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Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATIONS AND THE ARTS
LEGISLATION COMMITTEE

ESTIMATES

(Budget Estimates)

WEDNESDAY, 27 MAY 2009

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE ENVIRONMENT, COMMUNICATIONS AND THE ARTS**LEGISLATION COMMITTEE****Wednesday, 27 May 2009**

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

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

Senators in attendance: Senators Abetz, Back, Bilyk, Boswell, Bob Brown, Birmingham, Eggleston, Ludlam, Lundy, Macdonald, McEwen, Ronaldson, Scullion, Siewert, Troeth and Wortley

Committee met at 9.03 am**ENVIRONMENT, WATER, HERITAGE AND THE ARTS PORTFOLIO****In Attendance**

Senator Jan McLucas, Parliamentary Secretary for Health and Ageing; Senator Kim Carr, Minister for Innovation, Industry, Science and Research; Senator Mark Arbib, Parliamentary Secretary for Government Service Delivery

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

Ms Robyn Kruk, Secretary
Mr Gerard Early, Deputy Secretary
Mr Malcolm Forbes, Acting Deputy Secretary
Dr James Horne, Deputy Secretary
Mr Mark Tucker, Deputy Secretary
Mr Malcolm Thompson, First Assistant Secretary

Approvals and Wildlife Division

Mr Peter Burnett, First Assistant Secretary
Ms Vicki Middleton, Assistant Secretary, Environment Assessment Branch 1
Ms Cathy Skippington, Assistant Secretary, Environment Assessment Branch 2
Ms Carolyn Cameron, Acting Assistant Secretary, Strategic Approvals and Legislation Branch
Ms Rose Webb, Assistant Secretary, Compliance and Enforcement Branch
Ms Kerry Smith, Assistant Secretary, Wildlife Branch
Ms Kath Collins, Assistant Secretary, Business Systems and Governance Branch

Arts Division

Ms Lynn Bean, First Assistant Secretary
Mr Mark Taylor, Assistant Secretary, Arts Development and Training Branch
Mr Paul McInnes, Assistant Secretary, Arts Policy and Access Branch
Ms Jane Barney, Director, Arts Training

Australian Antarctic Division

Ms Lyn Maddock, Director
Dr Rob Wooding, General Manager, Support Centre
Mr John Gunn, Chief Scientist
Mr Matthew Sutton, Finance Manager

Australian Business Arts Foundation

Ms Jane Haley, Chief Executive Officer
Ms Joanne Simon, Company Secretary

Australia Council

Ms Kathy Keele, Chief Executive Officer
Mr Tony Grybowski, Executive Director, Arts Organisations

Australian Film, Television and Radio School

Ms Sandra Levy, Chief Executive Officer
Ms Ann Browne, Director, Corporate Services

Australian Government Land and Coast

Ms Alex Rankin, First Assistant Secretary
Mr Hilton Taylor, Assistant Secretary, Reef Rescue and Aquatic Partnerships Branch
Dr Charlie Zammit, Assistant Secretary, Biodiversity Conservation Branch

Australian National Maritime Museum

Ms Mary-Louise Williams, Director
Mr Peter Rout, Assistant Director
Ms Joan Miller, Chief Financial Officer

Bundanon Trust

Ms Deborah Ely, Chief Executive Officer

Bureau of Meteorology

Dr Neville Smith, Deputy Director, Research and Systems
Dr Rob Vertessy, Deputy Director, Water
Mr Gary Foley, Deputy Director, Services
Mr Trevor Plowman, Chief Financial Officer

Corporate Strategies Division

Mr Peter Woods, Acting First Assistant Secretary
Ms Lily Viertmann, Chief Financial Officer

Culture Division

Ms Sally Basser, First Assistant Secretary
Mr Kim Allen, Assistant Secretary, Collections Branch
Dr Stephen Arnott, Assistant Secretary, Film and Creative Industries Branch
Dr Paul Salmond, Assistant Secretary, Literature and Indigenous Cultures Branch

Environment Quality Division

Dr Diana Wright, First Assistant Secretary

Great Barrier Reef Marine Park Authority

Dr Russell Reichelt, Chairman and Chief Executive

Ms Margaret Johnson, General Manager

Heritage Division

Mr James Shevlin, First Assistant Secretary

Mr Theo Hooy, Assistant Secretary, Heritage Management Branch

Mr Terry Bailey, Assistant Secretary, Heritage Assessment Branch

Dr Greg Terrill, Assistant Secretary, Heritage Strategy

Marine Division

Ms Donna Petrachenko, First Assistant Secretary

Ms Tania Rishniw, Assistant Secretary, Tropical Marine Conservation Branch

Mr Andrew McNee, Assistant Secretary, Marine Initiatives Branch

Mr Nigel Routh, Assistant Secretary, Marine Biodiversity Policy Branch

Mr Charlton Clark, Acting Assistant Secretary, Temperate Marine Conservation Branch

Murray-Darling Basin Authority

Mr Rob Freeman, Chief Executive

Mr Frank Nicholas, Executive Director, Corporate Services

Dr Fraser MacLeod, Executive Director, Natural Resources Management

Mr Les Roberts, Executive Director, Basin Plan

Mr David Dreverman, Executive Director, River Murray

Mr Geoff Haberfeld, Executive Director, Engagement, Secretariat and Communications

National Film and Sound Archive

Dr Darryl McIntyre, Chief Executive Officer

Ms Anne Landrigan, General Manager, Collections Management

Mr Steve Vogt, General Manager, Corporate Services

National Gallery of Australia

Dr Ron Radford, Director

Mr Alan Froud, Deputy Director

National Library of Australia

Ms Jan Fullerton, Director-General

Mr Gerry Linehan, Assistant Director-General, Corporate Services

National Museum of Australia

Mr Craddock Morton, Director

Ms Lisa Wilmot, General Manager, Operations

Mr Mathew Trinca, General Manager, Collections and Content

Ms Trish Kirkland, Acting General Manager, Audience and Programs

Ms Kylie Noonan, Chief Finance Officer

National Water Commission

Mr Ken Matthews AO, Chair and Chief Executive Officer

Mr Matt Kendal, General Manager, Water Science Group

Ms Kerry Olsson, General Manager, Water Reform Group

Mr Ross Martin, General Manager, Urban Water Group

National Portrait Gallery

Mr Andrew Sayers, Director, National Portrait Gallery

Parks Australia Division

Mr Peter Cochrane, Director of National Parks

Policy Coordination Division

Mr Malcolm Thompson, First Assistant Secretary

Mr Sean Sullivan, Assistant Secretary, Strategic Advice Branch

Ms Chris Woodgate, Assistant Secretary, Communications and Ministerial Branch

Mr Geoff Richardson, Assistant Secretary, Environment, Information and Research Branch

Renewables and Energy Efficiency Division

Mr Ross Carter, First Assistant Secretary

Mr Stephen Oxley, Assistant Secretary, Energy Efficiency Branch

Mr Kevin Keeffe, Assistant Secretary, Home Energy Branch

Mr Peter Young, Assistant Secretary, Renewable Energy Branch

Ms Mary Wiley-Smith, Assistant Secretary, Community and Industry Partnerships Branch

Screen Australia

Mr Ross Pearson, Chief Financial Officer

Ms Fiona Cameron, Executive Director, Strategy and Operations

Mr Ross Matthews, Head, Production Investment

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, Aquatic Systems Health Branch

Mr Bruce Male, Acting Assistant Secretary, Water Policy Branch

Mr Russell James, Assistant Secretary, Water Resources Branch

Water Efficiency Division

Ms Mary Harwood, First Assistant Secretary

Mr Richard McLoughlin, Assistant Secretary, Irrigation Efficiency Northern Branch

Mr Colin Mues, Assistant Secretary, Water Recovery Branch

Ms Suzy Nethercott-Watson, Assistant Secretary, Irrigation Efficiency Southern Branch

Water Governance Division

Mr Ian Robinson, First Assistant Secretary

Mr Steve Costello, Assistant Secretary, Urban Water Security Branch

Ms Gayle Milnes, Assistant Secretary, Environmental Water Branch

Mr Mark Kwiatkowski, Assistant Secretary, Project Management and Governance Branch

CHAIR (Senator McEwen)—Good morning, everybody. I declare open this public hearing of the Senate Standing Committee on Environment, Communications and the Arts, Legislation Committee. Today the committee will begin its examination of the Environment, Water, Heritage and the Arts portfolio. The Senate has referred to the committee the particulars of proposed expenditure for 2009-10 for the portfolios of Broadband, Communications and the Digital Economy and Environment, Water, Heritage and the Arts and other related documents. The committee must report to the Senate on 23 June 2009 and it

has set Friday, 31 July 2009 as the date by which answers to questions on notice are to be returned.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance in this regard, the secretariat has copies of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which I now incorporate in Hansard.

The document read as follows—

Order of the Senate—Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(Agreed to 13 May 2009.)

(Extract, Journals of the Senate, 13 May 2009, p.1941)

CHAIR—I welcome Senator the Hon. Jan McLucas, Parliamentary Secretary to the Minister for Health and Ageing, representing the Minister for Environment, Heritage and the Arts, and portfolio officers. I would also like to extend a welcome on behalf of the committee to Ms Robyn Kruk. This is your first estimates hearing as secretary of the department, so congratulations on your appointment and welcome to Senate estimates. Would you like to make an opening statement before we go to questions?

Ms Kruk—Madam Chair, thank you; I will make just a short statement. Thank you for the welcome. I think members are probably all aware that I have held the position since March, and I would just like to open by saying how pleased I am to appear before the committee as secretary of this department. The Environment, Water, Heritage and the Arts portfolio, as you all know, is a large and very dynamic portfolio covering a range of responsibilities and dealing with some obviously very interesting issues, which will no doubt elicit some very interesting questions.

As you are aware, this year the Environment, Water, Heritage and the Arts portfolio, like others across government, has a new outcome statement structure. The structure has been revised to more accurately reflect the government's goals as well as provide a meaningful description of how these goals will be achieved. The department is now focused on five outcomes. I might just quickly run through these because I think the order of questioning obviously follows those outcome statements: first, terrestrial and marine biodiversity and ecosystems; second, environmentally sustainable communities and industry support; third, support for Australia's interest in Antarctica; fourth, effective management of water resources; and, finally, support for our arts, culture and heritage. There are obviously many cross-cutting issues in the portfolio, such as water and matters relating to the EPBC legislation. You have my commitment that we will endeavour to deal with those as effectively as we can during the course of the hearing. You will also be aware that there have been some consequent changes to the budget documentation and presentation of measures, which we will seek to explain if necessary as we work through the portfolio budget statements. Finally, I would like to table a revised page 73 to correct a printing error which saw some deliverables under program area 5.1 duplicated and others omitted. I thank the committee for the opportunity to address these topics at the outset of the hearing. Thank you, Madam Chair.

CHAIR—Thank you, Ms Kruk. We will call agencies in accordance with the circulated program. However, I understand Senator Birmingham has some general questions for the department in the arts sector. Is that correct?

Senator BIRMINGHAM—Thank you, Chair. Senator McLucas, good morning. Ms Kruk, welcome again; it is good to have you on board. I hope some of the questions live up to your desire that they be interesting.

Ms Kruk—I am sure they will.

Senator BIRMINGHAM—I will not promise that they all will. I will start off on the changes around Arts Indemnity Australia and the Australian Government International Exhibitions Insurance Program, found on pages 189 and 191 of Budget Paper No. 2. Could you please practically talk me through what the changes are in the first instance, and we will see what questions fall out of there.

Ms Kruk—I may ask Sally Bassar to address that question in more detail. I will firstly explain that this is an improvement in insurance arrangements for the facilities. Secondly, it will actually provide opportunities, I think, for greater touring and access to regional areas, but I will ask Sally to address your question in more detail. Thank you, Senator.

Ms Bassar—As you may be aware, the Art Indemnity Australia program was established in 1979. The aim of that program was to enable Australian cultural institutions to bring significant overseas exhibitions to Australia to tour multiple venues and provide broad access to cultural material. Over time there have been changes in the context of the environment that the program has been operating in. Some of those issues are that increasingly overseas lenders have only been prepared to lend works for short periods and to single venues and that in recent years demand for the program has actually declined, so that since 2004-05 on average expenditure has totalled slightly less than \$2 million per year from a total allocation of \$4 million a year. So the demand was decreasing for the program. The question is: was it meeting its needs? A contributing factor to the reduced demand for the AIA program is that mainland states all have their own indemnity schemes now. As well, many overseas lenders have indicated that the rigid requirements of the AIA program do not compare favourably with international practice and that Australia requires a more flexible, adaptive and low maintenance loans process if it is to remain competitive in the marketplace.

The change which will commence on 1 July 2010 creates a more flexible program and also improves access. How it will work is that eligible organisations will apply to the department for funding for insurance on an annual basis and the minister will approve the allocation of funding from the program. Successful applicants will need to provide documentary evidence from the proposed insurer as to actual costs of the insurance, and states that have their own indemnity schemes will only be eligible if their exhibition tours outside their state and only to support the insurance costs for the touring element—so it is trying to encourage tours to go to more than one state. We think that the new arrangements will provide greater flexibility in that it will be open to more organisations. The Art Indemnity Australia program was limited to two managing organisations. The new program will be open to a wider group of organisations to apply for insurance and they will be able to obtain quotes for commercial insurance and take the insurance that meets their needs.

Senator BIRMINGHAM—Just so that I am clear, aside from it being open to a wider group of organisations, in what other ways does the profile of the program and the nature of the insurance provided or anything like that actually change?

Ms Basser—The art indemnity program required very strict security and other arrangements that were applied to the applicants; this allows the organisers to obtain their own commercial insurance. In a sense they can get quotes for their commercial insurance.

Senator BIRMINGHAM—It just subsidises that?

Ms Basser—That is right.

Senator BIRMINGHAM—Whereas the previous program was actually acting as an insurer?

Ms Basser—That is right, essentially.

Senator BIRMINGHAM—Do you expect a higher demand now that it is open to a wider group of people?

Ms Basser—We are hoping that it will enable more organisations to apply and that there will be a demand that will use the money that is available within the budget.

Senator BIRMINGHAM—I am just curious as to whether you expect the demand base to jump back up or not, because obviously, in net terms, the difference between the funding that has been saved from the ending of Art Indemnity Australia and the funding that has been committed in the International Exhibitions Insurance Program is a net reduction in funding. That may be because, as you said, demand was not meeting the allocation under the old program and so you do not need as much. Equally, insurance costs generally, of course, have gone up around the world in recent years, so I am curious as to how you are operating a better program that is available to more people but at less cost. It sounds like a wonderful solution.

Ms Basser—Win-win. The eligibility criteria will mean that those states where, for example, there is an indemnity scheme and an institution brings an exhibition out that is over \$50 million, first of all, we have raised the exhibition value, so the exhibition has to be worth \$50 million minimum to apply for this program. It is the big blockbuster exhibitions essentially.

Senator BIRMINGHAM—Was there be a minimum previously?

Ms Basser—There was a \$20 million limit on the AIA. Those states in which it only travels to one venue and they have an indemnity program will not be eligible to apply. In juggling those issues, we do not want to create a disincentive for the states obviously; we want to create the incentive for them to continue their indemnity schemes. Also, if they are able to take a blockbuster exhibition to another state or to a state such as Tasmania that does not have an indemnity scheme, we want to provide some support for that. In working out the numbers, it opens it up; the eligibility is still very targeted in terms of where that support will be directed.

Senator BIRMINGHAM—What would be the general value of a touring exhibition?

Ms Basser—Touring exhibitions can vary highly over a range, but the blockbusters can range from anything from \$50 million, \$80 million up to \$1 billion. It depends. They also vary over time.

Senator BIRMINGHAM—How many exhibitions between the \$20 million value and the \$50 million value have you provided indemnity to under the existing program in the past year or two?

Ms Basser—Two in the last financial year, the American Impression and the Degas.

Senator BIRMINGHAM—Two within that value range in the past financial year that now will not be eligible. Where did they tour to?

Ms Basser—They did not; they have not. One of those was the Degas exhibition, which went to the National Gallery of Australia. The National Gallery in the ACT does not have an indemnity scheme so the gallery will be able to, in those circumstances, apply for this program for the insurance. In the situation of another exhibition that, say, just went to Queensland, Queensland does have an indemnity scheme and that can indemnify that show. This program would have had no impact on those two shows. The gallery will in the future receive its assistance for the insurance through this program, and the other exhibition that went only to Queensland would be indemnified through the Queensland government program.

Senator BIRMINGHAM—Even the two that do not meet the value threshold would still be covered by other means?

Ms Basser—No, these did meet the value threshold.

Senator BIRMINGHAM—These are the only two that did?

Ms Basser—Sorry, I thought you asked the ones that were over that. You mean under the value threshold?

Senator BIRMINGHAM—Yes.

Ms Basser—Under the \$20 million?

Senator BIRMINGHAM—Under \$50 million, that is right, between \$20 million and \$50 million.

Ms Basser—I think I might have to take that on notice, Senator.

Ms Kruk—Senator, we may take that on notice. Obviously one of the important elements of this program is to encourage exhibitions to visit a number of sites. That by definition would increase the risk element and that by definition would increase the cost. I think your concern is whether some existing exhibitions or future exhibitions would be inhibited by this threshold.

Senator BIRMINGHAM—That is where we are getting, yes.

Ms Kruk—I thought that may be your direction, but obviously, as Ms Basser has indicated, the program actually has incentives to encourage visits to more sites, so clearly there is more risk involved. We will get back to you in terms of the details, your concern being whether this actually inhibits exhibitions from touring and access.

Ms Basser—Can I just add, Senator, that the other part of the exhibition package which deals with that issue, particularly for the national collecting institutions, was the National Collecting Institutions Touring and Outreach program, which provides \$1 million per year for the portfolio national collecting institutions to assist them with touring exhibitions, which may be touring internationally or touring within Australia and to bring overseas exhibitions here. They can apply for assistance for insurance for lower value exhibitions through that program.

Senator BIRMINGHAM—Yes, and the national collecting institutions currently operate through the Art Indemnity Australia program?

Ms Basser—There were two managing agents. They could apply but the managing agents were Art Exhibitions Australia and the National Gallery of Australia, and the exhibition value had to be over \$20 million under the Art Indemnity.

Senator BIRMINGHAM—If you could provide us on notice with the last few years' details of how many exhibitions have been supported and what the values of those exhibitions were, so that we can at least see. If there were only two over \$50 million in the last year and there were 10 under \$50 million, then there seems to be a problem that we are shutting out the bulk of the market.

Ms Basser—Yes.

Senator BIRMINGHAM—If you could provide that detail, that would be excellent. I will jump forward to the National Collecting Institutions Touring and Outreach program on the presumption, Ms Basser, that obviously that is your program as well.

Ms Basser—Yes, that is right.

Senator BIRMINGHAM—Excellent. That will be an application based program, because obviously \$1 million between each of the national institutions does not strike me as a lot once they all start applying and trying to carve it up and so on?

Ms Basser—Yes.

Senator BIRMINGHAM—What will the nature and operation of that program be?

Ms Basser—The program will be that the institutions will apply. Some years some institutions may have two exhibitions. The intent is that each institution is able to benefit from this fund.

Senator BIRMINGHAM—There will be a competitive grants program of some sort?

Ms Basser—There will be a grants program. Each of the bids will be looked at and we will be looking to fit the money into the program. So yes, there will be a competitive grants program.

Senator BIRMINGHAM—Are there guidelines for this program being established?

Ms Basser—The guidelines for this program have just been finalised.

Senator BIRMINGHAM—Were they finalised in consultation with the national institutions?

Ms Basser—Yes, they were.

Senator BIRMINGHAM—It depends how long a piece of string is as to how much a touring exhibition costs, but what is the target for presumably increasing the level of touring undertaken by the national institutions?

Ms Basser—The target is to increase particularly outside the eastern seaboard. What we are keen to do is increase the touring particularly of the national collections to cultural centres.

Senator BIRMINGHAM—South Australia in particular, which is welcome. Are there any measurables in terms of the target that you are working towards?

Ms Basser—We have not set a numerical target. We are looking for an increase to a broader range of venues outside the eastern seaboard.

Senator BIRMINGHAM—Thank you, Ms Basser. Turning over to the art training organisations and the additional funding there, having asked at the last estimates about the Australian Youth Orchestra, I welcome the commitment of some additional operating funding for the Australian Youth Orchestra. I note that the additional funding is split across the AYO, the Australian Ballet School and the National Institute of Dramatic Art, NIDA. Could you just provide us with the basis for that split please?

Ms Bean—Would you mind repeating the question?

Senator BIRMINGHAM—Regarding the additional funding for arts training organisations, on page 190 of budget paper No. 2, I see that funding is split across three organisations. Can you provide the operating split for it please?

Ms Bean—NIDA is \$4 million over four years; Australian Youth Orchestra \$0.97 million over three; and the Australian Ballet School \$0.4 million over four.

Senator BIRMINGHAM—Over four years for NIDA, over three years for the AYO and over four for the Australian Ballet School?

Ms Bean—That is correct.

Senator BIRMINGHAM—Is there a reason why NIDA and the Ballet School have received their funding with four years worth of certainty, whereas the Australian Youth Orchestra has only received it with three?

Ms Bean—Primarily, it is historical that we have tended to fund the AYO on a triennial basis over time. Also, some of the AYO funding terminates at different times and is ongoing. We are trying to pull all the money into line essentially, because they get different bits of money at different times in the budgetary cycle.

Senator BIRMINGHAM—I am happy with those. I want to just jump onto ArtStart, if I can.

Ms Bean—Yes.

Senator BIRMINGHAM—Is ArtStart also you, Ms Bean?

Ms Bean—It is an arts division issue, but it is going to be administered by the Australia Council.

Senator BIRMINGHAM—That would have been my opening question, so am I better leaving that to the Australia Council?

Ms Bean—It would be best to answer them when both I and the Australia Council are at the table because there will be some crossover.

Senator BIRMINGHAM—That is fine. I thought it looked like an odd one for the department to be administering, so if it is the Australia Council, that is fine. Lastly, there is the Melba Foundation.

Ms Bean—Again, perhaps that could be asked when the Australia Council is at the table.

Senator BIRMINGHAM—Excellent, thank you.

Ms Kruk—Senator, if I may, I think we are in a position to actually provide you with a detailed table in terms of the varied program costs if you would like at this stage. We are happy to table that.

Senator BIRMINGHAM—Sure.

Senator TROETH—Is this the right area to ask questions on Creative Australia here?

Ms Bean—We seem to be answering questions on matters that are for the department rather than the agencies. I have obviously got no issue with that, but I thought we were going to do the agencies first and then do the department.

Senator TROETH—All right, that is fine. I will do that.

Senator BIRMINGHAM—I thought we were doing the department first.

CHAIR—I think the more useful thing is if we do the department after.

Ms Kruk—Chair, we are happy to take it either way. I think probably what Ms Bean is concerned about is we have got all the arts heads here at the moment. But we would like to make best use of the committee's time as well as, obviously, their time, otherwise you can do the general arts questions at the end, if that suits you. There may be some issues that are generic to all of the arts agencies that you wish to come back to.

CHAIR—That is good advice, thank you very much, Ms Kruk. In that case then, we will go to the agencies. We will start with the National Film and Sound Archive and there will be an opportunity after we have done the agencies to ask general departmental questions.

[9.28 am]

National Film and Sound Archive

CHAIR—I welcome the officers from the National Film and Sound Archive.

Senator BIRMINGHAM—How many staff are currently employed by the National Film and Sound Archive?

Dr McIntyre—Approximately 210 staff. They are located here in Canberra and we have two offices, one in Sydney and one in Melbourne.

Senator BIRMINGHAM—How many staff have been retained from the archiving branch of the AFC?

Dr McIntyre—They all came across. There was no attrition of staff with the merger.

Senator BIRMINGHAM—In terms of staffing numbers, has it varied from the AFC staffing?

Dr McIntyre—It is the same level.

Senator BIRMINGHAM—The same numbers, they all came across and no significant additions either?

Dr McIntyre—No.

Senator BIRMINGHAM—You are currently, I understand, relocating offices in Sydney and Melbourne?

Dr McIntyre—We have moved from the AFC offices in William Street to Murray Street. We have set up an office there which gives a good location in central Sydney. Also in Melbourne we have had an office there, where it is just a move from one level onto another floor within the same building.

Senator BIRMINGHAM—What precipitated those moves?

Dr McIntyre—With the demerger from the AFC, it was to give the Sydney office its own identity. It also gives us close proximity to some of our sister institutions in Sydney; we are opposite the National Maritime Museum and we have a good working relationship with them. We are also close to the Powerhouse Museum, with whom we have again got relationships, and the ABC. It gives us kind of a campus in that sense. With the Melbourne office, it was simply to give us a bit more space within the building and we also work closely with various cultural institutions in Melbourne as well.

Senator BIRMINGHAM—What costs have been incurred with those relocations?

Mr Vogt—We would need to take that one on notice, Senator. There were significant costs in relation to the establishment of both the Sydney and Melbourne offices this current financial year. We are also spending funding upgrading some of our other infrastructure.

Senator BIRMINGHAM—If you could come back with those details, that would be great.

Mr Vogt—Yes, certainly.

Senator BIRMINGHAM—Thank you. What stage is the development of your ten-year master plan up to?

Dr McIntyre—It is in the preliminary stages. In terms of reshaping the corporate plan, we have made some changes to that which have now gone forward to the minister. Those changes related to the amalgamation of two objectives for the national collection. That covers issues such as preservation and collection development, but also the digitisation of the collection over time, if we get subsequent funding for that. Also, we included outreach, because that is a major expectation of the government, how we increase access to the collections in our operations. It looks much more strategically over time at how we develop our programs on a national basis.

Senator BIRMINGHAM—You have received funding for the digitisation archiving of \$805,000?

Dr McIntyre—For the three institutions, ourselves, the National Library and the National Archives. The next stage there is to develop the business cases to take that forward in terms of proposed funding. Indicative funding for the National Film and Sound Archive is \$21 million over five years, but the business cases will see if that figure is absolutely real and will give it quite strong economic support in terms of justification.

Senator BIRMINGHAM—The funding you have received is purely for the development of the business plan?

Dr McIntyre—Yes.

Senator BIRMINGHAM—What is the time line for the development of that business plan?

Dr McIntyre—It should be finished by about October this year and then hopefully will be fed into the next budget process for 2010-11.

Mr Vogt—Excuse me, Senator, although it is a tripartite partnership relationship with the National Archives and the National Library, that funding actually appears in the National Library's budget, as the coordinating agency, for this financial year.

Senator BIRMINGHAM—Thank you. Has the master plan itself been published?

Dr McIntyre—No, just the corporate plan.

Senator BIRMINGHAM—I may need to ask this question of the National Library: will the business plan itself be made public?

Dr McIntyre—That is a question probably for the National Library to take on board, I think. They are the lead agency.

Mr Tucker—I might be able to add to that. It will go into a budget process so there may be a budget-in-confidence arrangement with that business case. We will obviously have to work through that over the coming months.

Senator BIRMINGHAM—What challenges do the archives face by the enormous increase in broadcast that is occurring at present with multichannelling and those sorts of things? Is it the role of the archives to capture archives from the additional channels? What do you focus on? Are there additional costs that are being incurred as a result of that growth?

Dr McIntyre—Over time, yes, the aim is to try and download as much of that material as we can. There are copyright issues and clearance issues we would have to work through. If it is in digital format, storage is an issue for us in terms of ICT capacity to be able to store that through robot servers. The terabytes with digitisation are enormous. They are not hugely expensive but there are costs obviously associated with that. Long-term storage is an issue. The other challenge we have is transferring older archival material which is on video format to a more stable digital format—which are issues we are addressing at the moment internally. If the funding comes through over time with the digitisation then that will help meet some of those costs over the next five years, to put that on format. The other challenge we face with the digital environment is the technology changes, so probably over three or four years time we will need to look at other more stable formats for the transfer of that material onto the next level of technology.

Senator BIRMINGHAM—I understand you have recently struck an agreement with Foxtel?

Dr McIntyre—Yes, that is right.

Senator BIRMINGHAM—Could you talk me through the nature of that agreement as to what material you will be storing as a result of that agreement?

Dr McIntyre—They have already donated to us about 240 boxes of material. It is both archival material and Australian-produced material, documentaries and so forth which they have already transferred across to us. Their recognition, I think, is that they see us as the natural home for the long-term preservation of that material and, over time, there will be public access to that material for people doing research or if other documentary makers want to access that material, subject to copyright clearances and any access fees that they pay. It just provides a permanent home and repository for pretty important material being produced within Australia.

Senator BIRMINGHAM—So you become the home and repository for those 240 boxes of—

Dr McIntyre—Which will grow over time.

Senator BIRMINGHAM—material which will grow over time. They have come in different formats or have they all come in a digitised format?

Dr McIntyre—More in digitised format, yes.

Senator BIRMINGHAM—This is the first of this type of agreement you have had with any of the commercial broadcasters?

Dr McIntyre—At this stage, yes.

Senator BIRMINGHAM—Do you have an existing similar agreement with the ABC or SBS?

Dr McIntyre—No, because their records go to the National Archives of Australia.

Senator BIRMINGHAM—Are you in discussions with the other commercial broadcasters?

Dr McIntyre—Yes. We have ongoing relationships with Channel Nine. Channel Nine has its own archives but there is some material we have—the series of *Homicide*, *Number 96* and other old programs going back. We also have relationships with Channel 7 and Channel 10. We do download the news, and also Sky News, so we keep that material as well, as a permanent record. We will be discussing a little bit more over time with the other networks in terms of material that they might wish to transfer to us. My hope would be that it would be transferred in a digital format rather than kilometres of reels of video film and so forth, which poses major storage issues for us.

Senator BIRMINGHAM—If the \$25 million or so in additional funding for the digitisation project is not forthcoming within the next few years, what are the challenges the organisation faces and what are the risks inherent in that?

Dr McIntyre—It would slow down our process, I think, to digitise. We would have to look at priorities within the institution, whether we reallocate more funds internally towards digitisation or whether we potentially seek a relationship with the commercial sector where they digitise the material themselves and then do a deposit of that material with us—which would save us that major task of digitising.

Senator BIRMINGHAM—Thank you, Dr McIntyre. That is all from me.

CHAIR—Thank you. Are there any questions for this agency?

Senator WORTLEY—Thank you. Following the creation of Screen Australia, what programs do you now deliver?

Dr McIntyre—In terms of national programs?

Senator WORTLEY—Yes.

Dr McIntyre—We have Australian Screen online. These programs are run through the Sydney office.

Senator WORTLEY—Yes.

Dr McIntyre—There is Black Screen, School Screen and also Big Screen, which is a touring program where films are touring through regional Australia. It goes to about 39 venues across Australia, all the states and Tasmania and Northern Territory as well. The aim there is particularly to develop film culture and programs not just for adults but also for schools. There are opportunities for school children to view those films.

Senator WORTLEY—How do you get out to the schools or how do the schools find out about what is available?

Dr McIntyre—It is well publicised through our offices in Sydney, Melbourne and so forth. There are a lot of networks we already have in place. Schools are alerted to these programs and then they those attend those particulars films that are of interest.

Senator WORTLEY—Can you tell us a bit more about the education outreach programs?

Dr McIntyre—What we are looking at there is lifelong learning as well as formal learning. The schools program is looking at use of films much more in curriculum—in history, environmental studies, the arts, et cetera. Schools can access online some of that material or they could actually, through request, see a film or video material made available to them.

The other area we are looking at much more now is lifelong learning particularly for people as they get older who have an interest in film culture, Australian history and so forth. Through public screenings, whether it be in Canberra or in other regional cities, et cetera, can access those films in that sense.

CHAIR—Thanks very much. Are there any further questions for the National Film and Sound Archive?

Senator BIRMINGHAM—One that I had forgotten: my staff will be horrified if I failed to ask this, albeit I would rather you were appearing at 10 o'clock at night because it would seem more useful or more appropriate. *The Age* reported recently on your collection of pornographic materials—

Dr McIntyre—Yes.

Senator BIRMINGHAM—which appears to be apparently quite extensive. It indicated that all of the 108 works on the list, except one, were obtained at no cost. How were they obtained and why was that one so valuable?

Dr McIntyre—This all predates me. The films go back over a period of 80 years. Going back a little in history, the National Film and Sound Archive was created in 1984 when it separated out from the National Library. The National Library had a film collection. These were films that were made in that period—erotica and other material, documentaries, short films, et cetera—and they were deposited in the National Library. With the separation of the National Film and Sound Archive from the National Library, they came across to us. Most of them are donations. People will donate material to us and then you will suddenly find in the middle of it erotica or something like that. They are restricted; they are not publicly accessible. If someone wanted to do research on blue movies in Australia, and we have had a couple of requests, they can access it on that basis. The one that was purchased, which was called *The Love Feast*, was purchased in February 2006. It was not so much for its erotic content but as an example of work by an American B movie maker, Ed Wood, which cost \$US750, which was about just under \$1,000 in 2006. Other materials come in to us. I think during the 1990s the Eros Foundation here in Canberra transferred a lot of their collections across for safekeeping in that sense. As I say, they are restricted collections; they are not publicly accessible at all.

Senator BIRMINGHAM—You said by the American film maker—who was that?

Dr McIntyre—Ed Wood was his name.

Senator BIRMINGHAM—Was it produced in Australia?

Dr McIntyre—No, it is American. It was an example of his work that the curator at the time was interested in acquiring.

Senator BIRMINGHAM—So the archives take a global perspective then in terms of the works that you purchase?

Senator BIRMINGHAM—The bulk of them are Australian. There might be one or two that are non-Australian but they would be exceptions.

Dr McIntyre—It seems to be an unusual exception for a non-Australian piece of work.

Senator BIRMINGHAM—I think it was more the interest in the work of the movie maker himself and it just happened to include some erotica as part of the content of the film.

Senator BIRMINGHAM—How much was paid for whenever it was purchased?

Dr McIntyre—It was US\$750.

Senator BIRMINGHAM—So that was the cost to the Archives?

Dr McIntyre—Just under \$1,000.

Senator BIRMINGHAM—I thought was just the production costs. That would have been a very cheap blue movie.

Dr McIntyre—I was not privy to those costs of production.

Senator BIRMINGHAM—Thank you, Dr McIntyre.

Senator WORTLEY—Could you tell us about your online presence and any plans for developing that in the future?

Dr McIntyre—Yes, we do have a website and we are in the process of completely redeveloping that website. At the moment a lot of work is going into scoping of the project, the idea there being, I think, to enhance much more public access to the collections. There are copyright issues, obviously, in terms of the time of film that we can actually video screen, but, long term, I would hope we could develop almost a virtual warehouse of our collection so that people can access information about the collections online, perhaps see clips of material or download podcasts, as we do, when we have film screenings. Often they are associated with question and answer sessions with the director. Recently, with the film *Samson and Delilah*, there was an interview, a question and answer session, with Warwick Thornton. That was recorded so, in time, we could, with their permission—because there were copyright issues—screen that on our website. The idea there is to reach not just a national audience—about forty per cent of our users are overseas and there is an interest in Australian film

Senator WORTLEY—There is an international audience?

Dr McIntyre—Forty per cent of users. There is an international interest in Australia's film and sound culture and heritage which we are keen to promote and expand in that sense.

Senator WORTLEY—Thank you.

CHAIR—Thanks very much. It just goes to prove you can always learn new things at Senate estimates. I am thrilled to hear that *Number 96* is considered worthy of archiving. Abigail lives on.

CHAIR—Thank you very much, officers of the National Film and Sound Archive, for appearing before the committee today.

[9.46 am]

National Gallery of Australia

CHAIR—I welcome, Dr Radford, and officers of the National Gallery of Australia. Do you wish to make an opening statement before we go to questions from the senators?

Dr Radford—No.

Senator BIRMINGHAM—In the previous budget estimates you reported on some investigations into a possible cancer cluster at the Gallery. Could you update us on those investigations and whether they have been concluded please?

Dr Radford—They have been concluded. If you want more detail than that, Mr Froud will certainly go into great detail. They were concluded some time ago.

Senator BIRMINGHAM—Thanks, Dr Radford. I do not know whether great detail is necessary, but certainly some of the outcomes would be appreciated, please.

Mr Froud—A copy of the full report was provided to the committee. We submitted a copy so it is with the committee and on the record. I might quote from the conclusions of the executive summary; I think that perhaps is the most succinct summary of the outcome of the

process. Dr Tim Driscoll and a team of experts were engaged by the Gallery to undertake this work. The process was to involve staff and staff representatives as well as the Gallery management in steering, providing advice and assistance to the team that was undertaking the investigation work. There was direct access provided to staff and to information associated with the matter. The conclusions stated:

This study investigated past and current carcinogenic exposures at the Gallery, and cancers that occurred in Gallery staff members. There do not appear to have been any exposures at the Gallery that would be expected to have meaningfully increased the risk of developing cancer of any form. The characteristics and rate of cancers identified in the Gallery staff members were consistent with those in the general community. Therefore, it is very unlikely that any of the cancers identified in Gallery staff members were related to exposures experienced while working in the Gallery building. No further investigation of this issue is considered necessary.

That was the conclusion. This was a two-stage process. The first stage in an interim report provided some particular recommendations that we could take up to address possible carcinogenic exposures, and all of those recommendations have been acted upon.

Senator BIRMINGHAM—Excellent; thank you for that. With regard to the responses from staff and relevant representatives and unions to the report and the actions taken by the Gallery afterwards, how have they been received?

Mr Froud—I believe there has been general acceptance and appreciation for the process and the thorough way in which the matter was dealt with.

Senator BIRMINGHAM—There have been no further complaints or concerns raised by any staff or their representatives?

Mr Froud—No.

Senator BIRMINGHAM—Excellent; thank you. How did the Degas exhibition proceed, Dr Radford?

Dr Radford—Very well. We had nearly 155,000 people through the Gallery which, of course, brought \$30 million to the Canberra economy. We are very, very pleased with the outcome. It was, in fact, the first Degas exhibition ever held in the Southern Hemisphere, as it happens.

Senator BIRMINGHAM—Was 155,000 people within your budget or above budget? What were your targets for the exhibition?

Dr Radford—It was on target.

Senator BIRMINGHAM—What revenue for the Gallery did that generate?

Dr Radford—I would have to take that on notice. The exhibition—as these exhibitions do—cost approximately \$6 million to stage, and we almost covered our costs.

Senator BIRMINGHAM—In comparison with the previous exhibitions?

Dr Radford—The *Turner to Monet* exhibition did slightly better—that was just over 180,000 people. These are quite extraordinary numbers compared with the population of 300,000 in Canberra. Many people came to both the Gallery and Canberra for the first time; 86,000, in fact, came to Canberra for the first time for *Turner to Monet*, for example.

Senator BIRMINGHAM—For this year, what excitement do you have planned for the people of Canberra?

Dr Radford—Much excitement. We would prefer not to disclose it at this stage because we have not finished contractual arrangements or sponsorship arrangements. We prefer not to reveal our blockbuster highlights just at this stage.

Senator BIRMINGHAM—To quote from the Hollowmen: watch this space. We shall look forward to that. Regarding implementation of the efficiency dividend, has the Gallery met the one-off dividend successfully?

Dr Radford—Yes.

Senator BIRMINGHAM—Yes? You managed to find your \$850,000, I think we ascertained it was, that could be sliced off

Dr Radford—Yes.

Senator BIRMINGHAM—Is the Gallery subject to the Gershon review implementation around IT savings?

Mr Froud—No, we are not, Senator.

Dr Radford—No.

Senator BIRMINGHAM—Okay, that is good news for the Gallery. Looking forward, are there any particular pressures the Gallery faces in the implementation of the efficiency dividend? Will there be an impact on staffing numbers?

Dr Radford—No. We think we can handle it.

Senator BIRMINGHAM—Have you seen any difference in visitor profile and numbers from the opening of the National Portrait Gallery?

Dr Radford—Yes. Visitors both from Canberra and from interstate are very much wanting to go to both and we think that it will be a great advantage to both of us.

Senator BIRMINGHAM—You are certainly finding it complementary in that regard?

Dr Radford—Yes, it does seem to be.

Senator BIRMINGHAM—Have you undertaken any research since its opening to see how many visitors are visiting both and what impact it might be having?

Dr Radford—Yes, but I cannot quite remember the conclusions at this stage.

Senator BIRMINGHAM—Perhaps you could take that on notice and provide any information back to us.

Dr Radford—Yes.

Senator BIRMINGHAM—Whilst it might be generating extra numbers, is it having any impact on your ancillary activities such as catering, sales et cetera? Are we finding people spending more in one rather than the other whilst visiting both?

Dr Radford—It is hard to ascertain. We have to say that this year has seen almost record sales in our bookshop. Both the shop that was related to Degas and also our normal retail shop are doing record profits. They have done very well.

Senator BIRMINGHAM—Are you undertaking any joint marketing exercises?

Dr Radford—Yes, and that will continue.

Senator BIRMINGHAM—How are you operating your promotional budgets and what proportion of those are related to joint exercises?

Dr Radford—I will have to take those details on notice, but we certainly did joint marketing and that will continue. We are working out a scheme to put each other's brochures in each other's institutions. Signage is being organised to connect the two, because finally that bridge which mysteriously linked the High Court with the gallery now has a real use and links the National Portrait Gallery with the National Gallery of Australia.

Senator BIRMINGHAM—Very good. I am very pleased to see the bridge is of some use other than being to watch the slow progress at works on the High Court roof—which, I assume, are not impeding on your operations at all?

Dr Radford—No, they are not.

Senator BIRMINGHAM—Lastly from me, last year when we met we had some unfortunate unpleasantness around the photographic works of Mr Henson that were being reported. I believe that at the time the AFP had shown some interest in your collection. I am assuming that that interest never went any further?

Dr Radford—No.

Senator BIRMINGHAM—That is pleasing to hear. Thanks, Dr Radford.

Senator WORTLEY—I would just like to thank the gallery for the way in which they concluded that investigation. It was good to hear that all of the recommendations for the first part of the report have been implemented.

Dr Radford—Thank you.

CHAIR—Thanks, Senator Wortley. There being no further questions, thank you, Dr Radford and Mr Froud, for appearing before the committee this morning.

Dr Radford—Thank you.

[9.57 am]

National Library of Australia

CHAIR—Welcome, Ms Fullerton and Mr Linehan. Thank you for joining us today. Did you wish to make any comments before we go to questions?

Ms Fullerton—No, thank you.

Senator BIRMINGHAM—Welcome. Before I forget, the National Library is the lead agency on the digital archive—?

Ms Fullerton—On the digital proposal, yes.

Senator BIRMINGHAM—On the digital archiving proposal. You will be coordinating with the other two agencies involved. What process is being put in place for that coordination?

Ms Fullerton—We are following the government's designated two-pass process for significant IT projects. We have completed the first pass. There is a designated set of processes one goes through. The receipt of the moneys to go into the second stage marks the completion of that first stage. The second stage involves a very rigorous and thorough investigation of a business case. We have a joint team working from across the agencies on that, also involving a close relationship with the Department of Finance and Deregulation.

Senator BIRMINGHAM—I assume you will be engaging some external resources to assist in the preparation of the business plan?

Ms Fullerton—We have gone to tender for the provision of services.

Senator BIRMINGHAM—You have gone to tender at present?

Ms Fullerton—For preparation of the business case.

Senator BIRMINGHAM—When does that tender close?

Ms Fullerton—I think on 10 June 2009.

Senator BIRMINGHAM—And you would hope to have an appointment fairly quickly thereafter. What was the time line for the completion of the business plan?

Ms Fullerton—It will run into next year's budget processes.

Senator BIRMINGHAM—Which does require you to have the business plan complete fairly early next year for some hope of the funds. The Archives spoke of a \$25 million figure that I took to be what their estimate of archiving their material is. What is the library's estimation?

Ms Fullerton—We had some indicative figures in the first-pass case, but the purpose of the second pass is to determine more satisfactorily what we would really require. I really would not like to say at this stage.

Senator BIRMINGHAM—You cannot even share the broad indicative figures with us?

Ms Fullerton—There are a series of options and it will depend on which option is the one that is ultimately selected and put forward.

Senator BIRMINGHAM—How many staff has the library had to commit to coordinating this project?

Ms Fullerton—I do not know exactly. I think that we did have some figure in the proposal.

Mr Linehan—In terms of the development of the current proposal, there have been a number of staff involved, Senator—probably up to 10 but certainly not full time. It is just very hard to put a figure on the level of resources at the present time. At this stage we have not put anyone offline to fully manage the next stage of the process.

Senator BIRMINGHAM—Speaking of staff, is it correct the library has forecast a staff reduction for the next financial year?

Ms Fullerton—Yes, this financial year we expect to have 423 staff, which is a reduction of 10 from the previous year.

Senator BIRMINGHAM—So this 2008-09 year?

Ms Fullerton—Yes.

Mr Linehan—No, 2009-10.

Senator BIRMINGHAM—So in 2009-10, you expect to go to 423 which is a reduction of 10. What impact will that reduction have?

Ms Fullerton—Some of them mark the completion of special projects for which there was special funding. We will cope with the reduction in our planning, in our internal arrangements. There will be no redundancies. We will manage it with natural attrition.

Senator BIRMINGHAM—Regarding the end of special funding for particular purposes, what value of funding is concluding?

Ms Fullerton—I could not tell you. Often they are projects we do from our own trust funds, with sponsorship money and that sort of thing.

Senator BIRMINGHAM—Are any of these as a result of the government-imposed efficiency dividend?

Ms Fullerton—Yes, our numbers do reduce as a result of the decline in funding.

Senator BIRMINGHAM—Will there be any direct impact on the library's capabilities?

Ms Fullerton—Only the ones we indicated this time last year.

Senator BIRMINGHAM—Thank you. The Hidden Treasures exhibition, I gather, is due to open in 2010?

Ms Fullerton—We are in the process of building a new gallery so that we will have a Treasures Gallery where we will be able to have a permanent display of some of the most wonderful things from our collection. The building will go through 2010. Our exhibition will probably open early in 2011.

Senator BIRMINGHAM—The exhibition will open early in 2011?

Ms Fullerton—Probably.

Senator BIRMINGHAM—And building will continue through 2010. Are the building costs are proceeding on time and on budget?

Mr Linehan—We are funding the works from donations as well as the library's funds. We have an indicative budget we have in mind but, until we actually complete the design process and go out for tender with the building, we do not have any certainty on that amount. Certainly under \$10 million is the current estimate to give you some idea.

Senator BIRMINGHAM—Under \$10 million is the current estimate for the building costs?

Mr Linehan—Everything included.

Senator BIRMINGHAM—Does that include the fit-out for the exhibition and so on as well?

Mr Linehan—Everything included, even project management costs; the whole lot.

Senator BIRMINGHAM—I assume that most of the items for the exhibition will of course be items the library already has?

Ms Fullerton—The Treasures Gallery will be all the National Library's items.

Senator BIRMINGHAM—They are currently treasures probably in basements and all sorts of other places.

Ms Fullerton—They are very well housed, stored and preserved I may say.

Senator BIRMINGHAM—I am sure they are.

Ms Fullerton—They are not in dusty basements.

Senator BIRMINGHAM—No, indeed. Will it house some visiting exhibitions as well?

Ms Fullerton—We will continue to have another gallery for changing exhibitions.

Senator BIRMINGHAM—What proportion of the gallery construction costs do you expect to be met by private donations and sponsorship versus other funding sources?

Ms Fullerton—We had a target to raise \$3 million off budget and we have done that; we have succeeded in that part of the process.

Senator BIRMINGHAM—Excellent, well done and the rest comes from the library's own capital funds and foundations?

Ms Fullerton—Yes, and we are still receiving funding of various sorts from individuals.

Senator BIRMINGHAM—Are there any government capital funds towards this project?

Mr Linehan—We receive ongoing capital funding from the government to maintain the building and some of those funds will be available to meet the other associated capital costs. We also receive other funds from government in terms of managing our assets. As we are replacing some of those within the gallery, we will be drawing on those as well.

Senator BIRMINGHAM—There is no special purpose government grant going towards the construction of the Treasures Gallery?

Mr Linehan—We did not seek any additional funding from government for the gallery.

Senator BIRMINGHAM—It is outstanding progress to be able to build a \$10 million additional gallery without having to come back to government for extra money, so well done there. Has the design for the gallery been outsourced?

Ms Fullerton—It has.

Senator BIRMINGHAM—And a contractor selected? Who is the contractor?

Mr Linehan—Cunningham Martyn Design are the contractors.

Senator BIRMINGHAM—Were they selected by open tender or selective tender?

Mr Linehan—It was an extensive open tender process where we sought expressions of interest and then developed that from there.

Senator BIRMINGHAM—What would the total cost of the consultancy be?

Mr Linehan—I think the cost of that is over a million dollars, I think \$1.3 million.

Senator BIRMINGHAM—If you could take that level of detail on notice.

Mr Linehan—I am pretty sure it is \$1.3 million.

Senator BIRMINGHAM—It is \$1.3 million. Does that role purely relate to design specifications or is there a project management role?

Mr Linehan—There is a project management role as well. They will design and then oversight the project as it is constructed.

Senator BIRMINGHAM—They will be responsible for management of the other contracts around construction and so on?

Mr Linehan—Correct.

Senator BIRMINGHAM—Excellent, thank you. Do you have an annual allocation for purchasing of new items?

Ms Fullerton—We do, we are funded to acquire new material and develop our collections.

Senator BIRMINGHAM—What funding for new collection purchases is budgeted for in the next financial year?

Mr Linehan—It is in the order of \$12 million for collection acquisitions on the capital side.

Senator BIRMINGHAM—How does that compare with previous financial years?

Mr Linehan—I think it is very similar to the estimated outcome for this year.

Senator BIRMINGHAM—Has that has been a fairly steady figure for a period of time?

Ms Fullerton—Yes, it enables us to have healthy acquisitions.

Senator BIRMINGHAM—Thank you. In terms of your visitor trends, has there been any particular movement in visitor numbers or trends that you have noticed?

Ms Fullerton—We are experiencing very heavy use. This year we have had the experience of having no spare seats in our reading room. Our collection is very heavily used. We are experiencing increased demand to borrow from external organisations and our online use has increased 60 per cent from last year to this year.

Senator BIRMINGHAM—A 60 per cent increase in online use is a huge impact. Is the most of the material people source through online use material that is on the system and therefore there is no particular cost incurred?

Ms Fullerton—Yes.

Senator BIRMINGHAM—Or does it drive also a growth in the requests you get for other material?

Ms Fullerton—It does both, but largely the online use relates to material that is online. It is in keeping with the strategy we have been pursuing for a number of years to enable people to have higher levels of access while letting us do it much more efficiently. We are digitising significant parts of our unique collections—music, maps and pictures—so that people have direct access to those.

Senator BIRMINGHAM—In terms of what has driven that large surge, did you undertake a particular rebuild of the website, are there particular campaigns you have undertaken or is it just a feature of the natural growth in that sector?

Ms Fullerton—It is a regular upward growth for the past probably 10 years, since we started operating in a digital world. We do follow strategies, for example, to try to ensure that Google indexes our resources so that people going there as their first point of search will come to us and we can meet those needs without burdening our staff.

Senator BIRMINGHAM—Do you have particular outreach programs into the community library sector, schools or anything in that regard?

Ms Fullerton—We do not have anything we call an outreach. We have very close relationships with the whole Australian library community. We provide a network called Libraries Australia which 2,000 Australian libraries use regularly. It is a way to find out the holdings of all Australian libraries. We work closely with state libraries to try and ensure that our collections are readily accessible to users in a consistent way.

Senator BIRMINGHAM—In terms of cooperation with the other national institutions and organisations nearby, do you also engage in any joint marketing activities or campaigns?

Ms Fullerton—We have had joint marketing and we lend to other institutions for their exhibitions. For example, we have about 40 paintings in the National Portrait Gallery at the moment in their exhibition. There is a high level of activity and relationship with the other cultural institutions.

Senator BIRMINGHAM—There was criticism post budget in the *Canberra Times* about apparent reductions in the reading rooms and in the numbers of collection processing staff. Are they valid criticisms? Has there been a change in the configuration in terms of the number of reading rooms available at the library?

Ms Fullerton—No, the pressures are coming from increased use largely. We do place a great deal of emphasis on our internal processes and workflows so that we can achieve efficiencies to cope with increased demands.

Senator BIRMINGHAM—Have there been any changes to the number of collection processing staff?

Ms Fullerton—Not significant changes.

Senator BIRMINGHAM—So if people are experiencing inconvenience or delays, you put it all down to the increased visitation numbers?

Ms Fullerton—Yes.

Senator BIRMINGHAM—Do you keep specific visitation numbers?

Ms Fullerton—We certainly do, yes.

Senator BIRMINGHAM—How have they changed, year on year?

Ms Fullerton—We have a slight increase in numbers coming into the library in general. Use of the reading rooms is going up as is use of the collections. Requests for items to be used in the reading room are increasing significantly. We do chart every aspect of our use, not just people coming into the library.

Senator BIRMINGHAM—Again, if you could take on notice and provide some year-on-year data for those figures, that would be helpful.

Ms Fullerton—Yes, certainly.

Senator BIRMINGHAM—Thank you very much, Ms Fullerton and Mr Linehan.

Senator WORTLEY—We touched on the issue of digitisation and there was \$0.8 million allocated the 2009-10 budget for a joint project with the National Archives of Australia and the National Film and Sound Archive. I understand that the library is to lead the project?

Ms Fullerton—Yes, it is.

Senator WORTLEY—Can you tell us a little bit about that please?

Ms Fullerton—It is a project that recognises that the cultural institutions that have a requirement to collect Australian material are confronted by a world that has turned digital—very significantly digital. We still do our traditional collecting but we have this additional set of materials that we have to cope with and they present particular problems. The project is designed to enable us to propose a way of collecting, storing, preserving and making accessible our collections using digital means.

Senator WORTLEY—What are some of the challenges that you face in relation to this project?

Ms Fullerton—Volume is an issue; there is just so much of this material that that is an issue. Every single process involved in dealing with it is a challenge because there are not established processes. The material changes very rapidly in form. Obsolescence is a very significant issue.

Senator WORTLEY—Are you drawing from any experience overseas in relation to this?

Ms Fullerton—We are very closely involved in a number of overseas projects. The National Library itself has been an international leader in dealing with these issues. We have been collecting websites since 1996, so we ourselves have a lot of experience.

Senator WORTLEY—What role will the library be playing in managing this project?

Ms Fullerton—We play a coordinating role and attempt to make sure that we have defined the needs of other institutions.

Senator WORTLEY—What has the library already done in relation to digitisation?

Ms Fullerton—There are two dimensions to this issue: one is collecting things that are already digital—and that is a very big challenge—and the other aspect of it is turning traditional things into digital form. The latter is done usually for two purposes. One is for preservation. The National Film and Sound Archive, for example, has a very significant problem with analog sound, because they will not be able to listen to it in the future. There will not be machines where you can hear it, so that has to be rapidly converted into digital form and we have some of those issues as well. The second purpose is digitisation for access, which is an important aspect of our collections. It is that kind of digitisation that has enabled us to meet these big increases in demand.

Senator WORTLEY—Does the library have any major initiatives for the coming years, in 2009-10?

Ms Fullerton—Our major digitisation initiative is to continue digitisation of Australian newspapers.

Senator WORTLEY—Australian?

Ms Fullerton—Newspapers. We are digitising historical newspapers. We have a four-year project in collaboration with the state libraries. We are digitising one daily from each of the capitals of the states and territories.

Senator WORTLEY—So you select one newspaper each day?

Ms Fullerton—Not one newspaper each day; it is a newspaper from the beginning of their publication time. We go up to 1954 when copyright prevents us from digitising.

Senator WORTLEY—In a state like mine, Adelaide, it would be pretty obvious that the newspaper there would be the *Advertiser*. How do you select the newspapers from the other states?

Ms Fullerton—We work with the state libraries. In fact, the state libraries in each of the states are the ones that make the decisions about which one should be digitised.

Senator WORTLEY—How long has that been going on?

Ms Fullerton—We made the first part of the project accessible in July last year. It has been received with extraordinary enthusiasm all around the world. At this stage we have done about a tenth of what we expect to do and the use of it is extraordinary.

Senator WORTLEY—Thank you.

CHAIR—Thank you. As there are no further questions, thank you very much, Ms Fullerton and Mr Linehan.

[10.20 am]

National Museum of Australia

CHAIR—Welcome, Mr Morton and Ms Noonan. Thank you for appearing before us today. Did you have anything you wished to say to the committee before we go to questions?

Mr Morton—No, I have got no statement.

CHAIR—We will go to questions.

Senator BIRMINGHAM—Thank you, Chair. Welcome, Mr Morton and Ms Noonan. The museum recently accepted a musical work that you had commissioned, I understand, called the *Garden of Dreams*. Is that correct?

Mr Morton—That is correct; by Elena Kats-Chernin.

Senator BIRMINGHAM—How much was paid for that commission?

Mr Morton—Off hand, \$30,000 but I have to confirm that. That is correct.

Senator BIRMINGHAM—How long is the work?

Mr Morton—It is five movements and approximately 22 minutes I think.

Senator BIRMINGHAM—Sorry?

Mr Morton—Approximately 22 minutes.

Senator BIRMINGHAM—For what purpose is it being put by the museum?

Mr Morton—It will be used as a theme in terms of museum productions. It will be used as a means of describing the collection in a non-verbal form. It is written in relation to a response to various items in our collection. It is a bit of an experiment, if you like, on our part to try and find other ways of enabling people to explore history through objects and the way that objects are conceived of by various people.

Senator BIRMINGHAM—Having been received, is it being used now in the museum?

Mr Morton—It was premiered a fortnight ago, and it has been well received. We are now looking at ways in which we will use it in the programs of the museum.

Senator BIRMINGHAM—How do you expect it to be integrated into the galleries and those programs?

Mr Morton—It may not be necessarily integrated into the galleries in total, but various parts and various movements may be used in relation to specific events that we have. We hope it will become associated with the museum when it becomes part of the public repertoire. We hope that it will become commercially available as a recorded item and that it will build a sense of awareness in the community of the National Museum.

Senator BIRMINGHAM—Can you give me some examples of how you expect the movements to be utilised in special events or activities?

Mr Morton—It is a bit hard for me to say at this stage because we have not really sat down to do that. In terms of education programs that we might have, either for schoolkids or for various sectors that come in, we might play a part of the piece as an example of a person's reaction to a particular collection in the museum and use that as a basis for discussion.

Senator BIRMINGHAM—It just seems a little unusual that the museum has commissioned a \$30,000 piece of music and you do not seem especially clear on how that piece is actually going to be utilised alongside your works and your core business.

Mr Morton—I cannot give you specific examples, if that is what you are asking for, because we have not reached a stage in the process where we can give those specific examples. But the use of music in relation to the museum's collections is not unusual, particularly Indigenous music and folk music. This is an example of a piece of music which especially relates to the particular items in our collection that we can use in the same way as we use those as well.

Senator BIRMINGHAM—What way does it relate particularly to the items in the collection?

Mr Morton—It is a composer's response to viewing various part of the collection like the Kimberley spear points, the Garden of Australian Dreams and the convict love tokens. It is music written in response to her feelings that are generated by seeing those objects. We would use that when we were actually implementing programs in relation to those specific objects or specific historic periods to which the objects relate.

Senator BIRMINGHAM—It is a musical repertoire; there is no spoken word to it?

Mr Morton—No.

Senator BIRMINGHAM—How many segments or pieces?

Mr Morton—Five.

Senator BIRMINGHAM—It segments into five pieces. In terms of the music that you already use throughout the gallery, is that music on which licensing fees are normally paid by the gallery?

Mr Morton—Some of it would be. I can take it on notice and give you a breakdown of the sort of music we use and whether it is subject to licence fees or not. For example, in our Circa theatre where we present an introductory film to the museum, we have commissioned music to go with that and we would certainly pay a licence fee on using that elsewhere.

Senator BIRMINGHAM—It would be a mixture for the gallery—some of it would be music on which a licence fee is payable; some of it would be things that are out of copyright?

Mr Morton—Yes, correct. Some Indigenous music, for example, and field recordings of a long time ago which we may use would be out of copyright. But for material that we may use, like modern versions of folk music, for example, we probably would pay a licence fee in relation to those particular recordings.

Senator BIRMINGHAM—You own the copyright and rights to this piece, having commissioned it yourselves?

Mr Morton—We do not own the copyright; we share the copyright, I think is probably a better way to describe it. The subject of the contract, I think, is that we have a perpetual right to perform it.

Senator BIRMINGHAM—If you do proceed to a stage of selling copies of the work and so on, you therefore share the profits with the composer and presumably the performer as well?

Mr Morton—There would be some arrangement to that effect. I do not know exactly what it would be at this stage, but we would not actually do the recording ourselves. The recording would be done by the publisher of the work in conjunction with a commercial producer.

Senator BIRMINGHAM—But the rights to those profits and the rights to profit from the work have not transferred in their entirety to the gallery?

Mr Morton—No.

Senator BIRMINGHAM—The composer still has residual rights to how you, in conjunction with her, choose to commercialise that?

Mr Morton—Sorry?

Senator BIRMINGHAM—Do you have to make decisions in conjunction with the composer as to how you commercialise the work or utilise the work?

Mr Morton—Our plans are not primarily to commercialise the work; our plans are to use it in relation to our programs, which are essentially non-commercial. Certainly we would have discussions with the composer in relation to any intention on her part to commercialise it through her normal recording arrangements.

Senator BIRMINGHAM—If she were to choose to use it through her recording arrangements, are there rights back to the gallery for any payment from sales of that work?

Mr Morton—I do not believe so; I will have to check that. I will have to take that on notice. I do not think so.

Senator BIRMINGHAM—In response to an earlier question, regarding the variety of uses, you flagged maybe sales of the work and so on. It seems strange if you have commissioned the work for the gallery that the artist may not recognise that a share of the profits is probably reasonable. I would have thought that, if the gallery commissioned the work, the gallery would enjoy some returns from the work, if there are ever to be some returns.

Mr Morton—We would certainly enjoy returns through sales through our shop, which would probably be the main way we would see getting a return from it. We have already had requests for copies of the work, so we believe it would be a popular item for sale in the shop.

Senator BIRMINGHAM—How much was spent on new exhibits or new items, not exhibitions in general—

Mr Morton—New acquisitions.

Senator BIRMINGHAM—New acquisitions, thank you—by the gallery last year?

Mr Morton—It was \$2.7 million.

Senator BIRMINGHAM—Again, is that roughly your annual budget now for new acquisitions?

Mr Morton—We have an acquisition budget from government of \$1 million a year, which we supplement from our own budget, particularly using our reserves. We are in the process of building a collection at the moment, being a fairly new museum. I suppose it is fair to say that over the last few years our acquisition spend each year has gone up. This year, because we are faced with other calls on our reserve funding, we will probably restrain expenditure on acquisitions this year. Certainly over the last four years it has steadily built.

Senator BIRMINGHAM—What are those other pressures on your reserve funding that you face this year?

Mr Morton—In the recent budget, we received permission to go to a second pass business case for a new storage facility and we are required to fund that second stage business pass out of our own funds, so that is a particular pressure. In terms of creating more space for our permanent exhibition within the museum, we are looking at converting space which is used for non-exhibition purposes into exhibition space. To do that, we need to extend our accommodation wing. We would be looking to extend our accommodation wing from within our own resources.

Senator BIRMINGHAM—Dealing first with the latter point about the extension of your accommodation wing to expand exhibition space, are they works that you intend to undertake this year or are we looking at planning processes that will have to proceed first?

Mr Morton—We have to get government permission to go ahead with that project and we are currently in a process of submission to the government to spend those funds.

Senator BIRMINGHAM—You have the funds and the ability to undertake the project within the gallery's own reserves?

Mr Morton—No, I am talking about the project to extend the administration wing. We have the funds within our budget to do that within our reserve. It is fairly a simple design; it is an extension of an existing block. It is basically three walls and a fit-out; it is not a very complex task. We have done preliminary design work on that. We are going through a process of providing the information which the government needs to make a decision on whether we can proceed or not. We are hopeful that that exercise will be completed very shortly.

Senator BIRMINGHAM—Did you say this is to extend the administration wing?

Mr Morton—We intend to extend the administration wing so that we can move staff that are currently in areas within the main museum that can be used for exhibition space. Once we move them, we can recreate that space as exhibition space.

Senator BIRMINGHAM—So you have the funds this year to be able to extend the administration wing, which you need to get permission to expend and so on, as I understand it.

Mr Morton—Correct.

Senator BIRMINGHAM—Do you have the funds to then convert that existing space into exhibition space?

Mr Morton—We have some funds available, but obviously this would be something that would be a multiyear project. At some stage we would be seeking additional funding through the budget process, in the way that we have sought funding to refurbish galleries in the past.

Senator BIRMINGHAM—Are you making the extension of your administration wing contingent upon securing those longer term funds for conversion of existing space into exhibition space or is it your plan to go ahead with extension of the administration wing in the next financial year, government approval forthcoming, and then hope that the money comes for the rest of the project?

Mr Morton—Certainly there is an element of hope in relation to money coming for the rest of the project, but we do have substantial funds within our reserve which we can use to refurbish the freed-up space if we have to. Clearly, we would prefer to keep that reserve and to get new money in the same way as we have had new money to refurbish other galleries.

Senator BIRMINGHAM—Again, presumably if you did have to dip into that reserve, that would further curtail acquisitions in the out years too?

Mr Morton—Yes, to some extent, but we are talking over a fairly long period of time in terms of extending the existing space within the museum footprint.

Senator BIRMINGHAM—What sort of long frame of time are you looking at there?

Mr Morton—It could probably take us within a five- to 10-year period to fully utilise all the space that we believe can be reconfigured into exhibition space.

Senator BIRMINGHAM—But you can complete the administration build and shift in the first year or two?

Mr Morton—Yes.

Senator BIRMINGHAM—How quickly do you think you would start utilising some of the space that would be freed up from the administration build?

Mr Morton—We are getting into hypotheticals at the moment in a sense because we do not at this stage have permission to do any of that, although we are working towards it. In our planning, we certainly have hypothesised that we could begin moving into this freed-up space as soon as we move people out of parts of the museum which are more readily convertible to exhibition space than others. So ‘immediately’ would be the answer.

Senator BIRMINGHAM—What were your most expensive acquisitions this year?

Mr Morton—Certainly one that immediately comes to mind is convict love tokens. The other one would be the Canning Stock Route Collection, a collection of Indigenous art from Indigenous communities along the Canning Stock Route. They would be the two most expensive ones.

Senator BIRMINGHAM—The Canning Stock Route Collection was an acquisition worth how much?

Mr Morton—\$830,000.

Senator BIRMINGHAM—The name of the other one I missed when you said it; I am sorry.

Mr Morton—It is a collection of convict love tokens.

Senator BIRMINGHAM—Conflict?

Mr Morton—Convict.

Senator BIRMINGHAM—Convict love tokens.

Mr Morton—These are essentially pennies which were converted, by convicts who were transported, into medallions or love tokens to leave with their families whom they were leaving behind. They are a very important source of information about convicts. We had the opportunity to acquire this collection from England. It is probably the world’s largest collection of convict love tokens and we now hold it in the museum.

Senator BIRMINGHAM—What value was that collection?

Mr Morton—\$800,000.

Senator BIRMINGHAM—They were pennies that were converted. Talk me through that again Mr Morton. I am just curious. I will have to duck down to the museum and take a look.

Mr Morton—Well, you should.

Senator BIRMINGHAM—Indeed. It has been a little while since I have been there.

Mr Morton—They are pennies, the surface of which has been obliterated and they have been re-engraved with particular messages from individual convicts to their families on being transported.

Senator BIRMINGHAM—Thank you, Ian. We have a wonderful committee secretary and I can now see a picture of a convict love token on the screen next to me. How many tokens are there in the collection?

Mr Morton—There are 400.

Senator BIRMINGHAM—That is a sizeable collection.

Mr Morton—Sorry, 311.

Senator BIRMINGHAM—Are they on exhibition already?

Mr Morton—Yes, they are.

Senator BIRMINGHAM—Thank you. I note during the year you picked up a portrait of Her Majesty as well?

Mr Morton—We did—a duplicate portrait of Her Majesty in the wattle dress—and that will be on display shortly.

Senator BIRMINGHAM—It is a shame; in the previous two days I was accompanied by Senator Minchin and he would have been far more excited than I am at the portrait of Her Majesty. Do you have many paintings and portraits in the gallery?

Mr Morton—Yes, we do. We have a substantial collection of art, particularly Indigenous art. Also we collect art which illustrates particular historical events and stories that we want to portray in the museum. I could not give you an exact figure. For example, we would probably have the most important collection of Aboriginal barks that there is. We have a lot of other material. As part of the museum's collection, we have what is called the ATSIC collection, which was the collection that was previously compiled by ATSIC before it went out of existence and that collection came to the museum. It was handed over at that time. That is another important source of artwork that we have. Yes, we do use art quite extensively in telling our stories and putting together our exhibition modules.

Senator BIRMINGHAM—Without ever wishing to encourage collusion, do you and the other national institutions, in particular the National Gallery of Australia, have any sort of relation or cooperation when it comes to the use of art and the purchasing of art and so on? I would hate to think that two of the nation's national institutions were out there bidding each other up on prices for collectibles.

Mr Morton—As you know, we cannot collude, but it is fair to say that, both at the national level and with our state counterparts, we have a good idea of where the strengths of particular collections lie. We all have a reasonable idea, I think, of where it is appropriate for signature pieces to go. While we would not actually work out—

Senator BIRMINGHAM—Who was bidding for how much on what.

Mr Morton—who would be bidding, generally speaking, we are aware of who is in the market and who is not and we proceed accordingly.

Senator BIRMINGHAM—And what your priorities for purchases are in a given year perhaps?

Mr Morton—Correct.

Senator BIRMINGHAM—Thank you, Mr Morton. That is all from me.

Senator WORTLEY—When did the Australian Journeys gallery open?

Mr Morton—The Australian Journeys gallery opened in January this year.

Senator WORTLEY—Can you just tell us a little bit about it and also how many people have gone through the gallery?

Mr Morton—I might invite Mr Trinca to the table to talk about the gallery because it falls within his area of expertise.

Mr Trinca—The gallery is really a representation of the journeys of people to and from the Australian continent from the 18th century through to the present. It includes journeys of migration to Australia but also the stories of Australians who have ventured overseas and some aspects of their careers. In terms of the specific visitor numbers for the gallery to date, we do not have those figures. We count visitation to the permanent galleries, of which this comprises one of five.

Senator WORTLEY—Thank you.

CHAIR—As there are no further questions for the National Museum, I thank the officers very much for appearing before us this morning. The committee will now suspend for morning tea, resuming with the Australia Council at 11 o'clock.

Proceedings suspended from 10.46 am to 11.01 am

CHAIR—I welcome officers from the Australia Council. Thank you for joining us today.

Senator BIRMINGHAM—I asked earlier about the ArtStart program. Ms Bean indicated that if I read my budget papers I would see the Australia Council right there as administering the ArtStart program. How will that program be administered? Would you take us through the particular purpose and target market of the program if possible, please.

Ms Keele—ArtStart is a program that aims to assist graduate artists to make the shift from their education to their practice or developing into their professional career. Some of the research that the Australia Council has done indicates that artists identify that when they get their first professional engagement, publish their first work or perform a solo makes a difference in developing their career. The objective is to try to hasten the time when they start to work in the career they have been trained for. This initiative aims to accelerate the artist's abilities to generate income and gain employment as a professional artist.

We are in the process of defining the finer details of how the program will be administered, but right now we are aiming to have two grant rounds in each financial year. The grants will be worth up to \$10,000 and can be used in a wide variety of ways to get their career established—business development, their first piece of artwork, a display or developing a portfolio; a lot of those kinds of things that get you started. We have decided that it will not be for living expenses or for capital items. We have, as you know, a grant system in place, so we can use that grant system to process grants. That is not a problem. But we want to make sure that the application process is streamlined to be as little a problem as possible but has the right information requirements to help us process it in an efficient way. We are in the process of looking at how we assess those applications—whether they are assessed online at some level

and then taken into some type of peer review or other type of committee review. That is the piece that we are looking to finalise and have more information on by the end of June.

Senator BIRMINGHAM—Thank you, Ms Keele, and welcome again. It will be open to artists of all different genres?

Ms Keele—Yes.

Senator BIRMINGHAM—In terms of your selection process and so on, you envisage those two rounds both being open rounds for artists of each different genre and then the selection process simply determining on merit with no particular weighting or proportional allocation across any different types of art?

Ms Keele—At this point I cannot categorically say that we should not take some of that into consideration, but looking at that kind of screening has not been the focus. At this point it is across art forms, with the merit being on the strength of the proposal.

Senator BIRMINGHAM—Was this a program that the Australia Council sought or was advocating?

Ms Keele—Our research indicated that this was a time in the artist's career that needed some support, but you will remember that this was something that the minister was very keen on.

Ms Bean—It is meeting a government election commitment.

Senator BIRMINGHAM—So this is fulfilment of an election promise. Has the Australia Council undertaken work in this area previously?

Ms Keele—We would have supported graduate artists, but I am not sure we had a targeted program. I might add that we have an extensive ongoing program that has been ongoing for 10 years, and was reinvigorated and endorsed last year, called 'Opportunities for young and emerging artists'. This would be tangential to that program. This graduate program is not necessarily just for young and emerging artists—obviously you can graduate at any time in your life—but it does include quite a lot of young and emerging artists.

Senator BIRMINGHAM—Has the council operated any other programs targeting a similar market of emerging artists over recent years that have been wound up or are planned to be wound up or anything like that?

Ms Keele—Not that I know of.

Senator BIRMINGHAM—What process will be in place to ensure the appropriate expenditure of the grants?

Ms Keele—We have in place an acquittal system, so we will just apply that acquittal process and those guidelines to that, just like we do with all our grants.

Senator BIRMINGHAM—Is that acquittal system graded in terms of the size of grants that are made?

Ms Keele—Not at this point, although we have discussed it. Acquittals are needed across grants.

Senator BIRMINGHAM—So if you get \$1,000 or \$1 million it is the same paperwork to be completed?

Ms Keele—It is not so much paperwork as answering specific questions about the expenditure.

Senator BIRMINGHAM—But you are looking at means that might streamline it for smaller grants?

Ms Keele—The executive group has recently said we should look at our acquittals and do an audit to make sure that we are, as you say, backing horses for courses. That might be an option that we look at, but at this point in time it is a pretty standard system.

Senator BIRMINGHAM—In relation to the Melba Foundation support, how long has the Australia Council been supporting the Melba Foundation.

Mr Grybowski—I will answer that question. The Australia Council has managed the funding agreement with Melba Recordings since 2004.

Senator BIRMINGHAM—Just enlighten me a little as to what the objectives and outcomes of the Melba Foundation are, please.

Mr Grybowski—The original requirement was to benefit the development and dissemination of high-quality Australian music recordings, including in international markets.

Senator BIRMINGHAM—You have been supporting it since 2004. What level of support has been provided since 2004?

Mr Grybowski—The government at the time allocated \$5 million over five years.

Senator BIRMINGHAM—That was a \$1 million per annum allocation, which expires in the 2008-09 current financial year?

Mr Grybowski—It expires on 30 June, correct.

Senator BIRMINGHAM—For next year, that \$1 million will continue and then it is tapered off according to the allocation in the budget papers?

Mr Grybowski—Correct.

Senator BIRMINGHAM—What progress during the five years to date has the Melba Foundation made in terms of developing self-sufficiency?

Mr Grybowski—The contractual requirements of the funding required Melba Recordings to undertake at least 35 recordings, and they will meet or slightly exceed that target. In terms of self-sufficiency, sales of those recordings vary from recording to recording.

Senator BIRMINGHAM—Has private financial support for the foundation or for Melba Recordings grown over the five-year operation period?

Mr Grybowski—I do not have the specific figures, but I believe it has. It is an active part of their activities to procure non-government support for their activities.

Senator BIRMINGHAM—I assume they have a business plan?

Mr Grybowski—They do.

Senator BIRMINGHAM—Does the council have a representation on their board in some way or does it simply report and acquit on the grant program?

Mr Grybowski—We do not have representation on their board, but we acquit the funding agreement in line with our normal acquittal processes.

Senator BIRMINGHAM—The funding agreement you have with the foundation obviously has, as you mentioned, a performance indicator in terms of the number of recordings per annum that need to be undertaken. Does it have other financial performance requirements?

Mr Grybowski—Other than operating in a surplus capacity, no.

Senator BIRMINGHAM—The \$1 million a year from the Commonwealth has been going into the operation of Melba Recordings, not into an ongoing foundation fund that might generate any income?

Mr Grybowski—No, the business plan quite clearly articulates the forward recording proposal and plans, and the funding is to run the business to deliver on those recordings.

Senator BIRMINGHAM—So it is entirely expected within three years or so to be funded and driven by earnings from its recordings?

Mr Grybowski—That is correct, in addition to leveraging other funding from other sources.

Senator BIRMINGHAM—I assume that if we had been sitting here five years ago having this conversation the goal would have been that at the end of five years the foundation was to be self-sufficient, living off its recordings. It has now been given an extra three years, with the first year providing the same level of funding that it has received for each of the previous five. Is the council confident that that business plan is achievable and that they actually can achieve self-sufficiency?

Mr Grybowski—Now that the funding has been announced for the next three years, we will have discussions with the organisation about its business plan, and there are targets over the next three years. As a recording company, it now has quite a substantial recording portfolio, which will assist it to achieve greater sales in the market.

Senator BIRMINGHAM—Thank you. The council operates international studios? Is that correct?

Ms Keele—Residencies for artists? Is that what you mean?

Senator BIRMINGHAM—Residencies for artists.

Ms Keele—Is that what you mean by the use of the studios?

Senator BIRMINGHAM—Yes, I think so. Looking through your grants list we have London studio, LA studio, Milan studio listed.

Ms Keele—Those are residencies for artists.

Senator BIRMINGHAM—Those are residencies for artists. And those are residencies that the council rents, owns, leases on a short-term basis when an artist happens to be going there? What is the arrangement?

Ms Keele—It is different for different cases. I will let our CFO take some of that on the detail.

Ms Cowdrey—We have a number of studios across the world but they are predominantly leased arrangements.

Senator BIRMINGHAM—When you say ‘studios’, they are accommodation and working environment? What is the—

Ms Keele—It is different in different places. Cite in Paris, for example, is a residence. In New York City I think Green Street is a studio space, not a residence. It is pretty different.

Senator BIRMINGHAM—How many studios are there?

Ms Keele—I do not know right off the top of my head. I would take a look at that grants thing that you have in your hand and count them, but we can get back to you on that.

Senator BIRMINGHAM—I can see, assuming they are not spread across different pages and so on, Barcelona, Green Street—that is New York?

Ms Keele—Yes.

Senator BIRMINGHAM—The ISCP studio?

Ms Keele—I will have to check whether that is in LA or New York.

Senator BIRMINGHAM—Another pronunciation challenge for me: the Kunstlerhaus studio?

Ms Keele—In Berlin, I believe.

Senator BIRMINGHAM—The London studio, LA studio, Milan studio.

Ms Keele—Cite, Paris.

Senator BIRMINGHAM—Cite, Paris, and Rome and Tokyo. Does that sound like it?

Ms Keele—Yes, it does.

Senator BIRMINGHAM—That is 10 of them. How long has the council operated those studio sort of arrangements?

Ms Keele—To tell you exactly I would have to get back to you, but for quite a long time.

Senator BIRMINGHAM—Quite a long time?

Ms Keele—Yes.

Senator BIRMINGHAM—Each of them is leased, as we established before?

Ms Cowdrey—Predominantly leased.

Senator BIRMINGHAM—Predominantly leased. Do you own any of the real estate?

Ms Cowdrey—We were bequethed one particular one. I would need to get you those details.

Senator BIRMINGHAM—Thank you. For what proportion of the year are they occupied or utilised?

Ms Keele—I am not sure I can answer that right off the top of my head. It is different for each one. Can we take that question on notice and get you a specific answer?

Senator BIRMINGHAM—Sure. Are the studios occupied only by grant recipients? Looking in the grants list, the list of the studios appears next to ‘Skills and art development’, the Barcelona studio, et cetera. Each of them is listed under ‘Skills and art development’. I am assuming that that is a skills and art development grant provided to somebody who goes to reside in and/or work in the studio?

Ms Keele—Correct.

Senator BIRMINGHAM—Are they the only people who utilise the studios?

Ms Keele—I just want to check on that answer, but that is what the studios are used for, for the most part. The boards do the assessment and make the determination of who the artists are that are going to these places. But let me take it on notice to ask the question whether or not it is 100 per cent occupied by these grant recipients—but that is the major purpose.

Senator BIRMINGHAM—The grant that they receive is to fund what under the skills and art development program? Usually it seems to be \$10,000, although there are a few at \$20,000 and one at \$35,000.

Ms Keele—They are quite varied depending on the board and what they are trying to do. It can be anywhere from a very short period of time in a particular area to research, to spend some time in development of work, to have the ability to expose themselves to other work. It is quite varied, but it is a typical residency where you reside in another country and make yourself available to the environment over there and to different expertise and to have just some thinking time and development time to develop the artwork. Not all result in artwork at the immediate time, but it is part of the idea of thinking that it is the personal development that goes into making that artwork and a good artist.

Senator BIRMINGHAM—So the grant provided could go towards living expenses, educational expenses or any of those sorts of things associated with the time away?

Ms Keele—Airfare and all types of things.

Senator BIRMINGHAM—So the council simply provides the grant as listed and then free use under whatever time line or conditions of the facility in the city to which the person is travelling?

Ms Keele—Yes.

Senator BIRMINGHAM—If it is a city where there is just a studio and no accommodation, are they provided with accommodation?

Ms Keele—As I said, it depends on the art form board. Some will then have as part of the grant additional moneys for residency. I would have to get you the specifics by art form board on the residencies, but, yes, in some cases they do.

Senator BIRMINGHAM—Obviously the council believes this is of significant benefit or it would not continue to do it year after year, but in terms of the benefits and outcomes for Australian arts, what assessments or reviews of the program has the council undertaken in recent times?

Ms Keele—Quite a lot. I will have to get you that offline.

Senator BIRMINGHAM—Studios administration is listed in the grants list. I am not quite sure I understand why it is listed in the grants list as against another expense of the council, but skills and arts development, studios administration is listed for \$455,164. Do you know what that line item would be?

Ms Cowdrey—I would suggest that it is related to the upkeep or maintenance and rental payments, of the particular studios, but, again, we would need to get you those details to confirm.

Senator BIRMINGHAM—If you could provide us with a breakdown—

Ms Cowdrey—Certainly.

Senator BIRMINGHAM—of the costs associated with leasing arrangements, ownership arrangements, maintenance costs, all of those sorts of things, that would be much appreciated. I think that is all from me at present on the council.

Senator WORTLEY—I understand that the funding for the Books Alive program was going to end at the end of the financial year but that it has now received in the recent budget \$2 million annually for the next four years—

Ms Keele—Correct.

Senator WORTLEY—to support the continuation of the program. Can you tell us a bit about the Books Alive program, what plans you have for 2009, why it is an important program to increase people's interest in reading and also—I will put it all in one—what it does for Australian authors?

Ms Keele—Oh, gosh! Small question!

Senator WORTLEY—I can break it up, if you like.

Ms Keele—I am sure you will remind me if I miss anything. Books Alive is a program that we were delighted to see continued. It has been an instrumental program in support of Australian authors and the Australian industry as well as being a real stimulant towards reading. Last year's program was a great example because we, in doing research, determined that young adult males were what we call reluctant readers. Part of the make-up of this Books Alive program is to commission a book that is given away, complimentary, through booksellers for the duration of the program. This was geared specifically, so we were able to target and commission a book specifically to engage what we call reluctant readers. It was picked up quite successfully and did do what we meant it to do. In that process we were able to provide retailers with a series of books that were recommended as 50 you-can't-put-down books, which brought people into the store and increased sales. I cannot remember the number off the top of my head but it was in the 30 per cent range of increasing sales at a period of time when sales would be relatively slow. In the cycle of the bookseller world Christmas is pretty exciting and then it goes to slow. This helps to pick it up for a while. They get excited about that.

The other part of it that is exciting is that I think it was last year that the balance of the books recommended as the 50 top sellers in former years or 100 you-can't-put-down books

were written by Australian writers. So it helps to develop and celebrate, if you will, a rich vein of art coming out of Australia from Australian writers. So it is fantastic that way as well. The other part of it that we like very much is that we are able to get a lot of publicity about it and participation.

Senator WORTLEY—What corporate relationships have you developed in relation to the program?

Ms Keele—Right off the top of my head—

Senator WORTLEY—I am happy for you to take it on notice.

Ms Keele—I had better do that. I will say that there have been great relationships developed with the booksellers, who are very engaged with us on how we do it. People from the industry are involved in helping us develop the program. It is a very collaborative program, which is the way that sector works. Every year, they say, ‘Can you do more of this and less of this?’ and ‘Can you help us with this?’ That gets incorporated into the program.

Senator WORTLEY—Are schools involved in the program as well?

Ms Keele—Not that I know of.

Senator WORTLEY—Just one last thing. It is running this year I think from the end of August through September and previously I think it was run in August, was it, or a little bit earlier?

Ms Keele—It is generally about the same time. It might move a little bit back and forth.

Senator WORTLEY—Thank you.

Ms Keele—You are welcome. Thank you.

Senator BIRMINGHAM—I realise that I do have a couple of other quick ones. Is the extension of funding for small to medium arts organisations a continuation of an existing program?

Ms Keele—Yes, this is a continuation.

Senator BIRMINGHAM—How much was the existing program budgeted for previously?

Ms Keele—It was \$1 million.

Senator BIRMINGHAM—Is that \$1 million per annum?

Ms Keele—Yes, per annum; \$1 million over five years.

Ms Bean—It is \$5 million over five years, which equates to \$1 million a year for five years.

Senator BIRMINGHAM—Excellent.

Ms Keele—Sorry.

Senator BIRMINGHAM—Thank you, Ms Bean, and thank you, Ms Keele. You were both right. It is all good. It has been extended for one more year for \$1 million. Why the extension and why is it for such a limited time frame?

Ms Bean—The Australia Council is funded on a triennial basis. The triennium ends in the coming year, at the end of 2009-10, and this is a one-year funding arrangement to bring this program into line with the triennium.

Senator BIRMINGHAM—So it will now be up to the council to make its joyous bid for triennial funding. We spent some time talking on Monday with the ABC and SBS—one very happy and one not so happy organisation—about their triennial funding. It will be the council's job to argue the case to continue the \$1 million for this program if it deems it worthy enough in the current year or in the future years. That explains that one, and that may explain the next one as well. Is the Territory Orchestra's funding in the same category?

Ms Keele—That is in the same category.

Ms Bean—It is the same.

Senator BIRMINGHAM—The same category, so it was a special purpose grant as such but you have now funded it out for the extra one year so that it can be considered as part of ongoing triennial funding?

Ms Bean—That is correct.

Senator BIRMINGHAM—Are there any changes to the payment structures for the other orchestras expected in the next financial year?

Ms Bean—Not in 2009-10.

Senator BIRMINGHAM—But beyond that?

Ms Bean—I just cannot remember. I think some of the original orchestra's money lapses at the end of 2009-10 or terminates at the end of 2009-10.

Mr Grybowski—But not their core funding.

Ms Bean—No, not the core funding.

Mr Grybowski—There are a couple of project items which came out of the review into the orchestra, but their core funding is not lapsing.

Senator BIRMINGHAM—What are those project items and of what value are they for the orchestras?

Mr Grybowski—There was an allocation for a program loss of proficiency of musicians. There was another item for a reserves incentive scheme. There was another item for administration restructuring following divestment. Those type of activities.

Senator BIRMINGHAM—Perhaps if you could take on notice and summarise what those programs are that are ending, what their value is and what their value is to each of the orchestras. That would be helpful just to see what adjustment costs they may face at the end of 2009-10.

Mr Grybowski—Certainly.

Senator BIRMINGHAM—Thanks, Mr Grybowski.

CHAIR—No further questions for the Australia Council? Thank you very much for appearing before us this morning. I would now like to invite officers of Screen Australia to the table.

[11.34 am]

Screen Australia

CHAIR—Thank you very much Mr Matthews, Ms Cameron and Mr Pearson for appearing before us this morning. Do you wish to make any comments to the committee before we go to questions?

Ms Cameron—Yes. We would just like to put on record an apology from our Chief Executive Officer, Dr Ruth Harley, who had a significant prior engagement. On Sunday night she was at the awards ceremony at the Cannes Film Festival where the Australian feature film *Samson and Delilah* took out the very coveted Camera d'Or prize. So, a significant award, and she represented Screen Australia and did all sorts of press and promotion and was not able to join us; in fact, will be landing about now.

CHAIR—All right. I think in those circumstances the committee would forgive her absence and extend our congratulations to everybody associated with that film for its wonderful success.

Ms Cameron—Thank you.

CHAIR—Senator Birmingham.

Senator BIRMINGHAM—Thank you, Chair, and thank you for extending the apology, Ms Cameron. I did look up and think there was a familiar face missing, albeit it was only at the last estimates that that familiar face morphed from Antarctica to Screen Australia. I was fearing that she had headed back to Antarctica. Cannes, I am sure, is much nicer this time of year. We will start with the good news announcement there. Screen Australia had supported *Samson and Delilah*?

Ms Cameron—Yes, it did. It is a significant accomplishment for obviously the director-cinematographer, Warwick Thornton, and indeed for the Indigenous Unit at Screen Australia. It is the first feature film that the Indigenous Unit has supported and it has succeeded beyond our wildest dreams, and very deservedly. It is an extraordinarily significant piece of work.

Senator BIRMINGHAM—I realise that Screen Australia itself is relatively new, but in your predecessors was there a distinct Indigenous Unit?

Ms Cameron—Yes, there was. At the Australian Film Commission the Indigenous Unit existed as it exists today. It is one of the few discrete units that has not really changed a lot in the new Screen Australia.

Senator BIRMINGHAM—There have of course been some significant films and acclaimed films, feature films, relating to Indigenous Australia, but they had been either supported elsewhere through the AFC or had simply been independently produced?

Ms Cameron—No. I specifically mention the Indigenous Unit supporting this feature film through the director, and short films prior. We have had a number of Indigenous films funded through the previous FFC but not specifically coming out of the Indigenous Unit, the

mentoring program and arrangements. That was the only distinction I was making. The Indigenous Unit typically has done a lot of short film development and short film production. This film, *Samson and Delilah*, is a \$1.6 million budget. Of that, \$1.2 million is support directly from Screen Australia.

Senator BIRMINGHAM—So a very significant budget item, then. In terms of films that have been released this year that have been supported by Screen Australia, how have they done? Who has exceeded expectations and who has not proved to be quite so successful?

Ms Cameron—I will turn to my colleague Ross Matthews to talk about that. I presume you are talking about 2008-09 rather than the slate coming forward.

Senator BIRMINGHAM—That is right.

Ms Cameron—But, prior to doing that, *Samson and Delilah* is one out of the box. For the budget, the box office has been extraordinary. So I am sure Ross Matthews will have more detail about where—

Senator BIRMINGHAM—Figures on what that means, but good news for Screen Australia and the industry.

Mr Matthews—There have been a small number of films released recently which, unfortunately, have not met their targets. *Samson and Delilah* certainly will. But there are other projects such as *Salute*, *The Tender Hook*, *Ten Empty* and *Son of a Lion* which had reasonably good responses but did not quite meet KPIs. However, there are some films emerging from the first few months of Screen Australia—films like *Bran Nue Dae*, *Mao's Last Dancer*, *Bright Star*, which was in competition at Cannes—which we are very confident will perform extraordinarily well.

Senator BIRMINGHAM—From a financial perspective, it is obvious you would expect a big boost, I imagine, for *Samson and Delilah* from the win over the weekend, but already it is tracking above budget on takings?

Mr Matthews—Indeed. It is getting very close to \$1 million in a very short period of time on only 16 screens, and when it reaches about \$1.5 million in box office it will start returning money to investors including, substantially, to us.

Senator BIRMINGHAM—So it has to reach that \$1.5 million box office level and then Screen Australia starts to get a return?

Mr Matthews—What happens is that the box office comes in, the film hire goes back to the distributor and that is at about 30 to 35 per cent of the box office, which means that the exhibitors' costs come off first. The distributor takes their commission and recoups anything they have spent on prints and advertising and then the money starts to flow back to investors.

Ms Cameron—And we obviously have the downstream revenue sources, which will be quite predominant, including pay television and DVD.

Senator BIRMINGHAM—I guess it is early days to try to judge what returns Screen Australia might expect. Are you budgeting for any estimations at this stage or is it too early?

Mr Matthews—We are. Ross, can you respond on that.

Mr Pearson—We do not necessarily budget project by project. We budget on a holistic basis, so we have a target recoupment budget to achieve across the entire slate. It is certainly the nature of film and television that obviously there are more underperformers than overperformers, but that is simply the nature of the business and you attempt to diversify your slate to try and smooth out the returns.

Senator BIRMINGHAM—What is the target recoupment budget for 2008-09?

Mr Pearson—We are still developing our internal budget.

Senator BIRMINGHAM—For 2008-09.

Mr Pearson—I beg your pardon. For 2008-09 it was \$6.5 million.

Senator BIRMINGHAM—How are you tracking towards that?

Mr Pearson—We will exceed that.

Senator BIRMINGHAM—What have been the standout performers to help you exceed that?

Mr Pearson—There would have been a number of projects plus a movement in timing. The timings can move around quite a deal because of the moneys flowing back through the distribution and overseas sales network. Certainly in terms of recoupment we would have success probably with *Underbelly* which was a television series that aired on the Nine Network. We would have had successes also with children's television. One that comes to mind is *H2O: Just add water* which is also an AFI award winner and has had quite a deal of success in the United States with sales there. So television is performing quite well—documentaries well, feature films is a little bit mixed.

Senator BIRMINGHAM—How much was invested in *Underbelly*?

Mr Matthews—About \$2 million from memory.

Mr Pearson—Just to clarify, Senator, there were two projects.

Mr Matthews—We are talking about the first *Underbelly* project, I guess.

Senator BIRMINGHAM—Just seeking clarity there, so for the first series, about \$2 million?

Mr Matthews—About \$2 million is my memory, yes.

Senator BIRMINGHAM—Anything for the second series?

Mr Matthews—Around about the same. But I can certainly follow up on that.

Ms Cameron—We will get you specifics.

Senator BIRMINGHAM—In terms of assessment there, I am curious. *Underbelly*, the first series, was I am sure a project close to Senator Troeth's heart only as a Victorian. And close to my office manager's heart as well—apparently when she was a child at kindergarten she held hands with one of the key characters featured. But that is straying from the subject quite significantly and she will be horrified that I have revealed that I am sure. *Underbelly*, the first series, was a rating commercial success. Why would Screen Australia be called upon

to financially support the second series, or do you decide to do so because you think it is a good investment decision at that stage?

Ms Cameron—Arguably the second series would not go ahead without Screen Australia finance, and those things are taken into account as well as our finite resources and as well as the slate that is in front of us. So there is a diversity component to the argument as well. And within our guidelines the projects fit and we provide funds without fear or favour in that regard.

Mr Matthews—Could I add something? I do have the numbers for *Underbelly II*. We invested \$1.8 million, which is a reduction on the amount that we invested on the first one on the basis that if the first one is successful we can support another series but it needs to be a better deal for us.

Ms Cameron—And the licence fee to the network would have—

Mr Matthews—Yes, Channel Nine did put up considerably more than the first series for the second one.

Ms Cameron—Which is part of our conditions of financing, that as it was an extraordinary commercial success Channel Nine must pay more as a licence fee. So we do not just do it without those sorts of conditions.

Senator BIRMINGHAM—Screen Australia will net a profit out of the first series?

Mr Pearson—I would think so, yes.

Senator BIRMINGHAM—Yes? Are you already if it was one of the lead factors in exceeding your target recoupment budget for this year?

Mr Pearson—Probably not at this point in time but that would be because of where we are in the returns profile. Although all these successes have happened, obviously there are other investors who get repaid before us. Usually a project has to go through a substantial part of its cycle before equity investors, including us, start to receive returns, and indeed profits if there are any.

Senator BIRMINGHAM—That is interesting. Looking forward, there has been an adjustment to Screen Australia's budget for the forward years?

Ms Cameron—There has. We have had an appropriation of just under \$94 million which reflects a \$9 million reduction, which we were well aware of because it was flagged in 2007-08 and is a direct result of the introduction of the producer offset taxation incentive. So it is something we have factored into our business planning and our arrangements moving forward.

Senator BIRMINGHAM—You built it into your arrangements moving forward in terms of the hours and nature of production and recognising that hours is not a fair measurable because there are all sorts of different quality standards and so on to be met depending on the nature of the film or television. But in terms of operating impact from that \$9 million cut, is it going to be a real operating impact on Screen Australia?

Ms Cameron—The reduction in appropriation will be smoothed over within our production investment department. That is film, television and feature, and that is basically

because it is those areas that are advantaged by the producer offset mechanisms. So those areas will bear the brunt of the appropriation reduction. We are also, as you would be aware, only nine or 10 months post merger. We do have merger efficiencies. To some extent some of those efficiencies will help to smooth the appropriation reduction through, if you like.

Senator BIRMINGHAM—Sure. As Mr Pearson mentioned before, you are still working out your internal budgets. But of the \$9 million is there an expectation that the overwhelming bulk of it will come off of grants, or—

Ms Cameron—As I mentioned, it will be production investment and we will basically put in place an equation which will mostly affect features because they get a 40 per cent producer offset tax rebate. Television gets 20 per cent. So we are basically going to be as fair as we can in apportioning the reduction across feature film, television, children's television and documentary. All four of those components will be affected by that reduction based on the extent to which they are advantaged by the producer offset, if that makes sense.

Senator BIRMINGHAM—Yes, indeed. And so far as the producer offset is working in the industry, what feedback does Screen Australia have thus far?

Ms Cameron—It is certainly providing a great value as far as funding is concerned. We mentioned at our last hearing that we have had some issues, particularly with regard to the end of financial year cash flowing. Our minister has set up a working group with Treasury, ATO, us, and of course our department, and we are actively looking at the issue of cash flowing and producers having to get returns back at the end of the financial year which may well bottleneck post production in March/May/June. Also, if you finish your production early in the financial year—that is July—you are sitting on a huge interest bill because you actually cannot lodge your return until 30 June. These are very live issues for the industry and we are looking at what we can do to resolve those issues.

Senator BIRMINGHAM—When was that working party established?

Ms Cameron—Within two to three months.

Ms Bassar—That would be six weeks to eight weeks ago.

Senator BIRMINGHAM—On what timeline is it expected to report to the minister?

Ms Bassar—We are hoping to report very soon. We are just finalising the work.

Senator BIRMINGHAM—And there is industry representation being sought in that process as well?

Ms Bassar—The initial work has involved working through options with Treasury and the tax office—in terms of what options are available—and we would hope that the process would involve industry views as we go forward.

Mr Pearson—Can I just mention, Senator, that Screen Australia is having discussions with the industry and getting feedback through that mechanism and putting that back into the working party.

Senator BIRMINGHAM—Presumably the working party will present some options to government on ways to address this problem. Do we expect that that will result in a public discussion paper or something that might ensure that industry gets a close and public look at

proposals to guarantee that whatever changes government makes satisfactorily address the problem?

Ms Basser—In the end that will be a matter for the government and the ministers involved, but Screen Australia is working closely with industry. We are also working very closely with the Treasury and the Australian Tax Office who in a sense own the policy that we are talking about. So it crosses over a number of areas.

Senator BIRMINGHAM—Is this becoming an urgent problem that is having a direct impact on investment and production patterns?

Ms Cameron—Yes, it is.

Senator BIRMINGHAM—From an industry sustainability perspective it is critical that it is addressed some time in the very near future?

Ms Cameron—Yes.

Senator BIRMINGHAM—I understand there are still a couple of board vacancies on the Screen Australia board?

Ms Cameron—There are two board vacancies.

Senator BIRMINGHAM—I do not know whether the department or Senator McLucas have any advice as to what seems to be the delay in filling those positions.

Ms Basser—Essentially the new board is able to function and there were two vacancies that would be filled over time. The government is considering those vacancies, but it is not impacting on the function of the board.

Ms Cameron—Not at all. I know that our chair has been in discussions with the minister and is looking at where there might be gaps and what might be best represented on the board, but as far as the board functioning is concerned that is not an issue. Given the body of work that we have had to do since 1 July, it has been a useful exercise to have a consistent board involved in that process. It has not affected us.

Senator BIRMINGHAM—Is it correct that the chair has requested particular skills or expertise around the distribution or marketing sector be represented on the board?

Ms Cameron—Yes, that was reported in the *Australian* and I know it is the view of the chair that exhibition distribution would be a good set of expertise to have on the board. I know that that conversation has happened with the minister.

Senator BIRMINGHAM—We shall wait and hope to see the minister's appointments soon. That is all for Screen Australia from me.

CHAIR—Senator Wortley, do you have questions for Screen Australia?

Senator WORTLEY—I do. I had to duck out for a moment and I understand that I missed the accolades for *Samson and Delilah*. I am just wondering what the spin-offs would be for the indigenous affairs department and for Screen Australia generally in relation to the success?

Ms Cameron—A good question. Yes, we did mention that it was the first feature film that the Indigenous unit specifically has supported. The Indigenous unit was set up in 1993, to go

back to a Senator Birmingham question, and it has grown and mentored writers, directors and filmmakers from short films through to this critical position. It cements the extraordinary work done by the Indigenous unit in Screen Australia in telling Australian stories. It certainly highlights and puts on a platform like no other, as a result of Sunday, those stories. So we intend to make absolute best use of that and use it as a launching pad to continue. We are increasing our budget in 2009-10 for the Indigenous unit. It is indicative at this stage, but it is something that is increased to \$4 million from \$2½ million. It is a very unique unit in Screen Australia. I was saying earlier that it is the only unit that has come across pretty much untouched, because it has been so successful. As we did our consultation around Australia when we were reviewing the programs, time and time again the Indigenous unit was hailed as a really good example of getting the work done.

Senator WORTLEY—Do you have any plans for the Indigenous unit that you can share with us, given the additional funding?

Ms Cameron—Features moving forward are a big part of the Indigenous unit forward plan. That has been a significant accomplishment and a lot of that funding will go to feature development and feature production.

Senator WORTLEY—Thank you.

CHAIR—There are no further questions for Screen Australia. Thank you very much for appearing before us today and again our congratulations on the success of *Samson and Delilah*.

Ms Cameron—Thank you.

[11.57 am]

Australian Film, Television and Radio School

CHAIR—I welcome the officers to the table. Thank you for appearing before us this morning. I believe Senator Troeth has some questions. Do you wish to make any opening comments before we go to questions?

Ms Levy—No.

Senator TROETH—I notice that the school has been subject to the two per cent efficiency dividend stemming from the 2008-09 federal budget. How has the efficiency dividend been calculated in monetary terms over the forward estimates?

Ms Levy—I will ask my colleague to answer that.

Ms Browne—I will attempt that answer as I understand it.

Mr Tucker—While we obtain that information, I should mention that we have tabled the figures for all our agencies in terms of the two per cent efficiency dividend at previous hearings. Due to the assistance of a former senator, Rod Kemp, I was required to read those figures into evidence about three times. So we have put them on the record quite extensively.

Senator TROETH—I am just asking about this year's.

Ms Browne—For this year the efficiency dividend is \$291,000. The net increase to us after the efficiency dividend and the CPI is \$355,000. That is our understanding of the situation at the moment.

Senator TROETH—That is this year?

Ms Browne—That is this year.

Senator TROETH—What about the forward estimates?

Ms Levy—That is the budget announcement for the 2009-10 financial year. We only get an annual appropriation, so that is the only information we have available to us at this point.

Senator TROETH—How do you plan to meet that dividend? What measures will you need to take to meet it?

Ms Levy—There are essentially two measures that are going to enable us to meet it. The first is that we are relocating our Melbourne premises for various reasons, which will give us a net benefit of about \$150,000. The second is that we are continuing to find additional cost efficiencies and variations in the way we staff and run our student courses.

Senator TROETH—Leaving aside the building for the moment, will the staff recalculation involve any job losses within the school?

Ms Levy—The staff recalculations are more around the fact that we have moved to a great deal more casual employment because of the need for professional and industry experts to teach our courses. We have always employed about 500 industry and guest lecturers each year, so it will be within that area that we are looking for efficiencies.

Senator TROETH—Within the guest lecturers?

Ms Levy—Yes.

Senator TROETH—What about the building? How are you able to make that saving by moving from one building to another?

Ms Levy—The building that the school took a lease on in Melbourne was at Docklands. Some years ago it was believed that the Docklands was going to be perhaps a more friendly arts precinct than has transpired. The school at that point took on a large amount of space—there are expensive car spaces and other things. We are moving to a building in the city with neighbours that are part of our cultural responsibilities, and it will be a smaller space but in many ways, we think, a more effective space.

Senator TROETH—What is the size of that building in comparison with the Docklands building?

Ms Levy—We have about 350 square metres in that building; in the Docklands we have about 1,800.

Senator TROETH—Right. So it is a substantial difference.

Ms Levy—It is a substantial difference. We did not use the vast amount of space. There was some belief at some point that we might build additional mixing theatres and screening rooms and so on, but that was very ambitious and it would have required a significant extension of what we do in Melbourne. Looking at the providers in Melbourne of RMIT and

VCA and looking at the Docklands, on reflection and further evaluation, it did not seem the right activity to pursue.

Senator TROETH—You will be expecting to maintain all your activities even though the space is considerably smaller?

Ms Levy—Indeed we will, yes.

Senator TROETH—How many full-time students are there at the school?

Ms Levy—We have changed the nature of the courses so that the award courses are broken down into both full time and part time. We have quite a lot of award courses that are now part-time. The enrolments for the year were 246 students in the award courses.

Senator TROETH—How does that compare to this time last year?

Ms Levy—This time last year was an aberrant year, but it is about five times the number.

Senator TROETH—Was that ‘five times the number’?

Ms Levy—Yes.

Senator TROETH—What has accounted for the lesser number?

Ms Levy—There were two factors. We have redesigned all the courses, so this year is a year in which all the courses are new, and we have introduced a system of three levels of courses. That is the three different skills levels. One is the foundation diploma, a generalist diploma for people as an introduction to screen culture and screen activity; the second is the intermediate, where people work and study, so people who are currently employed can extend their skills and they are the part-time courses; and then there is the further course, which is the advanced level. Previously the school only had one intake and one level of courses. So the multiplier has come about through this different way of offering courses across a longer span of industry activity.

Senator TROETH—Is it necessary to do part 1 before you go on to part 2 and part 3, or do people come in at different levels?

Ms Levy—People come in at different levels. Each of the courses are merit selected, so you can apply and you need to have the appropriate creative credentials in order to get into that course. So people apply for each level as appropriate.

Senator TROETH—I see—good. Thank you very much. That is all, Chair.

CHAIR—Thank you, Senator Troeth. Senator Wortley.

Senator WORTLEY—Could you just explain the new courses that have been made available?

Ms Levy—This year is the first time we have offered what we have called the foundation diploma, which is a one-year full-time course for people who have creative interests and skills but have not yet chosen a specialisation in the screen sector. Largely, they are students straight from school or not long after that. Perhaps they have done art for the High School Certificate and have committed projects to ARTEXPRESS. They can be music students who have done some composing work. We have students at school now who do filmmaking and screenwriting. So there are quite a range of skills across the applicants. The year that they do

that course with us is a year in which they are introduced to all of the specialisations in the sector and they have a chance to find their direction, find which are the areas that they want to specialise in.

The second level of courses we call the graduate certificate—and they are postgraduate in that sense, so we are assuming a reasonably advanced level but we pitch them at an intermediate level. They are for people who have already chosen their specialisation. We offer them in editing, screen music, directing, writing, producing, screen business, production design and so on, and those courses are part-time so that people can continue to work in the industry and continue to build on their industry relationships, which are vital, and still advance their skill to the next stage.

Then the third level is the advanced level, which is essentially the full-time—some part-time but largely full-time—courses for directors, cinematographers, editors and so on. They are expected to make a significant project in the year that they are studying and they have to advance their skills to a point at which they are at a sufficient level to engage in the industry at some creative point of original contribution.

Senator WORTLEY—What is the take-up this year?

Ms Levy—As I say, we have got about 246 students and, in the take-up of the foundation diplomas, we have over 50 students this year in that group.

Senator WORTLEY—Is that the most popular course?

Ms Levy—Yes. I have to say by lunchtime on the very first day they were getting cameras out of the store and by the end of the first day one of them had already made a little film. These young students have been extraordinary. They are just so dynamic and so full of energy and tremendously exciting to have around. They make a project every three weeks in a collaborative way with each other. Yes, the place is very lively and very energetic.

Senator WORTLEY—Great. Thank you.

CHAIR—Thank you very much. Sen Birmingham.

Senator BIRMINGHAM—Thank you, Chair. Thank you, Ms Levy. You have gone through the three levels, foundation, intermediate and advanced, noting in the PBS your deliverables for the year, which talk us through the foundation diploma, the graduate diploma, the graduate certificates, Open Program, short course training and a master's course. Where does each of those fit within those categories, and what are your target enrolment projections for each of those courses?

Ms Levy—The master's is a master's by research rather than production so, for example, at the advanced level the masters by research is another part of the advanced opportunities. With the Open Program, you probably did not notice, but we advertised for a new Director of Open Program this week.

Senator BIRMINGHAM—I am sorry; I missed that.

Ms Levy—We advertised for a new Director of Open Program because we are intending to expand our activity in the Open Program. The Open Program is the non-award program, so all of the short courses which will now be called Open Program are all of the courses that we

offer that you do not need to be merit-selected for. They are not award courses; they do not have to submit work for assessment. They are not that kind of course. They will be much more vocationally targeted. They will go anything from one-day seminars through to weeks and weeks of courses or months—perhaps short one-week master classes and that sort of thing. We will be offering those more widely. We currently have about 3,000 students doing the short courses, the Open Program, and we intend that to be an area of great expansion over the next three years.

Senator BIRMINGHAM—The foundation diploma is obviously the foundation level; the graduate diploma and the grad certificate are your intermediate levels?

Ms Levy—No, the graduate diploma is advanced. The graduate certificate is intermediate and the graduate diploma is advanced, as indeed the master's by research is advanced.

Senator BIRMINGHAM—All right. With the student enrolment numbers for each of those, you are forecasting steady growth over the next couple of years up to what appears to be a plateauing of about 400 for the award programs. How do you expect that target to be divided between the three levels?

Ms Levy—What we are doing for the 2010 offerings, which will become publicly available in about a month, is adding more courses to the graduate certificate strand, which is the intermediate strand. We are offering another 12 courses next year. We can take more students in the foundation diploma and we have added another two part-time graduate diploma courses. So, by extending the range of programs that we offer in the award categories, we can see a growth of students there.

Senator BIRMINGHAM—Obviously, you are hoping the graduate certificates will become, presumably, a feeder course for the graduate diploma as well?

Ms Levy—Indeed, though with the numbers of students doing the graduate certificate—and we are going to be offering them in more cities around Australia—I do not think we could manage all of them in the graduate diploma. But certainly there will be many students who do the graduate certificates who will plan to apply at an appropriate time, when they have the additional skills for the graduate diploma.

Senator BIRMINGHAM—Now, that begs the next question. Where are the courses offered?

Ms Levy—Largely, the courses are offered in Sydney. You may not be aware that we have a building newly funded by government—we moved into it a year ago—at Moore Park at the Entertainment Quarter on the Fox Precinct. So that is set up with studios, mixing theatres, recording theatres, sound-editing rooms, computer labs and so on. So that is our place where we can offer all of the courses with all of the sophistication and complexity of technology that we need. Where we can, where the courses are more portable, we are going to be offering more of them in different cities around the country.

Senator BIRMINGHAM—How do your courses compare with those offered by other universities with media schools and the types of offerings that they have? I am sure you will tell me yours is far superior, but in terms of the types of offerings that universities have, how do your offerings match up with their offerings?

Ms Levy—Our courses are quite different in a number of different ways. One is that we merit-select through creative portfolio, so that we do not select based on academic qualifications. There has to be a creative portfolio and industry referees in many instances. As well as that, we ask them to perform a particular creative challenge that is set for each applicant. So once the applicants are chosen on that basis, we then have courses which are designed to extend their own creative capacities, so that they are production-focused and driven by the student's own creative needs, as well as course work. Each group is required to produce projects to create content.

Senator BIRMINGHAM—What proportion of your current students are originally from New South Wales or Sydney?

Ms Levy—I am afraid I would have to guess that. I could give you a specific answer on notice. The overwhelming majority of the students in the full-time courses are from Sydney, but not all of them, because it involves being a full-time student. We offer graduate certificates in Melbourne, Brisbane and Adelaide currently, and Sydney. I will take it on notice and I will be able to give you an accurate answer when we have examined it.

Senator BIRMINGHAM—If you could. Have you undertaken any research as to where students come from?

Ms Levy—Yes, we have. We know exactly where they come from. It is just that I have not got the breakdown.

Senator BIRMINGHAM—I am not looking for where they reside or when they enrolled, but I am actually looking for whether a decent proportion moving from other states to undertake study there. I would be concerned if the federal government were funding a national school that was NSW-centric.

Ms Levy—As I said, the graduate certificates are already offered in other states anyway. So those students are already existing in other states. Of those 246 students, about 120 of those courses are offered as part-time, so they are not all happening out of Sydney. The full-time course happens out of Sydney because we only have that full-time capacity in Sydney. If I went through the figures, only half of the courses need to be located in Sydney. So you would probably find it broken down in the number of students we have got enrolled in the various intermediate courses in different states.

Senator BIRMINGHAM—What fees or payments do students pay?

Ms Levy—The students pay the fees that we set, that council sets for each of the levels. There is a different fee for each level. The students are able to apply for FEE-HELP in the way that all higher education students do.

Senator BIRMINGHAM—To what extent are the Open Programs operated on a cost recovery basis?

Ms Levy—As I said, we have just advertised for a new Director of Open Programs. So we will be changing some of the processes that we have been using to date. With the Open Programs in some courses the intent is that we recover what we call the variable costs, which are those additional costs of running the courses. Where guest lecturers have to be employed, we try to recover those costs in the running of the course and the setting of the price for the

course, but the short courses are very varied. When Screen Australia had to consult with industry on the rebates, the school ran free seminars with Screen Australia around the country. So we do that sort of thing. Many events we run through industry we do not charge for, and then there are those events, depending on the cost of it and the number of people, where the charge has to be calculated based on a cost recovery.

Senator BIRMINGHAM—Your annual appropriations are about \$23.6 million from government, and your budget about \$3.8 million from other sources, of which \$3.3 million is sale of goods and services. I assume that sale of goods and services is predominantly course fees?

Ms Levy—Yes.

Senator BIRMINGHAM—In terms of benchmarking against other tertiary providers or vocational providers, depending on the nature of the course we are talking about, are your fees split between government contribution and personal contribution about on par or have you undertaken any benchmarking as to what reasonable student fees are in that regard?

Ms Levy—We did look at all student fees across both private tertiary institutions and public ones and private film schools and so on when council set the fees in the middle of last year. Some were as high as \$40,000 a year, which I think was the bond fee; others we found we were lower than anybody. So the last council adjusted the fees so that we were not the lowest fee around, but I think we are certainly still well below the median.

Senator BIRMINGHAM—Competitive is good, but you have been the lowest. Going forward, do you expect that outside income stream to increase?

Ms Levy—If we reach 400 students over that next couple of years to then those student fees will increase the revenue stream for the school.

Senator BIRMINGHAM—Perhaps you could take on notice and provide us with some details of the student fees, that would be helpful.

Ms Levy—I can give it to you now. Do you want to know the amount per course?

Senator BIRMINGHAM—No, that is okay. We probably are time pressured. If you can provide that on notice, that would be great.

Ms Levy—Provide what on notice, I am sorry?

Senator BIRMINGHAM—The fee per course-

Ms Levy—Yes.

Senator BIRMINGHAM—and how that was adjusted following the review that you undertook.

Ms Levy—Of course.

Senator BIRMINGHAM—Thank you. Do you take international students?

Ms Levy—No, we do not.

Senator BIRMINGHAM—Is there a reason for that?

Ms Levy—We are not registered as a CRICOS provider.

Senator BIRMINGHAM—Have you looked at whether there is a business potential for the school there?

Ms Levy—There has been no demand for us to provide international student support or services.

Senator BIRMINGHAM—If you are not registered then there cannot be any official demand at least.

Ms Levy—If you look at it this way: there are film schools and communications degrees and courses all around the world, and Europe has a proud tradition. We are part of an international film school organisation called CILECT. I went to the conference in Beijing last year and there are 183 film schools registered at a certain standard. There are others who are observers and attendees who want to be registered. There is a huge number of countries that provide just these very services. I am not aware that there is a shortage.

Senator BIRMINGHAM—That is the case across pretty much all educational services though. Yet Australia enjoys a very strong income stream from international students who choose to study all manner of different courses and subjects in Australia. I would have thought there might be a potential income stream for your school there. Most of the universities who take international students will talk to you about the cultural benefits and so on as well, which particularly in the type of artistic and cultural endeavours you are pursuing, I would have thought may have had some additional benefits too. I just throw that out there as something for the board or the school to look at. Thanks, Chair.

CHAIR—Thank you. If there are no further questions for the Australian Film, Television and Radio School, thank you very much, Ms Levy and Ms Browne for appearing before the committee today.

Ms Levy—Thank you.

[12.21 pm]

Australian National Maritime Museum

CHAIR—Welcome, Ms Williams, Mr Rout and Ms Miller. Thank you for joining us today from the Australian National Maritime Museum. Do you have any comments you wish to make to the committee before we go to questions?

Ms Williams—No.

CHAIR—Thank you.

Senator TROETH—Good afternoon. The museum recently allocated funding to the Ballina Shire Council for the preservation of the MV *Florrie*. My first question is: does the museum have an allocated budget to fund third-party organisations?

Ms Williams—We have a funding program called the Maritime Museums Assistance Program. It funds communities all throughout Australia, but they are all non-profit organisations, such as local historical societies or museums et cetera. The total value of that program last year was \$100,000.

Senator TROETH—For all of Australia?

Ms Williams—Yes, and the grants are generally reasonably small ones, but they help the communities maintain their cultural asset.

Senator TROETH—So out of that \$100,000 how many projects has the museum funded in the 2008-09 financial year?

Ms Williams—About 20.

Senator TROETH—Are they all known to you at the start of the financial year or do they come in during the year with a request for funding?

Ms Williams—The applications are due by around September, I believe. We then meet to discuss them. We have a small committee that assesses the applications and then they are announced later in the year.

Senator TROETH—Would you able to give us a list, or table a list, of those 20 projects?

Ms Williams—Yes. We are actually about to sit. The applications are coming through for this financial year. I obviously do not know those at this stage, but our annual report does record each of the applications for the previous financial year.

Senator TROETH—Perhaps when you have made a decision, you would send through the current list to the committee?

Ms Williams—Of course.

Senator TROETH—It would be very much appreciated.

Ms Williams—It is a very successful program.

Senator TROETH—So if you have got \$100,000 and 20 projects, how do the allocations differ?

Ms Williams—It depends entirely on the nature of the project. Wherever possible we do reinforce the need to maintain or care for maritime historical material. This might mean sending a conservator, for example, to a community to work with them to develop a conservation plan for a particular object. Or it might be a slightly less amount to conserve or display the local historical photographs that they might have in their collection. Every application is very different and we assess each of them on their own merits.

Senator TROETH—And obviously it would be necessary to not give \$85,000 away on one project so that you do not have any money left for the others. So is there any upper limit on a project or are groups advised to apply within a certain range?

Ms Williams—In the beginning of the program our grants really did not exceed \$5,000, but the department with whom we are partners in this project has generously been able to give us a little bit more for the program so that we can extend the nature of some of the applications that we get. But they would not generally go beyond \$10,000.

Senator TROETH—So how much was the funding for the MV *Florrie*?

Ms Williams—I would have to take that on notice.

Senator TROETH—Could you also supply that to the committee. So after the projects have had their funding announced, do you go through an evaluation process later on?

Ms Williams—Yes, we ask for a full report, and I must say the communities have been excellent at doing this. Within a year that they will send back a report and justify the expenditure and tell us about the future development of that particular project.

Senator TROETH—And you have generally been happy with the evaluation comments that each project has been given?

Ms Williams—They have been very good. Obviously if they do not qualify—I think it has happened once in about seven years—then they would not qualify for the next year's grant.

Senator TROETH—So is there any bar to them applying again?

Ms Williams—No. We encourage them along the way. They are generally small communities. They are maybe not always familiar with filling in the forms and complying with these grant programs. So we have a couple of people who talk to them and help them through applying for the next round.

Senator TROETH—Thank you very much. That is all.

Senator BIRMINGHAM—The museum does not have a large capital grants program, as I think we have established—

Ms Williams—It would be very nice if we had one.

Senator BIRMINGHAM—It would be very nice if you had one, but you do not. In terms of preserving maritime heritage, do you provide financial assistance, advice or information that would assist organisations in the planning and potentially purchasing and siting stages of maritime preservation?

Ms Williams—We do this in a number of ways. The National Maritime Museum has a very high profile internationally. Often our advice is sought from countries overseas, as well as communities within Australia, in the establishment and maintenance of maritime museums and the care of maritime historical material. We have several parts of our outreach program and part of that is to connect with Australian maritime museums or just museums. Maybe they are on rivers or waterways—they may be inland for example, but they have maritime material in their collection. We do this through the MAPs program that we were talking about a little earlier. We do this through encouraging a group of community maritime museums in Australia to meet regularly and to keep in contact. We have developed an Australian Register of Historic Vessels, whereby we help communities identify and plan for the care of vessels in their collections, and this can be all around Australia. We also have an internship program, whereby we bring mostly volunteer workers in museums to Sydney and we get them to meet our conservators and curators and registrars and work with them to establish networks and stakeholders. They have access to our programs and know who to ring for advice. That has been very successful as well.

Senator BIRMINGHAM—Have you been approached at all about the *City of Adelaide* clipper ship?

Ms Williams—Yes, I have.

Senator BIRMINGHAM—You have?

Ms Williams—So have other museums in Australia, of course.

Senator BIRMINGHAM—My understanding is the *City of Adelaide* clipper ship is currently sitting on a wharf somewhere in Glasgow.

Ms Williams—Yes.

Senator BIRMINGHAM—And it is at risk of being dismantled in the coming years. It is currently owned by the British—

Ms Williams—The Scottish Maritime Museum, I believe.

Senator BIRMINGHAM—That is right. They have determined that they cannot afford the space and so on and they cannot afford to restore it, and in the absence of any other willing purchaser it will have to be dismantled, which is essentially code for most of it being turned into scrap, I assume. Have you been able to provide any advice or assistance to those who have been attempting to lobby to save the ship on how they might be able to go about it?

Ms Williams—The issue of restoring large ships is very difficult. We must be offered several of them a year. You can imagine the cost of maintaining these vessels in the water, let alone the money you would need to invest in them to restore them. I have seen photographs of the *City of Adelaide*, which used to be the *Carrick*, incidentally. This clipper ship has a European history as well as an Australian history—bringing migrants to Australia. It is in very, very poor condition. There is very little of it left. The problem for the British historical community, as it is for ours, Senator, is the cost of restoring the vessel, of bringing it to Australia. Then of course you need a business plan, and once you do that, what do you do with it? Do you operate the ship? Do you maintain it as a museum vessel? It is a very vexing question and one has to take these decisions extremely seriously because it is a long-term commitment on the community that takes on a project of this scale. You would be talking—I would hazard a guess—of a minimum of something like \$18 million to 19 million. In our climate today that is a lot of money, for Britain or for anybody in Australia.

Senator BIRMINGHAM—That is a guesstimate for a total restoration?

Ms Williams—Bringing the ship or what is left of it to Australia would be expensive in itself. It would have to come out on a ship lift. Obviously it cannot sail; it is in no condition to do so. Then you would have to start from scratch to do the restoration work on the ship. It would be virtually a rebuild in that ship's case.

Senator WORTLEY—What would be the ongoing cost of upkeep?

Ms Williams—We have our own replica ship *Endeavour*, of which we are intensely proud, and to keep that ship in AMSA survey to qualify it for sailing outside Sydney Harbour it costs us about \$800,000 a year. That is not to staff the ship whilst at sea or supply the ship at sea. So they are very expensive creatures to maintain.

Senator WORTLEY—So for the upkeep of the *City of Adelaide*, you would expect that it would be in that vicinity as well?

Ms Williams—Absolutely—at least as much, if not more, because the *City of Adelaide* is a bigger ship than *Endeavour*. Yes. I have given estimates in the past and I could update them but—

Senator BIRMINGHAM—Do you have any estimate—and take it on notice if need be—for costs and ongoing upkeep if it were simply to be dry-docked? Obviously, the most expensive option is to restore it to a sailable option and then the most expensive ongoing maintenance costs would be to keep it at that seaworthy level. Presumably a step back from that is to have the transportation costs and all of those. It could then be put in dry dock in some type of state that is obviously better than it currently is; it could be of interest to people, I imagine, but it would not have to be back to a seaworthy state.

Ms Williams—Even if you displayed the vessel in a dry dock, the dry dock itself may have to be restored and put into a safe and good condition, and I am not sure what dry dock could be imagined. So you would need to know what dry dock that might be. It would be hard to give you a guesstimate unless I knew what the future plans for the vessel actually were.

Senator WORTLEY—What relics are there from the ship? Do we have any?

Ms Williams—None have come to my attention, to be honest. The ship is the only object that was mentioned to me. In Scotland they would probably have some material. I am not aware of any artefacts or associated material with the ship at this stage.

Senator WORTLEY—Is it possible to find out if there are any relics from the ship in Australia?

Ms Williams—Yes, I could endeavour to find out.

Senator WORTLEY—Thank you.

Senator BIRMINGHAM—Does Australia have anything similar to the *City of Adelaide* in any of our museums?

Ms Williams—Yes, it does. There is a ship that we take some responsibility for in Sydney called the *James Craig*. It is owned by a community organisation called the Sydney Heritage Fleet. That would be a very good comparison with the *City of Adelaide*. It is a similar design, a similar size. It is a fully operational ship, so there would be different costs associated with whatever the vessel management plan was going to be. We do not know that with the *City of Adelaide*.

Senator BIRMINGHAM—You have obviously, provided some advice and been contacted previously. Would you be willing to look over, assist or advise those who seek to purchase, restore or rescue the *City of Adelaide* if possible?

Ms Williams—I would be more than willing to assist wherever I can, as the museum has done in the past. I think about three or four years ago we spent a fair bit of time and effort to give some estimates of what we thought it might cost to bring the vessel to Australia and to commence some work, but with the *James Craig* I know the Sydney Heritage Fleet have also been in contact with somebody in Adelaide. I am not entirely sure who but, since it is a vessel of comparative interest, size and nature, they have been in contact with Adelaide as well. But I will keep on the case, Senator.

Senator BIRMINGHAM—This is a hopeful question. Are there any existing funding sources that you are aware of to assist with such projects?

Ms Williams—If they were there, I would be applying for them, Senator!

Senator BIRMINGHAM—Indeed. Thank you, Ms Williams.

CHAIR—Thank you. Are there any further questions for the Australian Maritime Museum? If not, thank you very much for appearing before the committee today. We appreciate it.

[12.36 pm]

CHAIR—Senators, that concludes our examination of the institutions. We now go to program 5.1: Arts and cultural development, which includes the National Portrait Gallery, Australian Business Arts Foundation Limited and the Bundanon Trust. Are there any questions for Program 5.1?

Senator TROETH—In February 2009, the minister announced the creation of an arts advisory board, creative Australia—I think I asked some questions about this last time. The board will provide advice directly to the minister on arts issues. Could you tell me what reports, advice or recommendations that board has generated since its establishment?

Mr Tucker—Creative Australia Advisory Group is the way it has been titled. The group has met twice. I think at the last estimates it had had its first meeting.

Senator TROETH—Yes, that is right.

Mr Tucker—We informed the committee of the membership and the agenda for that meeting. The minister appointed the group. They have had their second meeting, which was on 14 May. The meeting of that group progressed the matters that we reported on in terms of their first meeting. Between the two meetings the government had also put out its response to the 2020 work which included a creative component, and in that response the government did say it will consider developing a national culture policy.

Senator TROETH—And that will take into account the recommendations from the 2020 summit?

Mr Tucker—That is right, yes. The group has been asked to provide its views on what the scope of that policy might be. We are still in a working process with them and it will probably be a couple more meetings before that comes into a firmer shape, but we are working through that process with them. The other issue that the minister asked them to give them advice on was the effectiveness of support arrangements for artists. As a department we are going to do some of our own analysis on that. I suppose one of the advantages of bringing this group together was that we found out that one of the universities was actually starting to do some of its own research on philanthropic support and support arrangements. So we have decided to see where they go with their research. They have agreed to bring it back to this group and actually have members represented on this group. We are hoping that, probably in the next month or so, that research will come to a state such that the group can have a look at it, provide their own experience, comment and feed that advice back to the minister.

The third area that they were looking at was the private sector support to the arts. That has in some way caught up with that research which was I was just mentioning. We are yet to see exactly the extent to which that research will cover that, but what we are doing at the moment is waiting until that research comes out of the Griffith University work. Then we will have got a basis for whether we need to do anything more. In terms of production of reports and so on,

it is an advisory group. We put to the group material that the minister asks them to scope and they provide comment back to us. So at this stage there is no formal report or any particular product.

Senator TROETH—Have there been any more additions to the numbers on the board? I did ask for and I did receive a copy of the membership of the board. Have there been any more members appointed to that?

Mr Tucker—No, Senator. I will check because there was an original announcement and some were subsequently added, but I am pretty sure that the list we gave you was the comprehensive one. If it is not then we certainly can provide it. Wesley was one of the last ones, but I think it might have been on the first one. I can read you out the names now, Senator, if that would help.

Senator TROETH—Yes, that would be helpful, thanks.

Mr Tucker—It may, as I say, correspond to your list. There was an earlier edition, but I am pretty sure we covered it. The members are, in alphabetical order: Cate Blanchett, Wesley Enoch, David Gonski, Cathy Hunt, Sandra Levy, Elizabeth Ann MacGregor, Julian Meyrick, Julianne Schultz, Adam Simpson, James Strong, David Throsby and Marcus Westbury.

Senator TROETH—And have there been any resignations from the board or from that group?

Mr Tucker—No. We cannot get everybody to every meeting because they are all busy and there were a few apologies for the last meeting.

Senator TROETH—No, of course; that is standard. So there have been two meetings?

Mr Tucker—Correct.

Senator TROETH—Where have those meetings been held?

Mr Tucker—The first one was in the Commonwealth offices in Sydney and the second one was at the boardroom of the Australian Film, Television and Radio School in Sydney.

Senator TROETH—Right, that is also in Sydney. Who has borne the cost of travel for board members?

Mr Tucker—They have borne their own costs.

Senator TROETH—What has been the total cost of operating the board up until now?

Mr Tucker—It would be minimal. We obviously did not pay for Commonwealth offices. The Australian Film, Television and Radio School very kindly provided the boardroom to us for no cost. We would have our own travel costs of staff to attend and some minor expenditure in providing tea and coffee and a biscuit.

Senator TROETH—Thank you. That is all the questions I have.

CHAIR—Are there any other questions for program 5.1?

Senator BIRMINGHAM—Just while we are still on Creative Australia for a little bit, Mr Tucker, what is it hoped that the Creative Australia Board will provide advice around that would not currently be generated by the Australia Council board or the Screen Australia board or those other existing entities that spent a lot of time looking at all of these issues?

Mr Tucker—The minister, as you say, has all these other bodies that the committee has questioned over what they do. On the advisory group, I cannot speak exactly for what was in his mind, but coming out of the 2020 summit there was a number of very broad-ranging ideas in the creative sector that were not specific to a particular agency or sector. I think the minister was looking then to say, ‘Well, is there value in taking these further and who are the sorts of people who came up in that particular 2020 weekend in terms of ideas that might be worth taking further?’ The co-chairs of that group were Cate Blanchett and Julianne Schultz, and as you can see they are also on this continuing advisory group. So he certainly has the advice. We have James Strong, who is the Chair of the Australia Council; he is also on the group. So it is a group of experienced people, and people with perspectives on arts and culture which are broad, and I think that this is beyond the specific remit of our particular agencies.

Senator BIRMINGHAM—I do not quite take shorthand, so how many board members were there overall? I started to write them down but—

Mr Tucker—Twelve.

Senator BIRMINGHAM—Twelve overall. And that is to be the full complement?

Mr Tucker—Yes, as far as we know. Of course, it is up to the minister to add people if he so wishes, if he believes they are of value.

Senator BIRMINGHAM—They pay their own travel costs and of course there are no sitting fees attached to it or anything like that?

Mr Tucker—There are no sitting fees.

Senator BIRMINGHAM—People do this for all sorts of reasons, but did people decline to sit on the board when approached?

Mr Tucker—I do not know the answer to that, Senator. We provided suggestions to the minister and his office. The minister made the decision and could take advice from many quarters, but it his advisory group and I do not know what the specific strategies were.

Senator BIRMINGHAM—So the minister did the inviting as well?

Mr Tucker—Yes, it certainly came from him or his office.

Senator BIRMINGHAM—So the department provided suggestions to the minister and from there on in it was all in-house, in his office; they wrote out the letters or got on the phone or whatever to approach people?

Mr Tucker—That is correct.

Senator BIRMINGHAM—It is one of these tricky things with government boards and advisory bodies and so on that we will often sit around these tables and question the cost of them and the value of them and the expense that comes with them. But, of course, by usually meeting those costs and expenses of travel or providing some level of sitting fees or whatever you can attract a broader range of people, whereas by making it a purely voluntary board it narrows the base of people, not because people are not willing to give of their time but because there are out-of-pocket expenses involved in such activities and so on as well. Is there any concern within the arts sector or the department or elsewhere that a broad representative feel of the arts has not been achieved, that the board is a very exclusive sort of outfit?

Mr Tucker—It is very difficult. The sector is so diverse that to try and get a representative group we would have almost the 100, or maybe even more, that was there at the 2020 exercise, so the minister picked the sorts of people he thought could give him that sort of broad advice. It is obviously up to the government, if it decides to go into some sort of activity as a result or consequence of that advice, to conduct further consultation processes and to conduct them as widely as it would like. But certainly we needed a manageable group. You cannot have numbers so great that you cannot actually get any work done. There have not been any particular complaints that I have heard of from members about the voluntary nature of their work. I have spoken to them all and have been at both meetings, and they are very enthusiastic about their task and very pleased to be involved.

Senator BIRMINGHAM—The Creative Australia Advisory Board will actively consider the development of the National Culture Policy?

Mr Tucker—The minister specifically asked them for advice on what the scope of that policy may look like.

Senator BIRMINGHAM—Is there a time line for their response and advice that has been set?

Mr Tucker—No, not at this stage.

Senator BIRMINGHAM—Thank you.

CHAIR—Are there any further questions for 5.1? There is a revised program. We will be resuming after lunch with program 5.2: Conservation and Protection of Australia's Heritage.

Senator McLucas—Chair, there were a couple of other agencies that were called but have not been called to the table. Is that because there are no questions of those agencies?

CHAIR—Is that the National Portrait Gallery, Bundanon Trust et cetera? Senator Birmingham, do you have you got any questions? I understand government senators do not have questions.

Senator BIRMINGHAM—I would not mind just quickly covering the National Portrait Gallery. Sorry, I did not realise that we had officials here.

CHAIR—We will go to the National Portrait Gallery.

Senator McLucas—Chair, if there are no questions for the Bundanon Trust I think we should put it on record and thank them for travelling here.

Senator BIRMINGHAM—Indeed.

Senator McLucas—And the Australian Business Arts Foundation.

Senator BIRMINGHAM—And apologies. Because they do not stand out as separate agencies in the same manner as others, there is slight confusion with the program, otherwise we would, I imagine, have advised them in advance—albeit that is hard, because any senator can of course come in to ask questions. We might try to take note and recall that for future sittings.

Ms Kruk—Thank you.

[12.50 pm]

National Portrait Gallery

Senator BIRMINGHAM—Mr Sayers, welcome. Just very briefly for the National Portrait Gallery, you were newly opened in the last financial year, was it?

Mr Sayers—Yes. The new building of the National Portrait Gallery was opened on 4 December 2008, so next week we celebrate our six-month anniversary—half anniversary—of having been open to the public.

Senator BIRMINGHAM—The visitor numbers are tracking to expectation at this stage, or above expectation?

Mr Sayers—The visitor numbers are actually exceeding expectation. As of yesterday we had had 368,741 visitors. Our initial estimates were that in our first year we would perhaps reach 300,000. So we are very, very pleased.

Senator BIRMINGHAM—Sorry, your initial estimates were in the first half?

Mr Sayers—The estimates before we opened the building were, on the basis of our operations in Old Parliament House, that we would get around about 300,000 people a year. So we are exceeding that considerably.

Senator BIRMINGHAM—A year?

Mr Sayers—Yes.

Senator BIRMINGHAM—You got 368,000 in the first six months.

Mr Sayers—Correct.

Senator BIRMINGHAM—Which is an outstanding result. Is that, in a budgetary perspective, helping to put you ahead of budget for this year?

Mr Sayers—The situation is likely to be very healthy next year because we are about to open our first exhibition for which visitors pay a ticket price, and that is the *Vanity Fair* exhibition which opens next week on 5 June. So certainly we are very pleased with the visitor numbers and they do reflect in revenue in the shop and the café.

Senator BIRMINGHAM—In terms of the process to opening ahead of December last year, did the completion of the gallery and the process to opening the doors proceed on budget?

Mr Sayers—Yes. I am very pleased to be able to say that in 2004 we predicted that the gallery would open in 2008, and in 2006 we predicted a date of 4 December 2008. We sent out ‘save the date’ letters at the beginning of 2008 for the opening date. Some people thought that was a little bit kind of—

Senator BIRMINGHAM—Courageous.

Mr Sayers—Courageous. However, we did have a master plan and we had confidence that all of the processes put in place by the gallery staff, by our own department, and the Department of Finance and Deregulation, which was managing the building project, would ensure that we could proceed to that date with confidence. We opened the building, as

predicted, with a full suite of gallery programs that the staff had been working towards by way of a deadline driven master plan for the previous 18 months.

Senator BIRMINGHAM—What is the ongoing budget for the gallery in terms of acquisitions over the next few years?

Mr Sayers—In terms of acquisitions, Senator, the gallery has had an amount of \$200,000 per annum from government funds for the acquisition of works of art. However, the large proportion of our collection has actually come through donated funds and through gifts. So, although that has been the amount of government allocation, we have at the moment in our special account \$6.45 million, which has been specifically donated to us to develop the collection. So there are two elements to our acquisitions budget, and we have been very grateful to have such support for the development of the portrait collection.

Senator BIRMINGHAM—In terms of ongoing management of the gallery, is it intended that structurally you will continue to sit within the department, or is there a plan or expectation in the forward years that you will have the slightly greater level of autonomy that the National Gallery and others enjoy?

Mr Sayers—Senator, that is not current government policy. There is no current government policy to change that.

Ms Kruk—I think it is on the record that the work of the gallery has been a very proud and successful initiative so far and its governance arrangements are very strong.

Senator BIRMINGHAM—So it may have been considered, but there is no firm government policy in the forward years.

Ms Kruk—It is ultimately a matter for the government, Senator, as you would understand.

Senator BIRMINGHAM—Ultimately, it is. I am just checking that those plans are or are not in place at present. Obviously, the situation is business as usual until further advised. I asked the National Gallery about cooperation with you, given your close proximity and the likelihood of shared visitations, especially from interstate or overseas visitors. Aside from increased use of the footbridge, what processes are in place from the National Portrait Gallery's perspective to leverage off each other?

Mr Sayers—The first thing that we thought we would do would be to undertake some research into the visitor profile. We did that in February-March of this year in the closing weeks of the Degas Exhibition, and we will continue that analysis of our visitors into the future. What we discovered was that 77 per cent of our visitors had visited both the National Gallery and the National Portrait Gallery in that time, and the visitor profile at that time showed a skew towards external visitation rather than ACT visitors. We are undertaking joint advertising and marketing with other cultural institutions in Canberra through two programs, the National Capital Tourism initiatives. We took part in Culture Shock 1.0, which was a joint promotion of the National Portrait Gallery and the National Gallery and the Australian War Memorial, and today they are launching their winter tourism campaign in which we are also a participant. So we do put approximately 10 per cent of our marketing budget into those joint promotions whilst continuing to promote exhibitions and programs individually.

Senator BIRMINGHAM—Thank you very much, Mr Sayers.

CHAIR—Thank you Mr Sayers. Are you doing any exit interviews? Do we know whose portrait is the most popular?

Mr Sayers—Senator, we actually have quite a sophisticated feedback set of questions that we ask people. We are interested in not only who is most popular but also who people would like to see in the National Portrait Gallery—who they see as a missing face. I do not know that I could answer the question ‘who is the most popular portrait in the gallery’. That is in part because there are so many variations of people’s enthusiasms, and I do not think there is one that comes out on top. But we are certainly very keen to engage our audience in a discussion about who is on the walls and why they are there.

CHAIR—Is there any general consensus about any gaps in the portraits arising from your consultation with your visitors?

Mr Sayers—I think I would have to answer that and say there is not consensus. There is recognition that the gallery is a new collection, that its collection will inevitably be fairly uneven. We have tried to ameliorate that to some extent with a series of loans from our sister institutions—the National Library, the National Gallery, state galleries and libraries across Australia—so that we do present a collection which has some balance. And always there are sectional interests in the community, particular sporting interests or particular interests in society, who believe that particular people or particular sections should be better represented. That is one of the things that you always have to juggle with in a portrait gallery where we can only display 450 portraits out of the many thousands of people who have contributed to Australia.

CHAIR—Very good. Thank you very much, Mr Sayers.

Senator BIRMINGHAM—Congratulations on an outstanding start.

Mr Sayers—Thank you.

CHAIR—Indeed, I am sure all the committee would join Senator Birmingham in those sentiments. As there are no further questions for Program 5.1, I thank very much all the officers who have appeared so far.

Proceedings suspended from 1.01 pm to 2.04 pm

CHAIR—Good afternoon. I welcome Senator Kim Carr, Minister for Innovation, Industry, Science and Research, representing the Minister for the Environment, Heritage and the Arts. Our first item is program 5.2, Conservation and protection of Australia’s heritage. Does anybody wish to make any comments to the committee before we go to questions?

Mr Shevlin—No.

CHAIR—Does this program include the allocation for the Kokoda Track?

Mr Shevlin—Yes.

CHAIR—Can you give me a briefing of where we are up to in that with Papua New Guinea?

Mr Shevlin—We are making very good progress overall with the initiative. There are three key elements. One is the Kokoda Development Program, which is directed at assisting and improving the livelihoods of the communities that live along the track. The second component

is working with the PNG authorities, particularly the Kokoda Track Authority, to improve its capacity to manage trekking operations in a sustainable way and to ensure that some of the trekking fees return as real benefits to the communities. The third element is working with other elements of the PNG government, particularly the Department of Environment and Conservation, to pursue some of their other objectives which were agreed under the joint understanding. Those include things like protecting the upper reaches of the water catchment and generally protecting the Kokoda Track and the Owen Stanley Ranges area.

CHAIR—Are there regular meetings between Australian officials and Papua New Guinean officials?

Mr Shevlin—Absolutely. I was up in PNG last week and met with my counterpart who is the chair of the PNG Kokoda Task Force. We meet regularly and converse even more regularly by phone.

CHAIR—I understand that, perhaps partly because of the global financial situation but also perhaps because of the recent deaths on the track, the number of visitors to the track from Australia has reduced substantially.

Mr Shevlin—I would not describe any particular causes for it, but the figures that we have from the Kokoda Track Authority are that the trekking numbers are down between about 30 and 40 per cent so far this year. The trekking companies, themselves, are unsure if they will see another spike later in the year. They had been rising almost exponentially. From the year 2000, when the trekking numbers were 70, they have gone up to 7,000 last year. It is a very big increase. There has been a drop-off so far this season, but we do not know and will not know until a bit further into the season. The two big spikes are around Anzac Day and in July-August. We will wait and see.

CHAIR—Thank you for that update.

Senator TROETH—I have one very general question relating to the arts. Mr Tucker, perhaps you will be able to answer this question. How many employees are there in the arts program for the department?

Mr Tucker—I do not have the numbers directly in front of me. I can take that on notice. It is probably of the order of about 200.

Senator TROETH—With regard to heritage, I understand there was some funding made available in the second of the two stimulus packages for national trusts and the state divisions within Australia. Can anyone inform me about that?

Mr Shevlin—We have a component there, the National Trust Partnerships Program, which provides ongoing funding effectively to the National Trust. That is an amount in the next financial year of \$927,000.

CHAIR—Has that previously existed?

Mr Shevlin—Yes. This current financial year it was \$911,000, so it has increased. That is ongoing support that is provided by the government to the National Trust. Under the \$650 million Jobs Fund, there is a \$60 million component that is quarantined for heritage projects. One of the identified elements within that is for historic properties managed by the National Trust.

Senator TROETH—Is that divided on a project funding basis—that is, they will apply for it?

Mr Shevlin—Yes. There was an agreed split-up of the funds under that \$60 million, of which \$12 million has been set aside for National Trust properties and projects related to those. Obviously, the process is underway in terms of applications coming in and decisions being made. All of that money has not been allocated, but the minister announced a funding for Old Government House in Parramatta a couple of weeks ago of about \$2 million. It is both a National Trust property and a National Heritage listed property. National Heritage is one of the other components within the Jobs Fund.

Senator TROETH—Who will those funding decisions be made by? Will it be the minister?

Mr Shevlin—Yes.

Senator BIRMINGHAM—To continue on with funding, and firstly with the \$60 million, \$12 million of it is for National Trust properties, as you have just established with Senator Troeth.

Mr Shevlin—Yes.

Senator BIRMINGHAM—There is a further \$6 million in the 2009-10 year for the conservation of national listed and Commonwealth listed historic built heritage sites.

Mr Shevlin—The group split-up of funds is that \$16 million will go to National Heritage listed properties; \$12 million to National Trust properties; a total of \$21.4 million for community grants, which are heritage places of local, state and/or national significance; and \$8.6 million for natural heritage projects, but those are focused on World Heritage properties. The remainder of about \$1.4 million is for the departmental costs of administering this program.

Senator BIRMINGHAM—In terms of year-by-year funding, that \$60 million program is divided up as you have just outlined. What proportion of it is in the current 2008-09 year versus the forward years?

Mr Shevlin—It is \$6 million in the current financial year and \$54 million next financial year.

Senator BIRMINGHAM—Is the \$6 million in the current financial year spread across each of those categories that you discussed before or is it largely to one or other particular grants programs?

Mr Shevlin—We sought proposals from across the whole range. There have been a number of announcements made already. Seven projects have been announced already for funding and I am expecting there will be additional projects announced over the next few weeks. Those projects are from across the spread of those areas.

Senator BIRMINGHAM—Those seven projects total what level of contribution?

Mr Shevlin—The projects announced so far total just under \$5.5 million. I would point out that is \$5.5 million in total for those projects. All of that expenditure will not occur this financial year. We do not obviously pay it all up-front.

Senator BIRMINGHAM—Indeed.

Mr Shevlin—A maximum of 50 per cent of that amount that has already been announced will be expended this financial year, with the remainder next financial year.

Senator BIRMINGHAM—How much of the \$6 million that you have for this financial year is currently allocated?

Mr Shevlin—As I mentioned, \$5.489 million has been announced so far, and I am expecting that there will be additional announcements soon.

Senator BIRMINGHAM—Will the \$6 million for the current financial year be spent?

Mr Shevlin—Yes.

Senator BIRMINGHAM—It will?

Mr Shevlin—Yes.

Senator BIRMINGHAM—Of the projects allocated to date, you said up to 50 per cent of the \$5.5 million will be expended this year.

Mr Shevlin—We would expect that the funding agreements that we are negotiating with those projects will include a significant upfront payment. The exact amounts, whether it is 50 per cent or slightly less, will depend on the circumstances of the individual projects.

Senator BIRMINGHAM—Do some of those include community grants?

Mr Shevlin—I could quickly run through them. There are only seven. Would you like me to tell you what they are?

Senator BIRMINGHAM—Sure.

Mr Shevlin—The first project was one at Budj Bim in Victoria, an Indigenous aquaculture site. That would come in under the National Heritage listed component of it. Old Government House in Parramatta comes in under both National Trust and National Heritage lists. John Curtin's house in Perth is a National Trust property. Port Arthur, Woolmers Estate, Brickendon Estate and the Cascade Female Factory are all convict sites within Tasmania and are all National Heritage listed properties.

Senator BIRMINGHAM—Is there a particular program criterion for the community grants?

Mr Shevlin—Separate from the others?

Senator BIRMINGHAM—Separate from the other—

Mr Shevlin—It is probably more about who proposes the projects to us and the mechanisms that we are using to acquire those projects. There is a general public call for applications under the Jobs Fund, so people can come through a single gateway and apply for any part of the \$650 million. If they are heritage related they will be sent to us. We are also going out with a more targeted call to the National Heritage listed places to make sure that they are fully aware of it and they have the opportunity to apply. With the National Trust properties we are going out through the National Trust and asking them to bring forward their highest priority projects. With the community grants it is in two parts. One is where we are going to the state and territory heritage offices and asking them to bring forward their highest

priority state and territory projects. We have a larger and smaller component, so they are for projects above \$100,000. For the smaller projects, below \$100,000, we are going out through the public call and also through the Federation of Australian Historical Societies, which has about 80,000 members.

Senator BIRMINGHAM—Are there particular, clear funding guidelines for those community grants, be they through state government or through community organisations?

Mr Shevlin—There are a set of criteria that apply to the Jobs Fund generally and included in those are some additional criteria that apply specifically to heritage related projects, which are available on the DEWHA website.

Senator BIRMINGHAM—Your KPIs in the PBS include one additional World Heritage area to be submitted for listing.

Mr Shevlin—As you would be aware, the government has an election commitment to nominate Ningaloo. That would be our expectation.

Senator BIRMINGHAM—What have you done in terms of preparation for that nomination?

Mr Shevlin—We are well advanced with that. We have been working closely with the Western Australian government and all of the relevant stakeholders there. We are just resolving some final issues with the Western Australian government on that.

Senator BIRMINGHAM—Has the Western Australian government been supportive of the nomination process?

Mr Shevlin—Yes. The Western Australian government supports World Heritage nomination for Ningaloo. There has been a slight difference of view on exactly what the boundary looks like. That is what we are working with them on.

Senator BIRMINGHAM—There are to be 10 new National Heritage places listed. Are they pre-identified?

Mr Shevlin—Yes. There is a fair process that leads into this. The Australian Heritage Council makes a recommendation to the minister on the places that should be included on their assessment work plan. The minister agrees to that. They then conduct, with support from the division, the detailed assessments required to actually support National Heritage listing, or a recommendation on that, and then those are made. Ultimately, the decisions are made by the minister on whether they should be listed. That process takes some time. The 10 that are there are ones that we will already have on the work plan and we are either starting or nearing the end of that work at this point.

Senator BIRMINGHAM—You currently have more than 10 on the work plan.

Mr Shevlin—Yes.

Senator BIRMINGHAM—Are they all publicly known?

Mr Shevlin—Yes. What is called the finalised priority assessment list is publicly available and it is advertised by the minister.

Senator BIRMINGHAM—Perhaps, on notice, could you provide that to the committee. I am sure I could find it if I dug around.

Mr Shevlin—We can provide you with the web link. If you just went to www.heritage.gov.au it will give you the link to the finalised priority assessment list.

Senator BIRMINGHAM—Thank you.

CHAIR—Senator Lundy.

Senator LUNDY—There is \$60 million for the community heritage projects. How many projects did you say were going to be included in that funding?

Mr Shevlin—We will not know until we receive the applications and assess them. It depends. There is a maximum of \$2 million for any project. That is one of the components. We are expecting some projects in at around the \$20,000 mark. It really depends on how many big ones we get versus how many small ones.

Senator LUNDY—Is there a limit? There is \$2 million, but what is the bottom scale? How big are the projects?

Mr Shevlin—There are different amounts for the different components. For National Heritage listed places it is grants between \$50,000 and \$2 million. For National Trust properties it is grants between \$20,000 and \$2 million. For the larger community projects it is between \$100,000 and \$2 million. For the smaller ones it is between \$20,000 and \$100,000. For National Heritage projects it is between \$200,000 and \$2 million. The bit that is particularly unknown to me is how many and what size the small components will be—whether there are a lot at \$20,000 or there are a lot more near \$100,000.

Senator LUNDY—Are you able to provide us with some understanding of the assessment criteria that are being used for the projects?

Mr Shevlin—Those are included in the guidelines for the Jobs Fund and particularly looking at the heritage projects. They are included in those guidelines, which are available on the website.

Senator LUNDY—What about the consultation taking place with the Australian Heritage Council in approving projects?

Mr Shevlin—The minister has agreed that he will seek the advice of the Australian Heritage Council in making any decisions on projects to be supported in this because they are his independent expert advisory body on heritage matters. That is spelt out in the guidelines as well.

Senator LUNDY—Is advice being sought from any other organisations as well?

Mr Shevlin—They are the ones who primarily provide advice via the department to the minister. They write to him in relation to the projects. In the process of getting the projects coming in we are talking to the Council of National Trusts, which is working through all of the state and territory national trusts. We have asked them to prioritise their projects, so in effect they are providing us with their advice on what are the best projects.

Similarly, for the larger community projects, we have gone to the state and territory heritage offices, which all have heritage councils as well. In a way, we are tapping into all of

that expertise and—likewise for the smaller projects—we are going through the Federation of Australian Historical Societies and asking them to short-list for us and tell us what they think are their best projects. We are trying to tap into the knowledge of the heritage community across Australia to give us the best possible projects that we can support, consistent with the primary goal, which is achieving jobs, obviously.

Senator LUNDY—I look forward to seeing the outcome of that. Thank you.

CHAIR—Senator Ludlam.

Senator LUDLAM—I would like to go to some fairly similar matters relating to the \$60 million one-off stimulus package funding, but also how that relates to the core Commonwealth funding for heritage. Can you tell me if I am reading the portfolio budget standard right? It appears to show the departmental programs support item decreases from \$20.332 million this year to \$14.7 million in the 2009-10 financial year. It is noted as a decrease of negative 27 per cent. First of all, does that accurately portray a decline in core administration funding for heritage, or has some funding moved sideways to somewhere else?

Mr Shevlin—I am happy to assure you that the core departmental funding as it arrives with the heritage division is actually basically exactly the same as last year, so it is about \$13.7 million in both years. The difference reflects two things. One is revenue that we receive from other sources. Last year the \$20 million included money from Caring for our Country for some projects—World Heritage assessments, for example. That can only be captured afterwards because those decisions are for the next financial year—

Senator LUDLAM—Would you just repeat that last part.

Mr Shevlin—The figure of \$20.33 million includes about \$1.8 million from other revenue sources.

Senator LUDLAM—Which do not exist this year?

Mr Shevlin—No; it is just that this captures what was paid from those other sources, but we will not know how much funding we will receive from, for example, Caring for our Country until those decisions are made. We can almost capture that retrospectively rather than in advance. But the rest of the difference just relates to the notional allocation of corporate overhead costs to different outcomes.

Senator LUDLAM—Notionally you have lost a quarter of your budget, or am I reading it wrong?

Mr Shevlin—If I can reassure you, the money that actually comes to the division for our functions is remaining almost the same, at about \$13.7 million.

Senator LUDLAM—Is that separated out anywhere? All I have to work from here is the departmental program support line item, which is \$20.3 million. That is obviously broken down. Did you say your core funding is about \$13 million?

Mr Shevlin—It is \$13.7 million.

Senator LUDLAM—So \$1.8 million is difficult to estimate because that is revenue sources that you cannot account for yet. What about the other \$4 million or thereabouts?

Mr Shevlin—Basically the departmental overhead that was assigned to the heritage division last year was about \$4.8 million. This year it is about \$1 million.

Senator LUDLAM—Can you just define that term for us? What does that mean?

Mr Shevlin—The funding for the corporate divisions of the department, the corporate strategy division and the policy coordination division, do not have an individual outcome of their own. There is nothing that says just administer the department. They are actually funded from an overhead which is basically taken from all of the rest of the outcomes. There is an amount that is required for that and it is basically spread across the range of outcomes. It is a notional allocation rather than an actual amount that, if you like, is given to us and then taken away.

Mr Tucker—It is the contribution to divisions to rent computers, electricity and the things that go into operating a building and that all people contribute to. It is reflected in the outcomes, but then there is a certain proportion taken off to go to pay those collective costs that the department has that every division contributes to.

Senator LUDLAM—With your forbearance, I am still not clear as to why there would be such a big variation year on year. It is a big change.

Mr Shevlin—To be honest, I had the same question when I first saw it. The answer is that we were in outcome 1.4 last year and we are now in outcome 5. As I said, it is a notional allocation. Essentially it is just allocated across the department to different areas. It does not reflect any real change at all to the division's activities.

Ms Kruk—I looked at the numbers too and found them somewhat confusing. In my opening statement I made it clear that our budget was being represented differently in relation to outcome areas. Can I affirm Mr Shevlin's comment that his area is not experiencing a cut; it is the way it is actually depicted. That is the advice I have received. I found it confusing, so I understand your question.

Senator LUDLAM—I wonder whether it is possible, obviously on notice—I would not ask you to do this on the back of an envelope now—to provide us with figures that we could compare with previous years' funding. The last time we spoke I think I pointed out that funding has been declining in the medium term for heritage protection at the Commonwealth level for quite a period of time. This makes it difficult to establish whether that trend is reversed or whether it has stayed in the same place.

Ms Kruk—If we can take that on board we will try to give you some meaningful figures, but I reaffirm, as Mr Shevlin has indicated, we have been fortunate enough to have a significant injection of capital, so we have done well. But I take your question on board and we will give you that information.

Senator LUDLAM—If it is difficult for the departmental heads to decode the funding and the line items then it makes it tricky for us as well. I would also suggest that the additional funding you received is a one-off; it is not recurrent funding—if that \$60 million is what you were referring to.

Ms Kruk—Mr Tucker might explain that.

Mr Tucker—Yes, there is that one-off \$60 million injection for heritage infrastructure, but for the years beyond that there is an additional component. I think it is \$5 million a year for ongoing heritage activities beyond the \$60 million period. That was a new announcement in this budget.

Senator LUDLAM—Without wanting to pre-empt the outcome, when you re-present the figures to us in a format that is comparable with previous years and outcomes, will that show that the decline in heritage spending over recent years has been reversed, or do you think we are holding steady?

Mr Shevlin—It will certainly show that there has been no decline from this current financial year.

Senator LUDLAM—Staying on the \$60 million for a moment, I think it is represented in the budget as a fraction less than \$60 million, about three per cent, or \$1.74 million, short. Would you explain what happened to that fraction.

Mr Shevlin—Nothing happened to it. It is just that with every program that is provided to the department to administer some costs usually go to the department to actually administer the grant, so it is the administrative costs.

Senator LUDLAM—This might be more sensible to put to the minister. The stimulus package funding was meant to stimulate the economy rather than being absorbed into the Public Service, with respect. Would that 2.9 per cent administrative cost for heritage funding been subtracted from other parts of the stimulus package?

Senator Carr—I would have to take that on notice.

Senator LUDLAM—It is a very cross-portfolio question, but could you tell us whether three per cent of the whole stimulus package ended up being absorbed into administration costs or whether that is peculiar to this portfolio?

Senator Carr—I will have to take that on notice.

Senator LUDLAM—I would appreciate that. Staying with this portfolio, what will that \$1.74 million actually be spent on?

Mr Shevlin—Largely staff.

Senator LUDLAM—Can you tell us roughly how many people?

Mr Shevlin—I do not have the precise numbers, but it is about eight people in the next financial year.

Senator LUDLAM—Are they existing staff whose contracts have been extended or are these new FTEs?

Mr Shevlin—It will be a combination of both.

Senator LUDLAM—I suppose you would not be able to say over what period of time, because again this is a one-off payment. Once the \$60 million is gone, what will happen to those jobs?

Mr Shevlin—As Mr Tucker mentioned, we have additional funding in the three following years, so I would expect that a number of those positions will be funded from some of that additional money.

Senator LUDLAM—That might answer the next question: have some staff been shifted away from a recurrent funding basis to one-off program funding?

Mr Shevlin—Some of the people who will be working on this were previously working on the National Heritage Investment Initiative, which was lapsing funding, so we have actually been quite fortunate that people we had working on one program which was lapsing are now going to be moved into work on another program which is starting up and will be able to continue into the future.

Senator LUDLAM—I guess in the scheme of things this is a relatively modest sized grant program. Is it any reflection on the shortfall in core funding of the division that you were not able to absorb this extra relatively modest sized grant program without extra administrative funding?

Mr Shevlin—This is in effect a completely new activity. In fact, it is a bit less than three per cent, I think, but those costs, as a percentage, are actually considered to be relatively low for administering a program of this sort.

Senator LUDLAM—Would you take us through the decision path from a good idea of a project that was ready for work and met the criteria for being available to employ people straightaway. What is the decision path from somebody having a good idea to money being spent and what the decision points are for this funding?

Mr Shevlin—There is a standard process set out for the Jobs Fund projects which will apply to all but the first \$6 million worth of expenditure. Public applications have been called which were due in on 22 May, so some of those have been received. Those will then be assessed by departments and, in the case of heritage projects, will include assessments by the Australian Heritage Council and recommendations will be made in relation to heritage projects to the minister for his decision.

Senator LUDLAM—Apologies if this is going over old ground, but for the first \$6 million there was a need to just get some projects on the ground straightaway so that kind of bypasses that process you have just described?

Mr Shevlin—Obviously we could not wait until 22 May to get the projects in, so we went out to some national heritage listed properties where we knew, because we were in constant contact with those managers, they had activities that they had been wanting to do for some time but had not had the funds for. We went to the National Trust, through the Australian Council of National Trusts, and asked them to identify projects that they were aware of that were ready to go and would deliver good, positive outcomes. We went out to all state and territory heritage offices and asked them to also come forward with projects that they had that they considered high priority and that were ready to go. We also went through the Federation of Australian Historical Societies. We went out through all of the people who actually work in this sort of area and said, ‘What are your highest priority projects that you know are ready to commence quickly?’, to deliver the obviously desired stimulus impact. They provided their

project concepts to us. We short-listed those in consultation with the Australian Heritage Council, sought full applications from those on the short list—

Senator LUDLAM—I will just pause you there. The short-listing process is undertaken between the AHC and your division?

Mr Shevlin—Yes.

Senator LUDLAM—Who has actually got carriage as the final decision maker? Are you subordinate to the AHC or vice versa?

Mr Shevlin—Ultimately the department provides recommendations to the minister. The Australian Heritage Council has been writing to the minister with their advice, so we attach that to our recommendations.

Senator LUDLAM—In the case of National Trust funding, the decision chain looks something like they would provide a short list to the AHC, which provides a short list to the department, which then provides another short list to the minister, who then makes a call on funding?

Mr Shevlin—No, not quite. The AHC decides what their highest priority projects are—

Senator LUDLAM—Sorry?

Mr Shevlin—The National Trust identify their highest priority projects.

Senator LUDLAM—They are one avenue, or one stream of—

Mr Shevlin—They are one stream, yes. The heritage division and the Heritage Council look at those projects and then provide advice to the minister. There is not a three-step short-listing process, if you like. We look at the projects at the same time as the Heritage Council does.

Senator LUDLAM—Forgive me if this is floating around on a website somewhere, but is the short list that you provided to the minister, at least for the first \$6 million, a public document? That is the short list for the first \$6 million and also for future rounds. Are recommendations from your division and from the AHC public documents?

Mr Shevlin—No.

Senator LUDLAM—After all this expert advice from a lot of experts around the country, how do we know that the minister cannot just pluck something out of mid-air and completely disregard the advice that has been provided? That is not to assume bad motivations on the part of the government, but it would be helpful to know what the expert opinion was so that we could put that side by side with the decision making, as has happened for example with Infrastructure Australia: providing a short list in the public domain and then the minister makes a call on funding. Is there a reason why we are not following a similar sort of process here?

Ms Kruk—Is your question: is there such a list, or are you suggesting that there be such a list?

Senator LUDLAM—I think we established that there is a list. I am just wondering why it would not be in the public domain, or if there is an intention to make it so.

Mr Shevlin—It is likely that we will get hundreds and hundreds of applications, some of which, to be honest, we will dismiss pretty quickly because they just did not meet the criteria. For example, when we were looking at the first lot of project concepts that came in, a lot of them just did not get through the gate because they were not ready to start until well into the next financial year. These are assessed by and recommended by all of the key heritage bodies in Australia and then that advice is provided to the minister and the minister makes recommendations, which is pretty consistent with other processes that happen for grant schemes.

Senator LUDLAM—I have just put to you a process that is handling vastly larger sums of money and a larger range of proponents that put their short list and their methodology—it has been criticised but at least it is in the public domain—on the table and the public can now compare how the funds that were eventually spent with the decisions that were made by government reflected the views of the experts whose opinions had been invited. I am asking why we are not following that kind of process in this case. I am sure it is not to avoid hurting the feelings of the people who were knocked back. They can come back and have another go.

Mr Shevlin—We are following the process that we have agreed with the minister.

Ms Kruk—If I could take that on board, I think you are making a suggestion to the minister. That is clearly a matter for the government and I will take that advice back to the minister. Can I stress the point that Mr Shevlin has made that this is a very highly consultative process with the aim of getting the right projects but also projects which are ready to start very quickly, so there will clearly be challenges on that basis. I think you would agree that Mr Shevlin has outlined a very robust consultation process, despite the urgency of some of the time frames. But I will take heed of your comments in terms of asking why the list of those projects is not made public. I do not think we can take it any further here.

Senator LUDLAM—That is fine. The logic appears to be sound. Nothing I have heard this afternoon suggests that anybody has got anything to hide but we do not know whether, when the minister is cutting the ribbon, that has been completely side-stepping the process which sounds quite robust and has invited the right people's opinions. We have no idea whether any of that work is incorporated in the final spend, and I think that is a fairly fundamental—

Ms Kruk—I have heard your question. We will take that on notice.

Senator LUDLAM—The Australian Heritage Council in a submission in April 2009 to the EPBC Act review stated:

The Council notes that a number of Commonwealth agencies are not meeting their heritage requirements under the EPBC Act or not fully taking opportunities for a whole-of-government approach to heritage.

At the time a recommendation was made to the agency:

Recommendation 12: Greater scrutiny of Commonwealth agencies should be undertaken to ensure that they act in accordance with their heritage responsibilities.

I am wondering whether the council has formally raised those concerns with the minister or whether there has been any kind of formal reporting of those concerns.

Mr Shevlin—That was part of the council's own submission to the EPBC Act review process, so the minister will be made aware of all of the submissions that come in from the whole range of sources.

Senator LUDLAM—Is there nothing further on that? Is that a view that is shared by the division or is that something that you are concerned about?

Mr Shevlin—We continue to work with Commonwealth agencies to remind them of their obligations under the EPBC Act in relation to heritage, but ultimately those are obligations like any other piece of law which applies to individual agencies and they have to determine whether those requirements are applicable to them or not and, if so, to then comply with those requirements. We provide them with guidance on that matter but, in effect, we are not the policemen on it. We continue to work. We know we have got a number of agencies who are meeting their obligations and a number of others we are working with to assist them in meeting their obligations, and we continue to communicate with others to encourage them to do so.

Senator LUDLAM—You are pretty well aware of what the AHC is on about there. It is quite a strongly worded statement from the premier heritage advisory body in the country. Was specific action taken after that submission was made, or are these activities that were already afoot by your division?

Mr Shevlin—It is an ongoing process of working with agencies to make sure they are aware of their obligations and are complying with them.

Senator LUDLAM—What do you do when the AHC says they are not complying? What happens then? You said you are not the policeman. Who is?

Mr Shevlin—It is like many pieces of legislation which impose obligations on people. It is the responsibility of citizens or agencies to comply with legislation.

Senator LUDLAM—What happens when they do not? AHC said here, pretty much in black and white, that they are not meeting their obligations, so what happens then?

Mr Shevlin—We continue to encourage them to do so.

Senator LUDLAM—What if they continue to not do so?

Mr Tucker—The legislation gives us no enforcement capacity.

Senator LUDLAM—Can you refer enforcement action through your minister?

Mr Tucker—No. Under this particular part of the legislation there is no enforcement capacity.

Senator LUDLAM—Maybe you are not entitled to give an opinion on this, but is that an area of law reform that has been raised?

Mr Tucker—I suspect, in some sense, that is exactly the point of their submission and why they made that comment.

Senator LUDLAM—I do not know whether they have raised that directly, but that would certainly be worth checking. It says 'greater scrutiny' of agencies, but that is not exactly the same as enforcement action. I put a couple of questions on notice at the session in February.

Answers were subsequently provided, but they were somewhat deficient in some cases, so I will just step through a couple of them if I could. Question on notice No. 115 says:

At page 12 there is mention of a review of National Heritage management plans.

When will this review be completed and will it be made public?

There was not any information provided about when that review would be made public, so I am just wondering if you can help us out there?

Mr Shevlin—That was an internal review that provided advice to the Heritage Council. The Heritage Council has discussed that and is progressing some further work in that area.

Senator LUDLAM—So the review is complete. Can you tell us when it was completed?

Mr Shevlin—The findings were discussed at the March meeting of the Heritage Council.

Senator LUDLAM—Is it likely that report or the review will be made public, or is it the intention to keep that as a confidential document and, if so, why would that be the case?

Mr Shevlin—It was an initial internal review contacting about 10 places that have management plans in place. It was a telephone survey asking if they had the management plans—we obviously chose people who already had the management arrangements in place—and were they actually useful or were the requirements that the act was imposing on people causing them to create very lengthy documents which did not make much difference in reality in managing their property. That information that we got from talking to people has now been fed into the council and the council is getting some more work done now. We are engaging, on their behalf, a consultant to look at what would be best practice in terms of management arrangements that actually deliver real, on-ground management outcomes.

Senator LUDLAM—It sounds like a supremely worthwhile endeavour. I am still puzzled as to why the review would not be made public.

Ms Kruk—Mr Tucker may add to that.

Mr Tucker—We will take some advice on its release. Part of it might be the way in which we ask questions of people. We might have given them a commitment that it was going to be an internal working document and it would be kept confidential, in a sense to encourage them to be as open as possible. We will take some advice on that and see what we can do.

Senator LUDLAM—If those commitments were made, that would be helpful. Question on notice 120 states:

Which area of DEWHA actually makes these compliance judgements?

The question was not answered. We were just looking for a unit or a division that you can pinpoint for us where that is occurring.

Mr Shevlin—I have the question here in front of me. I am not sure which bit you think we have not answered.

Senator LUDLAM—Is it question on notice 120 that you are looking at?

Mr Shevlin—Yes.

Senator LUDLAM—Question 2.

Mr Shevlin—Yes.

Senator LUDLAM—Do you want to read back what your copy reads?

Mr Shevlin—You have asked which area of DEWHA makes compliance judgements and we say:

... compliance matters are ... reported to the Compliance and Enforcement Branch of the Approvals and Wildlife Division of the Department, which liaises with the Heritage Division on ... potential—

things. They seek our expert advice, but the compliance issues are managed by the Approvals and Wildlife Division.

Senator LUDLAM—That rests there. That is where that decision is actually made. No. 4 from the same question states:

Are the expert views of the Heritage Division on significant impacts always adopted? If not, why not?

The first part of the question there has not really been answered.

Mr Shevlin—When the minister and the department make decisions on that, there is a whole range of bits of input to them. Some of it is expert heritage advice, but there will be other matters, as well, that will be considered. Inevitably, there could be times where we might have advice on one issue but on which there is another factor, which will mean that our advice is not adopted in total. So it is possible.

Senator LUDLAM—Sometimes that does happen. Lastly, can you provide us with an update on question on notice 123, regarding transfer of Point Nepean to Victoria, please?

Mr Shevlin—The government remains committed to effecting the transfer as soon as possible. We are working very closely with the Victorian government to try to finalise that matter.

Senator LUDLAM—Can you provide us with a timetable for when that might occur or where you are in the process?

Mr Shevlin—I cannot be precise, but we are working to finalise it as soon as possible.

Senator LUDLAM—I hear a fair bit of that at estimates hearings and I never know whether it means days, weeks, months or years. Can you give me an order of magnitude—I will not hold you to it.

Mr Tucker—It is not up to us to announce what a government may do in the near future. We are obviously working very closely with our colleagues, but it will be up to the government when it makes its announcement.

Senator LUDLAM—You will understand that, from the outside, these processes are entirely opaque.

Mr Tucker—There is nothing preventing you from asking the minister in this regard.

Senator Carr—The officers have made it clear that it will be as soon as possible.

Senator LUDLAM—That is why I do not generally ask the minister. I will come back to where I was right at the beginning. In answer to a question that Senator Wortley raised, you mentioned that, out of the \$60 million, \$12 million has been set aside for properties managed

by the National Trust. Can you tell us how that figure was arrived at, quarantining just under a quarter of that funding for the trust? What was the thinking behind that formula?

Mr Shevlin—That was the split that was decided by the minister.

Senator LUDLAM—So that did not come from the heritage side but from the minister's office. It was not on your advice, the advice of the Heritage Council or anything like that?

Mr Shevlin—I cannot comment on any advice that we might or might not have provided to the minister.

Senator LUDLAM—Why is that?

Mr Shevlin—Because it is internal between us and the minister.

Senator LUDLAM—You cannot tell us whether advice was even provided? I am not asking for the nature of the advice.

Senator Carr—There are conventions on this.

Senator LUDLAM—I realise that. I think it is a fair question to ask: was the minister's decision informed by your staff and your division or not? I am not asking for the advice itself.

Ms Kruk—The minister would have received advice from a number of quarters on that. I think the minister would have also been very conscious of the needs of that particular group of heritage properties. I echo Mr Shevlin's comments about not wanting to provide the nature of the advice to you. That is obviously internal to us.

Senator LUDLAM—I was not after the nature.

Ms Kruk—Thank you for that.

Senator LUDLAM—I just wanted to know whether advice was provided. I am not sure why I suddenly feel like I am stepping on toes.

Ms Kruk—You are not stepping on toes. I am just saying that the minister would have sought advice from a number of quarters.

Senator LUDLAM—Including your office?

Ms Kruk—You are asking me a difficult question. In terms of who he would have sought advice from, no doubt it would have been from various areas.

Senator LUDLAM—I am not trying to trespass on other divisions or departments that you would not be aware of, but was your division sought for advice on that? Is this a highly inflammatory area to be poking around in?

Ms Kruk—No.

Mr Shevlin—Yes, we provided advice.

Senator LUDLAM—Thank you.

CHAIR—Before I go to Senator Abetz, did you want to clarify that you are in the right program, Senator Siewert?

Senator SIEWERT—Should I be asking you about the Burrup pier as it relates to some of the actions that have been taken up there recently? Should I ask you or EPBC?

Mr Tucker—EPBC.

Senator SIEWERT—Thanks—as long as I know where.

Mr Shevlin—It is possible that we do have the head of the Approvals and Wildlife Division here now, and sometimes these questions start in one and end up in another. We could do it now.

Ms Kruk—We are happy for you to do it at the moment, given that Mr Burnett has arrived, but if we need additional officers then we may take it on notice until they arrive.

Senator SIEWERT—I was purely allowed to ask a clarification question. I am not allowed to launch into the questions yet. Senator Abetz is next.

Ms Kruk—I am sorry.

Senator ABETZ—Senator Siewert, how long will you be?

Senator SIEWERT—It depends on how long it takes.

Senator ABETZ—I will take the opportunity in that case. I would like to turn to Port Arthur. Who can tell us about that and, generally, where are we at with the listing?

Mr Shevlin—The World Heritage nomination has been submitted to the World Heritage Centre. There will be experts coming to Australia later in the year from ICOMOS, which is the expert advisory body to the World Heritage Committee.

Senator ABETZ—When you say ‘later in the year’, do we have a month?

Mr Shevlin—September-October.

Senator ABETZ—September-October you hope?

Mr Shevlin—They will be visiting then, looking at all 11 sites that have been nominated. In effect, it is in that process at the moment, from the World Heritage Committee’s part of it.

Senator ABETZ—Last time, I asked a bracket of questions about what advice surrounding landowners were given in relation to the buffer zone. If I may have the indulgence to make a brief statement, Chair. Consultations with local landowners would suggest that there was not any consultation or discussion about that until a letter on 6 April. They are still unsure as to what the restrictions in the buffer zone will mean. Have the restrictions that will be placed on their properties been clarified as yet for those private landholders impacted by the buffer zone?

Mr Shevlin—There was a meeting last Sunday in Tasmania, convened by the Tasmanian government because they have responsibility for the consultation with landowners in Tasmania. That meeting occurred on Sunday and included a representative from the heritage division. There were a number of questions asked and there were attempts to provide the answers to all of those questions.

Senator ABETZ—Can you tell this committee officially, so the *Hansard* can get it down as well, exactly what restrictions will be placed on these private landholders?

Mr Shevlin—The World Heritage and, in fact, National Heritage—and the place is already National Heritage listed and therefore protected under the Environment Protection and

Biodiversity Conservation Act—protects the listed values of places. Anything that has a potential adverse impact on those listed values of places can then be controlled.

Senator ABETZ—With respect, I know that. Can they change the boundary fence, for example, without consulting, or can they change their cropping from turnips to trees? What restrictions and what issues would require them to seek permission to ensure that they will not overstep the restrictions placed on them by a buffer zoning? That is basically what we need.

Mr Shevlin—My understanding is that the details of that will be set out in a local planning instrument.

Senator ABETZ—Has that been set out as yet?

Mr Shevlin—I am not trying to be evasive on this one. It is very difficult to give an answer where you could say in all cases you could do this and in all cases you could not do that, because it does depend on the precise circumstances and the location of those activities to determine whether they are going to have an adverse impact on those values or not.

Senator ABETZ—I understand that. One of the greatest dislikes within the community, no matter what the topic, is uncertainty. The current landowners are feeling that uncertainty, but of course, given that uncertainty, the marketability of their properties is now not as good as it used to be. Is compensation paid for that or is it just their tough luck that they happen to have bought a property next door to something that is now going to be World Heritage listed?

Mr Shevlin—In terms of the question of compensation, no.

Senator ABETZ—No compensation. By what stage do you think they might have some guidelines so that they can tell any prospective purchaser, ‘Look, you can keep ploughing this paddock once a year and grow your crop of oats or whatever it might be,’ or, ‘Cattle grazing is allowed, but intensive chicken farming might not be’? I do not know what, but they do want some guidance as to what they would or would not be allowed to do.

Mr Shevlin—I understand that. As I said, there was a meeting in Hobart on Sunday which went through a lot of those issues. Ultimately, the Tasmanian government and the Tasman Council will put in place, through their local planning scheme, what exactly can and cannot occur. I was not part of those discussions so I am not sure exactly what advice the Tasmanian government provided.

Senator ABETZ—Surely, if the local council, for example, does not like the colour of somebody’s roof then they cannot use the World Heritage listing and make regulations on the basis that this would somehow infringe the World Heritage values of the Port Arthur site and therefore you cannot have a corrugated roof or something like that. There must be some guidance provided to the state government or the local government in developing these regulations, as to what should be in and out of the regulations, and surely that advice must be coming from your department—or can they just make it up as they go along?

Mr Shevlin—As I said before, it is very difficult to be completely prescriptive about what can and cannot happen, because it very much depends on the precise location of those activities.

Senator ABETZ—Did you not say that these authorities would be making regulations? What would they be making regulations about? I thought regulations usually were prescriptive.

Mr Shevlin—They will be making regulations to give effect to protecting the values.

Senator ABETZ—We know that, but what does that mean in practical terms? Does it mean that you can still have a barbed wire fence or that you need a post and rail fence? Does it mean that you can turn to intensive agriculture or not? I would have thought that they were pretty basic issues that quite reasonably are being sought to be clarified.

Mr Tucker—In terms of Mr Shevlin's explanation, as I know you are well aware it comes back to that significant impact test of the Environment Protection and Biodiversity Conservation Act. In other cases we have provided guidance to people on what that might mean in certain circumstances, and part of the work that we are doing with our Tasmanian colleagues is to try to provide some more specific guidance to people about how that test may or may not be applied. What we are saying is that it is difficult to be definitive in every circumstance. I know that does cause certainty problems, and it is an issue that we have had since the act came into effect in 2000, but it is something that we are well and truly aware of and we are going to do our best to try to provide our guidance to the state government and work with them to help.

Ms Kruk—I can assist. I think you made reference to a community meeting being held earlier in the month and you were probably one of the people that worked to have that meeting take place. The advice I got from our heritage counterparts in Tasmania was that people raised a whole range of issues wanting clarification as to what was likely to constitute a significant impact, exactly what activities were permissible in that buffer zone and what were not. You have given some examples and the level of specificity that people are after. For example, 'Can I paint my fence differently? What sort of agricultural activities are appropriate?'

Senator ABETZ—That is right.

Ms Kruk—I do not think Mr Shevlin can give you an answer of yes or no for each of those individual activities. The advice I got from our heritage counterpart in Tasmania was that they were the issues that they were seeking to work through in that meeting. They clearly have to go back. In effect, they will look at what is okay and what is not.

Senator ABETZ—If I am a neighbouring landholder and I want to make a change to my property in some way and I am not sure whether it might be allowed or not allowed, would there be a fee payable to ask the local government or state government as to whether I am allowed to do this under the World Heritage guidelines?

Mr Tucker—No, they can ask us. They can come straight to us and they will get a decision within the time frames, which Mr Burnett may want to talk about, under the EPBC Act. We do that every day.

Senator ABETZ—Would you then go to the council and ask them, 'What is in your regulations in relation to this landholder's request?'

Mr Tucker—No. I am saying that a landholder could come to us, ask us straight and we would be able to tell them.

Senator ABETZ—I do not want to be obtuse in this, but I thought you indicated that it was going to be the local and state governments that were going to have regulations in place in relation to the buffer zone. Why would they be going to the federal department rather than the bodies that actually drafted the regulations?

Mr Tucker—We are talking about different time frames. We are saying at the moment—

Senator ABETZ—At the moment.

Mr Tucker—people can come and ask us and we can give an answer. We are saying that in the future we are trying to give clarity by putting something into a local planning scheme so they do not have to come to us.

Senator ABETZ—In the short term do you have a toll free number or a website?

Ms Kruk—Yes, we do.

Mr Tucker—Mr Burnett may have that. I do not have it at hand. Yes, there is a toll free number.

Mr Burnett—I am sorry; I do not know that telephone number.

Senator ABETZ—I thought you were going to give us your home phone number. That is fine. This is not a rhetorical question: why a buffer zone for the Port Arthur precinct?

Mr Shevlin—Whilst it is not in the World Heritage operational guidelines—it says that it is not a mandatory requirement—the reality is that the World Heritage Committee, in all but two cases over the last couple of years, has required a buffer zone. Buffer zones are really just the area around the bit they have said is absolutely World Heritage. It is just to ensure that nothing happens in the immediate vicinity that would damage those values.

Senator ABETZ—As I understand it, in the operational guidelines for the implementation of the World Heritage convention—I do not know the clause or section—the buffer zones are from paragraph 103 onwards. It states that ‘wherever necessary an adequate buffer zone should be provided’. Basically the only explanation as to ‘why a buffer zone?’ is that these guys might require it. That is hardly a robust argument as to why we need a buffer zone. Paragraph 106 says: ‘where no buffer zone is proposed the nomination should include a statement as to why a buffer zone is not required’. Paragraph 107 states:

Although buffer zones are not normally part of the nominated property, any modifications to the buffer zone subsequent to inscription should be—

I do not think that is relevant. Again, 106 states that, ‘where no buffer zone is proposed the nomination should include a statement as to why a buffer zone is not required.’ I would have thought that, with that historic precinct, the huge amount of land and the neighbouring properties basically you would not need a buffer zone because there is sufficient land within the Port Arthur precinct to provide, if you like, a buffer zone from the buildings to the neighbouring properties. It is not as though, as I understand it, you have a sandstone relic right on the border where cows are grazing on private property on the other side.

Mr Shevlin—In effect, the buffer zone reflects the reality of the way our legislation works at the moment. Once a place is listed, anything that happens outside that area that could have an impact on it still falls within the ambit of our legislation. A buffer zone or no buffer zone does not make any difference to the impact of our legislation in relation to Port Arthur or any developments around Port Arthur. They are already captured.

Senator ABETZ—Can you say that again?

Mr Shevlin—The EPBC Act works to protect the national or World Heritage listed values of the property and says that, if there are activities outside the actual identified area with a potential to have an adverse impact, then those activities would still be considered. In effect, the legislation provides a legal buffer zone around properties already. The World Heritage requirement really just mirrors what we have in our legislation—which is that we look at areas outside which could, if activities occurred within them, adversely affect them. They are considered. I can give you an example. If, immediately outside the boundary of the area, someone decided to erect a 15-storey block of apartments that was clearly visible from the entire Port Arthur area, that would obviously degrade, to some extent, the experience of visiting Port Arthur and the feeling of the isolation of the site or whatever. There are activities that can happen outside the actual listed area that can negatively impact on the identified values. The buffer zone tries to protect against that by establishing some area around it where you will at least look at the activities that are occurring there to see if they will have an adverse impact. It does not say that nothing can happen within those areas.

Senator ABETZ—How wide is the buffer zone?

Mr Shevlin—Buffer zones can vary significantly depending on the nature of a site.

Senator ABETZ—What is being proposed for Port Arthur?

Mr Shevlin—I do not have the details. I can take that one on notice.

Senator ABETZ—Whilst I doubt that there would be a 15-storey hotel built, I accept your analogy. If you are outside that buffer zone and whacked it up, you could still do that because you are outside the buffer zone and might still destroy the vista for the sake of, what, a couple of hundred metres?

Mr Shevlin—Buffer zones are worked out looking at some of those issues. What can you see from the site? Sometimes this occurs. For example, in the Norfolk Island site, which is another convict site, there is no buffer zone required there because the edge of the site is the top of the ridge.

Senator ABETZ—Was that approved without a buffer zone?

Mr Shevlin—It is not World Heritage listed. That is national heritage listed.

Senator ABETZ—What World Heritage listed properties did you say did not have buffer zones? I think you said there were two.

Mr Shevlin—I said I think there were two in the last couple of years.

Senator ABETZ—Is that in the world or in Australia?

Mr Shevlin—No, in the world.

Senator ABETZ—Why was that? Was it because the national government said, ‘We’re not going to give you a buffer zone for this’?

Mr Shevlin—No. It was because of the nature of the site.

Senator ABETZ—A bit like the one that you just described?

Mr Shevlin—Yes, a bit like that.

Senator ABETZ—I accept that. I invite you to try to move this along as quickly as possible, albeit with due consultation—which sounds like a bit of a contradiction—to try to get rid of the uncertainty, because it is weighing on the community’s mind. I turn to the Richmond Bridge in Tasmania, just a bit further up the road and also with good convict heritage. Last time, I was told that the management plan of 1997, with a few minor amendments, would be okay. I hope I am not verballing anybody, but that was the general import, as I took it. I was wondering when we were going to get a management plan for the Richmond Bridge. I think we are still struggling to get there. This so-called management plan, which I was told would be okay with just with a few minor amendments, does not seem to be doing the job, because there have been a number of collisions with the bridge, and one of the parapets has been knocked over after the sixth or so collision. Some of the locals, in particular, are becoming very concerned as to the protection of the Richmond Bridge. Where are we with the plan for the Richmond Bridge?

Mr Shevlin—As I mentioned last time, we received a draft plan in 2008. With some minor work on that, we believe it satisfies the requirements of the act. I am not sure that even with that management plan in place it will stop vehicles hitting the side of the bridge. This is a problem with heritage listed places that continue to have a normal use in the community. Short of cordoning off the bridge we could not prevent any potential for vehicles ever to hit the sides of the bridge.

Senator ABETZ—A management plan might have sufficient guardrails placed around the bridge or the stonework of the bridge such that you could not make immediate contact between car and bridge, for example. Then you would have to go through a metal rail or something like that before you hit the bridge?

Mr Shevlin—You have also probably highlighted one of the dilemmas with heritage protection. If you were, for example, to do that and erect a whole lot of very sturdy metal barriers across the bridge, you would significantly degrade the heritage aspects of the bridge. You would be fundamentally changing the nature of the bridge and certainly the aesthetics of it.

Senator ABETZ—The chances are a metal rail would be better than a busted parapet. I would like to ask you about the 2008 draft plan. Was it dated 2008 or did you receive it in 2008 and how does that relate to what I was referring to earlier as the 1997 conservation plan?

Mr Shevlin—To be honest, I do not have that level of detail.

Senator ABETZ—You can take that on notice for me. Chair, with indulgence, I have a few other questions. In relation to that could you confirm for us, one way or the other, that the Richmond Bridge conservation plan 1997 incorporated with some minor amendments will

meet the requirements for a management plan for the bridge? Can you tell us about that and relate that to the 2008 document to which you referred?

Mr Shevlin—Yes.

Senator ABETZ—If you have concluded that the conservation plan of 1997, with a few adjustments, would be sufficient, have those plans or guidelines been used to manage the bridge to date? We have a plan, but is that being implemented as we speak or is it still a bit of paper without any practical application?

Mr Shevlin—I would like to look at it in its entirety and check the details.

Senator ABETZ—You can take on notice these issues. One of the recommendations in the 1997 plan was that the load limit be reduced from 25 tonnes to 15 tonnes, but as I understand it that has not been done. Has your department undertaken any studies or assumed any load limits for it when the decision was made to include it on the National Heritage list?

Mr Shevlin—I know we have provided some assistance for some engineering studies in relation to the bridge. Let me take that on notice.

Ms Kruk—Can you read your questions on to *Hansard* and we will take them on notice.

Senator ABETZ—Those that you are able to answer I would be obliged, but if you cannot then that is fine. I understand there was that 2008 report that did express doubts about the load limit of 25 tonnes. I would appreciate it if you could make a comment about that. Was a laser scan made of the bridge in 2007? Are you able to shed any light on that?

Mr Shevlin—I certainly read something suggesting there was a laser scan. I am not sure that that was not what we funded. I will take that on notice.

Senator ABETZ—Can you tell me who funded that and also the results of that scan and whether they have helped inform the management plan details? One would hope that it would.

Mr Shevlin—Yes.

Senator ABETZ—Can you tell us the details of what the scan showed and then how those particular concerns the scan revealed have been addressed? One would imagine that, if the scans showed a bit of crushing or cracking, the load limit on the bridge might need to be addressed. That is the direction I am coming from with these questions.

Mr Shevlin—Yes.

Senator ABETZ—On notice, is the minister willing to direct, if he has such powers, that a detailed structural analysis of the bridge be made and a management plan for the bridge, based on the results of that analysis, be prepared? As I understand it, it has taken over three years for the Tasmanian government, which is responsible for the management of the bridge, to get a management plan prepared. Are you able to expedite the preparation of one and arrange for a suitably qualified consultant to prepare that management plan? I might say that I think the state government is dragging its feet. It does not seem to be a priority issue.

Senator Carr—We may have some advice for you here.

Senator ABETZ—That is excellent.

Mr Shevlin—Under the legislation, the EPBC Act, the minister and the department should use best endeavours to encourage the development of management plans for National Heritage listed places, but the minister has no power to direct one.

Senator ABETZ—As I understand it, under the National Heritage plan for this bridge there was a suggested load limit of 10 tonnes, and we are still rattling 25-tonne trucks over it.

Mr Shevlin—I understand that point. I just want to confirm that the minister does not have the ability to direct either the preparation of a plan or specifics within it.

Senator ABETZ—I suppose somewhat tongue-in-cheek I say it would be a pity if the scanning of the bridge was only undertaken so that they could replace those parapets and stoneworks that had been crushed and damaged as a result of accidents. I would like to think the scanning has also been able to help inform a proper management and conservation plan. Thank you very much.

CHAIR—Senator Siewert, would you like to question on the Burrup?

Senator SIEWERT—Yes. I presume you know what I am talking about at the Burrup, and the comments that the state government was going to be prosecuting Cemex for destruction of rock art in the Burrup? Has the Commonwealth been looking into that issue?

Mr Burnett—Yes.

Senator SIEWERT—Have you provided advice for any action to be taken over that issue?

Mr Burnett—Not so far. We still have it under investigation.

Senator SIEWERT—What does ‘under investigation’ mean?

Mr Burnett—What is under investigation is an area of approximately 50 by eight metres on the northern face of the Cemex quarry which has been removed, an area of approximately 30 by 15 metres on the north-east face which has also been removed, and a further area of approximately 200 by 50 metres which has been cleared of boulders. This is part of, or adjacent to, the Cemex quarry at the Burrup. That is what is under investigation. You are probably aware that that incident was self-reported by the company.

Senator SIEWERT—How long have you known about it?

Mr Burnett—It was self-reported on 1 December 2008.

Senator SIEWERT—When you say you are investigating it, does that mean you have been on site?

Mr Burnett—Yes, I believe so. We have also had an expert on site.

Senator SIEWERT—Did that clarify that damage had been done to actual rock art?

Mr Burnett—That is what is currently being assessed. The measurements that I read out define the area that clearly has been quarried or disturbed. What we are currently assessing is what impact that had on National Heritage values and would that amount to a significant impact in terms of the EPBC Act.

Senator SIEWERT—You have been doing that since December. How long will it be before you report on your evaluation of the impact?

Mr Burnett—There is no fixed time. We have obtained an expert report from an archaeologist. The Heritage Division is currently working with us to assess that report, but there is no fixed timeframe in terms of when we will reach a conclusion.

Senator SIEWERT—Is it likely to be months or weeks? It is now six months down the track—

Mr Burnett—It is very hard to say.

Senator SIEWERT—How long does it usually take?

Mr Burnett—There is no 'usual'. Every case is different. We have to be satisfied that we have obtained all the information we need to form a conclusion about, firstly, whether there has been a breach of the act and if we reach that conclusion what action is appropriate. Sometimes we then go into dialogue with a particular party and that can take time as well. It really depends. Mr Bailey may be able to add to that.

Mr T Bailey—The only other point that I would make is that investigation is also being conducted by the Western Australian Department of Indigenous Affairs. The two are being done in cooperation and with understanding of each other. The two are progressing together in that sense of having understanding in terms of the incident and the effect that it has had and whether there is a breach of the Aboriginal Heritage Act in Western Australia and a breach of the EPBC Act. They are two processes that are running in parallel rather than separately.

Senator SIEWERT—But I would presume that you would not stand back and just let the WA government take action under the Aboriginal Heritage Act? You would also pursue any possible fines for any breaches under the EPBC Act as well, would you not?

Mr T Bailey—That is certainly the investigation that is being conducted to determine the impact that has been had on the site and whether that has had a significant impact on the national heritage values of the place. That is the investigation that is being conducted at the moment.

Senator SIEWERT—Have you made any reports to the minister about progress? Or is the minister being kept up to date about what the situation is?

Mr Burnett—I would have to take that on notice. I just cannot recall whether we have given him a formal briefing. We certainly keep his office apprised of progress in this type of matter, but whether we have actually given him a formal briefing I just cannot recall.

Senator SIEWERT—If you could take that on notice it would be appreciated. In terms of any potential fines that may be applied what would be some of the conditions that may be applied to those fines? In other words, although you cannot do rehabilitation work because once their art is destroyed it is destroyed, would there be any reparations to, for example, the custodians?

Mr Burnett—That is really hypothetical. I really do not think we can go there. We have not even finished determining the facts.

Senator SIEWERT—I am speaking hypothetically. In a fictitious case where this sort of thing may happen is there a potential that you could be more creative with some of the fines and some reparations?

Ms Kruk—Could I just exercise a note of caution? I do not want anything said here which would jeopardise the investigation. If you are asking a question as to what are the potential penalties that could be put in place for offences of this type that is one issue. I am just conscious that these are difficult cases in a court environment so I would echo the concern that I think Mr Burnett is expressing. I am not comfortable with his speaking hypothetically.

Senator SIEWERT—The point is that surely we can talk hypothetically about whether the federal government has or is willing to consider outside this case areas where there has been damage to in particular Aboriginal cultural heritage, whether there are provisions and whether the government has considered a method of reparations to traditional owners, or in this case custodians because they are not traditional owners?

Senator Carr—The officers can give you an answer as to what the current provisions are under the legislation. They cannot give you advice as to their opinions or whether or not the government is intending to do something. Those sorts of questions are entirely outside the remit of the estimates. Perhaps I could suggest, if you are seeking advice as to what the penalties are for breaches of the act for penalties of the type you have referred to, I think the officers can assist you.

Senator SIEWERT—What are the enforcement options? I completely disagree. I am not asking for opinions. Let us put this another way: has the department ever thought about that before?

Mr Burnett—There is a range of compliance mechanisms available under the act. Perhaps if I can just run through them. I am speaking generally and this is not to do with this individual case. Obviously there are criminal offence provisions. There are also civil offence provisions—civil fines. There is provision for remediation orders to be made by the minister in appropriate circumstances. There is also provision for something called an enforceable undertaking, which is where a person acknowledges that they have done something that is not in compliance with the act and undertakes to do something to remedy it or offset the damage. That then becomes an enforceable undertaking. Then there is a range of administrative law remedies such as suspending approvals, directing compliance audits and varying the conditions of approval. Those latter three would only apply in situations where somebody was operating under an approval issued under the EPBC Act, which I do not think is the case here. There is a range of criminal, civil law and administrative law responses to non-compliance under the act.

Senator SIEWERT—Under those provisions I would say there is provision for some sort of remediation or agreement with the local custodians. In a hypothetical situation that is a possibility that could be entertained, could it not?

Mr Burnett—I should not comment because, apart from the point that the minister and the secretary have already made, whether any of these instruments are applicable and appropriate really depends on the individual facts of the case. Some of them can only apply if certain preconditions are met and we just do not know whether that is the case.

Senator LUDLAM—What are your options regarding prosecution in cases such as this? Does that decision need to be referred through the minister or does the department make a decision about which cases to prosecute and which to let lie?

Mr Burnett—Are you asking about the prosecution process?

Senator LUDLAM—Yes. If you establish in a case like this that the company is in breach, that they have harmed the national heritage values, presumably it is discretionary as to whether you pursue the matter into court or not?

Mr Burnett—Again, I will not comment on the particular case. I will talk generally.

Senator LUDLAM—Generally is fine.

Mr Burnett—We have a compliance and enforcement policy. I would be happy to provide you with a copy of it. It establishes a compliance pyramid. You have probably seen this sort of thing before. At the bottom there are just letters of caution or efforts to bring people into compliance. As you go up the pyramid the action gets tougher, to criminal prosecution at the top. I assume you are talking about criminal prosecution. If we think that criminal prosecution may be an appropriate course we would conduct a formal investigation. We would put together a brief of evidence. We normally would keep the minister informed of what is going on and, although the minister could if he wished make a particular decision on whether to refer it to the Director of Public Prosecutions, generally speaking ministers tend to leave that to the department. In the normal course, if we felt that we had the brief of evidence that showed sufficient evidence that a crime had been committed or breach of one of the criminal provisions and if we thought that prosecution was appropriate we would refer it to the Director of Public Prosecutions, who makes the final call on whether or not to initiate a prosecution.

Senator SIEWERT—Before you send it to the Director of Public Prosecutions does the minister sign off on your doing that?

Mr Burnett—That is what I was saying. Theoretically the minister would have the right to make that decision, because the minister has the overall administration of the act, but the normal practice is that ministers tend not to take those decisions. They tend to leave them to departments and it is simply a matter for us to put together a brief of evidence. If we felt that the evidence was there and the case was appropriate we would normally simply refer it to the DPP.

Senator LUDLAM—You presumably have not decided yet where on that pyramid a case like the Burrup would lie?

Mr Burnett—Again, I will not comment on the particular case, but of course you cannot make any decision about what is appropriate compliance action until you have fully established the facts and circumstances of the case.

Senator SIEWERT—Are there any other investigations of anything else on the Burrup? You do not have to tell me what it is. I just want to know if there are any more.

Mr Burnett—Not to my knowledge, but I have not checked specifically.

Senator SIEWERT—If you could take it on notice and get back to us that would be much appreciated, thank you.

CHAIR—I remind senators that we are still in program 5.2.

Senator BOSWELL—I am not sure whether this is the appropriate program, but I will chance my arm. I refer to the Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008 in relation to spent fishing convictions. I was advised today by the Attorney-General's Department that this legislation was to be proclaimed by the Department of the Environment, Water, Heritage and the Arts. Can you advise when this legislation is to be proclaimed?

CHAIR—Are we in the appropriate area for Senator Boswell's question?

Senator BOSWELL—Do you understand the question?

Mr Thompson—No, I think that question—

Senator BOSWELL—Let me explain it. The convictions for fishing in green zones in the Great Barrier Reef—

CHAIR—I think we know the issue.

Mr Thompson—I think it is outcome 1.2.

CHAIR—That is after we do the agencies, including GBRMPA. So, 1.2.

Mr Thompson—It may catch GBRMPA as well.

Senator BOSWELL—We are on outcome 5, are we?

CHAIR—Yes, program 5.2 in outcome 5. We have a bit of a way to go.

Senator BIRMINGHAM—Would it be better to tackle it under GBRMPA?

Senator BOSWELL—When is the Coral Sea proposal coming up?

Mr Thompson—That is Marine Division, 1.2.

CHAIR—That is also 1.2. We will expect to see you a bit later.

Senator BOSWELL—How long at your present rate of progress, Madam Chair?

CHAIR—It could be a while.

Senator BOSWELL—What is your ETA?

CHAIR—I would suspect after dinner. Are there any other questions for program—

Senator BOSWELL—Just before you go, that is a question. Do you think you could have an answer on that by tonight?

Ms Kruk—Could we have the question again if you do not mind?

Senator BOSWELL—The question was about fishing in green zones. There was an amendment passed in the Senate that said that convictions would be spent. I asked the Attorney-General's why it had not been proclaimed and he said it was up to the environment department. Perhaps you could take that on notice and give me the answer at the appropriate time.

Senator BOB BROWN—Regarding the potential nomination of the Tarkine rainforest wilderness for World Heritage listing, that was first put forward by the then environment minister Ros Kelly in 1993 to the Tasmanian government. She again wrote in 1994 but got no reply. Is there work being done to assess the World Heritage values of the Tarkine and is there

a process of discussing this with the Tasmanian government? The minister might be able to answer whether the Commonwealth has got the Tarkine on the program for potential World Heritage nomination.

Senator Carr—I will let the officers answer the question.

Mr Shevlin—The government has no commitment to investigate the Tarkine for World Heritage listing. Therefore, there is no work underway in terms of World Heritage listing in relation to the Tarkine.

Senator BOB BROWN—Why doesn't it have any commitment to looking at evaluating the World Heritage potential?

Mr Shevlin—That is a policy question.

Senator Carr—I am representing the minister here today. That is a question that the minister would have to deal with. In general terms I can simply say to you that the government has determined its priorities and as officers have indicated the priorities are such as have already been outlined.

Senator BOB BROWN—I will try on a bigger scale with Antarctica and you can either respond in terms of Australia's putative Antarctic territory or Antarctica as a whole. There have been proposals for a world park and for World Heritage nomination for Antarctica since the 1970s. The response has usually been that the mechanism is complicated or there is a treaty in place that protects the area, but it does not give it that status. The Madrid protocol protected Antarctica ostensibly from future mining, but there seems to be a great will around the world for Antarctica to be protected as a great wilderness continent. Australia is in the box seat to be promoting a World Heritage listing, because there is no doubt it would be and is the premier World Heritage site on the planet. What work is being done at that level by the Australian government? What problems, if any, are there in moving to nominate or to have a global agreement that Antarctica should be a world park and a World Heritage area?

Senator Carr—At the great risk of being blunt, I suggest to you that there is an answer to this specific question being directed to you on notice, question No. 1450. You may wish to consult that because it does detail the answer.

Senator BOB BROWN—The answer there no doubt involves the problems that have been cited in past decades about this proposal. But the question I am really asking is: notwithstanding the problems, is the government in action mode to promote nomination of Antarctica for World Heritage status?

Senator Carr—I just think that the answer does specify the government's response. It explicitly states, 'Any attempt to raise the issue of nominating the Antarctic for World Heritage listing with other Antarctic Treaty parties may risk disrupting the harmonious approach the parties bring to the management of the Antarctic. Such disruption could jeopardise the comprehensive protection that the Antarctic enjoys under the Antarctic Treaty and its protocol.' I do believe the minister, Senator Wong, has outlined on behalf of the government its response to that question.

Senator BOB BROWN—What is the basis for that assertion?

Senator Carr—I will leave the officers to deal with that.

Mr Shevlin—The World Heritage Convention requires that the country with sovereignty over a particular area is the only one that can nominate that area. The problem with Antarctica, as you are probably aware, is that there are seven countries that claim different bits of it—sorry, there are 12 countries, but some of them overlap with each other. Then every other country that is active in Antarctica, including many of our close allies, does not recognise any claims there. If any one country were to try to nominate Antarctica or parts of Antarctica to the World Heritage List they would be in effect saying that they had sovereignty over the entire area and that would immediately be rejected by the World Heritage Committee and cause problems within the Antarctic Treaty system.

Senator BOB BROWN—Of course, no country would do that. Australia, New Zealand and perhaps France ended up being instrumental in the Madrid protocol, even influencing the United States to do the right thing. What they would do would be to consult with the other countries with a view to getting consensus before proceeding towards a nomination. What is to stop Australia from doing that?

Mr Shevlin—You have already mentioned the Madrid Protocol, which protects Antarctica as a nature reserve devoted to peace and science. There is a belief within the international community that it already has an adequate level of protection.

Senator BIRMINGHAM—Nomination has to come from a country that has territorial rights over the site of nomination.

Mr Shevlin—That is correct.

Senator BOB BROWN—That is not legally so. That is an opinion.

Senator BIRMINGHAM—I am asking whether or not it is a fact. Does nomination have to come from the country that has legal rights over the territory that is being nominated?

Mr Shevlin—I would have to check the precise wording of the operational guidelines, but it certainly would not succeed if it did not have the support of the—

Senator BOB BROWN—Is there anything that you are aware of in the World Heritage Convention or elsewhere that would prevent the Antarctic Treaty Organisation from promulgating a nomination?

Mr Shevlin—I would honestly have to take that one on notice.

Senator BOB BROWN—Would you do so. Is there any evidence at all that any Antarctic treaty organisation has or would move to block a World Heritage nomination for Antarctica? You can take that on notice because I really would like you—

Ms Kruk—We will take that on notice. That is not something we can answer here.

Senator BOB BROWN—I would be very appreciative of that answer, thank you.

Proceedings suspended from 3.47 pm to 4.09 pm

CHAIR—We are still in program 5.2: Conservation and Protection of Australia's Heritage. Senator Boswell has questions.

Senator BOSWELL—At the moment, what is the status of the Cape York Peninsula area as a World Heritage listed area?

Mr Shevlin—The government made an election commitment to work with the Queensland government and traditional owners to pursue World Heritage listing for appropriate areas of Cape York, recognising the importance of Commonwealth leadership and the consent of traditional owners. That is an election commitment. The other thing that has happened recently is that the Environment Protection and Heritage Council, which is a collection of ministers responsible for environment and heritage in Australia, met last week and agreed to include Cape York as one of four places on Australia's tentative list for World Heritage nomination. I will just explain 'tentative list'. A tentative list indicates places that may be submitted at some time in the future for possible World Heritage listing. So Cape York definitely has not been World Heritage listed and it has not been nominated for World Heritage listing.

Senator BOSWELL—Who nominates it for World Heritage listing?

Mr Shevlin—In the end, it has to be done by the national government. So there has been no decision on that at all.

Senator BOSWELL—Does any group or organisation put it forward for nomination?

Mr Shevlin—All sorts of people could make suggestions, but ultimately the Australian government has—

Senator BOSWELL—No, that was not the question. The question was: who has put it forward for nomination?

Mr Shevlin—It is a policy commitment of the government—

Senator BOSWELL—I know that it is a policy commitment, but what groups of people have put it forward as a suggested nomination?

Mr Shevlin—There is a range of groups that has an interest in it. I think the Wilderness Society has suggested it in the past. But there are a range of groups—

Senator BOSWELL—I am asking you who they are.

Mr Shevlin—I do not have a list and I doubt whether I would have a comprehensive list of everyone who has ever suggested that it could be potentially listed.

Senator BOSWELL—You must have. Someone must have a list of people who write in and say, 'My society, my organisation, my club want this listed.' You must have a list of who wants it listed.

Mr Shevlin—We could probably find out who has written to this government suggesting it, but I am saying that there may be other people who have suggested it in the media or elsewhere and—

Senator BOSWELL—No, I am not asking about what has happened in the media. I am asking: who has put forward a recommendation to the department for a listing?

Mr Shevlin—In terms of the department, the government made a clear election commitment and we are delivering on that election commitment.

Senator BOSWELL—Look, I understand what the government—

Ms Kruk—Mr Shevlin can take that on notice. I have seen only media reports where it has been suggested that the Wilderness Society has put forward the proposition. But, since Mr Shevlin is struggling, he obviously needs to check to see what request we have received.

Senator BOSWELL—Could you take on notice whether Imogen Zethoven or Aila Keto in any way have made a recommendation?

Mr Shevlin—We will take that on notice.

Senator BOSWELL—I was not aware that there were buffer zones. Could you explain ‘buffer zones’ to me? Would it require a buffer zone?

Mr Shevlin—Whether a buffer zone is required depends on the nature of the site. The basic concept of a buffer zone is that you identify a place or an area that has World Heritage values—so it would be of outstanding universal significance—and then work out whether a zone is needed around it to ensure that activities in the immediate area would not have an adverse impact on those World Heritage values. It is only at the point of determining where the World Heritage values are and where the boundary of such an area is that you can work out whether there would be a requirement for a buffer zone to protect those values.

Senator BOSWELL—Thank you.

CHAIR—Senator Eggleston, do you have questions for this program?

Senator EGGLESTON—Yes, I do, on the issue of World Heritage listing. Firstly, could you give us an update on where World Heritage listing of Ningaloo is at?

Mr Shevlin—Again, the government made a commitment to submit a World Heritage nomination for Ningaloo. Currently we are working with the Western Australian government to finalise a few issues related to the boundary that will be nominated as part of that. However, the Western Australian government has indicated that it supports that World Heritage nomination and, as I have said, we are just talking about the precise boundary of that area.

Senator EGGLESTON—So the Western Australian government has said that it will support World Heritage listing; it did that two or three months ago, I believe. Is that the case?

Mr Shevlin—Yes, in January.

Senator EGGLESTON—Are there any differences between the proposed boundaries that the Western Australian government has supported and the boundaries that you may have in mind?

Mr Shevlin—Yes.

Senator EGGLESTON—Could you outline those for the committee’s interest and for the record?

Mr Shevlin—They relate to a group of islands called the Muiron Islands and to some of the limestone areas of Cape Range; then there are a few tourism nodes that it would like to see excluded.

Senator EGGLESTON—First of all, are the Muiron Islands north or south?

Mr Shevlin—They are off the tip of the cape.

Senator EGGLESTON—The north-west cape?

Mr Shevlin—Yes.

Senator EGGLESTON—Are they to be excluded or included?

Mr Shevlin—The Commonwealth's view is that they should be included, and that is the advice that we have received in support from international experts. Basically, they are part of the Ningaloo Reef system and not to include them would compromise the integrity of the nomination. But, also, not to include them and to have activities occurring there—there have been some suggestions of possible oil drilling there—could have potentially adverse impacts on the various values that you are trying to protect.

Senator EGGLESTON—How far north-east or, I suppose, north-west of the North West Cape are those islands?

Mr Shevlin—We could get you the precise detail. They are part of the reef system and they can be seen on the same map. I do not know exactly, but they are not far off.

Senator EGGLESTON—They are not over the horizon?

Mr T Bailey—It is contiguous to the Western Australian and the Commonwealth marine park; Ningaloo Marine Park is contiguous on the northern end.

Senator EGGLESTON—Where are the proposed tourist nodes?

Mr T Bailey—Both are in the northern section of the cape. From memory, one is around Vlaming Head; I cannot recall the name of the other. They are both in the northern end, north of Cape Range National Park, on the western side of the cape.

Senator EGGLESTON—Are there a couple of established tourist areas on the western side of the cape?

Mr T Bailey—They already are incorporating the caravan parks and others that are in that area, yes.

Senator EGGLESTON—So are you saying that they would be untouched under that proposal, if that exemption were agreed to? Are you saying that, under World Heritage listing, the tourist parks would remain?

Mr T Bailey—We see that they would be retained under World Heritage listing anyway. There are a number of World Heritage sites in Australia already with those sorts of developments existing and operating today.

Mr Shevlin—Just to clarify: World Heritage listing does not mean that you could not have a tourist operation within a World Heritage area. The Commonwealth's view is that those nodes could be included quite easily within the nomination without their having an adverse impact.

Senator EGGLESTON—I understand that you can have tourist activities within World Heritage areas. How far south does the listing go?

Mr T Bailey—It extends as far south as the entire Western Australian marine park.

Senator EGGLESTON—Is that getting down towards Coral Bay?

Mr T Bailey—It goes further south along the coast than Coral Bay.

Senator EGGLESTON—Would Coral Bay be another preserved tourist island?

Mr T Bailey—There is no dispute about Coral Bay. Between the two governments, there is agreement on the future of Coral Bay, which is that the Coral Bay township itself be annexed from the nominated boundary.

Senator EGGLESTON—The other proposal I heard about last year was to list the West Kimberley. Is that, in fact, under consideration? Has a formal proposal been lodged regarding the West Kimberley?

Mr Shevlin—The West Kimberley is subject to a National Heritage List assessment at the moment, not a World Heritage assessment.

Senator EGGLESTON—A National Heritage List assessment?

Mr Shevlin—That is correct.

Senator EGGLESTON—At the time I was told about this, there were two proposals. One was a blanket listing of an area along the West Kimberley coast and inland for some distance; and the other was that segmented sections of that land area might be considered for listing. Could you tell me which general proposal is being looked at?

Mr Shevlin—There are two different processes running. One looks at where an LNG hub could be, so that looks at some specific sites along the coast. Then there is a separate—but they do have some overlap—assessment for possible national heritage listing of the West Kimberley; that includes the coast and quite some distance inland.

Senator EGGLESTON—I know about the consideration for the LNG hub, but that was not what was shown on some maps that I saw at a Kimberley economic forum in Broome towards the end of last year, around October. During the course of a presentation there, it was suggested that there might be specific localities listed under the West Kimberley listing proposal. Are you not aware of that consideration? Are you saying, in fact, that there will be just a broad area? Is that what is under consideration?

Mr Shevlin—With all listings or assessments like this, there is, if you like, a study area. Then, within that study area, quite detailed assessments are undertaken to determine where the national heritage values reside. So the study area might be quite big, but the actual bit that is identified as having national heritage values might be much smaller. That area might include bits that have chunks outside of it. Mr Bailey might be able to provide further information because I think he actually presented the maps at the symposium that you attended.

Mr T Bailey—That is correct. As Mr Shevlin says, for the purposes of the West Kimberley work, it has been shown as a study area. Later in the year, the Australian Heritage Council will provide advice on where it sees it might have national heritage values. I would not be surprised if there were a reduction in the boundary associated with that. Of course, the heritage listing allows for non-contiguous boundaries, so it could be a series of places. That is yet to be determined and is work that is being conducted in the current year under the auspices of the Heritage Council.

Senator EGGLESTON—That is what I wanted to know: it is yet to be determined.

Mr T Bailey—Yes.

CHAIR—Are there any further questions in program 5.2? We have concluded our examination of that program. We thank the officers very much.

[4.23 pm]

CHAIR—We will now move to outcome 3: Advancement of Australia's strategic, scientific, environmental and economic interests in the Antarctic by protecting, administering and researching the region. We welcome Ms Maddock, Mr Gunn, Dr Wooding and Mr Sutton from the Australian Antarctic Division. It is nice to see you all again. Senator Wortley has some questions.

Senator WORTLEY—Thank you, Chair. I have questions to ask on behalf of Senator Bilyk, a senator from Tasmania. She is at another committee meeting, so she has asked me to ask these questions as she has put them. The importance of science and research in the Antarctic has been reinforced with the recent commitment of an extra \$25.2 million over the next two years for the Australian Antarctic Division. Can you tell the committee about this funding? What is this money to be used for and at how many locations?

Ms Maddock—I can answer that in a couple of ways. I will answer it first by talking about what the money means and how it will be used; and then I might ask Mr Gunn to talk specifically about some of the scientific activities for the coming year. The Antarctic Division's budget, over a number of years, has been increasingly squeezed because we are subject to international pressures on oil et cetera. Many of our purchases are in international markets. That has meant, over a number of years, a general tightening of those activities that could be tightened. That two-year funding lets us discontinue that winding back. It lets us maintain what we have been doing and it also has a small capacity for additional activities. We are subject to a couple of big decision points in the coming 12 to 18 months. Our ship is nearing the end of its lease and we have to make a decision about that. We are integrating the airlink into our operations, which is changing the science mix that we can do and that people want us to do. We are reviewing science.

Senator SIEWERT—What is the annual budget for that airlink?

Ms Maddock—We got an additional \$11 million per year for that. It means that we are going to do a little more science. It will enable us to continue with what we have been doing and reposition ourselves to meet new challenges. At this stage, I will pass to Mr Gunn to talk about the science we will be doing.

Mr Gunn—This is my first appearance here. I am John Gunn, the new Chief Scientist of the Antarctic Division.

Senator WORTLEY—Welcome.

Mr Gunn—Thank you. The Antarctic science program is very diverse and I will not bore you with all of the details, but I can probably give you a sense of the continuation of the broad aspects and then highlight a couple of things that the extra funding has allowed us to make a decision to start up this year. Projects fall into a number of categories. We certainly expect to see a continuation of our quite considerable work on the marine ecosystem function and

changes in it. We do quite a lot of work across the Antarctic science program. Of course, that is more than just what the Antarctic Division does; the whole of the innovation sector contributes to it. We do quite a bit of work on the base of the food chain and the impacts of climate change and, in particular, ocean acidification on that. We do some terrestrial work, so there will be projects in the upcoming year on changes in vegetation, land invertebrates and soil microbes. Introduced species are a subject for some investigation, as are sea ice, ice sheets and changes in the atmosphere, the weather and oceanography. In essence, that would describe the whole of the Australian Antarctic science program.

I would bring to your attention two projects that we were able to tick off as the budget was announced. One is a large project—I think it is probably now about a 10- or 15-year project—looking at the Amery ice shelf in the Antarctic. That is one of the very large ice shelves that sit on eastern Antarctica. We have had a longstanding observational and analytical program there. The new money allows us to go back this year and complete that long time series of observations, including changes that are happening on that ice shelf. The second project is of great interest because it exemplifies, in fact, one of the core tenets of the Antarctic Division. It is a program looking at the projected impacts of any human activities in the marine environment around the Davis Station. It is a diving program. Through the extra money, we have been able to facilitate a number of extra scientists going down to the ice this year to look at the impacts of any human activities on the marine environment at Davis.

Senator WORTLEY—When was the last significant financial boost by the Australian government to the Antarctic Division?

Dr Wooding—The only significant boost in recent times was the additional money for the air link, which was provided in 2005-06 by the previous government. Other than that, as Ms Maddock has said, funding has become increasingly stretched over the last few decades.

Senator WORTLEY—I understand that the Antarctic support industry is one of the largest industries in Tasmania. In fact, the Antarctic Division Kingston base is just down the road from Senator Bilyk's electorate office and she has mentioned to me that a large number of people are employed there. Are you able to tell the committee how much money is contributed annually to the Tasmanian economy through the Antarctic Division being located in Tasmania?

Dr Wooding—Yes. Fundamentally, around 60 per cent of our budget is spent in Tasmania, through wages and through supplies and services purchased from the Tasmanian economy. That is around \$70 million per annum. Over and above that, the Antarctic support industry as a whole, of which we are the key component, has been estimated to contribute around \$150 million per annum to the Tasmanian economy and, directly and indirectly, it employs around 1,000 Tasmanians.

Senator WORTLEY—Senator Bilyk has also asked me to ask you whether you are able to give a breakdown of the various areas and tell us how broad the geographical area covering these people is. She says that the employment is not just in science and research but also in other areas. I am happy for you to take that on notice.

Dr Wooding—We will do what we can. Some of those figures come from the state government. We will see what we can find out for you.

Senator ABETZ—But all of these benefits were foreseen, of course, when the Fraser government made the decision to put the Antarctic Division in Tasmania. After living next to the Antarctic Division for 13 years, I can vouch that they are very good neighbours.

Ms Maddock—They are very quiet at night.

Senator ABETZ—Yes, they are very quiet at night—except when they shot laser beams into the sky.

Ms Maddock—Perhaps I should not have said that.

Senator ABETZ—It was still quiet, but I was never really sure and never found out why that was done. Undoubtedly, it was part of a good scientific research project. But perhaps I can just compliment the Fraser government on its foresight in putting the Antarctic Division down there.

Senator Carr—It would be a rare event, wouldn't it, Senator Abetz, for you to praise Mr Fraser for anything?

Senator ABETZ—No, not at all.

Senator Carr—I think it should be noted.

Senator ABETZ—But I should also indicate an interest: I was the local lawyer in Kingston and had the benefit of looking after a lot of the individuals from the Antarctic Division.

Senator Carr—You are also declaring a pecuniary interest.

Senator ABETZ—But that is not so any more, as I sold out of the legal practice.

CHAIR—Senator Abetz, I think Senator Birmingham had the call.

Senator ABETZ—Senator Birmingham, do you mind if I ask a few questions and then disappear?

Senator BIRMINGHAM—Certainly, Senator Abetz.

Senator ABETZ—You are very kind.

Senator BIRMINGHAM—I am sure that you will be stealing half of my questions in the process, but go ahead and jump in.

Senator ABETZ—I wonder whether the Antarctic scientists agree with the British Antarctic Survey, which has been given some airplay in recent times, in relation to the growth of ice in the Antarctic region. Are you aware of the claims made by the British Antarctic Survey?

Mr Gunn—Certainly, yes.

Senator ABETZ—Do we agree with their conclusions, as I understand them, that the sea ice around Antarctica has been increasing at a rate of 100,000 square kilometres a decade since the 1970s?

Mr Gunn—There is absolutely no reason to question their data, which is based on satellites that a number of agencies around the world use to look at the extent of sea ice.

Senator ABETZ—Thank you for that. As I understand it, and I suppose it makes sense, there is an east and a west to the Antarctic area and there is some carving or ice diminution—you will correct me, I am sure; there is a 50 per cent chance that I will get it wrong—in the east. Is that right?

Mr Gunn—In the west, particularly around the Antarctic Peninsula.

Senator ABETZ—By way of square kilometres, how much do we think that is being diminished per decade, or is the British survey a net figure so that the total has grown by this 100,000 square kilometres per decade taking into account that which is being lost?

Mr Gunn—If you will indulge me, I will give you a little bit of the taxonomy—and I have just had to learn this myself, having only recently moved from CSIRO to an agency that thinks a lot more about ice than I used to. One of the things that is probably difficult to understand about ice, through the press and media coverage, is that—I will summarise it—all ice is not the same. There are various kinds of ice in Antarctica.

The report that you alluded to from the British Antarctic Survey, BAS, talks about sea ice. Sea ice is, in fact, frozen seawater. As part of one of the truly amazing seasonal fluctuations in the globe, the extent of sea ice—the freezing of seawater during winter—essentially extends the ice of Antarctica from about three million square kilometres in summer to 19 million square kilometres in winter. So we have a 16 million square kilometre flux in sea-ice extent. So, as you correctly report, the BAS study says that there has been approximately a one per cent increase over the whole of Antarctica in the extent of sea ice in the wintertime.

The explanation that the BAS study gives—it is totally consistent with where the IPCC went when it reported in its last AR4 reports—is that this is consistent with climate change; it is part of what you might expect in the way of reflections of atmospheric variability and regional variability in climate. So it is not inconsistent with what the IPCC reported in its AR4 reports. The explanation that is being given at the moment—I think it is subject to the need for quite a bit more research—is that the change in sea ice is a reflection of atmospheric circulation processes rather than, as some reports might have reflected, some argument against a general global change or earth system change that is associated with climate change.

Why would the atmospheric circulation change the extent of sea ice? I would have to say that the answer to that is still to come. But, again, I think one of the suggestions that was made out of the IPCC report is that projections to 2100, taking into account atmospheric circulation and the size of the stratospheric ozone levels or the levels of the stratospheric ozone, would suggest that we expect to see a 30 per cent reduction in sea ice over the next 91 years. So we support the conclusions of BAS quite happily, but, again, the take-home message is that sea ice is expected to decrease over the next 91 years, if you follow the projections that the IPCC have given. So that is about sea ice.

You asked about calving; in fact, that is the second type of sea ice that you learn about. We have ice shelves that are, in fact, ice that has originated on the continent, has moved out and is now sitting in water. The Wilkins ice shelf, which you may have read some publicity about, is an example of an ice shelf; sitting, as it does, in western Antarctica, it is sitting in water. Over the last few decades, a number of these ice shelves have broken up and been seen as evidence of climate change warming—firstly, warming causing melting on the surface of these ice

shelves and, secondly, warming of the seawater causing erosion underneath the ice shelves, the culmination of which is a break-up, when you get wind and major changes in circulation patterns around those ice shelves. So that is, again, consistent with the general projections that came out of the IPCC reports and we believe that it is consistent with the types of projections of climate change that we understand is happening. There is a third type of ice that I must tell you about, for the record.

Senator ABETZ—This is a great tutorial and I thank you for it.

Mr Gunn—The third type of ice—for most people who are interested in sea-level rise, this is the most important one—is the massive ice sheets that sit on top of Antarctica, and there are analogs obviously on the top of Greenland that people are getting quite excited about at the moment. Ice sheets are huge reservoirs of fresh water. As they go through flux, particularly if they melt or start to flow off continents—as they are doing in Greenland and in Antarctica at a greater rate in some places—we get that transfer of fresh water from continental landmass into the oceans, which causes sea-level rise. Quoting from the most recent papers that have come out reporting on the net change in ice sheet mass—since the last Senate estimates a number of such papers have come out—taking into account once again that there is regional variability between eastern and western Antarctica and the peninsula, between 1993 and 2007 we have been losing about 100 billion tonnes of ice from ice sheets per year in Antarctica. At the moment, that is contributing about 0.25 millimetres per year to sea-level rise. I hope that answers your question.

Senator ABETZ—Very thoroughly. The IPCC predicts, as I understand it, that the upper limit of sea-level rise by 2100 is 59 centimetres. Is that right?

Mr Gunn—That was one of the projections made by the IPCC, noting that in the IPCC report there were a range of plausible projections and that was at the higher level.

Senator ABETZ—That was at the higher level, with a probable rise of between 28 and 43 centimetres. I want to make sure that I am getting the parameters right.

Mr Gunn—As reported in the last AR4 report.

Senator ABETZ—Yes. So the IPCC, which has been looking at the ice melt in the Antarctic et cetera, is saying that the prediction of an upper limit of sea-level rise by 2100 is 59 centimetres. Minister, can you assist us or take on notice on what basis the minister for the environment claimed that the level of ice melt in Antarctic in recent times would mean a six-metre rise in sea level? Where did the minister pluck that figure from?

Senator Carr—I would ask whether Mr Gunn can help us with the particular questions you have asked.

Senator ABETZ—I am not sure—well, all right.

Senator Carr—You have asked me where a particular figure used by the minister has originated from. I will ask the officer whether he can assist us with that.

Senator ABETZ—I thought it was a specific ministerial question. If an official can assist us, that would be very helpful.

Senator Carr—I take the thrust of your question to be: what was the source of the figure that the minister used?

Senator ABETZ—No, why did he use that figure? I know that the source is Al Gore's *An Inconvenient Truth*, but of course the science is now becoming somewhat inconvenient.

Senator Carr—If you know the answer—

CHAIR—Perhaps Mr Gunn can give some information that will assist the committee with this.

Mr Gunn—I obviously cannot tell you why the minister said that or what source he was using at the time, but I can tell you that, as ever with science, there are a range of projections around sea-level rise that have been reported in the literature. As more research is done, hopefully we tend to refine the level of any uncertainties in those projections. The figure of five to six metres of sea-level rise was included in IPCC report AR3 as an estimate of sea-level rise that was possible if all of western Antarctica melted. That is one source of the number 'six metres'. Am I helping you with that?

Senator ABETZ—You are telling us that, if all the ice were to melt, that would be the result; and I accept that science. But I think the science is telling us, according to the IPCC, that not all of the ice is going to melt by 2100 and that, on current expectations, by 2100 the upper limit of sea-level rise will only be 59 centimetres. Perhaps I could round that up to 60 centimetres. But, in comparing 60 centimetres to six metres, there is a factor of a zero or two involved, which needs some explanation. That is why I directed the question to you, Minister. The minister for the environment I think has a very important role to play in relation to the issue of global warming and putting robust and scientifically based information into the public arena. When these sorts of scary scenarios are put into the public arena, I am not sure that it necessarily helps, because it allows a lot of people to scoff and point out that this six-metre sea-level rise prediction by Mr Garrett, which I note—

Senator Carr—Senator, you are very good at verballing people. The minister did not say that and you know that he did not say it. This issue has been drawn to your attention before. He did not say that and you are attempting to misrepresent him. You are attempting to verbal him; therefore, I suggest that you should desist.

Senator ABETZ—Perhaps I can indicate to you that Mr Garrett embraced the prediction of a possible six-metre rise that was put to him when he was asked about it on *Lateline*.

Senator Carr—It was put to him in a question asked by Mr Jones on *Lateline*. Mr Jones asserted that there could be a sea-level rise of as much as six metres by the end of the century.

Senator ABETZ—And Mr Garrett embraced it.

Senator Carr—Then he went on to say:

I haven't seen this specific report yet, but the fact is that we're now entering a period where we are in a position to observe, particularly in the Antarctic, the consequences of global warming and climate change.

No matter how many times you attempt to verbal the minister, it will not change the fact that you are wrong.

Senator ABETZ—This is the first time that I have asked questions about this. Can you tell us where else I have made comment about Mr Garrett's foolish commentary in this area? This is the first time I have asked questions about this, but the sensitivity of Minister Carr, I think, indicates the embarrassment of the government.

Senator Carr—I think it would be somewhat disingenuous of you to present to this committee the proposition that you are unaware that Mr Garrett has denied making the claims that you are asserting; he has publicly denied the claims. You, I am sure, as a well-prepared senator, would know that is the case.

Senator ABETZ—Mr Garrett did say through a spokesman—interestingly, whenever he gets in hot water, excuse the pun, it is always via a spokesman and not himself in case he is asked another difficult question—that the suggestion of six-metre sea-level rises had been made by *Lateline* and not by him. He was—

Senator Carr—So you are aware.

Senator ABETZ—If I can finish: he was commenting only that those kinds of predictions were consistent with the IPCC forecast.

Senator Carr—So you are aware that he has denied that—

Senator ABETZ—The IPCC forecast, of course, is not six metres but 59 centimetres. So he got it wrong again. This is just part of the tale of woe with this minister. However, the real purpose of my asking questions was to get the information that Mr Gunn provided, and I thank him for that. If Mr Garrett would like to provide an explanation as to how he got himself into this hot water, that would be appreciated; if not, I accept that the particular minister does not answer questions and I will have more to say about that later on in these estimates.

Senator BIRMINGHAM—Briefly, related to the same issue, in response to Mr Garrett's comments, Dr Ian Allison was widely quoted by various media outlets as outlining some views. They seem to specifically relate to sea ice and some of those changes. We do not need to go through the rights and wrongs necessarily of what Dr Alison said, but did the department or the division receive any contact from the minister's office subsequent to Dr Allison's comments being made public?

Ms Kruk—No, not that I am aware of.

Senator BIRMINGHAM—I was just checking on that one; thank you. I will pursue a number of the budget questions that Senator Wortley was pursuing previously. If I compare the budget forward estimates and your key performance indicators, the budget drops off fairly dramatically between 2010-11 and 2011-12 and thereafter, but I note that all the key performance indicators remain: the same number of scientific papers, international collaborations, voyages, bed nights et cetera. Is it possible that you could achieve all of those targets with the reduced funding forecast in the out years?

Dr Wooding—The two years of funding are provided to enable us to reconsider, as Ms Maddock said earlier, our approach to various things that we do. We would continue to aim to deliver all those outcomes. We will be looking at finding how we can deliver them as

efficiently as possible. We have the opportunity to continue to talk to the government about the appropriate funding level and the appropriate outputs that we will produce.

Senator BIRMINGHAM—It is not really credible that you can continue to do everything that is proposed with some \$10 to \$12 million less in the future, though, is it?

Ms Maddock—We envisage that there would be a continuing conversation. Enabling that conversation to happen is part of what the two years is about.

Senator BIRMINGHAM—And understandably, from the division's perspective, the hope is that the additional funding will be continued into the forward estimates, which will certainly make achieving those KPIs possible.

Ms Maddock—As I started to say before, we have some really big decision points coming up: what happens with the ship, how we integrate the air link into our science operations, how we will interact with CSIRO regarding the use of the new ship that they are getting, our desire to do more inspections because of an increased presence of other countries in the Australian territory and, of course, the celebration of Mawson and what is called the 'heroic era' from 2011 on. We need to make big decisions in the near future on a range of things like that. We are quite comfortable with the two years of extension or supplement of our money because it enables us to do that and, as a consequence, to have informed discussion.

Senator BIRMINGHAM—The season for flights has concluded now, I trust, and comfortably. How many flights ended up being undertaken successfully?

Ms Maddock—I know that the last one was a week late getting out because of blizzards, which caused a bit of personal upset.

Dr Wooding—We achieved 10 round trips during this financial year.

Senator BIRMINGHAM—I assumed that would be the case and that was deliverable with the budget. In the end, as the season concluded, you would expect that to match up. You probably caught up with some of the program from the earlier delays.

Dr Wooding—We originally planned 15, but we lost five because of the delays due to the incident at Davis Station and the failure to open the runway until around 1 January. In the end we conducted 10.

Ms Maddock—We are looking at ways to reduce the risk of that sort of disruption to the opening of the runway and to better utilise the runway in future by working with the Americans so that we can fly in our runway groomers, or whatever they are called, through the American operation at McMurdo rather than waiting on ships.

Senator BIRMINGHAM—There has been an Antarctic Treaty nations conference in the period since we last met.

Ms Maddock—Yes.

Senator BIRMINGHAM—What were the major outcomes from that conference?

Ms Maddock—I was there for a fortnight. There were a number of significant results and I will put them into several categories. The first is environmental protection. There was an updating of the main environmental annex, which put into place more stringent arrangements to protect flora and fauna, including more stringent measures on the introduction of non-

native species. A work program has been agreed to develop practical measures to prevent the introduction of non-native species. There were additional measures to protect and monitor southern giant petrel. There will be a special meeting in Norway, early next year I think, to talk about the implications of climate change on management and governance in the Antarctic region; that goes to accessibility, tourism et cetera. There were new area-management plans for Mawson's Huts and a number of other places. As a consequence of the meeting, work has started towards the establishment of Southern Ocean marine protected areas. That is on the environmental side.

The second is the tourism side. The parties agreed to put in place stringent measures on tourism trips to the Antarctic area. Those measures go to what sorts of ships are allowed to land people and how many people can go ashore at one time and what protection they need; those measures are going to be made mandatory rather than voluntary. There are some new site-specific guidelines, further work on tourism and a study into the environmental aspects and impacts of Antarctic tourism. Further work will be done in New Zealand later this year on rules regarding tourist vessels. There is some work on bioprospecting. There were a few governance things, with a new executive secretary being appointed. In addition, we announced that we will host the meeting in 2012. They were the main outcomes.

Senator BIRMINGHAM—In regard to the tourism policies, which I did explore with you last time—I am pleased to hear that they were discussed and some decisions were taken—what limits were agreed and set on the numbers of people?

Ms Maddock—Large ships carrying more than 500 passengers will not be allowed to land people ashore, no more than 100 passengers will be allowed ashore at any one time and one guide per 20 passengers will be required. I do not have the details here with me, but there were also requirements regarding insurance provisions that the tourism vessels must undertake.

Senator BIRMINGHAM—So no overall quota has been set. There are limitations on the size of vessels and the numbers of people aboard rather than there being overall sorts of population or person controls.

Ms Maddock—In addition, some related work is going on at the International Maritime Organisation regarding shipping in the Arctic and Antarctic ice-covered waters, which goes to how many ships can be in one place at one time et cetera and the coordination of activities.

Senator BIRMINGHAM—You have mentioned new tourism agreements. Do all countries that currently have tourism operations to Antarctica participate in the convention and are they parties to the treaty?

Ms Maddock—Can I take that on notice? My understanding is 'yes' but I am not sure completely, so I will take it on notice. Certainly all the major ones were there and took part—that is, the US; the Latin Americans; Canada, as an observer; and most of the Europeans and South Africans. For all of the ports from which they would leave the answer is certainly yes, but I will just assure myself on the question of whether those currently undertaking tourist activities in the Antarctic are all treaty members.

Senator BIRMINGHAM—Just remind me: are all the nations that have a presence in Antarctica treaty signatories?

Ms Maddock—All those that have a presence are. Some that undertake some science, most notably Malaysia, currently are not, but all who have a presence are.

Senator BIRMINGHAM—Countries like Malaysia, where they undertake that science, do so in bases operated by countries that are signatories to the treaty?

Ms Maddock—Yes.

CHAIR—As there are no further questions for the Australian Antarctic Division, we thank you very much for making the long journey from Hobart. Also, Mr Gunn, on behalf of the committee: welcome. You have survived your first estimates. That concludes examination of outcome 3.

[5.01 pm]

CHAIR—We now move to outcome 1—Conservation and protection of Australia's terrestrial and marine biodiversity and ecosystems. We will commence with the Bureau of Meteorology. Good evening, gentlemen. Thank you very much for joining us today. I would suggest that the bureau has had some wins in the budget. Perhaps you would like to explain what the funding increases have been and how they will be allocated.

Ms Kruk—If you do not mind, just for the benefit of members of your committee, Dr Greg Ayers has been appointed as the Director of the Bureau of Meteorology. Dr Ayers is the former chief of CSIRO Marine and Atmospheric Research, as I am sure a number of members would know. Dr Ayers took up this position this Monday, so he is very new in the chair, is just getting briefed into this position at the moment and obviously faces a very steep learning curve. Perhaps I can say personally how pleased I am to have a CEO of his calibre lead this incredibly important area, but I also acknowledge the efforts of the executive team over what is the transitional period. They have performed a remarkable task—also, most notably, in relation to the Victorian bushfires. I just put that on the record. Obviously Dr Ayres will be joining you at future committee meetings.

CHAIR—That is good news indeed. Thank you for bringing that to the committee's attention. Dr Smith, away you go.

Dr Smith—Thank you very much. The new policy measures for the Bureau of Meteorology total \$94.7 million. The first of those is what we call the next generation forecast and warning system, which is a commitment of \$30.5 million over five years. The principal target of that system is to enhance and introduce efficiencies into the way that we do our forecasting. The second measure is around \$48 million for four new radars and for the underlying science to bring the data from those radars into our models in order to become part of our service. The third measure is an adjustment for the way we recover our aviation funding. An additional \$16 million of funding is revealed from that adjustment.

CHAIR—Thank you very much for that outline. Senator Birmingham, do you have any questions?

Senator BIRMINGHAM—Thank you for your time today. It is stated that, in part, the additional funding measure totalling \$16.1 million is to enable the bureau to cease the current practice of cross-subsidising specialist services from other services. Would you just explain that for me please?

Dr Smith—If you want the details, I will pass to our Chief Financial Officer. However, in broad terms, we have an arrangement with the aviation industry and defence sectors where we provide services and the costs of those services are recovered. In the former arrangements, those costs were recovered from those industries and the Bureau of Meteorology was appropriated the funds. Over time, a mismatch between what was appropriated to the bureau and what was being recovered for the costs of those services arose, and this is just to enable us to go to a different funding regime to make sure that what we provide to the aviation industry and to defence matches what we actually spend on those services.

Senator BIRMINGHAM—Broadly, that clarifies the issue; thank you. However, to have some clarity around where that will be spent on those other agencies or bodies or on services on behalf those other agencies or bodies, is it possible to break down those figures or to highlight just in a little more detail exactly what the nature of the spend is?

Dr Smith—Could I ask for clarification? Are you asking for a description of the services that we provide to aviation and defence or specifically against the additional funding that is identified in the budget?

Senator BIRMINGHAM—Ideally, specifically against the additional funding. If that is not possible for some reason then at least an indication of the services and their overall value would help.

Dr Smith—I certainly cannot provide it in detail. That measure was approved by government and we are sitting down to try to make sure that those funds are appropriated against high-priority tasks. The sorts of areas where that cross-subsidisation was taking place were very broad, so we want to look at and decide our priorities in the light that funding measure. In detail I cannot tell you, but we are also keeping in mind that we want to maintain and, where possible, improve the level of our services and our efficiency. So it gives us an opportunity to look at things in those areas.

Senator BIRMINGHAM—Perhaps you could take the detail component on notice and provide what information is possible thereafter; that would be much appreciated. With regard to your new strategic radar enhancement project and the funding for new weather radars at Wollongong, Hobart, Mount Isa and Croker Island, which is in the Northern Territory, could you advise me of how these locations were selected?

Dr Smith—Certainly. Because radar data is a major part of our program, we continually look at the coverage and technical capabilities of those radars, looking for gaps in the network and, of course, communicating with the public and our stakeholders on where those gaps are and where the greatest impact would be. We have done a number of studies over the last two or three years looking at those gaps and those priorities and have developed for ourselves a list of priority regions. Where the particular radars will go is a decision for government. We certainly have done our homework in looking at where we believe the gaps and the priorities lie. There are, of course, a number of regions in Australia that would like radars—many more regions than we can possibly accommodate.

Senator BIRMINGHAM—Depending on how long the list is, where are the other significant gaps in radar capabilities that the bureau has identified as a priority?

Dr Smith—It is a very long list, but I can mention some of the areas; my colleagues will correct me if I miss any out. We have had a number of representations from areas in New South Wales which would like additional coverage. We have had representations from people around the Eyre Peninsula in South Australia. We have had representations from Western Australia, particularly in the wheat belt. Those are the typically the sorts of areas. The reasons vary, depending on whether they are subject to severe weather, which is one justification. In other cases, it is the local industries that would benefit from having better coverage. There is often a variety of reasons why people are asking us for the radars.

Senator BIRMINGHAM—Do you go through a detailed process of prioritisation?

Dr Smith—We go through a process of prioritisation and looking at the merits of every one. Those, of course, can vary from time to time. We can go through a study, as we did probably half a dozen years ago, come to a conclusion and then things change. There are risks that manifest in certain areas. We are continually looking at that and trying to make sure that, with the technology that we have available, we know where the biggest bang for the buck would come from if we made an investment in a radar.

Senator BIRMINGHAM—In terms of that prioritisation process, is it a one through to 100 list of priorities or is it a grading system where there is a top band of priorities and then there is a second band of priorities?

Dr Smith—It is more of the nature that we group these into the highest priority lists. I cannot remember the exact number. There are about eight to 10 in the highest priority, and then there are a number of others that are 'like to haves' if we can go into the next category. As I said, we continually look at those lists to judge whether we should be changing those around.

Senator BIRMINGHAM—Were these four all in the top priority list?

Dr Smith—They were all in our top list of eight to 10 or whatever it was.

Senator BIRMINGHAM—In the end, you are saying that it is a decision for government. Do you know why these four were chosen ahead of the other four, five or six that were in that top band?

Dr Smith—No. I cannot really answer that. We provide advice on the justifications for every one of those in the top eight and then a decision has to be made. Again, the decision is measuring impact. Some feasibility comes into it and the logistics and the costs come into it for some locations, so there is a whole number of factors. That is really a decision of government, a policy decision on where the priority is.

Senator BIRMINGHAM—What are the other sites left in the top band?

Dr Smith—I think I mentioned them. From memory, there is one in New South Wales. There was the Eyre Peninsula. There were two in Western Australia. That is at least four of them.

Senator BIRMINGHAM—Perhaps you could take that on notice and give us the locations or regions involved. That would be helpful. Western Australia is a big place. It is reported in today's *Adelaide Advertiser*, that esteemed journal of record, that at the South

Australian climate forum yesterday the SA Regional Director, Mr Andrew Watson, of—I am taking it to be the bureau?

Dr Smith—He is the regional director of the South Australian office.

Senator BIRMINGHAM—He was reported as saying that weather forecasters are finding it more difficult than ever to make accurate predictions because climate change is ‘contaminating and corrupting weather patterns’. Is that a valid statement in the eyes of the bureau overall?

Dr Smith—Unfortunately I have not been able to clarify what Mr Watson said. On the face of it, for a weather forecast there is no real reason why climate change should make that forecast any more difficult. The forecasting is all based on observations of the state of the atmosphere as it exists today, plus some other boundary conditions, and then the models produce projections based on that data. They already have recorded in the data there any changes, either climate change or things to do with interannual variability.

Ms Kruk—It might be better that Dr Smith finds out what his regional manager said. I have not seen this article, unless Dr Smith is aware of it?

Senator BIRMINGHAM—I will not ask Dr Smith to comment further directly on Mr Watson’s comments.

Ms Kruk—It is a bit difficult.

Senator BIRMINGHAM—I only have a few extracts here. There are the obvious statements:

If the climate was static like it was in the first 50 years of this century then we would be in an easier game.

If the climate was static it would be an easier game forecasting, I am sure. I do not know whether to say that the climate was static in the first 50 years is accurate. I am not going to go through each quote.

Ms Kruk—It might be hard to speculate without seeing the context of the comments.

Senator Carr—In speaking to the officers, I would have thought to actually check the accuracy of the report.

CHAIR—Especially given where it appears.

Senator BIRMINGHAM—You may say that about our home town paper, Chair, but I am not that courageous. Regardless of the detail of Mr Watson’s comments, I am interested in the premise at least as to whether climate change is having any bearing on the bureau’s ability to predict weather. Dr Smith, from the statement you just made, it sounds very much like, no, in a sense; predictions should be predictions, forecasting should be forecasting and climate change may impact on the modelling you have to do for the future, but it should not actually be impacting directly on the day-to-day operations.

Dr Smith—Certainly for the modelling as we use it it should not, but of course forecasters on the bench are looking at records of weather in the past and when predictions, for example, go towards the very extremes that have ever been observed or ever been forecasted there is a natural reluctance and a bit of scepticism that perhaps the models are wrong—it has never

been seen before. In that sense, the past climate does impact the way the service is delivered sometimes, particularly at the very extremes as we have experienced this year. Forecasting and forecasting systems have built into them experience, and to the extent that experience also reflects climate and climate change there is a factor that does come in.

Senator BIRMINGHAM—Observations of weather in Australia go back how long?

Dr Smith—Over 100 years.

Senator BIRMINGHAM—But in the general scheme of climate forecasting I imagine that we would expect that records will continue to be set regardless of whatever one's views are on climate change and so on. As to extreme weather phenomena, we hear events, from time to time, described as one in 10-year, one in 100-year and one in 1,000-year events. The one in 1,000-year events we may well not have reported on yet.

Senator Carr—It depends on what branch of research you are referring to. If we are talking about the records of these officers, it may well be the case that they do not have records going back thousands of years. I do not know. They may well have. But in other areas of research the records are available.

Senator BIRMINGHAM—Certainly in some areas of research there are, I have no doubt. I think observations of temperature, rainfall and weather patterns in Australia to at least the level of data that the bureau report on quite obviously do not go back thousands of years.

Dr Smith—If the question is about with what certainty we can say that some weather event is exceptional, it is not just the length of the record, because every year we have a number of events that come along. The statistics are much more robust. We can say, with some certainty, about when something does become exceptional. You mentioned the words 'climate forecasts'. For climate it is somewhat different because it has a different space and time scale. For weather, when we talk about exceptional events, we are normally talking about them because they are truly exceptional.

Senator BIRMINGHAM—I will leave it for you to speak to Mr Watson. I do not know whether it was a recorded speech or a written speech he gave that you can review. Otherwise you will have to refer to page 11 of today's *Advertiser* before your conversation. Thank you.

CHAIR—Are there any further questions for the bureau?

Senator IAN MACDONALD—Yes.

CHAIR—We will go to Senator Macdonald and then Senator Wortley.

Senator IAN MACDONALD—After the last estimates you helpfully provided me with evidence that the seawater around Australia had been getting colder in the last 18 months, which was difficult for those mere mortals of us to understand when everyone else is telling us that the Coral Sea is getting warmer. Could you remind me how that happens? There was an explanation, but I have forgotten it. That will lead to another question.

Dr Smith—Again, it is a bit like day-to-day weather. Even though we are going into winter now, it does not mean that every day is successively colder than the previous one. Just as, when we look at climate, it does not mean every year will be successive. If we are talking in the context of climate change, climate change may exist, but you may have from year to year

variations that are cooler or warmer. This is particularly the case for the Coral Sea because it is impacted by the Pacific Ocean and El Nino. We do know that when we have El Nino the temperatures change significantly in the regions around Australia. El Nino exists independent of any considerations of climate change. That is really the reason for the variability.

Senator IAN MACDONALD—Do we continue to monitor that all the time?

Dr Smith—We do.

Senator IAN MACDONALD—Has there been any update since that last assessment that you provided for me that said the sea was actually getting cooler rather than warmer?

Dr Smith—The basis for all of the data that we provided for you is ongoing. That would be updated. I am sure that data is available for the last three months. It could be updated if you so wish.

Senator IAN MACDONALD—What is the trend? Is it getting warmer or is it continuing to get colder?

Dr Smith—This would give us an extra three months of data. That would not tell us anything about a trend. It would just give us an extra three months of data.

Senator IAN MACDONALD—I understand you have some good news to tell me about staffing in North Queensland; is that right?

Dr Smith—At the start we did give some detail on the new policy measures that the government has agreed with this budget. As part of that answer I did not mention anything to do with staffing for any particular reason. As you perhaps realise, we will now have to sit down with these measures and develop detailed implementation plans. The new measures are very good news, because we will be able to provide enhanced services through the next generation forecasting system, or GFE as you referred to it last time, and we will be able to provide enhanced radar services through the four new radars. We are focused on that level of service and the fact that we are now going to be able to provide enhanced services.

Senator IAN MACDONALD—Of course it is inappropriate for either the minister or me to suggest how you should staff your organisation, but you will recall the Prime Minister's advice during question time in the House of Representatives that resources would be maintained in Rockhampton. I think that was what he said specifically, but by implication he meant the whole of the north. I will just remind you of that as you take on the difficult task of allocating your money. How much additional funding did you get? I did see it on budget night and I am sorry I was not here to hear it.

Dr Smith—A total of \$94.7 million.

Senator IAN MACDONALD—Is that mainly to do with climate change matters or is it just a general increase to the bureau?

Dr Smith—None of that additional funding has anything to do with climate change matters.

Senator IAN MACDONALD—It is all just for the bureau?

Dr Smith—It is for the bureau for forecasting, radar services and the adjustment that we talked about with Senator Birmingham.

Senator Carr—Senator Macdonald, you sought to represent the Prime Minister's view with regard to a statement in the parliament. I think it is important to get that accurately presented. The Prime Minister has indicated in the parliament that no bureau, regional or provincial offices are to be closed and the bureau will continue to provide the meteorological services that it has in the past. To do this, the bureau has developed a strategy that seeks to optimise the balance of highly skilled and specialised staff with the use of new technology, including automation in pursuing value for money for the taxpayer. Of course, the 2009-10 budget measures support this strategy.

Senator IAN MACDONALD—Dr Smith has got the import of my comments, Minister. Thank you for your contribution. Can you tell us a little bit about the new radar in Mount Isa, which I must say I was pleased to see?

Dr Smith—There is not a lot of detail that I can provide at the moment. Again, with all these new measures, we are sitting down and trying to work out a schedule for implementation. As you are probably aware, each radar and each site is a separate task, which has its own challenges.

Senator IAN MACDONALD—Dr Smith, you must have put it in as a new policy proposal to get it in the budget. The minister just did not have a brain flash that he would have a radar at Mount Isa.

Dr Smith—We certainly know where the radar is going to be. What we do not know is specifically where it will be located and a specific time that radar will be done in the schedule of the four radars, if that is what you are asking? I do not have the timing. I cannot tell you that it is going to be in 2010 or 2011. We are just looking at the schedule of those things now.

Senator IAN MACDONALD—Will it be built next door to your current site at Mount Isa?

Dr Smith—Again, that is part of the negotiations we will have. Our first expectation is that it will.

Senator IAN MACDONALD—This is a general inexpert question: is it a general radar? Does it do everything or is it specifically for weather or tracking aircraft?

Dr Smith—It is the same sort of radar as we are putting in Emerald and we have put into a number of other locations. It has come out of the same stable.

Senator IAN MACDONALD—Once it is constructed is it connected by landline or something to Brisbane?

Dr Smith—Yes. It is connected through the bureau's communication network.

Senator IAN MACDONALD—Really what I am getting at is whether it requires any additional staff in Mount Isa?

Dr Smith—I do not believe it does. There will be a lot of staff working with the radar in the installation, but as to ongoing staff it will not require any staff in Mount Isa to run it.

Senator IAN MACDONALD—Your present proposals, which I hope might be amended, are to cut the current two observers down to one, which has a greater impact because one can do less than half of two due to leave, time on, time off and so on. Will the installation of the

radar require any more meteorological staff? I guess you will need technical contractors to keep the power running or whatever they do with radars. I assume the maintenance of the actual facility will be done by contractors?

Dr Smith—There are experts that have been part of the current suite of installations. Those experts will be available for a lot of the technical aspects. Once these are installed the maintenance is just part of our maintenance of all the radars within Australia.

Senator IAN MACDONALD—Is your additional budget allocation over four years?

Dr Smith—No. It is over longer. Mr Plowman, do you want to give the specific details?

Mr Plowman—The next generation forecasting service is over a five-year period. That is \$30.5 million. The radar proposal is a \$48 million initiative over seven years.

Senator IAN MACDONALD—Is that \$7 million a year for seven years?

Mr Plowman—It is not quite split that way. The proposal is \$48 million over the seven-year period.

Senator IAN MACDONALD—Would anyone be able to point me to where I would find that in the PBS?

Mr Plowman—Page 102 has the budget measures.

Senator IAN MACDONALD—I did have that. Last time I was talking to you about Autosonde balloon launches. Is the information collected by those Autosonde balloon launches still reliable for pilots making decisions on their flight paths?

Mr Foley—Yes. The Autosondes are part of an integrated upper air network of around 50 stations around Australia. Balloons are sent up once a day to provide information to our numerical models. Should one particular balloon flight fail for some reason, be it hardware or the actual sonde itself, the impact of that is minimised by the fact that there are 49 other pieces of data going into the models and into the forecasting centres.

Senator IAN MACDONALD—It was reported in late April that the Australian Federation of Air Pilots had expressed their concern at inaccurate weather data coming from those Autosondes, as I understand it. They quoted in the paper that a bureau whistleblower revealed that weather watching authorities' automated systems which had been used in Mount Isa, Charleville and Weipa for 11 years was prone to chronic breakdowns experiencing a 40 to 50 per cent failure rate. I am reading from a newspaper. Is that accurate? Would you like your right of reply to that, or did you have a right of reply somewhere?

Mr Foley—I do not believe it is accurate but I cannot give you a precise figure on it, so if you would like I could take that on notice. I should say that very few air pilots would see an upper air sounding. The information that they get is a product that comes out of numerical models in our forecast centres.

Senator IAN MACDONALD—I note that you are not saying they are accurate; you are saying that is perhaps not where the pilots get their info from. But, if they are inaccurate, what part do local observations play in the accuracy or otherwise of those Autosonde systems?

Mr Foley—The Autosondes are not inaccurate. They have GPS equipment. They are quite expensive pieces of equipment. They are certainly not inaccurate and they are meant to

perform to a prescribed standard that the bureau sets down. It is not the inaccuracy, per se. I suppose the nub of the story is if there are unacceptable failure rates within the program itself.

Senator IAN MACDONALD—Those Autosondes are made in Finland, aren't they, at a cost of \$750,000, I am told?

Mr Foley—They are made in Finland. I do not know the cost.

Senator IAN MACDONALD—They are the ones used in Mount Isa, Charleville and Weipa; is that correct?

Mr Foley—Yes, they are standard throughout the bureau.

Senator IAN MACDONALD—They are used to collect information on air pressure, wind direction and wind speed and that is made available to pilots?

Mr Foley—And moisture, too.

Senator IAN MACDONALD—Would you say that the suggestion that there is a 40 to 50 per cent failure rate is not correct?

Mr Foley—I do not believe so, but I will take it on notice to get you an accurate figure.

Senator IAN MACDONALD—I am told that the CPSU—there is an incentive for you—is aware of the failure rate and has written to the minister citing the need to have accurate records. Has the minister sought advice from you about that? I do not want to know what your advice is of course before Senator Carr says anything; I just want to know if he sought your advice.

Dr Smith—I am not aware of any advice being sought. As a general answer I am not aware of any deficiencies in the service that we are providing into the aviation industry or any issues that have been brought up with us. We have seen press reports and we have seen some other things, but we are not aware of any deficiencies in the service at all. We believe we have a good relationship with that industry, and they would be the first to tell us if they felt the services we were providing were being compromised.

Senator IAN MACDONALD—It has been drawn to my attention that a 2007 *7.30 Report* in Queensland reported on safety issues with the Autosondes and that they were using hydrogen to fill balloons. There was a suggestion that some measures were taken to prevent the hydrogen igniting. I might add that, with its political content, rarely do I accept the *7.30 Report* as being accurate, so if you say it is inaccurate I would not argue with you about this, but that was the report as I understand it. There was a suggestion that there was a domestically produced alternative available that would cost only about \$150,000 as opposed to \$750,000, which is the suggested cost of the Autosondes. Do you have any comment on that? Perhaps this is something you have dealt with before.

Dr Smith—We have. As a result of that report there was an investigation done by WorkCover, and none of the claims that were made on that report were substantiated.

Senator IAN MACDONALD—Has the alleged \$150,000, cheaper Australian-built version been investigated?

Dr Smith—All of our procurements are to open tender and all suppliers are able. The particular one in question was made aware of when the tenders were coming up, and they are free to put their products forward for our use.

Senator Carr—Are you saying that they did not tender?

Dr Smith—At that stage, from memory, I do not think we were about to go out to tender. They were made aware of the ability to tender. I am not aware of whether they did or did not in the end.

Senator IAN MACDONALD—Minister Carr, as manufacturing minister, would be very interested in this if you could get an Australian vehicle that would do what a much more expensive—

Senator Carr—You should also be aware that under the tendering arrangements the company actually has to put in a tender if it is to be—

Senator IAN MACDONALD—Be careful. I do not think Dr Smith said they did not; he was not aware.

Senator Carr—Just be clear about this.

Senator IAN MACDONALD—I am going to ask on notice perhaps could you just perhaps give me a paragraph or two—I appreciate it is 2007—because I would just like to know whether there was an alternative produced and, if so, why it was not suitable.

Dr Smith—Yes, we can take that on notice.

Senator IAN MACDONALD—You mentioned before the GFE system, the graphical forecast editor, which you are going to be able to actually proceed with now with additional money. What back-up is provided to that GFE in the event of severe weather or power blackouts? Do we know enough about this yet? I am sure we do.

Mr Foley—It would be incorporated as part of our business continuity plan. We have a disaster recovery site in Canberra to assist us with any major outages that may occur. If we had some major failure we would switch into this disaster recovery mode. The interesting thing about GFE is that it would be mirrored all around the country. All of the forecasting centres could take on other parts of the country. It probably enhances our business continuity if it does anything.

Senator IAN MACDONALD—Obviously if you were using this in say, hypothetically, Townsville you are putting it there for a purpose. You are not putting it there if you could do this from Melbourne, are you?

Mr Foley—No, but it can be interchangeable. The US, who developed the system, were looking at those sorts of options with the system that they built where you could switch from one office to another for short terms. You would not want to do it for a long term.

Senator IAN MACDONALD—I am just concerned as always because, in the north of Queensland, we recently had a possum in a power pole and it took out the whole of North Queensland's electricity. I appreciate you would have back-up generators, but if there are floods or severe cyclones that prevent fuel getting through for the generator or something, you could have problems. But I am just wondering: in the event of these sorts of failures are local

on-the-ground officers—not to perhaps replicate the precision and the breadth of the information—at least be able to report on visual sightings of what was happening with the weather in critical climate events?

Mr Foley—Visual observations, most certainly. All of the bureau offices have back-up generation. We try to bulletproof ourselves as much as possible. We are usually pretty reliable in that area.

Senator IAN MACDONALD—In March this year there were again some media reports talking about Willis Island. I think we have been through this before. There is no suggestion that you will not continue to operate Willis Island into the foreseeable future?

Mr Foley—Absolutely.

Senator IAN MACDONALD—As to my previous comments about sea temperature in the Coral Sea, I see once I actually get to my notes that it also included the Gulf of Carpentaria. Your comments would apply equally there, I would assume?

Dr Smith—Yes.

Senator IAN MACDONALD—Again, I quote newspaper reports earlier this year suggesting that, with climate change, the tropics would change less than Australia's mid-latitudes in terms of global warming. We are quoting Dr Timothy Burrows from the ANU. There must have been an international team of scientists from 11 countries who have produced new climate maps of the earth's surface during the height of the last ice age. Are you aware of that report? Do you accept what Dr Burrows was saying?

Dr Smith—I am not aware of it. This should be directed to the Department of Climate Change not to the bureau. That would seem to go a bit outside our mission.

Senator IAN MACDONALD—I see they mention the ice age here. I keep asking people this and they keep taking it on notice so I am not sure that I will ever get the answers—

Senator Carr—This is not within their province, and you well know it. How about some questions that relate to the officers' responsibilities?

Senator IAN MACDONALD—These are questions relating to climate. I am just wondering if someone could give me a one-line explanation of why the last ice age disappeared. Was it greenhouse emissions to the globe or what was it?

Dr Smith—I just do not think we can answer. I think the Department of Climate Change is probably the right place to go or the CSIRO.

Senator IAN MACDONALD—Thank you and as always, keep up the good work. Great organisation!

Senator WORTLEY—The government has made a five-year investment in both the Next Generation weather forecast and warning systems. We have already heard something about the four new weather radars. How will these measures transform weather forecasting in Australia? Also, will it mean any changes for rural and regional Australia?

Dr Smith—First, as to transforming forecasting in Australia, certainly the Next Generation forecasting warning system will transform the way we do forecasting. It is mainly at the forecasting systems, the way we are able to produce both with more efficient and more

effective services. It also allows us to extend the period of forecast and particularly for the rural regions. These will now be extended out to 650 locations rather than being focused just on the major populations of the capital cities. In both of those there is an enhancement of the service and the systems and an enhancement of the service we will be providing into rural Australia.

The radar measures of course also have a somewhat similar impact. There are only four new radars but they are not only relevant to enhance service for the regions concerned but also, because they extend out of large areas, they also impact on the rural regions as well.

Senator WORTLEY—How does the warning system work in the event of an extreme weather event?

Dr Smith—I will pass to Gary Foley to answer this in detail but the forecasting system really gives us a more robust and reliable way of handling the weather, principally because we use technology to do a lot of the tasks that used to rely on basically subjective opinion, or individuals. We can now put the people part to a more effective deployment in the service part.

Mr Foley—It depends on what sort of extreme event there is. When it comes to severe thunderstorm tracking then we generally rely on radar. The new generation of radars are very sophisticated and give the forecaster a great guide of judging just how severe those storms may be. It gives a more effective warning service as far as that is concerned.

As far as fire weather is concerned the model output, as Dr Smith was saying, is improving all the time. It presents the forecaster with say temperature fields out of the model that has been enhanced by a bureau system of sort of consensus forecasting looking at a lot of different models. It presents the forecaster with the best that numerical models can do. The forecaster can then make an assessment of what they would want to do with that. They can manipulate that data to fit with their experience and what they see in the current observations to generate a series of warnings. The beauty of the Next Generation forecast and warning service is that, once the meteorology is done and the forecaster concentrates on the meteorology, it will generate a great number of products that can be used by emergency managers and response people.

Senator IAN MACDONALD—The Autosondes send a beam straight up from where they are; don't they? They assess the weather directly above them?

Mr Foley—It is a balloon.

Senator IAN MACDONALD—But it goes straight up. If there is a storm half a kilometre to the east it will not see it; is that correct?

Mr Foley—That is right. It is pretty nasty to send a hydrogen balloon up in a storm because it will ice up and you would probably lose it anyway, so it would be another failure. That is the unreliability.

Senator IAN MACDONALD—I am just making the point that human beings could actually see the storm coming but the Autosondes cannot when it goes up.

Mr Foley—Yes, that is right, but it can sense the atmosphere that the storm is building, the environment that the storm is developing in. That is very valuable data.

Senator BIRMINGHAM—Is there any way that the bureau would make the claim that we are two degrees warmer now than we were 50 years ago?

Dr Smith—Are you asking whether we would make a claim? That is not the sort of statement the bureau would make, no.

Senator BIRMINGHAM—Is that because it is not your area of science to make that statement or because it is not true?

Dr Smith—There have to be some specifics. Are we talking about a particular location? I could look at data and if the data happened to show that in a particular location it was two degrees warmer now than it was 50 years ago, we could make the statement. But it is very general. I am not quite sure what you are asking me to say here to or to answer.

Senator BIRMINGHAM—From the further comments from Mr Watson's speech there are two statements:

For example, the 46 degree day we had back in January, I think our prediction was pretty good that day but it only went to 44 degrees. If climate change had not been here we would have nailed that because we are now two degrees warmer than we were 50 years ago.

These are attributed as direct quotes by Mr Watson. It seems to be a fairly remarkable statement to make. Either he is talking generically about Australia or specifically about Adelaide, seeing that he is talking about Adelaide's maximum temperatures. Is either Australia or Adelaide two degrees warmer now than 50 years ago?

Senator Carr—Dr Smith has already indicated that he needs to actually establish whether or not those remarks are accurate.

Senator BIRMINGHAM—That is right. Ignore the remarks. Is either Adelaide or Australia two degrees warmer now than 50 years ago?

Dr Smith—It is an ill-posed question, with respect, and I cannot answer something like that. You will have to ask: is a particular location warmer? If you can provide some specifics then I might be to either answer it or go away and get you an answer.

Senator BIRMINGHAM—Is Adelaide specific enough or would you like me to say the Kent Town weather bureau in Adelaide?

Dr Smith—Are you asking whether Adelaide, today, is two degrees warmer than it was 50 years ago, or whether there has been a two degrees temperature rise in Adelaide over that period? I do not know off hand just what the temperature record over 50 years is for Adelaide. I can check if you are interested in Adelaide.

Senator BIRMINGHAM—I would appreciate if you could check the detail of these things, but on average with the weather pattern—and by 'average' take the year or take even monthly forecasts—is there any likelihood at all that Adelaide's average forecasts are two degrees warmer than they were 50 years ago?

Dr Smith—Is the question: do I expect the weather forecast for Adelaide to be two degrees warmer today than it was at some previous period? I am struggling to understand the question. As I said before, I do not expect a particular weather forecast for a day or for a week to reflect anything directly from longer time scales because it is weather. It varies from day-to-day,

from week-to-week and from month-to-month. I am not quite sure of the question that I have to answer.

Senator Carr—Perhaps you could formulate the question and the officers could look at it. You are clearly uncertain of what you are asking.

Senator BIRMINGHAM—Senator Carr, I am not certain. I am trying to respect your desire for the officers to be able to go away and interpret what have been certainly interpreted by the media as one of the bureau's executives essentially out there saying that climate change has driven the temperature in Adelaide up by two degrees on average. Is that true or is that simply an inflammatory remark made by a bureau official?

Senator Carr—We have been through this twice. Dr Smith has indicated that he wishes to speak to the officer to ascertain what was actually said, as distinct from relying on your interpretation of a press report.

Senator BIRMINGHAM—I am not interpreting on this. I gave direct quotes of the officer on this occasion. I am sorry that I cannot interpret what the officer meant when he said 'we are now two degrees warmer than we were 50 years ago'. I doubt the officer meant that on 26 January 2009 we were two degrees warmer than we were on 26 January 1959, but maybe that is how he will argue his way out of it. The statement he made is, 'If climate change had not been here, we would have nailed that forecast because we are now two degrees warmer than we were 50 years ago.'

Dr Smith—I do not have a briefing of what the officer said.

Senator BIRMINGHAM—I am wondering if the bureau has any science to back that type of ascertain by a bureau officer?

Dr Smith—As I said before, I do not know what the officer said. I have not been able to get a brief from the officer. I have not seen the material that he must have been citing. I cannot say whether that is a correct quote or an incorrect quote. I really do have to go back and verify with the officer what was actually said.

Senator BIRMINGHAM—We shall certainly look forward to you going back and verifying that.

Senator BOSWELL—He is not asking you what the officer said. He is asking you if a certain place in Adelaide is two degrees warmer than it was 50 years ago. He is not asking you to verify the quote.

Senator Carr—I think the officer has also indicated that he is prepared to look at that specific question from Senator Birmingham in regard to temperature variations in Adelaide over a 50-year period. I do not see how we can go any further.

Senator BIRMINGHAM—Are there any processes that the bureau officials are expected to go through before making speeches such as this one?

Dr Smith—We have a fairly comprehensive media policy, a very comprehensive policy on how officers should get approval, particularly from the experts in the particular areas. If there are significant issues then that should all be knocked up to the director to approve. Yes, there is a very detailed policy in place.

Senator BIRMINGHAM—Do those policies particularly cover comments related to climate change and its impact?

Dr Smith—No, it is not specific to climate change. This is to any issues on which a bureau officer is going to be speaking to the public or speaking to the media. There is a set of steps that those officers should go through on every occasion.

Senator BIRMINGHAM—With comments relating to climate change or a speech to a gathering related to climate change, you would expect the speech or comments to be discussed in advance with the bureau's experts on climate change and its impact on forecasting and weather patterns?

Dr Smith—I would expect that.

Senator BIRMINGHAM—That would be a most reasonable expectation. We do not know whether it did or did not occur in this instance, but certainly if you could check to see if it did occur, that would be appreciated. We have already had this discussion with the Antarctic Division previously about the questions that were put to Minister Garrett by Mr Jones of *Lateline*. We had some very fine scientific answers from the Antarctic Division as to spelling out exactly what the science is, how it can be interpreted and so on. There is a real risk in climate science, climate forecasting and its impact on weather patterns that the media have a great love and tendency to blow comments out of the water, be they politicians' comments and especially scientists' comments. For better or for worse, the bureau, because you are in the business of reporting weather, are interpreted as scientists with expertise in climate change. Although you may prefer a lot of those questions to go to the CSIRO and others who are more directly impacted on climate patterns, there is a real concern and a real need to monitor the types of comments that bureau officials make in what is a heated political area and a sensitive area where the media tend to jump on the slightest sign of something that can be an exaggeration, over-interpretation or an over-statement of estimates or figures. I look forward to your analysis in response to these issues. I think this is a concern that the bureau needs to be very mindful of.

CHAIR—If there are no further questions for the bureau, I would like to thank you for appearing before the committee this evening.

Proceedings suspended from 5.58 pm to 7.02 pm

Great Barrier Reef Marine Park Authority

CHAIR—We will resume proceedings. I welcome Senator the Hon. Mark Arbib, Parliamentary Secretary for Government Service Delivery, representing the Minister for the Environment, Heritage and the Arts. We welcome you to your first estimates committee outing.

Senator Arbib—I have been looking forward to it.

CHAIR—I now invite questions of officers of the Great Barrier Reef Marine Park Authority. We thank the officers for joining us this evening.

Senator BOSWELL—I would like to ask Dr Reichelt whether he is aware of the fishing convictions and the legislation amended by Senator Macdonald and me? Can you advise when the legislation will be proclaimed or do I need to ask someone else?

Dr Reichelt—The legislation issues are being handled through the department. I can defer to my colleagues.

Ms Petrachenko—In answer to the question concerning the legislation and the amendment that was put through by Senators Boswell, Macdonald and others, the amendment as drafted was inserted into schedule 6 of the legislation and the amendment act provides that schedules 4 to 6, which make significant changes to environmental impact assessment, enforcement and offences, will come into effect on 25 November 2009. Just to provide a bit of background information I will read from the explanatory memorandum for the bill, which explains why it goes until November 2009.

Senator BOSWELL—Are you aware that these people are still carrying convictions until the legislation is proclaimed?

Ms Petrachenko—Yes, I am aware of that.

Senator BOSWELL—Can you not do it any quicker?

Ms Petrachenko—I will read it. It states, firstly:

The reason for the delayed commencement was explained in the explanatory memorandum which noted the period of up to 12 months before commencement is necessary as implementation of the changes requires substantial associated work, including development of extensive regulation amendments, administrative arrangements, engagement with stakeholders in the context of the regulation amendments, education and training of those administering the act, and education of marine park users.

I am informed this work is only partially completed and is on track to be completed by November. We have also asked the question and been told that it is not legally possible to commence the specific amendment which you are raising separately to schedules 4 to 6 because the amendment was to those schedules and is embedded in there.

Senator BOSWELL—Thank you for that. It is a long time for someone to have a criminal conviction over their head. We have even had people who were helpful in getting this legislation up—police officers coming up to boat outboard retailers who were involved in this—asking what the process is. No-one understands the process. Once that process takes place you will write to the organisation that controls criminal convictions and you will tell them that all of the convictions have been spent; is that the process?

Ms Petrachenko—I cannot speak to the detail of the process once the legislation is in effect. It is the Attorney-General's Department that administers the spent convictions scheme. That is up to the Minister for Home Affairs and the Attorney-General's Department.

Senator BOSWELL—I have asked them today and they told me to ask you tonight, so that is done. I would like to ask Dr Reichelt a question. Are you aware of a review into the Great Barrier Reef Structural Adjustment Package that will provide lessons learnt and be an important contribution to the development of this new policy, according to DEWHA?

Dr Reichelt—That is being managed by the department.

Ms Petrachenko—I can respond to that. My division has the responsibility for administering the structural adjustment appeals process and the program itself as well as the responsibility to ensure the review is conducted. The review has been completed in terms of

all of the research. I am informed that the reviewer is spending next week finalising the report, so we anticipate receiving it shortly.

Senator BOSWELL—Who is on the review panel?

Ms Petrachenko—The review is being conducted by Dr John Gunn. Dr Gunn did it when he was with CSIRO. He is familiar to many in the fishing industry, having been involved in the Commonwealth Fisheries for a very long time, and that is his background. He was separate and apart from the department when he conducted the review.

Senator BOSWELL—Is there any other implication in this? Why are you having a review?

Ms Petrachenko—When the structural adjustment program was approved by the government—I think it was probably about two years ago—one of the requirements was that the major stages of the review were to be done when we had a review of the first phase of the adjustment program, which was the licence buyout. That review has been finalised and is on our website. This is the second part of the review, which looks at all of the other components of the program. It was a requirement of the government's policy.

Senator BOSWELL—It says here 'lessons learnt'.

Ms Petrachenko—That is right.

Senator BOSWELL—It was a pretty expensive lesson—about \$450 million worth.

Ms Petrachenko—About \$215 million to date.

Senator BOSWELL—\$215 million?

Ms Petrachenko—Yes.

Senator BOSWELL—I thought it was well over that. Is the government preparing a policy on addressing displaced fishing efforts arising from MPAs?

Ms Petrachenko—Yes. In fact, we have just gone out to a select tender for expert assistance to develop policy options for going forward as we create marine protected areas in advance of that, which is to look at what the policy options are for any activities displaced by marine protected areas and the zoning they are in.

Senator BOSWELL—What marine protected areas are you looking at?

Ms Petrachenko—We are looking at completing the national representative system of marine protected areas around the entire EEZ in Commonwealth waters. We have already completed those in the south-east region. That network is completed and we are currently in consultations in the south-west.

Senator BOSWELL—Would that send a signal that there are going to be boats displaced?

Ms Petrachenko—We are not sure at this stage. We do not know for sure the zoning impacts. It is too early to tell about the decisions of government in that regard.

Senator BOSWELL—I would like to ask a question about the Coral Sea.

Senator SCULLION—On the previous question, as to the tender that is going out to have a look at the impacts of displaced activities, as you have said—and generally speaking we

have spoken about fishing activities—why have we found it necessary to look outside the department? GBRMPA has been around for a very long time. We put ourselves internationally at the very top, or that is what we are always telling ourselves. We have just had some of the most significant changes with regard to zoning, which have had significant and well-documented impacts. Who else is Australia going to ask? Where are we going to go for some expert knowledge on these areas?

Ms Petrachenko—I do not know the results yet of the tender finalisation process. We are looking for expertise in economics and also in terms of common property rights to help inform the package.

Senator SCULLION—Would this then be more targeted at looking for policy models for how you deal with displaced effort in an economic or governance sense rather than how we manage and measure the displaced effort in terms of the environmental impact of displaced effort?

Ms Petrachenko—That is right.

Senator BOSWELL—Or does it mean that you are going to assess some boats and remove them from these MPAs?

Ms Petrachenko—No, it is the former in terms of the plan. It is to look at what the policy framework options would be, should some activity be displaced by an MPA.

Senator SCULLION—I think we all know about some of the stuff in the media over the time with the zoning impacts. One of the continual problems we seem to have is being able to assess the impact prior to a decision. We need to know how many boats need to be taken out. Basically, what we do is to close a zone, everybody goes somewhere else and we have an inordinate impact on the environment, which is completely contrary to the intent of providing a marine protected area. Perhaps you can give us some background to the motive for the tender so I can better understand why that most significant issue is, in fact, left out of the tender?

Ms Petrachenko—It is left out of that specific aspect of the tender, but it will not be left out of the way we look at the entire issue. We are using the Bureau of Rural Sciences to provide the information that you have just highlighted, namely in the various areas of Commonwealth waters what are the activities, what are the values of those activities and where are they located? We are working with BRS on that. The real impetus for this is that we have heard from the Commonwealth Fisheries Association and various industry associations and stakeholder groups that they would like to see the government's policy approach to any effort or activity being displaced. As part of the approach, we are also having a steering committee with a reference group of stakeholders who will be involved in that process.

Senator BOSWELL—Who is on the reference committee?

Ms Petrachenko—I have just sent letters to about 10 different organisations, which include commercial fishers, recreational fishers, the oil and gas industry, tourism and a number of others.

Senator BOSWELL—Who are the others?

Ms Petrachenko—I can take that on notice and get you the list.

Senator BOSWELL—What environmental groups are on it?

Ms Petrachenko—I will take that on notice as well.

Senator SCULLION—I will just go back to the tenders. This is my last question on this particular aspect. I wonder if you could table the tender documents? Is that possible?

Ms Petrachenko—Yes.

Senator SCULLION—Just the ones that have gone out not necessarily the ones that have come in. Again, I am not going to policy but again to motive. Would the question within the tender of the timing of the decision to remove effort, the timing being before you actually regulate for a zone or after you regulate for a zone, and when in that timing do you actually remove effort as a principal policy challenge that we all acknowledge? Is that part of the scope of the tender?

Ms Petrachenko—The scope of the tender is to look at the legal implications, any property rights implications; for example, how do common property rights play into responsibilities for government, in terms of looking at that. The question of when and how will be a question the government faces when we have the advice for them.

Senator SCULLION—Thank you.

Senator BOSWELL—Are you handling the Coral Sea conservation zone?

Ms Kruk—I would like to just clarify. Given that we have GBRMPA here at the moment, have the questions to them finished because I might call up some other team members?

CHAIR—No. We have not finished with GBRMPA.

Ms Kruk—I thought that might be the case.

CHAIR—Senator Boswell, your question falls outside GBRMPA.

Ms Kruk—I am quite happy. It is just that there is a different set of officers involved in the Coral Sea.

Senator BOSWELL—Are they going to be able to talk about the Coral Sea conservation zone and the biosecurity zones?

CHAIR—That is not this program.

Ms Kruk—We can deal with that later on.

CHAIR—That will be 1.2. We have a way to go to get to there.

Senator BOSWELL—Are we using the same officers?

CHAIR—No. Senator Boswell, we will do that under 1.2. We are with the Great Barrier Reef Marine Park Authority and we do have the officers from that authority here with us. Are there further questions for GBRMPA?

Senator IAN MACDONALD—My questions are to GBRMPA on that same issue. Was GBRMPA consulted prior to Minister Garrett's proclamation of the Coral Sea conservation zone?

Dr Reichelt—The authority participates and collaborates with the department. I am sure there would have been informal discussions. The Coral Sea conservation zone is the decision

of the minister and outside our jurisdiction. While I can imagine my officers might have been able to contribute some expertise and knowledge of the marine systems, it is not our direct responsibility and we do not have a formal role there.

Senator IAN MACDONALD—Perhaps I should be asking the minister: why did Mr Garrett not consult the pre-eminent agency dealing with Coral Sea matters and the Barrier Reef?

Senator Arbib—I do not think that it is going to surprise you that I do not have that answer on me, but I am happy to go away and seek advice.

Senator IAN MACDONALD—Would the secretary be able to help you?

Ms Kruk—No. I would need to take it on advice. A lot of those consultations predate my starting point in the department.

Senator IAN MACDONALD—I do not want to put Dr Reichelt in a difficult position, but it is quite clear from what he says in his qualified answer that they were not consulted, and yet one would think that the first place you would go to get some advice on that would be the world's leading authority on coral reefs.

Senator Arbib—We will seek some advice and get you some further information on that tonight.

Senator IAN MACDONALD—The question I would like answered is why he did not consult them and who, in fact, did he consult on this. It is clear from newspaper reports that he has been heavily influenced by the PEW society. A society, I might add, that had its founding with money from the oil and gas industry.

Senator BOSWELL—Dirty money.

Senator IAN MACDONALD—Senator Boswell says 'dirty money'.

Senator BOSWELL—The Greens should not touch it.

Senator IAN MACDONALD—Why is it that under this arrangement tourism operators, principally marlin boats, have to get a permit?

Ms Kruk—These are essentially Coral Sea questions.

Senator IAN MACDONALD—I accept that. Dr Reichelt, do you currently administer the environment management charge in the Great Barrier Reef Marine Park; is that correct?

Dr Reichelt—That is correct.

Senator IAN MACDONALD—Are you set up to levy the fee and then collect it from the tourist operators?

Dr Reichelt—That is correct. They submit the fee to the authority and we forward that to the Australian government.

Senator IAN MACDONALD—Is it the tourist boats that you are collecting from?

Dr Reichelt—Yes. It is a visitation charge per head per day.

Senator IAN MACDONALD—Would your organisation then have a certain expertise in issuing permits, collecting fees and so on from tourist boats operating in the current marine park?

Dr Reichelt—Yes, we would.

Senator BOSWELL—Could I ask Dr Reichelt a question on this?

Senator IAN MACDONALD—Yes.

Senator BOSWELL—Were you ever approached by PEW and asked to administer the Coral Sea zone?

Dr Reichelt—No. I was aware that they were producing a submission to the government. They did tell me they were going to name my organisation in it, but at no stage would I have agreed to it or been asked to agree to it. As a matter of fact I did not have any right of approval on that.

Senator BOSWELL—Were you aware that in the PEW submission they want GBRMPA to also administer the Coral Sea?

Dr Reichelt—I was aware of that, yes.

Senator IAN MACDONALD—Were you consulted?

Dr Reichelt—No.

Senator IAN MACDONALD—You were told that they were going to nominate you?

Dr Reichelt—Yes. They were not the only ones, I might add.

Senator BOSWELL—Who made that approach to you?

Dr Reichelt—It would have been a representative from the PEW.

Senator BOSWELL—Yes, I know it would be, but who was it? Was it a lady? Was it Imogen Zethoven?

Dr Reichelt—Yes, that is correct. It was Imogen Zethoven.

Senator BOSWELL—You were told that you were going to be requested to administer it?

Dr Reichelt—They said it was their intention to recommend that to the Australian government. They did not offer me the right to edit their document.

Senator IAN MACDONALD—In the minister's announcement, did he indicate that he was going to manage it?

Dr Reichelt—I think the minister's statements on the Coral Sea now fall into the same category.

Senator IAN MACDONALD—Are you aware if the minister is going to ask you to administer the conservation zone?

Senator Arbib—I do not think that Dr Reichelt can answer a question like that. How would he be aware or not?

Senator IAN MACDONALD—Simply by if the minister had picked up the phone and said, ‘Dr Reichelt, will you manage this for us?’ or the secretary of the department had rung Dr Reichelt and said, ‘Will you manage that?’

Senator Arbib—That is not the question you asked.

Senator IAN MACDONALD—Can I ask that question? Did the minister or the department contact Dr Reichelt and ask him if he could manage it? Dr Reichelt would be able to tell me if the minister or the departmental secretary picked up the phone and asked him. It is a legitimate question to Dr Reichelt.

Dr Reichelt—I can answer that. I or my officers in the authority have not been involved, other than as I stressed before: with informal technical advice where appropriate. We have not been involved and I am not aware of the minister’s intentions.

Senator IAN MACDONALD—If you were asked, would you be capable of doing that?

Dr Reichelt—That is a hypothetical best directed to the minister.

Senator IAN MACDONALD—No, do you have the expertise in your organisation and the processes to administer it? It is really a rhetorical question. You administer the marine park. Why would you not be able to administer the conservation zone?

Dr Reichelt—I still feel as though you are asking a hypothetical.

Senator IAN MACDONALD—It is. I am asking: is it true you are set up to administer the marine park with processes and personnel, which would be the same sorts of processes and personnel that you would imagine would be—

Dr Reichelt—I will try to answer that a different way. The actual nature of the management of that area is the subject of the discussion that I understood you wanted to ask more questions about.

Senator IAN MACDONALD—I do.

Dr Reichelt—How that is managed and whether it would involve the authority would be a matter for the minister. Our charter is very clear. We have a responsibility for the Great Barrier Reef Marine Park Act, and it is a very defined area.

Senator IAN MACDONALD—This again is hypothetical, but is it quite clear that if you were asked to do that then you could not possibly do that on your current budget?

Dr Reichelt—Again, I think it is in the realm of trying to guess what the management might look like. There is a process in train for the whole exclusive economic zone and I think that the officers relevant to that could answer better than I can.

Senator IAN MACDONALD—That is fine. Senator Boswell, do you want to ask questions on that area, because I would like to go on to other GBRMPA things?

Senator BOSWELL—Yes. Ms Kruk, can you tell me why and what right Ms Zethoven had to ring up a chairman of GBRMPA and say that she is going to ask the government about something? What right has she got to ask the government anything? She is a representative of an organisation, but that does not give her the right to make decisions on who is going to administer these things. Who left her in charge of this?

Ms Kruk—I would like to clarify. Is the person you mention Imogen, the one you referred to earlier?

Senator BOSWELL—Yes.

Ms Kruk—I am sorry, I do not necessarily intimately know the principles in this case. From my understanding, you have asked the head of GBRMPA as to whether an approach was made literally indicating that she was going to put him down as being a potential party to manage it?

Senator BOSWELL—Yes.

Ms Kruk—I do not think that is an issue of right. If that is what she believed then that is what she believed. I think Dr Reichelt has made it quite clear that that was not done with his consent or with his backing.

Senator BOSWELL—It seems extraordinary to me that you have got a green group and she has taken it on herself to tell the chairman of GBRMPA that she is going to ask him to administer the coral zone. What right has she got to make those decisions?

Ms Kruk—I did not see it as being a decision. I might be missing something here.

Senator BOSWELL—It was not a decision, but it was an approach.

Ms Kruk—From what you are saying—and please correct me if I am wrong—she expressed a view that GBRMPA would have the expertise, ability and competence to do this, which is a vote of confidence in the authority. I do not think it is an issue of right or of being able to direct—

Senator SCULLION—There may be some other way to help the senator get to where I think he wants to go. Dr Reichelt, we all understand that when somebody quotes a place like GBRMPA in a media release or in some public statement, obviously credibility is a very big issue, particularly in the scientific game. We are not attached to things and people are not verballing us about what we may or may not have said. From your remarks, clearly, that is something that appears to have happened to a larger or lesser degree. The context and the weight or the suggestion that perhaps GBRMPA may manage it or would be managing it probably went beyond what you may have asserted. Certainly, what you have tried to make clear tonight, which is very clear to me, is that that was not the case. It appears in the media and other places that there may be some confusion about your role or GBRMPA's future role. Have you put a media release out clarifying that?

Dr Reichelt—I did. Several weeks ago I explained that the Coral Sea was outside the jurisdiction of the Great Barrier Reef Marine Park, which is my responsibility and my agency's responsibility. I also made it clear that the responsibility lay with the minister. I understood that the minister had made it clear that there is a broader process running through his announcements on the Coral Sea and it is part of a much broader process than just the strip along the Great Barrier Reef.

Senator SCULLION—I am sure you will somehow be able to make that media release available.

Dr Reichelt—Definitely; it is on our website.

Senator SCULLION—I am not sure, but did you also communicate with PAMs after that to perhaps ensure that they were clear? Apart from the media release, was there any direct approach back either to Imogen or this organisation to just clarify things and to make sure they were very clear about what was happening?

Dr Reichelt—I have not had any conversations probably for 12 months with Imogen Zethoven. I was sufficiently concerned that a misconception was there that I rang a number of concerned citizens in Cairns, particularly marlin fishing groups and others, to try to make clear to them more or less the content of my press release.

Senator SCULLION—You were satisfied that the media release put to bed any potential vagary about the matter, rather than writing directly to the group as well?

Dr Reichelt—I would be quite happy to do that if it is necessary. I took the PEW Foundation's submission as more or less unsolicited advice to the federal minister. I did not want to be seen to be either endorsing it or participating in it any way, particularly as I am aware that for some years now there has been a process of looking at the entire 200-mile zone of Australia to try and manage it better. I did not want the issue confused.

CHAIR—We will move on from that issue. Senator Macdonald.

Senator IAN MACDONALD—I read in the budget papers—and unfortunately I have left them in the other committee room—a comment that the reef HQ's aquarium was going to be supported by the government this year to the extent of \$3.4 million, if my memory serves me correctly. But the table with it showed in the columns dashes in the four years of the budget. There was a note under it saying, 'This will be funded by GBRMPA out of its general running expenses.' Firstly, is my recollection, not having the book in front of me, correct?

Dr Reichelt—Yes.

Senator IAN MACDONALD—I take it from that that the aquarium is over the period \$3.4 million short with expenses over receipts, which will then have to be topped up by GBRMPA somehow.

Dr Reichelt—As to the situation with the aquarium, those notes have been appearing in portfolio budget statements now for, I think, four years. The figure you quoted is approximately its total running costs. Of that, \$2.5 million is collected from visitors—the several hundred thousand people who visit there each year. Of the \$3.4 million, \$2.5 million is recovered, and approximately \$900,000 is the extent to which the authority's appropriation budget supports the aquarium. But the aquarium falls under our education program, which as of November last year is a key function in our act.

Senator IAN MACDONALD—It is not costing you any more than you have paid in previous years?

Dr Reichelt—No.

Senator IAN MACDONALD—I am pleased to hear that. I understand that GBRMPA did get a budget cut in the budget; is that correct?

Dr Reichelt—The budget for the coming year is less than last year by \$654,000. The bulk of that drop in our revenue or our appropriation is because a three-year program to do with

foreign fishing vessels has now concluded—\$495,000. A number of small programs that had a limited life have finished and so that allocation then comes out of our budget.

Senator IAN MACDONALD—What does that mean in staffing and resources for you? Do you have to sack people?

Dr Reichelt—We have a fair number, I think 70, of people in our organisation are on limited life contracts in any case. Those were people who would have been contracted for that period knowing that they would finish up with us—unless another vacancy came up at the end of it. They are essentially what they call non-ongoing employees who finish up at that time.

Senator IAN MACDONALD—They were full-time employees, though?

Dr Reichelt—Yes.

Senator IAN MACDONALD—What did you say? There were 90 people in—

Dr Reichelt—There are 70 employees who are in that status. I think next year we are foreshadowing 12 people finishing up.

Senator IAN MACDONALD—For that \$654,000—

Dr Reichelt—That is over our whole program. For the people involved in that particular program—was it three? It is of that order.

Senator IAN MACDONALD—There will be three people looking for a job in Townsville?

Dr Reichelt—Yes.

Senator IAN MACDONALD—That is interesting when we are trying to keep people in work. I understand that, through a complicated series of manoeuvres that we need not go into, in effect the environment management charge comes to you; is that correct?

Dr Reichelt—That is correct.

Senator IAN MACDONALD—Does that form part of your revenue?

Dr Reichelt—It does.

Senator IAN MACDONALD—With the decrease in the number of tourists visiting the marine park for any number of reasons, your revenue will then be down. Does that have an impact on your operations or was that revenue that you paid out in any case?

Dr Reichelt—We are foreshadowing a decline in tourist numbers and we expect our end of year results to show that. It is tied very closely to the global financial downturn. The tourism industry has been signalling that they are seeing a drop in numbers. This particular summer it was contributed to by the wettest January for very many years and also Cyclone Hamish.

Senator IAN MACDONALD—I am not really interested in the reasons. I am just interested in the money so far as you are concerned. What is your assessment of how much you will be down on revenue from the EMC?

Dr Reichelt—I will just check the numbers. We are foreshadowing that it could be down. At the moment we cannot give a precise figure because the figures are just coming in and we

need to do the end of year accounts but it could be something like \$700,000 less than the \$8.2 million that was foreshadowed back in April/May last year.

Senator IAN MACDONALD—Is it correct that there have already been redundancies from the GBRMPA staff in addition to the three non-permanent staff that you talked about before? Townsville is a big, progressive city, but it is only a small town when it comes to the rumour mill. I hear there have been a number of voluntary redundancies from your staff.

Dr Reichelt—I am focusing on the literal meaning of the word ‘redundancy’, but we have had three or four people leave in the last few months. I foreshadow that we will see a further drop in staff numbers as some of these other programs finish up. I would see that would probably return, given the lifespan of the programs that are finishing, to a staffing level of around the 2005, 2006 level. It could be 10 or 15. We foreshadowed 12 in the portfolio budget statements.

Senator IAN MACDONALD—You foreshadowed 12 redundant?

Dr Reichelt—Yes, ASL drop.

Senator IAN MACDONALD—Does that have any impact on the efficiency of your organisation—which, all credit to your team, has a reputation as a leading-edge, world-class marine park manager—amongst other attributes?

Dr Reichelt—The aim is for it not to affect the delivery of our primary services.

Senator IAN MACDONALD—I appreciate that would be your aim. You cannot do the same things with fewer staff. You cannot do the same things with less money.

Dr Reichelt—As with many other agencies who are looking at gaining efficiencies, we will be trying to maintain services with fewer staff. We are looking at automating some systems. We have invested in permits software to simplify and allow more efficient processing of permits and applications and fees, and monitoring the compliance with those permits, which is a significant part of our activity. We have invested in capital and improvement. In fact, I am hoping that the permittees will see an improvement because we will be able to give them online access to their permit details.

Senator IAN MACDONALD—Thank you for your answer to a question which is registered as No. 96 from the February estimates, when I asked about the two per cent efficiency dividend. I was told in answer that the efficiency dividends is being managed by administrative and operational savings. You must have been very fat and bloated before if you were able to take all of these efficiency dividends and manage them by administrative operational savings. You go on to state, ‘GBRMPA is currently reviewing its functions, responsibility and associated staffing levels in the light of its current budgetary situation.’ That was in February before you knew the results of this year’s budget, which will impose another efficiency dividend; is that correct?

Dr Reichelt—That is correct.

Senator IAN MACDONALD—Another two per cent, plus these other drops in income that you have been telling us about. You said you were reviewing. I was going to ask you what were the results of your review, but I guess you will say to me that you finished that review and you are now starting on the next review to see how you will deal with the next lot

of cuts to your budget. I hope I am not answering the question for you. That is the question; you give me your answer. How are you going to cope with continuing efficiency dividends plus these cutbacks in funding?

Ms Kruk—If I could clarify, there is not an additional two percent efficiency dividend. It is just the impact of the previous one that I think the CEO is referring to. Is that right?

Mr Thompson—As I understand it, the two per cent is not an additional two per cent every year. It is just two per cent carried through each year.

Senator IAN MACDONALD—It is two per cent each year?

Mr Thompson—That is right.

Senator IAN MACDONALD—If you had \$100 last year you would only have \$98 this year. And if you have got \$98 this year next year you will only have \$96.10; is that right? The question is: how are you going to continue to cope with this annual cutback? You are better than some, I might say. Some got three and a half per cent efficiency dividends so I do not suppose you can complain too much.

Dr Reichelt—I would like to give a different answer to the one you posed to me, but in fact that is the truth. It is a continual process of looking for ways to do things more efficiently, more cheaply and to have the same impact and delivery. We also refocus on to the highest priority things each year in our corporate planning process. We do look for ways to automate some of the things we have been doing, but some of the automations do take time. I mentioned to you our permit compliance and monitoring system investment this year. I will be looking at other administrative systems that we might be able to automate in our financial and knowledge management area, our databases.

Senator IAN MACDONALD—I notice again in the answer you have given on notice to what is labelled as question 97, where I was asking you about the graduate employee recruitment program, bearing in mind of course that James Cook University and your organisation and AIMS have given James Cook University and Townsville's research scientists a worldwide reputation in marine science. You said in answer to my question from February, 'The extent to which GBRMPA can continue to participate in the graduate recruitment will be considered as part of the review referred to above'; you were going to review your staff levels as at February. What is the situation with graduate recruitment?

Dr Reichelt—We did take in four graduates this year. I support that as a program. As to whether we will continue it, I will review that. The turnover that we have by natural movements—people taking jobs elsewhere and moving out of town—is close to the Australian Public Service average, which is around eight per cent, I believe. Certainly I think the department is something like that, and out of our staff that represents 15 or 16 people per year. What I have done is introduce a program of looking to fill those from within but in a selective way. We do not want people moving from one vital area to another. But we do have a lot of skilled staff who can move around within the organisation. We are trying to use that natural turnover where we do need to reduce numbers due to programs concluding.

Senator IAN MACDONALD—Are you still getting the same money from the Queensland Environment Protection Agency for jointly funded field management arrangements that you mention in your answer to question 99?

Dr Reichelt—Yes. We have a rolling three-year memorandum of understanding with Queensland. We do get that income.

Senator IAN MACDONALD—In answer to question 101 you told me about staffing for GBRMPA. Could I repeat question 101 from February again on notice, unless you happen to have these details? They showed 231 total staff, 224 were full-time equivalents and 12 employees were recruited during the 2008 calendar year. Can you just update those on notice if you do not have that now?

Dr Reichelt—I am able to give you those statistics. As at 1 May 2009 the authority had 256 paid employees in a variety of positions and arrangements. Apart from myself as chairman we had four senior executive service; 52 what are termed executive-level employees, more senior public servants; 170 other Australian Public Service-level employees; and there were 29 casual employees. These 256 equate to 221.34 full-time equivalents.

Senator IAN MACDONALD—I was going to say you look like you have an increase in staff but in fact you have gone down by three FTEs.

Dr Reichelt—The programs that I mentioned finish up on 30 June this year, so I am foreshadowing a bigger drop next year.

Senator IAN MACDONALD—As to the \$22 million funding for the reef rescue, that is administered through GBRMPA?

Dr Reichelt—That is administered primarily through the department. The authority has responsibility for marine monitoring and Indigenous partnerships and the bulk of it is administered through the department.

Senator IAN MACDONALD—What is the reef and rainforest research centre contracted to do? I note you had a commitment with the department for \$2.425 million, of which \$2.39 million was committed through a contract with the reef and rainforest centre. Is that correct? What are they contracted to do?

Dr Reichelt—They are administering the consortium that is doing the marine monitoring.

Senator IAN MACDONALD—Is that being maintained at that level?

Dr Reichelt—I understand that it will be. The figures were not included in the portfolio budget statement because the administrative arrangements have not been put in place yet.

Senator IAN MACDONALD—You say the reef rescue is mainly a departmental program. Do you do some work in that?

Dr Reichelt—We take responsibility for the activities that are squarely within the marine park and the coastal Indigenous communities with whom we have an existing program for traditional use of marine resource agreements.

Senator IAN MACDONALD—Have you been requested to do any work on transferring some of your activities out of Townsville into Canberra? Perhaps I should start by saying: what part of your staff is now fully Canberra based?

Dr Reichelt—We have three full-time staff in Canberra. Historically there were two for many years. With the variety of programs that we have got—and I think we are working more closely with the department now than we have in the past—I have increased that to three.

Senator IAN MACDONALD—I know from estimates in years gone by that there have been attempts by the department to have a greater number of your staff in Canberra. You do not have any plans to substantially increase the number of staff of the authority working from Canberra?

Dr Reichelt—No, there are no plans to do that. We are well supported by the department here and hosted, et cetera.

Ms Kruk—Can I also confirm that that is not an intention of mine. I would echo Dr Reichelt's comments that I think having some staff on site has been incredibly useful to draw upon GBRMPA's expertise but also to facilitate communication across a number of areas of the department's operation.

Senator IAN MACDONALD—I do not think we have met. I assume you are the new secretary, and congratulations.

Ms Kruk—Thank you.

Senator IAN MACDONALD—Can I suggest to you that you might suggest to your minister that if he is declaring any other conservation zones he might take a bit of time to use the expertise of the Great Barrier Reef Marine Park Authority—

Ms Kruk—I am sure he will note that comment, thank you.

Senator IAN MACDONALD—rather than relying on some oil funded American philanthropic group.

CHAIR—I thank the officers of the Great Barrier Reef Marine Park Authority for appearing before us this evening. We will now move to questions of the Sydney Harbour Federation Trust. Would those officers—

Senator BOSWELL—I have some questions on the Coral Sea.

CHAIR—As we said, that will be in program 1.2, which will be on after we finish with these agencies. We now have the federation trust, the Office of the Supervising Scientist and the Director of National Parks. The same officers will still be here when you want to do—

Senator BOSWELL—I have something for National Parks.

CHAIR—We have program 1.1.

[7.52 pm]

Sydney Harbour Federation Trust

CHAIR—Welcome, Mr Bailey. I understand Senator Birmingham and Senator Wortley have some questions.

Senator BIRMINGHAM—It is a pleasure to see you, as always. I see you have had a momentous announcement today.

Mr G Bailey—Yes. The minister announced that he had approved the trust's draft plan for the HMAS *Platypus* site and agreed to the terms of the MOU with Defence, so we are able to proceed with the decontamination of that site.

Senator BIRMINGHAM—That is good news. The minister must have realised that for the last three appearances at this committee you have been harangued over delays in the approval of the MOU and progress. It is pleasing to see that the announcement has come out today to that effect. Your minister, Minister Garrett, has approved it. Has it all been approved through Defence and by Minister Fitzgibbon as well?

Mr G Bailey—I am not sure. I do not know about that. I would hope if it has not been then it will be very shortly.

Senator BIRMINGHAM—I will look at Minister Garrett's statement again to see whether it clarifies it or not. Obviously, that would be only one half of the marriage if Minister Garrett had approved it and Minister Fitzgibbon had not done so yet.

Senator Arbib—I have the media release in front of me. It does state:

The memorandum of understanding between the Sydney Harbour Federation Trust and the Department of Defence to clean up the former HMAS *Platypus* site on the Neutral Bay foreshore in Sydney Harbour has been finalised.

Senator BIRMINGHAM—We will take 'finalised' as being an agreement from all parties. Well done on reaching that final agreement. What is the time line for works from here on in?

Mr G Bailey—We expect the total clean-up will take up to two years. It is quite an extensive job. Prior to that we need to initiate some consultation with the community. It will be a smelly task, to put it bluntly, so we will need to work through the details of how the work is undertaken and develop a plan of attack for the actual clean-up of the site. We anticipate a six-month period of preparations before we actually start.

Senator Arbib—I can confirm that it was approved by Parliamentary Secretary Kelly today.

Senator BIRMINGHAM—Thank you. The consultation period and planning period will take approximately six months and you will be taking every step to engage the local community in that process and passage to minimise the smells and hassles to them along the way.

Mr G Bailey—That is correct.

Senator BIRMINGHAM—Good news all around. In the finalisation of the MOU are Defence meeting the costs of the clean-up?

Mr G Bailey—They are.

Senator BIRMINGHAM—What are those costs budgeted to be?

Mr G Bailey—The costs are budgeted to be \$46 million and will be distributed over the period of time it takes to clean up the site.

Senator BIRMINGHAM—Which is the estimated two years?

Mr G Bailey—Yes.

Senator BIRMINGHAM—There are no other ongoing costs in relation to the clean-up per se. Are there ongoing maintenance costs or the like for the trust?

Mr G Bailey—The \$46 million will pay for the decontamination of the site. It will not pay for the rehabilitation of the buildings and the landscape works on the site. That will be subject to a further funding bid in a couple of years.

Senator BIRMINGHAM—We will at least get the grime and the major problems out of the way, but it will not be a pristine area for the public to enjoy until further funding is provided on top of this \$46 million?

Mr G Bailey—That is correct.

Senator BIRMINGHAM—I seem to recall from our past meetings that there were some ongoing liability concerns that were slowing down the progress of the MOU. How were they resolved?

Mr G Bailey—Ultimately by sharing those liabilities between ourselves and Defence.

Senator BIRMINGHAM—Has Defence agreed to come to the party for at least what you determine to be a reasonable share?

Mr G Bailey—And so has the trust, correct.

Senator BIRMINGHAM—That is excellent.

Senator Arbib—The minister invited the New South Wales government to comment. Advice was received on 16 February and there were no objections to the plan.

Senator BIRMINGHAM—Thank you. Mr Bailey, obviously we would have questioned you on this a little more extensively tonight, but today's announcement progressed things quite rapidly. Are there other works of the trust that stand out in this year's budget?

Mr G Bailey—No. The trust's appropriations were the product of a decision seven years ago and the final year of the program is the 2009-10 financial year. The budget reflects that, but there has been no change to that original decision.

Senator BIRMINGHAM—Can you remind me who has responsibility for the funding of the trust post 2009-10, if anybody?

Mr G Bailey—The trust does. The trust is an unusual organisation in government because it ultimately plans to be self-funding. A large number of the plans for the sites have involved business planning in order to create a financially self-sustaining organisation, and a financially self-sustaining parkland is unusual anywhere in the world. We are on track to fulfil that obligation.

Senator BIRMINGHAM—Are you on track to being self-sustaining from 2010-11?

Mr G Bailey—We are. I should just qualify that by saying that when the trust was originally envisaged it was to be a transitional organisation with a 10-year life to decontaminate and rehabilitate these sites and to transfer them to New South Wales, but in 2007 the government decided to extend the life of the trust for a further 25 years. The trust's decision to become financially self-sustaining was taken early in its life, but it is fair to say that the fact that we exist for a further 25 years has focused our attention far more than it

otherwise might on that sustainability objective. We are very focused on it. The financial downturn has yet unknown impacts on how we track on that, but it is still our intention. So far we are still on track to achieve it.

Senator BIRMINGHAM—What level of non-government income do you currently derive?

Mr G Bailey—Other than the capital funding, which as I said ends in the coming financial year, our entire income is derived from our own activities.

Senator BIRMINGHAM—How do you derive that?

Mr G Bailey—Primarily from commercial rents. We started with roughly 400 empty former Defence buildings. They are often very specific and strange sorts of buildings. We tried to come up with uses that satisfy our objectives under our legislation, which is to maximise public access, conserve the heritage and hopefully enrich people's experiences of these things. We have been careful to select uses that we think are a good fit. Examples of that would be on the waterfront at Chowder Bay, our marine research institute, which is a company formed by the four major universities in Sydney. They pay a commercial rent for their premises. We have children's dance studios, childcare centres and other environmental research activities. We have more conventional commercial uses, such as advertising companies. The range of activities is, by and large, chosen to be a good fit with parkland—fitness centres, artists studios, timber boat building in boatsheds on the foreshore and so on.

Senator BIRMINGHAM—That is excellent. I have one general question regarding your future. Obviously you are going to be administering a major Commonwealth funded cleanup project on behalf of the Department of Defence. Once you are no longer receiving annual Commonwealth funding will we still have the pleasure of your company here?

Mr G Bailey—I expect so.

Senator BIRMINGHAM—Your structure still requires it. It is a cruel world.

Mr G Bailey—I do not think I can secede.

Senator WORTLEY—I want to ask a couple of questions about Cockatoo Island. I understand that it has been used for a number of events recently, including music festivals and a movie shoot. What other activities are being pursued by the trust to ensure public access?

Mr G Bailey—You are correct. We have had music festivals and it was one of the major sites for the Biennale of Sydney, which is a large contemporary art festival. There are also private events that occur there. We have had product launches, large corporate Christmas parties and those sorts of things. We have one event tomorrow night that may interest you. It conforms to the trust's approach to these things. A very prominent sculptor, Ken Unsworth, is having in effect a memorial party. His wife died last year and this is in honour of his wife. He has constructed, at very great expense, a large gallery and ballroom. There will be 160 guests. Guests have all been sent off to dance classes to learn the Pride of Erin, the Waltz, the Promenade and so on. His wife was a pianist. The finale or the climax of the evening will be a grand piano, digitally controlled with her playing, descending through the roof of the Turbine Hall, which is an enormous space. I am telling you this detail because, although in a sense it is a private party, with the licensing agreement with Mr Unsworth we persuaded him to leave

the whole construction open to the public—and I am probably not at liberty to quote how much I think he is paying for it, but it is an enormously expensive exercise—because it will contain an extensive range of his sculptures. The whole evening will be filmed by documentary filmmakers and the film will be played for the month duration that this remains on Cockatoo Island. It is a very unusual, strange event, but one that people are starting to expect from Cockatoo Island and we think it will be very popular with the wider community.

Senator WORTLEY—It certainly sounds like an amazing way to celebrate someone's life. How long will the structure remain?

Mr G Bailey—We will leave it there for at least a month. Certainly, Ken Unsworth and the trust are flexible. If it proves to be very popular then we will leave it in place for longer.

Senator WORTLEY—Can you tell us a bit about education programs in relation to Cockatoo Island?

Mr G Bailey—We have a number of teacher guides on staff. The trust has completed a range of education kits and programs for all ages. We have negotiated with the state Education Department on a number of elements in the curriculum to have Cockatoo Island included. We have around 5,000 to 6,000 students who come annually. They are taken through coursework that relates to their age group curriculum.

Senator WORTLEY—Do they come and spend the day there?

Mr G Bailey—They come and spend the day there, yes.

CHAIR—If there are no further questions for the trust, I thank you for coming along and sharing numerous bits of good news with us. I will now request the Supervising Scientist to join us.

[8.07 pm]

Senator LUDLAM—I have a couple of questions following up on the conversation that we had in February—as you would probably expect—principally regarding the water that is escaping from the Ranger tailings dam. At a meeting of the Alligator Rivers Regional Advisory Committee, ARRAC, in Darwin on 7 April, it was reported that you stated you do not believe the seepage coming from under the Ranger tailings dam has left the Ranger lease area. Firstly, is that a correct reflection of your views and, if so, what is the basis for that assertion?

Mr Hughes—I did make a statement of that nature at the Alligator Rivers Regional Advisory Committee meeting. We undertake extensive monitoring of the surface waters on Magela Creek and on Gulungul Creek. We see no evidence of any process water leaving the site via that dam. There is a range of bores that surround the tailings dam and there is no indication of water leaving past those monitoring bores.

Senator LUDLAM—I might have misunderstood some of the comments that you made in February, where I thought you had acknowledged that seepage had reached retention pond 1 and from here had reached Conjiimba Billabong. You said that was at least a strong possibility, although I do not think you were able to confirm that at the time.

Mr Hughes—I would have to reconsider exactly what the words were that I said at the time. I probably would have said that there may have been some indication of some water in retention pond 1. The reason for that is that retention pond 1 does contain some water from the site that could be contaminated groundwater. There are low levels of uranium in it, which has probably not come from the groundwater. It is more likely runoff water. Also, the wetland filtration system has its exit which feeds into retention pond 1 as well, and so there will be uranium going into that water from there. However, I cannot say whether an atom of uranium has come out of the RP1 wetland filter or whether it has come from groundwater. There is no way to know that.

Senator LUDLAM—If there is such a great degree of uncertainty, I do not understand why you would be making comments that seepage has not left the Ranger lease area. If you are not sure that it has then you are also not sure that it has not.

Mr Hughes—I could not tell you that an atom has not left the site. What I can tell you is that there is no significant amount of material leaving the site.

Senator LUDLAM—It sounds as though the evidence is quite ambiguous in that regard.

Mr Hughes—I am sorry, could you repeat that?

Senator LUDLAM—It sounds to me, from the comments that you were just making, that the evidence is actually quite ambiguous in that regard and that it is quite difficult to tell. It could be coming from a couple of different sources.

Mr Hughes—What you can tell is that there is no significant amount of material leaving the site.

Senator LUDLAM—I will go to the volumes of material coming out from under the dam. At the same meeting it was also reported that the figure of 100,000 litres a day, which we discussed in February, was a theoretical figure based on modelling rather than a definite figure.

Mr Hughes—That is correct.

Senator LUDLAM—The view that you gave us in February was an estimate or a guesstimate? There is no actual data as such. It is a computer model?

Mr Hughes—It is based on modelling, yes.

Senator LUDLAM—Can you describe for us, in as much detail as you can, what action your office has taken since February on this issue?

Mr Hughes—I have commissioned an independent review of the modelling that was previously carried out. I am expecting the results of that independent review sometime in June.

Senator LUDLAM—Just to recap on that, you have ordered a review of the model?

Mr Hughes—Yes. I have commissioned an independent company to conduct a review of the modelling.

Senator LUDLAM—Can you tell us who is doing that work for you?

Mr Hughes—It is a group called Aqua-Terra. They are based in Western Australia.

Senator LUDLAM—Is the cost of that consultancy reflected in the budget anywhere? Is that a significant outlay for your office?

Mr Hughes—It will be a figure of less than \$10,000.

Senator LUDLAM—So it is not a major piece of work. Are they going on site and drilling holes or are they just looking at the assumptions underlying the model?

Mr Hughes—No. They will be looking at the existing data.

Senator LUDLAM—The existing data does not really tell us a great deal or it did not as of February. Do you have any more or less data than you were able to provide to us in February as to the magnitude of the seepage that is coming out from under the dam?

Mr Hughes—No. We have had no additional data since then.

Senator LUDLAM—Is there a reason you have not sought additional sources of data?

Mr Hughes—I did not see any need to seek any additional data in any urgent fashion.

Senator LUDLAM—It seems, in a way, that there is a degree of ambiguity in that you are not really able to be clear, one way or another, as to how much of the water is coming out in the first place. That is based on computer modelling. What about the water quality? How confident are you of the kinds and orders of magnitude of contaminants that are coming out of the water?

Mr Hughes—The monitoring bores that are scattered around the tailings dam are regularly analysed by ERA and those results are reported. The Northern Territory mines department also undertakes check monitoring of water bores on the site.

Senator LUDLAM—At the February session you undertook to check the status of ERA's groundwater study and a number of other reports. Are you able to provide the committee with those reports tonight?

Mr Hughes—I do not recall undertaking to provide any reports.

Senator LUDLAM—No, not to provide them. I am asking you that now. In February, you undertook to check the status of the ERA's groundwater study. You said you would go back and review it for your own information. I am just wondering whether that occurred and whether you are able to provide us with that.

Mr Hughes—Yes. I had a further look at the reports and that is why I decided that the best approach was to have an independent review of the modelling that had been undertaken.

Senator LUDLAM—Was the model designed by the ERA or its parent company or was it by your office?

Mr Hughes—No. The modelling was undertaken by a number of groups, but not by our office. We do not have anybody with significant expertise in groundwater modelling.

Senator LUDLAM—Is that external consultancies or a different part of the government that has created that model for you?

Mr Hughes—No. The modelling was undertaken by ERA and by people who ERA commissioned to undertake the modelling.

Senator LUDLAM—What are we talking about? Are we talking about a bunch of linked spreadsheets? What does the modelling look like in this regard?

Mr Hughes—It is a combination of factors. There are a number of measurements that are factored into the model—transmissivities of the actual clays and things like that, transmissivities of the tailings themselves, pump down rates from bores immediately around the area, geological mapping, positions of faults, the geophysics that had been undertaken previously that indicated where the saline plumes were and that sort of thing. They are all built into the models.

Senator LUDLAM—It is not a purely theoretical model; you are actually feeding live groundwater data from the bores into it and the computer is telling you where it thinks the stuff is going?

Mr Hughes—Yes, that is right. Essentially, there are no bores in the middle of the tailings dam so you do not know what is going on under the tailings dam. That is the theoretical part of the model. Lateral dispersion is not so difficult to determine.

Senator LUDLAM—That is what I was going to ask you about next. Do you have any idea of the extent and volume of lateral seepage from the storage facility?

Mr Hughes—ERA has provided us with some contour maps of the distribution of saline waters around the edges of the tailings dam.

Senator LUDLAM—When you say ‘saline waters’, what are the principal contaminants that are coming out laterally?

Mr Hughes—The principal contaminant in the water is magnesium sulphate.

Senator LUDLAM—Is that originating in the process chemicals used in the plant or is that from the chemistry of the tailings? Where is that coming from?

Mr Hughes—The magnesium comes from the rocks itself. The sulphate largely comes from the sulphuric acid which is used in the process.

Senator LUDLAM—What about traces of uranium or the various daughter isotopes?

Mr Hughes—The radionuclides tend to attenuate fairly quickly in the rocks in groundwater. They do not travel very far.

Senator LUDLAM—Does that not depend on the volume of water and the scale of the pump that is pushing them out into the landscape, though?

Mr Hughes—I guess that would have an effect, yes.

Senator LUDLAM—I would have thought a fairly important effect. A small volume of water will attenuate fairly rapidly, but there would be hundreds of thousands, if not millions, of tonnes of water within the dam.

Mr Hughes—When we spoke in October you asked me about the amount of seepage from the tailings dam and I said it was probably tens of cubic metres a day. I was under the impression that you were probably talking about lateral dispersion. Those numbers are probably still correct. It is probably less than tens of cubic metres a day. The 100-odd cubic metres a day, which is the number that you provided me with last time, is probably the

theoretical value of what goes through the floor of the tailings dam and sits beneath the tailings dam. That is why I have said that there is not a large amount of concern about dispersion from the tailings dam, because most of it is just sitting under the tailings dam and that will be rehabilitated when ERA rehabilitates the tailings dam.

Senator LUDLAM—I would like to come to that in a moment. Can you tell us what advice has been sought by the Commonwealth government or other agencies on its behalf on this issue since the February estimates session and what advice OSS has provided? Who has drawn on your expertise since that discussion in February?

Mr Hughes—Are you talking about this particular issue?

Senator LUDLAM—Yes. I realise there are a number of other processes afoot relating to the expansions of the mine. I am just staying with this specifically for the time being.

Mr Hughes—I honestly do not recall having provided advice to any other organisations.

Senator LUDLAM—No, not other organisations. Did the environment minister seek your advice, for example?

Mr Hughes—We provided a briefing on the subject to the minister.

Senator LUDLAM—Was that requested or is that something that you would do as a normal part of your work?

Mr Hughes—I think it was something that we did as a normal part of our work.

Senator LUDLAM—Was it just one briefing?

Mr Hughes—I think it has been updated on more than one occasion.

Senator LUDLAM—Was there anybody else apart from the minister?

Mr Hughes—I do not believe so.

Senator LUDLAM—Are you not sure?

Mr Hughes—There was a discussion of the issue at the Alligator Rivers Region Advisory Committee and the Alligator Rivers Region Technical Committee.

Senator LUDLAM—That is all I am looking for. Was any specific advice sought by Northern Territory government agencies or offered by your office?

Mr Hughes—I have also spoken at mine site technical committee meetings, and as I said before at ARRAC and ARRTC. The Northern Territory government has a representative at each of those meetings and so they were aware of that. They did not seek any specific briefings on the issue, nor did I give them any specific briefings outside of those particular meetings.

Senator LUDLAM—But they were at that table. The advice that you have given to your minister was not sought or provided to the Northern Territory government?

Mr Hughes—No. We are not in the habit of providing briefs that we give to our minister to the Northern Territory.

Senator LUDLAM—Presumably you would have provided them with more detailed information if they had sought it to an appropriate degree?

Mr Hughes—The Northern Territory government's Department of Regional Development, Primary Industries, Fisheries and Resources is actually the regulator of the site. As such, it has access to all the reports that we have and can seek additional information from ERA the same as we can.

Senator LUDLAM—Can you tell us what plans there are for further monitoring at the tailings storage facility? Then we will move on to a different subject. Could you just describe for us the difference between the water-monitoring bores that you have and the statutory bores and the different reporting obligations that would come from each of those?

Mr Hughes—ERA have indicated that they plan to drill some additional monitoring bores in the vicinity of the tailings dam. We have not pushed them on the actual locations of those bores, pending the outcome of the review that I have commissioned from Aquaterra. One of the things that I said to Aquaterra was that I would like them to indicate any areas where they thought additional monitoring might be required as a result of the work that they undertake. With regard to statutory bores and non-statutory bores, ERA is obliged to provide statutory bore reporting in annual reports. It also provides some reporting of non-statutory bores in its water management system report.

Senator LUDLAM—But they are not actually obliged under any particular act; they are just providing that information.

Mr Hughes—That is right.

Senator LUDLAM—What is the number of non-statutory bores, compared with statutory bores on the site?

Mr Hughes—My understanding is that there are four statutory bores on the site. I could not tell you the number of non-statutory bores, but it would be more than 100.

Senator LUDLAM—As to that disparity, is there a reason that they are required to report the results at four bores whilst there are several hundred that they keep to themselves? Or do they share that with your office?

Mr Hughes—They provide information on request to the regulators or to ourselves.

Senator LUDLAM—Do you have an open door? If you want to see all of those records, can you request that?

Mr Hughes—We would be able to.

Senator LUDLAM—Is it something that you do?

Mr Hughes—We review their water management systems reports on an annual basis.

Senator LUDLAM—You will be aware that ERA put an EPBC referral to construct a heap leach plant and a new tailings dam at Ranger. That occurred since the session in February. That has been determined as a control action by the Commonwealth and is going to require an EIS. Presumably your office will be quite closely engaged in that process. Can you just tell us what implications that new proposal might have for either ERA's or your ability and capacity to monitor and address the existing seepage at the dam? Is it going to make your life more difficult?

Mr Hughes—I do not anticipate that it would make life any more difficult.

Senator LUDLAM—My understanding is that a new tailings dam is actually proposed to handle the waste from the heap leach plant.

Mr Hughes—Yes, it is part of that proposal.

Senator LUDLAM—Will that new dam impact on any of the water-monitoring sites that ERA currently reports on?

Mr Hughes—The exact location of the dam in the referral was given as ‘requiring further work’ to actually work out where to put it, but there is an indicative location given in the referral as being situated to the south of the existing dam. There is not a great deal of seepage evident in bores to the south of the existing dam.

Senator LUDLAM—The dam would potentially flatten some of the bores, though. Would you have to relocate them?

Mr Hughes—Yes.

Senator LUDLAM—Is the new dam on the same sort of scale, of the same order as the one that we are discussing tonight?

Mr Hughes—Yes, in the referral it appears to be a similar size.

Senator LUDLAM—Is that new dam going to change groundwater movements or seepage patterns? Are we going to have two plumes instead of one?

Mr Hughes—Again, I would like to see more fully developed plans for that tailings facility.

Senator LUDLAM—Having not seen the referral documents myself, does ERA propose to line this tailings dam or is it a similar sort of proposal to what is leaking at the moment?

Mr Hughes—Again, it is only indicative that there is going to be a residue storage facility, which indicatively was located to the south of the existing dam and was about the same size.

Senator LUDLAM—Is it indicatively lined or indicatively not?

Mr Hughes—It is not mentioned as being lined.

Senator LUDLAM—That probably tells us something. Is a new dam going to complicate the signature of existing dam seepage? You told us in February and you have intimated again tonight that it is difficult to tell the source of any given atom—whether it is coming as run-off, surface seepage or groundwater seepage—and now we are putting another large dam in the middle of that complex situation. Is that going to make tracking the plumes that already exist harder?

Mr Early—I think we are getting into the realms of the hypothetical at this stage. As you know, this is a controlled action. It all goes through a very rigorous environmental assessment process, which will actually tease out some of these issues. It is a bit premature to be answering them at this stage.

Senator LUDLAM—I am not looking for detailed data that does not exist yet. I point out to you that the first dam went through a rigorous environmental process and it is leaking 100,000 litres of water a day. Is contemplating a second dam of the same sort of order anything that your office has given any time or attention to?

Mr Early—The referral has been put in under the EPBC Act and there is a limited amount of information contained in that referral. It will now go through an assessment process which will provide an enormous amount of material, which will then be assessed. The supervising scientists will play a key role in advising on that. But at this stage it is really a little bit premature to be making comments on the basis of what is a reasonably short referral document from the company.

Senator LUDLAM—Will your office play a role in seeking or requesting specific information from the company once you have seen the document?

Mr Early—We have to agree what the guidelines are for the assessment. That is all to come.

Senator LUDLAM—Is that a yes? If you see the referral documents are deficient in any particular regard, can you request more information?

Mr Early—The referral documents by their very nature are deficient in terms of making a final decision—

Senator LUDLAM—They are a sketch.

Mr Early—Yes. The referral documentation is sufficient to enable the minister to make a decision. Whether or not approval is required, that decision has been made and we now move on to the next stage, where we receive the detailed information, which goes through detailed analysis.

Senator LUDLAM—To finish up with Ranger, in February you agreed that ERA acknowledged that the only way to remediate a contaminated plume of this kind is to pump the water out and cover the contaminants. Is that still your understanding?

Mr Hughes—Yes.

Senator LUDLAM—I guess that is opposed to the removal of the dam or the burial of the material back in the pit. Can you describe for us what it would look like, what the total volume of water is and how you remediate a plume on that scale that will have been there for 20 years or so leaking 100,000 litres a day or whatever the volume might be?

Mr Hughes—At the moment ERA are constructing a process water treatment plant, which is to clean up process water to a state which will be fit for release to the environment.

Senator LUDLAM—What happens to the contaminants? Are they removed? What becomes of them?

Mr Hughes—They are transferred to the pit.

Senator LUDLAM—There was a public statement by ERA on 13 March that the seepage issue is ‘well monitored and well understood by us and the regulators’—I presume you would agree with that—and that ERA have ‘a comprehensive rehab plan to remedy any effects on the surrounding area’. Can you tell us what that plan entails, and would you provide the committee with a copy of the rehabilitation plan? To what degree are those documents in the public domain?

Mr Hughes—The annual plan of rehabilitation is a document that is provided to the Department of Resources, Energy and Tourism. The resources minister is the minister with

responsibility for the Atomic Energy Act. Ranger sit on the Ranger project area, which is created by an authority under the Atomic Energy Act, so they are the people who look after that aspect of the program. We read the plan, but the plan belongs to RET.

Senator LUDLAM—Is your role more operational rather than end of mine life? Are you looking after the impacts in the here and now rather than what might happen in 10 years?

Mr Hughes—No, we will be contributing to the rehabilitation work at the end of mine life.

Senator LUDLAM—Are you confident that the company has put down enough of a bond to coordinate and pay for a clean-up of this sort of scale?

Mr Hughes—The plan is costed on an annual basis—

Senator LUDLAM—Is a proportion of royalties being put aside and being put into a separate account?

Mr Hughes—Each year ERA reviews the plan and resubmits the plan with revised costings. The plan of the work that is being undertaken or is suggested is going to be undertaken is reviewed by the regulator, ourselves and the Northern Land Council, who comment on that plan. The plan then goes to the Department of Resources, Energy and Tourism, who pass the plan on then to an independent quantity surveyor who actually costs the plan out. Then officers of the Department of Resources, Energy and Tourism talk to ERA about the final figure for the bond each year. It is a fairly rigorous process.

Senator LUDLAM—You might direct me to a different agency if this is not something that would be your responsibility. There was just over \$8.3 million over four years out to 2012-13 in the portfolio budget statements to implement comprehensive environmental monitoring and maintenance, including repair, where necessary, at the former Commonwealth Rum Jungle uranium site in the Northern Territory—I know your remit extends further than just the Ranger mine. Is your office involved at all in that work, which I understand is ongoing?

Mr Hughes—The resources, energy and tourism minister—because this is part of his portfolio—has written to our minister asking if our minister would support us being involved in the technical working group that will be providing input into that rehabilitation process.

Senator LUDLAM—Have you responded yet? You have been invited to participate.

Mr Hughes—We have actually been assisting the Department of Resources, Energy and Tourism with their work on that and they are working with the NT government on it.

Senator LUDLAM—You will have a role in that clean-up work?

Mr Hughes—I assume we will, yes.

Senator LUDLAM—Did that work begin under Howard government budgets of a couple of years ago or is that a brand new announcement?

Mr Hughes—No, this is a brand new announcement. There was a previous rehabilitation program run on the site in the early 1980s.

Senator LUDLAM—But obviously that was not successful. We still have fairly serious contamination at that site. I guess your office would have unique expertise in this regard.

Would you expect by October that there would be a firm commitment one way or another for your office's participation? If it is still a bit up in the air now, I am just wondering whether we could just put you on notice at this point that it would be interesting to come back at the next estimates session to provide us, if you are able to, with a bit more information about what that cleanup will look like and what sort of involvement your office would have.

Mr Hughes—Yes, we will know what our involvement will be. But this is probably a question that is best put to resources, energy and tourism, I would think.

Senator LUDLAM—The NT—

Mr Hughes—No, the Commonwealth.

Senator LUDLAM—I will return to that subject in October when we see you again.

CHAIR—I would like to welcome Senator Chris Back from Western Australia for his first estimates outing at our committee. Welcome.

Senator ABETZ—Can I tell you that he has done a sterling job at another estimates that I have been involved in. Welcome and thank you. Does the Supervising Scientist Division have about 50 employees?

Mr Hughes—That is correct.

Senator ABETZ—What is the main task of your division?

Mr Hughes—We have, I think, 57 employees. That equates to 49-point-something full-time equivalents.

Senator ABETZ—Thank you for that accuracy; I appreciate that. Not much rides on it. I was just trying to get a feel for the division. What do these 49 full-time equivalents do with their lives?

Mr Hughes—We have two branches. One branch is the Office of the Supervising Scientist. That branch has responsibility for the supervising part of the supervising scientists. It is the branch which interacts with the mining company, with the NT government regulators and does mine site inspections and so on.

Senator ABETZ—You say with 'the' mining company, so these are people specifically tasked with the Ranger mine?

Mr Hughes—Sorry, in the Alligator Rivers region there is one active mine, which is Ranger. There is one mine in long-term care and maintenance, which is Jabiluka. They are both owned by the same company. There is one other rehabilitation site these days which is Nabarlek. Nabarlek is owned by another group. So I probably should have said 'companies'.

Senator ABETZ—Is 80 per cent of your time spent on the Ranger mine? Of these 49 full-time equivalents, what sort of percentage of their time in rough terms—

Mr Hughes—The Office of the Supervising Scientist branch would be almost all attributable to Ranger with the exception of a few days a year to do with Nabarlek and other areas. The other branch that we have is a research branch. The research branch is looking more broadly, so a lot of their work is outside the actual mine site area undertaking research

into environmental protection type issues and potential impact issues from not only uranium but other things.

Senator ABETZ—How many are in the research branch?

Mr Hughes—Of the order of 30-something.

Senator ABETZ—Are they separate from the 49?

Mr Hughes—No.

Senator ABETZ—That is part of the 49?

Mr Hughes—That is part of the 49.

Senator ABETZ—Out of the 49, how many would you say would devote most of their working time to Ranger?

Mr Hughes—To looking at Ranger related issues?

Senator ABETZ—Yes.

Mr Hughes—Probably three-quarters.

Senator ABETZ—All right, I will do the maths in the morning. You were saying three-quarters of the 49 were related to Ranger.

Mr Hughes—Who probably work on Ranger related issues. All staff probably work on Ranger related issues at one time or another through the year.

Senator ABETZ—Are there any other government bodies that have oversight over Ranger?

Mr Hughes—As I mentioned before, the resources, energy and tourism minister is responsible for the Atomic Energy Act and also the Customs Act, so that minister looks after the—

Senator ABETZ—But in relation to the environmental issues.

Mr Hughes—In relation to the environmental issues, it is essentially ourselves. There are environmental requirements for Ranger which are stipulated under section 41 RET authority, but mostly we look after those issues on behalf of RET.

Senator ABETZ—Are you aware of any other mine of this nature in Australia, or indeed anywhere else in the world, that has this level of scrutiny?

Mr Hughes—No.

Senator ABETZ—This would have to be one of the most scrutinised mines in the world.

Mr Hughes—I think that would be fair to say.

Senator ABETZ—Let us move on to this issue of the seepage plume beneath the tailing dam. If you have already answered this to Senator Ludlam, advise me please, because I did walk in late. What is currently understood about the nature of this plume and its extension, or is that where you are getting the independent consultant's report? That is when I walked in, when you were having a discussion in relation to an independent consultant.

Mr Hughes—The plume has been mapped in the past by electrical geophysical techniques which show where it is. If you are relying on water bores to show where plumes are, you would have to drill millions of bores. It is very convenient that these saline fluids show up through geophysical methods so we can undertake surveys which show where the plumes actually are. For the most part the plumes are restricted to the immediate area of the tailings dam and there is a slight extension out to the north of a few hundred metres. The plume attenuates as you go out.

Senator ABETZ—As I understand it there has been a range of estimates as to the quantity of liquid that is seeping from the tailings storage facility. Is there a wide range of estimates or do we have one accurate statement as to how much is leaking?

Mr Hughes—This is something that was discussed earlier. The higher number estimates that have been kicked around are based on modelling results, so they are mathematical predictions in some respects. The actual amount that is seeping laterally from the tailings dam is a much smaller amount than the numbers that have been estimated for the total seepage out of the tailings dam. We will know more about that when we get our consultants report.

Senator ABETZ—If we take what I understand to be one of the higher figures, namely 100 cubic metres per day, is this the tailings flowing into Kakadu National Park—as some groups are trying to assert is fact about what is happening on the ground—or can it be characterised in a different way?

Mr Hughes—No, there is no evidence of any tailings going into Kakadu National Park and I think there would absolutely be an uproar if there were. Most of the 100,000 litres is, as I said before, an estimate based on modelling and, if it exists, it sits underneath the tailings dam. We know that it is not fugitive.

Senator ABETZ—As you were saying, then, this seepage is actually seepage underground and not impacting above the ground level; is that correct?

Mr Hughes—That is correct.

Senator ABETZ—What is the nature of this liquid that we are talking about?

Mr Hughes—It is a salty water.

Senator ABETZ—How radioactive is it?

Mr Hughes—It would contain some parts per million of uranium. I could not tell you the exact number.

Senator ABETZ—Excuse my ignorance in this area, but what is a safe level?

Mr Hughes—That depends on what you are going to do with it.

Senator ABETZ—To be around or to live next to, for example.

Mr Hughes—Uranium 238 is not particularly radioactive. It mostly emits alpha particles which are absorbed by a short distance of air or piece of paper.

Senator ABETZ—Would, for example, animals on the surface that might be bouncing around the tailings dam be adversely affected from any emission from the top of the tailings dam?

Mr Hughes—Not from any radioactive emission.

Senator ABETZ—The actual liquid, which is seeping underground anyway, to your knowledge is not causing any difficulties or danger to human or indeed animal life?

Mr Hughes—No.

Senator ABETZ—I do not know if it is within your role but do you liaise with the local Aboriginal community about the health and environmental issues associated with the tailings dam?

Mr Hughes—Yes, we did.

Senator ABETZ—Have they been kept fully informed by yourself or your organisation?

Mr Hughes—We have a regular contact with Aboriginal people from the local community.

Senator ABETZ—Have they expressed any concern about the information that you have been providing to them?

Mr Hughes—Not that I am aware of.

Senator LUDLAM—As to the consultants' report that you have commissioned, will that be a public document after it has been produced?

Mr Hughes—One of the reasons that I asked for the document is so that I can share the outcomes with—

Senator LUDLAM—With people?

Mr Hughes—With people who are interested, yes.

Senator LUDLAM—Such as senators at an estimates committee?

Mr Hughes—Correct.

Senator BIRMINGHAM—I am delighted to see so much interest in your attendance tonight. It is amazing how things change in the space of a year. Given your agency's expertise in management of these issues around uranium mining close to Indigenous communities, are you asked to provide advice or information on developments in other areas?

Mr Hughes—I am not sure about the question, sorry.

Senator BIRMINGHAM—Given the natural expertise of your office and agency in the management of uranium mining in an area with strong Indigenous communities, are you ever asked by government to provide information or advice for the consideration of similar proposals in other regions or at other sites?

Mr Hughes—The department administers the EPBC Act and from time to time the Approvals and Wildlife Division, which has carriage of the approvals process under the EPBC Act, ask us for input on those areas in which they believe that we might have expertise. Likewise, resources, energy and tourism from time to time will ask us for input or advice on areas where they believe we might have expertise.

Ms Kruk—Yes, certainly our expertise is used by the agency.

Senator BIRMINGHAM—Have you been asked to provide any advice or information with regard to proposals for uranium mining in Queensland?

Mr Hughes—No.

Senator BIRMINGHAM—Obviously it is a significant debate in Queensland and Senator Macdonald has asked me to draw to your attention in his absence comments from Indigenous leaders in Queensland encouraging the adoption of uranium mining around the sites of the Century mine north of Mount Isa, where Indigenous employment prospects are threatened due to the potential closure of zinc mines there. Are you aware of any of those comments or debates?

Mr Hughes—No, I am not.

CHAIR—Thank you, Mr Hughes, for travelling to Canberra and for appearing before the committee. We appreciate it.

Proceedings suspended from 8.50 pm to 9.09 pm

CHAIR—I now call Mr Cochrane, the Director of National Parks to the table, and welcome. Senator Siewert has questions.

Senator SIEWERT—Guess what I want to talk about? Christmas Island. Firstly, I ask where we are up to with the reassessment of the mining proposal.

Mr Cochrane—That is a question for the Approvals and Wildlife Division because it is an approval process, and I am not directly engaged in that.

Senator SIEWERT—But that does not let you off the hook because I have lots of other Christmas Island questions. Are you able to give us an update on the rehabilitation? It is some time since I have asked where the rehabilitation is up to, so I would appreciate an update.

Mr Cochrane—I can do that. This year we have planted a further 18 hectares of brand new plantings and 23 hectares of secondary plantings—that is replanting.

Senator SIEWERT—How many this year, 23?

Mr Cochrane—Yes. Secondary plantings are where we go back after a couple of years when the pioneer species have got to sufficient size and we plant a range of other species which need the shade to keep going. In total that is another 41 hectares all up.

Senator SIEWERT—Forty-one hectares all up and what percentage is that?

Mr Cochrane—What percentage of the task ahead?

Senator SIEWERT—Yes.

Mr Cochrane—The task ahead is a matter of judgement because we think a total of a couple of thousand hectares should be rehabilitated. However, there is not enough soil on the island to do that. We are much more likely to be able to rehabilitate perhaps up to 1,000 hectares, but it is dependent on the availability of soil, and that is where it intersects with what the mine does.

Senator SIEWERT—You probably can do 1,000 or is that how much you need to do? I misunderstood what you meant there.

Mr Cochrane—I would like to take that on notice, so I can give you a precise answer of what we would like to see as the target.

Senator SIEWERT—That would be appreciated.

Mr Cochrane—Again it is a matter of judgement. We know precisely the areas within the park boundaries, not within the park but surrounded by the park, and there are a number of areas adjacent to the park. The judgement thereafter becomes what would be desirable to rehabilitate adjacent to the park or that has high conservation value. That is a question of available soil and of available resources, because, as you know, the rehabilitation work is funded out of the conservation levy paid by the mine. So in that sense we are also dependent on the mine activity.

Senator SIEWERT—If you could take it on notice to give us a more precise figure, that would be appreciated. Where are you up to in the monitoring with the rehabilitation? There were some issues I understand about the effectiveness, what species you are able to get back, et cetera. Where are you up to with that?

Mr Cochrane—I would have to say I am very happy with our progress. There were some issues a few years ago when we commissioned a number of reviews.

Senator SIEWERT—That is the matter to which I am referring.

Mr Cochrane—We have adopted the recommendations in those reviews. I was out there about a month ago and we inspected a range of the classes and I have to say they look very impressive.

Senator SIEWERT—So you have got over the problems that were identified previously?

Mr Cochrane—Yes.

Senator SIEWERT—Forty-one hectares have been planted over the last two years?

Mr Cochrane—No, that was planted in this financial year.

Senator SIEWERT—Forty-one hectares were planted this financial year?

Mr Cochrane—Yes.

Senator SIEWERT—So what is the amount that is now—

Mr Cochrane—In total?

Senator SIEWERT—Yes.

Mr Cochrane—That is a good question. In the last nearly 10 years we have planted 143 hectares. We tend to average something of the order of 20 hectares a year, which is about what we can manage. We have done well this year although, as I said, that included 18 hectares of new planting and 23 hectares was going back into plantings that are usually a couple of years old to add in new species. We tend to do about 20 to 22 hectares a year.

Senator SIEWERT—Although you have done 143 hectares over 10 years—going back to the issue that I raised before in terms of the quality—do you consider that good quality rehabilitation?

Mr Cochrane—We think 118 hectares of that are high quality and ones that we are still actively managing for weed control, fertilising and track maintenance. As you have pointed out, we have progressively improved what we do; our techniques have improved and our outcomes have improved.

Senator SIEWERT—Thank you. I want to move on to the biodiversity monitoring report, which I thank you very much for supplying in response to my question at last estimates. However, it makes pretty depressing reading in terms of the species. We already know the pipistrelle bat is not doing very well, and I want to come back to that in a minute. But the conclusions about the Christmas Island flying fox and the reptiles make pretty sobering reading in terms of what threats the island is facing. What has the department done in response to this report? What are your plans to deal with it? It looks like there are some pretty dire consequences for quite a number of species if something is not done.

Mr Cochrane—There are. Regrettably, a number of the issues related to the current condition of the island are long-running issues. As you would be aware, the island has experienced a wave of new species, exotic species, which have caused, and are causing, a number of species to decline in numbers. The yellow crazy ant, as you know, has been our primary focus for attention for the last nearly 10 years. The report points out a range of other species, though, that are now in sufficient numbers to be of concern—things like the Asian wolf snake, giant centipede, giant African snail and other ant species such as the big-headed ant. All of these things have hypothesised and probably do have an impact on the island's fauna. Regrettably this is the experience of island ecosystems around the world. I understand that of the nearly 800 species in the last 400 years that have been declared extinct, about half of them were island dwellers, and something like 90 per cent of the birds that have become extinct in that period were island dwellers. Islands are particularly vulnerable for a variety of reasons, both their intrinsic resilience to invasive species and the fact that with human visitation and habitation, new species come in that they are not very resistant to. We have got some reasonable documentation of that at Christmas Island which you have now read.

Senator SIEWERT—I must admit I have not read it cover to cover in the last 24 hours but I have read it in enough detail.

Mr Cochrane—You are right, it does not make you feel particularly optimistic because of the array of threats and the long history of a number of those declines. If you get into the detail of the text, you will notice that a number of our significant species there have been declining over many decades.

Senator SIEWERT—I have picked that up, yes.

Mr Cochrane—Some of them correlate with the yellow crazy ant infestations but a number of them do not. We are still no clearer as to what causes some of our species declines. That is certainly the case with the pipistrelle. Despite 10 years worth of work on a detailed recovery plan for the species, and despite us implementing the actions and measures set out in the recovery plan, it has continued to decline over that period. The ecosystems on the island are clearly in some trouble and it needs a much more comprehensive approach to deal with those issues than we have managed.

Senator SIEWERT—This may be a silly question, but do you have sufficient resources to do a more comprehensive approach? It seems to me that you need more resources if you are going to deal with what basically are recovery plans for multiple species.

Mr Cochrane—I am sure I have said this before but I doubt there is a park manager or park agency in the world that thinks they have enough resources to deal with all the issues

they face. Having made that general comment, I think what the biodiversity monitoring program has shown us is that we do not understand the system well enough to be clear about the things we can do that will have the greatest effect. Whilst I am a little hesitant to say this, some more research into understanding how the system works would be of enormous assistance. You would also be aware that the minister has asked for advice from the Threatened Species Scientific Committee, and they formed an expert working group which went out to the island a month or so ago. I can say, having talked with the head of that, that they believe the island system is really quite a complicated set of interlocking factors of which we understand some bits and not others. They certainly have a view that we need to understand that system a lot better before we can manage it better. It needs to be managed as a system rather than as component parts. If we have failed so far in what we have done it is because we have focused on a small number of issues like yellow crazy ants and not dealt with the system as a whole. More science is part of that answer because there are some risks that if we pursue just particular measures that anyone might recommend to us in isolation.

Senator SIEWERT—When do you expect the expert working group to formally report?

Mr Cochrane—They have provided us an interim report, which we provided to the minister last week. It is a provisional report. They have a number of issues on which they are working themselves, they have asked us to follow up on some issues and they are still looking at some of the international literature. That was going to delay a final report from their work and therefore they wanted to provide an interim report. The minister intends to release that very shortly.

Senator SIEWERT—You have pre-empted my next question. He is intending to release the interim report?

Mr Cochrane—Yes.

Senator SIEWERT—Excellent. How soon is ‘very shortly’?

Mr Cochrane—That depends on some additional scientific information, which is perhaps no more than a week away, which would have quite a significant bearing on their interim recommendation. I cannot speak for him in this sense because it is his decision but I suspect he will probably wait for up to a week to get that information. It may be two weeks. It really depends on the capacity of the scientists involved to complete some tasks.

Senator SIEWERT—Maybe highly likely by the end of June?

Mr Cochrane—I would feel very confident it would be well before the end of June.

Senator SCULLION—With regard to feral things, the largest threat—and everything is relative; they are all pretty horrid—is the yellow crazy ant. I understand that the previous government made an investment in trying to find out some more about the poison so it did not have this particular effect on some of the species we are trying to protect. Can you tell us exactly where you are up to with that.

Mr Cochrane—Yes. The most promising approach is to find a biological solution to this as a sustainable one rather than continuing to try to poison the ants.

Senator SCULLION—It is like trying to find a cure for all known diseases.

Mr Cochrane—A little bit.

Senator SCULLION—It would be a great answer if could do that.

Mr Cochrane—There has been a considerable amount of scientific work done on the island on both the biology and the ecology of the yellow crazy ant and their impacts. They seem to depend on a scale insect that lives in the canopies of the rainforest trees. The current hypothesis is to break the dependence on that scale. The scale is an exotic species. There is a project, funded by the money of which you spoke, based at Latrobe University to work on that scale and find a biological control measure for it. There are equivalent exercises that have been undertaken—

Senator SCULLION—So the work is to establish—

Mr Cochrane—To find a biological control for the scale insect, to break the yellow crazy ants' dependence on that food. The hypothesis is that that will severely disrupt their capacity to grow rapidly and expand the way they do.

Senator SCULLION—Is there a narcotic dependency?

Mr Cochrane—No, it is food. Scale insects produce honeydew, which the ants farm and they defend those scale insects from other predators. As you would probably know, the yellow crazy ants are fairly determined and ferocious and can sting quite effectively. They defend those scale insects. Getting rid of the scale is the key to seriously dropping the ant numbers. Contracts have been signed and that work is underway at Latrobe University.

Senator SCULLION—With regard to controls, I know we have some concerns about the bait that previously was being used and I acknowledge that the biological control is a wonderful thing if we can achieve it. I have had some anecdotal reports, and you can comment on whether or not you accept them. They say that it is not really that we have lost control but that in the interim, while we have been considering all those things, particularly in the areas where we found them hard to control in the first instance—we actually had the helicopter do the aerial baiting and those sort of things to knock them down—the numbers are having a significant impact; it is about the numbers. What consideration are you giving to going through that program again? We know that it had an unintended consequence, but that was not complete. Will there be some consideration given to doing that program again and taking into consideration the numbers of incidental mortalities as an interim event, given the uncertain time frame of the other answer?

Mr Cochrane—You are absolutely correct; the helicopter baiting we undertook about seven years ago was extremely effective and we had a major knockdown. But, since then, they have continued to re-establish, reinvade and expand because we did not get rid of all of them. Complete eradication on an island like Christmas Island would be very optimistic. They are still at levels about 20 per cent of what they were before we aerial bated. However, the areas of infestation continue to grow faster than we can bait them by hand. We are in the process of letting a contract and referring a second helicopter aerial baiting program for this year. It needs to be referred under the EPBC Act, but we are in the process of securing the services, purchasing the bait et cetera. While we are on baiting, over this time we have also trialled four alternative baits on the island, including some that are extremely effective in other parts. For example, one is very effective on fire ants in Queensland but it seems to have

no effect on yellow crazy ants on Christmas Island. We do continue to pursue alternatives. We do continue to hand bait and we are proposing to aerial bait again. We are currently doing a biennial survey of the entire island so that we have precise coordinates of those infestations and can direct the helicopter baiting precisely to those infestations.

Senator SCULLION—I have a general question about the feral issues. We have a list of the most noxious, and we know about the consequences. I think, as you say, you can only get rid of something if you make that commitment. For example, the only reason mimosa has gone in Kakadu, or we know where it all lives, is because we actually made a commitment. The board said, ‘We are going to get rid of it; we are not going to manage it.’ Have you put forward any submission to government—this one or the past one—that deals with the extent of dollars that may be required to make that commitment? Excluding the ant, there does seem to be at least some scientific direction. We know how we go about it; it is just an amount of money. For example, how often would you put in a submission that says, ‘This is what it is going to cost to fix the island’?

Mr Cochrane—I do not think we are in a position yet in terms of our understanding of what it would cost to fix the island. Ants are quite difficult to control. A particular problem on Christmas Island is the very rugged topography, particularly around the perimeter of the island making it physically difficult to get to. The other thing that we need to be very mindful of is when we bait with the baits that we use, there are potential non-target impacts, in particular robber crabs. So before we bait we have to actually go in and divert them to somewhere else so that we can bait the ants but keep the robber crabs out because they will take the bait and be adversely affected. We cannot blitz the island; we have to do it bit by bit, carefully. Given the topography of the island, that is extraordinarily difficult. At this stage, with the technology and the means we have at our disposal, eradication I do not think is an option. It remains a hope of ours that we will find a way that that is possible, but I actually do not think we have the science and the tools yet to do that. The examples you have provided are more to do with eradicating things like cats and rats from islands. New Zealand has got some extraordinarily good examples of doing that. That is the same program that is embarked upon at Macquarie Island.

Senator SCULLION—We have a few of those on the island as well.

Mr Cochrane—We do and they are a problem as well. They will be extraordinarily difficult to get rid of for exactly the same reasons, because of the topography of the island.

Senator SCULLION—Notwithstanding what you have told me about the crazy ants, are you anticipating any submissions that will help deal with the rats and the cats, those that impact particularly on those species that we know are iconic both in terms of tourism and the biodiversity?

Mr Cochrane—Certainly black rats and cats have been identified as major problems for us. The biodiversity monitoring program report identifies cats as probably a major problem for the Christmas Island frigate bird nesting near the settlement. We have been running a cat control program together with the council for quite some time, but it does depend on the voluntary support of the community. Generally speaking, that is there but again cat control is a matter of long-term, concerted effort and everyone having to be on board with it.

Senator SIEWERT—I just want to finish off on the bats and basically get an update on where we are from our previous conversation on the captive breeding.

Mr Cochrane—I think it is fair to say we are poised for action depending on just these last bits of scientific advice and the minister's releasing this report and making a decision on exactly which way we go. If you recall, there were real concerns from the authors of the report that proposed captive breeding that they were difficult to capture and there were some concerns about captive breeding of them. One of the interim measures that was put in place was a trial project—

Senator SIEWERT—You were going to do a mainland one?

Mr Cochrane—in the Northern Territory. I have to say that has not been particularly encouraging. To date there have been 18 trap nights around Darwin, with usually two or more people. In that time, they have caught two pipistrelle bats and this is a very common bat in Darwin, and one of those died. We have one in captivity which continues to survive but it is being hand fed. That experience has been a bit salutary in the problems that we will face on Christmas Island in a very substantially more difficult environment. Dr Lumsden's report identifies that the animals on the island are very trap shy, wary of nets and have learned to avoid nets. In fact, they seem to have been able to sense and avoid spider webs because that is quite a feature in the forest environment. Capturing them and then looking after them is something we need to be able to be sure we are going to get right because one thing we do not want to do is try, fail and watch them die on our hands. One positive out of the Northern Territory trial is that they have compiled the lessons they learned into a manual for us in terms of the husbandry. We are gearing up to using those lessons on the island, but we are not quite ready there yet.

Senator SIEWERT—When you refer to the release of the report, you are talking about the interim report?

Mr Cochrane—The interim report. The final report will certainly be released as well when it is finalised.

Senator SIEWERT—That is going to look at possible options for the bat?

Mr Cochrane—I cannot foreshadow what it is going to say; you might have to wait for a week or two. It does deal with the bat but not only the bat. In fact, as I said in my earlier comments, they stress that we really need to move to a management model that looks at the ecosystem as a whole.

Senator SIEWERT—I absolutely appreciate that. The point with the bat, however, is that it is, as I understand it, getting to the point where its extinction may be imminent.

Mr Cochrane—That is correct, as far as we know. They are still recording bats on the island as recently as a couple of weeks ago, but they are proving to be quite elusive and moving around as well. Where we had a roost tree where it was thought the last bats were, they have moved and are now somewhere else but are still being heard. We clearly lack a good enough understanding of what they are doing to really launch an effective capture exercise right at the moment.

Senator SIEWERT—I am not necessarily advocating that. The concern is obviously while we are thinking about it, there is a real chance that we are going to lose them.

Mr Cochrane—I would have to say there are a couple of other species on the island that are in fairly similar situations.

Senator SIEWERT—That is why I touched on before that the report makes pretty gloomy reading in the number of species that look to be in a very similar position.

Mr Cochrane—We are planning action to deal with those as well. Again, if we are going to be successful in the long term, we will need to deal with issues in a much more comprehensive and thoughtful way than just responding to individual species issues, unfortunately.

Senator SIEWERT—I am getting the look. I have got one more question. The report is coming out hopefully by the end of June.

Mr Cochrane—Yes.

Senator SIEWERT—I have already touched on the resources question, but you are going to need to implement any recommendations in that report immediately; you cannot wait for another 12 months to get resources.

Mr Cochrane—That is correct, yes.

Senator SIEWERT—Have you got recourses to be able to at least start implementing any recovery plan?

Mr Cochrane—Given the significance of this, I have already started measures to reallocate resources, at least in the first instance, so that we are not short of the capacity to start immediately. This is a very high priority, clearly.

CHAIR—Thank you. Senator Back, do you have national parks questions?

Senator BACK—Thank you. Are you aware of the proposal to refer to the minister's Threatened Species Scientific Committee the question relating to fire mitigation and prescribed burning commencing in the north of Australia? Are you familiar with the project that I am speaking of?

Mr Cochrane—Only in very general terms. It is not something we have been associated with. As you may be aware, in the north of Australia, at least on the mainland, we directly manage only one park—that is, Kakadu.

CHAIR—Senator Back, is this question more for Ms Kruk?

Senator BACK—Yes.

Ms Kruk—It may be one that Gerard Early can answer as an EPBC matter, if Mr Cochrane is not familiar with the particular project.

Mr Cochrane—It is not a responsibility of mine.

CHAIR—It would be program 1.2. We will move to 1.2 when we get there. Are there any further National Parks questions?

Senator TROETH—In answers recently provided from the last estimates, we learnt that the Director of National Parks paid \$1,260 for a helicopter flight over Kakadu for the East Timor President, Ramos Horta. What was the purpose of that flight?

Mr Cochrane—We did. He was on an official visit to Australia, as I understand it, and paid a visit to the park. He was very interested in how the park was managed, so I approved us using some of our already contracted helicopter time to show him the extent of the park. He had an opportunity to meet with park staff and one of my deputies in Darwin. It contributed to building relationships with East Timor and gave him an appreciation of the sorts of management issues that we face with a large park that is managed in close conjunction with its traditional owners.

Senator TROETH—You were the one who authorised it.

Mr Cochrane—I authorised it, yes.

Senator TROETH—Have any other dignitaries been provided with helicopter flights over Kakadu over the past year?

Mr Cochrane—Not to my knowledge, but can I take that on notice?

Senator TROETH—Yes, please.

Mr Cochrane—That is the only one I have authorised.

Senator TROETH—Thank you.

Senator BIRMINGHAM—Could you also take on notice any similar types of special treatment or experience in other national parks?

Mr Cochrane—Sure.

Senator BIRMINGHAM—Thank you.

Senator TROETH—Also, in answer to question No. 207 from the last estimates on consultancies by the Director of National Parks, we were told that a consultancy costing \$11,890 was provided to a company known as Enmark Pty Ltd for:

Assistance and advice in regard to the business case for additional funding for the Director ...

Could you please elaborate on that?

Mr Cochrane—Enmark are a business consulting company based in Brisbane. They have done in the past a bit of work for us. Their expertise is in understanding the visitor markets that we have and revenue opportunities for us. Before I answer your specific question, a very good example is they helped us review and revise entry and camping fees at Booderee National Park to look at a more systematic and comprehensive way of dealing with revenue raising from visitors. This particular exercise was looking a little bit more generally at revenue opportunities for us. In terms of the business case that we developed for the last budget, which is what this referred to, I wanted to have some good private sector advice on what opportunities were available to us to raise funds, in particular from visitors, largely through entry fees and camping.

Senator TROETH—Was the additional funding for you, the director, or for the agency?

Mr Cochrane—It was not additional funding. That was funding that I approved for that project.

Senator TROETH—For that particular purpose?

Mr Cochrane—Yes. It was not additional funding. It was from within my budget.

Senator TROETH—You have already given me some indication of this, but why were private companies being called in to build the case for that funding?

Mr Cochrane—Enmark have quite a long history of doing similar types of exercises. In our case, they have a history of providing good analyses of visitor use patterns and the market segments that are involved, as well as identifying how we might, for example, even out revenue streams over a year, rather than dealing with, say, pulse matters. Also, they have helped us think about how we might build visitation in, say, shoulder and off-peak periods. Their understanding of those markets has helped us. It is not expertise we hold ourselves, and it is expertise that we really need to draw on from time to time, so it makes sense to seek out expert providers of that assistance.

Senator TROETH—Do you consider that they have been successful in what they set out to do?

Mr Cochrane—They gave us very useful advice, yes.

Senator TROETH—The answer to the question says, ‘the business case for additional funding’; however, you are telling me that was not additional funding but was what you already had.

Mr Cochrane—Sorry—the \$11,890 was funding we already had. The business case was the business case that we eventually developed and put to the government for additional funds in this budget.

Senator TROETH—To accomplish your objectives?

Mr Cochrane—To seek additional funding.

Senator TROETH—Did you get additional funding?

Mr Cochrane—We did.

Senator TROETH—How much?

Ms Kruk—It was very successful. We should get you the name of that consultant!

Senator TROETH—I have already noted it, Ms Kruk. How much additional funding was gained?

Mr Cochrane—Over the next four years it is \$33 million in total.

Senator TROETH—That was very successful, wasn't it?

Mr Cochrane—It was.

Senator TROETH—Do you plan to use that sort of strategy in future?

Mr Cochrane—Yes, where we see a need to be cleverer about revenue raising and looking for new opportunities. I believe a diversity of funding sources for our operations is very sensible. I do not think it is appropriate that we rely on government funding fully.

Senator TROETH—So you did not think that enough wisdom would be provided from within your own office to get this on your own.

Mr Cochrane—Our business case was constructed by my staff, but this was the one case where we sought some external advice on those external market factors that I referred to.

Senator TROETH—Because you had used the company before and you felt they had particular expertise.

Mr Cochrane—Partly because they knew our business, but they had operated in these areas.

Senator TROETH—I see.

Mr Cochrane—They have done similar work for other agencies. Another attraction is that they have worked very closely with a range of Indigenous communities as well, so they had a good understanding of working in a cross-cultural environment.

Senator TROETH—Thank you very much.

Senator IAN MACDONALD—Thank you, Mr Cochrane. If anyone else has raised this before, tell me and I will not pursue it. Congratulations on your ‘tourism meets the national parks’ initiative. What is it properly called?

Mr Cochrane—National Landscapes.

Senator IAN MACDONALD—Are there receipts of the expenditure for that program?

Mr Cochrane—I do separately identify it. Can I take it on notice? I did not bring those figures with me, but it is identified as an element within my budget.

Senator IAN MACDONALD—So there is a cost to your budget.

Mr Cochrane—It is almost entirely staff time.

Senator IAN MACDONALD—You do not benefit from any income from it, except perhaps in increased numbers for Kakadu.

Mr Cochrane—Our long-term income, as we discussed in the presentation the other week, is to increase yield—to get visitors to stay longer and to spend more. That objective will benefit us as well in the long run.

Senator IAN MACDONALD—Anyhow, congratulations. It looks like a very good initiative.

Mr Cochrane—Thank you.

Senator IAN MACDONALD—I think this should be directed to you but, if not, the secretary might take the question. Where are we at with the application by Christmas Island Phosphates for an extension of its mine? Should that be directed to you or the secretary, or both?

Mr Cochrane—The secretary referred earlier to Gerard Early—when he comes back he will be dealing with the Approvals and Wildlife Division and the operation of the EPBC Act.

Senator IAN MACDONALD—He has not come back?

Mr Cochrane—No.

Ms Kruk—You can ask that question again. It is not a matter for Mr Cochrane.

CHAIR—That will be program 1.2, Senator Macdonald, and you are in the queue. Are there any further questions for Parks?

Senator BIRMINGHAM—Mr Cochrane, welcome again. In the PBS you have a number of deliverables listed. I am assuming those for the 2008-09 revised budget are deliverables that you expected to meet or have met.

Mr Cochrane—We will be doing our best.

Senator BIRMINGHAM—You will be doing your best. What are the three new actions implemented to reduce greenhouse gas emissions?

Mr Cochrane—I am pleased to say that the information that we will be putting in our annual report, which we have been compiling, shows us in aggregate reducing emissions from across our operations over the period 2006-07 to 2007-08. We have a draft climate change strategy, and three parks have their own climate change strategy. We have been implementing those provisions in Booderee National Park. We are aiming to have a strategy in place for Uluru. Particularly at Uluru one of the matters we have been looking at is the feasibility of replacing what currently is fully diesel generated electricity to a diesel-solar hybrid. I am hoping that project will be well advanced—if not commenced this financial year, then next. That will make a significant difference to us. The other one is Kakadu, at this stage, where there are similar opportunities, because most of our electricity that is generated remotely is diesel. That is our single largest one. We have also been reviewing vehicle fleet numbers and the potential to change vehicles and move to solar hot water in ablution blocks, for example, in remote areas. That is the nature of the projects that we are implementing. Does that help?

Senator BIRMINGHAM—It does help. I am unfairly picking on you because you just happen to be the person at the table. Often with these sorts of deliverables, the number of actions implemented to reduce greenhouse gas emissions or whatever, you can front up at the table one year and tell us you have undertaken a study into actions possible on one site, the next year tell us you have developed a business plan to do so and the following year tell us you have undertaken the feasibility—and each time counts as one action. Sometimes it is worth asking to see how concrete such actions are that are often cited as deliverables, particularly when your core business is managing the national parks, and these are important steps but subsidiary steps.

Mr Cochrane—Can I invite you to ask me this question each estimates and I will endeavour to ensure that you get much more precise answers that show a change in our behaviour and our impact rather than our paperwork.

Senator BIRMINGHAM—Thank you. While I am on the PBS, you have a goal for this year and the next five years of a five per cent increase in the number of full-time equivalent Indigenous staff directly or indirectly providing park services.

Mr Cochrane—Yes.

Senator BIRMINGHAM—I am assuming the insertion of the words ‘or indirectly’ means that you are talking there about ancillary tourism operators and those sorts of associated businesses too.

Mr Cochrane—No. We are actively looking for, and in some cases very successfully, opportunities to outsource some of our operations to local Indigenous organisations. At the moment we have some terrific success at Booderee National Park contracting out a range of park management services to the local Aboriginal community, or their business arm, Wreck Bay Enterprises. We are negotiating with them on what is currently called phase 2 of that outsourcing. It involves significant transition issues for us because we will move from direct employment of park staff to outsourcing, but that does significantly improve the business opportunities for the local Indigenous community. The primary thing behind it is that we are looking to not only provide Indigenous employment but assist in building the capacity of those communities to run businesses that not only provide services to us but potentially provide services to others in the region as well.

Senator BIRMINGHAM—How many FTEs are currently directly or indirectly employed by the office?

Mr Cochrane—We have budgeted for 280 this year. The year-to-date figure is, I think, 270. That varies quite a bit month by month because we have a number of seasonal employees and from time to time positions are vacant. Precisely, our budgeted figure is 280 and the average is 270 for this financial year—we actually had 269 as of the most recent pay period.

Senator BIRMINGHAM—How many Indigenous staff are within that?

Mr Cochrane—That is a difficult question because we have to rely on staff self-identifying. It is approximately 20 per cent of our overall staffing.

Senator BIRMINGHAM—A five per cent annual increase within five years would be quite a significant shift.

Mr Cochrane—That is the objective of setting a hard target like that.

Senator BIRMINGHAM—Thank you very much.

Senator SCULLION—Mr Cochrane, thank you very much for the provision of answers to quite a number of questions on notice. I know your staff made a great effort to provide those, and by and large they have very helpful. Perhaps I will touch on those that were not so helpful initially. I know how helpful your department generally is. One of my questions on notice was basically to provide all of the written agreements and correspondence in relation to the Cocos (Keeling) Islands and the red-footed booby. I think it was clearly understood, but the answer was that I was asking the wrong department and that I should ask the Attorney-General's Department, which I am quite happy with. That is a terrific way to go and I accept that you probably do not have any of the documents. I have become a little peeved that you do not have the documents but have managed—not you, I am sure, Mr Cochrane—to give a couple of four-line quotes from the documents. I wanted the documents themselves to give me an opportunity to study the context and perhaps have a look at the wider view.

Part of my concern is that the first comment from trust deed effectively says that the Commonwealth and the council covenant and agree that the council has no right to any compensation et cetera. That is an interesting point to make out of the entire deed. Secondly, a quote from the first plan of management, which has not been provided, is that 'the Cocos-Malay community is fully aware there will be no further legal hunting of seabirds at Pulu

Keeling National Park. The poaching of seabirds is, however, an ongoing problem that must be dealt with by Parks Australia and the Cocos-Malay community.'

I do not know why you would pull that out from page 47 of a document that you were not prepared to give me. That is interesting. Perhaps you could pass on to the person who did that research and provided the answer that the current plan of management says:

By July 1986, agreement had been reached with the Cocos-Malay people:

to introduce a moratorium on seabird hunting on North Keeling Island pending seabird survey results;

to restrict any future seabird hunting to red-footed boobies, *Sula sula*;

to permit, while the North Keeling Island moratorium was in place, certain numbers of red-footed boobies to be taken on Horsburgh Island, where small numbers visit the southern atoll in certain weather conditions at certain times of the year);

that hunters would try to avoid killing adult birds; and

that a series of administrative arrangements to regulate seabird hunting would be established.

The thrust of some of my questions about the motives of the department is that I wonder whether you are just mucking these people about and have already decided you are not the going to do anything at all. When last we spoke, Mr Early, who has been very useful in the provision of answers, said:

We have known since the very beginning that the community wanted to harvest the booby. That has been on the table.

Could you provide the motive for giving the committee just four lines out of the first plan of management, which is now extinct?

Mr Cochrane—You have raised a number of issues there. I apologise for not providing documents which I have literally in the last couple of days been able to get from the Attorney-General's Department. I am very happy to provide you with a copy of the 1984 trust deed, which I now have—

Senator SCULLION—Thank you.

Mr Cochrane—which has that quote. I also have a copy of the 1995 lease between the Commonwealth, as administered by the department of territories at the time, and the shire. I would be delighted to give you a copy of that as well and table those. I have subsequently found a couple of other documents and also some correspondence which turned up today in a file retrieved from archives. Further files are being retrieved for us, so we are continuing to search. We have looked through our Cocos office files, our Darwin office files and our Canberra office files and are working our way through archives to find the material that you asked for.

Senator SCULLION—It is quite possible, Mr Cochrane, that at the time there was some sort of handover of documents that would have been involved, and they may well be with the Attorney-General's Department. Unfortunately, I was not able to get the balance of the material, so I will have to put it to the department on notice. But thank you for providing those extra documents.

Mr Cochrane—Part of the reason for providing those quotes was that the issue of the harvesting of red-footed boobies, particularly on North Keeling, has been a matter of some contention since the early 1980s and probably before that. In fact, in 1980 a migratory birds ordinance was apparently introduced, which prohibited the taking of red-footed boobies, amongst other birds, without a permit. Subsequently regulations were introduced in 1992 to similar effect. As you have rightly pointed out, whilst they prohibited the taking of wildlife, they did allow for the taking of wildlife under a licence granted in accordance with the wildlife management plan. That was the provision that was created in 1992. However, as you would know, in 1995, when the park was proclaimed, the proclamation of the park effectively protected all wildlife on North Keeling. The reason I quoted the comment in the trust deed was that clearly even in 1984 it was anticipated that North Keeling and the wildlife on it would be protected in some way.

You have alluded to a view in the community that there has been an expectation of harvesting from North Keeling. I am responding by saying that that has been a matter of regulation since 1980 and the provisions became increasingly more strict until 1995, when a park was declared over it. The Environment Protection and Biodiversity Conservation Act 1999 not only reinforced the protection of the park but also protected the red-footed booby elsewhere. That is, if you like, the sequence of legislative changes which were progressively ramped up. There is still an expectation in the community that they will be able to harvest, but the only way they can do that, as you said before, is by submitting a referral under the EPBC Act for a permit through the Approvals and Wildlife Division to harvest from other than North Keeling.

Senator SCULLION—As you would be aware, I think the community understands that. I am trying to get the documents to see what they say because it has been asserted to me that there did not seem to be anybody saying, ‘Well, this is not correct.’ The community has said there was always going to be a management plan and it could not be done without a management plan. It appears that on every tranche, such as in 1995, the capacity to deliver a management plan got further away. Then EPBC pops up. We all say, ‘Terrific. Let’s go and do that.’ Did we take that into consideration? I do not know. Maybe that is something you can go to in a minute.

We signed the migratory bird program with China and Japan and, yes, *Calidris canutus* does visit the islands, and there would be a significant impact, but *Sula sula* does not. It seems that we are using this ideological approach which has no science behind it to say that we have moved further away and it has become more difficult. Now, as you understand it, we have an application that was being put forward in 2007 predicated on the science of a number of surveys conducted from 2001 to 2008. I asked you to provide some information on that—and thank you for that—but what you provided is not quite what I wanted. The last survey was done in August 2008, so there is no reason that it will not be done in August of this year, I take it?

Mr Cochrane—The surveys are done over a number of months because the nesting behaviour does change. There is a peak in most years—in fact, in virtually every year—that surveys have been done since the 1980s. Transects are surveyed on the island usually over three to four months.

Senator SCULLION—You have provided me with the number of nests counted each year, and the variation would make you pull your hair out. As a population statistical study, I am not sure what reliance you can place on it. Would you be able to provide me with detailed maps showing where the transects are so we can have the full details? If there were transects there will be maps of transects. We would appreciate any copies of the field notes and also the rationale. I understand that the surveys were not conducted specifically to look at some sort of sustainable take, but there was an acknowledgement that they may well inform that process. Would you be able to provide me on notice with the rationale of the experiment: was it just a nest site survey? There are a number of ways of doing them, as you know. In other areas I am aware that bird counts are done. Obviously these transects were not the only evidence—perhaps it is not obvious. If you would provide me with all of that on notice, and I accept that you are perhaps not able to provide that now, I would appreciate it. Are you able to provide that material?

Mr Cochrane—Yes. I have a number of documents which relate to the monitoring program. We have had a number of pieces of advice on ensuring that it is robust and that the population estimates that come from that transect data are reliable and statistically reliable in particular. I am happy to provide an outline of the methodology of the surveys. We have survey data going back to 1986. Surveys were not possible in a few years when because of bad weather we were unable to gain access to the island. We have survey data that goes back to at least 1985 and most years thereafter. I noticed that you asked at the last estimates for the last five years worth of survey data but for some reason it did not end up in the written questions that came to us.

Senator SCULLION—I did indeed. You have provided some aspect of that, but could you provide me with copies of the entire reports that were provided? I would be quite happy with that. I understand from some of your answers to the written questions on notice that the process for getting a community management plan for the harvesting of red-footed boobies was prepared for the Cocos Congress by the Australian National University. I understand, Mr Cochrane, you helped out with the tender process to select the people who would do that. Is that correct?

Mr Cochrane—It is, and I think, due to our good nature, we funded it as well.

Senator SCULLION—I think that is just terrific. I understand from your answers that the tenders were assessed against criteria outlined in the terms of reference for the consultancy. I will get to the report in a moment. I have not seen the terms of reference for the tender, but you may wish to provide those to me on notice. Was one of the terms of reference or were some of the requirements about a history of providing advice on sustainable use?

Mr Cochrane—You are correct—I do not have that information—but I could certainly provide you with the terms of reference.

Senator SCULLION—I do not expect the whole thing now, but can you recall whether sustainable use was something that the Centre for Resource and Environmental Studies at the ANU would normally have had a lot of experience in?

Mr Cochrane—If I recall correctly, and this goes back a few years, we were after biologists with strengths in population modelling who could understand and analyse the

dynamics of bird populations, look at what a viable population would be and, therefore, look at what potential there might be for a sustainable take off that population.

Senator SCULLION—So we would not have been expecting them to deal with some of the material that I understand is still required in terms of the animal welfare issues? Was that a subsequent requirement? It may well have been.

Mr Cochrane—That you will have to ask the AWD, because that assessment and approval is not my job. We have tried to help the community with the information and, as you have pointed out, that report to help them understand what a viable population might be and what a sustainable take from it might be, but the actual process thereafter is a matter for the Approvals and Wildlife Division.

Senator SCULLION—Sorry, who should I see about that?

Ms Kruk—Mr Early.

Mr Cochrane—The helpful Mr Early.

Ms Kruk—The wildlife approvals area.

Senator SCULLION—He has already come and gone.

Ms Kruk—No, he is yet to come.

Senator SCULLION—Excellent.

CHAIR—Join the queue, Senator Scullion, for Program 1.2.

Senator SCULLION—That is fine. That is terrific. So the draft plan has been completed?

Mr Cochrane—There is a draft plan. You really should ask Mr Early or others in that division, but I understand it is incomplete in some respects. A letter has gone back to the Cocos Congress, reiterating previous advice they had been provided and seeking additional information from them.

Senator SCULLION—That additional information dealt specifically with what issues?

Mr Cochrane—It is not my letter.

CHAIR—That is a question for the department, Senator Scullion.

Mr Cochrane—For the department, which runs—

Senator SCULLION—I know you have a watching brief over this matter, Mr Cochrane, I know you prepare yourself for estimates very well, and I know Mr Early will be here a little later, but it was important because Mr Early, if you are not present, may tell me, ‘Look, the criteria was not my problem, mate. That was Mr Cochrane’s.’ I am just ensuring that any opportunity for you to provide the information, which I know you like to do, is given. I was going to the types of things that are within your sphere of influence. Normally it is about sustainable use—for example, the sorts of people you have employed. They are all about sustainable use. They know about population dynamics, spatial dynamic modelling and all that stuff, but perhaps they do not deal with, for example, animal welfare issues. Sustainable take has to do with that. Mr Cochrane, perhaps you can take this question on notice, but I would appreciate if you would give it a stab. I assume Mr Early will correct me if I am wrong but, with regard to the Environment Protection and Biodiversity Conservation Act—I know it

is a biblical thing—are you aware that that will be one of the things where you are writing back and telling people that the animal welfare issues need to be addressed and will be part of the criteria for this assessment? Is that the reason that that may be considered?

Mr Cochrane—I am afraid I cannot answer that, because I do not know. I am definitely in the mix here, but the reason is that the questions of potential harvesting and sustainable take all relate to the potential to harvest from the waters around the southern atoll. The critical issue that has been around since the 1980s is that the sustainable take would be based on maintaining a viable and sustained population of red-footed boobies in the park. We maintain that data and survey data in the park, and that informs the question of whether there might be a sustainable take elsewhere. We are protecting, if you like, the home population, and we keep track of that population. There have been a number of analyses done on what that population is doing. As you rightly point out, it bounces around a fair bit. It has dropped to some low levels after cyclones in the past. That is our responsibility. We provide that data. Others analyse whether that means there is a sustainable take possible. Then the question is: can you do that under the provisions of the EPBC Act?

Senator SCULLION—When I put that to the islanders themselves they say: ‘Senator, we harvested them for a hundred years at much higher levels than zero—in fact, at higher levels than when it was stopped in 1982—and yet the population is still sustainable. We did this for a hundred years. We are not doing anything new. There were some regulations over that hundred-year period.’ That is what they tell me. I have to say it is fairly compelling to be solely responsible for the management of a bird over a hundred-year period that the people on the ground, including some of the Parks people, anecdotally report is in very healthy numbers. The reason for all my conversations with you during estimates about this process is that it is now having an effect on management. I know well that you, from your experience dealing with communities and conservation, would agree that you have to have a partnership approach with these communities. They are now telling me and have told you that they are not continuing with the Horsburgh Island rehabilitation project or with the rearing of seabirds because they do not believe that national parks and wildlife are dealing fairly with them. Hence, I am trying to get every piece of documentation—every little bit of evidence—to find out who is on the side of the angels.

We have now had two periods of estimates and I would appeal to you to think of any other avenues by which we can provide some comprehensive evidence about the history, because there has been a lot of history since 1982. They feel it is an awfully long time from their perspective to have had some undertakings. Frankly, I think we are using the community, Mr Cochrane. I am not asking for an assessment and I should not get conversational about this, but I think it is a significant issue. That is the motive behind these questions. I will be here at the next set of estimates after another visit and another bashing on Cocos about why it has not progressed, but I will ensure that our conversations here and the *Hansard* gets back to them. If it is the case that they have not responded to the last letter, then I will encourage them to do so.

I asked some other questions about the management of Pulu Keeling National Park itself. I note again that in your national park management plan is says, ‘Surveillance and patrols of

the marine zone of the park will be carried out.' Would you be able to tell me how many patrols of the marine park were carried out this year?

Mr Cochrane—I would have to take that on notice. I do not have that information with me.

Senator SCULLION—Perhaps when you are taking that on notice you could go back for the last five years and tell me how many patrols there were. I would prefer it if you did not come back next time and say, 'Look, I am sorry; other patrols were conducted by the federal police.' I am aware of that. In the spirit of the arrangement, is it possible to reflect that partnership about who does the work for you on the island?

Mr Cochrane—Yes.

Senator SCULLION—The total patrols conducted by yourself under their auspices as well?

Mr Cochrane—Yes.

Senator SCULLION—At the last estimates I talked about the differential between commercial fishing activities, including fishing tours and boat charters. As I read the management plan, it gives you pretty broad-ranging powers to provide certain conditions, although under section 439 on page 53 it specifically prescribes, 'Commercial fishing activities, including fishing tours and boat charters, will not be permitted.' I understand that is the case, ridiculous though it is. I understand that there is to be a review in 2011. Is that time about right?

Mr Cochrane—The current plan will expire in 2011 and—

Senator SCULLION—But there is a review.

CHAIR—Just a moment, Senator Scullion. Ms Kruk, did you have something to say?

Ms Kruk—Could I just get some advice. I am conscious that we have had a number of questions and some impatience from senators on the marine issue. Could I get some indication of how far we are likely to get tonight in terms of the areas that senators wish to cover, because I am conscious I have staff here for both program 1.1 and program 1.2. Could I get some insight into the committee's priorities at the moment.

CHAIR—How many senators have questions for program 1.1, which is mainly Caring for Country? Quite a few. I suspect we would not even finish that tonight. We will not get to program 1.2.

Senator BOSWELL—Program 1.2 is the Coral Sea, is it?

Ms Kruk—Could I then, with the committee's agreement, let my staff who are here for Program 1.2 stand down? I think we would be most appreciative.

CHAIR—Yes, that will be fine.

Ms Kruk—They will be fresh in the morning for you. Senators, thank you very much.

CHAIR—Thank you, Ms Kruk, and thank you to the officers.

Senator BOSWELL—Are the parrots in 1.2?

CHAIR—We will not get to 1.2 tonight.

Senator BOSWELL—Are the parrots in 1.2?

CHAIR—The parrots are in 1.2.

Senator BOSWELL—And so is the Coral Sea?

CHAIR—Yes.

Mr Cochrane—Yes.

CHAIR—You will be all right.

Senator BOSWELL—I had better make sure I am first cab off the rank tomorrow.

CHAIR—You had better be up bright and early, Senator Boswell.

Senator BOSWELL—What time is the kick-off?

CHAIR—We might not be finished with 1.1. Sorry, Senator Scullion.

Senator SCULLION—It is okay. I am sorry about that. Mr Cochrane, as I said last time, I could not understand the rationale—and it may have been an incorrect rationale—in the legislation. Consider the taking of a fish from the ocean by two identical vessels with three people in each boat. Two people are just doing recreational fishing. They pull a warehouse out of the water and whack it on the head. The other boat has two people fishing for recreation who whack their fish on the head. The only difference is that one of them has a job. It is about employment. I do not have to bang on about the importance of employment to the Cocos Malay, but the fishing tour operation market seems to operate under any conditions that you seek to put on it in terms of special bag limits and species. Fin fish may be taken; coral trout jump on lures just as do pelagics, and obviously with permits to fish there you would have to have special provisions and mechanisms for their release and those sorts of things. It makes absolutely no difference whatsoever to the environment what happens to the fish after it has been hit on the head or if it is hit on the head or released. The only impact it has is a positive one: employment—in this case of a Cocos Malay. It would seem to me—and I will be pleasant—that it is not consistent with the other themes of running a country or running a park given that it has absolutely no negative connotations. Maybe I have missed something. Perhaps you can explain the rationale to me.

Mr Cochrane—The issue of what is and is not permitted in the park was canvassed in the development of the last management plan, as you would be aware, and it went out in draft for public comment. Those provisions were tested with the public, and particularly the local community as a key stakeholder. Following all of that, those provisions were written into the final plan, approved by the minister and tabled in parliament. I am not sure how productive it is to go back through the rationale. That is where we are. As you point out, the opportunity to seek to change that comes when the next plan, which will go through the same process, is developed.

Senator SCULLION—What is important is the notion of commercial fishing. When you explained that you simply said, ‘Commercial fishing—what do you think about that?’ They roundly said, ‘No.’ Fair enough, but later in the day you said, ‘Oh, by the way, commercial fishing includes people who charge somebody.’ Commercial fishing conjures up ideas of

industrial-type fishing, which, of course, is inappropriate in marine protected areas of this particular nature. But in many other jurisdictions there are specific provisions to separate fishing tour operators from commercial fishers, and they are dealt with comprehensively in completely different ways, including, for example, in Kakadu, another one of your jurisdictions. It is just that this issue has less to do with fish and more with people. I am not sure whether there is any capacity between now and the review to look again at some of these interpretations, because the fundamentals are about looking after the community and giving opportunities for employment there. As I said, in the absence of some sort of commonsense approach to protecting the environment, this does none of that. I know that as the director you have a wide-ranging capacity, Is there any way that you could provide for some of that within your power or capacity?

Mr Cochrane—That provision that you referred to in the management plan is quite categorical, and we do know that, if we wished to amend the management plan, we would have to redo it. However, the management plan applies only within the park. There is absolutely nothing to stop a commercial operator fishing around the southern atoll, to my knowledge. The park is there to protect its wildlife, and there are provisions there to protect it.

You made the comment about the Cocos Malays managing red-footed boobies for more than a hundred years, and I do not want that to go unchallenged. My understanding from the early records is that red-footed boobies were very common on the southern atoll but that once the island became colonised they disappeared quite quickly as a result of hunting.

Senator SCULLION—There were not any people before, so one would say that is quite reasonable.

Mr Cochrane—But they have effectively removed red-footed boobies from the southern atoll, leaving North Keeling and the park as their sole breeding location. Those pressures and that history throw into relief the need to make sure we protect that park and its inhabitants.

Senator SCULLION—Indeed, and they would agree with me and you that it is simply continuing to manage the take sustainably. Since 1982—let us face it—I do not think that is happened. We have talked a lot about it, an awful lot of time has passed and there has been no sustainable take on any of the islands from then till now. I think the community has every right to be a bit cross about that. We talk about the notion that the park, the marine park and the protection of the marine park are to ensure that there is some sort of connectivity in replenishment of the southern atoll in terms of both the Sula sula and the marine life. That is a reasonable sort of thing. Do you intend to invest anything in looking at the spatial distribution—whether or not green fish move? I am not saying that is the argument that is predicted—I acknowledge that there are other issues—but have you done any work on that? I know that a survey was done a long time ago, with a bit of science and tagging of the demersal stocks to see where they go and whether they move. Are you considering my submissions to be able to do those sorts of things?

Mr Cochrane—I think the short answer to that is no. Our highest priorities, as I reflected in my earlier comments to Senator Siewert, are understanding the ecology of Christmas Island, which is under severe threat. I am pleased to say the ecology of Pulu (Keeling) Island

is nowhere near as threatened and in fact is in remarkably good condition, and our management objectives are to keep it that way.

Senator SCULLION—I have been there a couple of times this year. When I was last there I noticed a dugong, a young fellow or a middle-aged bloke, who staggers around the lagoon. He is a terrific tourist attraction, a fantastic bloke. He told me during the last chat I had with him that he does not have any girlfriends. It would seem that, the dugong being one of the iconic endangered species, there is an opportunity. It says here that you have power to take action to implement a recovery plan. I know the story comes and goes and I am not sure what happens, but do you think there is any scope for providing a couple of girlfriends? We have plenty in Kakadu and Borroloola. I intend to move on that. I have spoken already to some people in Borroloola—I will probably be speaking to them further in a couple of weeks—who thought about shipping some girls off to Cocos (Keeling).

Senator IAN MACDONALD—This almost sounds improper.

Senator SCULLION—No, he was very concerned when I last chatted to him. I thought it was fairly innovative. I have spoken to some technical people about shifting them, in the same way we shifted elephants through Cocos (Keeling) to Taronga Park. I have yet to receive more information about the transfer of dugongs and time and those things, but at the moment it does not appear possible. You will be asked to do this under a recovery plan. I would have thought the nicest way to provide this would be under a recovery plan sanctioned by your agency. Apart from the genetic issues that might arise, would you find any problem in that being one of the solutions to helping a key and threatened species? There is only one left. I think it would be tremendous if he had a better time and his family a better future.

Mr Cochrane—I imagine there would be a number of impediments to doing what you are proposing.

Senator SCULLION—No blockages! We want hope; we want people to get behind this idea.

Senator IAN MACDONALD—You are not a prude, Mr Cochrane, are you?

Mr Cochrane—Well, it is not in the park. That is one thing. Secondly, my understanding is that dugongs are occasional vagrants; they occasionally appear. So trying to manipulate a population like that—

Senator SCULLION—Anecdotally, though, there were larger numbers.

Mr Cochrane—There may well have been. There are a lot of things that were in larger numbers over 100 years ago. No, that would be an issue that would again be subject to the EPBC Act. It is a protected species and, therefore, the act as it stands at the moment protects or, in fact, prevents the killing, taking, moving or interfering with listed species.

Senator SCULLION—Unless, of course, the director says it is okay, pretty much.

Mr Cochrane—Were that I had such powers.

Senator SCULLION—You do actually, Mr Cochrane. You do have the power under the act to grant an exemption for research purposes, and we have done that. We play around with a lot of dugongs in the gulf. I have been there.

Mr Cochrane—In national parks?

Senator SCULLION—We tag them; we do all sorts of interesting things with them.

Mr Cochrane—In national parks?

Senator SCULLION—No. It is because it is a dugong that we need approval to do those things.

Senator BACK—This fellow might not share your concerns. He might be very happy.

Senator SCULLION—No. I have spoken to him. He is disappointed.

Mr Cochrane—I think you misunderstand my powers.

Senator BACK—You are putting yourself in his position.

Senator SCULLION—Just to clarify that, if it comes outside a park and instead of from Kakadu the ladies come from Borroloola, then there would be no requirement? Who would you seek permission from, because clearly permission is required under the Environment Protection and Biodiversity Conservation Act?

Mr Cochrane—That is correct. Under 1.2, you would need to talk to Mr Early and the staff of the Approvals and Wildlife Division.

Senator SCULLION—Beauty! I will have to wait till tomorrow. Mr Cochrane, thank you very much for that.

Mr Cochrane—Thank you. I will leave you with those two deeds.

Senator SCULLION—Indeed. Thank you.

Mr Cochrane—I can do that.

CHAIR—Thank you. Is that the conclusion of the questioning of National Parks?

Senator BACK—No.

CHAIR—Senator Back.

Senator BACK—Thank you for your—

CHAIR—Tell us about your favourite fish.

Senator BACK—forbearance, Chair, and I do apologise for prematurely leaping into program 1.2. Mr Cochrane, my questions relate to bushfire management in the national parks under your control. Could you give us some idea of the policy under which bushfire management, wildfire management, is exercised?

Mr Cochrane—There are three parks that we manage directly that have significant bushfire issues, and they are Kakadu, Uluru and Booderee at Jervis Bay. They are in quite dramatically different parts of Australia and have different habitat. The bushfire risks and issues are different in each. In Booderee, which is an east coast park, temperate, predominantly heath land and mostly dry eucalypt forest, the risk of serious wildfire is very real, and we have had a number of significant fires through the park. We have an active prescribed burning program there. In general—

Senator BACK—What percentage would be burnt on an annual basis, would you estimate? Seven, eight or nine per cent?

Mr Cochrane—It is not a very large park, but we are ahead of our program at the moment, although that is in part thanks to a significant wildfire that came through from outside the park. It is also a park that, regrettably, is subject to quite a lot of arson. Therefore, a number of factors influence the fire regime in the park beyond our own prescribed burning regime, but we are ahead of our—

Senator BACK—Are there built assets in the vicinity of the park?

Mr Cochrane—Absolutely, and, even more importantly, we have a number of campgrounds in the park, which during the main fire season, obviously over Christmas, are filled to capacity. That risk is ever present and a major focus of management attention during those periods. Just quickly on to Uluru, which is obviously in the centre of Australia and has a much more variable year by year climate, there are bushfires and we have had significant parts of the park burned from large regional-scale fires. We also maintain a very active burning program in the park which is led and guided by traditional owners, re-establishing traditional burning regimes, which keeps a patch burning and tries to keep the fuel loads down.

Senator BACK—And is it succeeding?

Mr Cochrane—Yes. We have an annual burning program there. That is carefully mapped out from a western science perspective as to what assets we need to protect, what species are at risk et cetera, as well as guided culturally by traditional owners there in terms of how they see the landscape. I believe that is a very successful and active program and provides significant direct and indirect employment for local Aboriginal people as well when we do that.

In Kakadu, whilst the environment is different, the philosophy is much the same, and that is re-establishing Aboriginal burning practices, which is very active burning. Some 40 per cent of Kakadu, roughly, on average over the past 10 or 15 years, has been burnt actively through our measures. Most of the fires there are started by us, other than late season wildfires, which generally come in from outside, from Arnhem Land, and we are actively trying to reduce the incidence and severity of those through more regular burning of our own.

Senator BACK—Are you aware of the West Arnhem Land Fire Abatement Project?

Mr Cochrane—Absolutely, and we work closely with those running that program.

Senator BACK—And you sense that that has been successful in west Arnhem Land? Is it a similar regime that you adopt in Kakadu?

Mr Cochrane—It is probably more the other way around—that the regime in Arnhem Land has been developed by and with people who have worked in Kakadu. A lot of data that has been used to underpin the carbon income that is derived from that project is based on data that has been collected in Kakadu for the past 20 years.

Senator BACK—Does such an opportunity exist for Indigenous people in the areas under your control to enjoy the financial benefits as the west Arnhem Land communities do?

Mr Cochrane—We certainly continue to try to explore those possibilities. As you would probably be—

Senator BACK—It is quite a lucrative business—about \$1 million a year, I think.

Mr Cochrane—That is right, but it is a grey market initiative. There is no formal carbon market in those sorts of activities, but there are a number of Indigenous communities that are interested in undertaking that similarly. In fact, the government announced an initiative—

Ms Kruk—Senator, I think there was \$10 million announced in the budget—

Mr Cochrane—That is right.

Ms Kruk—to assist Indigenous communities looking for some of those opportunities.

Mr Cochrane—That is correct.

Senator BACK—Would it be under your control to dispense those funds?

Ms Kruk—It is money that has gone into the department, so a process is underway—and, I think, consultation with Indigenous communities.

Senator BACK—Is that likely to commence in the coming financial year, 2009-10?

Ms Kruk—Yes.

Mr Cochrane—My understanding is that most of that expenditure is already committed to projects.

Ms Kruk—Yes.

Mr Cochrane—But that is not within my responsibility, so I cannot answer.

Ms Kruk—Malcolm, have you more detail?

Mr Thompson—There is an Indigenous Emissions Trading program which includes opportunities for carbon reduction through fire abatement. I think that program was announced last year, Senator. It is part of the Caring for our Country program.

Senator BACK—We will be very keen to get some outcomes from that program.

Ms Kruk—That may be an avenue to pick up some of the things that you were just discussing with Mr Cochrane.

Senator BACK—That is most encouraging.

Mr Cochrane—It is.

Senator BACK—You have pre-empted my last question because I was going to draw attention to budget cutbacks, but there has been anything other than budget cutbacks for programs of this nature, as I understand it.

Mr Cochrane—That is correct.

Senator BACK—Thank you very much for that. I will follow that with interest. I appreciate your responses. Thank you, Chair.

CHAIR—Thanks, Senator Back. Are there any further questions for National Parks? If not, thank you very much for being with us tonight and for assisting the committee, Mr Cochrane. We appreciate it.

Mr Cochrane—My pleasure.

CHAIR—I hope you do too.

[10.40 pm]

Australian Government Land and Coast

CHAIR—We will start with program 1.1: Caring for country—sustainable management of natural resources.

Senator SIEWERT—Can we go back to the general budget overview and could you tell us if, since we met in February, there have been any changes in the budget allocations under the various programs in Caring for our Country?

Ms Rankin—Since the last estimates and in the budget process, the only changes that were made was that, under the new federal financial reform, \$138 million of the guaranteed regional baseline funding under Caring for our Country has been appropriated to the Treasury department instead of to the environment department and will be paid directly to the regional groups from the Treasury department, and \$32.4 million per annum that was previously paid from the Natural Heritage Trust component of Caring for our Country to support departmental and EPBC Act activities have been transferred to the departments for direct expenditure from the departments.

Senator SIEWERT—That was \$32.4 million per year?

Ms Rankin—Yes.

Senator SIEWERT—Has that has gone straight to the departments for, basically, administration of the program?

Ms Rankin—It is for departmental core operating costs and administration costs as well as support for the administration of the EPBC Act. That level of funding has being spent from the NHT at that scale for the last probably four or five years.

Senator SIEWERT—Yes. When you say ‘core funding’, is that core funding of the department’s activities?

Ms Rankin—That is right.

Senator SIEWERT—Thank you; that is useful, because we have always said there was a whole lot of funding there that should be split out.

Ms Kruk—Senator, that is a very good initiative. I think that is what you are asking, because that provides certainty in terms of funding. The money for the operation of the legislation had previously been included in the program and, in essence, this is just a move that makes it a far more transparent funding arrangement. It does not reduce the amount of money that goes into that program.

Senator SIEWERT—Yes, I do not disagree with you, it is a move that we have been after for quite a significant period of time.

Ms Kruk—Thank you.

Senator SIEWERT—Could you tell me the percentage of that funding that is being used for the operation of the EPBC Act?

Ms Rankin—Yes, \$12.4 million of the \$32.4 million is part—I know there is another separate appropriation that goes to the EPBC Act beyond that.

Senator SIEWERT—Do you remember that last financial year, or at the end of the previous financial year, there was an extra allocation of money given to the further implementation of the act, particularly with regard to audits and stepping up the audit capacity?

Ms Rankin—It is not my area; I am sorry.

Senator SIEWERT—I am trying to ask that in EPBC sense.

Mr Thompson—My understanding, Senator, is that the additional funding that was received was taken out of the old Natural Heritage Trust. It was allocated from that fund—that is, the \$12.4 million.

Senator SIEWERT—So that is specifically the audit function?

Mr Thompson—Yes.

Senator SIEWERT—Thank you.

Mr Thompson—Amongst other matters.

Senator SIEWERT—Yes, I appreciate that. Can we go back to this issue of the allocation of the \$138 million to Treasury, which we went through quite extensively with the other group in rural and regional the other day? What is the rationale for transferring it to Treasury?

Ms Rankin—Under the new federal financial reforms, there was a decision taken that, because that money is guaranteed to go to regional bodies, there is not a competitive process for them receiving that funding—that it meets the criteria for classification as a national partnership payment under the new federal financial reforms. The agreement that was struck with COAG last year required that all national partnership payments go from Treasury to state treasury departments and that we sign new agreements with the states to facilitate that transfer of funding. It still means that our ministers have responsibility for what the money gets used for and it will still definitely go to those regional groups. It is just an administrative process of streamlining funding payments to the states.

Senator SIEWERT—It just seems to add another layer of complexity to the issue. It usually takes me two or three attempts to get to the bottom of these things. As I understand it from the discussions we had on Monday night, the \$138 million, even though it is guaranteed, each of the regional organisations has to put in a bid basically still for that amount of money; is that correct?

Ms Rankin—They do, yes, to justify how they are going to spend it against the Caring for our Country targets and outcomes.

Senator SIEWERT—So, one lot of money gets paid—I will get to the \$1.22 million for the competitive process in a minute—but as I understood it, they still put in for that level of funding as part of their application through the competitive grants system?

Ms Rankin—Yes.

Senator SIEWERT—But, they are guaranteed to get it anyway, so Treasury still pays it; is that correct?

Ms Rankin—Yes, that is right. They are guaranteed to get it if they come up with projects that are good enough to contribute to the program outcomes and targets. We are clearly working with them to make sure that they do have a set of activities funded from that amount of money that do contribute to the program. There has been quite a lot of discussion between us, Treasury and Finance about the classification of this issue. Our program is probably quite a unique one in the whole scheme of how the national partnership payments side of things are working; this is quite a grey area. I think the decision was just taken recently that, because of the fact that it is guaranteed, even though they still do have to tell us what they are going to spend it on, it does meet that criteria for classification as a national partnership payment.

Senator SIEWERT—I still think it is very confusing.

Senator IAN MACDONALD—Your department is responsible, I assume, for what they are spending but you do not sign the cheque. I appreciate when you say it is under the CAC Act or whatever act it is that is relevant, but does it make any sense?

Ms Kruk—Senator, it is probably a question to have a more detailed dialogue with Treasury on, but the principle that underpins it is in effect to minimise the number of transactions in terms of the carriage of the moneys from Treasury initially to Environment and then to the states. It is not intended in any way to be a diminution of accountability measures, and that is why the discussions between our agency and Finance in this regard are important. It goes back to the driving principle—and I really should not go into too much detail—of seeking to reduce the number of payments between Commonwealth and states and to streamline some of that process. I do ask that senators take that up with Treasury. The issue—and I think Ms Rankin is dealing with that with you, Senator—is that it does not reduce the requirement for the regional bodies to provide supporting information in terms of the use of those moneys. It is intended to be a simplification of the transaction.

Senator SIEWERT—I was not implying that it was; I think it is going to be even more confusing for regional groups than it already is. It just seems to complicate the process.

Ms Kruk—They are probably not all that concerned about what the source of the monies actually is; I think probably the issue is the attainment of the moneys in a timely manner. I think that is also one of the issues that drives this initiative.

Senator IAN MACDONALD—Are you saying that, if you approve it, it will get from wherever to them more quickly?

Ms Rankin—Yes, we can ask Treasury pay it at whatever time we want. The arrangement with the Treasury department is that, as soon as we tell them to release the funds they can schedule the funds to be released to the state treasury departments, and from there is it a matter of—

Senator IAN MACDONALD—Do Treasury have a record of acting promptly?

Ms Rankin—This is our first year of going through this process. I think they have a long history of being able to spend money.

Ms Kruk—It is clearly a matter for the Treasury, but it is part of the broader COAG commitment in terms of seeking to simplify what was a plethora of small and often quite detailed payment arrangements. It is part of a broader initiative.

Senator SIEWERT—I am not convinced, but there is no point in arguing about it.

Ms Kruk—I note that.

Senator SIEWERT—I am sorry I must admit I cannot remember if I got it here or in rural and regional, but last estimates we were given a list of which regional groups got what.

Ms Rankin—Out of the guaranteed funding?

Senator SIEWERT—Yes. Does that list remain unchanged?

Ms Rankin—That is right.

Senator SIEWERT—This year they get the percentage of the \$138 million—

Ms Rankin—Are you talking about 2009-10?

Senator SIEWERT—Yes. So for 2009-10 they get the same percentage share of the \$138 million. Is that correct?

Ms Rankin—The figures that we have supplied you in that table specify the actual dollar amount that they would receive every year.

Senator SIEWERT—Yes, it did.

Ms Rankin—That figure will be the same each year.

Senator SIEWERT—So they do not get an CPI increase.

Ms Rankin—No. The guaranteed component is set at \$138 million each year.

Senator SIEWERT—So in reality it diminishes.

Ms Rankin—The program itself is not indexed for CPI either, so we have to manage within the overall budget that that does not increase.

Senator SIEWERT—Regarding the 10 per cent administration, what is the definition of what is classed as ‘administration’?

Ms Rankin—That seems to have taken on a life of its own. It was meant to be a guideline of what we thought was good practice in relation to how much funding is required to undertake the administration of an organisation. We expected that that would cover core salary costs of some of the permanent staff, leasing costs of office buildings—the normal day-to-day operations of keeping an organisation running. We were just going on the basis of our experience of what regional bodies have been spending on those types of costs. It was intended to be a guideline, not a hard and fast rule that you cannot spend any more than that. We tried to clearly articulate to regional groups that we also expected, as part of the delivery costs for individual projects that they bid for and implemented, that there is usually some additional administration component that needs to be factored into the project management costs of their budget bids.

Senator SIEWERT—It seems to have become a bit of a hard and fast—

Ms Rankin—Yes.

Senator SIEWERT—I have certainly had a number of concerns raised with me by people saying, ‘We’re only allowed 10 per cent for admin.’

Ms Rankin—We have certainly expressed concern with some regions that have tried to do 80 per cent as administration, but we have been quite flexible with people. If it is in the order of the five to 20 I think that is reasonable, but we have had quite a few regions that have tried to bid for only administration costs and on-ground project costs in their guaranteed funding as part of their competitive bids, and that creates some problems for us.

Senator SIEWERT—Are they allowed to put an administration bid in their ongoing competitive bids?

Ms Rankin—For administration of their projects, yes, they can.

Senator SIEWERT—So the 10 per cent, accepting that it is a guide, applies to their portion of the \$138 million and they can, when they then apply for other projects, factor in project management there?

Ms Rankin—That is right.

Senator SIEWERT—My understanding is they put in their application through the competitive bid process.

Ms Rankin—That is right.

Senator SIEWERT—Presumably they divide that between their guaranteed amount and their competitive bid. Is that how they are doing it, or are they putting in two separate applications?

Ms Rankin—Most of them filled in two different applications, one showing what they were going spend their guaranteed funding on and one showing what they wanted for their additional funding beyond that.

Senator SIEWERT—So they have two different applications in. The \$138 million that is part of the competitive bid, which is the non-competitive part—

Ms Rankin—You are confusing me, sorry.

Senator SIEWERT—It is five to 11 and I am very confused! If I am confused, I suspect some of the regional groups are. The \$138 million is part of the application amount of the \$3.4 billion. That is correct, isn’t it?

Ms Rankin—That is right.

Senator SIEWERT—I went down my own rabbit hole then in terms of going back to the regional organisations. I am trying to get an overview now of how the rest of Caring for our Country is being spent and to see if there have been any changes from the allocations that were previously discussed. I will not make you go through them all over again, but have there been any changes? We talked about the \$138 million going off to Treasury, but have there been any re-adjustments in the overall Caring for our Country budget?

Ms Rankin—No.

Senator SIEWERT—Are the additional resources, for example, that have been allocated to the Northern Territory intervention—or closing the gap and Indigenous land managers—coming from a separate pot of funding?

Ms Rankin—That is right.

Senator SIEWERT—Is that part of the money that is going to Indigenous land management in Caring for our Country?

Ms Rankin—We are certainly using the same process for trying to negotiate good projects for Indigenous land management facilitators and Working on Country facilitators. Behind the scenes we are using funding from the different buckets of money to pay for those, rather than having separate processes running for all of the little different buckets of money, particularly in the Working on the Country, Indigenous land management facilitated area, where we get some resources from the FaHCSIA and a few other places, as part of the closing the gap initiative. We are trying to manage that in a seamless way with the community, and we are using a similar process for identifying projects and working with communities to get those people working on the ground. We are using some funding from Caring for our Country, as well as additional funding that has been provided from other Working on Country non-Caring for our Country sources.

Senator SIEWERT—You end up managing all those applications and resources, despite the fact that they come from different buckets.

Ms Rankin—Yes.

Senator SIEWERT—So it is seamless delivery.

Ms Rankin—Yes.

Senator SIEWERT—Are you funding any of the rangers on Tiwi?

Ms Rankin—Yes, I think we are.

Senator SIEWERT—How much are you funding? You can take it on notice if you want.

Ms Rankin—No, keep asking questions and I will find it in my folder.

Senator SIEWERT—I know that we have been through this before, but is it best to ask about marine funding here or when we do marine?

Ms Rankin—The only marine funding we are providing under Caring for our Country relates to projects that are successful through the competitive process and under the business plan. Last year, part of the \$32.4 million that I spoke about went towards support for marine protected areas and the marine pest component, but that has now been transferred into the department.

Senator SIEWERT—But that was operational funding?

Ms Rankin—Yes, it was. Marine people are probably better placed to answer.

Senator SIEWERT—I may have got the wrong end of the stick at the last estimates. You probably do not remember, but two estimates ago I was asking about the marine budget and it looked like it had been cut quite substantially. Then I thought that it had been topped up by funding coming out of Caring for our Country. Is that the case or is that not the case?

Mr Thompson—It certainly is the case, as Ms Rankin said, that some of what we call core funding, like the \$32.4 million, went to marine activities. It will continue to be case that some portion of that goes to those activities.

Senator SIEWERT—I would really like to know whether marine funding, overall in the portfolio, has been maintained or not. Now I am confused.

Mr Thompson—We will try and give you that answer tomorrow.

Senator SIEWERT—I remember going through a discussion about just what level of funding marine is getting.

CHAIR—Is that an appropriate time to end the questioning for tonight?

Senator SIEWERT—I think Ms Rankin has got answer on Tiwi.

Mr Thompson—We will take it on notice and confirm that.

Senator SIEWERT—On notice, could you provide me with a list of where you are funding?

Ms Rankin—We could table that now.

Senator SIEWERT—That would be fantastic.

CHAIR—We will call it quits for tonight. Thank you very much to the officers of the department for today. We will see you again tomorrow morning at nine o'clock. The committee has moved a motion to accept documents tabled today.

Committee adjourned at 11.01 pm