senator ABETZ—It is a surprise to me that you confirm that the minister did not ring the proponent, but he clearly did ring an opponent of the mill before the official announcement. That was a statement made in the newspaper and on radio by a Mr Bob McMahon, a statement which has not been denied by the minister.

Senator Wong—Are you asking that question of Mr Burnett?

Senator ABETZ—Yes.

Senator Wong—I am not sure Mr Burnett can answer that question. You have put a question on notice.

Senator ABETZ—Which is now overdue.

Senator Wong—I hear what you say. The minister will answer that. Mr Burnett cannot respond in relation to whom the minister may or may not have spoken to.

Senator ABETZ—That is unless Mr Burnett has documentation in front of him or is aware of documentation that the minister might have signed off on indicating that, yes, he had spoken to Mr Bob McMahon prior to the official announcement.

Mr Early—You asked the minister through the parliamentary processes. It is entirely inappropriate for us to speculate or comment on the answer the minister may give to you.

Senator ABETZ—The answers are overdue and the reason they are overdue is that I think we all know what the answer is. There are huge consequences of the minister phoning third parties with what, in anybody's language, is highly sensitive commercial information, to the extent that when Minister Garrett made his announcement and issued the press release thousands of Tasmanian shareholdings in Gunns went down by 18c until such time as trading was stopped for an hour. Gunns put out a statement and then the share price recovered about 50 per cent of what it lost as a result of Minister Garrett's media release. Why a minister of the Crown would share such commercially confidential and sensitive information with a nonparticipant prior to the official announcement I think is a huge breach of protocol by the minister.

CHAIR—Your question?

Senator ABETZ—I want to know why the minister has not answered my questions that I put on notice—and this is a direct one to you, Minister—that should have been answered by now so that I could pursue this very issue today.

Senator Wong—I will have to take that on notice. I hear your criticism of the delay and will ascertain if we can provide the answer—

Senator ABETZ—But I hope you also—

Senator Wong—in the near future.

Senator ABETZ—Sorry?

Senator Wong—I will ascertain when we can provide the answer.

Senator ABETZ—I hope you also hear the very serious criticism of a minister sharing commercially sensitive information with a third party prior to the official announcement. I would have thought, under the ministerial code of conduct, that would be something that the Prime Minister should be looking at very seriously as to whether his commission should be withdrawn. Mr Garrett is now a minister of the Crown. He is no longer an environmental activist. He has some very serious responsibilities.

Senator Wong—Of which he is very keenly aware.

Senator ABETZ—That is why he is sharing his decisions personally with an activist, Mr Bob McMahon, but cannot pick up the phone to those actually proposing it; instead he is

leaving it, with no disrespect, to a very good public servant in Mr Peter Burnett to pass on the message. Might I add that we will find that it was not half an hour, and I do not blame you for that, but I reckon it might be about half that time. We will wait and see what the answer to the question on notice tells us.

CHAIR—I do not mean to stop you, but we have been on this issue for 40 minutes and I am conscious of the time.

Senator ABETZ—Yes, I know. It is now getting very sensitive, where the minister has been shown to be in breach with commercially confidential information with a third party.

CHAIR—I think you have made that point.

Senator ABETZ—Thank you, and I will make it again.

CHAIR—Minister, did you wish to respond before we move on?

Senator Wong—No.

Senator ABETZ—The press release clearly emanated out of the minister's office.

Senator Wong—I was going to respond on that. It is not unusual for drafts of releases to be provided by departments to be finalised in the minister's office. I am sure you remember that when you were a minister that would have been the case.

Senator ABETZ—But when hugely commercially sensitive issues are at stake here, driving down the prices of shares of thousands of Tasmanians, there is in fact an issue of seriousness. We have a heading 'No mill approval' in circumstances where we have heard now from Mr Burnett and Ms Webb that in fact the mill approval was coming along quite well. Once Gunns put out their statement—and in fact gave the Australian Stock Exchange a copy of the letter that Minister Garrett had sent via Mr Burnett to Gunns—and when people actually read the facts instead of the anti-pulp mill spin in the press release, all of a sudden the share price took off again. The minister has a huge responsibility here and I do not think he recognises it.

Senator Wong—The point I was making is that it is not unusual, notwithstanding what your views may or may not be about what is contained in a press release—and I have seen some doozey's of press releases from all sides of politics in the time that I have been in parliament—

Senator ABETZ—This is more serious. This is about share prices.

Senator Wong—I am making the point that it is not unusual for press releases to be finalised—and I am sure that you would have done the same thing, with all due respect to our friends in the department—

Senator ABETZ—I did not see a share price collapse by 18 per cent in a matter of about an hour of my issuing a press release and then, when a clarifying press release was put out by a company, the share price increasing. In this press release we are told that this new condition fills a gaping hole in the former minister's approval. Can we get straight to the point? Was it a Gunns suggestion that a new condition be agreed upon and basically done by agreement as a result of Gunns writing to the minister making the suggestion?

Mr Early—I do not think that is an accurate reflection of what happened.

Senator ABETZ—If it is not an accurate reflection, can we quickly go through it step by step? Did Gunns write to the minister suggesting such a condition?

Mr Early—They did, only after the proposal was initiated by the department in conjunction with the Independent Expert Group and discussed with Gunns. Under the EPBC Act, the only way that the approval could be amended was by agreement with the proponents, which was Gunns, because the project had not started so there was no impact on matters of national environmental significance or nothing different from what happened with the original approval. It was required to have Gunns agree, but they wrote to the minister as the final act of quite a long discussion with the Independent Expert Group, the department, the minister's office and then Gunns.

Senator ABETZ—To assert that it was imposed would be incorrect; it was done by agreement. Is that correct?

Mr Early—It was done by agreement, initiated by the department and the Commonwealth.

Senator ABETZ—It was initiated by the department. It was done by agreement. Yet Minister Garrett, in his outrageous press release of 5 January, said that it was a condition that he imposed.

Mr Early—It was a condition that he imposed.

Senator ABETZ—No wonder the department tells us they only saw an early version of the release. Allow me to move on. Does the minister stand by his assertion that Gunns may have misled the Australian Stock Exchange with the letter that they wrote?

Mr Early—We cannot answer that.

Senator ABETZ—Take that on notice. Once again, this was a hugely serious matter raised by the minister and, given all the information that has come out tonight, it would seem that what was put to the Australian Stock Exchange was quite appropriate. Finally, does the department have any advice as to the various levels of pollutants in the Tamar River at the moment?

Senator Wong—As a base line?

Senator ABETZ—Yes, as a base line.

Mr Burnett—I would have to take that on notice. I do not know what information the department holds.

Senator ABETZ—If you could, because it seems to me—not that the effluent is going to be going into the Tamar River, I hasten to add—that the chances are the total amount of effluent would in fact be diluting the pollution levels in the Tamar River. Take that on notice to see whether there is any information on that. I thank the committee for its forbearance and thank the officers and the minister.

CHAIR—Thank you. We still have Senators Xenophon, Siewert and Hanson-Young wishing to ask questions under output 1.5, which is essentially about the EPBC Act. I understand some of those questions will be about pipelines, so tangentially they are to do with water. I intend to keep calling those senators until we finish this output. Is it the wish of the committee to proceed in that way? It appears it is.

Proceedings suspended from 8.45 pm to 9.01 pm

CHAIR—We are now going to conclude output 1.5. Senator Xenophon would you like to start.

Senator XENOPHON—Thank you, Chair. In relation to the Sugarloaf pipeline, the approval given by the minister on 12 September had 17 conditions. Condition 12 referred to:

The pipeline crossing of the Yea River flood plain must ensure passage of groundwater. This may be achieved by use of a groundwater shunt within the deep channel to permit the water tables to equilibrate post construction across the pipeline or by some alternative method.

Could you indicate what the status of that particular condition is and also whether an alternative method has been used in relation to the Yea River?

Mr Burnett—Senator, I do have information on some of those conditions but I do not think I have any information on that specific condition.

Senator XENOPHON—Perhaps you can take that on notice, thank you.

Senator Wong—That was in relation to condition 12.

Senator XENOPHON—Yes. Condition 14 states:

The person taking the action must provide by August each year an annual report on the compliance with these conditions, including the results of all EPBC listed surveys and environmental monitoring undertaken, independent audited reports of water savings achieved and the amount of water allocated for extraction, any adaptive management, any remedial actions taken and the effectiveness of the measures implemented to mitigate the impact on EPBC listed species.

Specifically in relation to the issue of the auditing of the water, what is proposed with respect to that? I note that the Victorian Auditor-General in a different context with the state government had some criticisms of their process with respect to the proposed water savings. What is proposed in terms of that condition being complied with?

Mr Burnett—We are writing to the proponent to indicate that we wish to consent to the nominated independent auditor the right of veto.

Senator XENOPHON—So that auditor has not been appointed as yet?

Mr Burnett—Not as far as I know.

Senator XENOPHON—What time frame are we looking at for the auditor to be appointed?

Mr Burnett—I do not know, Senator, I would have to take that on notice. The report is not due for 12 months so I do not know exactly when the auditor will be appointed.

Senator XENOPHON—Is it anticipated that there might be some preparatory work done by the auditor prior to that time, prior to August?

Mr Burnett—Sorry, Senator, that is just too detailed for me. I do not have that information.

Senator XENOPHON—Okay; perhaps you could take that on notice.

Senator HEFFERNAN—Who actually does have the information?

Mr Burnett—The proponent would have the information, Senator. The approval is issued to Melbourne Water so we will be writing to Melbourne Water.

Senator XENOPHON—In relation to the audit process, to what extent can condition 14 be sufficiently implemented? Is it foreseen that you can look behind the actual information given by Melbourne Water? In other words, to what extent can you forensically look at the assumptions made and the figures given by Melbourne Water or will the audit simply be looking at the figures that you have been presented with?

Mr Burnett—That is starting to get a little bit hypothetical. It depends on the proper interpretation of the clause and also whether we have any reason to doubt the information that is sent to us. We would not know for sure whether we needed to delve into it until we received the report and formed a view as to whether we thought it had met the requirements of the conditions.

Senator XENOPHON—A number of communities have had concerns about this project. Are you saying that the minister has discretion as to how thorough the audit process is and what delving there is behind the figures that are provided by the proponents?

Ms Skippington—Condition 14 has two elements: one is relating to matters for the listed EPBC surveys and things, so that is a simple audit process about whether the proponent has met the requirements about those conditions. The rest of the independent audit relates to where Victoria is finding the savings from to get water to go down the pipeline according to the agreement. We would be looking to get an independent audit of the savings that Victoria has indicated are available to be transferred to Melbourne by the pipeline. In the first couple of years, Victoria has indicated that they are getting that from current savings in existing programs. We would be looking for information to ensure that those savings are in place. When it will become of concern or of interest to the community of Victoria is when we need to measure the savings from the food bowl initiative, and that will be in a couple of years time. We will be working with Melbourne and the independent auditor to make sure that the information that is provided by the Melbourne Water Board indicates how they are measuring those savings and can justify them. Those savings need to be found in advance before they are made available the next year to be diverted to Melbourne.

Senator XENOPHON—To what extent will there be community consultation in relation to this process? In other words, will there be any consultation as to the audit process, will there be consultation in keeping communities informed as to the degree to which the department will be involved to ensure compliance with condition 14?

Ms Skippington—I would not anticipate there would be community consultation on the matter. It is normal practice that we would make information that we have available, if there is no commercial and confidence issues about that. If we had signed off that the information available through an independent audit was satisfactory then it is most likely that that information would be made public.

Senator XENOPHON—Finally, if there are not savings following this process, does that mean that the Sugarloaf pipeline cannot be used to convey water?

Ms Skippington—That is right. The water that needs to go down this pipeline is subject to the provision that it is being saved through improvements in water systems. That means it can

be identified that there are savings and that those savings need to be divided one-third to irrigators, one-third to the environment and one-third to Melbourne. If there are no savings then there would be no water diverted.

Senator BIRMINGHAM—Clause 14 which Senator Xenophon has been examining relates to the independent audit of both savings made and extractions. Clause 11 states, amongst other things, that the cap on extractions that may apply in any one year of 75 gigalitres, a well understood figure in relation to this pipeline. You just mentioned the one-third, one-third, one-third principle in terms of savings. Where in the conditions—because I cannot find them—does it state what savings are required before either 75 gigalitres are taken out or indeed even one gigalitre is taken out?

Ms Skippington—From recollection here, Senator, the last paragraph in condition 11 says that all water savings taken from the Goulburn River must be sourced from waters complying with the Environment Protection and Biodiversity Conservation Act 1999.

Senator BIRMINGHAM—Water savings taken to the Goulburn River must be sourced from projects that comply with the requirements of the EPBC Act; that does not talk about volumes of savings, though. The question is: where does the minister's requirement say what volume of savings is required before a gigalitre of water is extracted in the pipeline?

Senator FISHER—And where does it say, 'No water until savings—no savings, no water'? Where does it say that?

Senator Wong—Ms Skippington gave in response to a previous question on that, Senator Fisher. Can we just focus on Senator Birmingham's question for a minute.

Ms Skippington—The amount of savings estimated by Victoria was 210 gigalitres a year.

Senator HEFFERNAN—Is that net or gross?

Senator Wong—What do you mean?

Senator HEFFERNAN—Is it considered to be in a pipe or is it considered to be returning to the aquifer—

Senator Wong—Conveyance—is that what you mean?

Senator HEFFERNAN—Is it after you have allowed for the return to the aquifer and evaporation, which is gross, or it net?

Ms Skippington—It would need to be after we have considered what needs to be returned to the aquifer. Part of these figures that need to be demonstrated by Victoria will also be in relation to the food bowl stage 2 initiatives that they are implementing. Savings for the Sugarloaf pipeline are in part coming from efficiencies to be achieved through the Food Bowl Modernisation project. That project has not yet come through the EPBC, so we still need to do some work about ensuring that the savings we are looking at are in addition to the returns to the aquifer. Originally, Victoria estimated that the savings that they are predicting from the food bowl modernisation are 210 gigalitres in any one year.

Senator HEFFERNAN—Net or gross?

Senator Wong—These are Victoria's figures.

Senator HEFFERNAN—So you do not know the answer?

Ms Skippington—I do not know for sure, but my expectation is that it is in addition to the return to aquifers.

Senator HEFFERNAN—We might ask them, because maybe they do not know either.

Ms Skippington—If it is 210 gigalitres that is estimated and it is break-up of a third, a third and a third break-up, which was their provision in the information that was provided to us in the referral, then the maximum that they can take and the maximum that they have undertaken to take to Melbourne is 75 gigalitres in any one year. So sub-element A in condition 11 is the maximum amount that they can take to Melbourne in any year. If the savings—

Senator HEFFERNAN—So that is delivered in the pipeline, which is net?

Senator Wong—We can take that on notice, and I think Ms Skippington will, but the provision to which she is referring in condition 11 indicates the cap—in other words, not more than 75 gigalitres. It is not a minimum.

Senator HEFFERNAN—The delivery is—

Senator Wong—I understand the point you are making, but I am saying that, in terms of the legal condition which Minister Garrett has imposed and to which Ms Skippington is referring, it is, at 11A, not more than 75 gigalitres.

Senator HEFFERNAN—But the document refers to what comes in this end of the pipe and goes out that end, which is net and which would gross up to about 115 gigalitres.

Senator Wong—It says the Melbourne Water extraction to the Sugarloaf pipeline must be: ... not more than 75GL in any one year (as is proposed);

We can take on notice whether or not there is any allowance in the cap from the Commonwealth, as opposed to Victoria's, figures for conveyance. That is the question, essentially—is that right?

Senator HEFFERNAN—There obviously is not a conveyance discharge in the pipe.

Senator Wong—Correct.

Senator HEFFERNAN—But to make it equivalent to a gross in the system, you have to add what would have been dispersed to the aquifer. Obviously the more efficient you make your irrigations the more pressure you put on the aquifer, because you are not returning what is called waste to the aquifer, which is very important for people who have got groundwater.

Ms Skippington—That is right, and those hydrological cycles will be considered.

Senator HEFFERNAN—I will bet you a pound to a peanut that they have no idea what the answer is.

Ms Skippington—That who has no idea what the answer is?

Senator HEFFERNAN—The Victorians.

CHAIR—Can we let Ms Skippington answer?

Ms Skippington—When the Food Bowl Modernisation project comes to the EPBC referral, we will be looking at those hydrological cycles, particularly in relation to the requirements of the wetlands that are downstream and upstream and that would be dependent on any changes to the water flow.

Senator XENOPHON—What happens in the event that there is a standoff with the Victorian government in terms of the auditor being appointed—there is a veto power—or the auditor is not satisfied with the information being provided in order to properly conduct the audit? I am not saying this would happen but, if Melbourne Water refused to provide information or did not fully cooperate, are there sufficient powers in the act to deal with that?

Mr Burnett—I think we discussed this on a previous occasion. It depends on what the circumstances are. It could be anything from just insisting that they comply with the conditions—because ultimately the condition is the source of our power to require information—through to more serious steps if we believe that they are seriously in breach.

Senator Wong—Ultimately Minister Garrett as the relevant minister has to be satisfied as to compliance with the conditions; what the content of that satisfaction is is obviously—

Senator XENOPHON—A matter for his discretion.

Senator Wong—Correct.

Senator XENOPHON—Thank you.

Senator BIRMINGHAM—I am not sure whether you have not quite got an answer to my question. Should the Victorian government wish to pipe 75 gegalitres, where do these requirements issued by Minister Garrett—as you, Mr Burnett, just put it, that is where the Commonwealth takes their power to actually control the actions here from—require 210 gegalitres worth of savings? We have an audit that says there have to be savings. I can see where the cap is on how much can be extracted, but where is the comparable savings figure?

Ms Skippington—The 75 gegalitres is one-third of the 210, so that reflects the undertaking from Victoria to have one-third, one-third and one-third.

Senator BIRMINGHAM—I understand the undertaking, and that is fine, and I understand a third, a third and a third, and I understand the 210 gegalitres. I cannot see 210 gegalitres, I cannot see a third, a third and a third and I cannot see anything similar in this document.

Ms Skippington—That is because there is no 210 there and there is no third, but the result of one-third of 210 is there in the 75 gegalitres. The other components of condition 11 talk about the savings. So if there is less than 210 saved then there will be less than 75 gegalitres going down the pipeline.

Senator BIRMINGHAM—Under which clause?

Ms Skippington—Saying that there is no more than 75 gegalitres to go.

Senator BIRMINGHAM—But all that says is that there may be no more than 75 gegalitres in any one year; that does not say ‘not more than 75 gegalitres as a third of the savings generated’.

Senator FISHER—Seventy-five could be 100 per cent of savings.

Ms Skippington—May I take that on notice?

Senator BIRMINGHAM—If you could, please, Ms Skippington.

Senator HEFFERNAN—I will just jump in, because there is a fundamental question I would like to ask. When is it proposed that the first water will come out of the system and down the pipe? We are here fantasising about all this, but when is it actually supposed to start? Don't we know that either?

Senator FISHER—How long will the savings take?

Senator Wong—While the departmental officials are looking at whether or not we can assist you, Senator Heffernan, I just remind senators of something. I think we had this debate at some length during the water bill, but if we want to have it again then that is fine. I can understand the views of those who oppose this pipeline. The issue is in terms of what the Commonwealth's role here is. As you know, Senator Heffernan, our role in this context is only in relation to Minister Garrett's referral. We are not the project's proponent and we are not the project funder. Some of the questions being asked and some of the criticisms levied are really questions and criticisms of the Victorian government. Senators can put those publicly, but they are not issues about which Minister Garrett can necessarily make any decision.

He has to make a decision in accordance with the act about what conditions are imposed. He has imposed stringent conditions that are consistent with the act. No, they do not stop the project, which is what some of the senators in this room wish to happen. I understand that is their argument, but obviously Minister Garrett's role is a circumscribed one in relation to this issue.

Senator HEFFERNAN—I am very grateful for that, but it is a fundamental question. You have got a role to play. One of the most basic questions you could ask is: when the hell is the start date? You do not know the answer to that obviously.

Mr Burnett—The first year of the pipe's operation is 2010.

Senator HEFFERNAN—Okay, so that is next year.

Senator Wong—That is as identified by Victoria.

Senator HEFFERNAN—We have got a few questions to ask of Victoria. We are the goodies. If the forecast is as forecast—and it is a grim forecast which is probably going to have a catastrophic failure of the Murray River—and there is still going to be a flow in the Murrumbidgee—and I have to declare an interest because it affects me—there will only be somewhere between 250 and 350 gegalitres of flow in the Goulburn system until next winter. It is proposed under this system to take half of that and shove it down the pipe, and that is a gross figure not a net figure.

Senator Wong—Can I say first in relation to gross figures, Senator, is this the double-counting argument? Is that what you mean in terms of—

Senator HEFFERNAN—There is a possibility that what is proposed for this pipeline in savings—so one-third/one-third as Senator Birmingham points out—could be not much more than the water that is actually available, which will include the freight component, and so that

the fish in the river do not have to walk, if you know what I mean. If that happens, if the gross flow is, say, 350 gegalitres, despite the savings, what capacity does the Commonwealth have to say to the Victorians, 'Sorry, the freight component of the river is more important than flushing toilets in Melbourne'?

Senator Wong—I understand Ms Skippington has taken the question on notice, but I just want to confirm that we understand you. The question is: if the savings identified in accordance with condition 14 are less than are assumed under 11A, what powers does the Commonwealth have?

Senator HEFFERNAN—To answer the question, Minister—

Senator BIRMINGHAM—That certainly was not my question. I understand the Commonwealth has powers to act in terms of restricting how much Victoria can take out—

Senator Wong—It is actually your question because your question was: what if the savings are less than a third?

Senator BIRMINGHAM—No, my question is: what in these conditions mandates the savings to actually be achieved. Can 100 per cent of savings be extracted up to 75 gegalitres?

Senator Wong—That is actually the same question, but that is fine. Ms Skippington has taken that on notice.

Senator HEFFERNAN—Can I ask another question?

Senator BIRMINGHAM—I think Bill's point is slightly different. Mine relates to whether you can drive a truck through—

CHAIR—One at a time.

Senator HEFFERNAN—Could I just ask one more dumb question? The main flow used to be 3,700 gegalitres in the Goulburn system. I think it got down to 700 gegalitres. If the weather stays pretty crappy, it is forecast to go down under 500 gegalitres this year. At what flow level do they think they can achieve the 210 gegalitres of savings?

Senator Wong—That is not a question for us. But what is a reasonable question for us—

Senator HEFFERNAN—I think it is a reasonable question for the taxpayers though.

Senator Wong—I understand that. We are not the proponent of the project but what you were asking for in terms of the rather colourful vision of fish walking was under condition 11, which talks about the EPBC listed fish species, and whether there is a minimum, essentially.

Senator HEFFERNAN—We are really concerned that, if the weather stays the way it is and the Murray system fails, the Goulburn system will also fail if we play around. Sorry, Minister, but it seems to me that this has not been thought through. It is a bit like the Traveston Dam in Queensland and I chaired the inquiry on that.

CHAIR—Senator Heffernan, have you got a question? We really are short of time.

Senator HEFFERNAN—Righto, I will shut up.

Senator SIEWERT—I flagged at the beginning of the last session that I wanted to talk about the Kimberley, and I will try and keep it very brief because I would not want Mr Flanigan sitting there without my asking my perennial Kimberley question. Can you fill us in

as to where we are on the Kimberley assessment given that there has been a series of announcements by the state government? Has that affected the Commonwealth's assessment process?

Mr Burnett—Basically we are on track, Senator. You will remember that the first part of the process was about narrowing down from a series of possible sites to a preferred site. Now we are at that point, following the WA government's announcement of James Price Point as the preferred site. We are now moving to the more detailed stage of a full assessment of that site and the preparation of the draft management plan, which will then come to Minister Garrett in due course.

Senator SIEWERT—In terms of where we are up to, has that more intensive process started?

Mr Flanigan—The short answer is, yes, work got underway in earnest last Christmas. You will recall the short-listing process was announced, I think, on Christmas Eve by the Western Australians. We had a meeting with them in mid-January to commence the process of working through the work program to make sure that we can get the detailed assessment report that is required under the strategic assessments and all the management arrangements which need to be back that up—and to be frank, that is the more important component—and to get those delivered so that the approvals and final decisions can be made in an orderly manner in 2010.

Senator SIEWERT—Could you fill us in on the time line from here to 2010?

Mr Flanigan—The time line originally agreed between the state and the Commonwealth when we signed the agreement was for the draft assessment report and management arrangements to be available mid this year. At that meeting we had in January the state officials started, if you like, to signal that they thought they would have a couple of months of slippage, which has been brought about by the delays that were put in the timetable with the Western Australian election and the time necessary to bring the new government up to speed with the process. That is not unexpected.

We are now expecting the draft assessment report due in August this year. Assuming it is in a satisfactory state, it will then go out for public exposure and comment for a period—and I think the agreement requires at least 28 days. Then we expect there will be a process of discussions and deliberations about ensuring those management arrangements are up to scratch. That will occur through that. The final target point now, which was originally April 2010, is looking more like June 2010. We have not yet been officially advised by the Western Australians of that exact timing delay they are going to be seeking.

Senator SIEWERT—That time line of June 2010, where do we go then with any possible heritage nominations? Does it include those?

Mr Flanigan—That does include that. My colleague Mr Bailey can give you details of that process. The actual agreement that was signed up requires that heritage assessment for the whole of the Kimberley. That is scheduled to come in so that the minister will be making his decisions for any potential heritage listing at the same time as any potential decisions for the approval of the precinct management arrangements. It is all planned to come together at the same time.

Senator SIEWERT—At that point.

Mr Flanigan—Mr Bailey can give you details of the heritage assessment process.

Senator SIEWERT—Around June 2010?

Mr Flanigan—Around June 1010.

Senator SIEWERT—Mr Bailey, is there anything more that you can add to that or has Mr Flanigan summarised it adequately for you?

Mr Bailey—Very eloquently, Senator.

Mr Flanigan—That is the first time he has ever said I was eloquent.

Senator SIEWERT—It is in *Hansard* too now. Re the heritage survey and the grants funding that has been made available, should I ask about that or should I have asked about it under 1.4? If that is the case, I will put it on notice. Am I correct in understanding that some money has been made available to the Australian Institute of Marine Science to do some survey work in the Kimberley?

Mr Bailey—Not formally through the heritage division, Senator.

Senator SIEWERT—I will flag that somewhere else.

Mr Flanigan—There is a body of work going on to do detailed surveys and studies and it may well be one part of that program.

Senator SIEWERT—Who is funding that?

Mr Flanigan—At the moment the funding for the development of the work necessary to prove up the precinct is being funded by the state.

Senator SIEWERT—By the state, all right, I will follow them up. I have one final question and it is not related to the Kimberley; it is related to the other end of the state and that is the Fitzgerald River National Park, which is a Man and the Biosphere Program reserve. The state government has indicated that they are interested in putting a road through it and I am wondering whether it is the department's opinion that it would trigger the EPBC Act.

Mr Burnett—Excuse me, Senator, I missed that because Ms Middleton came to speak to me. Could you please repeat the question?

Senator SIEWERT—The Fitzgerald River National Park road.

Mr Burnett—Yes, the proposed road.

Senator SIEWERT—I am trying to find out whether in your opinion you think it would trigger the act.

Mr Burnett—We think it may, Senator, and we are expecting a referral. As you know, under the act the ultimate obligation is on the proponent.

Senator SIEWERT—I just wanted an opinion. Thank you.

Senator HANSON-YOUNG—Minister, I have got some questions in relation to the various different referrals for different projects put forward by the state government in relation to the Lower Lakes in South Australia. Firstly, I was hoping you could give me a list

of the current referrals that are there and where each of them is up to, briefly. I am sure we could talk about them more.

Senator Wong—It is probably not going to be brief. There are a number of proposals from South Australia, and I will ask Mr Burnett to go through them.

Mr Burnett—I will start and Ms Middleton will supplement what I say, if necessary. The first referral is for the proposed Wellington Weir.

Senator HANSON-YOUNG—Is this the next step on from the current approval for the extension of the causeway?

Mr Burnett—That is right, yes.

Senator Wong—We will come to the causeway.

Senator HANSON-YOUNG—I just wanted to clarify that they are separate.

Mr Burnett—Yes. You asked where they are up to?

Senator HANSON-YOUNG—Yes.

Mr Burnett—It was originally determined as a controlled action in July 2007. Its current status is that we are waiting for the draft environmental impact statement (EIS) from South Australia. Then Minister Garrett or his delegate has to decide whether that is of a satisfactory standard. Once it is, South Australia puts it out for public comment and the rest of the process.

Senator BIRMINGHAM—When did Minister Garrett finalise the terms of reference for the environmental impact statement in regards to this application?

Mr Burnett—The guidelines were finalised on 6 September 2007.

Senator Wong—The draft guideline was released prior to that by Minister Garrett.

Senator HANSON-YOUNG—Do you want me to ask questions on each or go through the list?

Senator Wong—Shall we do all of them?

Senator HANSON-YOUNG—That would be great.

Senator Wong—Mr Burnett could go through the various applications or matters under the EBPC Act and then we can come back to specific questions.

Senator HANSON-YOUNG—That would be great, thank you.

Mr Burnett—There are three current referrals. Perhaps I should mention for completeness that the works associated with the Pomanda Peninsula, the causeway that you mentioned, has already been finalised and determined not to be a controlled action. So that is out of play now. The next referral is the opening of the barrages. The current stage is the preparation and finalisation of guidelines for the environmental impact statement. The public comment period closed recently on 16 February and we are now in the process of taking into account the public comments before finalising the guidelines for that assessment. The date of the initial referral for the opening of the barrages was 28 November 2008.

Senator HANSON-YOUNG—Is there a time frame for when the guidelines will be released?

Mr Burnett—Yes, 17 March this year. The next referral is for the Lower Lakes irrigation pipeline. The referral was received on 18 February 2009, so that has only just come in. It is out for public comment at the moment as to whether it should be determined to be a controlled action. The public comments close on 4 March and a decision is due on 19 March.

Senator HANSON-YOUNG—That was 19 March? There is no referral at this stage in relation to the proposed regulators in the Gawler Channel or in Clayton?

Mr Burnett—No, but we are expecting that we may well receive a referral.

Senator HANSON-YOUNG—Have you been given any expected date as yet?

Ms Middleton—South Australia have not given us a firm date yet on which they might refer, but they are expecting to refer.

Senator HANSON-YOUNG—It could be May, April, March?

Ms Middleton—They are still pulling information together.

Senator BIRMINGHAM—But they have contacted you to advise that you should expect a referral?

Ms Middleton—Yes.

Senator HANSON-YOUNG—All right. That is it on the current books? Can I just go back to the Wellington Weir proposal? What will be the criteria against which the EIS will be measured?

Mr Burnett—In terms of whether the minister approves the EIS?

Senator HANSON-YOUNG—Yes.

Mr Burnett—Whether he believes it adequately addresses the approved guidelines and the requirements of the act, whether it properly discusses the potential impacts on matters of national environmental significance.

Senator HANSON-YOUNG—This obviously includes the Ramsar listing. What is the benchmark for the quality of that environment upon which the impact is going to be assessed, because clearly the quality of the ecological environment, upon which the Ramsar listing was originally based, may be different to the condition that it is in now. Will the decision be made on the type of impact it will have on the current condition or the type of impact it would have on the condition the lakes were in when they were given the original listing?

Mr Burnett—I think it would have to take account of all relevant circumstances, so that is the original condition, the current condition and most significantly the likely scenarios that are forecast for what lies ahead.

Senator HANSON-YOUNG—Will there be any consideration into what type of impact a weir at Wellington would have on Adelaide's water supply?

Mr Burnett—Yes.

Senator HANSON-YOUNG—This is different to the impact obviously on the Lower Lakes environment.

Mr Burnett—The minister is required to have regard to social and economic matters as well as environmental matters on this. It is clearly a major matter to take into account.

Senator HANSON-YOUNG—Is that something that, Minister, you would be responsible for in terms of ensuring that it is not just about protecting the environment of the Lower Lakes but ensuring that any change in water quality above the weir does not impact on communities upstream or those living in Adelaide?

Senator Wong—It is important to recognise that any decision under this act by Minister Garrett is his decision. There are occasions on which he is required to consult with relevant ministers. I would not pre-empt in relation to what aspect he would consult with me, but I assume advice would be provided on that front. Ultimately that aspect of this whole process—that is, EPBC decisions—is Minister Garrett's decision.

Senator HANSON-YOUNG—Under the current guidelines, is there a specific requirement that whatever impact the weir has on the quality of water above the weir needs to be taken into consideration?

Ms Middleton—No, not specifically. The guidelines refer to the environmental impacts, but the environmental impact statement needs to discuss a range of options as well as the objects of putting the weir in place. South Australia have clearly stated that one of the objectives for this weir is to take steps or include it in a suite of measures they are looking at to further secure Adelaide's water supply.

Senator HANSON-YOUNG—I understand that Minister Garrett has a responsibility to assess the environmental impact of the weir. What I am also specifically concerned about is the quality of water on the other side, which at the moment Adelaide, among other communities, actually draws its water from. I am trying to figure out who is responsible for making that assessment?

Mr Burnett—It would be Minister Garrett; that would be something he will need to take into account. As I said, the minister is required to have regard to economic and social matters and ultimately to the objects of the act, which are about ecologically sustainable development. It is cast very broadly, and all of those kinds of matters would be taken into account.

Senator HANSON-YOUNG—That is great to hear. Moving on, in relation to opening the barrages and taking into consideration the proposal around the Wellington Weir and that there is an accepted referral in relation to these new weirs—I call them weirs, but the state water ministry calls them regulators; I think they are one and the same thing—surely all of these proposals are about securing the sustainability of the Lower Lakes, protecting the environment, ensuring that we are doing our utmost to protect what is an internationally significant wetland as well as ensuring that we have a sustainable environment for the local communities. Surely all of these proposals have an impact on each other? My question is: has the minister taken into consideration how he can make a determination as to the environmental impact of one project isolated from another?

Ms Middleton—In relation to subsequent referrals that have come in since the Wellington Weir referral, what we have included and what went out for public comment on the draft EIS guidelines for the barrages was the relationship to existing infrastructure and proposed infrastructure that may be required in relation to the concept of opening the barrages and

introducing salt water into the Lower Lakes. It means that, when the EIS comes forward for the barrages, it will thoroughly discuss the relationship of that proposal in regard to all the other aspects of what is going on in the Lower Lakes currently, and that therefore will be thoroughly assessed.

Senator Wong—It would be correct to say that what Ms Middleton just outlined is the Commonwealth's expectation, and certainly Minister Garrett's expectation.

Senator HANSON-YOUNG—That the barrages EIS would specifically identify that we would need a weir at Wellington?

Ms Middleton—No, not specifically. It will require the South Australian government to provide information on necessary infrastructure that would be required to make the opening of the barrages a functional proposal.

Senator HANSON-YOUNG—One of those functional proposals would have to be some type of weir or regulator at Wellington?

Ms Middleton—It may or may not be; that will be up to the South Australian government to determine in their EIS.

Senator HANSON-YOUNG—What about some type of barrage or weir or regulator in terms of the Finnis River and Currency Creek?

Ms Middleton—That would depend on the extent to which the South Australian government intended the seawater to be introduced and how far into the system it wanted it to be introduced, which is why the guidelines cover the necessity for South Australia to describe any necessary infrastructure to support their proposal.

Senator HANSON-YOUNG—Would it not make more sense for the minister to go back to South Australia and say, 'We can see all these things are on the table, perhaps come to us with a comprehensive plan and we can assess it all together.' I would assume that the community, who have a much consistent and thorough understanding of community concerns, could be asked straight up: 'This is the overall plan. Give us your feedback.'

Ms Middleton—Senator Garrett has written to the Premier of South Australia to that effect.

Senator HANSON-YOUNG—He has?

Ms Middleton—Yes.

Senator HANSON-YOUNG—Do we know when that letter was written?

Ms Middleton—Recently, in the last week or so.

Senator HANSON-YOUNG—Asking for the proposals to be all collated?

Ms Middleton—No; he specifically asked the Premier to provide him with advice on an integrated strategy towards the future of the Lower Lakes.

Senator HANSON-YOUNG—Did that letter outline specifically that an integrated strategy would include putting these proposals together or looking at it from a holistic view?

Ms Middleton—It certainly asked the South Australian government to provide information on the context in which they were considering this range of proposals and how that related to a longer term strategy.

Senator HANSON-YOUNG—Do we know if the minister has received a response yet?

Ms Middleton—I am not aware if he has received a response yet.

Senator HANSON-YOUNG—Thank you. Is it a normal thing for the minister, in other situations where related proposals have been forwarded and referral asked, to wait until there are four or five before asking for them all to be seen in a more integrated manner?

Ms Middleton—Essentially the act has provisions where the minister would consider the consequential impacts of any proposal. I think this particular case with South Australia is unusual in that the state government has brought forward a series of proposals at different times. Given the nature of those proposals, the minister has sought further advice from the South Australian Premier.

Senator HANSON-YOUNG—Would that then require a new process of public consultation?

Ms Middleton—No. Each of the current referrals go through the standard mandatory consultation as prescribed under the EPBC Act.

Senator HANSON-YOUNG—Has Minister Garrett at any stage proposed that the community and public consultation should be taken into the consideration of the overall integrated strategy?

Ms Middleton—Minister Garrett is required to ensure that any referrals that are made to him are subject to public consultation as prescribed under the EPBC Act. Currently he will prescribe public consultation periods consistent with each of the proposals he has before him.

Senator HANSON-YOUNG—Did this letter that Minister Garrett has written to the South Australian Premier—without seeing the letter it is hard for me to really understand what was in it—suggest an integrated system or strategy to deal with the crisis that we face in the Lower Lakes? Did it specifically say in that letter that we need to be looking at these proposals together and not looking at them in isolation, and therefore any type of environmental impact assessment would need to be looked at from an holistic view?

Senator Wong—There are a lot of aspects to that question—it was a triple- or quadruple-barrelled one. I think Ms Middleton has outlined broadly in response to some of your earlier questions aspects of the letter from Minister Garrett to the Premier in relation to the issues you have raised. I think if there is significant further detail on that we would have to take that on notice.

Senator HANSON-YOUNG—What I would like to know is the minister's definition of an 'integrated strategy'. What does that mean?

Senator Wong—I am not sure what you mean by that question. If that is a question that asks, 'Is there a blueprint?', that is not the role Minister Garrett has. He has decision making role here in the context of the act. As I understood Ms Middleton's evidence in response to your question, she was indicating the expectation or the request of the minister that these

various EPBC matters are dealt with in an 'integrated fashion'. I think those were the words she used. So they relate to the—

Senator HANSON-YOUNG—I understand. I am not suggesting that Minister Garrett has a blueprint that he is then asking the state government to refer back to him. I am asking what would suffice as an integrated strategy for the minister. I would assume that one of those elements would be an overall public consultation on these proposals together. This is why I am trying to figure out what it actually means.

Senator BIRMINGHAM—It would probably assist deliberations if you were able to table Minister Garrett's letter.

Senator Wong—We will take that on notice. It would be most unusual to table correspondence between governments. I think you know that, Senator Birmingham.

Senator BIRMINGHAM—The general thrust of this correspondence has been revealed tonight—

Senator HANSON-YOUNG—I am not quite sure what the—

Senator BIRMINGHAM—so I am sure that there will probably be requests for it.

Senator Wong—Hang on, who is asking questions, Chair?

Senator HEFFERNAN—If the forecast is the reality this coming year, and we face up to the depletion of the reserves and we do not get the run off which we forecast in the top end of the Murray—so far I think we have missed out on 12,000 gigs for a few days going past Tilpa—there is no question that for the lower end it is either the sea or plant the thing out. You will not need a strategy. If in 30 years time the weather is as forecast, and the sea rises 18 inches, it is going to be sea anyhow. Why doesn't someone tell the truth? The strategy will be that there is no bloody water—and there will be no water, because the Murray system is going to catastrophically fail. And, as I said earlier, the Goulburn system is going to be down to where that pipeline is going to make the fish walk if they implement it. And the Murrumbidgee is going to be the saviour for Adelaide. There is no question that you will not be here sitting and worrying about what the strategy is. The strategy is it is either the sea or plant the thing out. For God's sake, someone tell the truth!

CHAIR—Thank you, Senator Heffernan. I am conscious that we still have not got to outcome 3. I think we have had a good run on output 1.5.

Senator HANSON-YOUNG—Can I just clarify that the minister will take it on notice that I would like a definition of what Minister Garrett meant in his letter by 'integrated strategy'.

Senator Wong—The words 'integrated strategy' were those of Ms Middleton.

Senator HANSON-YOUNG—So he did not actually say that in letter?

Senator Wong—I am neither confirming nor denying that. But I will take on notice the issue of whether Minister Garrett has any further information about his expectations of the proponent, South Australia, in relation to the integration of the various EPBC Act referrals. Is that reasonable?

Senator HANSON-YOUNG—That is reasonable.

Senator Wong—Okay.

Senator HANSON-YOUNG—And whether Minister Garrett has any more expectations in terms of what type of public consultation would be required to ensure that that was done.

Senator Wong—In addition to the ones to which Ms Middleton has referred, which are already public consultations under the EPBC Act?

Senator HANSON-YOUNG—Yes, but they are not an integrated strategy, are they?

Senator Wong—That is a matter for others to comment on.

Senator HANSON-YOUNG—Well, they are not.

Senator Wong—I will take that on notice.

Senator HANSON-YOUNG—Thank you.

Senator BIRMINGHAM—Will each of these environmental impact statements—three, four or five; I have lost count of the number of applications made by, coming from or awaited from the South Australia government—be prepared by the South Australia government?

Senator Wong—Correct.

Ms Middleton—Yes, that is correct.

Senator BIRMINGHAM—What requirements for any independent or expert oversight has the minister inserted into the guidelines for the preparation of those EISs?

Ms Middleton—The minister does not have to prescribe the use of independent expert advice in the development of those EISs, but it is at the minister's discretion at any time during the assessment process, or at the discretion of the department, to seek expert independent peer review of any of the documentation that is provided.

Senator BIRMINGHAM—In terms of providing public confidence in the process, and given the South Australia government is the proponent and applicant in this regard for all of these matters and they are then being asked to be the ones to conduct the environmental impact statement, would there not be some benefit in having some independent expert oversight?

Ms Middleton—The process goes out for a period of public scrutiny. Any concerns that people may have with the quality of the documentation or any issues they feel are not sufficiently covered are provided through the public comment periods. The onus is on the South Australia government to satisfy that any of those issues raised are adequately addressed in a supplement that is prepared. It is ultimately the minister's decision whether he chooses to accept to approve or not approve the action.

Senator BIRMINGHAM—I will not pursue it because I am sure if I did we would just go round in circles and we have short time. Thank you, Chair.

CHAIR—Thank you very much. There are no further questions on output 1.5. Thank you, officers.

[9.59 pm]

Murray Darling Basin Authority

CHAIR—We will now move to outcome 3. We have one hour left. We have the Murray Darling Basin Authority, the National Water Commission and then the department. I propose that we carve up the remaining time roughly into three. I am also conscious that not everybody here is from South Australia, so they might want to ask the questions.

Senator BIRMINGHAM—I know the minister has to some extent previously obliged by having multiple officers from multiple places at the table at a time.

CHAIR—That may come to pass, Senator Birmingham, but we will try with the Murray Darling Basin Authority. I note that the MDBA is a new authority making its first outing at Senate estimates with Mr Rob Freeman. Welcome, Mr Freeman.

Senator Wong—Yes, be nice to Mr Freeman—he is from South Australia!

Senator BIRMINGHAM—Mr Freeman, welcome.

Mr Freeman—Thank you.

Senator BIRMINGHAM—You have been appointed. What progress has been made in appointing other members of the authority?

Mr Freeman—The authority is not involved in the selection of the other authority members. The only involvement I have had is in providing the minister with some initial advice around some of the candidates that were proposed. I believe that is being handled between the minister and the Department of the Environment, Water, Heritage and the Arts.

Senator BIRMINGHAM—How many vacancies are there?

Mr Freeman—Technically at the moment there would be four vacancies as I occupy two positions, as the chair and the chief executive.

Senator BIRMINGHAM—So technically there are four vacancies at present as you fill four positions; however, in practice, given the expectation that you will only fill one of those in the longer term, there are five vacancies?

Mr Freeman—That is correct.

Senator BIRMINGHAM—Minister?

Senator Wong—Yes, Senator?

Senator BIRMINGHAM—If I need to restate: what progress has been made in filling five of the six positions or four of the six positions, depending on which way you wish to count it, at the authority?

Senator Wong—Four of the six, meaning other than Mr Freeman?

Senator BIRMINGHAM—Depending on whether Mr Freeman is wearing one hat or two.

Senator Wong—The chair has gone to cabinet and has been approved but not yet announced. We had very lengthy and extensive consultation with the states on the part-time members, I think they are called. We have a slight issue with the Queensland government going into caretaker mode, so we are going to have to work our way through that. As you

recall, under the act that was passed we have to consult with the states in relation to the four members. The chair is appointed by the Commonwealth. I am sorry, the states nominate two of the four. I thought we consulted in relation to all of them. We do, clearly, consult in relation to all of them.

Senator BIRMINGHAM—I was not game to try to correct you on that, Minister. So we expect the chair's appointment imminently and you have given—

Senator Wong—I have to consider whether we want to deal with that separately. My preference, to be honest, Senator Birmingham, was to announce the team.

Senator BIRMINGHAM—Thank you, Minister. Have there been any particular delays in the appointment or was it a case of waiting for Mr Freeman to come on board first and you have now turned to looking at the others? It is obviously some time since the first iteration of the act was enacted.

Senator Wong—Mr Freeman started in September of last year, Senator.

Senator BIRMINGHAM—That is right. However, the authority was enacted, from memory, late last year or very early this year.

Senator Wong—You might recall that, as a result of the agreement between the new Commonwealth government and the states, there were a range of changes to the Water Act. You were involved in those debates, I think, in the Senate.

Senator BIRMINGHAM—Yes.

Senator Wong—Some of those changes also related to the authority.

Senator BIRMINGHAM—And to the membership of the authority?

Senator Wong—Yes. The model that the then Minister Turnbull put up had a joint position, CEO-chair—I cannot recall if that is what it is called, but the two functions. As a result of the discussions with the states there was a separate chair position created.

Senator BIRMINGHAM—I do recall, thank you, Minister. Mr Freeman, what progress has been made in terms of the process for the development of the Basin Plan?

Mr Freeman—The authority has been working busily on a concept statement. It was clear in consulting jurisdictions there were vastly different expectations of the level of detail and the scope of the Basin Plan. Notwithstanding the act actually specifies 13 mandated elements. Clearly the Basin Plan can have extra elements other than those that are mandated under the act. To get some clarity into that, the authority proposed to prepare a concept statement which would define the scope; the time frames for the development of the Basin Plan, given the commitment to have a Basin Plan in 2011; and what would be required to satisfy the statutory requirements, in particular the consultation requirements, and also to manage the expectation of consultation. There is a high expectation out there that everyone will be consulted in every step of the preparation of the Basin Plan but, given the time lines, we will need to make it quite clear when and how people will be engaged. The draft concept statement is well advanced and that will be progressed, I imagine, with the appointment of the authority members. Clearly the minister will have to see it at an appropriate time.

In addition to that, of course, the authority now takes on the former roles of the Murray-Darling Basin Commission. Given the incredible drought that we are in and the extraordinary low inflows, in particular January having one of the lowest on record, the amount of effort that is going into running the system is still incredibly large. In addition, there is a lot of work going into actually establishing the authority. We now have 211 employees and we are progressing that.

Senator BIRMINGHAM—The concept statement you indicated was close to finalisation but will not be released until it has been approved by the authority members?

Mr Freeman—The concept statement at the moment is being prepared in the office. It would need to be considered by the authority and then submitted to the minister as well before release.

Senator BIRMINGHAM—When you say ‘considered by the authority’, that means the members who are awaiting appointment?

Mr Freeman—That could take one of two forms. Technically I have the ability to progress that; however, it could also be the wider authority, and I think there are probably certain advantages in doing that. The appointment of the authority would not necessarily frustrate the delivery of the concept statement.

Senator BIRMINGHAM—Given the issues the minister mentioned before with regard to the timing of the Queensland election, which was only announced yesterday, I imagine you will have to consider and discuss perhaps with the minister how you proceed with the concept plan around those time lines.

Mr Freeman—That is correct.

Senator BIRMINGHAM—What, if any, external involvement is there in the development of the concept plan, or will this be entirely an internal document?

Mr Freeman—I think it is fair to say that there has been significant bilateral discussion with jurisdictions. In fact, the idea of a concept statement emerged from those initial discussions and, as we step through this, there have been subsequent bilateral discussions. Other than that, there has not been any broader consultation at this stage.

Senator BIRMINGHAM—The act requires the establishment of the Basin Community Committee—is that correct?

Mr Freeman—That is correct.

Senator BIRMINGHAM—That is the right term. What progress has been made in the establishment of the Basin Community Committee?

Mr Freeman—The authority advertised for members of the Basin Community Committee. There is actually a statutory advertising process. Slightly more than 100 candidates applied. The act requires those to be actually made available to jurisdictions, and ministers, through the ministerial council, need to nominate potential candidates for the Basin Officials Committee. At this stage that is where we are. It has been referred to jurisdictions to select from, I think, the 104 nominees. On receiving the nominated members from the ministerial

council, the authority can consider the appointment of the Basin Officials Committee. The decision making actually lies with the authority.

Senator BIRMINGHAM—In terms of those sorts of detailed questions I will place anything else on notice. I have one quick question on water flow before I throw it over to others. Australians have seen lots of rain, most of it in the north of Queensland but some that has come towards the south of Queensland and the north of New South Wales. Wearing your new MDBC hat, is there any good news that stems from those rains?

Senator Wong—MDBA.

Senator BIRMINGHAM—Sorry, wearing the old MDBC hat that the MDBA has taken on board.

Senator Wong—It is not the old MDBC, Senator, it is a new body.

Senator BIRMINGHAM—It is a new authority, although Mr Freeman did just say that they have taken on, of course, the roles and responsibilities of the MDBC as well as their other duties.

Mr Freeman—I guess it is amazing how we grab onto small bits of news and we see them as good. As people are aware, there have been a series of events in the north of the basin. Our latest estimate is that they would generate something like 150 gigalitres potentially in Menindee Lakes. I have got quite a bit of detail around those rain events in the northern basin, but in the interests of time—

Senator BIRMINGHAM—To save me looking it up, what is the current capacity of Menindee Lakes?

Mr Freeman—Menindee Lakes are currently at six per cent. They currently have 107 and if our predictions were correct that would rise to some 250 to 260.

Senator HEFFERNAN—Where was the allocation Tandou just sold stored?

Mr Freeman—I am not aware.

Senator HEFFERNAN—They put out a press release yesterday saying—they are doing all right out of this trading, I can tell you, after you gave them that 34 million for nothing, a bit of supplementary water.

CHAIR—Senator Heffernan, I know where you are leading with this.

Senator Wong—I do not agree with that comment, Senator, but let us not—

CHAIR—Senator Birmingham, have you finished your questioning?

Senator HEFFERNAN—I think it is a legitimate question.

CHAIR—Yes, I am just checking if Senator Birmingham has finished his line of questioning.

Senator BIRMINGHAM—Yes, for now.

CHAIR—Are there any further questions of the MDBA?

Senator HEFFERNAN—There certainly are.

Senator XENOPHON—If I can clarify, questions in relation to the Menindee Lakes works would that be to the MDBA or to the department?

Senator Wong—Works, this is the election commitment?

Senator XENOPHON—This is the commitment to save water in the Menindee Lakes.

Senator Wong—Yes, that is the department.

CHAIR—Senator Fisher, what were your questions about?

Senator FISHER—About the *River Murray weekly report*.

Senator Wong—The drought update?

Senator FISHER—The Murray Darling Basin Authority *River Murray weekly report*. The latest version was published on 20 February.

CHAIR—Yes, I think that is relevant to this authority, so you go for a couple of minutes.

Senator FISHER—Yes, it should only take that long. It looks like this on the front. On the second page, Mr Freeman, there is a table, the fourth table down, headed—

Senator Wong—The third page perhaps.

Senator FISHER—I am sorry, yes, Minister, the third page.

Senator Wong—No, I just want to make sure we are on the same page.

Senator FISHER—Yes, sorry. The fourth table down entitled ‘Major diversions from the Murray and Lower Darling’ and then the next table down is headed ‘Flow to South Australia’. What is the difference between major diversions in the earlier table and flow to South Australia in the next table?

Mr Dreverman—The flow to South Australia is the total flow that goes across the border whereas the diversions in New South Wales and Victoria are the amounts that are actually taken out of the river. So that flow to South Australia would also have to cover both the evaporative losses in the river in South Australia and also the flow that passes through the bottom of the river into the Lower Lakes, as well as what is consumed.

Senator FISHER—Why the difference in treatment between the states in terms of how this report accounts for water?

Mr Dreverman—That is because of the way the agreement requires New South Wales and Victoria each to provide half of the share of water to South Australia which is bulk water at the border.

Senator FISHER—But why is there more detail, for example, provided in respect of the Murray and Lower Darling than there is in terms of South Australia?

Senator Wong—Can I just clarify the question, because I think Mr Dreverman was explaining the entitlement to South Australia. You are asking why the authority has not listed the diversions within South Australia, the allocations; is that the question?

Senator FISHER—That is a further subquestion, if you like. My earlier question was why more detail for the Murray and Lower Darling compared with South Australia. The next

question would be as the minister put, which is, why not also go into the detail of diversions in South Australia so that apples can be compared with apples to the extent one is able?

Mr Dreverman—It is not information that we receive. We do not receive in real time the diversions in South Australia. Most of those diversions are from smaller off-takes that are pumped whereas in New South Wales and Victoria the bulk of the diversions are major flows into channel systems such as Mulwala Canal, Yarrowonga Canal and also the major irrigation companies.

Senator FISHER—In the states beyond South Australia, what is it that means that you get that information from those operators whereas you do not get it in South Australia?

Mr Dreverman—The reason for that is that that is the way the river is operated. They actually place an order and then they confirm what they have taken. In South Australia the river diversions are actually managed in a different way: they do not place an order to the authority, they simply receive an entitlement flow each month into the state. In New South Wales and Victoria, they actually place an order in advance of where they need the water and we make sure that water is in that location. In South Australia, once the flow has gone over the border, the river flows are managed by the South Australian government.

Senator FISHER—Yes. I was going to ask who administers the various systems. In South Australia, it is the South Australian government?

Mr Dreverman—Yes.

Senator FISHER—So, if you were to deliver this report in a way that enables third parties to compare more readily, you would need more information from the South Australian government, effectively, is that what you are saying?

Mr Dreverman—Yes, in real time.

Senator FISHER—Have you ever asked for that?

Mr Dreverman—I am not sure that they can actually give it. I suspect that they do not actually read the meters sufficiently often to be able to aggregate that information in a weekly sense. We certainly get their information annually and it is in our water audit monitoring report which is published each year.

Senator FISHER—Nonetheless, it would mean that the South Australian administration is not accountable week by week in the same way as others are interstate. It would give the South Australian government a fair bit of wriggle room in terms of accountability for where the water was going, surely?

Mr Freeman—Perhaps I can help. The way the agreement is written, South Australia gets its conveyance water, its entitlement flow; in addition to that it gets a share of the available resource. That is managed according to a certain profile which South Australia can vary and they will put in orders from time to time to vary that profile. That is the requirement under the act. As Mr Dreverman outlined, in other jurisdictions they actually order their water. This will be the amount of water that has been ordered on a weekly basis by those various different irrigation areas. It is just a different regime. In the event that what you are suggesting is that South Australia may be able to use their conveyance water for irrigation purposes, if that is where the questioning is going, no, South Australia still needs to comply both living within its

total diversion limit, but also there is an independent audit each year and I believe South Australia has never been in breach of their cap.

Senator FISHER—That may well be the case, but reporting on this basis makes it far more difficult to trace the flow of water from beginning to that end point to which you have referred where, at the end of the day, the outcomes must be met.

Senator Wong—I think the point is the entitlement to South Australia is an entitlement at the border—

Mr Dreverman—That is correct.

Senator Wong—of 696 plus conveyance, et cetera, so 1,800.

Senator FISHER—From the Commonwealth perspective, Minister.

Senator Wong—Yes.

Senator FISHER—Yes, I understand that.

Senator Wong—The point of this is that you are identifying pre the border what has been taken out, the ability to account for losses, so we can be assured as to South Australia's entitlement as per the agreement.

Senator FISHER—I understand that and thank you for that explanation.

CHAIR—Thank you, Senator Fisher. Senator Heffernan, your questions are for the authority?

Senator HEFFERNAN—Can I ask you a question that follows on from Senator Fisher. Do I recall that not this committee but the rural committee visited South Australia and we discovered that South Australia actually had emergency powers to be able to reallocate their system if they wanted to, the South Australian portion. They have conceded their emergency powers to the Commonwealth, have they? You do not know what I am talking about?

Senator Wong—No.

Senator FISHER—In your dreams, Senator Heffernan.

Senator HEFFERNAN—No, I am sorry, it is not in my dreams; they announced it the day we were there. It is much the same as Queensland: they actually have the authority if they want to, if there is a decent flow that comes down the Culgoa/Condamine/Balonne, to keep it in the river. They actually have the power. But anyhow, that is not what I want to ask about. Could I just take you to the water sales in Tandou Limited and go back to my first question. Tandou just received on 23 February—

Senator Wong—So are we moving off the MDBA?

Senator HEFFERNAN—No.

CHAIR—Is this a question for the MDBA?

Senator HEFFERNAN—It certainly is, it certainly is.

CHAIR—Is about water entitlements?

Senator HEFFERNAN—As I am instructed, it is a question for you fellows. There was a \$4.8 million revenue injection from 12,500 megalitres of temporary water allocations at an

average price of \$385, which was announced by Tandou on 23 February, which was yesterday. My question is: where would that have been stored?

Senator Wong—We will have to take that on notice.

Senator HEFFERNAN—Thank you very much for that.

Senator Wong—Is this Living Murray water? Someone is saying on my left that it is not and someone behind me is saying yes.

Senator HEFFERNAN—It was just temporary water. Take it on notice. I would be curious as to—

Senator Wong—Is this to the public?

Dr Horne—No, this is just a private operator selling some water into the market.

Senator Wong—A temporary water sale to the Commonwealth?

Senator HEFFERNAN—It does not identify who the sale is to. What I would like you to take on notice is where the water was actually stored to make the sale.

Senator Wong—I will take that on notice. No-one seems to be able to assist, so, if you are asking me to give you details of a private sale of temporary water that you are not asserting the Commonwealth has purchased, then I am not sure I can help. It is like asking people to tell me who sold the car.

Senator HEFFERNAN—No, but I am sure that somewhere between Mary Harwood's mob and your mob someone would have to know where the water is so you could trade it. It is like knowing whether the money is in the bank.

Senator Wong—Yes, but you are assuming we bought it and I do not—

Senator HEFFERNAN—No, I am not assuming you bought it at all.

Senator Wong—So you are asking me to respond—

Senator HEFFERNAN—Ask where the water would have been stored in today's circumstances.

Senator Wong—In relation to a private sale that the Commonwealth did not have any involvement in?

Senator HEFFERNAN—But I do not know where they would have had it stored.

Senator Wong—All right, I will take that on notice.

CHAIR—The question has been taken on notice.

Senator HEFFERNAN—It does not identify who the buyer was.

CHAIR—If there are no further questions for the authority—

Senator HEFFERNAN—There are. Could you provide me, on notice if necessary, the date that the heads of agreement were announced for the purchase of the 250,000 megalitres of supplementary water from tender? I just need the date confirmed.

Senator Wong—Could we take that on notice?

Senator HEFFERNAN—You may.

Senator Wong—Did you say the second purchase?

Senator HEFFERNAN—No, late last year. I have to say I did ring Mr Guy Kingwill who is a very South African person, and he thought Father Christmas had visited Tandou to say that they had sold \$34 million worth of water to the Commonwealth when actually, according to the *Business Spectator*, their total market capitalisation of the company was \$7 million.

Senator Wong—This is post the Murray-Darling ministerial council.

Senator HEFFERNAN—It is, and the \$34 million that was expended, according to their press release, was sold to the Commonwealth. There was 250 gigs of supplementary water. The long-term cap equivalent was 35 gigs; the delivered Murray equivalent was 23 gigs—

Senator Wong—I think you and I had a discussion after this and this is a Living Murray purchase. My recollection is New South Wales was in fact the largest contributor. What do you want taken on notice?

Senator HEFFERNAN—I will tell you what I am after. The day before there was an announcement by Tandou about a heads of agreement, not an agreement. I want to know when the heads of agreement was signed because the day before the announcement was made, according to the *Business Spectator*, there was a transaction of shares in Tandou through a company whose address is as follows: Walker House, 87 Mary Street, Georgetown, Cayman KY19002 Cayman Islands. That was the day before the price doubled when they announced the heads of agreement to buy the water. That is why I want to know—and they will know why I want to know—the date of the heads of agreement.

Senator Wong—We will take that on notice.

CHAIR—Thank you, Senator Heffernan.

Senator HEFFERNAN—Thank you very much. I think I will just wait until I get the answer.

Senator Wong—The only caveat I put on that is—and it is some months since this discussion—my recollection is that this was a New South Wales initiated purchase or New South Wales had primary involvement. So it may not be information we have.

Senator HEFFERNAN—I appreciate that, because according to the *Land*:

It's believed Senator Wong had little to no knowledge of the sale, and she deflected all questions on the deal following the agreement to her NSW counterpart, Phil Costa—

even though you footed the bill.

Senator Wong—I do not think that—

Senator HEFFERNAN—That is what the *Land* says. No-one refuted it. Anyhow, I think you were conned.

CHAIR—Are there any further questions for the authority? We have half an hour left to deal with the National Water Commission and the department.

Senator Wong—Are there any questions for the National Water Commission?

Senator FISHER—Yes

Senator Wong—Because the only ones identified before were department questions.

Senator FISHER—Sorry, yes, I have some.

Senator Wong—For the commission?

Senator FISHER—Yes.

CHAIR—Be quick, thank you.

Senator SIEWERT—You said earlier that inflows were at record lows for January. In the latest Murray notes the graph stops halfway through January. It was in a very downward trajectory, but it was not as low as 2006 and 2007, which was a historic low. Have they since bottomed out?

Mr Freeman—I think from memory there were 70 gigalitres of inflows during January and in 2006-07 it was 50 gigalitres.

Senator SIEWERT—So it is not as bad as that?

Mr Freeman—However, we had that incredibly hot spell in January with lots of record temperatures, so losses actually exceeded record losses as well. I am not quite sure in netting those off, but I think it probably puts us in the same situation.

Senator SIEWERT—Thank you. Whom do I ask about the four per cent cap, you or the department? I want to know which districts have now exceeded or are now at their four per cent cap?

Senator Wong—That is the department. Can I clarify: are there any more MDBA questions?

CHAIR—No. I thank officers of the authority. I now would ask to the table officers of the National Water Commission.

[10.29 pm]

National Water Commission

Senator FISHER—Mr Matthews, your website says:

Work is underway to determine how best to strike the balance between water restrictions and alternative water management tools so that benefits are maximised and economic, social and environmental costs are as low as possible.

Can you update me on the commission's work in furthering exploring that balance with a particular focus on domestic water restrictions, as in backyard, urban water restrictions?

Mr Matthews—The commission has been leading a consultancy, which has not yet finished its work, which it is doing on behalf of all the parties to the National Water Initiative. All the parties agreed to have another look at water restrictions. That consultancy is the basis for the parties—that is, officials—to consider advice to their governments about that. But the consultancy has not been completed yet.

Senator FISHER—When will it be completed?

Mr Matthews—I am not precisely sure of the date.

Senator FISHER—Do you know when it started?

Mr Matthews—Certainly in the first half of this year it will be completed.

Senator FISHER—I believe it is referred to on your website as:

... coordinating a national review of temporary water restrictions in larger urban centres (those with over 50 000 connections).

Is that the review to which you are referring?

Mr Matthews—That is the review.

Senator FISHER—Thank you. Your commission publishes some occasional papers and I am looking at one published in July last year entitled *Approaches to urban water pricing*. It has got a section in there about water restrictions that discusses the difference between permanent water restrictions and temporary water restrictions. It refers to a range of what I find to be concerning elements of water restrictions and makes observations about those. For example, it refers to ‘economic efficiency’ and says things like:

... restrictions can impose significant costs on government agencies ... households, businesses and the general community ...

It gives examples of those. It goes on:

The use of restrictions to manage demand involves the selection of one of a suite of demand-side and supply-side options available.

But—and I am summarising a bit:

... the failure to accurately quantify the cost to society of water restrictions before their imposition means that it is not possible to confirm that demand and supply are being balanced at least cost.

Having gone through a range of arguments to that extent, this occasional paper concludes:

From a system management perspective, an estimate of the likely demand reductions from given levels of restrictions is required.

What work is the commission doing—and it may be part of this review—to be able to estimate the likely reduction in demand for water that will result from these urban water restrictions?

Mr Matthews—There are a couple of things that I need to say in response. There were many aspects to your question. The first is that the occasional paper, which is one in our Waterlines series, is not necessarily the view of the commission itself. What we try to do is to stimulate the debate, and we commission those sorts of research papers and we put them out. We sometimes cover them with a position statement, which we do take a position in and responsibility for, but—

Senator FISHER—Did you have a position paper for this one? Are you aware? I do not have one if you did have. You might take that on notice.

Mr Matthews—I will take that on notice. But I am not walking away from the paper. It was a sensible contribution to the debate. The commission’s attitude towards water restrictions is that they are a necessary and desirable tool to have in the toolbox, but it is really important that they be kept as a reserve tool. That is, if we had to design our urban water systems to be ready for a one in a 1,000-year event, it would be a very capital intensive and costly investment for every city to make. So what we do instead all across Australia and all around the world is design urban water systems for, say, a one in a 100-year event, and when

the seasons disappoint beyond that we start to work on the demand side. So we have set the supply side for a certain level of risk, but then we demand manage including through water restrictions. If they are left there indefinitely, that surge capacity to deal with those really serious seasons is lost.

Senator FISHER—Cutting to the chase, what proof do you have that water restrictions influence downward the demand side?

Mr Matthews—There is evidence; there is data for that. Most water utilities can produce a curve which is pretty common across most cities in Australia on the demand response by consumers from the date at which restrictions were introduced, and you will see demand cut down. But the same curve will usually after a while start to creep back up as restrictions fatigue sets in.

Senator FISHER—The fact that demand eases following imposition of restrictions is evidence of that and only that. Surely you need more to prove that reduction in demand after the imposition of restrictions is because of restrictions. What about factors like whether it has rained? Are they taken into account, for example, in these curves that you talk about? Surely you need more evidence than simply a time line showing date of imposition of restrictions and water consumption since?

Mr Matthews—The data can be adjusted to take account of a rainfall event or a series of rainfall events.

Senator FISHER—Is it? Is it adjusted, and do you have that work? What proof do you have that the imposition of restrictions is a direct downward pressure on water demand?

Mr Matthews—The commission itself does not have the sort of evidence that you are looking for, but the commission—

Senator FISHER—Does it exist in Australia?

Mr Matthews—It does. It would exist in the water utilities. But I was going to go on to say that the commission does not disagree with the general thesis that you are putting—that is, that water restrictions are a blunt instrument for achieving the demand management that we set out to achieve—but we do think that they are necessary as a reserve.

Senator FISHER—I think you said as a last resort, but I think some would argue that state governments are using them first and foremost as the armoury against water shortages.

Mr Matthews—We have publicly advocated the use of water restrictions not as an indefinite tool.

Senator FISHER—In part of your answer, you were talking about your curve going downward and then over time easing back up again. Is that as consumer resistance to ongoing restrictions sets in?

Mr Matthews—That is correct. We call it restrictions fatigue, and we think there is some evidence that restrictions fatigue is starting to creep in. That reinforces our concern about heavy and indefinite reliance on urban water restrictions.

Senator FISHER—Yes, particularly if part of the reason for backyard urban restrictions, as was observed in your occasional paper, is the ease of enforceability of backyard versus indoor restrictions because neighbours can dob on neighbours for backyard restrictions.

Mr Matthews—That is right.

Senator FISHER—So that illustrates part of the cost to the community and the undesirability of ongoing restrictions in any event. Maybe they have done their work. Maybe Australian water users are largely water wise now and can be left to be adults?

Mr Matthews—That is another part of the argument. We do think that water restrictions not only are useful as a reserve surge tool but also encourage good water stewardship, and that is now a part of the Australian culture. I would not like anything that I have said today to be misinterpreted as saying that the commission is dismissive of water restrictions. I hope I have made it plain that they are a necessary and desirable thing, including because they encourage good water stewardship—which is a good thing. But there is excessive reliance on them in Australia, and I think that is dangerous.

Senator FISHER—Thank you, Mr Matthews.

CHAIR—Thank you. If there are no further questions for the commission, I will thank you very much, Mr Matthews, for appearing before us this evening.

[10.40 pm]

Department of the Environment and Heritage

Senator NASH—I have a range of questions which I will put on notice. Mindful of my colleagues, I will be as succinct in my questioning as I possibly can be. First, I want to turn to the \$50 million buyback from last year. Could we just run through where that is at the moment? If I just run through the different areas, could you give me an idea of the volume of the settled trades? I think last time we spoke it was around 23 gegalitres.

Mr Robinson—Just a moment, Senator.

Senator NASH—That is fine; do you want me to give the others as well? Maybe somebody else can assist to speed the process?

Senator Wong—I can give you the information. This is for February to May 2008. The settled purchases that I have been provided with total 24.3 gegalitres. The completion of a further 4.5 million purchases has been deferred until various issues currently impeding the approval and settlement of these trades can be overcome.

Senator NASH—Okay. I am interested in the issues, but I will put that on notice rather than go through it now. Of that 24.3 gegalitres, what volume is through to the register?

Mr Robinson—It is 23.3 gegalitres.

Senator NASH—So that 9.1 that we had through to the register at last estimates has increased to 23.3?

Mr Robinson—Yes.

Senator Wong—I would have expected so.

Senator NASH—I am just clarifying it, Minister.

Senator Wong—We should keep making sure it is registered.

Senator NASH—Of that, what is the actual volume of water allocation? At last estimates it was 849 megalitres.

Mr Robinson—As at 16 February it is 2,253 megalitres.

Senator NASH—What is the total worth of the entitlements purchased? I am happy with a ballpark figure, and you can take a finalised figure on notice. I am happy to assist to do that, but I would like a rough ballpark figure.

Senator Wong—It is \$33.7 million. Can I say that with a caveat that we will take it on notice?

Senator NASH—I completely understand that; that is fine. In relation to this particular buyback itself, what work has been done on the potential impact on Australia's food security? By that I mean it is taking water out of those communities and agricultural production. What work has been done on food security?

Senator Wong—I would make the point, Senator, while the department is considering that question, that you have previously been critical of the amount of the water purchase and that the level of the water purchase, certainly for that first initial purchase round, was far less significant than the reduction in water that these communities have seen as a result of the ongoing drought/climate change impacts.

Senator NASH—Indeed, and you did state that last time. My point is this: the whole point of the buyback is to be able to return water to the environment, so one would assume that you were looking to water being returned. Given that the long-term average from this particular buyback is around 22,000 megalitres of water that will shift from agricultural production to the Commonwealth environment water holder—

Senator Wong—Gigs.

Senator NASH—I will just finish the question—it is entirely appropriate for me to ask the question as to what has been done around the issue of food security. If you are going to take that much water away from agricultural production, there has to be an impact. I am merely asking what work the department or the minister has done to ascertain what that impact will be.

Senator Wong—I think we previously discussed that ABARE has been asked to investigate the impact of the program. Again I make the point that the impact of the program to date is substantially less than the reduction in inflows on a long-term average that we have seen as a result of drought/climate change, depending on one's view. I also make the point—and I think you and I have had this discussion before—that the investment that the Commonwealth is making of \$5.8 billion into the irrigation industries we believe is the best way not only to ensure the economic viability of those communities but also to support food security, because this investment is all about trying to ensure that these communities and these industries are able to do more with less and are better prepared for a future in which we are likely to see less water.

Senator NASH—I would love to have the luxury of some time to go into exactly that issue of infrastructure spending, because from what we can see so far there has been very, very

little. For something that you state is a priority, we are not seeing the actual reality of that out on the ground, but again I am conscious of the time—

Senator Wong—But I would make the point—

Senator NASH—I am going to ask a question, Minister.

Senator Wong—No—

Senator NASH—I am going to ask a question.

Senator Wong—If you are going to make comments, Senator, you are going to get it back.

Senator NASH—I am going to ask a question.

Senator Wong—I would make the point that we have allocated money. Obviously with infrastructure projects it does take time for proponents to come forward to the Commonwealth with those proposals. The Commonwealth has made money available; it is in the forward estimates. We will continue to work with the states in relation to the proposals. It is a very substantial program. It will take some time to roll out. Those are matters that the Commonwealth does regard as very important.

Senator NASH—Okay. Am I to understand then, to revert to the question I was actually asking, that the answer was the only work that has been done so far on food security is none to date but we are waiting for the ABARE report in the middle of the year; is that correct?

Senator Wong—Well—

Senator NASH—It is a simple question. Is that what has been done?

Senator Wong—Hang on, the work on food security is also the \$5.8 billion and the guidelines associated with that investment. You may not agree with that, but that is the answer.

Senator NASH—No, because my question is around the production itself and the reduction in agricultural production. What effect is that going to have on food security? If the answer is that that is coming with the ABARE report, that would indicate that at this point the government is completely clueless about the issue of food security and what impact the reduction in water is going to have.

Dr Horne—As the minister said, the \$5.8 billion infrastructure program is squarely directed at improving efficiency of water use. Early components of that program would include modernisation, so the government has let contracts to a whole range of irrigation companies so that they can look at their businesses and reduce the amount of water that they need to produce a given unit of output. That is going directly to your question of improving the level of agricultural output for a unit of water input.

Senator NASH—Thank you, Dr Horne. I understand what you are saying. What I am trying to get some focus on is the fact that not only has there been this buyback but there are several other buybacks underway; that has not started yet. I understand that that is the intent, but at the moment you are flying blind. I am happy to just quickly move on, because I know that we do not have much time. I have some very quick questions as to the Namoi area in northern New South Wales. I am sure the minister would be very well aware of the issues up there.

Senator Wong—I have to say that after two days I am mixing up a lot of issues in my head, but I will try.

Senator NASH—It might become clear in a moment, Minister. I am sure it will when I mention the word ‘mining’. The potential for mining in the area around Caroon Breeza Plains is creating a lot of concern and angst for the people up there. The reason this relates to you, Minister, is because it potentially has an impact on the water system in that whole area. I will put on notice my long list of questions, but I have some very quick ones. You will remember there was \$1.5 million contributed late last year to the water study for the Namoi catchment. I think the state government was also to commit the same amount of funding. Media reports cannot be taken necessarily at face value but if the state government does not put in its share of the funding will that study for the Namoi catchment go ahead?

Mr Slatyer—At this point we have not yet received confirmation from New South Wales of their contribution to that project. That is the state of play.

Senator NASH—So you do not know. If that money is not forthcoming, will the study still go ahead?

Mr Slatyer—That is a policy question.

Senator NASH—That is why I am looking at the minister. Would you like to take it on notice?

Senator Wong—The basis of the announcement that we made in December was equal contributions from New South Wales and also the mining industry. That is the basis on which the announcement was made.

Senator NASH—Okay. If you could look at that for us and come back to us, the point being that the potential impact on the water system up there is significant. We would like some clarification on whether or not the study is going ahead, because I think it is vitally important in your role as all things water that we do get some clarification of the impact that that mining will have up there. Two very, very quick questions and then I will finish up. Assuming that study goes ahead, will the government give a commitment to use any of the existing Commonwealth powers to prevent any new subsurface mining licences being issued in the Namoi catchment until the completion and public release of that proposed water study?

Senator Wong—I cannot give a commitment based on a hypothetical. I understand there is a whole range of politics vis-a-vis the Nationals and the member for New England; they are not issues that I am particularly focused on, but—

Senator NASH—The water system should be.

Senator Wong—As was discussed I think in the context of the amendment that was then withdrawn, or the opposition’s position changed in relation to mining, mining is regulated primarily at state level, and the purpose of the study was to provide further information, but ultimately the Commonwealth has a limited role in the regulation of mining.

Senator NASH—I do understand that. Finally—I am happy for you to take this notice, and I understand it is hypothetical—if the study goes ahead and it does indeed ascertain that there are risks involved to the water system and the local area, could you provide to the committee what Commonwealth powers do exist to ensure that that mining did not go ahead?

Senator Wong—First, mining is not my portfolio. Secondly, you are asking essentially for legal advice. That is not the role of—

Senator NASH—I am essentially asking because I thought in your role as water minister you would be as concerned as we are—

Senator Wong—We did not support the amendment, and I have made our position very clear on this. Whilst the Commonwealth may have a role in supporting the development of better expertise and knowledge and understanding of the impact of mining on groundwater and surface water resources, ultimately the regulation of mining is primarily a state responsibility.

Senator NASH—It is indeed. I am simply asking if the department could provide to the committee what powers the Commonwealth does have in that situation. It is a very straightforward question.

Senator Wong—In relation to mining?

Senator NASH—If a study did show that there were risks involved—it may well come back that you tell me that the Commonwealth has no powers. I am just merely asking for—

Senator Wong—We can take on notice insofar it is relevant to my portfolio—

Senator NASH—That is all I am asking.

Senator Wong—But not mining broadly.

Senator XENOPHON—Back in July you indicated that there were a number of water saving projects totalling \$1.3 billion for New South Wales for priority projects to improve irrigation infrastructure and river health. That included building on the government's existing election commitment of up to \$400 million to save water at the Menindee Lakes. This has been an issue well before you were in government. I know that the Darling River Action Group that I met with a number of months ago said that they have been lobbying various New South Wales governments for the last 10 years to take action on the Menindee Lakes and the evaporation losses there. Could you update us on what steps have been taken in relation to those measures to save water at Menindee Lakes?

Dr Horne—As to the Menindee project—and you have been taking an interest in it—you would know there are two parts to the Menindee project: one is the so-called part B study, and complementing that is some work that we commenced in the department which I spoke a bit about last time when we were here. We were really concerned about the volume of water which it took to provide Broken Hill. That study has been progressing along, and Mr McLoughlin can tell me the details, but I think we are expecting the second stage of that to report very shortly. The first stage was very positive, so we commissioned a second stage of work to be done by Geoscience Australia. If that work turns out to be positive also, we will commission a much larger project that goes to spending perhaps at least many millions of dollars, up to \$15 million, to really scope how we would bring the project to realisation. It would be an aquifer recharge project to get the water—currently we are losing huge volumes, as you know, to evaporation—and to really take that out of the system by and large and pump small amounts of water into an aquifer and use those for Broken Hill. That project's second stage is almost back with us. In the next week or two we should know how that is going.

Senator XENOPHON—I am very conscious of the time. I understand that Senator Siewert has some questions, so I will just put on notice a few questions. Mention was made by the minister in her media release of 3 July that up to \$400 million could be spent on this project. Could I get some further details from you as to an approximate timetable, and how the money would be spent? Even in broad parameters, that would be very useful.

Dr Horne—I am happy to take that on notice to the extent that we can at the moment, bearing in mind that some of the major part of the work that we are doing at the moment is contingent on this next stage.

Senator XENOPHON—Even outlining the contingencies will be fine. Thank you.

Dr Horne—Yes, sure.

Senator SIEWERT—In one minute, could you please provide me with the list of how many districts have now reached the four per cent cap, in Victoria in particular?

Ms Harwood—Of the irrigation districts in Victoria, the four per cent has been reached in 10.

Senator SIEWERT—Could you take on notice to tell me which are the 10 districts?

Ms Harwood—Yes.

Senator SIEWERT—Also, do you have any data on the 10 per cent capping transfer disaggregation?

Ms Harwood—The 10 per cent has not been reached, but some are moving up above five, six and seven per cent.

Senator SIEWERT—Could you provide that list also?

Ms Harwood—Yes.

Senator BIRMINGHAM—This is a little like speed dating tonight, Dr Horne. How many applications for infrastructure projects have reached the due diligence stage?

Ms Harwood—In the different states, the projects are at different stages of development. One project has completed due diligence, which is the potable pipeline in South Australia.

Senator BIRMINGHAM—The Lower Lakes pipeline in the Narrung Peninsula, yes.

Ms Harwood—Due diligence is underway on the irrigation pipeline for South Australia. Work has started on the due diligence on the SunWater project in Queensland, which is an irrigation efficiency project there.

Senator BIRMINGHAM—Would you provide on notice details of those, but only one of those is an irrigation efficiency project, being the last one you mentioned; the others are about providing alternate pipeline systems.

Ms Harwood—Yes. The irrigation one will provide water direct to the community.

Senator BIRMINGHAM—It is about providing savings. Has the department received application from the South Australian government for \$100 million to double the size of the desal plant?

Senator Wong—This is under the urban water guidelines?

Senator BIRMINGHAM—Yes.

Senator Wong—They were only reasonably recently released. I understand we have received a proposal for the first part. Mr Robinson can help you.

Mr Robinson—As the minister was saying, we have received a proposal for the funding for the first component, and that is for a 50 gig plant.

Senator BIRMINGHAM—That is for the \$100 million that was an election promise for the 50 gig plant. When was that proposal received, roughly—months ago?

Mr Robinson—Within the last few months. I can take on notice precisely when.

Senator BIRMINGHAM—Okay. But as yet you have received no proposal for the second component, being Prime Minister Rudd's promise of another \$100 million?

Mr Robinson—We have had discussions with the South Australian government about the possible expansion and the Commonwealth's role in that, but we have not actually received a formal funding proposal, no. I am aware it is being considered as part of the Infrastructure Australia process.

Senator BIRMINGHAM—That perhaps begs another question as to whether you have any understanding of the \$400 million I think that was cited on the front page of the *Advertiser* last week, as to whether that \$400 million they are seeking from the Commonwealth is a total sum gross, including the \$100 million they are seeking from the Urban Water Fund, or whether in fact they are seeking \$400 million from the Building Australia Fund plus another \$100 million from the Urban Water Fund?

Senator Wong—I am not sure that we can assist in unpacking a front page of the *Advertiser*. We can tell you what application has been received in this portfolio. Mr Robinson has indicated his knowledge of other aspects being sought through different portfolios. Obviously we cannot assist you with that. Clearly this is a high priority for the South Australian Government, and my understanding is that work was being done on these proposals even prior to the Commonwealth's releasing formally our guidelines in accordance with our election commitment. That is why we have already received that proposal from the South Australian government.

Senator BIRMINGHAM—So the first \$100 million is also being funded under the National Urban Water Fund?

Senator Wong—That is the component to which Mr Robinson was referring.

Senator BIRMINGHAM—When were the guidelines released? Before or after you received the proposal?

Senator Wong—Formally we have to have that after.

Senator BIRMINGHAM—Formally.

Senator Wong—It is not unusual for proponents to undertake preliminary work in consultation with the department.

Mr Robinson—It was before. The guidelines have been out there since December 2008.

Senator BIRMINGHAM—The guidelines have been out since December 2008?

Mr Robinson—Yes.

Senator BIRMINGHAM—You are saying that was before?

Mr Robinson—Yes.

Senator BIRMINGHAM—Because you just said it was some months since you received the proposal.

Mr Robinson—I think we got the proposal just before Christmas.

Senator Wong—It may not have been before the formal release of the guidelines; is that what you are saying?

Mr Robinson—I believe that the guidelines were released before we received the formal application.

Senator BIRMINGHAM—The main principle at least is the second \$100 million application has not been made, so that is fine. I understand that. The first has been made, and we are clear on that point.

Senator Wong—No, the other aspects of South Australia's funding bid, I suppose, for a better word, to the Commonwealth may not be in our portfolio area, and Mr Robinson has given you evidence about his knowledge of funding being sought through infrastructure. We can tell you what has been sought in my portfolio area, which is what we have done.

Senator BIRMINGHAM—So it is not your understanding that the \$100 million commitment that the Prime Minister made with you was to come from your portfolio area?

Senator Wong—It is open to the South Australian government to seek funding from the Commonwealth's programs from which it sees fit to seek funding. They are entitled to put forward proposals.

Senator BIRMINGHAM—That is true, but the Prime Minister announced an extra \$100 million for them.

Senator Wong—And that is what the Commonwealth is able to provide, subject to the guidelines obviously being met. But if South Australia chooses to make additional application through the infrastructure process, they are quite free to do so. It is Commonwealth funding, whether it is Minister Albanese's portfolio or mine.

Senator BIRMINGHAM—I understand that.

Senator Wong—And consistent with the Prime Minister's commitment.

Senator BIRMINGHAM—I would have to look back at the Prime Minister's commitment at the time, but I will take your word for it, Minister.

CHAIR—Thank you. Senator Fisher, you want to put a question on notice?

Senator FISHER—Yes. Do I just foreshadow the subject of my questions?

CHAIR—Or you can just write them and put them in before next Monday.

Senator FISHER—I will.

Senator Wong—We have not jumped up and down over the fact that we are past the finishing time.

Senator FISHER—No, and that is very indulgent. My questions will be around the government's involvement in water trades and transfers, and questions about what information the government makes available to the public about its involvement in those trades—what information, where does it make it available, at what times and how? And the same questions about private operators being involved in transfers and trades, and the extent to which the information about government involvement may be any different from that provided to third parties or to the public by private operators.

CHAIR—Thank you, Senator Fisher. If you put those questions in writing, I am sure the department will look forward to receiving them. There being no further questions, that completes the examination of the Environment, Water, Heritage and the Arts portfolios. I would like to thank the minister and all the officers for their attendance today. Can I have a motion to accept documents tabled today?

Senator BIRMINGHAM—So moved.

CHAIR—Motion carried.

Committee adjourned at 11.08 pm