



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATIONS AND THE ARTS
LEGISLATION COMMITTEE

ESTIMATES

(Additional Estimates)

TUESDAY, 9 FEBRUARY 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE ENVIRONMENT, COMMUNICATIONS AND THE ARTS

LEGISLATION COMMITTEE

Tuesday, 9 February 2010

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

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, 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, 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, Birmingham, Boswell, Cash, Colbeck, Fisher, Ludlam, Lundy, Ian Macdonald, McEwen, Milne, Parry, Siewert, Troeth, Williams, Wortley and Xenophon

Committee met at 9.03 am

ENVIRONMENT, WATER, HERITAGE AND THE ARTS PORTFOLIO

Consideration resumed from 8 February

In Attendance

Senator Penny Wong, Minister for Climate Change and Water

Department of the Environment, Water, Heritage and the Arts

Executive

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

Approvals and Wildlife Division

Mr Peter Burnett, First Assistant Secretary
Ms Vicki Middleton, Assistant Secretary, Environment Assessment Branch 1
Ms Michelle Wicks, Acting Assistant Secretary, Environment Assessment Branch 2
Ms Carolyn Cameron, Acting Assistant Secretary, Strategic Approvals & Legislation Branch
Ms Rose Webb, Assistant Secretary, Compliance and Enforcement Branch
Ms Kathryn Collins, Assistant Secretary, Business Systems and Governance Branch
Mr David Atkinson, Acting Assistant Secretary, Wildlife Branch
Mr Mark Flanagan, Executive Director, Environmental Planning Services

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 & Access Branch

Australian Government Land and Coast

Ms Mary Colreavy, Acting First Assistant Secretary

Ms Michelle Lauder, Acting Assistant Secretary, Reef Rescue & Aquatic Partnerships Branch

Dr Charlie Zammit, Assistant Secretary, Biodiversity Conservation Branch

Ms Alison Archer, Acting Assistant Secretary, Indigenous Policy Branch

Ms Bernadette O'Neil, Acting Assistant Secretary, Business Planning and Performance Branch

Corporate Strategies Division

Mr Malcolm Forbes, 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

Environment Quality Division

Dr Diana Wright, First Assistant Secretary

Heritage Division

Mr James Shevlin, First Assistant Secretary

Mr Theo Hooy, Assistant Secretary, Historic Heritage Branch

Mr Brian Prince, Acting Assistant Secretary, Natural and Indigenous Heritage Branch

Dr Greg Terrill, Assistant Secretary, International Heritage & Policy Branch

Marine Division

Ms Donna Petrachenko, First Assistant Secretary

Mr Stephen Oxley, Acting First Assistant Secretary

Ms Lara Musgrave, Acting Assistant Secretary, Tropical Marine Conservation Branch

Mr Anthony McGregor, Acting Assistant Secretary, Marine Biodiversity Policy Branch

Mr Charlton Clark, Assistant Secretary, Temperate Marine Conservation Branch

Parks Australia Division

Mr Peter Cochrane, Director of National Parks

Policy Coordination Division

Mr Sean Sullivan, First Assistant Secretary

Mr Andrew McNee, Assistant Secretary, Strategic Advice Branch

Ms Rachel Parry, Assistant Secretary, Communications and Ministerial Services Branch

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

Renewable & Energy Efficiency Division

Mr Ross Carter, First Assistant Secretary

Mr David Smith, Acting Assistant Secretary, Building & Government Energy Efficiency Branch

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

Mr Hilton Taylor, Assistant Secretary, Appliance Energy Efficiency Branch

Energy Efficiency Taskforce

Ms Kathleen Mackie, Acting First Assistant Secretary
Mr Aaron Hughes, Assistant Secretary, Home Energy Branch
Ms Anne-Marie Delahunty, Acting Assistant Secretary, Renewable Energy Branch
Ms Claire Howlett, Acting Assistant Secretary, Energy Compliance Branch

Supervising Scientist Division

Mr Alan Hughes, Supervising Scientist
Dr David Jones, Director, Environmental Research Institute of the Supervising Scientists

Water Reform Division

Mr Tony Slatyer, First Assistant Secretary
Ms Chris Schweizer, Assistant Secretary, Aquatic Systems Health Branch
Ms Kerry Smith, Assistant Secretary, Water Policy Branch
Mr Russell James, Assistant Secretary, Water Resources Branch
Mr Aidan Dalgliesh, Assistant Secretary, National Water Market Systems 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
Mr Nick Rayns, Assistant Secretary, Basin Communities and On-Farm 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

Agencies**Australia Council**

Ms Kathy Keele, Chief executive Officer
Ms Robin Cowdery, Executive Director, Corporate Services

Bureau of Meteorology

Dr Greg Ayers, Director
Dr Rob Vertessy, Deputy Director, Water
Mr Alan Vallance, Deputy Director, Corporate
Dr Neville Smith, Deputy Director, Research and Systems
Dr Ray Canterford, Acting Deputy Director, Services
Mr Trevor Plowman, Chief Financial Officer

Great Barrier Reef Marine Park Authority

Dr Russell Reichelt, Chairman
Ms Margaret Johnson, General Manager, Communications and Policy Coordination Branch
Mr Bruce Elliot, General Manager Corporate Services Branch

Murray Darling Basin Authority

Mr Rob Freeman, Chief Executive
Mr Frank Nicholas, Executive Director, Corporate Services
Mr Tony Morse, General Manager, Assets

Mr Fraser MacLeod, Executive Director, Basin Plan
Ms Jody Swirepik, Executive Director, Natural resource management
Me Geoff Haberfeld, Executive Director, Engagement, Secretariat and Communications

National Gallery of Australia

Dr Ron Radford, Director
Mr Alan Froud, Deputy Director

National Library of Australia

Mr Warwick Cathro, Acting Director-General
Mr Gerry Linehan, Assistant Director-General, Corporate Services

National Museum of Australia

Mr Craddock Morton, Director
Ms Lisa Wilmot, Acting Assistant Director, Operations
Mr Mathew Trinca, Assistant Director, Collections, Content and Exhibitions Division
Ms Trish Kirkland, Acting Assistant Director, Audience, Programs and Partnerships Division
Ms Kylie Noonan, Chief Finance Officer

National Water Commission

Mr Ken Matthews AO, Chief Executive Officer
Mr James Cameron, Deputy Chief Executive Officer
Mr Matt Kendal, General Manager, Sustainable Water Management Group
Ms Kerry Olsson, General Manager, Assessment and Policy Coordination Group
Mr Will Fargher, Acting General Manager, Water Markets and Efficiency Group
Mr Gary Bullivant, Corporate Manager

Screen Australia

Dr Ruth Harley, Chief Executive Officer
Mr Ross Pearson, Chief Financial Officer
Ms Fiona Cameron, Executive Director, Strategy and Operations

CHAIR (Senator McEwen)—Thank you and good morning, everybody. We continue the examination of the Environment, Water, Heritage and the Arts portfolio in accordance with the agenda. The committee has fixed Friday, 26 March 2010 as the date for the return of answers to questions taken on notice. Senators are reminded that written questions on notice should be provided to the secretariat by close of business this Friday.

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, and which I now incorporate in *Hansard*.

The extract read as follows—

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).

(Extract, Senate Standing Orders, pp 124-125)

Officers called upon for the first time to answer a question should state their full name and position for the *Hansard* record, and witnesses should speak clearly and into the microphone. Mobile phones should be turned off or silenced.

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

Senator Wong—No, Chair, thank you.

[9.05 am]

Department of the Environment, Water, Heritage and the Arts

CHAIR—I will call agencies in accordance with the agenda, and the first item will be general questions of the department. Ms Kruk, did you wish to make an opening statement?

Ms Kruk—Not at this stage, Chair, thank you.

CHAIR—Thank you. I will then invite questions. I believe Senator Abetz is ready to roll.

Senator ABETZ—Thank you very much, Madam Chair, and good morning, all. Who can answer some questions in relation to FOI requests?

Ms Kruk—We can take those on, Senator Abetz.

Senator ABETZ—Thank you very much. I put in an FOI request on 6 November, some three months ago if my maths is correct. I got a response dated 8 February telling me that certain matters would be finalised in the very near future. Can I be advised as to whether we have got any time line on that?

Ms Kruk—Senator Abetz, without wanting to break any of your confidence, could I see a bit of advice as to what issue the FOI was on?

Senator ABETZ—Yes—

Ms Kruk—My apologies.

Senator ABETZ—It is on Mr Garrett's continued refusal to tell us with whom he spoke in relation to the Gunns Limited pulp mill issue, which, if I might just say by way of preamble, is a very interesting—

Ms Kruk—I have some memory of our earlier discussion, Senator.

Senator ABETZ—position, given that nauseatingly entitled policy document of Mr Rudd's, *Government information: restoring trust and integrity*, in which he said 'a pro-disclosure culture' is 'a key component of the architecture of a healthy, vibrant democracy.' I am just wondering how much Minister Garrett is living up to this pro-disclosure culture and assisting in the creation of an architecture of a healthy, vibrant democracy with his continued refusal to disclose.

Ms Kruk—Senator Abetz, I am aware of the matter. If I could ask Mr Early to respond.

Senator ABETZ—Good.

Mr Early—Senator, as I understand it, the FOI request went to the minister, and the minister and his office is handling it. As I understand it, the minister's office asked the department to advise you of the delay because the minister needed to consult third parties, and that is really as much information as we have on the matter.

Senator ABETZ—Although Mr Carl Warburton from the legal section of the department wrote to me, so I dare say the department is handling this as opposed to the minister's office. Is that so?

Mr Early—No, that is not correct, Senator. The minister's office is handling the matter.

Senator ABETZ—So the minister's office is personally handling the FOI request because it was made to him?

Mr Early—Yes, you made the request to the minister, that is right.

Senator ABETZ—Right, but the department is offering advice, so—

Mr Early—No, the minister's office asked the department to draft the letter and advise you, as is normally the case with FOI requests.

Senator ABETZ—I see. So I write directly to the minister and he then deigns to respond through somebody else. That is fair enough, but I am not actually given a genuine reason as to why. I have been advised that there has been a delay in the processing of this request as a result of the need to undertake third-party consultations. We are pretty much agreed, I think, as to who those third parties might be, and it is pretty, pretty limited. It is interesting that Mr Garrett has clearly identified in this, then, who those third parties are, which he claimed would be—what was the term last time?—‘an unacceptable use of resources’ to find out whom he rang on that day. But he seems to have it available and consult with them as to whether or not he can communicate that in the FOI request. There is something very dodgy about all this, but I do not blame you because you are only the messenger for the minister. I do not want there to be any reflection on the department. I was told that it would be finalised in the very near future—before or after the next election?

Ms Kruk—Senator Abetz, we are obviously not in a position to—

Senator ABETZ—That is a rhetorical question and I withdraw it; you are quite right.

Ms Kruk—I take that as a rhetorical question.

Senator ABETZ—What do we mean by ‘very near future’?

Ms Kruk—I think we are only in the position, as Mr Early has indicated, that he has been advised by the minister's office that there are third-party consultations. I am also not aware of any agreement reached between you and us about the nature of the third parties involved. But I may not be—

Senator ABETZ—They would not be between you and me; it would be, as I understand it, with the minister. It relates to the ASIC investigation of the release of information.

Ms Kruk—Yes, I am aware of that.

Senator ABETZ—The release of that information was only to about a handful of people whom Mr Garrett personally rang on the day to say—

Ms Kruk—My recall is also that ASIC actually has indicated that the matter had been determined.

Senator ABETZ—That is right, but what has that got to do—

Ms Kruk—Mr Early, is my recall of this correct?

Mr Early—Yes.

Senator ABETZ—Yes, but what has that got to do with my request for FOI as to whether the matter has or has not been determined?

Ms Kruk—I think we are just ensuring that we have a common understanding of the sequence of events.

Senator ABETZ—Thank you for that, but that does not help us in defining what ‘very near future’ means. Is it the same very near future in which we were going to take Japan to the international courts on whaling immediately after getting government, and now two years later we are still waiting? Do we have any idea what very near future means according to Mr Garrett?

Ms Kruk—I am sorry. As much as I would like to assist, I cannot give you a time line on that one.

Senator ABETZ—Minister, can you please take it on notice, because hopefully within the 30-day period that the minister has to answer, we might actually have a response to this.

Senator Wong—Which aspect of the various things you have asserted do you want me to take on notice?

Senator ABETZ—The definition of ‘very near future’.

Senator Wong—That is fine. You made a whole range of other assertions. I was just checking which ones you—

Senator ABETZ—I asked you to take a particular—

Senator Wong—I was just clarifying which one you wanted.

Senator ABETZ—Good.

Senator Wong—If I can just clarify this: you want me to take on notice what ‘in the very near future’ means in relation to—

Senator ABETZ—In relation to the letter to me dated 8 February 2010 from Mr Karl Warburton, legal section, Department of Environment, Water and Heritage.

Senator Wong—I will do so.

Senator ABETZ—Thank you very much.

Senator Wong—This is the same issue that you have had answers on previously, isn’t it?

Senator ABETZ—No, I have not had answers. I have had verbiage but not answers, and this matter is continuing because Mr Garrett is now weaving a web of silence around what he did. I have a hunch that, when it is fully exposed as to whom he rang on that particular day, his assertion that he rang a range of stakeholders may not necessarily be sustainable and that is why Mr Garrett has closed down shop on this.

Senator Wong—I have it in front of me and I think my recollection of previous estimates is that we have gone up hill and down dale on this. You have had a range of questions on notice that the minister has answered resulting from a number of estimates hearings. They may not be the answers you want, but these questions have been asked and answered on many occasions. But I will take on notice your request in relation to the FOI request.

Senator ABETZ—When I asked whom did he ring, he would not tell us because allegedly he does not know. We then asked, ‘Well why do you not do a telephone search of the numbers that were rung?’ and we were told that would be an unfortunate use of resource, whereas my office was able to get that information free of charge for my own office within a matter of a 48-hour turnaround from Telstra. It sits very strangely in relation to Mr Rudd’s nauseatingly entitled *Government information: restoring trust and integrity* policy, where on page 1 it said:

... a pro-disclosure culture is a key component of the architecture of a healthy, vibrant democracy.

He will not even tell us who he rang prior to publicly announcing a particular decision—hardly pro-disclosure I would have thought. Has the department now sought a costing as to how much it would cost to access those telephone numbers? I do not have a response to that as yet and I have asked about that.

Mr Early—No.

Senator ABETZ—So it is an outrageous use of resources that cannot be justified, but you do not know the cost of it?

Mr Early—It would be an extraordinary thing for the department to investigate the calls made by our minister without the minister’s specific authorisation.

Senator ABETZ—Thank you. So the minister has denied the department from allowing a costing to be undertaken, has he?

Mr Early—No, he has not asked for it.

Senator ABETZ—No?

Senator Wong—If I could be very clear here, you have asked a range of questions on a number of occasions and the minister has answered. You are not happy with the answers. You have made that clear and you are entitled to that view. The minister is also entitled to the view that he has provided answers. Subsequent to this great range of questions being asked through the Senate and through estimates, you have put in a freedom of information request and I think the department has indicated that is being considered. You have asked a question about the time frame for that and I have taken that on notice. I am not sure that quizzing the department about those same matters over and over again is going to take this very far. I have taken the issue on notice. The FOI request goes directly to the substance of the issue about which you are now quizzing the department.

Senator ABETZ—Thank you for your gratuitous advice, but I will keep asking the questions that I want to ask.

Senator Wong—Well it was not gratuitous.

Senator ABETZ—The question I will continue to ask is: the department has not undertaken a costing of checking out certain telephone calls that may have been made from the minister's office; is that what you are telling us?

Ms Kruk—As Mr Early has indicated, we have not undertaken that costing. I think we also indicated in a previous response to your questions that the matter had actually been considered by ASIC.

Senator ABETZ—Ms Kruk, with respect—

Ms Kruk—Senator Abetz, I cannot take this issue any further. I can restate what I have previously stated and that is as far as I can I can take it. I am not being difficult; I am just literally telling you what I have told you previously.

Senator ABETZ—Can you tell me how ASIC investigated the issue of telling me who Mr Garrett had rung? How did ASIC investigate the cost? You agree with me that ASIC did not investigate any of that, therefore those aspects are not closed. We therefore do move on and I ask again—

Ms Kruk—Senator Abetz, I am sorry, but I am not privy to the work of ASIC in that regard. If you believe your answer is—

Senator ABETZ—Well why did you quote them then?

Ms Kruk—Your question has been answered. I indicated, as I did at the previous estimates meeting, that the minister had indicated that the matter had been closed as a result of the consideration by ASIC. I am not being difficult; I am telling you what I am able to tell you. I acknowledge your frustration. I can go no further in this regard.

Senator ABETZ—Of course the frustration, Ms Kruk, is as a result of this high and mighty pro-disclosure culture that was enunciated in the restoring trust and integrity policy that was so nauseatingly put forward by Mr Rudd and which is now being ignored wholesale by Mr Garrett.

Senator Wong—In response to your questions of Ms Kruk, if you have issues with any investigation undertaken by ASIC you should address those to ASIC.

Senator ABETZ—What? This is not about ASIC, for the last time, Minister.

Senator Wong—Can I finish, Senator?

Senator ABETZ—You interrupted me at first. I had not finished.

Senator Wong—I am adding to an answer provided in relation to a question.

Senator ABETZ—By interrupting me. That is what you did and the *Hansard* will disclose that.

Senator Wong—Senator, you are in no position to lecture anybody about manners.

Senator ABETZ—Check the *Hansard*, Minister. Now I am not interested in—

Senator Wong—I have not finished my answer. I just want to make—

Senator ABETZ—All right, you continue interrupting. When you have finished, let me know and then I will ask my question.

Senator Wong—That is fine; I will let you know. If you have any issues around the ASIC investigation—and you asked Ms Kruk directly how ASIC conducted its investigation—you should address those questions to ASIC.

Senator ABETZ—No, I did not.

Senator Wong—You should address those questions to ASIC. In addition, I would remind you that it has been indicated publicly in these hearings previously that ASIC has stated that their investigation was complete and that there had been no breach of the Corporations Act. So that is quite clear. Nevertheless, you wish to continue to proceed with this line of questioning. We have answered on many occasions questions about this issue. You have now asked questions regarding the time line and I have taken that on notice. I have finished.

Senator ABETZ—Thank you. Can I now ask, completely unrelated to the ASIC investigation, this. What, if any, action did the department take to ascertain the cost or the expenditure of resource to find out the telephone numbers that may have been rung by the minister on the day in question?

Mr Early—I am not sure what initial inquiries were made at the beginning of this affair, if I can call it that.

Senator ABETZ—It is an affair, I agree.

Mr Early—We have not subsequently made any inquiries because the minister has provided all the answers to the various questions and we have provided answers to questions on notice through the hearing. It is not really an issue for us at this stage.

Senator ABETZ—I am sorry, questions have been asked about this issue, this affair, and I was told at one stage that it would be an inappropriate use of resource.

Senator Wong—‘Unreasonable’ I think was the word.

Senator ABETZ—‘Unreasonable’, thank you—an unreasonable use of resource. I just want to get a handle on how difficult this task is given that, when I was given that answer by the department, I personally rang Telstra and said, ‘On the day in question can you tell me all the telephone numbers my office rang and what would the cost be?’ Telstra did it for us for nothing and gave us the telephone numbers in a matter of a 48-hour turnaround. Now that was one phone call by my office. Has the department even rung, so made that one phone call, or would one such phone call also be considered ‘an unreasonable use of resource’?

Senator Wong—You put this previously to the department, this story of your own investigations. The department has indicated today their response to that. Mr Early has provided an answer and I would again refer you to the minister’s answer. It is the minister’s answer to which you are referring. If you wish us to take on notice what is meant by paragraph 4, which is what you are quoting, I will do so. But I do not think these officers can assist you any further. The minister has answered the question.

Senator ABETZ—Did the department offer any advice—and I do not want to know what the advice was—to the minister prior to him giving that answer saying that it would be ‘an unreasonable use of resource’?

Senator Wong—Hang on, you are asking precisely what the advice was?

Senator ABETZ—No, I am not.

Senator Wong—Yes, you are. You commenced your question saying you were not asking what the advice was.

Senator ABETZ—That is right.

Senator Wong—You then went on to ask if they offered advice that says X, Y and Z.

Senator ABETZ—No, I did not say that at all.

Senator Wong—That is going directly to the issue of any advice provided.

Senator ABETZ—No.

Senator Wong—The minister has answered the question.

Senator ABETZ—No, the minister is absolutely entitled to ignore or accept advice. His answer to me may in no way, shape or form reflect the advice proffered by the department. After all, the minister is in control and he will make the determination whether or not it is a reasonable or unreasonable use of resource. The department may well have advised that it was reasonable, but the minister, as is his right, may have determined that it was unreasonable. So I am not asking what the advice was. All I want to know is whether any advice was proffered prior to the minister giving that answer.

Senator Wong—So the question is in relation to the answer to question No. 1486 as to whether departmental advice was provided prior to that question being provided. I will take that question on notice.

Senator ABETZ—Thank you. I understand Senator Birmingham has some questions on FOI matters.

Senator BIRMINGHAM—Minister, on 28 October last year, shortly after Senate estimates and shortly after you indicated that you would not be complying with the Senate order in relation to lodgement of a or publication of a letter that you sent to Mr Holding in Victoria about stage 2 of NVIRP, my office lodged an FOI request with your office. I did not seem to get as far as Senator Abetz in that I have not even had the acknowledgement of lodgement, let alone a response.

Senator Wong—I do not have the officers from Water here. I think that outcome is scheduled after dinner. But I can certainly get advice about the status of your FOI application prior to that time.

Ms Kruk—Senator Birmingham, sorry but can you just remind me of the dates, for the purposes of some of my staff.

Senator BIRMINGHAM—It is 28 October.

Ms Kruk—It is 28 October and it is regarding?

Senator BIRMINGHAM—It is regarding the letter that Minister Wong sent to Minister Holding regarding NVIRP stage 2.

Ms Kruk—Thank you for that. We will endeavour to deal with that issue during the Water session.

Senator BIRMINGHAM—That would be very good, thank you. Most of these questions also relate to Water, but is there any particular reason why 16 questions on notice still remain outstanding from the previous estimates?

Senator Wong—I will also wait until I have officers from Water here. I have to say I am always interested when you put this because I sat on that side of the table for a great many years, as you know, and the level of compliance of this government with questions on notice timetables is a significant improvement on what we had to endure whilst in opposition. If there are only 16 outstanding, I have to say I think we have done reasonably well but I will certainly check on those which are outstanding.

Senator BIRMINGHAM—Once again, most of them relate to the Water area. Some of them are questions that you have managed to answer in previous estimates—they are seeking updated figures—so I am surprised that this time around it has proved hard to get them in. I look forward to addressing those issues later in the day.

CHAIR—Senator Siewert, do you wish to clarify where you can ask questions about certain things?

Senator SIEWERT—Yes, please. I want to chase up issues around the Hawke review and progress from there. Which section would I deal with that in?

Ms Kruk—That is in outcome 1. Chair, with your agreement and if we have moved into outcome one—

CHAIR—No, we have not.

Senator SIEWERT—I was clarifying. I wanted to know whether we would deal with it here or whether we would do it at 1.2. So we will do it at 1.2. Is that where we deal with listings et cetera as well?

Ms Kruk—Yes.

Senator SIEWERT—Thank you.

CHAIR—As there are no other clarifications required, Senator Ludlum did you have general questions for the department?

Senator LUDLAM—No, Chair.

CHAIR—Are there any further general questions?

Senator ABETZ—Yes, if I may. Does the department have any proposed advertising campaigns scheduled in relation to any matters relevant to this department?

Ms Kruk—If you could just be patient for two moments, I am not aware of any being scheduled. I think we have reported previously in terms of any advertising that we have undertaken. It has been, shall we say, a very minimal year in that regard for this department.

Senator ABETZ—Previously that is the case but situations change, so I would just like an update.

Ms Kruk—My understanding is no, as the whisper in my ear tells me.

Senator ABETZ—That is in relation to whether it is actually scheduled. That was the question I asked. What about planned or even in the conceptual stage?

Ms Kruk—That is a broad time frame. Is it germinating in my thinking? At the moment, no.

Senator ABETZ—No, because a scheduled campaign might suggest that you have already got the TV booked et cetera. I am just trying to clarify, because we have seen some weasel words in recent times in the House of Representatives in relation to promises made and I just want to nail this one down.

Ms Kruk—If I could call on Mr Thompson, who I think may be able to assist here.

Senator ABETZ—Yes, thank you.

Mr Thompson—The only part of our administered budget for this year which includes a component for an advertising campaign is in relation to energy efficiency. It relates in particular to the energy efficiency measures as part of the government's fiscal stimulus package and that has not been activated at this stage.

Senator BIRMINGHAM—So there is no proposed advertising campaign to ring the green loans hotline, but we will get on to that a bit later.

Ms Kruk—I am sure there will be some discussion on that. I take your question as not being information going out to various groups explaining the operation of the various schemes in either the water or the energy space? Am I right in thinking that?

Senator ABETZ—Yes, a more broader general advertising.

CHAIR—As there are no further general questions of the department, thank you all for that and we will now move to the Supervising Scientist.

[9.30 am]

Supervising Scientist Division

CHAIR—Good morning, Mr Alan Hughes and Dr Jones. I believe Senator Ludlum has questions.

Senator LUDLAM—I have a couple. Mr Hughes and Dr Jones, as you probably expect, I have a couple of questions that are fairly broad in nature but then mainly I would like to ask about your work up at Ranger in Kakadu. I will start with the general stuff and I will ask the department about this well. The departmental Hawke review into the Environment Protection and Biodiversity Conservation Act 1999 has got some specific comments relating to issues in your domain, particularly that the provisions of the Environment Protection (Alligator Rivers Region) Act 1978 be incorporated into the EPBC Act. That is one recommendation. The second is that the role of the Supervising Scientist be expanded to include all uranium-mining activities in Australia, which is something that I would support by the way and I think we have spoken about this before. Did the Office of the Supervising Scientist have any specific formal or informal input into the process of that review?

Mr Alan Hughes—We were invited to pass comments and I think some of our officers were involved in discussions with Dr Hawke.

Senator LUDLAM—Were you specifically?

Mr Alan Hughes—Not me specifically, no.

Senator LUDLAM—Do you have a view about an expanded mandate for the Supervising Scientist to cover uranium-mining activities throughout the country?

Mr Alan Hughes—I think there is some logical sense in that.

Senator LUDLAM—Have you got any sense or have you been asked to provide any kind of audit of what additional resources would be needed for you to take on that expanded role?

Mr Alan Hughes—No.

Mr Early—The response to the Hawke review will be a whole-of-government response. I am sure we will have questions later but it is subject to an IDC process.

Senator LUDLAM—To a what process, sorry?

Mr Early—The process of an interdepartmental committee of departments. There is a full process before the government response is identified, approved by government and released to the parliament. It is a bit premature to be asking specific questions about what the response will be to various recommendations.

Senator LUDLAM—I was not asking Mr Hughes to guess what the government might respond with. I am wondering whether you have been asked to provide any kind of estimates of what sort of additional resources would be required to fulfil that expanding role.

Mr Early—I guess what I am saying is that that will be part of whole-of-government consideration.

Senator LUDLAM—I am not asking for what the government might eventually table. I am asking for whether the Office the Supervising Scientist or Mr Hughes has provided a certain kind of information to government.

Mr Early—The Office of the Supervising Scientist will be providing that information as part of the whole-of-government response. Basically what we will be providing to government is a considered response to all of the Hawke recommendations and whether that is going to involve costs or not and so forth. Certainly the Supervising Scientist will have a major input into that.

Senator LUDLAM—You are making that sound as though that is yet to come and that has not occurred yet.

Mr Early—The process has been started. There has been a first meeting and certainly there is a committee within the department which involves the Supervising Scientist in terms of the department's own responses. It is part of a process that is going forward.

Senator LUDLAM—Are you in a position to tell us when we might see a formal statement or a response by government or is that not something that you are aware of?

Ms Kruk—We touched on this last night. We are not in a position to do that at this stage. It is obviously a matter for government in terms of the timing. Can I just reiterate both the Supervising Scientist's comments and Gerard's comments. The process is such that basically once the recommendations are completed by the review they are then looked at right across all of the government agencies for any resourcing implications. Whether Mr Hughes is actually asked at this time or another will be part of the normal process.

Senator LUDLAM—I will come to Ranger specifically. Can you provide us with an update, if there is such a thing, about what has occurred since we last spoke regarding the Ranger tailings dam? I understand your office initiated an additional program of water quality monitoring. Are there any outcomes of that work?

Mr Alan Hughes—In respect of the tailings dam issue, ERA have been undertaking a number of drainage works around the footprint of the tailings dam and that is going to have greater control over the run-off from around those areas. At this stage there have been no significant changes in the monitoring programs, except for additional monitoring that has been placed within those earthworks around the place.

Senator LUDLAM—As a consequence of undertaking those drainage works they put additional water monitoring stations in?

Mr Alan Hughes—Yes.

Senator LUDLAM—Are those being reported just to you or are the water quality reports from those bores public?

Mr Alan Hughes—These are not bores. These are surface water sampling stations. No, they are not routinely reported to us but the information is made available to stakeholders on request. ERA are currently monitoring those things for their own purposes in order to improve water management in the area.

Senator LUDLAM—You are considered a stakeholder in that context, so you can call in that data if you see the need to?

Mr Alan Hughes—We do.

Senator LUDLAM—Can you update me then on the process, which I think we left a bit ambiguous last time, about sampling of the water that is coming out from directly underneath the dam? My understanding is that the works that you have been describing just now would catch the water that is coming out laterally.

Mr Alan Hughes—Those works are not to capture lateral seepage. They are to capture run-off.

Senator LUDLAM—It is the seepage that I guess has been my main concern since the first conversation that we had about that. Is the company attempting to assess the water quality that is coming out from directly under the dam?

Mr Alan Hughes—The company is continuing to monitor the water bores, the monitoring bores that surround the dam.

Senator LUDLAM—Surrounding is different though, because you have been very careful to point out to me that the vast bulk of the seepage is heading directly down and that it is not actually escaping laterally. Is that still the case?

Mr Alan Hughes—Yes, there has been no significant change to the dam.

Senator LUDLAM—How much does the company know about the quality of the water that is coming out from under the dam and heading down?

Mr Alan Hughes—It is not possible to test the water that may be travelling vertically below the dam.

Senator LUDLAM—May be travelling?

Mr Alan Hughes—Yes.

Senator LUDLAM—It is going somewhere. I feel a little bit of *deja vu* because we have had this conversation a few times. You have been very careful to put on the record that there is not a great quantity of water escaping laterally.

Mr Alan Hughes—That is correct.

Senator LUDLAM—But there are 100,000 litres a day, roughly within orders of magnitude, going somewhere.

Mr Alan Hughes—I previously indicated that that is a modelling number, a theoretical number. If there is 100,000 litres of water travelling out of the dam in a vertical direction, it is remaining beneath the dam. It would be remaining beneath the dam because there is no evidence of it going anywhere else.

Senator LUDLAM—So, it is either going sideways or it is going down?

Mr Alan Hughes—Or it is not going through the floor of the dam at all.

Senator LUDLAM—Where is it?

Mr Alan Hughes—If it is not going through the floor of the dam, it remains in the dam.

Senator LUDLAM—Thus escaping over the top? One hundred thousand litres a day is not an insignificant quantity of water.

Mr Alan Hughes—That is a theoretical number based on modelling.

Senator LUDLAM—Is the company or the OSS doing anything to prove that number so that you actually know or so that the company knows? Is the company interested in finding out how much water is leaking out of the dam?

Mr Alan Hughes—What is important to know is whether there is any seepage laterally from the dam and the monitoring indicates that there is no significant seepage moving laterally from the dam.

Senator LUDLAM—And the company does not know or you are saying that it is actually not possible to know or to characterise the quality of the water that is coming out from beneath the dam.

Mr Alan Hughes—What the quality of the groundwater may be beneath the dam?

Senator LUDLAM—Presumably the groundwater would have had, once upon a time, background concentrations of the various chemicals that are in the dam. I am interested to know, and I will test some numbers on you in a moment, how much the company knows about the characterisation or the kind of contaminants that are coming out from under the dam, if it is not possible to put a bore through into that groundwater. Is that what you are saying, that they cannot sample the water that is coming out from under the dam?

Mr Alan Hughes—It would be impractical to do that.

Senator LUDLAM—Impractical or impossible?

Mr Alan Hughes—Nothing is impossible but it would be impractical.

Senator LUDLAM—Is that something you have requested them to do?

Mr Alan Hughes—No. I would consider that it would be impractical.

Senator LUDLAM—We do not know how much water is coming out, where it is going or what is in it?

Mr Alan Hughes—We know it is not leaving the Ranger site.

Senator LUDLAM—We will get to that in a moment. I have collected together some data on the kinds of contaminants that are likely to be in the process water. I want to get a definition from you. When the company reports process water contaminants in their annual environment reports and so on, is process water what you would call the water that is pumped out into the tailings dam or is that something different?

Mr Alan Hughes—No, that is correct. Water which is in the tailings dam is known as process water.

Senator LUDLAM—So any residual uranium sulphates, NH₃ or radium that is in the process water, uranium in particular, is just the residual quantities that are left over after the mining process?

Mr Alan Hughes—That is correct.

Senator LUDLAM—I do not know how much of this data you have got on the table in front of you but the numbers that I have here are that you would get, in the process water going into the dam, around 27,000 micrograms per litre or parts per billion of uranium. Does that sound like a reasonable figure to start with?

Dr Jones—Certainly the concentrations of uranium would probably approximate those figures in process water.

Senator LUDLAM—I am not trying to set you up. It is a number I have pinched out of one of the annual environment reports. The process water going into the tailings dam has about 27,000 micrograms per litre of uranium. The potable groundwater in the area contains about seven. Does that sound reasonable, the background concentrations in the upstream creeks?

Mr Alan Hughes—They would be of those orders of magnitude.

Senator LUDLAM—Or lower, three to five to seven. The differential between the water that is in the tailings dam and the water that is in the receiving environment is in the order of magnitude between 27,000 parts per billion and three to five to seven or thereabouts. Can you confirm for me that uranium is not the only radionuclide that is present in uranium tailings? Roughly what numbers of other kinds of radioactive elements are present in those tailings?

Mr Alan Hughes—The tailings contain all the daughter products from the uranium decay series.

Senator LUDLAM—How many of those?

Mr Alan Hughes—A number between 10 and 15.

Senator LUDLAM—Not all of those are recorded but those are present in trace quantities and presumably each of those have different pathways of escaping into the environment or different attenuation rates and so on?

Mr Alan Hughes—Many of those radionuclides have very short half-lives and do not persist in the environment.

Senator LUDLAM—Right, but some of them do persist?

Mr Alan Hughes—Yes.

Senator LUDLAM—For example, the company does record radium concentrations of 24,000 millibecquerels per litre as compared to zero in the background ground water of the area. So, there are some other radioactive elements in the tailings that are not present or are present in very low concentrations?

Mr Alan Hughes—The main radioactive elements in the tailings are uranium and radium.

Senator LUDLAM—Those are the two that are recorded here. What I am trying to understand is between the level of 27,000 that is in the tailings dam water and the receiving environment which is between three and seven or thereabouts parts per billion, what is the attenuation rate? What is the gradient between those two very, very different numbers that allows the company to say that contaminants are not escaping the tailings dam and getting into the receiving environment?

Mr Alan Hughes—This is not a theoretical issue. Monitoring bores are sampled and the uranium content of them is determined on a routine basis.

Senator LUDLAM—You just said it would be very impractical—I think that is the word that you used—for the company to sample the water coming out from under the dam.

Mr Alan Hughes—That is moving laterally.

Senator LUDLAM—Yes, but what about the water that is moving down; they do not know how much and they are not even sure what is really in it and they do not seem very interested in finding out.

Mr Alan Hughes—The water that is sitting beneath the tailings dam is not going anywhere.

Senator LUDLAM—How does the company know that if they are not monitoring it?

Mr Alan Hughes—They are monitoring around to see if it is going anywhere.

Senator LUDLAM—How can that volume of water be escaping from the dam for a period of 20 years and in your words ‘not be going anywhere’? It is going somewhere unless the mine is just sitting on a colossal column of contaminated water.

Mr Alan Hughes—That is why I said that the number for the seepage rates through the floor of the dam is a theoretical number and it may not be that right.

Senator LUDLAM—But nobody seems to be doing any work to prove it. It could be wrong by a factor of 10 either way, if the company does not know.

Mr Alan Hughes—We are quite confident that there is a mound of contaminated ground water sitting beneath the tailings dam.

Senator LUDLAM—Now we are getting somewhere. How do we characterise the water quality of the mound of the contaminated water between the dam if the company is not monitoring it?

Mr Alan Hughes—It will be a gradient and at the extreme end it will be of similar concentration to process water.

Senator LUDLAM—Yes, that is really what I am after. In terms of concentration of uranium and radium and the other nuclides that are measurable in that water, there is a gradient between heavily contaminated water, which is not fit for any kind of consumption, and the background levels in the receiving environment.

Mr Alan Hughes—That is correct.

Senator LUDLAM—Do you have any intention to ask the company to characterise the quality of that groundwater or the extent of attenuation of those elements in the groundwater or are you content for that to remain ambiguous?

Mr Alan Hughes—We have no intention of asking the company to determine the quality of the groundwater beneath the floor of the tailings dam while the tailings dam is an operational tailings storage facility.

Senator LUDLAM—Why is that?

Mr Alan Hughes—Because it is impractical to do so. It serves no useful purpose.

Senator LUDLAM—We are not going to know and you are content to not know the quality of the contaminants of that groundwater for a period of another 10 or 15 years or so or however long that dam is there?

Mr Alan Hughes—For as long as the dam is operating.

Senator LUDLAM—What happens when they start to take the dam away and we finally get an accurate idea of what is in that groundwater? How can you be confident that the company will be able to rehabilitate that water if we know so little about it?

Mr Alan Hughes—The company is currently finalising the process water treatment plant, which has been operating in testing mode prior to the beginning of the wet season. That process water plant is capable of treating process water to make the water fit for release to the environment.

Senator LUDLAM—How do you get it all back out of the ground again if they do not know how much is there or where it has gone?

Mr Alan Hughes—It will be retrieved from the bores.

Senator LUDLAM—Quite seriously, my background is not in hydrogeology but how on earth do you do that if it has been leaking for that period of time? How are they going to get all that water back out of the ground?

Mr Alan Hughes—The groundwater mainly moves in fracture zones within that area. It will not be universally pumpable; some of it will remain in those fractures until it is pumped out.

Senator LUDLAM—They cannot actually get all the water out? So it is partial rehabilitation within the limits of geophysics?

Mr Alan Hughes—It will be rehabilitated to a level which is reasonable.

Senator LUDLAM—Can you show me where reasonable is defined either in your charter or in any act? What is reasonable concerning uranium contaminated groundwater in a world heritage area?

Mr Alan Hughes—There is naturally occurring uranium in groundwater.

Senator LUDLAM—Yes, about seven parts per billion apparently compared with 27,000 parts per billion coming out from under the dam.

Mr Alan Hughes—Yes.

Senator LUDLAM—That is five orders of magnitude. Talking about the naturally occurring uranium is a bit disingenuous.

Mr Alan Hughes—I doubt that anybody would ever be able to recover every atom of uranium that went into that water from the tailings dam. However, it will not be posing any threat to the environment.

Senator LUDLAM—That is a statement of such confidence given the enormous range of ambiguities that we have just talked about this morning. I would expect that coming from the company but not from the regulator. That is what I would see in an ERA press release.

Mr Alan Hughes—We would not be setting ourselves up to fail here. We are confident that we can make sure that this occurs.

Senator LUDLAM—Can I just confirm with you that when Kakadu National Park was set up and the Ranger mineral lease was established—it is effectively a rectangle cut out from the middle of the national park—that there are no environmental boundaries between the Ranger mineral lease and the wider national park or the world heritage area?

Mr Alan Hughes—Sorry, I am not understanding the purpose of the question. You have described the fact that the lease is now surrounded by Kakadu National Park.

Senator LUDLAM—I think they were established more or less at the same time, yes. It is a rectangle, there is no ecological boundary separating the mineral lease from the national park?

Mr Alan Hughes—That is correct.

Senator LUDLAM—There are creeks flowing through it. The groundwater systems are contiguous; there is no effective barrier between the mineral lease and the national park?

Mr Alan Hughes—No.

Senator LUDLAM—Can you tell us what role you have, if any, in occupational health and safety at the mine, particularly with regard to the incident that occurred in 2004, where the process-water circuit was hooked up with the drinking water and the showering water in the mine? I recognise that you are an environmental regulator, but do you play any role in contamination incidents of that order that primarily affect the workforce?

Mr Alan Hughes—The Supervising Scientist of the day produced and published a report on that drinking-water incident. You may have seen that report.

Senator LUDLAM—Yes, so you do have a role. Can you just define for me how that works, because you are an environmental regulator; what is your role formally or informally in addressing occupational health and safety stuff?

Mr Alan Hughes—We do not have a formal role in occupational health and safety but we provide observations based on the expertise of officers within our department on some of those issues. They were taken up and utilised by the regulator, who is the Northern Territory government, in a prosecution of ERA.

Senator LUDLAM—That is right, thank you. Do you have health physicists on your staff or are they really taking your expertise in environmental contamination or radiation safety?

Mr Alan Hughes—At the time of that particular incident we had a health physicist on the staff.

Senator LUDLAM—You did?

Mr Alan Hughes—Yes?

Senator LUDLAM—Do you currently?

Mr Alan Hughes—Sorry?

Senator LUDLAM—Do you maintain that expertise?

Mr Alan Hughes—We have physicists who are familiar with concepts of dose assessments and that sort of thing.

Senator LUDLAM—That sounds like it is peripheral to their expertise. I am not trying to be tricky here; do you have health physicists or radiation safety expertise on your staff?

Mr Alan Hughes—Yes.

Senator LUDLAM—You do, thank you. Has your office been tracking the recommendations that were made either by your office or by the NT regulators after that investigation and prosecution? Are you responsible in any way for follow up?

Mr Alan Hughes—No. I do not believe so.

Senator LUDLAM—You do not believe so. Is that something that you could check for us? Your office made a number of recommendations to the company at that time.

Mr Alan Hughes—I understand though that if we made recommendations we would have signed off on them. So there would not be any extant recommendations to be fulfilled.

Senator LUDLAM—The company has fulfilled all those obligations?

Mr Alan Hughes—I would believe so.

Senator LUDLAM—You do not sound very sure. I am about to read to you—

Mr Alan Hughes—If you could be specific on a recommendation I can tell you whether or not—

Senator LUDLAM—That is fair enough. There were a number made. The company was eventually successfully prosecuted for that breach. There have been similar breaches when incidents have been caused by the failure of ERA to implement the recommendations made by your office. The ones that I am aware of were in February 2006, March 2006, August 2007, May 2008 and November 2008 where the company breached the recommendations that you and the NT regulators made. Do you provide any follow up with what seem to me to be quite routine breaches of occupation health and safety guidelines on site? Do you have any formal role in that or do you really just concentrate on environmental monitoring?

Mr Alan Hughes—We do not have a formal role in occupational health and safety issues on the mine site. It is outside of our jurisdiction to do that.

Senator LUDLAM—I might leave it there because I suspect other senators may have questions for you. Thank you very much for your time.

CHAIR—Thank you very much Mr Hughes and Dr Jones for joining us today. We will now move to the Bureau of Meteorology.

[9.53 am]

Bureau of Meteorology

CHAIR—Good morning, Welcome Dr Ayers, Dr Smith and Dr Canterford. Thank you for joining us today. Did you wish to make any opening comments before we go to questions?

Dr Ayers—No, thank you.

Senator IAN MACDONALD—Good morning, bureau people; it is good to see you all again. In your response to my questions at the last estimates, you advised that staffing had increased by 98 to the end of the financial year 2007-08 and to the end of 2009. You also said that whilst the numbers of BOM staff had increased, there had been many staff cuts on the ground in North Queensland and across northern and remote Australia because of new technology. Could you just clarify that? On one hand you are saying that the staff of the bureau has increased, and on the other hand you are telling me that the staff, particularly in the north, had been reduced—although I understand that that perhaps in some cases is not even accurate.

Dr Ayers—The total number of staff in the bureau has not changed.

Senator IAN MACDONALD—Has not changed?

Dr Ayers—It has been reconfigured. I can confirm that at 10 January we are on 1,552 staff or 1,476 full-time equivalents. At the end of last financial year we were on 1,476.6. So what has happened is a reconfiguration. In the information we gave you in answer to a question on notice, I think we indicated there were a number of staff reductions as we implemented automation across the network. There were also some increases in staff—for example, the relief pool was enlarged. The overall mix of staff will change with time, as it always will, as the bureau evolves its network, but the total number of staff has not diminished.

Senator IAN MACDONALD—Okay. In your response, you advised that a number of administrative positions had been centralised in 2008-09. Can you tell me where they have been centralised?

Dr Ayers—I am advised that some of these were into head office in the bureau, in terms of restructuring the management area.

Senator IAN MACDONALD—That is in Melbourne?

Dr Ayers—Yes.

Senator IAN MACDONALD—You said some of them had been centralised in Melbourne; what about the others of them?

Dr Ayers—I will pass to Dr Smith if I may.

Dr Smith—We have had a number of centralisation activities over the years. The main one, I think, that is being referred to there is the management one. Over the last three or four years we have been looking to get a more efficient management system rather than having it distributed to every one of the states, to centralise that. There is not a policy that these things have to be centralised in the bureau in Melbourne or in Sydney. Of course, we have also been centralising some of our functions with water, in fact in Canberra, so it depends on the area.

Senator IAN MACDONALD—Can I come back to that in a second.

Senator ABETZ—Chair, if I may—I have been called to another committee—I just have a very few questions, and they relate to the weather station or stations at Darwin International Airport. Are you able to tell us how many weather stations there are around the Darwin airport vicinity?

Dr Ayers—I believe that there is one in the Darwin airport facility.

Senator ABETZ—Just one?

Dr Canterford—Yes, there is one station in the Darwin area, but if you are looking at automatic weather stations, there is a network around Darwin, and there is also a research network. I do not have those details with me.

Senator ABETZ—All right. Can you tell us then how many of those automated weather stations are around Darwin airport, because I have been told that we have five different records covering Darwin from 1941? Take it on notice; I do not need the answer now, and I do not want to delay.

Dr Ayers—I believe I can give you the detail you seek.

Senator ABETZ—Thank you.

Dr Ayers—The records in Darwin have changed because there have been shifts in the location of the weather station during the period since 1940. The reference to multiple records is to one record for the airport but at different locations within the airport vicinity.

Senator ABETZ—But whilst they have been shifted, all of the automated stations agree almost exactly, is that right?

Dr Ayers—The earliest part of the record would not have been an automated station.

Senator ABETZ—What about from 1941 onwards?

Dr Ayers—I believe they would not have been automated weather stations.

Senator ABETZ—Can you tell us when they were first automated, on notice?

Dr Ayers—We do have that information, and I can give you that on notice.

Senator ABETZ—If you can take that on notice, also whether the information out of the various weather stations or automated stations are indicating very similar temperatures as well?

Dr Ayers—I just make the single point that, when stations are moved, there will be inevitably some change in temperature. The bureau has procedures as it does so to compare the changes and to track the changes. I do not have the detail on how that was done in that period, but there will be such information.

Senator ABETZ—If you could give me some information on that, whatever is to hand. Do not bother undertaking a major research project on that. In relation to the climate change debate, a certain number of assertions have been made about Darwin and I am just interested in getting your information.

Dr Ayers—We can provide that information quite readily.

Senator ABETZ—Thank you very much for that.

Senator LUNDY—I would like to ask the bureau about their web presence. In particular, could you provide the committee with some statistics on the number of hits and individual page views, and the typical use that you find of citizens and others using your websites overseas?

Dr Ayers—Certainly. The bureau's annual report contains in figure 7 a graph showing the time series of hits. In the summer of 2008-09, I think the number was something like 2.4 billion hits per month. You will see in that record that it has been—

Senator LUNDY—Sorry, 2.4 billion?

Dr Ayers—Billion, yes. That is figure 7.

Senator LUNDY—Wow. That is a big number.

Dr Ayers—So that is in the annual report. It has been increasing at something like 20 per cent per year. You asked separately about visits. The visits are less. They are up to about 30 million a month. The difference between those two, as I understand it, is that hits are about taking each of the components off a web page whereas the visits are unique visits.

Senator LUNDY—That is right. One person could provide a lot of hits, but page views are individual hits.

Dr Ayers—Could I point you to the Australian Communications and Media Authority's 2008-09 communications report in which it lists the top 25 websites in Australia in terms of visits. The bureau comes in at number 16. Those above the bureau are Google search and some of the personal networking and other sites. Also, Hitwise, which is a web, tracks usage. For the week ending 6 February, if my memory serves me right, of Australian web traffic visiting Australian websites, we were the sixth or seventh most popular, well ahead of the big banks and other government agencies. Of all web traffic from Australians to the globe, if my memory serves me right, we were eleventh. So the bureau is a very well-visited site.

Senator LUNDY—I had heard that, so it is great to get the real numbers on the record.

Dr Ayers—It is an important area for us, that we will continue to work on. I may not have remembered the second part of the question.

Senator LUNDY—I will just keep asking you questions about it. You mentioned that it had grown by 20 per cent per annum?

Dr Ayers—Roughly; something of that order.

Senator LUNDY—How consistent has that been?

Dr Ayers—I will refer you back to the figure in the annual report.

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

Dr Ayers—It goes back about 15 or 20 years.

Senator LUNDY—As far as accessing information by citizens to weather is concerned, how does that place you when compared with other what I would describe as primary sources of weather information? Does that mean more and more people are coming to you to get it straight from the horse's mouth, so to speak, rather than using secondary weather information services? Have you done much analysis on that?

Dr Ayers—No. I do not have that detail. I do not know that we have that detail. Another point I would make about the ACMA report is that these little phones that I am waving around in the air here that everybody has these days, in looking at the uses of those phones, if I remember those numbers correctly, 68 per cent of people use these things for browsing the web. The next most common was 50 per cent who use them for news, and then at 48 per cent was checking the weather. I think you are quite right in the direction of your question, that providing information to the public is important. I can not tell you how many of those sorts of uses come to the bureau compared with other providers of weather information but it is an area that we have been working on. We are providing more information on the web. We have restructured the shape of the web, and we will be doing some thinking in the future about the possibility of iPhone applications.

Senator LUNDY—I was going to ask you about your mobile applications.

Dr Ayers—We are beginning to think about that.

Senator LUNDY—So you do not have one at the moment?

Dr Ayers—No, but in particular relating to some of the developments in the water area and the provision of water information, that is one of the areas that we are looking at.

Senator LUNDY—Not just iPhone, of course, but other smart phones?

Dr Ayers—Yes.

Senator LUNDY—Just checking, to make sure it is an open platform.

Dr Ayers—I have a battle with the head of the water division. He has an iPhone and I do not.

Senator LUNDY—We are all just jealous of him, it is all right.

Dr Ayers—We are having a battle internally.

Senator LUNDY—In terms of the availability of your datasets about the historical record of weather patterns and the climate, what are your policies around making those datasets available to researchers, to enthusiastic students who want to mash up the data and use it for themselves? What is your general approach to making those datasets available?

Dr Ayers—They are available via the web now, so anybody who wants to look at the historical record can go to the national climate record as it is housed in the bureau's databases. You can go and download datasets that you can then put into spreadsheets and do other work.

Senator LUNDY—How do you manage the ownership or copyright associated with those datasets? Do you put them under a Creative Commons licence or something like that?

Dr Ayers—That is the direction that we have been heading in terms of the way in which we are handling water information as well. That is an area that we are exploring at the moment.

Senator LUNDY—Are you familiar with the government's commissioned Gov2.0 Taskforce report?

Dr Ayers—Yes.

Senator LUNDY—I understand that the government is currently considering its response to it, but it presses the point about the use of the Creative Commons style licensing to help facilitate access to that information, to lower the levels of bureaucracy in getting access to it. I am amazed at the numbers. As I said, I had heard that there were some big ones, but 2.4 billion hits is a pretty big number, so congratulations on what you have achieved with your website. I will make a point of trying to ask you questions about your web presence every single estimates.

Dr Ayers—I will be prepared, Senator.

Senator IAN MACDONALD—Just going back to where we were, with the centralisation of staff, could you indicate to me, on notice obviously, staff numbers in the capital cities say three years ago and what they are today, and staff numbers in the rest of Australia three years ago and what they are today? Could I get you to do that on notice?

Dr Ayers—Yes, we can take that on notice.

Senator IAN MACDONALD—I understand that a bureau representative went to the Copenhagen climate change conference, is that right? How many were there, just one?

Dr Ayers—Yes, one.

Senator IAN MACDONALD—What was their purpose in going, apart from a nice little holiday?

Dr Ayers—The individuals concerned are a part of understanding the climate record in Australia. They talked to other colleagues overseas about the climate record, and just making sure that we were connected in with any issues related to the climate record. The bureau does not have a policy mandate, so our activities are related to understanding our record and where it sits within the climate record.

Senator IAN MACDONALD—Will there be, at some time, a public report that I can read that says what your guy did there, what his purpose was and what he got out of it? Does he report to you?

Dr Ayers—I am happy to take that on notice.

Senator IAN MACDONALD—Okay. I am just interested to know what his purpose was. Can you also tell us the cost of sending your representative there? Was that paid by you or by the department of the Prime Minister?

Dr Ayers—We will take that on notice.

Senator IAN MACDONALD—Okay. You received \$70,500 through climate change funding in the year 2008-09. Could you tell me—either now or on notice—what you did with that money and the results of your research?

Dr Ayers—By and large, that funding would have gone into the Centre for Australian Weather and Climate Research, which is a joint research operation.

Senator IAN MACDONALD—Joint with who?

Dr Ayers—With CSIRO. We are also involved in analysing the climate record and improving our understanding of the climate system so that we can better understand changes that we observe and also—in particular, in our case—improve our ability to model and predict weather.

Senator IAN MACDONALD—I do not want to carry this on too far, but could I ask you to refer to an article about emissions by Cardinal Pell in Sunday's edition of the *Sydney Sunday Telegraph*. In that article, he had some opinions of his own, but he also made a number of factual statements. I wonder if you would mind assisting the Senate by going through that article and indicating—in relation to facts, not arguments or opinions—whether Cardinal Pell is right. For example, he has gone back over 20,000 years talking about the number of El Nino impacts and those sorts of things. Would you mind, with your expertise, just having a look at that? As I say, do not take issue with his arguments—I would not expect you to do that—but could you let me know, from a bureau point of view, whether the things he presented as facts were accurate or inaccurate? He talks about La Nina, El Nino and things like that, which made a lot of sense to me, but I would like to get your view on it.

Again, without opening this up too much, could you also explain to me the following. For years now we have been talking about global warming, but I read in the papers that the Northern Hemisphere is currently having the coldest periods on record. Is there a simple explanation for a simple brain like mine on how this could be?

Dr Ayers—I think the common experience is that there are warm periods and there are cool periods, and the climate wiggles around a bit, shall we say, whether we are looking at it daily, monthly or annually, and that also occurs geographically. The experience of coldness in particular regions in the Northern Hemisphere has been accompanied by the experience of warmer than average temperatures in other parts of the Northern Hemisphere. So, on the overall average, as I understand it—although I do not have the detail—I am not sure that the Northern Hemisphere as a whole is anywhere near as cold as particular cold spots. There were

parts of Canada and other parts of the Northern Hemisphere that were several degrees warmer than normal at the same time as the UK was several degrees cooler than normal.

Senator IAN MACDONALD—The UK, Japan and Korea—I am only going from newspaper—

Dr Ayers—If you have a look at the overall average hemispheric temperature, I do not believe it was as cold as was experienced in certain parts. I believe it was about normal or perhaps still on the trend.

Senator IAN MACDONALD—I have asked you this before, but do you deal with water temperatures in the Coral Sea and Great Barrier Reef area, or does someone else do that? Do you have people actively involved in water temperature recordings in that area?

Dr Ayers—A number of institutions are involved in measuring surface temperature, and we obtain the records. There are also satellites that determine sea surface temperature.

Senator IAN MACDONALD—I think a year or a couple of years ago I asked you about the following. There was evidence in the previous 10 years that the sea temperatures in the Barrier Reef area had cooled, and I think your answer was, ‘Yes, but, if you look at the longer term trend, it hasn’t.’ I am just wondering, a year on, if you have any conclusions about water temperature in the Barrier Reef.

Dr Ayers—I do not have that detail. Neville, do you?

Dr Smith—Senator, I have not seen the most recent data, but, as Dr Ayers was saying, we continually get data from ships and from buoys that come into that region. The trends that are being revealed in satellite data and independently by those in situ day-to-day, like ships, are all very similar.

Senator IAN MACDONALD—Again, we went through this a year or two year ago, but I wonder if we could have the update for this year on water temperature, perhaps on notice. Also, there was an article in the *Australian* a couple of days ago where researchers at AIMS indicated that, for the second year in a row, there was not any worrying evidence of coral bleaching. Is that something the bureau get involved in?

Dr Ayers—I think that sits with AIMS.

Senator IAN MACDONALD—You do not do any work on coral bleaching?

Dr Ayers—We do contribute, from the meteorological side, to a research project with the Great Barrier Reef Marine Park Authority.

Senator IAN MACDONALD—Perhaps I will ask them. Finally, are you still involved with WMO?

Dr Ayers—Yes.

Senator IAN MACDONALD—Is Dr Zillman still involved with the WMO?

Dr Ayers—I cannot answer that directly, but I do know that he was involved in the World Climate Conference-3 process that ran through last year.

Senator IAN MACDONALD—What part does Australia play in the WMO these days, bearing in mind that years ago your director was the big cheese?

Dr Ayers—At the moment the director is a little cheese, but he remains the permanent representative to that UN body. He is also a member of the WMO Bureau, which is, if you like, an inner sanctum of advisors to the president, vice-presidents and secretary-general. We also have membership of the local region, Region V.

Senator IAN MACDONALD—Does the WMO have a published view on global warming, or does it say it is not a policy group?

Dr Ayers—The WMO publishes its analysis of the global climate and the trends in global climate on an annual basis. It is also a co-sponsor of the Intergovernmental Panel on Climate Change.

Senator IAN MACDONALD—Could you refer me to where I would see its most recent promulgation?

Dr Ayers—It is readily available on the WMO website. Your staff will be able to find it very easily.

Senator IAN MACDONALD—Again, I conclude by congratulating the bureau on the fabulous work they do around Australia. As you were saying to Senator Lundy, your hits on the website show what an important and well-respected organisation you are. My congratulations as well.

Senator BIRMINGHAM—How goes progress on the development of the National Water Account?

Dr Ayers—The progress has been good.

Dr Vertessy—I can report that our work with the National Water Account is going according to plan. We published a first edition of the pilot National Water Account in mid-December and are about to release a second edition, adding a couple of further basins into that report. We are now prepping ourselves for the production of the first full National Water Account by the end of this year.

Senator BIRMINGHAM—You have more than 200 organisations that are listed as required to assist and comply in the development of that report. When do you need to have information from each of them by?

Dr Vertessy—It is not exactly right to say that they are required to assist with the production of the report. There are 240 agencies named in the water regulations that are required to supply water information to the bureau, and a subset of that information will be used in the production of the report. The requirements for provision of data have been in place since July 2008, I believe, and that data has been coming into the bureau ever since. We are now up to over five million individual files of data that have been provided by most of the organisations listed. There are some cases where particular organisations have been provided an exemption because the data has been provided by others on their behalf, or we have discovered that in fact they do not hold the data that we thought they held. By and large all of that information is coming into the bureau. The issue now is really us working out how to harmonise it and store it such that we can deploy it in products.

Senator BIRMINGHAM—Each of the state governments' agencies have complied with providing information as required?

Dr Vertessy—That is correct. There are no breaches of the regulations at the moment. Everyone is complying.

Senator BIRMINGHAM—In regard to feedback from the initial draft, have any particular criticisms or concerns been raised?

Dr Vertessy—I am not aware of any specific criticisms or positive feedback for that matter. There is a formal review process on at the moment. Our staff are working with the states through the National Water Account committee, the stakeholder consultation forum which has been established to oversee the process, and they are running a formal process to ascertain what we saw as the successes and the weaknesses of the process, all with a view to refining it in the year ahead.

Senator BIRMINGHAM—Whilst I am sure some of the detailed information is far too technical for my understanding, I will applaud the work that you are doing if you not getting plaudits from elsewhere. Other questions may be better asked of MDBA, but I will throw them at the bureau first just to see. In terms of the current levels of rainfalls and inflows, particularly into the Darling part of the Murray-Darling system, is the bureau able to advise us in terms of how that compares with averages, and from recent falls what we can expect by way of inflows, or is that better asked of the authority?

Dr Vertessy—I think that would be better asked of the authority. We would have some data. I do not have it to hand. The authority would be a better judge of that at this time.

CHAIR—I would like to ask about the bureau's response to recommendations in the Victorian Bushfires Royal Commission interim report. Where are we at with consideration of those recommendations that affected the bureau?

Dr Canterford—The bureau has implemented the recommendations that were put forward by the royal commission, 5.1 and 5.2. We have worked closely with fire agencies prior to this current season and will continue to work with them coming out of the season. As recommended in that royal commission report, we provide the fire danger ratings for districts. We provide our fire weather warnings according to the requirements and additional information that has been required by the royal commission, so we are undertaking all recommendations of that royal commission. In addition to that, we are providing pre-season briefings et cetera in conjunction with the fire agencies.

CHAIR—Does that include information you are putting on your website now?

Dr Canterford—Yes, that information is on the website.

CHAIR—Do you think that is contributing to the increased use of the website at all?

Dr Canterford—That is a good question. I have not seen that particular blip in the website due to that, but the website hits certainly do go up with the weather conditions leading to those events. I believe most of the website hits in the fire situation itself would probably go to the state and territory agencies.

Senator LUNDY—I notice the Storm Spotters part of your website. You are asking people to provide additional information if they choose and can. Does that approach of crowd-sourcing data about weather conditions, as you have it set up under Storm Spotters, have a

broader application when it comes to managing emergencies and things like that? Are you developing that at all?

Dr Canterford—The Storm Spotters is a very valuable network of volunteers, as you say. They do report all types of weather related information, especially thunderstorms, and of course thunderstorms do create a lot of dry lightning that trigger bushfires, so they are a very valuable network that assists our own government funded networks.

Senator LUNDY—How do people become a Storm Spotter for the purposes of your network?

Dr Canterford—That is handled by our regional officers and our forecasting centres. They do have a process of talking to them and getting confidence. It is a little bit like our rainfall readers as well. We have a formal process of including them in our networks.

Senator LUNDY—It looks like a good way to gather some intelligence that you otherwise would not have the resources to gather.

Dr Canterford—Yes, exactly.

CHAIR—If there are no further questions for the bureau, thank you very much, gentlemen, for appearing before us this morning.

[10.28 am]

Great Barrier Reef Marine Park Authority

CHAIR—Welcome. Thank you very much for joining us this morning.

Senator IAN MACDONALD—Dr Reichelt, as you would expect, I will turn to the *Australian* article on 3 February this year, which said that GBRMPA, having last summer warned of a bleaching outbreak that did not eventuate, rates the risk of one this year as low. Why didn't last year's eventuate as predicted?

Dr Reichelt—The weather events in the November-December period, in the summer before the present one, were tracking—and the forecasts were foreshadowing—a high risk of bleaching. It was very similar to the 2002 period where a lot of bleaching did occur. Of course, then what ensued was a very heavy monsoonal rainfall. You will recall that in January there was severe flooding in North Queensland, and there was cyclone Hamish as well. So there was a very hot December, a flooded January and a very destructive February. The behaviour of a cyclone is that it essentially cools the water, so the risk of bleaching went right down at that point.

Senator IAN MACDONALD—Okay. Why is the risk of bleaching this year rated as low?

Dr Reichelt—We rely on a range of sources, but the primary ones are the modelling work from the partnership between CSIRO and our Bureau of Meteorology. We also have secondary information from United States National Oceanic and Atmospheric Administration who put up the satellites. We also use an intelligence network, if you like, of volunteers called BleachWatch. We have had some 240 reports already from them this year. All of those are pointing towards the risk of a mass bleaching event, such as we have had twice before in the last decade, being low at the moment, across the whole Great Barrier Reef. We are still rating it as low overall. If you delve a little bit deeper, the southern end of the Barrier Reef does

appear to be warming slightly more than the northern end, so we are seeing some early signs of bleaching in the south, but overall a risk of low.

Senator IAN MACDONALD—Is bleaching only caused by heat stress?

Dr Reichelt—No. Bleaching can be triggered by, of all things, cold snaps. It can also be triggered by flooding events. It is a stress response from corals.

Senator IAN MACDONALD—The worst case scenario by the UNIPCC—whether you accept that their science is good or bad in view of recent revelations—is that global temperatures will increase by four degrees Centigrade. At that temperature, if that does eventuate, will that impact upon the reef, or will a lot of other features come into it as well?

Dr Reichelt—The information I have suggests that once the global temperature increase exceeds between three to four degrees—or even less than four degrees—approximately 97 per cent of the corals on the Great Barrier Reef could be expected to die, so a dramatic and destructive impact at that kind of temperature increase.

Senator IAN MACDONALD—Would they be replaced by different sorts of corals, though?

Dr Reichelt—It is very hard to say, and I think it would be a very patchy recovery. In certain areas where there is poor water quality, we might see blooms of algae returning, and we might see other species of organisms colonising. The thing that we do know is that corals take about eight to 15 years to regenerate after a normal natural disturbance, such as a cyclone. If the bleaching is more frequent than that, it will not recover. It takes about seven to 10 years—this is based on the James Cook University research—for the structure of the coral system to degrade. In other words, you no longer have the standing coral; you have the rubble, so you have a massive drop in biodiversity because a lot of things on coral reefs live in the structure of the reefs.

Senator IAN MACDONALD—Is it correct that there are places around the world that would have water temperatures four degrees higher than at the Barrier Reef and do have a type of coral there?

Dr Reichelt—Yes, that is correct. I think off the Yemen coast it is even higher—six degrees. There is an explanation for that.

Senator IAN MACDONALD—Is it a brief explanation?

Dr Reichelt—Yes. The corals throughout their range in the tropics are adapted to the particular temperature regime they live in. The corals in Torres Strait are adapted to be in water a couple of degrees warmer than the corals at Heron Island. Those corals are adapted to where they are. Of course it begs the question of whether some of those corals will move to the Great Barrier Reef, and we do not know the answer to that.

Senator IAN MACDONALD—But what it shows is that corals are different everywhere in the world and they are very adaptable, and they do live in a range of very cold and very warm waters, is that correct?

Dr Reichelt—As you say, it is correct, but the important fact underlying it is that, wherever they are, they are living within one or two degrees of the limit of their thermal tolerance. The corals are equally at risk everywhere to a general rise in temperature.

Senator IAN MACDONALD—I think you have answered this: a change of one to two degrees in the water temperature would have little impact on the Barrier Reef, assuming we address things like water quality and human impact?

Dr Reichelt—I would not agree; I would not call it little impact. I think the outlook report describes, and gives the sources of information, that even now we are seeing some effects. As you get towards that two degrees, the changes expected in the reef will steadily increase. Even with the so-called programmed or predicted rises in temperature, we are expecting to see the Barrier Reef change in coming decades.

Senator IAN MACDONALD—But it may be that the Torres Strait corals migrate south and we have the coral reef down near Sydney instead of Bundaberg as things change?

Dr Reichelt—There has been research on whether they can survive. If you move them latitudinally—take some corals from the north and put them in the south—they do not all survive. In fact, they do not appear to be able to move very quickly. There has been the issue of the time scales. The temperatures are changing so rapidly that there is a big question mark over whether the corals will adapt sufficiently quickly.

Senator IAN MACDONALD—Okay. I want to move on reasonably quickly. With respect to the animated movies on climate change put out by GBRMPA, my office has had a lot of complaints from parents about the political propaganda nature of those five little animations. I have written to Mr Garrett about them, and I now have information on costs and all that sort of stuff, so I will not ask about that. Thanks to Mr Garrett for a relatively prompt response. If I could just read you a little bit of the text, it goes this way:

When you see a car it produces carbon dioxide which goes into the air. Lots of cars make lots of carbon dioxide. When you switch on the TV or the light it uses electricity from a power station which makes lots of carbon dioxide. Planes make carbon dioxide more than cars.

All good stuff—those are my words. Then it goes on:

So much carbon dioxide in the air covering us like a blanket makes it become too hot. This is called climate change. It causes drought, cyclones, big waves which smash up coral reefs and coral bleaching and fish go away. How do we protect the plants in places like the Great Barrier Reef? This is what we do.

Then it goes on and says, you know, do all the right things. Who editorialises these things in your department? Is it done by a committee?

Dr Reichelt—There is a small communications group and a climate change group who check that—although, as it is simply a cartoon for young school children, it is necessarily simplified—it is vetted to ensure that there is nothing that is not existing in the scientific literature. There is coverage, if you like, for the content of it in a technical sense, but it is necessarily simplified.

Senator IAN MACDONALD—Of course it is.

Senator LUNDY—Sorry, Senator Macdonald, but can I just ask which of those statements that you are formally contending are not true?

Senator IAN MACDONALD—Sorry?

Senator LUNDY—Which of those things that you read out are you formally contending are not true and are therefore the basis of your question?

Senator IAN MACDONALD—Sorry, Senator, I do not want to be rude, but I am here to ask questions of GBRMPA.

Senator LUNDY—Yes, but I would be interested in your answer, if you have one.

Senator IAN MACDONALD—I was just going to address that. Mr Garrett has indicated in his response—I will not take you through this—that the content of these five two- to four-minute animations is based upon the latest peer reviewed science on the impacts. So you do not have to tell me that. In view of the discussion we have just had about global temperatures and all the things that impact on that, did your committee seriously consider these words:

So much carbon dioxide in the air covering us like a blanket makes it become too hot. This is called climate change. It causes drought, cyclones, big waves to smash up coral reefs and coral bleaching and fish go away.

Senator Wong—Senator, in view of which discussion that you have just had? You are asserting that there is a problem with the words, and Dr Reichelt can respond to that, but in view of which discussion?

Senator IAN MACDONALD—I think Dr Reichelt understood that I meant the discussion we have just had on global temperatures.

Senator Wong—In which he disagreed with your assertion that a two degree temperature rise was not a problem.

Senator IAN MACDONALD—But he agreed that the coral reefs are very adaptable, and that coral reefs do actually live in water temperatures that are six degrees higher.

Senator Wong—And he also indicated the difficulties with assuming that coral reefs—

Senator IAN MACDONALD—Yes—

Senator Wong—And if I could finish, because I do not think it is a fair assessment at all of his evidence. He also indicated there was great difficulty in asserting that coral reefs from warmer temperatures could somehow be transported or moved to southern waters. He also indicated—and I recall the evidence—that coral reefs, no matter where they are in the world, are susceptible to temperature degree rises, was it one to two degrees, above the extant temperature. So there is a non sequitur in your question which I do not think is fair to the witness.

Senator IAN MACDONALD—Thank you, Minister. I know you are very embarrassed about this whole climate change fiasco.

Senator Wong—I think it is embarrassing when a senator for Queensland wants to push away the damage to the Great Barrier Reef. I think that is more embarrassing.

Senator IAN MACDONALD—Please, Madam Chair, I am speaking and being interrupted by the minister. Can you protect me from interruption by the minister? Thank you. Minister, as I was saying, Dr Reichelt has been around a long time. He is a big boy; he knows how to answer questions, he has worked for lots of different governments, he is a very good public servant and an excellent scientist. I am sure he can answer my questions without your interference. The question simply was: did the people who authorised or wrote that video deliberately consider those words in the way they came out? That was my question.

Dr Reichelt—Yes. They were reviewed from a technical point of view, from a communications point of view, and through several different processes. The simplifications were acknowledged in the review that I received. Ultimately I agreed to their use as a teaching aid. I should say that, of the 370 recipients, 91 per cent have given us extremely positive feedback.

Senator IAN MACDONALD—That is the 91 per cent that contacted you, Dr Reichelt. You can imagine, as you know the situation as well as I do, that the 91 per cent that contacted me think that GBRMPA is a subversive unit anyhow, which I always disagree with, of course. I recognise the good work that you do. In view of the fact that this is a highly political issue with, according to recent opinion polls, about a 50-50 split in Australia on what is right and what is wrong—and I do not want to go into that; I am not arguing one way or the other—would you think it is a wise approach for GBRMPA—who has, in my view, a very good reputation—to sort of almost become involved in the major political argument of the day with this sort of graphic for young minds?

Dr Reichelt—Our brief is education, and it is written into our act. We prepared those I would say in April or May last year. They were approved mid-last year. They have had a very positive response amongst teachers. They have not been released in the recent months when perhaps there have been changes in the politics of it.

Senator IAN MACDONALD—Okay, I will not go any further. As to Copenhagen, did you have any—

CHAIR—Senator Macdonald, sorry to interrupt you; we are scheduled to go to morning tea now. Do you have a significant number of questions for GBRMPA, and does anybody else? A couple, so perhaps we will go to morning tea and resume—

Senator IAN MACDONALD—Can we just go until quarter to? I will get most of mine done in the next two minutes.

CHAIR—Others have other questions.

Senator IAN MACDONALD—Yes, but should we stop before quarter to?

CHAIR—No, go on; you have 30 seconds.

Senator IAN MACDONALD—Okay. Did you send anyone to Copenhagen?

Dr Reichelt—No.

Senator IAN MACDONALD—Okay, well that is that one out of the way. Can I quickly go to the Marine Tropical Sciences Research Facility? Funding for MTSRF finishes on 30 June this year. Am I asking the wrong person?

Dr Reichelt—It depends on your question.

Senator Wong—Funding should go to the department, Senator.

Senator IAN MACDONALD—I was really going to ask about the impact on GBRMPA if it did not get funding. Perhaps we will leave this until after morning tea.

CHAIR—All right. Thank you, Senator Macdonald, and thank you, senators. We will suspend until 11 o'clock.

Proceedings suspended from 10.45 am to 11.07 am

CHAIR—I understand Mr Shevlin, First Assistant Secretary, Heritage Division, wishes to make a statement about some evidence he gave last night.

Senator Wong—Can I just apologise to the committee for my late return. I was detained in the meeting I had.

CHAIR—Thank you, Minister. Mr Shevlin.

Mr Shevlin—Thank you for the indulgence of the committee. I just wanted to clarify a possible confusion that may have arisen in responses to questions from Senator Boswell last night in relation to the Cape York world heritage nomination process. As you will recall, there were a number of questions that related to both the full world heritage nomination and to the submission of the World Heritage Tentative List, which is just a list of sites that we may submit nominations for in the future.

In our responses, where we referred to what would be a very robust and detailed consent model that will be developed in consultation with Indigenous stakeholders, I just wanted to clarify that that model refers to the development of the full world heritage nomination, not to the administrative process of developing the Tentative List nomination. In regard to the latter, the Queensland government has requested that the submission of Cape York as part of Australia's Tentative List be put on hold until further Indigenous consultation is carried out, and the minister is awaiting further advice from the Queensland government on the outcomes of that consultation before deciding how to progress the Tentative List nomination. I hope that clarifies where the consent model is being used.

Senator IAN MACDONALD—On Senator Boswell's behalf—if he were here—and on my own behalf, having a very great interest in Cape York, are you saying that there is not normally consultation in the first process, which is just the administrative one of listing it? That is what you are saying?

Mr Shevlin—If I may go back slightly, a tentative list is a list that the World Heritage committee encourages all countries to put forward that indicates the places that they may submit for world heritage listing at some point in the future. It is really a kind of heads-up of those places that are being considered as possibilities for a nomination later. That is the tentative list process. Following that, you have to have a place on the tentative list before you can submit a full world heritage nomination, but the full world heritage nomination is a process that would take three or four years or more to conduct.

Senator IAN MACDONALD—But the first process, who initiates that? Who administratively does it? Is it just the Commonwealth government?

Mr Shevlin—No. The minister consulted with the Environment Protection and Heritage Council or the ministers. We sought submissions from all states and territories of places that they would like to see included on the tentative list. The EPHC agreed to include four places on Australia's tentative list. I am just saying in relation to Cape York that Queensland has requested that that be put on hold. It was one of them, and it asked that it be put on hold until it conducts further consultations.

Senator IAN MACDONALD—Queensland asked the ministerial council to put it on, which Mr Garrett started to do, and then there was a subsequent request from Queensland not to deal with it just at the moment?

Mr Shevlin—Correct.

Senator IAN MACDONALD—Could you tell me where the process had got to before Queensland asked for it not to be included?

Mr Shevlin—With all of the nominations the ministers have indicated places they would like to see included. The responsibility for those nominations rests with the states. They prepared the paperwork and submitted it to the Commonwealth. In most of the cases we went back to the states to say we would require further information on different aspects. So there was a fair bit of going backwards and forwards on all of them. Only one of the four that was initially agreed to go forward—the extension of Fraser Island—has actually been progressed so far, but the others are under way. It is about making sure that if we include something on the tentative list we have a reasonably robust case.

Senator IAN MACDONALD—Perhaps on notice—I suspect you would not have this now—could you just give me the date of the ministerial council meeting where that was first raised, assuming that that was when it was first raised?

Mr Shevlin—The decision was in May last year.

Senator IAN MACDONALD—May 2009? That is the ministerial council? Could you just tell me what, if anything, the Commonwealth had done at the request of the ministerial council and then when you received the advice from Queensland not to proceed at the present time?

Mr Shevlin—Yes.

Senator IAN MACDONALD—Has it completely disappeared from the process or is it just on hold, would you say?

Mr Shevlin—Oh, no, it is definitely just on hold. We have been asked to wait until we receive further advice on the outcomes of the Queensland consultations, and then the minister will decide.

Senator IAN MACDONALD—If a nomination is put up, the first process nomination that is put by the Commonwealth on behalf of Australia but at the request of the various state governments, does the Commonwealth itself do any independent checking or do you rely on the proponent, the relative state government?

Mr Shevlin—No, with all of them we look at them to see whether they meet the basic standards required. We have a fair bit of experience of what sorts of things get up through the

full process of world heritage nomination, so we want to make sure that what is being suggested is reasonably robust and will tick the boxes, if you like, in terms of the committee.

Senator IAN MACDONALD—I only asked that because, as I am sure Senator Boswell said last night, Indigenous people, who are by and large the major inhabitants of Cape York, are fairly unanimously opposed to the listing, and that is obviously why the Queensland government has had second thoughts. But I am just wondering aloud—I think you have answered it in your last answer—does the Commonwealth then sort of double guess or double-check Queensland's assessments. Any assessment of Indigenous interests, which, as I understand it, also has an impact in the UN Declaration on the Rights of Indigenous Peoples, should not cost one additional stamp in writing backwards and forwards, because Indigenous people, as I understand it, are totally opposed to the concept. The question is—a long way round: does the Commonwealth conduct an independent checking process? Are you saying it does or it does not?

Mr Shevlin—The submissions which came from the majority of the states and territories had ideas of things they wanted to have included on Australia's tentative list. There were about seven submissions. They were considered by the Environment Protection and Heritage Council, which agreed that four of those should go forward for inclusion, but then there is some process that occurs after that when the states develop the details of those.

Senator BOSWELL—I might ask him to—

Senator IAN MACDONALD—I will just give Senator Boswell—

CHAIR—I will just check with the committee. We are traversing material that we dealt with last night. Mr Shevlin has made some clarifying statements this morning. I am relaxed about Senator Boswell asking questions, if that is okay with the rest of the committee.

Senator SIEWERT—If we set a time limit on it. This was discussed last night, and we do have a full day.

Senator BOSWELL—It is very important.

CHAIR—I understand that, Senator Boswell. We are on a tight time line, but proceed and we will see how we go.

Senator BOSWELL—Mr Shevlin, could you just repeat what you said before, your clarification of last night?

Mr Shevlin—Certainly, Senator Boswell. You asked a number of questions related to the world heritage nomination and we also talked about the tentative list nomination. The tentative list is, if you like, an administrative process, which is an early warning for the rest of the world heritage community around the world of the sorts of places that may be submitted at some point in the future. It is not a final decision point.

Senator BOSWELL—I understand that.

Mr Shevlin—I was just concerned that in my answers to you yesterday I was quite clear, when we were talking about the robust consent model that we are developing in consultation with the Indigenous stakeholders, that that relates to the development of the full world heritage nomination.

Senator BOSWELL—Therefore, that exposes a problem. So what you are now saying in a different way is that you are going to put a tentative list up without the consent of the Aboriginals? That is totally different from what you said last night. This is what I have been worried about. Now you are telling me you will not go ahead with a real list until you get the consent of the Aboriginals but you will go ahead with a tentative list.

Mr Shevlin—No, the bit that possibly you missed, Senator, was that I was saying the Queensland government has requested that the submission of Cape York as part of the tentative list should be put on hold until it undertakes further consultation and that the minister is waiting for further advice from the Queensland government basically on the outcomes of that consultation before deciding how to progress the tentative list nominations.

Senator BOSWELL—So what you are now saying is that the state government has requested that a tentative list not go ahead but you have not agreed to that?

Mr Shevlin—No, we have.

Senator BOSWELL—You have agreed to not—

Mr Shevlin—It is not progressing. We are waiting for further advice from the Queensland government on the result of its further consultations.

Senator BOSWELL—But you are in charge of world heritage and you could go forward with that tentative list without the support of the Indigenous communities if you so desired?

Ms Kruk—I think Mr Shevlin indicated, Senator, that has not been the policy of this government nor, I understand, of previous governments. James, I am getting a bit confused here. Do you want to make a succinct statement in terms of the steps and the meaning of tentative listing because I think you have addressed that with Senator Macdonald but I might not have heard that in full?

Mr Shevlin—Sure. Just to be clear, the tentative list is just an indication for other countries around the world and the World Heritage Committee itself of what sorts of nominations may come forward at some point in time from different countries. This is really so that people can see the balance of things that might be included on the World Heritage List in the future but also the sort of workload that might be facing the World Heritage Committee in the years ahead. It is really just a flag of places that might be the subject of full submissions. It does not suggest that these things, any one of them or all of them, will be brought forward in the future. There is, as we talked about last night, a lengthy process of assessment, development and consultation and consent that would have to precede any submission of a world heritage nomination.

Senator BOSWELL—Thank you for that. I will look closely at what you have said, but you do not intend to go ahead with the tentative list without consulting the Indigenous community?

Mr Shevlin—The Queensland government has asked that we hold off on the submission of the tentative list until after—

Senator BOSWELL—I know that the Queensland government has asked that, but I am asking you: irrespective of what the Queensland government does, the Commonwealth

government will not go ahead with the tentative list until it gets the permission or the support of the Indigenous community.

Mr Shevlin—No, the position is that the minister is awaiting advice from the Queensland government on the outcome of its further consultations that it has requested before any decision is made on how this will progress.

Senator BOSWELL—I suppose I am asking a policy position now that really should be asked of the minister. If the Queensland government says, ‘No, don’t do it,’ will the federal government say, ‘Thank you very much for your advice, but we’re going to do it’?

Mr Shevlin—The general agreement is under—

Senator BOSWELL—So you will not answer me. You will not say yes or no, and that is what I am looking for: ‘No, we will not do it without the support of the Aboriginals.’

Senator IAN MACDONALD—Well, they could.

Senator BOSWELL—I know they could, but I am asking will they.

Mr Shevlin—As you have indicated, Senator, that is getting into a policy issue on which I cannot give you a definitive answer.

Senator BOSWELL—Would Senator Wong care to chance her arm on this?

Ms Kruk—I am sorry, Senator Boswell. I was deflecting Minister Wong. You might want to ask that question again.

Senator BOSWELL—Senator Wong, I will be very subdued in my remarks today.

Senator Wong—It is like a football team, Senator Boswell. You comment on climate change, you are all big blokes and everybody raise their voices and there is a lot of punchiness happening.

Senator BOSWELL—Can you as a senior minister in this government—

Senator Wong—As a?

Senator BOSWELL—Senior minister in this government.

Senator Wong—Oh, I thought you said I was not the other day.

Senator BOSWELL—No, I said you were a senior minister in the government. Can you give a guarantee to the Indigenous community in North Queensland in the peninsula that you will not go ahead with the tentative list for World Heritage listing without the support of the Aboriginal community?

Senator Wong—Senator, I am afraid I am not briefed on this area because this was an outcome for which I was not representing the minister. I apologise, Senator. I had my own estimates, as you know, yesterday, and representing the Attorney-General. I would have to take advice from the department about the extent of community consultation. I understood the evidence previously went to that issue. If necessary, I will take those issues on notice. I am not trying to be difficult, Senator; I am simply not briefed.

Senator BOSWELL—I will put that question on notice.

Senator Wong—That is fine. I think Mr Shevlin just went through, from what I heard, the nature of the consultation that the government, through the department, is engaged in, so I hope that goes some way to dealing with your issue.

CHAIR—We will return to questions about the Great Barrier Reef Marine Park Authority. Senator Macdonald had the floor.

Senator IAN MACDONALD—Thanks, Madam Chair. I was just asking Dr Reichelt whether the funding for the Marine and Tropical Sciences Research Facility finishes on 30 June. If, as appears uncertain at the moment, it does not come through, will that have an impact on the research that GBRMPA does? Put another way: do you get some sort of research support from the MTSRF?

Dr Reichelt—The research that is funded through that program is important in the Great Barrier Reef. I would say that 40 per cent of the outlook report content would have come from work through the RRRC or its predecessor organisations. The actual funding for that program does not come under my authorities—

Senator IAN MACDONALD—No, I appreciate that.

Dr Reichelt—for the area. If there are questions around that, I would need to defer.

Senator IAN MACDONALD—Yes, I appreciate that. I was simply asking if it is not funded what will be the impact on your authority, which I think you have answered. I appreciate this is in a different area, but what funding does GBRMPA receive from the Reef Rescue program?

Dr Reichelt—Could I ask Mr Elliot to respond to that question, please?

Mr Elliot—This year we will receive \$2.85 million of new funding for Reef Rescue activities, and with carry over funds from last year, there will be a total of \$3.3 million available.

Senator IAN MACDONALD—What are you doing with that? What programs are you doing?

Mr Elliot—A marine monitoring program and Indigenous programs.

Senator IAN MACDONALD—Marine monitoring and?

Mr Elliot—Marine monitoring, which is the water quality program, and we have two Indigenous programs which are grouped together.

Senator IAN MACDONALD—I am just not hearing the second bit you are saying.

Mr Elliot—Sorry, Senator. Indigenous programs.

Senator IAN MACDONALD—Oh, Indigenous. Are those programs on track? You have some carry-over, so they are not quite on track.

Dr Reichelt—I will respond in terms of the programs and how they are going. Yes, they are on track. The monitoring work is going well. It provides a sound basis for state of water quality along the coast of Queensland. The Indigenous programs are also on track, and we are working on traditional use marine resource agreements with a number of groups through that funding.

Senator IAN MACDONALD—Can you indicate how much you have spent on both those programs to date, perhaps on notice?

Dr Reichelt—Do you have those figures to hand?

Ms Johnson—For marine monitoring this year, \$1.5 million to date.

Senator IAN MACDONALD—And the Indigenous program?

Ms Johnson—I only have the marine.

Dr Reichelt—Apologies, Senator. We do not have that figure here, but I am happy to reply.

Senator IAN MACDONALD—I have had complaints from other agencies or semiagencies that the money that is coming through Reef Rescue is slow in arriving. It comes, but not on time. Are you having that sort of problem?

Ms Johnson—We have a contract with the department, and the department has given the money over to GBRMPA. We are still looking at the schedules with some of the service providers.

Senator IAN MACDONALD—But are you getting money from the department on time in accordance with your contract?

Ms Johnson—Once it has been agreed what we are going to provide, yes.

Senator IAN MACDONALD—So where you have agreed dates, they have turned up by the dates, but I take it from that that you have not agreed all the dates?

Ms Johnson—Correct.

Senator IAN MACDONALD—I do not want to waste the time of the committee going into that further, but—

Dr Reichelt—Senator, if I could just say, in the programs we are dealing with in Reef Rescue we work hard to get very specific milestones with the department, and we are not suffering any hold-ups at the moment in marine monitoring or Indigenous programs. The forward planning for the programs is what we are working on now. The answer to your question overall is: no, we do not have any issue with cash flow, if you like, for the work.

Senator IAN MACDONALD—The NRM groups, which are funded through the department, are still waiting for their July 2009 and October 2009 payments, but you are not experiencing the same tardiness from the department?

Dr Reichelt—No.

Senator IAN MACDONALD—I will come back to that later, Ms Kruk, and give you the opportunity to refute that.

Ms Kruk—Thank you for the notice, Senator.

Senator IAN MACDONALD—Finally for GBRMPA, from me anyhow, what has the effect of tourism numbers in Cairns and the Whitsundays been on the environmental management charge and how is your budget going because of the, I assume, reduction in the EMP? We spoke about this in October. I just wonder if there is an update on all that.

Dr Reichelt—I will ask Mr Elliot for the precise impacts. He will have the figures. But, broadly, yes, there were significant drops last year. We are seeing similar figures, but it is early days, for the current season. We get our information quarterly after the event. But can I ask Mr Elliot just to give you the latest update on that?

Mr Elliot—Senator, I do not have the exact figure for how much we have collected in the environmental management charge to date. I do know, however, that it is a very similar figure for the same period as last year. Last year the overall collection was approximately \$500,000 less than the year before.

Senator IAN MACDONALD—You predicted an income of \$8.2 million and you had an actual shortfall of \$0.72 million by October. Tourism numbers, regrettably, have not improved; is that right?

Mr Elliot—That is correct, Senator. The numbers are very similar to last year. Our collections to date are very similar to what they were at this time last year.

Senator IAN MACDONALD—So they have not got worse?

Mr Elliot—No, they have not got worse.

Senator IAN MACDONALD—That is a positive, I guess.

Mr Elliot—We were concerned that they were going to get worse. They have not, but they have not recovered either.

Senator IAN MACDONALD—I do not want to embarrass you, but how is the overall budget going? You have had additional commitments imposed upon you from elections and your budget has decreased. How are you managing to make two ends meet when it is very difficult?

Dr Reichelt—The results from last year reported in the annual report show that we have had a decline in revenue for a number of reasons. I could ask Mr Elliot to run through those. We have had a contraction. We have had a number of programs finish and reduced staff numbers. We have reduced from, I think, 220 to 212 in the past six months. We are managing by reducing staff numbers in programs that have finished. If you would like something more specific, I can ask Mr Elliot to tell you exactly.

Senator IAN MACDONALD—Unless you can give me figures, and they are probably better on notice. We are coming up to the budget, and again I am not wanting to pre-empt the process, but you would have been making submissions through the department to the Treasurer for the May 2010 budget. I assume you would be seeking an increase in your budgeted allocation?

Dr Reichelt—I am not in a position to comment on the forward planning for the budget.

Ms Kruk—No, that is a difficult question. Those are obviously matters that are subject to the budget process, Senator, my apologies.

Senator IAN MACDONALD—No, I accept all that. Is GBRMPA a line item in the budget? I should know this after a number of years.

Ms Kruk—I might ask Mr Sullivan to clarify how it is portrayed in the budget.

Mr Sullivan—The Great Barrier Reef Marine Park Authority and the other separate agencies of the department have their own separate components of the portfolio budget statement, but in terms of the budget process we act as a whole of department, and it comes through the centre of the department through my area.

Senator IAN MACDONALD—So any submission by GBRMPA for additional funding would go through the department and be moderated there, no doubt, and then go on to the minister and the cabinet?

Ms Kruk—I think moderated may be a term I would be reluctant to use. We pull together the submissions that go to the minister.

Senator IAN MACDONALD—Yes.

Ms Kruk—I think the process, Senator, would have been—

Senator IAN MACDONALD—No, that is how I meant.

Ms Kruk—This is a longstanding process here. This is not a new one.

Senator IAN MACDONALD—As a moderator, a facilitator, I did mean that. It just so happened it was a nice correlation.

Ms Kruk—It was a neutral term. I understand your reference.

Senator IAN MACDONALD—That is all I have, Madam Chair.

CHAIR—Thank you. I will just acknowledge we have Senator the Hon. Mark Arbib with us at the moment. Welcome. Are there any further questions for GBRMPA?

Senator BOSWELL—I do not want to ask about the Great Barrier Reef but I do want to ask something on the Coral Sea, Madam Chair.

CHAIR—We are still in GBRMPA, Senator Boswell. The Coral Sea is program 1.1. We have national parks, and then we will be on program 1.1. There are no further questions for GBRMPA? Thanks very much, Dr Reichelt and team, for appearing before us today.

CHAIR—Welcome, Mr Cochrane.

Mr Cochrane—Thank you.

CHAIR—Did you have any opening comments you wished to make before we go to questions?

Mr Cochrane—No, I do not.

CHAIR—Thank you. I think I will reward Senator Siewert for her patience. You can go first.

Senator SIEWERT—As per usual, I will be asking questions in answer to which I think you may have to say, ‘Go and ask the NRM people about funding.’ I will understand when you say that. Can I start off with an update on where we are up to with Christmas Island and where the bat is at?

Mr Cochrane—As I reported at last estimates, we had mounted an attempt to capture bats, which was regrettably unsuccessful. Whilst a bat was detected and seen, it was not captured.

We have been monitoring ever since and, regrettably, that has resulted in no records yet, but we certainly have not given up.

Senator SIEWERT—There have been no further sightings since you reported last time?

Mr Cochrane—No sightings or audible records.

Senator SIEWERT—Sorry?

Mr Cochrane—Audible detectors that we have out in the field have not recorded any.

Senator SIEWERT—So it could be that those last remaining numbers—we were not sure how many they were—may have died?

Mr Cochrane—That is possible. I should say, though, that through current survey work on the island we are discovering things which were thought to be extinct on the island. So we have not given up hope for the bat.

Senator SIEWERT—Is the monitoring work that is going on part of the overall approach that was announced in the second half of last year?

Mr Cochrane—No, the ongoing monitoring is something we have been doing since 2000 in regular surveys across the island. The expert working group, which I think is what you are referring to, has made some suggestions for augmenting and improving that monitoring, and we have been doing that.

Senator SIEWERT—Could you tell us what the species are that you thought might have been extinct that are not?

Mr Cochrane—There is a gecko that was thought extinct in the 1980s which we have discovered one of. There is a rare orchid which was thought extinct in 1904, I think, which we have discovered. I think these are probably an effect of more intensive monitoring, but they do give us some encouragement that things we thought might have disappeared might not have.

Senator SIEWERT—Let us hope we find another gecko. Is there any more hopeful news of those species that were listed as at risk in the biodiversity report from 2007?

Mr Cochrane—We have been capturing and are currently, successfully, husbanding one of those species—the blue-tailed skink. That is going well. At the moment our major focus in the past six months has been the aerial baiting of the island to knock down the current yellow crazy ant colonies, but we are now back into looking at the threatened species on the island.

Senator SIEWERT—Has the aerial baiting been successful?

Mr Cochrane—Yes, our figures show that we have had a 99 per cent kill of the supercolonies, which mirrors what we did in early 2000. We are hoping that will have a big impact more broadly across the island.

Senator SIEWERT—You did it in 2000. What are you doing differently this time that will stop a recurrence of the supercolonies?

Mr Cochrane—We will continue to hand bait. As you would be aware, the aerial baiting campaign is undertaken on those areas on the island and particularly in the park which are difficult or impossible to get to for hand baiting. I anticipate we will continue to need to do

the occasional aerial baiting, but in the long run we would like to replace the poison we use with a biological control. There is a major research project under way with La Trobe University to explore the potential for biological control of, in particular, the scale insect that the yellow crazy ant seems to depend on.

Senator SIEWERT—How is that being funded?

Mr Cochrane—We received a specific budget allocation a few years ago to fund both our crazy ant control work and this research work.

Senator SIEWERT—That is still coming out of that budget allocation?

Mr Cochrane—That is correct.

Senator SIEWERT—How long does that continue for?

Mr Cochrane—We received four years' worth of funding, and it takes us into 2010-11—the next financial year.

Senator SIEWERT—In other words, you will need a top-up in the next—

Mr Cochrane—That will be a matter for the 2010-11 budget.

Senator SIEWERT—I am not asking you to foresee: what I am saying is that for the project to continue you will need a new budget allocation in the next budget round.

Mr Cochrane—Currently it is a three-year project, and we have funding for three years of it. That will be a question for the results of the project.

Senator SIEWERT—Let us pursue that a little bit more. At the end of this funding, which is the end of this financial year—

Mr Cochrane—Next financial year.

Senator SIEWERT—Next financial year, which is June, will the project be able to be wound up and finished and you will have a result, or does it need ongoing funding?

Mr Cochrane—Our current funding takes us through 2010-11. We are more than a year from that.

Senator SIEWERT—Will it be finished then, do you think, or will you need ongoing funding?

Mr Cochrane—I suspect not. I think our experience with invasive species generally is that we will not get rid of them; it will be an ongoing control issue for us, depending on the success of the biological control program. If that works, then it would be nice to anticipate that we would have a reduced control effort.

Senator SIEWERT—Is the biological control program at the point where you are able to roll it out?

Mr Cochrane—No.

Senator SIEWERT—That is what I thought. You are not at the point where you can roll out the biological control project, so you will need ongoing funding to complete that project and to roll it out?

Mr Cochrane—That is a hypothetical question. It is a three-year project and we have three years' worth of funding to support it. I would rather take that question in about a year's time when we begin to get some results.

Senator SIEWERT—Okay. Thank you. Could you update us on where the expert panel is up to?

Mr Cochrane—Yes. They have been working quite intensively on looking at new data—the survey work that is undergone on the island. Plus the minister appointed two additional scientists to the group last year. They are working on their final report. They plan to produce it by the end of this month.

Senator SIEWERT—The end of this month?

Mr Cochrane—We hope.

Senator SIEWERT—I will ask the inevitable question, and then you can tell me the inevitable answer. That will go to the minister?

Mr Cochrane—That will go to the minister.

Senator SIEWERT—And the minister will then release it at some indeterminate time in the future?

Mr Cochrane—Yes, much like he did last time with the interim report.

Senator SIEWERT—Yes. From memory, that report was actually released fairly soon after the minister received it, was it not?

Mr Cochrane—It was.

Senator SIEWERT—By the end of this month you mean February?

Mr Cochrane—That is correct. That may slip, because I think they are doing a lot of work, and, as happened last time, they keep answering questions that they are asked more information on. So the judgment for the panel themselves is when do they draw that to a close and produce a report. The timing, to a large degree, is in their hands.

Senator SIEWERT—Thank you. Can I ask some general questions now around the NRS, the National Reporting System, and this is where I think you will say some of these questions you will need to ask the NRM mob. I have an answer to a question that was from the Department of Agriculture, Fisheries and Forestry last year about the component of money that has been allocated to regional base-level funding jurisdictions under the NRS projects. Do you have any involvement with that? The context is that I was asking about the breakdown of money under Caring for our Country, and I asked about the general expenditure against NRS, of which I was told:

The minister has approved \$11.541 million for various components of the NRS. In addition, \$3.059 million has been allocated from regional base-level funding in various jurisdictions for NRS projects.

Mr Cochrane—My team, which manages the NRS component of it, is not involved directly with whatever the NRM regions do on NRS. We manage the direct acquisitions program and the applications that come to us via the states, the major NGOs and, more recently, local governments and groups of local governments which have taken a keen interest

in contributing to the NRS. Eventually, if projects that NRM regions come up with to add areas to the NRS come to fruition and become declared parks, then we will add them, obviously, to the National Reserve System in an accounting sense, but we deal generally with the acquisitions by third parties.

Senator SIEWERT—I will ask later on, but why do those projects not go to you? If you are assessing the other projects and this is NRS money—and \$3.059 million is not an insubstantial amount of money—why is that not assessed as part of your process?

Mr Cochrane—Can I take that on notice or talk to the NRM groups? I know that if anything is to be added to the NRS, then we will be asked about our evaluation against the NRS criteria.

Senator SIEWERT—So, if there is, say, \$3 million in regional base-level funding, someone from your group will have looked at those applications?

Mr Cochrane—If there is an evaluation undertaken against NRS criteria, then our group will look at that, yes.

Senator SIEWERT—All the funding that is spent under the NRS is assessed and dealt with by your group, not by the central assessment process?

Mr Cochrane—The evaluation, no. It is my team, correct.

Senator SIEWERT—So you provide your advice to the central process and all your recommendations are agreed to?

Mr Cochrane—It is up to the minister whether all our recommendations are agreed to.

Senator SIEWERT—I worded that poorly, sorry. All of your recommendations are agreed to by the central panel and put up to the minister, or are they reprioritised?

Mr Cochrane—No, the process is once we have done our evaluations, and I am talking about the vast majority of the program that we assess, a joint brief that we write in conjunction with the Caring for Country team goes to the minister with our list of recommended projects.

Senator SIEWERT—Specifically, were any of the projects that you recommended in the last round that you had thought were worthwhile rejected?

Mr Cochrane—I am not aware of any, no. I think all of our recommendations were accepted.

Senator SIEWERT—All your recommendations. Thank you.

Mr Cochrane—To the best of your knowledge. I am not aware of any.

Senator SIEWERT—I will follow that up with the unit. I will ask some specific questions on notice, if that is okay, about specific money amounts, which I think will be easier than you just reciting—

Mr Cochrane—I can tell you where we are at the moment.

Senator SIEWERT—I was going to ask for a general overview, but there are probably some specifics I wanted to go into, so I might put that on notice. But if you could give me overall where we are up to?

Mr Cochrane—Where we are up to at the moment is that this current financial year we have executed seven contracts worth \$5.89 million, and they will add 644,000 hectares to the National Reserve System. There are another 21 projects which have been approved, and we are currently in negotiations with the applicants on contracts. They will add another 291,000 hectares. So, all in all—

Senator SIEWERT—How much are they worth, sorry?

Mr Cochrane—I am sorry, let me come back and I will find that number for you. It is about another \$14 million. In total, though, we are working on 28 projects worth a total of \$21.7 million just currently, and they will add just short of a million hectares to the NRS.

Senator SIEWERT—That is added this financial year?

Mr Cochrane—That is this financial year. We still have projects we are working on.

Senator SIEWERT—Beyond the 21?

Mr Cochrane—Beyond those.

Senator SIEWERT—So the 21 are ones that are developed up to the point where you are negotiating?

Mr Cochrane—Yes.

Senator SIEWERT—How many overall applications did you have?

Mr Cochrane—That is a good question. I might have to take that on notice, I am afraid.

Senator SIEWERT—That is fine. These are ones that are put up by governments, non-government organisations, and you also said local government?

Mr Cochrane—Yes, that is correct.

Senator SIEWERT—Do you proactively seek projects as well, particularly I am thinking in bioregions that are underrepresented in a reserve system?

Mr Cochrane—That is now the approach that we are going to take.

Senator SIEWERT—Can you explain? I am not critical but I am asking why you have changed your approach.

Mr Cochrane—It is partly due to the nature of the program and the nature of what we do, which is helping third parties buy properties. It is not always possible to predict what properties are going to come on the market in any financial year. Attempting to do that in a once-a-year call for applications is not likely to result in the most efficient outcome. It is sensible doing a call, but it is also sensible to be open to opportunities that come up when properties come on the market. Most organisations that are in the conservation business keep their eye on properties that they would be keen to purchase. That is true of most of the states and certainly the big non-government organisations as well. We are working with them to keep tabs on what is coming up and what is likely to be on the market, and we need to be in a position to be able to respond flexibly to those opportunities.

Senator SIEWERT—You have partly pre-empted my next question, which was: can organisations or state governments come and say, ‘We have seen this property. We think it meets the criteria. How about it?’

Mr Cochrane—We are regularly talking to all of our key partners on what the opportunities are that they see and what is coming up.

Senator SIEWERT—I suspect it would take a while to go through the list of how your purchases stack up against those underrepresented bioregions. Could you provide that on notice, perhaps?

Mr Cochrane—I can, but I mentioned that we have 28 property purchase projects that we are working on at the moment. Twenty of them are in priority bioregions, with representation of less than 10 per cent in the NRS. That is the vast majority of the area to be purchased.

Senator SIEWERT—Are you getting cooperation from the state governments in purchasing these properties?

Mr Cochrane—Yes. You asked me a question I think in the last estimates about Queensland in particular. I can say that three of the property purchases that we have already executed are from Queensland. We are working with them and with all other governments that at least have acquisition budgets.

Senator SIEWERT—‘At least have acquisition budgets’; which ones do not?

Mr Cochrane—The Northern Territory does not have the capacity to co-fund property purchases. In the Northern Territory most of the activity in terms of adding properties to the NRS is actually with non-government organisations.

Senator SIEWERT—I am pre-empting my question, I know, but are you able to provide a list of the 28 projects or is it too early?

Mr Cochrane—No, I cannot because they are still in negotiation or essentially commercial-in-confidence until everything is finished.

Senator SIEWERT—How long do you think it will be before those projects are finalised? You could provide me with the seven, though, couldn’t you?

Mr Cochrane—I would need to just check because, generally speaking, there is an arrangement with proponents that they are announced after they have been sold.

Senator SIEWERT—And those seven have not been announced yet?

Mr Cochrane—I can only point at the moment to one that has been announced just recently, the purchase of Wongaloo in Queensland, otherwise known as the Cromarty Wetlands, which the minister announced, I think, in January.

Senator SIEWERT—In terms of the process and the administration of this scheme, has the time taken to do the processing increased or decreased under the new approach?

Mr Cochrane—This year I believe the time has decreased. We have been and are working on a more streamlined process.

Senator SIEWERT—In terms of the cumulative purchase now under the new approach, we have nearly one million this financial year. How much are we up to now?

Mr Cochrane—In terms of total for the NRS?

Senator SIEWERT—Yes.

Mr Cochrane—We have just finally published the 2008 data, which is on the department of parks website. I would have to take that on notice to tell you precisely where that takes us. It is not just property acquisitions; the Indigenous protected areas component adds significant area to the national conservation estate as well.

Senator SIEWERT—If you could take it on notice, that would be appreciated, thank you. What do you assess as the major barriers now to the NRS?

Mr Cochrane—In terms of filling gaps?

Senator SIEWERT—In terms of filling gaps, yes.

Mr Cochrane—Availability of suitable properties for purchase and suitable partners to do that with.

Senator SIEWERT—Suitable partners in terms of whether it is an NGO or government or local council?

Mr Cochrane—Yes.

Senator SIEWERT—Are you finding that local government is now being more proactive in its approach to the NRS?

Mr Cochrane—Yes. We funded in the last year or so a project with a group of councils in South-East Queensland which have taken a very active interest in contributing to the NRS. We have had a few property purchases through local government, one in Tasmania with the Hobart City Council. Porter Hill was one of the very early ones a few years ago. Noosa shire has also played an active role. There are a number, and interest has been growing. We have been in active discussions with the local government associations and councils that have come to us with an interest in contributing.

Senator SIEWERT—Will you expend all of your allocation this financial year?

Mr Cochrane—I expect we will.

Senator SIEWERT—So the more strategic approach that you are taking to identify properties, is partly to address the issue of not finding suitable properties or being able to acquire suitable properties when they come on the market?

Mr Cochrane—As I said, that is largely a timing issue. It is critically dependent on when something is available.

Senator SIEWERT—I have some stewardship agreement questions. Do you deal with those at all?

Mr Cochrane—We deal with conservation covenants that are in perpetuity because we will count those as long as they meet NRS criteria as part of the NRS, but shorter term conservation covenants really fall under the environmental stewardship component of Caring for our Country.

Senator SIEWERT—Actually, the questions I have got as they relate to the Caring for our Country program I think belong under that program. Thank you.

Senator BIRMINGHAM—Thank you, Chair. Mr Cochrane, good to see you again. Could you just tell me what regulations or restrictions you have made under regulation 12.24 of the EPBC regs about capturing of images on Commonwealth properties?

Mr Cochrane—Those regulations come into play where there is a management plan provision for them, and that applies primarily at Uluru, where the management plan requires us to exercise some control over photography in the park.

Senator BIRMINGHAM—In relation to Uluru, what restrictions under the management plan there have been made?

Mr Cochrane—You need a permit. There are film and photography guidelines which govern, I guess, the likelihood of whether you would get a permit. There are certain constraints that the traditional owners of the park have asked us to respect, and they include not undertaking commercial filming or commercial photography that includes images of sacred sites and images of parts of Uluru which they regard as inappropriate. The other rationale for having those controls in place is that traditional owners of the park, given its iconic status in part and also because of its importance culturally, have asked us to do what we can to ensure that images of the park are not used to promote products which they believe would inappropriately reflect on the values of the park. For example, if someone came to us and wanted to advertise a new spirit and use images of Uluru, that would be in the view of the board, I believe, inappropriate, not reflecting the values of the park. To be able to do that you need a regulation in place to provide the backstop to be able to say no.

Senator BIRMINGHAM—Who is required to get a permit?

Mr Cochrane—Any commercial photographer that wishes to film in the park. Visitors who are taking their own holiday pictures do not, obviously, need to get a permit. There are no constraints over that.

Senator BIRMINGHAM—In terms of a definition of a commercial photographer, that is anybody with an intention to—

Mr Cochrane—To sell their product, yes.

Senator BIRMINGHAM—Which I guess must be difficult to police in some instances in terms of defining what is a very professional amateur photographer versus a very professional commercial photographer.

Mr Cochrane—That is correct, but the vast majority of photographers who come with an interest in filming a commercial product do approach the park. There is a pretty high level of awareness of the importance of this, and it is certainly not something that is confined to Uluru or to national parks generally. For example, the Sydney Opera House exerts a very similar control over use of images of the Opera House. Waverley city council exercises similar control over Waverley Cemetery and Bondi Beach. It is a question of protecting the images, if you like, of those iconic places so they are not misused.

Senator BIRMINGHAM—What cost is applied to the permit?

Mr Cochrane—I might have to take that on notice. Off the top of my head I cannot remember. It is pretty small.

Senator BIRMINGHAM—Is it just a one-off cost, or is there a proportion of any commercialisation?

Mr Cochrane—No, there is no rent in that sense. It is a relatively small fee for still photography. For commercial filming I believe it is something of the order of \$250 a day.

Senator BIRMINGHAM—But there is no ongoing royalty of any description attached to it?

Mr Cochrane—No.

Senator BIRMINGHAM—Very good. Which parts of Uluru are prohibited from filming?

Mr Cochrane—There are a number of sacred sites dotted around the perimeter which have signs up saying, ‘We ask people not to take photos.’ I should have said before that that also applies to visitors just taking their own holiday photos. We ask them to respect that. That is a generic approach. It is generally the north-east face of Uluru that the traditional owners regard as very sensitive, and they would prefer not to have images of it or particular features of it made public.

Senator BIRMINGHAM—How long have those areas been settled, or are they settled?

Mr Cochrane—Certainly over the 10 years I have been in this job that has been the pretty consistent approach taken. The film and photography guidelines actually go back to 1987, I believe.

Senator BIRMINGHAM—And there are not additional areas added with any frequency and there have not been any additional areas added, say, since the opening of the new facilities?

Mr Cochrane—No, to my knowledge, we have not added anything. In fact, what we have attempted to do, working closely with the tourism industry, is create more opportunities to make a facilitative process for those businesses which are promoting visitation to the park. The rules are a little easier to adhere to for the tourism industry. The board agreed to a certain number of exceptions so long as they fitted within the general guidelines. If they fitted within the guidelines, there was a quicker permit process.

Senator BIRMINGHAM—You would be, I am sure, aware of some of the criticisms from some in the photography industry about, in particular, the location of the new viewing area and the new viewing platform. Are people still able to access the old sunrise viewing platform site for photographic purposes?

Mr Cochrane—The old site has been closed but you can certainly take photographs from that part of the ring-road, because the old site, as you might know, was pretty much on the road itself, or at least on its verges, which was part of the reason we wanted to close it down. Holidayers certainly can access that via the road edges and walking around. If commercial photographers wanted to take photos of particular features, under permit, then we would need to work through with them whether or not those are sensitive features. Does that make sense?

Senator BIRMINGHAM—It does to a point. Would a commercial photographer be able to set up a camera where the sunrise viewing platform used to be and take photos of the rock at sunrise?

Mr Cochrane—Unfortunately, I think the answer to that is that it depends on what precisely they are aiming to do, because there are features that you can see from that side which are of concern to traditional owners.

Senator BIRMINGHAM—About the whole rock?

Mr Cochrane—Generally speaking, there are ways of taking imagery of the whole rock which do not cause concern to traditional owners, which is why it is dealt with on a largely case-by-case basis.

Senator BIRMINGHAM—You would appreciate, of course, that many of the iconic pictures of the rock that are used in all sorts of tourism promotions and, indeed, which are held with copyright access by hundreds if not thousands of photographers of their own copyright throughout Australia and throughout the world—so there is hardly a shortage of these images already out there—are of sunrise at the rock and from that sunrise viewing platform. Can you give us some clarity that photographers who might wish to take a picture of the whole rock from that platform or from that area that used to be a platform would be able to still do so?

Mr Cochrane—Again, the answer is that it does depend on what features can get highlighted. There are ways, and there is guidance in our film and photography guidelines, on how one can take photos from a variety of perspectives that do not cause cultural issues with traditional owners. I cannot give you a yes/no answer to that because it does depend on the framing of the photo from particular locations. Yes, it is possible, but I cannot say that as a blanket yes because it depends on what you are doing. With current technology and telephoto lenses you can take pictures of particular parts of the rock which are very sensitive.

Senator BIRMINGHAM—I understand that point, which is why I am not trying to say, ‘Can you zoom in on this part or just use this angle?’ But I suppose the previous sunrise viewing platform that existed for I do not know how many years is the most popular site for stopping to photograph the rock.

Mr Cochrane—That and sunset.

Senator BIRMINGHAM—That and sunset, indeed. Can somebody be in that spot and take a commercial picture of the entirety of the rock? That is not different angles; that is one angle.

Mr Cochrane—I should correct you a little. There was not a viewing platform at the old sunrise. It was a long strip along the road on both sides of the road. As numbers grew, the extent to which people spread along those verges continued to increase. It was more than a kilometre long. It is possible that someone could get a commercial photography permit for that area, but I am not going to say, ‘Yes, that is going to be possible in every case,’ because it will depend on what they are trying to do. I do not think there is such a thing as a generic picture from there. It depends on where you precisely are and what you photograph.

Senator BIRMINGHAM—You probably will not be able to tell me this offhand, but could you take on notice and please let us know: over the last couple of years since the construction of the new viewing platform, how many applications have been approved and how many have been rejected?

Mr Cochrane—We have those statistics, but I do not have them with me. Yes.

Senator BIRMINGHAM—Very quickly in relation to Kakadu, the new entrance fee comes into place in April?

Mr Cochrane—Correct.

Senator BIRMINGHAM—Systems are in place for that?

Mr Cochrane—We are working on them. We are getting close to running a trial system with key operators, I hope some time this month.

Senator BIRMINGHAM—Remind us again: how much is that fee?

Mr Cochrane—\$25 per adult.

Senator BIRMINGHAM—Okay. And, in the course of the next financial year, how much do you expect that fee to bring in?

Mr Cochrane—Gross, about \$4½ million.

Senator BIRMINGHAM—How many visitors would that be?

Mr Cochrane—Our current number of visitors is of the order of 225,000.

Senator BIRMINGHAM—Do you expect any change in that as a result of the application of the fee?

Mr Cochrane—No. The numbers have been going up steadily. I think the rebranding and repositioning of the park has had quite a significant impact. We have a number of new businesses which have established in the park, some of which are extraordinarily successful, so we expect that trend of increasing visitor numbers to continue.

Senator BIRMINGHAM—Where does the fee go, again?

Mr Cochrane—Once we have paid GST, 38.8 per cent of it goes to traditional owners, to the two major land trusts. The balance then goes entirely into managing the park.

Senator BIRMINGHAM—How were those figures struck?

Mr Cochrane—They were part of the park lease arrangements. Do you mean the 38.8 per cent?

Senator BIRMINGHAM—Yes.

Mr Cochrane—Originally, when the park was first established and fees were introduced, a 25 per cent revenue share went to the Kakadu Aboriginal Land Trust when there was only stage 1 of the park. When stage 3 was declared, which included the whole south part of the park, there was a new land trust established, and they received—for reasons way before my time—a 13.8 per cent share of the revenue. So that takes you to a 38.8 per cent revenue share with traditional owners.

Senator BIRMINGHAM—Will the 61.2 per cent funding that parks get come off your budget line?

Mr Cochrane—No, it comes into revenue for us.

Senator BIRMINGHAM—That is additional revenue?

Mr Cochrane—Additional revenue, yes. Bear in mind that what it is doing is replacing the supplementation that we have previously received in lieu of an entry fee. When the entry fee was removed some years ago, we were supplemented for that.

Senator BIRMINGHAM—So it is not really additional revenue?

Mr Cochrane—No, it is really getting our visitors to make a contribution as opposed to taxpayers paying the lot.

Senator BIRMINGHAM—Okay. So the government will remove that subsidy that you have been getting?

Mr Cochrane—That has been on track for some years. It was only a four-year supplementation.

Senator BIRMINGHAM—Okay. These things that are for only three years or four years are often then rolled over. In this instance, it is obviously not being rolled over.

Mr Cochrane—It was not, no.

Senator BIRMINGHAM—Lastly, what has the reaction been from tourism providers and operators?

Mr Cochrane—To the fee?

Senator BIRMINGHAM—Yes.

Mr Cochrane—The fee was announced nearly two years ago. The operators had anticipated that a fee would be brought in. A number of them had expressed some surprise that it had been removed to start with, because there was a bit of a reaction from international visitors, asking, ‘What has changed for the park?’ Many international visitors expect to pay for entry into parks of this nature. Whilst obviously operators would be happy if the government picked up the entire tab, I do not think they have an expectation that visitors should not be making some contribution to the cost of maintaining the asset they are visiting.

Senator BIRMINGHAM—Okay. Thanks, Mr Cochrane.

CHAIR—Other questions? Senator Wortley.

Senator WORTLEY—Thank you, Chair. Can you provide an overview of the progress of Reef Rescue.

Mr Cochrane—No, I cannot, because it is not my responsibility.

CHAIR—We are still in National Parks, Senator. Any questions for National Parks?

Senator LUNDY—This might foil my plans, too, to ask about the ANBG, because they are in the sustainable management of natural resources program, aren’t they, which is the next part of the program?

Mr Cochrane—No, that is still a Commonwealth reserve.

Senator LUNDY—Okay. Well, a lot has happened since the last estimates, and I was just reviewing the *Hansard* for that and we were on the brink of an announcement. We have since, obviously, had a formal announcement about the sustainable water supply for the Australian

National Botanic Gardens. Can you outline for the committee the result of that tender process and what is now occurring at the gardens.

Mr Cochrane—There was an election commitment for an injection of \$1.5 million to assist us with developing an alternative water supply for the gardens. We have now run through, apart from the design process, a tender process for that new supply. The successful tenderer was a company called Drain Corp. They should be starting work any week now on both sets of pipelines, the pumps and connections to extract water from Lake Burley Griffin, to treat it suitably and also to separate out our potable water supply from the irrigation water supply, because currently it is all one system, utterly dependent on the ACT potable water supply. We anticipate a much lower water bill, finally, when this project is complete. It should be complete before the end of this year.

Senator LUNDY—As far as that sustainable water supply goes, are you able to describe the positive impact it will have on the budget of the gardens and also give an update as to the review of the management plan for the ANBG?

Mr Cochrane—To deal with the last one first, we are still working on the draft of the plan. It will come out somewhere in the next month or so for public comment. With respect to the water supply, we currently spend in excess of \$600,000 a year on buying water for the gardens. The vast majority of that of course is irrigation water. Whilst we will need to subtract our operating costs for the alternative water supply from the lake, I anticipate that that will be a net benefit to the gardens of probably of the order of half a million dollars a year.

Senator LUNDY—As to the progress with the management review, you have explained that, but perhaps you could outline for the committee again the restructuring of where the gardens are located within the department?

Mr Cochrane—Since we last met here, Parks Australia has been restructured into three branches. We have a new branch called Parks and Biodiversity Science, which is being headed by Dr Judy West, who also takes on the title and role of Executive Director of the Australian National Botanic Gardens. She has been in the job for a couple of months now. You would have seen her at the forum at the gardens recently.

Senator LUNDY—Indeed I did. What are the things that are pressing now for the ANBG, going forward, with the contract for the sustainable water supply in place?

Mr Cochrane—There are a couple of things that still need to be put in place, one of which is some legislative changes that need to be passed. The ACT government, I think, still has to do a little bit. We are working our way through environmental approvals, not that I anticipate there is going to be any great difficulty with those, because we do not think we are going to cause any great concern. So, there are a few technical steps, I guess, that we are going through before a sod is turned, but I do not think that is very far away.

Senator LUNDY—Thanks for that. Finally, I recollect the announcement in previous years about the Australian National Botanic Gardens' national leadership role in climate change adaptation strategies. Is there anything you can update the committee on in that regard? I am happy for you to take that on notice if you would prefer.

Mr Cochrane—I might take that on notice. One of the things we did agree to do was take on the role, in the context of climate change, of coordinator for the national seed banking effort, which is one of those insurance strategies for climate change. I am anticipating that position will be advertised fairly shortly. That will assist us with contributing in that role. Can I take it on notice and I will give you a fuller response?

Senator LUNDY—Thank you.

CHAIR—Are there any further questions for the Director of National Parks? If not, thank you very much, Mr Cochrane, for appearing before the committee today.

Senator LUNDY—I think Senator Abetz had some questions, Chair. He just said when he left that he had some questions, and I may have given the impression that I had more questions than I had.

CHAIR—All right. I will get some advice from the secretariat.

[12.20 pm]

CHAIR—We will recommence and go to program 1.1, but if Mr Cochrane could be available in case Senator Abetz comes back. I welcome officers responsible for program 1.1. Who is going to lead off on this one? Senator Boswell on the Coral Sea, is it?

Senator BOSWELL—Yes. Mr Oxley, what budgetary considerations and estimates have been made in relation to the management of the Coral Sea Conservation Zone and the East Marine Bioregional Plan?

Mr Oxley—That is quite a broad question you have asked, Senator. I will have a go at answering it. As to budgetary considerations in relation to the Coral Sea Conservation Zone and the east marine region, we have a budget allocated this financial year for the marine bioregional planning program, which is inclusive of the east marine region and the Coral Sea Conservation Zone—

Senator BOSWELL—Inclusive?

Mr Oxley—inclusive of it—and it is a lapsing program. Future funding for the program will be considered in the 2010-11 budget.

Senator BOSWELL—How much do you have at the moment?

Mr Oxley—For the overall program for marine bioregional planning, it varies between \$8 million and \$9 million, so around one-quarter of that approximately would be dedicated broadly to the east region, including the Coral Sea.

Senator BOSWELL—What impact will the management of the Coral Sea Conservation Zone—what is it; a conservation zone or a heritage park? What is the definition of that now?

Mr Oxley—It is currently established under the Environment Protection and Biodiversity Conservation Act as a conservation zone.

Senator BOSWELL—Is there any move to change it to anything else?

Mr Oxley—The conservation zone is being assessed as part of the east marine bioregional planning process under which the government will be seeking to do two things: establish a marine bioregional plan under section 176 of the EPBC Act and then, as part of that plan,

identify a network of marine protected areas throughout the east region but also throughout each of the other large marine planning regions.

Senator BOSWELL—So you are planning to have a protected region in the Coral Sea?

Mr Oxley—Yes.

Senator BOSWELL—Will that protected region include a no-take zone?

Mr Oxley—The broad guidance for establishing the network of marine protected areas is set out in the bioregional profile for the east marine region. It works through a set of goals and principles for setting up the marine protected area network. They are derived from the guidelines for the establishment of the national representative system of marine—

Senator BOSWELL—Yes, but is there going to be a no-take area in the Coral Sea?

Ms Kruk—Senator Boswell, I think Mr Oxley is trying to explain the process, which I think will come to your question.

Mr Oxley—I was heading there. Within the goals and principles for setting up the MPA network, yes, the goals and principles anticipate that there will be highly protected areas established as part of the marine park network.

Senator BOSWELL—In the Coral Sea?

Mr Oxley—In the Coral Sea, yes.

Senator BOSWELL—You are aware of Mr Garrett's commitment? He said:

Acknowledging the concerns of the affected stakeholders, the Conservation Zone I am announcing today will not impact on existing commercial, recreational or traditional Indigenous fishing, or cruise and merchant shipping ...

That seems to be in conflict with what you have just said.

Mr Oxley—Not at all, Senator. The minister indicated that the establishment of the conservation zone as a conservation zone would not affect any existing uses. The purpose of establishing a conservation zone is to then go on and do an assessment to identify whether any areas within or whether the whole of that conservation zone would merit protection as a marine reserve established under the Environment Protection and Biodiversity Conservation Act. That would be a separate decision of government, and subject to public consultation.

Senator BOSWELL—It seems terribly inconsistent to me that the minister said, 'I will not interfere with fishing whatsoever,' but you just said, if I am interpreting you correctly, that we could put a complete no-take zone across the Coral Sea.

Ms Kruk—Mr Oxley, it is probably worth clarifying again. There seems to be a bit of confusion about the conservation zone and the broader planning regime. Is that useful, Senator?

Mr Oxley—Just to clarify again, the conservation zone has been established so that an assessment can be undertaken to identify whether all or parts of that conservation zone should go on to be established as reserves under the Environmental Protection and Biodiversity Conservation Act. That is the first step. There is then an assessment undertaken. On the basis of that assessment, there is a separate decision of government that the area may or may not

warrant conservation or the establishment of marine protected areas. If the government comes to that understanding—and we would expect that it would, given that one of the objectives of the whole marine bioregional planning process is to set up a network of marine protected areas—then that decision would be incorporated into a draft bioregional plan for, in this case, the east marine region, and that would be subject to public consultation, including with all the key stakeholder interests in the Coral Sea, in this case.

Senator BOSWELL—That raises the question: why did you proceed with this before you had done all that? What were your instructions on proceeding with this before the bioregion was declared, or the impact of the study on the bioregion was declared?

Mr Oxley—We covered this subject in some detail at the last estimates. But, just to broadly recap, the decision was taken to provide the interim protection of a conservation zone over the Coral Sea while the bioregional assessment was being undertaken.

Senator BOSWELL—What impact will the management of the Coral Sea Conservation Zone or heritage park have on the Great Barrier Reef Marine Park Authority in light of the information provided at the Cairns stakeholder meeting which confirmed that there would be some management integration?

Mr Oxley—I am not aware of the detail of comments made or reported to have been made at a stakeholder forum in Cairns, though Mr Clark may be able to elaborate. In a broad sense, there would not be any impact on the Great Barrier Reef Marine Park because the conservation zone is adjacent to it, not overlapping it. I think the issue is then going to questions about what management arrangements might be put in place for the Coral Sea, and whether there is the potential there for the Great Barrier Reef Marine Park Authority to undertake some management of the Coral Sea. I would say that that is an open question and a matter for the government to determine.

Senator BOSWELL—That is what Pew have been pumping for. They telephoned the chairman of the Great Barrier Reef Marine Park Authority and asked him whether he was interested in doing it, but as I have told a previous estimates committee, he declined. He put out a press release saying he declined it, but it just all shows that we are moving into where Pew wants us to go. Will there be full consultation and community input prior to the management and zoning changes that may result from the review process?

Mr Oxley—There will be a public consultation process, yes.

Senator BOSWELL—In light of the proclamation of the Coral Sea Heritage Park decision made prior to the completion of the government's bioregional profile study, what scientific studies are currently being undertaken to underpin the review of the Great Barrier Reef Marine Park and the Coral Sea for that matter?

Mr Oxley—I think I need you to repeat that question.

Senator BOSWELL—In light of the proclamation of the Coral Sea Heritage Park decision being made prior to the completion of the government's bioregional profile study, what scientific studies are currently being undertaken on the Great Barrier Reef Marine Park, and I suppose that would include the Coral Sea?

Mr Oxley—There has not been a decision to proclaim or establish a Coral Sea heritage park, and I think we traversed that issue in the last Senate estimates. I believe also in response to a question that we took on notice, we outlined the east regional profile which references the extensive range of scientific studies and information that was drawn on to identify the key conservation values and key ecological features of the east marine region, including the Coral Sea. In terms of the ongoing work under the marine bioregional planning process, I will take on notice detail in terms of scientific studies and analysis that is ongoing, but make the observation that the main activities, which are being undertaken as part of this next step of the assessment process, are to look at the range of threats and pressures on the region and to use those to then identify some conservation priorities. So threat assessment work primarily, or risk assessment work.

Senator BOSWELL—If there are going to be studies and if they are currently under way on the bioregion, will there be a full and open disclosure of the science used to substantiate the decisions of closures and the origin and extent of the funding contributions?

Mr Oxley—I would have to say yes to that; that would be good public policy.

Senator BOSWELL—Are you aware of the *Courier Mail* article ‘Sea protection bid hits hurdle’?

Mr Oxley—I would have to read the article.

Senator Arbib—Senator, it would probably be worthwhile if you could get a copy of the article, please?

Senator BOSWELL—What it says—and you will read it in a minute—is that Pew have advocated a no-take zone because it is a lot less expensive to maintain and run than a 30 per cent no-take zone. So, it is far better to make sure that no-one has a fishing line in the water than just seeing who has. *Ipsa facto*, we should have a no-take zone.

Mr Oxley—I am aware of the analysis that you are referring to, having just explained it to me. I have not had any detailed assessment done of the veracity of that analysis that was done by, I think, one of the research institutes in Queensland if I remember correctly for Pew, but yes, they did come to a conclusion that managing one large no-take area would be a lower cost undertaking than managing a number of smaller marine protected areas. But, of course, that analysis was based purely on their independent assessment of management costs associated with managing a marine reserve network, not with all the costs of establishment and not taking into consideration questions of socioeconomic impact. So, yes, I am aware of that article.

Senator BOSWELL—It also opens the question as to whether you need this sort of outside help to tell you what to do, or are you confident in your own department to run without the assistance of Pew and all the other people that want to help you declare this as a no-take zone?

Mr Oxley—When you are working in such a hotly contested area of public policy, it is inevitable that we get lots of advice from external stakeholders—Pew, the fishing industry, the oil and gas industry, Indigenous interests—the list is long.

Senator BOSWELL—I hope that on this occasion you have said ‘Thanks very much; we’ll ring you, don’t ring us’ on this, because it is quite obvious that if no-one can put a line or a net in the water—or in the case of the Indigenous people, the way they fish—it is going to be a lot easier to police than going around and working who is in and who is out. I thought it was quite a ridiculous proposition, and I just wanted an assurance that you are not going to be swayed by the arguments that they put up.

Mr Oxley—I am not in a position to give such an assurance, because in the end it is a matter for a policy decision of the government. As I have already made the observation, we get lots of helpful advice from any number of stakeholders, and we have an obligation to take all of that into account when we are providing our advice to the government.

CHAIR—Thank you, Senator Boswell. Are there any further questions for this marine area? Yes, Senator Macdonald.

Senator IAN MACDONALD—Just following on from Senator Boswell, thanks for your answer to question No. 55 from the last estimates. You explained that the EPBC Act could provide mechanisms to prevent actions that would cause significant environmental impacts in the Coral Sea and impacts significantly on certain species and communities in the area. If so, why was there any need to go through this other process of declaring a conservation zone when the power was already with the minister to address any perceived threats to the Coral Sea?

Mr Oxley—I think we traversed that subject substantively at the last estimates hearing.

Senator IAN MACDONALD—Well, just help me again, Mr Oxley.

Mr Oxley—The essential answer was that the Coral Sea is in near pristine condition and that there was an option—

Senator IAN MACDONALD—After 100 years of fishing, yes.

Mr Oxley—under the EPBC Act to establish it as a conservation zone while there was an assessment being undertaken. That was the course that the minister chose to take.

Senator IAN MACDONALD—He had every power to stop any perceived threats, it was in pristine condition after 100 years of fishing, yet he still used this sledgehammer to do the conservation zone, is that what you are saying?

Mr Oxley—I am not saying there was a sledgehammer. I am saying that the minister had a range of powers that he was able to exercise under the EPBC Act, and he chose the one that was determined most appropriate for an area that was looking to be either wholly or in part established under future conservation management.

Senator IAN MACDONALD—On 1 November the AFMA introduced new Coral Sea fishing permits. Will that have any impact on the Coral Sea Conservation Zone or the East Marine Bioregional Plan process?

Mr Oxley—I heard some of the dialogue, albeit brief, from the DAFF estimates committee meeting yesterday. I am not aware that those arrangements would have any implications for the conservation zone so long as the fishery is being managed in a way that has been accredited under the Environment Protection and Biodiversity Conservation Act.

Senator IAN MACDONALD—Can I just briefly move on to the North Marine Bioregional Plan, which again I raised yesterday in fisheries in DAFF, but they said, rightly, that it was mainly your role. Where is the planning process for the North Marine Bioregional Plan process? Where are we up to?

Mr Oxley—The stage we are at in the planning process for the north is that in October or thereabouts, I think it was—do not hold me to that month exactly—the minister released areas for further assessment for the north region and also the north-west region. We then sought to engage with stakeholders in discussion about those areas for further assessment. In fact I am told it was 21 September, not October.

It is important to put on the record that in the past few months there has been quite an extensive dialogue going on with the stakeholders, primarily the commercial fishing sector and the boating and fishing industry council about the marine bioregional planning process. There is a concern coming from some stakeholders that they were not having sufficient opportunity to be effectively engaged in participating the planning process leading up to the release of draft plans. In response to those concerns the minister, on the advice of the department, has indicated that we should not be rushing the planning process. The implication of that is that, where we had originally been expecting that the north draft plan would be released towards the end of March, it is likely that that will be delayed by several months, though I cannot quantify exactly what that time frame will be yet, because it is the subject of discussion and consideration by the minister. In terms of what, I guess, I would call process improvements, we have given commitments that there will be a substantive consultation with the commercial fishing industry on fishing risk assessment work, and that there is also some work to be done around the development of the government's policy on displaced activities. Those two things together mean that we have an understanding that the time frame is going to be extended a little.

Senator IAN MACDONALD—You would expect the plan not to be gazetted before the next federal election?

Mr Oxley—I am not privy to when the next federal election is going to be held. We have to work on the basis of getting the draft plans done during the course of this calendar year and we need to do it in a way that facilitates effective engagement by stakeholders in the development of those draft plans and then consultation with stakeholders on those draft plans. I have indicated that it is going to be a few months longer on our expectations than originally forecast

Senator IAN MACDONALD—It sounds like clever politics not to have it before the election, because the minister's party and their mates in that area might feel the wrath of the voters. I think you said you heard the DAFF estimates last night on this aspect and you heard my concern, no doubt, that many fishermen had contacted me and said they had heard nothing about it. There were rumours flying around, which is always the worst. I tried to assure them that it was no great deal, but there was concern. In response that, you have said there 'has been' wide consultation or there 'is going to be', or both?

Mr Oxley—Our consultation has been focussed primarily, in terms of the fishing industry, on dealing with the key industry associations. We have regular and ongoing dialogue with the

Queensland Seafood Industry Association, and just earlier, in mid January, we actually had staff on the ground up in Karumba at the invitation of the Gulf of Carpentaria Commercial Fishermen's Association having some one-on-one discussions with fishers from that region.

Senator IAN MACDONALD—That was mid January?

Mr Oxley—That was mid January, yes.

Senator IAN MACDONALD—Okay. I am pleased to see that the complaints that they and I have raised have resulted in that further consultation. Is further consultation planned?

Mr Oxley—There will be further consultation, yes. We are just working through at the moment what I would not call a schedule but rather the key elements of consultation that we need to undertake, including, as I said earlier, on fishing risk assessment.

Senator IAN MACDONALD—I do not want to put the department to huge expense but could you give me a relatively brief summary of the consultation that has taken place in communities affected by this, namely Weipa, Karumba, the Groote Eylandt people, the Wessel Islands people and the people around Darwin, including the Melville Islands and down into the Joseph Bonaparte Gulf? Could you just briefly indicate the details of the consultation; for example: 'Officers met, Weipa, 10 October 09—' just that sort of thing?

Mr Oxley—I am happy to do so.

Senator IAN MACDONALD—That is all I have on marine planning.

Senator COLBECK—I will just follow on with the same issue. Thank you for your answers to questions on notice, which give me some good detail on who you are talking to as part of the process. I will follow on from Senator Macdonald on the time process. The government has already announced an extension to the eastern bioregion process, which was a six-month extension to 31 December?

Mr Oxley—That is correct.

Senator COLBECK—It appears there are conversations happening with other groups in the other bioregions about the timing for the processes in those. It may be that the government will make another announcement at some point in time as to the completion dates for those as well?

Mr Oxley—That would be our expectation.

Senator COLBECK—The quantum of that might be based around the time frames that you have been talking about with respect to how much longer might be taken to do certain elements of that process?

Mr Oxley—That is correct.

Senator COLBECK—You gave us at the last estimates costings for planning expenditure in each, and projected for 2009-10. Could you update those for us? That was in answer to question No. 59. If you could update that answer I would appreciate it.

Mr Oxley—I presume you mean on notice?

Senator COLBECK—Yes. If you could just sort of quantify point 1, if it is possible once you get through the process a bit further, which talked about the time status, as well?

Mr Oxley—Certainly.

Senator COLBECK—You have given me some block figures on the expenditure. I think you have also mentioned, in perhaps another question on notice, assistance to members during the process to date. Can you indicate any assistance provided to NGOs as part of that process or would they fit within that overall answer to question on notice No. 52 that talks about stakeholder assistance?

Mr Oxley—They would fit within that overall answer. Other than meeting the cost of attendance at meetings that we convene, I do not believe that we have provided any direct financial assistance or any indirect conservation assistance to conservation NGOs. If they attended workshops and they had costs incurred in getting there, we met them, as we did for fishers and other disciplines.

Senator COLBECK—The details of the forms and type of assistance and who you have provided it to up until that date are effectively set out in that answer?

Mr Oxley—They are.

Senator COLBECK—Across all cohorts.

Mr Oxley—So you are asking for an update on that?

Senator COLBECK—If you could provide that, that would be great.

Mr Oxley—I will endeavour to do that, Senator.

Senator COLBECK—I understand that in December the minister disbanded the stakeholder advisory group on activities displaced by marine protected areas; is that correct?

Mr Oxley—Disbanded it did you say, Senator?

Senator COLBECK—Yes.

Mr Oxley—That is not correct. If I may I will just clarify the situation. We are currently planning to hold a meeting of the stakeholder advisory group in early March. I am not sure if an exact date is locked in; we have been looking at around 4 or 5 March.

Senator COLBECK—Have there been any modifications to that group?

Mr Oxley—The only changes to that group would be as a result of various individuals changing roles. I think the CEO of the Commonwealth Fisheries Association has changed and I assume that the new CEO would come into that position. With the establishment of the Boating and Fishing Council of Australia, I am not quite sure how we are intending that they will be represented except to note that a couple of their constituent organisations are already on that group. I am happy to provide on notice the current membership of that group if that would be helpful to the senator. The group is the stakeholder advisory group that was established by the government last year to provide advice on displaced activity policies.

Senator COLBECK—This may not be finalised yet as part of that process, but where is the government with respect to compensation on displaced activity?

Mr Oxley—The question of how the government deals with displaced activity in terms of adjustment or compensation is yet to be resolved.

Senator COLBECK—Okay, so that is an issue that is still on the table as part of that process?

Mr Oxley—Yes.

Senator COLBECK—You have already indicated, I think to Senator Boswell—it may have been to Senator Macdonald—that industry will be given access to datasets that are being used as part of this process to assess viability and currency?

Mr Oxley—I did not make any specific reference to datasets as such. Could you just clarify exactly what datasets you are fishing for here?

Senator COLBECK—I think, from the answer, you have assessed that fairly well. I recognise that you have already made the statement that you are looking to be as open as possible as part of this process, but I think it is important that all of those that are involved in the process get access to the information that is being used in the decision making process, particularly within the specific groups that are being consulted, but as broadly as possible. I suppose what I am looking for is a commitment that that will be the case.

Mr Oxley—I have already given that commitment. I can not recall whether it was to Senator Boswell or Senator Macdonald. The one observation I will make, though, in that regard is that when it comes to doing the socioeconomic impact assessment—where we are accessing, through the Bureau of Rural Sciences and state fisheries management agencies, confidential logbook data in relation to individual fishers—there is a five-boat rule that applies and of course that impacts on our ability sometimes to provide aggregate data.

Senator COLBECK—I understand that and we had that conversation yesterday when we were talking to AFMA about the same process. Some might like to see that data, I suppose, for their own commercial purposes but generally they understand that there are levels of data that can be released under various protocols. As long as the information is released as broadly as possible, I think that is what they are looking for.

Mr Oxley—Our experience in the south-east marine protected area network creation process was that once we aggregated across fisheries within any particular marine protected area, it meant that we did not run up against the five-boat rule; we were actually able to publish full data which I think was very helpful.

Senator COLBECK—What about the age of some of the data that is being used in the process? How current is the information that is being used? It has been put to me, for example, that the latest data that exists in some of the inputs is 2001. Can you comment on that?

Mr Oxley—I would have thought that in relation to fisheries data specifically we are always seeking to use the most up to date available information from the fisheries management agencies. I am going to assume that we would definitely have 2007-08 catch data which we would use. I think where this question of 2001 comes from is that when we are looking at broader social impact assessment work we are relying on ABS data from the census. BRS is still seeking to obtain 2006 or 2007 census data from ABS and in the meantime is working with rather tired data from 2001. That would be something BRS would need to clarify for you, though that is the tenor of the discussion we have had with them

around the socioeconomic impact assessment work. They are on a promise but it has not been delivered yet.

Senator COLBECK—So any limitations are based on availability rather than anything else?

Mr Oxley—Yes.

Senator COLBECK—I have just got a very quick question. There was a suggestion by a river ecologist from Charles Sturt University that fishing be banned in large areas of the Murray—I do not know whether you heard me talking about this with DAFF last night—to prevent native fish from facing extinction. I do not have the name of the ecologist, I am sorry, but this person suggested that the Australian governments have been working on this for some time. I have asked DAFF, as they have some responsibilities for that area, and you are an obvious choice to ask as well.

Mr Oxley—With the exception of dealing with terrestrial invasive species, the marine division does not deal with inland scenarios.

Senator COLBECK—Unless it is another division—

Ms Kruk—We could be relieved—

Mr Oxley—It may be something we have to come back to later but I would be interested to know about that.

Ms Kruk—We can take it on notice if you can tell me exactly—

Mr Oxley—It is a suggestion that the government has been working for some time on banning fishing in large areas of the Murray-Darling basin to prevent native fish from facing extinction.

Ms Kruk—We have Water on during the course of your hearings so you can pose the question to them while we take it on notice.

Senator COLBECK—I am happy for it to be taken on notice. I am just interested in getting a sense of where things are at.

Ms Kruk—Senator, thank you. I was looking forward to hearing Mr Oxley's answer.

Mr Oxley—It would be brief.

Senator COLBECK—I did not know whether he went that far upstream and I know that AFMA was delighted last night that they did not have to go up the Murray as well.

Proceedings suspended from 12.58 pm to 2.04 pm

CHAIR—We will resume proceedings. Senator Colbeck has some further questions.

Senator COLBECK—I would like to go back to the displaced activities process. Was there a consultant appointed to do some work on that process or to develop terms of reference as part of the displaced activity process under marine bioregional planning? I hope you got that that is where we were going back to.

Mr Oxley—Yes. There was a consultancy let on the displaced activities policy broadly.

Senator COLBECK—Was that to the ANU?

Mr Oxley—It was to a company called MAXimusSolutions and, yes, they then utilised a couple of employees of the ANU to support that consultancy.

Senator COLBECK—Can you tell us the costs of the consultancy?

Mr Oxley—I may need to take that one on notice.

Senator COLBECK—Who were the active participants in the preparation of the report?

Mr Clark—The report's authors included Professor Tim Bonyhady and Dr Andrew Macintosh.

Senator COLBECK—Did Dr James Prest play any part in the process?

Mr Clark—The name does not sound familiar.

Mr Oxley—We will take that on notice.

Senator COLBECK—Thank you. When was the report finalised?

Mr Oxley—From my recollection—and I think we may have given this indication at the last Senate estimates—it was around the middle of last year.

Senator COLBECK—Is it public?

Mr Oxley—Not as yet.

Senator COLBECK—Is it available to stakeholders?

Mr Oxley—The intention is that when we convene the next meeting of the stakeholder advisory group in early March we would provide the members of that stakeholder advisory group with a copy of the consultancy report to assist the discussion on the day, and we would provide that in advance of the meeting to give them adequate opportunity to consider it.

Senator COLBECK—Is it available to this committee?

Mr Oxley—Not at this stage.

Senator COLBECK—Is there an intention to make it public?

Mr Oxley—I have not had that discussion with the minister.

Senator COLBECK—Perhaps you can consider our conversation a request.

Mr Oxley—I will take that on notice.

Senator COLBECK—You can take that question on notice.

Mr Oxley—Certainly.

Senator COLBECK—Thank you.

CHAIR—Are there any further questions for this area of program 1.1?

Senator ABETZ—Yes.

CHAIR—Senator Abetz.

Senator ABETZ—I understand this is the area where I should be asking about the Fox Eradication Taskforce in Tasmania.

Ms Kruk—No. Again, I would shy against Mr Oxley going into this space.

CHAIR—These are officers from marine.

Senator ABETZ—There is a suggestion they swam across!

Ms Kruk—We will take that on notice.

CHAIR—I know Senator Siewert has questions. Senator Wortley, did you have questions about Reef Rescue.

Senator WORTLEY—No.

CHAIR—We do not have Senator Siewert. Are there any further programs that we can go to under 1.1?

Senator IAN MACDONALD—I have lots on Caring for our Country, which is 1.1. If Mr Oxley stays around and if Senator Siewert comes back, perhaps she can be interposed no matter where we are, if that is okay?

CHAIR—Yes.

Senator COLBECK—Is mako sharks part of this or is it later?

Mr Oxley—It is part of this.

Senator COLBECK—I can start the argument and Senator Siewert might like to finish it after she gets here. The commencement of the process or the decision-making stage of the process was December 2008 at the CMS meeting in Rome. Can you indicate to us a sense of who you consulted with? I understand that is prior to your time, Mr Oxley. Can you give us information on who the department or the government consulted with as part of that process?

Mr Oxley—Certainly. I will give you what information I have at my disposal. Firstly, there was consultation undertaken with each of the state and territory governments or their departments that managed fisheries, in particular. There was also consultation with the Commonwealth Fisheries Association. Beyond that, I am not aware of any other consultation having been taken.

Senator COLBECK—The only consultation that you are aware of is the states and CFA. What about the NGOs and particularly the ENGOS?

Mr Oxley—What has been advised to me is that there was no consultation with the environment NGOs, although, as you have already noted yourself, one of the environment NGOs did participate on the Australian delegation to the CMS meeting. As it has been explained to me, there was no consultation with those NGOs per se.

Senator COLBECK—Let us approach it from a different perspective. I understand what you are saying there. Were there any representations to the government or from those groups prior to the process that you are aware of?

Mr Oxley—I do not have an answer to that question with me. I would need to take that one on notice.

Senator COLBECK—That is fine. You are not aware of any consultation with any of the recreational sector as part of the process prior to December 2008?

Mr Oxley—I can confidently say that I do not believe that at that time, which was in late 2008, there was consultation with the recreational fishing sector.

Senator COLBECK—Can you give me an indication of the feedback that you got from the states?

Mr Oxley—I can do that. I would describe the feedback from the states and territories as mixed. It ranged from support without any qualifications from some of the jurisdictions to statements that were not supportive of the listing taking place.

Senator COLBECK—Is it possible for you to give us an indication of which way each state went on that?

Mr Oxley—I can if you can bear with me for a moment. In relation to those that were not supportive of it, New South Wales and Queensland did not support the proposals. There were two core reasons. Firstly, there was a concern that the listing could lead to increases in monitoring and stock assessment costs for the fisheries management agencies. The New South Wales government was also concerned that the species would become a no-take species for fishers, so they understood the operation of the EPBC Act prospectively.

Senator COLBECK—Did they differentiate in any way about which fisheries that would be or was that a broad concern?

Mr Oxley—That was a broad concern. I would need to refer back to a letter of a couple of years ago to provide that level of detail. The Queensland government or the agency expressed a view that if there was a concern for the protection of these sharks on the basis that they were threatened then their preference would be to see them assessed under the threatened species or endangered species provisions of the EPBC Act and that method used to proceed to a listing if that was appropriate, based on the scientific assessment undertaken through that vehicle.

Senator COLBECK—So, an assessment process first?

Mr Oxley—Yes. South Australia, the Northern Territory and Western Australia were fully supportive of the proposals, and the Victorian government was not definitive one way or the other. I think their take on things was that the impact was likely to be limited.

Senator COLBECK—There is one state missing.

Mr Oxley—Indeed. The notes I have in front of me indicate that Tasmania endorsed the listing and suggested that the impact would be negligible.

Senator COLBECK—Thank you for that. Did you get any information from New South Wales, which collects a lot of data from particularly the game fishing clubs, in relation to their tagging programs? Did they give you any information on that?

Mr Oxley—I would say that we were aware of tagging programs being undertaken in New South Wales.

Senator COLBECK—No, New South Wales collate all of the tagging data nationally, so they are the repository for all of the tagging data nationally for game fishing clubs. If you were looking to have catch information particularly for those who participate in catch-and-release programs—

Mr Oxley—If I may, I will take the specifics of that one on notice.

Senator COLBECK—I know that there are a lot of participants in the recreational fishery who do not participate through clubs and are involved in tagging, but the tagging information is all held within the fisheries section.

Mr Oxley—We understand that and we use that tagging data for our own assessment purposes. I think the picture that we have is that somewhere in the order of 70-plus per cent of all makos that are taken are tagged and released. That comes from the data.

Senator COLBECK—That is within the parameters of the information that I have had. Seventy to 80 per cent is the data that I have.

Senator SIEWERT—Do you have survival data on the tag and release?

Mr Oxley—I believe we do, but I will need to take that on notice.

Senator SIEWERT—That would be appreciated.

Mr Oxley—I have a number in my head of a survival rate of around 90 per cent. That is as an indication.

Senator COLBECK—That is the research that I have seen, too.

Senator SIEWERT—If you could double-check that would be appreciated.

Senator COLBECK—We have taken information from your website that indicates participation in the delegation. Is that the full participation in the delegation that is listed on the website?

Mr Oxley—Are you referring to the delegation of a couple of years ago?

Senator COLBECK—Yes.

Mr Oxley—I do not have it in front of me. If you could share with me what information you have, that would be helpful in answering the question.

Senator COLBECK—While that is being prepared so that you can have a look at it I should ask: how was the delegation selected?

Mr Oxley—I do not have information at my disposal that tells me how the delegation was selected, so I will need to take that one on notice.

Senator COLBECK—As we both agreed, Humane Society International is listed as an official member of the delegation. Were their expenses covered as part of that process?

Mr Oxley—No. They participated as a member of the delegation on the basis that they fully met their own expenses and that they abided by the rules of engagement for the delegation.

Senator COLBECK—Now that you have a copy of the document, by what process would interested parties adjoin themselves to the delegation? This is not necessarily a historical thing. I think it is—

Mr Oxley—No, I will leave the historical context behind because I think we have the evidence in front of us as to what the membership of that delegation was—

Senator COLBECK—That is the membership of the delegation?

Mr Oxley—I believe it is. That would appear to be the case. If I can fast-track forward to now and the upcoming conference and parties for the convention on international trade in endangered species, the department has undertaken a broader consultation process in inviting a range of organisations to nominate to join the delegation. That opportunity went out to conservation NGOs and to a number of fishing industry organisations. In fact we have had the Southern Bluefin Tuna Industry Association put themselves up—

Senator COLBECK—I can understand their interest.

Mr Oxley—as a desired member of the delegation. I think it would be fair to say that the lesson we learned from the CMS process of 2008 is that it would be best to extend a broader reach out to our stakeholders in order to give them the opportunity to participate in the delegation but also to consult with them on their views in relation to the negotiating position the Australian government would take into any particular conference of the parties under these treaties.

Senator COLBECK—I know that this is probably a vexed question and I think I can anticipate the answer, but I have to ask it anyway. Can you give us an indication of the position that we took to the Rome meeting?

Mr Oxley—That we took to the Rome meeting in relation to makos?

Senator COLBECK—In relation to this particular listing, yes.

Mr Oxley—The Australian government position was to support the nomination for listing on appendix II of the CMS. I might add that that position was based on analysis of the nomination proposals that was undertaken by CSIRO. That advice to us indicated that the science was sufficiently strong to support a listing of those species under appendix II.

Senator COLBECK—The CSIRO did an analysis for the government of the proposal—

Mr Oxley—That is correct.

Senator COLBECK—for consideration at the convention?

Mr Oxley—To help inform the Australian government's position.

Senator COLBECK—Is it possible to get hold of that assessment?

Mr Oxley—I am happy to take that on notice.

Senator COLBECK—That answers my question as to the data. What about the contention that has been widely discussed, particularly since the listing was formally announced in early December, with respect to the links between the two regions, specifically Australia and the Mediterranean and the North Atlantic? I suppose if we get hold of the CSIRO report we can assess that ourselves, but I do not have access to that at this stage.

Mr Oxley—My understanding is that the nomination was driven primarily by concerns about the status of the species in the Northern Hemisphere. I think it would be fair to say that we do not have a clear picture about the status of the species in the Southern Hemisphere or in Australia. We do not know whether it is at risk or whether it is a robust population.

Senator COLBECK—On what data would the CSIRO have made their assessment? I suppose that is a broad—

Mr Oxley—CSIRO would have made its assessment on the basis of the nomination documentation and whatever analysis supported those nominations. Then looking at that data against the criteria for the species it would have made its findings known to the department.

Senator COLBECK—Was there any active advocacy of the process or of the listing from Australia at the meeting, do you know?

Mr Oxley—I am not in a position to answer that.

Senator COLBECK—Would you take that on notice?

Mr Oxley—Certainly.

Senator COLBECK—Subsequent to the decision to list in 2008, what was the consultation process that occurred post that period?

Mr Oxley—My understanding of the process that followed was that there was some dialogue with stakeholder groups, that there was initially a round of discussion in the first half of 2009. Then towards the end of 2009 there was a re-engagement with stakeholders at which time they were advised that the government intended to proceed with the listing under the EPBC Act, as it is required to do under the act.

Senator COLBECK—My understanding is that indications were given to industry, both commercial and recreational, that the listing would not be proceeded with until after the completion of the review process for the EPBC Act. Can you confirm that or otherwise and then take us to, if that was the case, why the listing proceeded? I do note your last comment.

Mr Oxley—Yes, the last comment—that is, that it is very black and white and there is no discretion for the government once a species has been listed under the CMS—and it follows that it must be listed under the EPBC Act. My understanding of the discussions that occurred broadly in the first half of last year is that there was a disposition towards allowing the EPBC Act review to work its way through and for the issues about the nondifferentiation under the EPBC Act between appendix I and appendix II listed species to be resolved through any broader set of amendments to the EPBC Act that would be made as a result of the government's consideration of the report of the Hawke review.

That indication was broadly given to stakeholders. Then, as the year progressed, it would be fair to say that there became an increasing level of concern that, given the likely long time frame between the receipt of the Hawke review and the eventual passage of any amendments to the EPBC Act that might flow from it—and I should note that the Hawke review did make some specific findings in relation to the convention on migratory species—it was not a sustainable position for the species not to be listed under the EPBC Act given that it was a very black-and-white requirement that that occur and that, if there had been any legal move to force a listing, that would need to have occurred. In those circumstances, our advice to the minister was that the formal listing under the EPBC Act should be moved forward.

Senator COLBECK—Were there any threats to pursue legal action to force the issue?

Mr Oxley—The department or the minister—I cannot recall now which—received one representation from a legal body representing a conservation NGO asking that the listing be progressed.

Senator COLBECK—We do not necessarily need to deal with it now, but could you table for me on notice a list of your consultations post the listing process in 2008?

Mr Oxley—Yes, I would certainly be happy to do that.

Senator COLBECK—In the national interest analysis paper that was compiled—and the tabling date that I have got is 25 November—it stated that it is anticipated that the costs for most sectors will be minor. Can I ask where that assessment came from?

Mr Oxley—I will need to take that particular—

Senator COLBECK—I do not have a page or a reference point.

Mr Oxley—No, I understand that, but to answer the question as to where that conclusion came from I do need to take that on notice.

Senator COLBECK—If anything stirred up the recreational sector more—apart from the fact that they could not catch a fish when they wanted to—it was the fact that they did not have much of an investment in it. I think they have come out to demonstrate that in terms that you might understand.

Mr Oxley—In those circumstances that assessment would have been based, I presume, on economic cost and I would suggest it would have been focused substantially on commercial fishing impacts. It may not have accounted for recreational impacts but, as I offered, I will take that on notice and come back.

Senator COLBECK—I have to be honest and say that I have been somewhat surprised by what is a significant investment by recreational fishers in their fishery. The reaction to this particular circumstance back right through to the tackle manufacturers, owners of boats and right through the system has been quite extraordinary. I think it is perhaps a lesson to us all to consider the implications through the recreational sector and how it plays back through the entire fishery. It was HSI that provided the legal letter, or it was on their representation, to the minister; is that correct?

Mr Oxley—I believe it was on behalf of HSI, yes.

Senator COLBECK—Can I ask what level of contact the government has had since the listing process with respect to fishing tournaments that have been organised since the ban came into place, because it does create some particular issues for pre-organised events? I really do not want to spend too much time on the detail but I would be interested to get a sense of how many representations have been received.

Mr Oxley—It is in the order of half a dozen representations from tournament organisers.

Senator COLBECK—Did the department take some legal advice on the response that has gone out to date?

Mr Oxley—When you say the response ‘to date’—

Senator COLBECK—I know that there have been some responses gone out to certain clubs whose events have already occurred or are about to occur, and I would just be interested to know. One of the letters that was copied to me by one of your departmental officers indicated that there are some responses back out there, so I am just curious to know whether you have had advice as to what you are telling the clubs.

Mr Burnett—I will ask Ms Webb to answer that specific question in relation to advice to clubs.

Ms Webb—Are you referring to the letter we are sending in relation to any compliance and enforcement action?

Senator COLBECK—It does address that issue in the letter that was copied to me. I had written to the minister myself on similar terms so I was copied into the letter back to the mayor of one of the councils where one of the competitions was to be held.

Ms Webb—I understand which letter you are referring to. That was certainly discussed with our internal lawyers at the time we sent it out.

Senator COLBECK—So, it was dealt with through your internal legal processes?

Ms Webb—Yes.

Senator COLBECK—And you have had requests from about half a dozen other organisers?

Mr Oxley—It is in that order.

Senator COLBECK—Who is responsible for enforcement action in respect of that?

Mr Burnett—My division, the Approvals and Wildlife Division of the department, administers the compliance and enforcement aspects of the EPBC Act.

Senator COLBECK—Do the states play any role in that?

Mr Burnett—Sometimes there are circumstances in which state officers are accredited to take compliance action. I am not sure whether they are in this particular instance; Ms Webb may be able to answer.

Ms Webb—They mostly play a role in monitoring and reporting on behalf of the Commonwealth. They would not actually make a decision about taking enforcement action in a particular case like this.

Senator COLBECK—So, theirs is an on-site role if you like, with respect to people having possession or activities that might be occurring?

Ms Webb—Yes, that would be right, and then they would report that to us.

Senator COLBECK—I might leave it there.

CHAIR—Senator Siewert.

Senator SIEWERT—To follow up just on that particular issue: could you clarify for me when the current listing process that is being undertaken finishes?

Mr Burnett—Which listing process?

Senator SIEWERT—The assessment process for listing as a vulnerable species that we touched on earlier.

Mr Burnett—So we are not talking about compliance with the CMS listing of the mako shark?

Senator SIEWERT—I want to know when the assessment process for listing for the species finishes.

Mr Oxley—The Threatened Species Scientific Committee will consider it in 2011.

Senator SIEWERT—So the process is going on until 2011?

Mr Oxley—That is correct.

Senator SIEWERT—In terms of the amendments that the minister announced that he is making to the act in response to this issue, do I ask about that here?

Mr Burnett—Yes.

Senator SIEWERT—Could you explain what the process is for that and when the minister is expecting to table the bill?

Mr Burnett—Obviously, the minister has announced the government's intention to introduce an amendment to the EPBC Act to address this matter specifically. The drafting instructions have been issued, so the legislation is being prepared. The government has allocated a high priority to it and we expect that it will be introduced in the very near future.

Senator SIEWERT—Is that specifically related to any species to stop the automatic listing if a species is declared a migratory species?

Mr Burnett—No, it is specifically to deal with this issue about the mako shark.

Senator SIEWERT—So, it is specifically about the mako sharks?

Mr Burnett—Yes, mako sharks.

Senator SIEWERT—It is specifically about that and it decouples that from the process under the EPBC Act?

Mr Burnett—No, it does not change the listing system, so the shark would remain listed but it will amend another provision of the act close by that lists some exemptions, so it will formalise the exemption for this recreational catch and release.

Senator SIEWERT—And that is expected soon?

Mr Burnett—Soon, yes.

Senator SIEWERT—I have some more questions I will put on notice, but I did want to ask a little bit further from where Senator Colbeck left off in terms of the current meeting that has been happening right now.

Mr Burnett—Which meeting is this?

Senator SIEWERT—The Convention of Migratory Species of Wild Animals meeting which I understand is happening in the Philippines as we speak. What approach is the government taking? Is it just going with iconic shark species or is it taking the approach that sharks around the world are actually vulnerable?

Mr Oxley—The approach we are taking is that we are seeking to have all of the shark species which are listed under the CMS covered by the memorandum of understanding that is being negotiated and hopefully finalised this week in the CMS. So, in addition to the already listed shark species—I think it is white sharks, whale sharks and one other—

Senator SIEWERT—Basking, I think it is.

Mr Oxley—Yes, that is right. We are also seeking to have that MOU cover makos, porbeagle and spiny dogfish; that is the position we have taken in that negotiation.

Senator SIEWERT—I would like to follow up on the Montara oil spill and specifically about the monitoring. I appreciate there is an inquiry going on, so I am going to try not to touch on those questions, but this specifically relates to the long-term monitoring program that the company has committed to. I will follow up from where I left off last time and ask for the process and the independence of the putting in place of the monitoring plan, the reporting process and what control the department has over the monitoring process?

Mr Oxley—Certainly. As you know, we negotiated a monitoring program with the company that had two aspects to it; firstly, the short-term operational monitoring in five particular areas of monitoring there and, secondly, in the longer term the seven key areas of monitoring, all of which had triggers associated with them, so when a trigger was hit then a monitoring program would be established.

The broad process is, in summary form, firstly, when we get information available to us that suggests a trigger has been hit and those triggers are defined in the environmental monitoring plan, we then consult with relevant agencies and relevant experts regarding the breaching of that trigger, essentially to get confirmation from independent experts and agencies that that is the case. We then liaise with the company, PTTEP, and together with the company determine that a scientific monitoring study or a stage of a study is required; the company then initiates a tender process for the work. As part of the memorandum of understanding there is an attachment that sets out a range of experts who would be considered competent in their field to undertake those sorts of studies. PTTEP then seeks, essentially from that panel, tenders to undertake the monitoring program.

The company receives proposals and then selects the proposal that best meets the parameters for that study, looking at qualifications, value for money, the quality of the proposal, and adequacy and timeliness of reporting. The company then submits the 'successful' bid to the department for approval and at that point in time the department then seeks peer review of the proposal from the Australian Institute of Marine Science, the CSIRO and relevant agencies in the WA and Northern Territory governments to be assured that the study proposal is robust and is being implemented by appropriately qualified and independent experts.

We then go ahead and issue an approval for the study to be undertaken. There may be, as part of that process, requests for the detail of the study to be amended to better fit the advice that we are getting from that peer review. The company, once it has approval, then goes on and implements the studies and then, once completed, final reports are provided to the department. As part of the process of receiving those reports we may then at that stage seek peer review prior to final and formal acceptance of the study. Then once that study is finalised and accepted by the department it will be published on our website so that there is full public scrutiny of the process.

Senator SIEWERT—Have there been any triggers?

Mr Oxley—A number of the triggers have already been met for, I think it is, five out of the seven long-term monitoring programs.

Senator SIEWERT—Which ones are they?

Mr Oxley—The shoreline ecological assessment aerial surveys have been triggered. Field work was undertaken back in November and a report from that is expected in February. That included some intensive survey work of Ashmore, Browse and Cartier islands as part of the original operational monitoring, but then, subsequently, a baseline survey and an aerial survey of the Kimberley coast. The study S3, assessment of fish catch for the presence of oil, has been triggered. Field work was conducted during January; that had been a postponement from an earlier intended program due to tropical cyclone Lawrence. Study S4a, assessment of the effects on Timor Sea fish and fisheries; that has been triggered. That study is evaluating the geographical extent of exposure of fish to hydrocarbons and whether fish health, including reproductive health, has been affected by exposure to hydrocarbons.

Then study S6, shoreline ecological ground surveys, has been triggered for sea birds, turtles, sea snakes, coral and, as I mentioned before, the baseline Kimberly survey, which associates with this. It has not been triggered for whales or dugongs. Lastly, S7 oil fate and affects assessment has also been triggered. A number of studies are either already out in the field or we are finalising study proposals with the company which will then be considered through our proposal peer review process. There is quite an amount of activity already under way.

Senator SIEWERT—Who triggers? Is it the company and the department?

Mr Oxley—It can be either. It could be also as a result of stakeholders coming to us with information that indicates that a trigger has been met. It could be one of the research agencies coming to us and indicating that, in its view, the trigger has been met and, therefore, we would take that information, come to an agreement on the triggering and then move into that process.

Senator SIEWERT—Thank you.

CHAIR—Are there any further questions for Marine Division?

Senator WORTLEY—I have some questions on Reef Rescue.

CHAIR—I think we have finished with Marine Division, so we will now go to Senator Wortley's questions on Reef Rescue. Thank you, Mr Oxley and Mr Clark. We will then go to Caring for our Country.

Senator WORTLEY—I am happy to put my questions on notice.

CHAIR—Given the amount of time we have left, Senator Wortley is happy to put her questions on notice. Are there any other questions for this area?

Ms Kruk—Can I clarify that we have finished with all matters wet?

CHAIR—I think so.

Senator WORTLEY—Where do we do whales?

Senator Wong—In matters wet, to use the secretary's eloquent terms!

Ms Kruk—I just want to have the staff available.

CHAIR—We need Ms Petrachenko.

Senator Wong—Are there any questions for this division?

Senator IAN MACDONALD—What is this?

CHAIR—Senator Macdonald, Senator Wortley has put her questions on Reef Rescue on notice. Did you have questions about Reef Rescue?

Senator IAN MACDONALD—Yes, I do.

CHAIR—We will just deal with whales first and then we have got rid of wet things. We will then go to Reef Rescue. Senator Siewert.

Senator SIEWERT—It may be that I am asking in the wrong area, but we will give it a go. I would like to have an update on the progress with the further diplomatic approach that has been taken with Japan over the current whaling season, and the progress with the IWC.

Ms Petrachenko—I will address that question starting from the IWC meeting in Madeira last year. At the International Whaling Commission meeting in Madeira the commission agreed to form a special support group to advise the new chair of the IWC on approaches for the future of the IWC. This involves 12 countries—and I provided this information in detail at the previous estimates—who advise the chair. We have had three meetings, one in Santiago, Chile; one in Seattle in December; and one that just finished in the past week in the United States. At those meetings, Japan is one of the countries involved in the advisory group—the support group—and those are the IWC parts. There have also been a number of diplomatic overtures from ministers, officials from the Department of Foreign Affairs and Trade, and also of course, from the special envoy. Specifics on what diplomatic efforts have been made through the Department of Foreign Affairs and Trade would have to be directed to them.

Senator SIEWERT—Has there been a difference in approach, given that the Japanese government has been much more upfront in the last six weeks, basically saying, ‘We have a right to whale; it’s not about science’? They were quite open about it not being about science. Where does that put our diplomatic approach when they are being much more upfront now with why they are whaling?

Ms Kruk—I am having trouble hearing Ms Petrachenko. If she could move up here, I would be most appreciative.

Ms Petrachenko—Specifically, if there has been a change in approach from some of the commentary that we are hearing from the Japanese government, I cannot comment on that. I am not involved in looking at those aspects. Through the positions that the Japanese have put formally through the IWC, they are still pressing the point that they view the whaling that is conducted, both in the North Pacific and in the Southern Ocean under article 8, as special permit whaling, which is lethal research whaling in our view.

Senator SIEWERT—In terms of your interaction with Foreign Affairs in your work through the IWC process and its commissioner, how does that work? If they are running a diplomatic approach, who is responsible for that coordination?

Ms Petrachenko—We work together. We consult each other on the various approaches. DFAT officials are part of the delegation to the IWC support group meetings and to the other IWC meetings, and officials from our department also participate if there are special meetings that they conduct. We also work together with the embassies in providing our views.

Senator SIEWERT—Will there be any more meetings prior to the next IWC meeting?

Ms Petrachenko—Yes, there will be. The process from here is that the work of the support group that advises the chair, the 12 countries, is more or less over, and there is a full meeting of what is called the small working group of the IWC, which is 34 member countries, at which the chair will present his view on the way forward. I believe that meeting is scheduled to begin on 2 March.

Senator SIEWERT—If they form an opinion and there is agreement in the small group, will that be released publicly or is the first the community knows about it at the IWC?

Ms Petrachenko—What will happen prior to the 2 March meeting is that Ambassador Maquieira, who is the chair of the IWC, will release documents publicly for consideration at the March meeting. That will happen a few weeks before the March meeting. It is all public process. NGOs are invited to and involved with the small working group meeting in March.

Senator SIEWERT—After the small working group meeting, when the position is finalised, that will be a publicly agreed position that will be taken to the IWC?

Ms Petrachenko—It would be very difficult to speculate at this point in time about the 34 countries. We have not seen the chair's report and what views he is going to be putting forward. My view on the remit of the small working group is that it is not a negotiating group per se, but it is going to give the broader views now of these 34 countries and, if there is anything that comes out of that meeting, it then goes through the formal process publicly, leading up to the annual IWC meeting in Agadir in June.

Senator SIEWERT—In terms of the current situation in the Southern Ocean, is the Australian government keeping abreast of where the Japanese fleet is; and does it know where the *Sea Shepherd* is? I am thinking, particularly, about if there is a clash and there needs to be an emergency response. Is the Australian government keeping track of that?

Ms Petrachenko—I cannot speak on behalf of the search and rescue people, who have that responsibility. I think that question would have to go over to that department in terms of their responsibilities.

Senator SIEWERT—Is the Australian government kept informed of where the Japanese fleet is?

Ms Petrachenko—I am unaware of that. I do not have responsibility in that area in terms of rescue coordination. I think it would be the department of home affairs.

Senator SIEWERT—I take your point on the rescue and safety process. I am now asking in terms of where the Japanese are actually taking whales. Is the Australian government kept informed of where that is occurring?

Ms Petrachenko—I can tell you that I am not aware of where that is occurring. What we hear and the reports from the various incidents that come through AMSA and the rescue coordination centre are after the fact—so, post facto.

Senator SIEWERT—I understand you are given a broad plan of where the Japanese fleet intend to be, but they do not keep you updated?

Ms Petrachenko—No, not at all.

Senator SIEWERT—In terms of the research program that the minister announced two weeks ago in New Zealand, what is the time frame?

Ms Petrachenko—That is the Southern Ocean Research Partnership, which Minister Garrett launched in Wellington with our New Zealand colleagues. It is a five-year program. This is the first actual joint cruise that is happening. The cruise itself is six weeks long and it is focusing on non-lethal research in the Southern Ocean.

Senator SIEWERT—Is that different to the one that was announced some time ago or is this a re-announcement?

Ms Petrachenko—This is part of the multiyear program that was announced by the minister about 18 months ago. We have been doing localised research and preparatory work, but this is the first actual cruise that has gone out under the program.

Senator SIEWERT—Is this particular project a joint Australia-New Zealand project?

Ms Petrachenko—No, it involves more countries than that, but the New Zealand government have generously offered us the use of the vessel as a platform for the research, so it involves a number of scientists from Australia and other IWC countries.

Senator SIEWERT—Which ones?

Ms Petrachenko—I might have to take that one on notice.

Senator SIEWERT—Is the Japanese government involved in that particular program?

Ms Petrachenko—No, they are not.

Senator SIEWERT—Are they involved in any of this particular non-lethal research project?

Ms Petrachenko—No. We have invited them, both at the IWC and through other means, to become involved in the non-lethal research and they have so far declined.

Senator SIEWERT—As I understand it, they are involved in other IWC non-lethal research, aren't they?

Ms Petrachenko—They have, in the past, conducted what is called SOWER cruises—I cannot remember what the acronym stands for—which Australia has been involved with as well. They are run through the IWC, but we have unconfirmed indications that potentially they will not be continuing that for many years. We do not have a long-term research program for that.

Senator SIEWERT—Do the Japanese government notify you when they are undertaking that research? I am speaking, specifically that the *Nisshin Maru II* that was fuelling up in Perth and claimed to be doing it because they were there in the capacity of research, rather

than supporting the whaling fleet. When are you notified of those research programs? Do they notify you before, seek permission to refuel and document that they are doing non-lethal research?

Ms Petrachenko—Yes. It is really an IWC program which is using a Japanese vessel. It is not the Japanese independently doing non-lethal research; it is under the auspices of the IWC. Through the IWC we receive and review the research program, through the scientific committee. We know ahead of time where they are going. It was about two years ago when one of the non-lethal research ships came into WA and we were notified and dealt with it appropriately.

Senator SIEWERT—It was reported in the media that it occurred again this year.

Ms Petrachenko—My understanding is that was an erroneous report.

Senator SIEWERT—Was it erroneous because it was a different ship?

Ms Petrachenko—No, it did not happen.

Senator SIEWERT—It did not happen?

Ms Petrachenko—That is my understanding.

Senator SIEWERT—Are you confident of that, or is that your understanding?

Ms Petrachenko—That is my view at this point in time and I would be surprised to hear otherwise.

Senator SIEWERT—Because there was no IWC work being done?

Ms Petrachenko—No. We are usually notified by the port authority of anything if we have not heard of it otherwise.

Senator SIEWERT—How does the port authority know? Obviously we trade. What are the criteria for notifying you that a vessel may be connected with whaling?

Ms Petrachenko—I will tell you what happened I think it was two or three years ago when the SOWER cruise was actually coming through. The documentation is provided to me as the commissioner from the IWC. We verify that it is what was agreed through our scientists in Antarctic division, so we know the time and dates and where they are planning to come. They then say, 'Here are the revised dates', if there are schedule changes so that we are aware of it. What happened previously was that one of the companies that was going to be doing the refueling got in contact with us because it wanted to verify that this was approved. We had sent out information to the port that this was the vessel that was approved and what they were doing and they verified it.

Senator SIEWERT—So you are not notified if a ship just turns up randomly that may be associated with whaling?

Ms Petrachenko—It has not happened. If it is a ship associated with whaling activities, it would be a breach under the EPBC Act and a severe violation, so we would probably know when they entered our waters.

Senator BIRMINGHAM—Has the government taken any further steps in relation to legal advice to take action against Japan?

Ms Petrachenko—That would be a question that you should ask of the Attorney-General's Department.

Senator BIRMINGHAM—Has your department taken any steps in that regard or sought advice from the Attorney-General's Department in that regard?

Ms Petrachenko—In which regard?

Senator BIRMINGHAM—In regard to the taking of action against the Japanese government.

Ms Petrachenko—No, we have not.

Senator BIRMINGHAM—Are you aware of the Attorney-General's Department or has the Attorney-General's Department consulted you about taking any steps in regards to action against the Japanese government?

Ms Petrachenko—In terms of preparatory discussions, in terms of understanding what goes on in the IWC, those types of discussions have been had, yes.

Senator BIRMINGHAM—In regards to preparatory discussions that might lead to actual legal action in that case?

Ms Petrachenko—Yes, one would think that could be a possible conclusion.

Senator BIRMINGHAM—Are these recent discussions—

Ms Kruk—Senator Birmingham, can I just caution you? Obviously this is an issue that is still very much an active one before the government at the moment. I do not want to put us in a situation where we are jeopardising that process.

Ms Petrachenko—We also provide information between departments on the status of things in the IWC that could potentially be used for further steps should the government decide.

Senator BIRMINGHAM—Have Attorney-General's sought during the course of the last few months, during the recent whaling season, information that they indicated was being used as part of an assessment on legal matters?

Senator Wong—Senator Birmingham, whilst you may be doing it more courteously than some, you are just asking the same question. Ms Petrachenko has indicated that that is not a question to this department. Ms Kruk quite properly has indicated that, given that this is an active matter, we certainly would not want to be putting into the public arena what work may or may not have been done which involved Ms Petrachenko or her colleagues on this issue. I know you want to make a political point out of this. I would refer you to the statements which have been made by the Deputy Prime Minister and Minister Smith, from memory, over the January period in relation to the government's position on legal action. We have nothing further to add to that.

Senator BIRMINGHAM—It is not unusual to ask about communication between agencies at these things. Often it is the only way you work out who the lead agency is. But in this regard, Attorney-General's is very clearly the lead agency from your department's perspective. That is fine. I will not go into all the normal details. For the sake of time I will put some of those on notice. Up until when is Mr Holloway's current contract?

Ms Petrachenko—Up until the end of June 2010.

Senator BIRMINGHAM—IWC would be after that, would it not?

Ms Petrachenko—No, IWC concludes I think the third week in June.

Senator BIRMINGHAM—Is it expected that Mr Holloway will attend IWC this year?

Ms Petrachenko—We have not even thought yet about formation of the delegation. We do that usually in about May. But I can say that Mr Holloway has participated in the last three meetings of the IWC support group discussions.

Senator BIRMINGHAM—Thank you.

Senator SIEWERT—Have you sought advice on the use of the aerial support that was done out of Tasmania and Western Australia? Have you sought advice on how that could be stopped?

Ms Petrachenko—The department has received a complaint of a potential breach of the EPBC Act and so the Compliance and Enforcement Branch in the department is investigating the complaint. That is in the Approvals and Wildlife Division.

Senator SIEWERT—I will ask the branch about it in a minute, but if it is classed as not being a breach, has the department sought advice on how they could fix an apparent loophole in the act?

Senator Wong—That question assumes an apparent loophole in the act.

Senator SIEWERT—Yes, I am doing that, but I did preface it by saying if the enforcement was found not to because of the way the act has been written, have you sought advice about whether you could amend the act?

Senator Wong—Is this a question about the Green's proposal?

Senator SIEWERT—No. It is asking whether the government has actually thought of anything to do about it.

Senator Wong—First, as the Deputy Prime Minister made clear I think when this issue was first raised in January, if there has been a breach of Australian law then that will be fully investigated. That is a matter for a separate division. Obviously in relation to any proposed legislation from minor parties, we will consider proposals put forward.

Senator SIEWERT—Thank you for that, but it was not an answer to my question. It was: had you thought of some yourself?

Ms Petrachenko—I have been tied up in the last two weeks in meetings in the IWC and I have not been involved in that. I am not aware that it has gone through my division in my absence.

CHAIR—Thank you for joining us today. We now move to Reef Rescue under Caring for our Country

Senator IAN MACDONALD—In relation to Caring for our Country we asked a lot of questions at estimates in October. There was a due response date by 11 December. Most of the responses have either been given yesterday or we are still getting them through today. I would accuse the department of being inefficient or derelict in their duties—

CHAIR—You would or you—

Senator IAN MACDONALD—I would have normally, although I had the experience this morning where public servants were too embarrassed and too loyal to say the real reason for the answers to the questions being tabled only today, two months after the Senate requirement. I do not want to accuse public servants of doing this, as I did this morning until I found out that they were just being loyal, keeping their trap shut, when in fact all of the answers in the Department of Infrastructure, Transport, Regional Development and Local Government this morning went to the minister's office early in December, well in time for 11 December deadline, and were not returned until now. I will not make the same mistake initially of accusing the departmental officers; I will simply get you to confirm or ask you when did the answers to questions on notice go to the minister's office?

Ms Kruk—I will need to take that on notice.

Senator IAN MACDONALD—No, you won't.

Ms Kruk—Yes, I will need to, because that is not information I have before me.

Senator IAN MACDONALD—Who is responsible in your organisation for ensuring that answers come to questions on notice?

Ms Kruk—I have indicated—

Senator Wong—Public servants are entitled to take questions on notice. It is not for members of the committee to simply say, 'No, you won't.'

Senator IAN MACDONALD—Thank you for the lecture, minister.

Senator Wong—Well, it is extraordinary.

Senator IAN MACDONALD—Let me ask for this committee: who in your department is responsible for ensuring questions on notice are returned by the time that the Senate has set down; that is, 11 December, two months ago? Who is responsible for that in the department?

Ms Kruk—As I indicated again, I will get advice back to you on that. I have—

Senator IAN MACDONALD—You do not know who is responsible?

Ms Kruk—I do know. Please, I honestly do not believe I need to be bullied on the basis of questions such as this. I have indicated that I would take the question on notice. There are officials involved in my corporate area who have that responsibility.

Senator IAN MACDONALD—Secretary, you are unable to tell me, without taking it on notice—

Ms Kruk—No, I have answered you.

Senator IAN MACDONALD—who is responsible for getting questions back to this committee in response to the obligation you have to answer elected representatives through the Senate rules?

Senator Wong—The secretary has taken the question on notice. You may recall when you were a minister that answers to questions may come from different parts of a department. I certainly do not recall any of your colleagues when I asked when questions as a whole were

provided to the minister's office ever being able to answer that. They were taken on notice. The secretary has done that and will come back to the committee.

Senator IAN MACDONALD—I am going to insist on my question to the secretary: who in your department is responsible for this?

Ms Kruk—For what?

Senator IAN MACDONALD—For getting answers to questions on notice back to this committee in the time provided by the Senate. This is not just a game. You do not give them back when you feel like it. This Senate has said that you will respond by 11 December. I want to know why this department has not responded by 11 December, as you are required to do.

Senator Wong—I would remind you when you were in government there were many occasions on which you did not comply with that.

Senator IAN MACDONALD—Madam Chair, point of order.

Senator Wong—It is the tone, Senator.

CHAIR—The minister is completing her answer.

Senator IAN MACDONALD—I did not ask about what previous governments did. I want to know why this department has not done this today.

Senator Wong—You have asked the secretary a question about when questions on notice I think were provided to the minister. Was that the question? That has been taken on notice.

Senator IAN MACDONALD—The first question is: who in this department is responsible for getting answers to questions on notice back to this committee?

Senator Wong—Is that because you want to bully them, too?

Senator IAN MACDONALD—Minister, if you cannot take the heat, get out of the kitchen!

Senator Wong—I am happy for you—

CHAIR—Order!

Senator IAN MACDONALD—You are completely pathetic, and you demonstrate your complete inability—

Senator Wong—I am happy for you to have a go at me.

Senator IAN MACDONALD—and you demonstrate your complete inability—

Senator Wong—I think the way in which senators have treated members of the Public Service in these estimates here today and last night is utterly appalling.

Senator IAN MACDONALD—to manage your portfolio and anyone else's portfolio. You are a disgrace to the country—

Senator Wong—It is absolutely unprofessional.

Senator IAN MACDONALD—in the way you have stuffed up our climate change—

Senator Wong—Take me on! Take me on! These are people who serve the public.

Senator IAN MACDONALD—Just keep out of it and let me talk to someone who understands what this is, and that is the secretary.

Senator Wong—You and Senator Boswell last night behaved absolutely unprofessionally.

Senator IAN MACDONALD—Oh, thank you!

Senator Wong—And you are doing it again.

Senator IAN MACDONALD—You are so good at manners!

CHAIR—Order!

Senator IAN MACDONALD—Pointing, pointing, pointing. Just wake up to yourself and grow up!

CHAIR—Senators and Minister, can we please resume proceedings in a question and answer format. I understand the secretary has taken your questions on notice, Senator Macdonald. Do we have questions about Caring for our Country? I suggest, given the tight time lines, there are indications from other senators, including those in your own party, that they wish to move things along so that we can cover all of the many areas that are subject to questioning, we should take that into account and perhaps move on.

Senator IAN MACDONALD—Secretary, how do you expect us to peruse and have follow-up questions to questions we asked in October when the answers have been delivered to us only today? The lack of courtesy—apart from anything else—is outrageous. This is a complete disregard for the rules of the Senate by your department. Remember, this is your ultimate boss; the parliament is your boss, not the minister. Why could you not do as you are required to do and return the answers by 11 December?

Ms Kruk—I have indicated that I would get back regarding the question that Senator Macdonald asked, which is the time at which the answers were submitted by the department. I answered your second question, which indicated that the responses were prepared by my Corporate Services Division. I do not intend in this chamber, with all respect, to name individuals and have them be subject to bullying either.

Senator IAN MACDONALD—Thank you, public servant. The next time you want to—

Senator LUNDY—This is bordering on abusive. I am not going to sit by and listen to this as a member of this committee. And I suggest—

Senator IAN MACDONALD—threaten parliamentarians in the way you just did, I suggest you have a look at your career strategy.

Senator LUNDY—that Senator Macdonald manages himself a little better, otherwise I am going to be making a formal complaint about his conduct.

Senator Wong—Senator Macdonald, would you like to repeat what you referenced about careers? What did you just say?

Senator IAN MACDONALD—I said the secretary ought to be careful of the accusations she makes about members of parliament or if she does not perhaps she should consider her future career.

Senator Wong—I would ask the chair to take advice from the clerk as to whether that is a breach of Senate orders, in terms of threatening a witness.

CHAIR—The committee will consider that position.

Senator IAN MACDONALD—And what about the secretary's threat to me?

Senator Wong—As I recall it, the secretary indicated to you that she was not prepared to have her staff exposed.

Senator IAN MACDONALD—That is not what the secretary just said and *Hansard* will show it.

Senator Wong—If I could finish—expose her staff to the sort of bullying behaviour that you are exhibiting currently.

Senator IAN MACDONALD—You retiring violet, Minister!

Senator LUNDY—There is a difference between questioning and bullying, Senator Macdonald, and you have crossed the line.

Senator IAN MACDONALD—Thank you, Senator Lundy. You are such an epitome of good manners yourself always.

Senator LUNDY—I know I am. That is why I am giving you this advice now.

CHAIR—Can we please move on with the business at hand.

Senator IAN MACDONALD—Can I ask again: how do you expect us to sensibly ask you questions when the answers to detailed questions are presented to us this morning?

Ms Kruk—I have heard your point and I have provided a response.

Senator IAN MACDONALD—I suggest also that you might look at the response that Mr Mrdak gave, in the other department, when he was easily able to answer these questions.

Ms Kruk—I will do that.

CHAIR—Are we moving to Caring for our Country? I will give the call to some other senators.

Senator IAN MACDONALD—We are, although the whole purpose seems pointless when most of the answers are taken on notice and then we do not get the answers back.

Senator LUNDY—I take it we will move on to the next program, then.

Senator IAN MACDONALD—Can someone tell me how the Reef Rescue program is going?

Ms Lauder—Reef Rescue is going quite well. We have four main components that we are delivering through this \$200 million election commitment. The first is the water quality grants and reef partnerships. We are providing funding through a number of regional bodies in the reef, as well as industry groups. They have received to date their first payments. For those who have achieved their milestones, the second payments, they have also left the Commonwealth. The research and development component of Reef Rescue has been advertised for applications through the business planning. They close on 15 February and we are expecting a large number of applications. That is for up to \$9 million.

The monitoring and reporting program is also being delivered partly through GBRMPA for the marine monitoring component, and we have a paddock-scale component of the monitoring, which is monitoring the outcomes following the water quality grants and the changed management practices from farmers. That is being delivered through regional organisations. The last component is the Indigenous partnerships part of Reef Rescue. That is working with Indigenous organisations and communities to develop partnerships with the marine managers in GBRMPA.

Senator IAN MACDONALD—I thank you for that very detailed answer. I am pleased to see that you are across the subject and can give answers. Can you tell me how much has been spent to date? That might be needed on notice.

Ms Lauder—I can tell you that \$99.25 million has been approved to date. I know that is not your question. The expense to date is \$11.728 million, and that is up to 31 January. That is 2009-2010. Is that what you were asking for or all up?

Senator IAN MACDONALD—I just did not get the figure.

Ms Lauder—\$11.728 million for 2009-10.

Senator IAN MACDONALD—Out of \$99 million being approved \$11 million has been paid?

Ms Lauder—No, I am sorry. I gave you the wrong information. In the 2008-09 funding we provided \$29.788 million, so that has already been spent. Of the 2009-10 budget we have spent \$11.728 million. The \$99.25 million that has been approved includes out years. It includes some of the next two years as well.

Senator IAN MACDONALD—If you say the \$99 million is for three years, that is an average of \$33 million a year and you have spent \$11 million this year so far?

Ms Lauder—Yes, that is right.

Senator IAN MACDONALD—A lot of NRM groups have said to me they are on the brink of insolvency because they have not been paid in spite of meeting all contractual obligations. Some of them, I am told, have not got payment since July 2009 and some from October 2009. They are spending the money but not getting paid from the department, and I did raise this earlier. Do those complaints being made to me have a basis to them or are they completely mischievous complaints?

Ms Lauder—From their perspective they have a basis, but from our perspective we make payments based on achievement of milestones. For example, the second payment for Reef Rescue for regional bodies is based on our having an acceptable monitoring and evaluation plan with regions. The third payment is based on a progress report and the fourth payment an acceptable report. A number of regional bodies have provided us with their monitoring and evaluation plan, and so we have released their second payment. Some have provided us with their progress report and so third payments have been released. There are a couple of regional bodies where we do not yet have a monitoring and evaluation plan, so we have not released that second payment.

Senator IAN MACDONALD—The complaints are from people who assure me—this may not be right, of course—that all of their contractual obligations have been met, which I

assume includes monitoring and evaluation, but you are saying everyone who has done everything has actually been paid?

Ms Lauder—Yes, that is right. We have released the funding. For Reef Rescue it does go through the Queensland government as part of the interim bilateral, so it does not show up in their account a week after we make the payment—put it that way. It can take up to 20 days to reach them once we have released the payment.

Senator IAN MACDONALD—I understand that 20 days is not the complaint.

Ms Lauder—No. The first payment for Reef Rescue for the regional bodies was 45 per cent, to enable them to go ahead with actually providing the water quality grants out to farmers. You need quite a bit up front. We did ensure that the first payment, which they have all received, was quite a substantial amount of money.

Senator IAN MACDONALD—Have you noticed a lessening of enthusiasm for your very good program as a result of the Queensland government's stick approach to the same issues?

Ms Lauder—Not yet, no. At this stage we have not. Our reports from the regional bodies are still that they are being oversubscribed. A lot of farmers are wanting funding and assistance to be part of this program and actually change their management practices. At this stage there has not been any drop-off in numbers.

Senator IAN MACDONALD—Is that an across-the-board comment right up the coast of Queensland?

Ms Lauder—Yes.

Senator IAN MACDONALD—All of the proposals were assessed against criteria in the 2009-10 business plan. I am really talking about the water management plan, as I understand it. How long did those assessments take and how many people were actually involved in those assessments?

Ms Lauder—I could not give you exact numbers of staff involved. We would have to take that on notice.

Senator IAN MACDONALD—Thank you. If you would.

Ms Lauder—With the assessment process, applications came in on 3 April and we ran a number of different assessment processes, including internal assessment processes. With the Reef Rescue component, we sat down with the Queensland government to make sure that we were not recommending funding that they were providing funding for, and that was to reduce duplication. It went through an executive panel and then to ministers. I think ministers made the announcement on 2 July.

Senator IAN MACDONALD—You have given me 70 pages of material, for which I am grateful, although the fact that it only arrived yesterday has meant that I did not really have an opportunity to give it more than a cursory glance. What happens when the applications are recommended by the community advisory panel and the scientific advisory panel but then not funded? How does that happen?

Ms Colreavy—The assessment processes that were followed under the 2009-10 business plan involved a number of stages, which are described to you in that document that you have. The job of the final panel, the executive panel, was to—

Senator IAN MACDONALD—That is the executive of the department?

Ms Colreavy—Yes, that is right. Primary assessment panels, which mostly involved staff with expert knowledge of the subject matter, assessed all applications initially, and then most projects went to either a community panel or scientific advisory panel. That advice was then provided to the executive panel, which reviewed it and moderated the advice to go to ministers. The purpose of that moderation was to ensure that the projects that were recommended met the spread of targets that we were seeking to achieve under the business plan. There were many projects that were assessed as being very good projects, but they were vastly oversubscribed in each of the designated areas and we had a certain amount of notional budget against each of those. For instance, there were many projects that would have scored very highly against a particular area. Let us just choose biodiversity. There were too many good projects to do all of them, so what we tried to do was recommend for ministers to consider a suite of projects in that area that we felt adequately met the targets that would be delivered by good program deliverers on the ground and that would ensure that the best outcomes and best value for money were achieved.

Senator IAN MACDONALD—Would you be part of the executive committee that makes those decisions?

Ms Colreavy—I was.

Senator IAN MACDONALD—How many of the programs recommended by your panel to the minister were not accepted?

Ms Colreavy—The ministers did not overturn any of our recommendations.

Senator IAN MACDONALD—Were there any that were not recommended for funding which the ministers indicated should be funded?

Ms Colreavy—No. The ministers accepted the department's advice.

Senator IAN MACDONALD—Excellent. Others in your department do not have this knowledge, but perhaps you could tell me. Do you recall how long it was between when you recommended to the minister on these assessments and when you got the minister's tick-off for those?

Ms Colreavy—I do not remember exactly, but it was a fairly short time. It was done over a couple of weeks.

Ms Lauder—Yes, it was approximately two weeks.

Senator IAN MACDONALD—Obviously it is much quicker than dealing with answers to questions on notice. That is good. I thank you for your forthrightness in those answers. I would like to question responses on individual programs, particularly those that were not recommended, but it is rather difficult to do with such short notice coming back from the answers to questions on notice.

Senator Wong—If Senator Macdonald would like to come back to this program to ask questions about those questions, I am sure we can facilitate that.

Senator IAN MACDONALD—This goes until 11 o'clock. We got these yesterday. There are 70 pages of them. My staff have been working flat out to try to do this, but we just simply have not had time. Putting it off until 11 o'clock tonight will not help. I thank you for your offer. I appreciate it. What I would rather have from you is some indication why it took until yesterday to get these answers back when I am sure the department put the answers to the minister well before the 11 December deadline.

Senator Wong—Are you asking a question specifically on a particular question?

Senator IAN MACDONALD—On a particular project.

Senator Wong—No. Your question about time lines around a question on notice is in relation to a particular question on notice. Your question to the secretary was about all questions on notice.

Senator IAN MACDONALD—All of the questions on notice to which we received responses this week, which is either today or yesterday. Or even last week; let me extend it a bit. There was an application. If I went through an individual one would you be able to help me or would you have to take it on notice?

Ms Colreavy—I doubt very much that I could. There were 1,300 applications received. I have copies, like you, of the summary, but I do not retain a detailed knowledge of the assessment of each of the 1,300 proposals. I would have to go back to my files. We would have to take it on notice, anyway.

Senator IAN MACDONALD—When these are rejected at whichever level, do you then give feedback to the applicant and say that it was knocked back because of this, that and the other reason?

Ms Colreavy—Yes. Every applicant was written to personally and given initial feedback if their proposal was unsuccessful. There were three categories of reply. There were those that were successful and offered funding immediately. There was another category that was advised that they were placed on a reserve list and that they would be advised in due course if further funds became available. There was a third category that was told they were unsuccessful. The unsuccessful category was encouraged to contact the department—they were given two or three different mechanisms to do that—to seek further advice or feedback on their unsuccessful applications. We set up teams of people to handle those queries and have continued to do so right through till quite recent times. We have still been taking questions from unsuccessful applicants. We have databases set up and staff who are knowledgeable in the subject areas, who are able to give feedback to any unsuccessful applicant in regard to their application.

Senator IAN MACDONALD—You will be conscious from the inquiry that the Senate conducted into the NRM program that there were a lot of complaints about the feedback, and I understand it has improved. This is a new procedure to what happened last year; is that correct?

Ms Colreavy—Not really. The whole assessment procedure and the handling were different, but the feedback to applicants is consistent with our practice over quite a long time now. We provide some fairly high level immediate advice back to applicants regarding their success or otherwise and then invite them to contact us if they require more detailed feedback.

Senator IAN MACDONALD—You will appreciate that in the Senate inquiry, which took detailed evidence on that, that was not quite the evidence that was being given.

Ms Colreavy—I thought I explained that before to the inquiry.

Senator IAN MACDONALD—You did, but I am talking about others who gave evidence. There is an improvement, anyhow, and that is good. My colleagues have been very generous in allowing me time. I just want to run through a few answers to questions that I did get responses to. With respect to the tilapia issue, the answer that you gave me to questions I raised last time was that no national level proposals were submitted. Does that mean that individual applications to deal with tilapia just were not dealt with because there was no national plan?

Ms Colreavy—I would have to look at that. I am not familiar with that myself. I think that was a question directed to our colleagues in Agriculture. If it says there were no national programs then it would mean that we did not receive any in the Caring for our Country round. I guess they are differentiating because they may be thinking that applications have been made to regions or at a subprogram level but not to us.

Senator IAN MACDONALD—You are quite right; they were to Agriculture—rural and regional affairs. Tilapia is a huge problem. Is there any action being taken by the Commonwealth government to reduce tilapia infestation?

Ms Colreavy—I am afraid you would have to direct that to Agriculture. I am not aware of such programs.

Senator IAN MACDONALD—Unfortunately they usually say these programs are run by Environment, and it does seem to me that agriculture is taking less and less involvement in these sorts of Caring for our Country programs.

Ms Colreavy—We could take it on notice and I could talk to my agriculture colleagues to get an answer for you, if you like.

CHAIR—Did you want to put that on notice?

Senator IAN MACDONALD—Yes, if I could, particularly in relation to tilapia, because I am being told right across the country that people are applying for funding and not getting it, which means really that the horse has already bolted.

Ms Colreavy—I suspect it is to other programs, not to Caring for our Country, but I will investigate that for you.

Senator IAN MACDONALD—I think that might do me on Caring for Country for the moment. There are some other questions I have, and reluctantly I will try my hand at putting them on notice again, not with much expectation that they will be answered. I have one final question. Are the joint arrangements between your department and DAFF, which you have raised, working effectively? Are the meetings regular and the coordination—

Ms Colreavy—Yes. The division within which we work actually operates as a fully integrated division with two senior officers overseeing it, myself and Mr Thompson, whom you spoke to last night. Our staff work in integrated teams—a mixture of both environment and agriculture staff working side by side. Our joint executives meet weekly and we share many committees and joint responsibilities across the program.

Senator IAN MACDONALD—There have been complaints that the whole Caring for our Country administration is being described as, and I quote, ‘almost in freefall’. Is the lack of bilateralism with the states and a very centrally managed program an issue in the whole administration?

Ms Colreavy—I would have thought that we actually run a very tight ship and have very sound management. There is not a lack of bilateral arrangements with the states. We are actually operating under bilateral arrangements currently. We are moving to some new arrangements driven through the COAG agreement on federal financial relations. That is about administration of funding from the Commonwealth to the state.

The essential difference that I think might be underlying your question is that under previous programs we had joint committees with the state to oversee program delivery. Those were formalised under those bilateral agreements. In most jurisdictions—in fact, I think in all jurisdictions—we still do operate these joint committees. They are a little less formal than previously but they still do operate. We still have regular correspondence and meetings with our state colleagues and keep them informed. It is just that there is not shared decision making at the same level as there was previously. That is the essential difference, but there are still very good bilateral relations and I know of no grounds for saying that the administration is in freefall.

Senator IAN MACDONALD—The buck will almost stop with you, so you are tasked with going through the Senate report into NRM issues. When would you expect the department would finish its conclusions as to responses to the Senate committee recommendations? Is that a big job or a little job?

Ms Colreavy—I am really not sure. The final response will be a matter for government, but we will provide advice to government. I am not sure how long. The timetable for that has not been determined at this stage.

Senator IAN MACDONALD—A lot of the recommendations dealt with the things that we have just been talking about, the administration.

Ms Colreavy—That is right.

Senator IAN MACDONALD—You have verbally just given me a response that does not accord with a lot of the evidence that we got and the recommendations that have been made. When will the department conclude its assessment of the Senate report? I appreciate it will then go to the minister and who knows if we will ever get a response. I am just interested in the departmental process.

Ms Colreavy—I think it is a little too soon for me to say yet. The report was only given to us last week. I do not think it would be a particularly long time, but I am really unable to say with any certainty, I am sorry.

Senator IAN MACDONALD—Could I conclude by recommending that you should read the excellent tabling speech by Senator Nash and Senator Siewert, which encapsulates many of the issues that were raised in that.

Ms Colreavy—Thank you.

Senator SIEWERT—I want to pick up on the bilaterals; I think we are talking at cross-purposes. When you are responding to the committee inquiry, ‘bilaterals’ in the way that a number of us were envisaging them is the bilaterals formerly under the NHT where the state governments committed to carrying out NRM reforms and the provision of a certain amount of resources and joint funding. That sort of bilateral does not exist anymore, does it?

Ms Colreavy—We do have bilateral agreements in place with each of the state and territory governments which are the mechanism for delivery of Caring for our Country. The nature of the commitment of the state or territory varies from jurisdiction to jurisdiction.

Senator SIEWERT—They are different to the sorts of bilaterals that were in existence previously where, for example, joint funding was required from the states for particular elements?

Ms Colreavy—Some of the requirements within the bilaterals are different from those under previous arrangements.

Senator SIEWERT—Is it possible to get copies of the bilaterals?

Ms Colreavy—Yes, I think they are available.

Senator SIEWERT—I am not sure if you were here when I was asking the question. I am sure you know I asked the question about programs as part of base funding for regional organisations.

Ms Colreavy—Yes.

Senator SIEWERT—They are not assessed by the NRS team. Could you tell me how they are assessed?

Ms Colreavy—Yes, I can.

Senator SIEWERT—Obviously I wanted to see how—

Ms Colreavy—How it meshes together.

Senator SIEWERT—it meshes together, yes.

Ms Colreavy—I understand what you are looking for. The regional base-level funds, as you know, are distributed by us directly to the regions. They apply for the sorts of activities they wish to spend those funds on. When you asked the question of Mr Cochrane earlier, he did not realise that what you were differentiating between was regional, base level and other funds. He did not get it. I spoke to him outside afterwards and we clarified what was intended.

In receiving an application from a region to spend regional base level on NRS acquisition or on covenanting or some aspect of that, we would seek advice from Parks Australia as to the merits of such a proposal before we approved that to be undertaken by a region. We would actually seek advice from Mr Cochrane or his staff in regard to that. If they deliver against our targets the activities would aggregate towards our NRS targets overall in the program.

Senator SIEWERT—Would they then be assessed against the sorts of issues we were talking about this morning in terms of priority bio area, underrepresented bio area?

Ms Colreavy—Yes, they meet exactly the same sorts of criteria.

Senator SIEWERT—So they are—

Ms Colreavy—It is, if you like, additional to the amount designated for NRS. It is coming out of the regional base level. It is a relatively small amount of money compared to the overall regional funding, but for those regions who see a particular opportunity and wanted to pursue something using their regional base level, if they put forward a suitable case and we were convinced that that was a good use of funds, then that has been approved because it will contribute to the overall target.

Senator SIEWERT—I do have a number of questions that I will put on notice.

Proceedings suspended from 3.44 pm to 4.05 pm

CHAIR—We will resume. We are still on program 1.1. We were awaiting Senator Abetz, but we are not quite sure where he is at the moment. Are there any further questions under 1.1?

Senator IAN MACDONALD—Madam Chair, could I suggest that, until Senator Abetz arrives and if nobody else has questions, we might keep the 1.1 people here for a little while and move on to 1.2 so that we can keep moving. Would that be acceptable?

Senator LUNDY—Was Senator Wortley asking questions before the break about Caring for our Country, or did she place them on notice?

Senator SIEWERT—Certainly she said that she was going to place her Reef Rescue questions on notice; I do not know about any of her other questions.

CHAIR—We can deal with that when she comes back as well.

Senator IAN MACDONALD—Yes.

CHAIR—We will move to program 1.2, Environmental regulation, information and research. It would be good if officers from 1.1 could remain until we give you further advice.

Senator IAN MACDONALD—Madam Chair, you will be pleased to know that I have two little series of questions and that will be the last you will see of me today. Earlier on I mentioned the Marine and Tropical Sciences Research Facility, known as MTSRF. Funds conclude on 30 June. What is the process from here? You would be aware that MTSRF funds an enormous number of scientists in the marine research area and many of them, because of the uncertainty of funding after 1 July this year, are now leaving those very worthwhile posts and looking elsewhere for work. Australia in many cases is losing their expertise. I wonder whether we could get an update of where that is at.

Ms Kruk—I will ask Sean Sullivan to respond to that question. I also recall your question to Russell Reichelt this morning.

Mr Sullivan—Senator, you would be aware that the CERF program in terms of the hub investments extends to MTSRF, which is the North Queensland focused component of the

research, and also seven other multidisciplinary hubs that were set out. They are all in a very similar boat in terms of coming to the end of June.

Senator IAN MACDONALD—I am sorry; I just did not catch that.

Mr Sullivan—I am sorry. MTSRF is only part of the CERF program. I am just making the point that the process I am outlining applies not only to the North Queensland investment but more generally to the program. The program had an annual conference late last year that focused on lessons learned—what are the good results and the bad results that have come out of the program and what we can learn from them—and on future directions for the program. The program is also in the midst of undergoing an external review process, which is normal in coming to the end of the program.

That being said, the funding profile for the program changed a couple of years ago and it is now an ongoing program. That reflects environmental research being a key component of the administrative arrangement orders for the Environment portfolio. That being said, we have provided advice to the minister on future directions for the program. I think there is an understanding that, with five months to go, that starts to send signals where researchers and research providers need some clarification of future directions. We expect that the government shortly will be in a position to make an announcement on future funding across the broader program, including potential funding for North Queensland. I cannot provide any more advice than that; that is in the midst of policy advice to the minister at the moment.

Senator IAN MACDONALD—But you did say that you had given advice to the minister.

Mr Sullivan—We have been giving advice to the minister over time. After the CERF conference late last year, we gave him advice—

Senator IAN MACDONALD—I am not being cute. I thought you said a second ago in that last answer that you had given advice to the minister and he was considering it.

Mr Sullivan—Yes. I was not trying to be cute. I am never accused of being cute—and thank you for that. I was trying to make the point that—

Senator IAN MACDONALD—I was not suggesting that you were being cute and I was not even suggesting that your answer was; I was suggesting that my question was not a cute one.

Mr Sullivan—I was trying to raise the tenor. I was trying to make the point that it is not a single briefing to Minister Garrett that we have provided on future directions for the program; it is advice that started toward the end of last year on future directions. We have now provided what we think is reasonably definitive advice that is at a decision point, noting that we have a five-month window to, as you say, provide certainty not only for researchers in North Queensland but also for some of the researchers that are involved in other hubs.

Senator IAN MACDONALD—I just did not understand you before. This particular facility replaced the Reef and Rainforest CRC. One of the problems was, as you know, the termination of funding every seven years. That was in a different department, of course, and it came into this department. You just said then something about it being a continuing program. Can you just repeat that and explain it?

Mr Sullivan—I am just providing you with advice that the funding profile for the CERF program does not lapse; it is an ongoing program. However, with the investment profile as at the original process that we went through at the wind-up of the CRCs and the bringing in of the CERF program, there was a four-year window and hubs were given fairly clear advice that there was no certainty of continuation of funding, because it was a time limited, lapsing program. The program base now is ongoing, so there is an ongoing commitment from the government to fund environmental research.

The issues for the minister to determine are: are the priorities right, is the mechanism right and are there any improvements that can be made? Obviously, after the first round of investments under a program, there should be improvements to be found. So we have made recommendations along those lines. The point I was making about the five-month window before the end of June and the start of July is that there is now a time issue, which you have raised, in terms of making sure that we keep some sense of certainty for researchers so that, if they get additional funding—I put in an ‘if’ not to allude to there being any doubt but that that is still a decision for government—we do not come to the point that a decision is made where researchers have already left. Some researchers will leave inevitably, anyway.

Senator IAN MACDONALD—But that is where you are confusing me. You are saying in one breath that it is ‘an ongoing program’. Are they the words?

Mr Sullivan—The funding base is ongoing; that is right.

Senator IAN MACDONALD—The funding base is ongoing.

Mr Sullivan—The Commonwealth Environment Research Facilities program is an ongoing commitment now in terms of funding.

Senator IAN MACDONALD—I am with you there. But you are saying that amongst the—did you say it was seven science research facilities?

Mr Sullivan—Seven hubs plus MTSRF.

Senator IAN MACDONALD—So it is eight hubs altogether.

Mr Sullivan—One very large hub and seven smaller hubs.

Senator IAN MACDONALD—Which is the very large one?

Mr Sullivan—MTSRF.

Senator IAN MACDONALD—Can you just say what the other seven or some of the other seven are so that I know what you are talking about? One or two will do.

Mr Sullivan—I will go to a very large piece of paper. The Marine and Tropical Sciences Research Facility is one. Another one is the Environmental Economics Research Hub that is based out of ANU. There is Landscape Logic: Linking Land and Water Management to Resource Condition Targets, which is led by Professor Ted Lefroy out of the University of Tasmania. There is Applied Environmental Decision Analysis, more commonly known as AEDA, which is led by Professor Hugh Possingham from the University of Queensland. There is Prediction and Management of Australia’s Marine Biodiversity, which is led by Professor Nick Bax from the University of Tasmania. Does that give you a flavour?

Senator IAN MACDONALD—Thank you. You say that MTSRF is by far the biggest of them. By what proportion is it the biggest? Is it five times as big or 10 times as big?

Mr Sullivan—From memory, the total funding for MTSRF over four years is \$37.2 million; the total investment across the other hubs for the same period of time is \$42.5 million.

Senator IAN MACDONALD—For the other seven?

Mr Sullivan—Yes.

Senator IAN MACDONALD—So it is an average of \$6 million. So, while the Science Research Facility program is continuing—

Mr Sullivan—The CERF program is continuing.

Senator IAN MACDONALD—That is ‘SRF’—Science Research Facility?

Mr Sullivan—No; it is the Commonwealth Environment Research Facilities program.

Senator IAN MACDONALD—So, while that is continuing, the total funding for the program is not yet determined.

Mr Sullivan—No. The total funding for the program is in the forward estimates. Again from memory—I will correct the record if I am wrong—it is \$86 million over the next four years.

Senator IAN MACDONALD—With some quick arithmetic, that is about what it was for the last four years.

Mr Sullivan—There has been a slight reduction.

Senator IAN MACDONALD—Okay, but it is about that. Do I detect from what you have said so far that, whilst the funding of \$86 million is more or less confirmed—as much as anything can ever be confirmed—how it is divided up between the various hubs under this is the thing that is now under consideration?

Mr Sullivan—That is right. Also, originally, under the previous government, a set of priorities for the program were agreed that then drove the investment base. Those priorities will be retested in terms of whether they are still the research priority needs for the government as the key end user. I think, if you recall, that was the distinction between the CRC program and the SRF program in its conception stage. Firstly, it focused on ‘the public good’ research, which then was a distinction between the funding that came under this program and the then rounds of the CRC program. Perhaps I will leave it at that without going to the second component.

Senator IAN MACDONALD—Okay. But obviously MTSRF was originally funded to that extent because of the huge reputation that James Cook University, AIMS and GBRMPA have in the marine area and that rainforest research people have in the rainforest area. Is the department aware of not so much the reputation that Australia has achieved in this area but the way that the other parts of the tropical world, which is over a third of the globe, look curiously towards those research institutes in North and Far North Queensland for corals, marine generally and rainforests? Is the department aware of that?

Mr Sullivan—I may be a little bit biased here, but I was previously a board member of the Reef CRC and a start-up member of the board of the Torres Strait CRC, so I am quite aware of where we rank in terms of tropical research more generally. We are one of the few developed countries in the world that has the extent of tropical landscapes that we do and our researchers are ranked very highly. That, in part, was driving the original formulation of the CERF program. Undoubtedly, in terms of setting the priorities, it will also come into the priority setting for the future directions for the program.

Senator IAN MACDONALD—Here is a question that will fill me with great confidence: with what you have just said about your background, it was you that ticked off on the final advice to the minister, wasn't it?

Mr Sullivan—I signed the brief, yes.

Senator IAN MACDONALD—That gives me some comfort—because of the background you have just mentioned.

Mr Sullivan—My signature is also on the original contract with MTSRF on 1 August 2006.

Senator IAN MACDONALD—Perhaps we had better stop there. Finally, I do not need to re-emphasise to you, do I, the importance of getting that continuity of very good scientists who naturally are worried about how they pay their mortgage in July and need some response early; and can I assume that the minister is aware of that as well?

Ms Kruk—Perhaps I can pick that up. I attended the forum that Mr Sullivan has referred to. Firstly, the forum was very useful in providing an opportunity for the various hubs to put forward their views about what the priorities were; and, secondly, certainly the message about the need for a continuity of funding was, I think, very clearly made. So I can provide that assurance.

Senator IAN MACDONALD—Yes; and again it is the 'problem' with the CRCs. My only other question is on TRaCK, Tropical Rivers and Coastal Knowledge. It has moved from, again, the science department into environment. Who has responsibility for TRaCK? Where does it come within your department?

Mr Sullivan—Just a clarification: TRaCK was formulated under the CERF program, so TRaCK began its life as a bid in the CERF program and attracted CERF program funding. After that time, it attracted other funding, which was something we encouraged from CERF hubs: that they just did not rely on the initial funding; we were also looking for both in-kind and cash contributions from other partners, as long as the research was consistent with the original objectives of the hub bid. The TRaCK hub also continues to receive significant funding from the National Water Commission and it also receives Smart State money from the Queensland government. I think what you are alluding to, without putting words into your mouth, is that the previous administration of TRaCK was under Land and Water Australia in the agriculture department.

Senator IAN MACDONALD—Yes.

Mr Sullivan—While that funding commitment has been maintained, obviously with Land and Water Australia being dissolved, we had an administration issue because LWA also

provided the administration services for that fairly large hub of investment. So, while the CERF investment was \$6 million to \$8 million, they were attracting significant funds from other sources and building it into quite a large consortium. With the demise of LWA, the administration reverted back to the department and we have entered into complex negotiations to make sure that we do not increase the reporting burdens on TRaCK, because the focus of the CERF program is on good research and good uptake of research rather than administration. So the department is now managing the final components of that contract.

Senator IAN MACDONALD—So you are doing the administration that Land and Water used to do, but are you saying that it is a CERF entity and subject to CERF funding?

Mr Sullivan—CERF was the original source funding regarding where TRaCK came from in terms of the consortium—

Senator IAN MACDONALD—But is it still the source funding?

Mr Sullivan—It is still a significant component of TRaCK funding. The original funding from CERF was in the order of \$8.8 million over four years. There was funding from LWA, as I said, and that is now managed by an MOU between the National Water Commission and DEWHA because the National Water Commission also contributed \$6.9 million. As you can see, these science consortia build a life of their own—and that is to be encouraged to some degree. Our objective with the transfer of administration from LWA to the department was to make that seamless.

Senator IAN MACDONALD—But is the CERF component of the funding subject to the review of all the other CERF things that will be announced, I think you said, shortly?

Mr Sullivan—That is also subject to review. The final component of DEWHA CERF money is in June 2010, while TRaCK will still continue beyond that because it has funding from other sources that will continue on as well. So TRaCK is not completely dependent on CERF money; MTSRF is largely dependent, although it does have significant in-kind as well as cash contributions from some other minor partners.

Senator IAN MACDONALD—Thank you very much for that. Perhaps I can have a final try: when do you think an announcement might be made?

Mr Sullivan—Soon.

Senator IAN MACDONALD—I have had so many responses like that in the last two days; ‘soon’ is a very well used word. Anyhow, thank you for that. That is great.

CHAIR—Is it the wish of the committee to go back to 1.1 or should we finish 1.2? What do you want to do, Senator Abetz?

Senator ABETZ—I understand that Senator Wortley also has some 1.1 issues and then there are some 1.2 issues.

CHAIR—I am sorry about this, but could we please have the officers for 1.1 back at the table.

Senator ABETZ—I thank you for your forbearance in that; that is appreciated.

[4.26 pm]

CHAIR—We are dealing with program 1.1, Sustainable Management of Natural Resources and the Environment

Senator ABETZ—I have only about five minutes, I hope, on 1.1, but then I have a fair bit on 1.2. However, Senator Wortley has something on 1.1 as well. Having discovered that foxes cannot swim, I understand that this is the area in which I need to ask my questions. Can I confirm that the expenditure on the Tasmanian government's Fox Eradication Program of \$1 million for this financial year has not been changed?

Dr Zammit—I can answer that, Senator. That is correct, as we stand. The Caring for our Country board, as part of their deliberations on the 2009-10 budget, have allocated \$1 million to the Fox Eradication Program in Tasmania.

Senator ABETZ—And that has not been supplemented or detracted from?

Dr Zammit—For the last couple of months, there has been correspondence between the Tasmanian government and the Commonwealth government over the funding of this program. The government has taken on the commitment to review the funding in light of the independent review of the program—

Senator ABETZ—I was going to get to that.

Dr Zammit—as well as the outcomes of Caring for our Country.

Senator ABETZ—At this stage, no future funding has been predicated or suggested in forward estimates for this program?

Dr Zammit—No, not in forward estimates.

Senator ABETZ—Do you have an active role in this review?

Dr Zammit—No. I am on the joint steering committee—

Senator ABETZ—I am sorry; not you personally, but the department.

Dr Zammit—Yes. We are on the joint steering committee that manages the program, so we are fairly closely involved in the broad-level guidance for the program.

Senator ABETZ—So you have had input into some of the issues that you have asked the review to consider?

Dr Zammit—Yes, I have.

Senator ABETZ—Has the department made any assessment of its own in relation to some of the matters that have appeared in the Tasmanian media in relation to the Fox Eradication Program? It will horrify the minister to learn that I think in Tasmania we have fox sceptics. That has occasioned some discussion and, indeed, even a state parliamentary inquiry, of which you would be aware. Can I inquire whether the department has undertaken any of its own analysis as to reports that, for example—I understand this is the polite terminology and I am sure that you know what they are—43 separate fox scats have been picked up, found or whatever and allegedly the testing suggests that they are all from different foxes? That would suggest that there are at least 43 different foxes in Tasmania, which a lot of people find hard

to believe. I just wonder whether you have done any assessment on matters of that nature, or is that all part and parcel of this review that we are talking about?

Dr Zammit—That is right. The independent review of the program did have something to say about the public debate on the presence or absence of foxes in Tasmania. As I recall, it came to the conclusion that it was a futile debate because it was not a particularly rational debate. It encouraged the program managers to stick to the business of managing the fox threat rather than trying to persuade the sceptics that there were actually foxes in Tasmania. From the department's perspective, we have not commissioned any particular work at all. But we have talked to the experts over at the CRC for invasive species, who are also on the joint committee, and we have looked at the debate that the sceptics have raised and pretty much agree with the conclusions of the independent report.

Senator ABETZ—So your—

Dr Zammit—Our professional judgement is that the independent report got it right in concluding that this was not a debate that the Fox Eradication Program could really progress very far and they are better off just sticking to the business of managing the fox risk.

Senator ABETZ—I have just come from the estimates dealing with the Tasmanian Freight Equalisation Scheme and I forgot to ask whether the 600 fox scats that were imported into Tasmania, in fact, attracted freight equalisation scheme subsidies. Are you aware of whether that occurred?

Senator Colbeck interjecting—

Senator ABETZ—I know that; thank you, Senator Colbeck. Are you aware that that has been alleged and, I understand, now confirmed?

Dr Zammit—No, I am not.

Senator ABETZ—And that, allegedly to keep tracker dogs up to speed, considerable money has been spent by the state department on this? I would imagine there is a huge cost associated with tracking a scat: making sure that it is placed down somewhere and then destroyed et cetera. It just seems a very cumbersome and very costly approach. Have you been provided with any confidential information from the state government that would suggest that any of the hundreds of baits that have been laid—and I do not know how many hundreds of baits there are—have resulted in a fox carcass being found?

Dr Zammit—I would have to take that on notice, because I do not know.

Senator ABETZ—I understand that the answer to that is no, but it seems that some of the baits have been accessed. These baits were laid on the basis that only the sharp nose of a fox would get them et cetera, but one would imagine that, if they were got at by a fox, we would see a carcass. This has now occasioned concern in the Tasmanian community that other animals—like the Tasmanian tiger; no, I am being facetious—such as Tasmanian endemic wildlife might be accessing these baits. So I am just wondering whether that is part of the general review that is currently being undertaken.

Dr Zammit—I have been reasonably reassured by the scientific input into the baiting program that the analysts and the field specialists are very mindful of those risks and they

spend a lot of time, both in their processes for laying out the baits and their recovery of the baits after a fixed amount of time, in managing the risk.

Senator ABETZ—Is a New Zealand company undertaking this review?

Dr Zammit—Yes.

Senator ABETZ—I would imagine that they went through a normal tender process?

Dr Zammit—They did, and the report is on the web.

Senator ABETZ—They have reported already?

Dr Zammit—Yes, they have. The report was written in last October, I think, and it is on the Foxes in Tasmania website; you can look it up.

Senator ABETZ—The report has been done, but what about the government's response to it?

Dr Zammit—It was part of the business planning process, so we just ran the review after two years of investment to calibrate how well we were travelling. Those recommendations have been fed into the forward business plan for the program.

Senator ABETZ—What is the verdict? Were you satisfied that the \$1 million that we are spending this financial year is value for money?

Dr Zammit—We are looking at that pretty carefully because we recognise that there is some need for longer term commitment to ensure that the program's size can be managed. Annual funding, we understand, is a problem for the state, so we are looking at that pretty carefully. In the last month, our ministers have written to Tasmania and their response is currently in the mail, if you like; we have not heard back from the Tasmanians yet. But there is a process in train to resolve the funding shortfall.

Senator MILNE—One of the concerns I have about the whole Fox Eradication Program is the lack of focus on the ports—in particular airports as a secondary measure, but also shipping ports—because the high probability is that they hitch a ride on container shipping. That just seems to be the most logical way that things are happening. More recently I know that there has been a scare associated with the Devonport airport. What collaboration is there between the department and the quarantine authorities et cetera to actually be making a focus on the potential for foxes to enter Tasmania through the ports and airports?

Dr Zammit—There is good collaboration because, within the program management team, we have a biosecurity specialist on the panel. From time to time we have fairly serious discussions around port management both, for example, at Melbourne as well as at Launceston. There have been a series of field visits and reviews of procedures and protocols for managing the risks of foxes, for example, inadvertently getting into containers. That has been addressed as well as it can be, using a broad risk management profile. I think some lessons were learned from those discussions between the fox team and the biosecurity border control people. It is not something that we invest in particularly, but we are mindful that a weak point in managing fox eradication in Tasmania is if we have a gateway through animals entering in containers, for example. So we have spent a bit of time looking at the Port of

Melbourne, for example, to make sure that the design of those container sheds, the fencing arrangements and the baiting programs around the wharf facilities are adequate.

Senator MILNE—Thank you.

Senator WORTLEY—Can you provide us with an overview of the progress of the Working on Country Indigenous rangers project?

Ms Archer—I can provide that overview. There is the commitment of \$90 million, and just over 66 projects are now in place for Working on Country. We have just under 530 rangers employed under the program.

Senator WORTLEY—Can you give us some examples of some of the work that they are involved with?

Ms Archer—Yes, certainly. The rangers are undertaking a range of activities. They are carrying out a range of environmental services associated with the management of land and sea country; they are delivering on both biodiversity and cultural outcomes in doing that. In addition, they are undertaking on-ground protection and monitoring of high-value biodiversity sites and key threats to those sites; that is things like ghost nets, feral animals and weeds. Rangers have also been a focus for the application of traditional ecological knowledge to natural resource management—for example, in the use of traditional fire management practices and in the extension of environmental ranger skills' into sectors, such as tourism and mining remediation.

Senator WORTLEY—Is the program providing other benefits to the community, as far as education, training and so on are concerned?

Ms Archer—Yes, it certainly is. In 66 communities around Australia it is providing a significant and stable source of employment, for a start, and associated training and skills. Many of those are remote communities where there are very few alternatives for employment; so that is very significant. In addition, a recent evaluation of the program has indicated that, associated with the program's rollout, there is a clear improvement in the health and wellbeing of the rangers themselves and their communities.

Senator WORTLEY—Thank you.

CHAIR—Are there any further questions for program 1.1? As there are not, I finally thank those officers very much.

[4.40 pm]

CHAIR—Now I invite back officers from program 1.2. Senator Abetz, I believe you asked whether you could go first.

Senator ABETZ—Do we deal with buffer zones here? That is Heritage, so I have missed out on that. What a pity.

CHAIR—Not the Port Arthur buffer zone! Do you still wish to ask questions in this program?

Senator ABETZ—Yes; but this will make it considerably shorter, you will be pleased to know. Thank you very much, Chair. I refer to the review, if I can call it that, into fuel reduction. Question No. 23, in fact, was taken on notice by the Approvals and Wildlife

Division. I was told that the committee is expected to undertake a public consultation process on fire regimes as a threatening process in mid-2010. Is that still on track?

Dr Zammit—Yes.

Senator ABETZ—Can we be told—if need be, on notice—how we intend to undertake that public consultation? Will it be just via paper or internet, as in written submissions, or will this consultation process go especially to regional areas and get information?

Senator Wong—While Mr Burnett is ascertaining the answers to those questions, could I just raise a programming issue? My recollection is that Senator Williams was asking questions on this, here, on the last occasion. Does the committee have any awareness of that? I am simply trying to ensure our dealing with the topic at the same time rather than waiting again. I do not know whether the secretariat is willing—

CHAIR—Senator Williams has not indicated to me that he has any questions.

Senator Wong—We can come back to it.

Senator ABETZ—I think Mr Burnett might be—

Mr Burnett—I do have some information, Senator. I do not have the full particulars as to whether it is by internet or regional meetings et cetera, but there are generally two strands to the kind of consultation that is done by the Threatened Species Scientific Committee when it is looking at key threatening process nominations like this. The first is that they usually run a round of consultations with specialists—in this case, fire ecologists and fire managers—and there is also a separate and extensive public consultation round. But, as I say, I am afraid I do not have the details of how that consultation will be done.

Senator ABETZ—Will there be any particular discussion with Indigenous communities, especially—yes, there is a Western Australian here—in the ‘top bit’ of Western Australian, if I can use that geographic description, in the savannah lands?

Mr Burnett—That would be my expectation, but I am afraid that I just do not have all those details.

Senator ABETZ—Please take all that on notice.

Mr Burnett—Yes.

Senator ABETZ—The minister has extended the time frame for this assessment from 30 September 2010 to 30 March 2011.

Mr Burnett—That is correct.

Senator ABETZ—What was the reason for that extension?

Mr Burnett—Just to allow further time, given the extensive interest in this topic.

Senator ABETZ—And to make sure that it is not during an election year—but that is my commentary. Thank you for that. Can I move on to the grey-headed fruit bat?

Mr Burnett—The flying fox.

Senator ABETZ—Whatever it is called.

Senator Wong—It flies; it does not swim.

Senator ABETZ—And it doesn't swim either! Thank you for that, Minister.

Senator Wong—I do not know whether it does.

Senator ABETZ—The things that you learned at your school that I did not at mine continually amaze us! The minister wrote on Christmas Eve to a Mr and Mrs Long, who have a keen interest in this. I am just wondering how we are going with trying to preserve both a threatened species and a heritage garden.

Mr Burnett—I am not personally familiar with this representation. Is this in relation to the Botanical Gardens in Sydney?

Senator ABETZ—That is the one.

Mr Burnett—As we discussed at the last estimates, New South Wales is still preparing a public environment report. This is a controlled action being assessed under the EPBC Act. As I understand it, we have just received the final report, so it will now go into the assessment and decision-making stage.

Senator ABETZ—In the meantime, as I understand it, the garden is being chewed up at a rapid rate. This has now been going on for well over 12 months; is that right? The proposal to relocate the grey-headed flying foxes was referred to Mr Garrett's department on 11 December 2008 and we now have a draft report from New South Wales on which you will undoubtedly provide commentary. When do you think you might have that back to them?

Mr Burnett—It will not be too far away because we are conscious that, should the minister approve the action, it would need to be done in the May-June period, which is the—

Senator ABETZ—Which is another breeding season.

Mr Burnett—Yes, that is right. The current assessment was determined to be a controlled action on 22 June 2009, so I am not sure if that 2008 date that you have given me is this current assessment. There might have been an earlier one that was withdrawn; I am just not sure about that.

Senator ABETZ—No. That is when it was referred to his department, according to Mr Garrett's letter, on which the code is CA9/18228.

Mr Burnett—Anyway, the report has now been received and, as I have said, it has gone into the decision-making stage.

Senator ABETZ—Could I just encourage you to do whatever you can? But I understand that it is not only with your department; you are also reliant on the New South Wales state government. Can I quickly revisit Dr Allan Hawke's—

Ms Kruk—EPBC Act review.

Senator ABETZ—EPBC Act review; thank you. I got an answer back on a question that was taken on notice; that question is No. 25. It was in relation to the removal of a photograph from the website. I was told, 'No specific legal advice was sought on the photo; however, the Timber Communities Australia Tasmanian State Office agreed to remove the photo from the web version of the submission.' Would it be fair to say that, if they had not agreed to do so, their submission would not have been posted on the website?

Ms Kruk—It is a bit difficult for us because I think you are asking us to put ourselves into Dr Hawke's position. I do recall that you raised this issue last time in terms of the photograph.

Senator ABETZ—Yes. But, with respect, I was told last time that departmental officers made the decision as to what did and did not go on to the website.

Ms Kruk—I stand corrected; my apologies.

Mr Burnett—But it still remains a hypothetical question and we cannot answer it.

Senator ABETZ—I put to you very strongly that it is not a hypothetical question but is, in fact, although not necessarily in those exact words, what was advised—that, if you wanted this on the website, those things that the department thought were objectionable had to be removed and, if they were not removed, it would not go up on the website. So, with respect, it is not hypothetical.

Mr Burnett—Mr Flanigan will answer this question.

Mr Flanigan—It is hypothetical to the extent that Timber Communities Australia—I think our conversation was with Mr Chipman and then later on with the Canberra based CEO—agreed; and, from our understanding of those discussions, it was quite an amicable agreement. Had either the CEO or Mr Chipman refused that request, we would have had to elevate the question further obviously to Dr Hawke and have him engage directly with Mr Chipman on that particular question. But it never got to that point.

Senator ABETZ—For the reasons I have just outlined. But, as a matter of some concern, I will just say that no specific legal advice was sought on the photo and that that request was made of Timber Communities Tasmania. Given that the photograph was displayed on the front page of the *Hobart Mercury*, the reasons and rationale that we were given last time, with respect, did not seem to stack up. That is why I asked what legal advice was sought and I have now been told 'none'. It is a matter of concern. It has passed and I do not want to dwell on it. But I think the answer could have indicated that, if Timber Communities had not agreed to the removal, it would not have appeared on the website until the matter was further escalated. Is that correct?

Mr Flanigan—Yes; but we would have attempted to resolve that in a very timely way.

Senator ABETZ—I will not take that any further.

Senator Wong—I am sorry, Senator. I do not want to open up something which has been closed, but I am not sure that the way you encapsulated the evidence was the evidence that the officer gave. You are entitled to the view.

Senator ABETZ—Let us get it very clear then: no legal advice was sought in relation to the photo.

Mr Flanigan—We had legal staff within the secretariat, but we sought no specific legal advice from, for example, the Australian Government Solicitor.

Senator ABETZ—So, just because you have a lawyer sitting in the office—

Mr Flanigan—It was a judgement.

Senator ABETZ—the lawyer was not asked. You had a lawyer sitting there—that is all very nice—but no specific advice was sought from the lawyer in relation to that photo. Is that right?

Mr Flanigan—The lawyer was a member of the team. She was, in fact, the deputy leader of the team, so she was intimately involved. At the end of the day, it was a judgement that I exercised. In exercising that judgement, I did not go for further legal advice, if you like, from the Australian Government Solicitor. It was a judgement call. The evidence that I have just put is that, had we not been able to resolve that situation with the TCA to what I understood was ‘amicably’, I would have had to take that issue further to Dr Hawke. That would not necessarily have resulted in extensive delay in listing their submissions, but it would have resulted obviously in some passage of time while we resolved the issue.

Senator ABETZ—But you were told that this photograph had been in the public domain on the front page of the Hobart *Mercury* and still you did not want it on the website.

Mr Flanigan—In all instructions to submitters, we advised them that they needed to advise us of whether or not they had the consent of third parties. There was obviously a third party involved in this case and they themselves took objection to the inferences that were being drawn by TCA.

Senator ABETZ—It is all over now, but perhaps I can suggest that in the future potentially the process could be a bit more robust—but that is by way of commentary. Thank you very much, Chair.

Senator SIEWERT—Can we go to the Hawke review and the comments I referred to earlier? I am seeking an update. I think you were touching on it in reference to some questions from Senator Colbeck. Can you please tell me what the timing is now for responding to the report?

Mr Burnett—When the minister tabled the report, he indicated in his media release that the government response was expected towards the middle of this year.

Senator SIEWERT—You mentioned earlier that an interdepartmental committee was considering the submissions.

Mr Burnett—That is right.

Senator SIEWERT—Could you tell us very quickly—I am conscious of the time—how that particular process operates and what its time line is?

Mr Burnett—Certainly. This is a standard process that is adopted when a number of agencies have an interest in a matter that is going to cabinet. An interdepartmental committee is established that is chaired by our department and relevant departments are invited along. We discuss the recommendations and options for the government response and the implications of those options. That helps us to formulate advice to government and it ensures that, when the matter goes to cabinet, the views of all agencies have been fully canvassed.

Senator SIEWERT—The minister somewhat pre-empted the interdepartmental committee when he announced that they would not be supporting the recommendations regarding the RFAs or the greenhouse trigger. Is that usual and was that already government policy? Had

that decision been made already? Why weren't those two particular issues included in the process of going to the IDC?

Mr Burnett—The minister indicated that, of the two issues, the one in relation to the greenhouse trigger had a direct bearing on the government's response to climate change in the CPRS Bill and that was why the government brought forward a response at that time. In relation to the RFA, I cannot add to what the minister has said in his media release. He simply said that it was appropriate to give an immediate response, and I think you are aware of what that response was.

Senator SIEWERT—So those two specific things are not being consulted on, regardless of—

Mr Burnett—They will still form part of the deliberations of the government because, even though an immediate response has been made, they are also still part of the recommendations of the Hawke review. There may be intervening developments that the government needs to consider, so the entire review will go before cabinet.

Senator SIEWERT—Is the expectation that there will be a formal government response, or will the response we get from government be amendments to legislation?

Mr Burnett—The expectation is a formal government response; that is what the minister has indicated: 'The government will respond to all other recommendations made by Dr Hawke towards the middle of the year.'

Senator SIEWERT—But the question is: will they respond just through a legislative response or will there be a report?

Mr Burnett—We expect that there will be a detailed response to the Hawke review itself. If as part of that response the government decides that the EPBC Act should be amended, no doubt it will announce its intention to amend the act and in due course table amendments.

Senator COLBECK—Firstly, I will go to my friends with the kangaroo whips—and this will be the last time I do that, unless something else changes. I just want to pass on their thanks. They are very happy with the revised arrangements. So I would just like to pass on their thanks and my thanks for your attention to the issue which, in government terms, was in what was a fairly reasonable period of time. I think I brought it up in the May estimates initially, so my thanks to the department for attending to that particular issue. They are all very content with the ways things are working, so that is good news.

Mr Burnett—Thank you. The effect of the regulation is that we have put kangaroo export products on the same footing as everything else.

Senator COLBECK—They are very pleased. In fact, today they said that the system is working perfectly. I do not know that you can get any better than that; so let us all take that as a plus while we have it.

Ms Kruk—Thank you for noting it on the record.

Senator COLBECK—I thought it was worth putting on the record. We have some wins and we have some losses. At the last estimates we discussed a strategic assessment of

Tasmanian native grasslands. You indicated that you were talking to Tasmanian officials and making some progress. Could you give us an update, please?

Mr Burnett—Yes. Agreement has been reached between the Tasmanian minister and Minister Garrett, so that strategic assessment will now be proceeding in the near future.

Senator COLBECK—Do we have a time frame over which that will be conducted?

Mr Burnett—No. With that agreement to proceed, we need to go into a planning stage and work out how we do the consultation et cetera, so it is very difficult to be specific about how long it will take. But I can give a recent example. The strategic assessment of Melbourne's urban growth boundary was recently concluded and announced by the minister and that process took approximately 12 months.

Senator COLBECK—We will continue to get some updates as time goes on. We have spoken about the New South Wales red gum forests again over a couple of estimates periods. I understand that the New South Wales government is undertaking a further review of the decision to list the entire area on the last day of the former Premier's leadership. Where are we at with our interaction?

Mr Burnett—The New South Wales government commissioned the New South Wales Natural Resources Commission to do a full study and that report was released on 21 December 2009. We did provide input into that process. The report, although it is a New South Wales product, is not a joint initiative as such. The New South Wales government has now gone into its own decision-making processes, following that report. We have also been studying it closely. That is about where the matter lies. There has been a bit of correspondence between the two governments but no final decisions.

Senator COLBECK—So, effectively, the initial process that commenced is sort of in limbo, while New South Wales continues with its internal processes. Then there will be a re-engagement to determine what the final—

Mr Burnett—Yes, that is right, although there is some re-engagement already. As I have said, there has been some correspondence between the governments. No doubt New South Wales will take that into account in formulating its final position in response to the report.

Senator COLBECK—Has the department sent any officers down there to have a firsthand look at the forests and to get a sense of what it is like on the ground?

Mr Burnett—I am not sure that we have been down there recently. Certainly you will recall from earlier estimates that we had officers who undertook a number of visits at an earlier stage, but the discussions and the considerations in recent months have been more at a policy level than on-the-ground visits to the site.

Ms Kruk—Perhaps I can also assist. My recollection is officers in the water area of the department have been down there; and I am certainly familiar with the forests from previous positions that I have held. I reaffirm the comments just made that we anticipate ongoing discussion with the New South Wales government on this. As Mr Burnett has indicated, they are currently, I think, undergoing an internal IDC process.

Senator COLBECK—I understand that a review of a particular decision has been made and things are going on there, but obviously there remain certain sensitivities at a local level

and continuing interest from that perspective. Has any further information come forward on the actual forest practices that triggered the process at the outset?

Mr Burnett—Yes. The Natural Resources Commission, after some extensive deliberations and consultations with experts, including an expert workshop that they convened and which our own staff participated in, made recommendations in relation to those silvicultural practices. So that is part of the report and that is part of what is being considered by both governments.

Senator COLBECK—I will follow that up; thank you.

Senator BIRMINGHAM—Very quickly, there will be just a couple of EPBC questions from me. Firstly, thank you. Obviously the time for responses to come back is in this couple of days. I note that amongst questions on notice I also received a faxed response from Minister Garrett yesterday to a letter that I had written to him about the Sugarloaf pipeline, and I thank the department for the work that they obviously have done there. I wish to pose a question about a statement from the department. That is it says, ‘The approval conditions do not require that an audit of water savings be completed prior to the commencement of extraction for the 2010 supply year.’

Senator Wong—Senator, if you are going to ask the department questions about it, can we have a copy?

Mr Burnett—I assume that we have a copy.

Senator Wong—I do not.

Senator BIRMINGHAM—I thought, seeing that it was faxed to my office yesterday, that the department and the minister’s office were probably anticipating that it might be raised today. It goes on, I note, to say that the department has negotiated with Melbourne Water and information will be supplied and so on. Nonetheless, I do just want to clarify this initial statement that ‘conditions do not require an audit of water savings to be completed prior to the commencement of extraction for the 2010 supply year’. My understanding of the conditions is that they include a requirement that an independent audit be provided in August of each year of water allocated for extraction. The point that I think that we have been through previously, Mr Burnett, on this, is that ‘water allocated for extraction’ says to me that the audit should be, ‘Here are the savings of the water allocated for extraction for the next year.’ So why would 2010, which is specified here, be any different, so that an independent audit would not be required?

Mr Burnett—Can we step through this, because it is very complicated. I know that I did struggle to answer your question with clarity last time and I have spent quite a bit of time going over it to make sure that I understand it. Can I distinguish between ‘the water allocation’ and ‘the audit’? If we look at the conditions for this approval, condition 11—do you have the conditions there?

Senator BIRMINGHAM—I did, and foolishly I closed the page just a moment ago by mistake, but I will attempt to bring it up again.

Mr Burnett—Perhaps I could talk while you are doing that.

Senator BIRMINGHAM—That is fine.

Mr Burnett—Under condition 11(c), the proponent, which is effectively Melbourne Water, is only allowed to take water that is met through controlled pre-ordered releases from Melbourne's share of the water savings allocated to it pursuant to any bulk entitlement issued under the Victorian Water Act, so it has to have an allocation under the relevant Victorian law before it can take the water. So that is the allocation side. But then, in terms of the audit, clause 14 requires an annual report by August each year, and that audit is to include independent audited reports of water savings achieved. The approval conditions do not require the audits to be submitted to us until the August annual report. That is not to say that Melbourne Water will not undertake the audits earlier than that. The Victorian government has its own policies—and you are probably aware of the water savings protocol that Victoria has issued publicly, and there are statements in there about their intentions in relation to audits—but in terms of the requirements of the conditions of EPBC approval, our interpretation of condition 14 is that they do not have to supply us with the audits until the annual report.

Senator BIRMINGHAM—The extract that you just read of condition 14 missed the words at the end, which are 'allocated for extraction'.

Mr Burnett—That is true, yes, but that was my point before: the water has to be allocated. They cannot use the water unless it has been allocated under the Victorian Water Act. But in terms of satisfying us there is an annual report. They have to report, effectively, at the end of the water year—the water year running the same as the taxation year, so finishing on 30 June—and then by the following August, within two months, provide us with an annual report that includes an audit of the water savings achieved and the amount of water allocated for extraction.

Senator BIRMINGHAM—So you are indicating that, if the Victorian government allocates the water and extracts it and then provides you with the audit later on, that is an acceptable process?

Mr Burnett—That meets the letter of the approval. And then, in addition, as you have been advised in the minister's letter, Melbourne Water has agreed over and above the requirements of the approval to provide us with information in advance.

Senator BIRMINGHAM—I will look closely at your words in the *Hansard*—I am not going to take up lots of the committee's time on this matter now—and the approval of the minister. I note that the commitments from Melbourne Water relate only to 2010. The year 2010 is anticipated to have a more complex arrangement for where the water comes from than future years. In future years, savings are more clearly expected, I think, to be derived from either stage 1—

Mr Burnett—That is right; it is a transition year.

Senator BIRMINGHAM—Melbourne Water has undertaken to make that information publicly available, so I will look forward to seeing that. Is there any commitment in relation to future years when hopefully the arrangements will be less complex and should indeed continue in a smoother fashion once you get into 2011?

Mr Burnett—Condition 14 will apply each and every year, so they will have to tell us every year, but I take your point that it is at the end of the year. I do not have the Victorian commitments in front of me but, as I said, their own water savings protocol does, I

understand, make some commitments in relation to transparency in releasing audits of savings of water et cetera. I just cannot answer off the top of my head as to exactly what those commitments are, but they are not pursuant to this.

Senator BIRMINGHAM—If you could take that other part on notice and see what you can come up with, that would be great.

Mr Burnett—Can we just clarify what I am taking on notice?

Senator BIRMINGHAM—I would like any commitments that Victoria has made in relation to publicly releasing audits for future years as well as what they have to provide to the Commonwealth and any commitments or approaches the Commonwealth has made for them to do so prior to the actual extraction of that water, not just the allocation of it.

Senator Wong—In relation to the second, we can; in relation to the first, if it is on the public record, we can, but that is an issue for the Victorian government.

Senator BIRMINGHAM—What knowledge the department has in that regard would be helpful.

Senator Wong—You could just look on the web, I suppose.

Senator BIRMINGHAM—The web is a very big place and I am sure the department has spent lots of time looking at these matters with the Victorian government already and has far greater knowledge than I would, so I am just hopeful they can share some of that knowledge. My main point is that I would appreciate your advice on the matter of timing and any commitments about timing beyond 2010.

Mr Burnett—Yes.

Senator BIRMINGHAM—The other issue is the EPBC application relating to the proposed temporary weir near Wellington in South Australia. A revised EIS has been completed and lodged by the South Australian government; is that correct?

Senator Wong—Can you just give us a minute, please?

Senator BIRMINGHAM—Yes, sure.

Mr Burnett—The EIS was finalised on 10 July 2009.

Senator BIRMINGHAM—It did not go back for further revision?

Mr Burnett—I will ask Ms Middleton to answer this.

Ms Middleton—South Australia have submitted their final EIS, which responds to the public comments for the proposed weir at Wellington. You may recall that at the last estimates we advised you that the minister had sought some independent expert advice as a result of our preliminary assessment of that documentation. On the basis of the advice the minister received from those independent experts, he subsequently wrote to the South Australian government seeking clarification on a number of issues that came out of the independent review, and we are currently waiting for the response from South Australia. Once we have that, we can start the process of finalising the assessment.

Senator BIRMINGHAM—So the final EIS to which you refer is the one lodged, for which Mr Burnett gave the date of 10 July 2009?

Ms Middleton—Yes, that is correct.

Senator BIRMINGHAM—Aside from the request for information from the minister, there has been no response?

Ms Middleton—Not as yet from South Australia, but we did have officials in South Australia last week working through some of the outstanding matters that we needed further information on, so we are hoping that will come forward shortly.

Senator BIRMINGHAM—I guess it is their application, so there is no particular deadline for which they have to provide that information.

Ms Middleton—No, the ball is completely in their court.

Senator BIRMINGHAM—When they provide that information back to the minister, how long does the minister have to consider or reply?

Ms Middleton—I think we have about 25 business days or something to that effect on the clock, so the minister will have about a month or six weeks to finalise his decision.

Senator BIRMINGHAM—Do you have any indication of when you expect it from South Australia?

Ms Middleton—No.

Senator BIRMINGHAM—It is always worth asking!

Ms Middleton—Yes. We do not have a specific time frame from them.

Senator BIRMINGHAM—Thank you.

CHAIR—Thank you very much. Are there any further questions for program 1.2? If not, thank you very much to the officers. We will move to program 2.1, Energy efficiency and climate change.

[5.16 pm]

CHAIR—I think Ms Kruk has a statement to make; is that correct?

Ms Kruk—Because a number of the senators this morning indicated that they were keen, I think, to have quite a comprehensive discussion on this, it might be useful if I proffer an opening statement into evidence. I would like to make several points.

There have been a series of allegations made about the management and rollout of the Green Loans Program, including on quality and probity matters. I am sure senators would be aware of some of these. Clearly, the government and the minister take these allegations very seriously, as obviously I do. I am fully conscious of the heightened frustration for assessors and some householders in getting through to the call centre on the quality of these assessment reports. I would like to assure this committee that I have taken some immediate actions to address these specific concerns. For instance, the resources to the call centre have been increased; in fact, they have been virtually doubled. I have initiated an immediate audit of the accreditation assessment process—I think the minister has also made reference to the commissioning of that audit—and an external audit of the home assessment reports.

I think that this is one of the most exciting projects to be involved with, as it really does take energy efficiency right into homes. I also want to put it on the record that obviously,

while there are challenges, there are many households that have been satisfied with their reports and their green loans, and across the board the complaint rate for the energy efficiency programs is very low. Clearly, my department is operating in an environment where there are some significant challenges. The scale of the funding, while it is superb to be able to see an initiation of funds in this area—over \$4 billion in funds for energy efficiency programs—obviously the Green Loans Program is one of the smaller programs at just over \$150 million. They are also demand driven programs. Senators would understand some of the issues in terms of managing the take-up rate of demand driven programs.

I would like to put on the record that I have already taken action to improve our capacity to meet some of these challenges. I set up an energy efficiency task force in November last year to marshal the project and financial management skills to deliver these programs. As I have indicated, additional resources have continued to be added to meet spikes in demand.

With regard to the green loan matters, the minister has asked that I commission an independent, external inquiry into procurement processes during the design and implementation of the Green Loans Program. I welcome this and give it my full support; it will build on the various processes that are already underway in my agency.

Finally, I want to re-emphasise the importance of these programs in preparing households for a lower carbon future. I do not want to lose sight of what we are trying to achieve: support to households to become better informed, to understand the water and energy and to take action to prepare for climate change. Thank you for giving me the opportunity to put those comments on the record.

CHAIR—Thank you, Ms Kruk. Senator Birmingham.

Senator BIRMINGHAM—Thank you, Ms Kruk, for that statement. How many green loans have been approved and issued to date?

Mr Thompson—We have received invoices for payment of 1,008 green loans.

Senator BIRMINGHAM—You have received the invoices for payment. Just so that we are clear on the process of that, that is an invoice from the financial institution that has approved the loan to somebody.

Mr Thompson—That is right.

Senator BIRMINGHAM—You then provide that capital sum to the financial institution for them to provide to the applicant.

Mr Thompson—The interest rate subsidy, as you know, goes to the financial institution itself.

Senator BIRMINGHAM—The financial institution provides the capital sum. You provide the interest rate subsidy.

Mr Thompson—That is right.

Senator BIRMINGHAM—For those 1,008 invoices how many subsidies have been paid to financial institutions?

Ms Kruk—You are very familiar with some of the background on the program, given some of the questions that we have faced in discussions with you previously. Obviously,

households have a window of opportunity under which they can seek to take loans if they so wish. I think I put on the record last time as well that there is a range of KPIs for this program, not just for the take-up of loans. Clearly, we are now in an environment where this government and also state governments are offering various products to assist households to reduce their energy costs and become more energy efficient, whether it is in relation to water efficiency products or whether it is in relation to rebates for solar products or for hot water heaters. This program has a range of KPIs. The loan is one component thereof. Thank you for your tolerance.

Senator BIRMINGHAM—Thank you. I am sure that we will go to the number of assessments and those sorts of details as well that are other parts of those KPIs.

Mr Thompson—I understand that all of those invoices have been paid.

Senator BIRMINGHAM—Is the subsidy on the loan paid on an annual, quarterly or monthly basis?

Mr Thompson—No. That subsidy is paid upfront, plus an administration fee to the bank.

Senator BIRMINGHAM—It is an entire lump sum subsidy for the life of the loan and a one-off administration fee.

Mr Thompson—That is right.

Senator BIRMINGHAM—That is it for the financial institutions. Once they have been paid that then there is no need for them to come back cap in hand to the government.

Mr Thompson—That is my understanding, yes.

Senator BIRMINGHAM—What is the average time for payment of those at present?

Mr Thompson—Of those invoices?

Senator BIRMINGHAM—Yes.

Mr Thompson—As I understand it, there were those that have been received since late last year when the financial institutions were engaged as part of the program. There has been a progressive payment over that time. I understand that there might have been a bit of a delay in paying the first tranche, but after that most of them have been paid. I am not quite sure of the average time taken to pay the loans.

Senator BIRMINGHAM—When was the first one paid? Do you know that?

Mr Thompson—When did we receive the first loan invoice?

Senator BIRMINGHAM—When was the first invoice paid?

Ms Mackie—As I understand it, we received invoices over the September, October, November and December period. We have paid those invoices, but we do not have the breakdown in the timing to the different institutions for those payments.

Senator Wong—We can take that on notice to see if we can find out any further information if we have it.

Senator BIRMINGHAM—If you could provide some indication of how long it has taken to be paid, that would be appreciated. One thousand and eight have been received and paid. There are none outstanding at present?

Ms Mackie—We will take that on notice, but my understanding is that we have paid that tranche of loans that have come in.

Senator BIRMINGHAM—I am pleased that there are none outstanding, but for a program where you would expect a continuous stream, there is an unusual lull that has occurred in the sending through of invoices at this time.

Ms Mackie—As you would be aware, the volume of loans is low, compared to the original up-to target of 75,000. In the last week we did not have any loan advice coming in from the financial institutions, but there may be more in the pipeline. It depends on when the banks inform us.

Senator BIRMINGHAM—You talked about loan advice. I just want to get clear the difference between invoices and loan advice. You received 1,008 invoices from September to December. Loan advice is a different category.

Mr Thompson—It is information from the financial institutions about loan applications which are in play.

Senator BIRMINGHAM—Do you have data on how many loan applications are currently in play?

Ms Mackie—We are aware that there are 1,600 applications. To get that information we need to ring the credit societies or the banks, so we contact them and ask them for that information.

Ms Kruk—As the officer has also indicated, we do not necessarily know the numbers that are in the pipeline; in other words, householders that are in discussions with the bank.

Senator BIRMINGHAM—Yes.

Ms Kruk—I think Ms Mackie may have indicated that. My apologies if she has.

Senator BIRMINGHAM—Is that loan advice at a point at which the bank is undertaking due diligence on an application or when a bank or financial institution is telling you, ‘We have a prospective green loan customer here’, or is it literally just that they have received an application? What is the difference there?

Mr Thompson—You are asking for a specific definition of what that loan information means. So that we can give you a technically correct answer, I would prefer to take that on notice. As I understand it, we are asking the financial institutions, and there is a range of them. They are banks, building societies, credit unions and so on. We are asking them similar questions, but they use different processes for approving loans. We would prefer to take that on notice.

Senator BIRMINGHAM—How many institutions are there that we have agreements with?

Ms Kruk—From recall—and Ms Mackie please assist me—there are 24 financial partners.

Mr Thompson—That is right.

Ms Kruk—When we spoke on the issue before you expressed some concern about the number of financial partners. I think the cohort at the moment includes a range of credit unions, as well as some of the bigger financial institutions. I am happy for the officers to assist me if you want more detail in terms of the entities. We may have actually provided you with that previously, unless my recall fails me.

Senator BIRMINGHAM—I do not recall, but we do not necessarily need to go into the entities. Twenty-four is the number.

Senator Wong—My recollection, and I could be wrong, was that there was a discussion about partnership arrangements having been signed with a range of financial institutions.

Senator BIRMINGHAM—Yes. That is certainly when last we met or the time before when a lot of those arrangements were being made.

Ms Kruk—This is now a considerably bigger group of financial partners and includes some of the major banks.

Senator BIRMINGHAM—Is 24 the final total that the department is working towards?

Ms Kruk—The indication is that there is no need for additional financial partners, given the uptake of the loans, so we will stop at that point.

Mr Thompson—In relation to your last question, question on notice No. 86 details the list of financial institutions at that stage.

Senator BIRMINGHAM—Ms Mackie indicated before that the department contacts each of those 24 institutions for the loan advice.

Ms Mackie—That is correct.

Senator BIRMINGHAM—How frequently are you contacting them?

Ms Mackie—I do not have the detail on the processes by which we do that. We would need to take that on notice.

Senator Wong—I think that is what we took on notice previously.

Senator BIRMINGHAM—We took on notice what the loan advice actually meant.

Senator Wong—I understood that to be an indication of at what point is that information provided to the department. Perhaps I misunderstood the question.

Senator BIRMINGHAM—Perhaps, or it may be just my caution that I find it is often useful to spell out each question lest the answers not cover the points that one was hoping for.

Senator Wong—We would not do that to you.

Ms Kruk—I understand your question because there are obviously ongoing communications with the banks in terms of how the program is portrayed and some of the parameters under which the program have been set up. We will pick it up in our answer back to you as to the nature of our communications.

Senator BIRMINGHAM—The reason for my question there on the timing of those communications is that Ms Mackie or Mr Thompson, I forget which, indicated before that there have been no loan advices provided in the last week.

Ms Mackie—That is correct.

Senator BIRMINGHAM—Does that mean the last lot of communications with the financial institutions was a week ago? On what basis have you made the statement that there were no loan advices provided in the last week?

Ms Mackie—We report on a weekly basis and that is the information that has come through. I would need to take on notice the actual process for getting that information from the banks and the building societies.

Senator BIRMINGHAM—Do you have data with you on a weekly basis for how many loan advices have been received?

Ms Mackie—We report on that internally on a weekly basis.

Senator BIRMINGHAM—You report internally on that on a weekly basis.

Ms Mackie—That is correct.

Senator BIRMINGHAM—You know that there were none for last week. Do you know how many there were for the previous week or what the averages per month have been?

Mr Thompson—We do not have those figures with us here.

Senator BIRMINGHAM—Once again, perhaps you could take that on notice. With the flow of applications or advices to date, is it an unusual instance to have had none for this week? I realise that we have had the Christmas-New Year period. I imagine that is a bit of a slowdown and we can come to some of the other issues around there later. From your knowledge of that advice and that data flow, has there been some steady decline down to this point of having none in the last week?

Ms Mackie—No. It was an observation that none came in during that week. I have not been able to find out the reason as to why. It may be just the flow of when applications are coming in and banks are finalising the loan arrangements.

Senator BIRMINGHAM—Do you have any idea of the numbers in the preceding weeks for this year?

Ms Mackie—No.

Senator Wong—The question has been taken on notice. As I understand your questioning, you want to know the process by which the department becomes aware of involvement of a financial partner with a householder. Is that correct?

Senator BIRMINGHAM—Yes.

Senator Wong—Secondly, you are wanting data over a number of weeks to observe any trend in relation to loan applications?

Senator BIRMINGHAM—That is right. It sounds to me like it is collected on a weekly basis. If it is collected on a weekly basis and it is entered into some kind of spreadsheet then it should not be that hard to provide data for the entire period of the loans, which I would

appreciate being provided to the committee. Minister, I am trying to handle this respectfully with the public servants and get all the information we possibly can but, equally, I am surprised that some more of this information is not available to us today.

Ms Kruk—I can assist in that regard. As I recall, we gave you an indication of loan activity at the last estimates committee. My apologies that I do not have all of that information at my fingertips, but we are happy to go back to give you the staging. I think we put on the record, at that stage, so I will put it on the record this time as well, that there has been a slow take-up rate of the loans. I can also say that during the life of the program there have been decisions taken by the government to shift resources and to boost up the number of assessments that can be taken because of the demand that is showing in that area. I say, again, the take-up of the loans is one KPI in this particular program. The ultimate aim is essentially, as you will understand, to see behavioural change at the household level.

Senator BIRMINGHAM—Thank you.

Senator MILNE—At the last estimates you said that you expected 20,000 loans to be taken up in this financial year. Clearly, 1,000 have been taken up. It is a slow uptake for all the reasons that you have cited. What was the financial allocation that you made to cover the interest on 20,000 loans in this financial year? Given that only 1,000 have been taken up, I just heard you say, Ms Kruk, that you had been able to transfer resources to an additional number of assessments. Does that mean you are now providing for more than 360,000 over the life of the program?

Ms Kruk—No. Mr Thompson could assist in terms of the numbers. The recognition was that the demand was very much in relation to home assessments. When the program was refigured in the context of the last budget, that was the emphasis that was put very much in terms of changing the initial program and recognising that is where the demand was at the householder level. Because at that point in time—and I am sorry, my memory of dates is not great—when the program was refigured there was a shift in emphasis to allow assessments.

Senator BIRMINGHAM—That was the time when the election commitment of 200,000 loans was downgraded to up to 75,000 loans, and the annual targets were set this financial year at 20,000, next financial year 20,000, and the following, and 15,000 in the last. Is that a correct approximation of the evidence given previously in what the department was budgeting for?

Mr Thompson—That is on the basis—

Senator BIRMINGHAM—Of loans?

Mr Thompson—subject to being corrected by colleagues here—that that was the profile we were looking at at that point. One of the things I think the secretary is referring to is that, because of the significant increase in demand for household assessments, we have had to reprofile.

Senator BIRMINGHAM—Has there been a subsequent reprofiling to the reprofiling that we talked about previously?

Mr Thompson—Within that budget, yes, within the profile that we had for this year, because of the significant increase in demand for household assessments—up to 360,000.

Senator BIRMINGHAM—So, you are no longer working towards 20,000 loans?

Mr Thompson—On the current numbers—we might talk about how much we budgeted for first. Do you have those numbers here?

Ms Mackie—We can provide the total program funding—\$174 million over five years. The breakdown of the total program funds for 2009-10 was almost \$40 million; 2010-11, \$48 million; 2011-12, \$48 million; and 2012-13, \$29.674 million.

Senator BIRMINGHAM—Is that the total funding for the program?

Ms Mackie—That is correct.

Senator BIRMINGHAM—In terms of the targets the program is working towards—and we will come to assessments, but I just want to focus on loans to start with—you were working towards up to 20,000 loans this financial year. What is the target or the expected outcome now in terms of the number of loans?

Mr Thompson—There has been no change to the budget for this program and for the budget in this financial year in terms of what was announced in the budget papers. There has been no change in the government's decision around what target we would be seeking for loans.

Ms Kruk—We are obviously looking at the funding for the program on the basis of the take-up rate. Obviously the final decision is for government in terms of the allocation of those moneys.

Senator BIRMINGHAM—Obviously the take-up rate is below expectation—you have acknowledged that, Ms Kruk—and that is clearly understood by everybody?

Ms Kruk—Yes.

Senator BIRMINGHAM—In the process of the MYEFO review or any of those budgetary processes the department did not think, 'We're clearly running way below the 20,000 expected. This program needs further reconfiguring'?

Ms Mackie—As I understand it, there was not a requirement to do that, because there is a notional allocation, which I do not have in front of me, between funding for assessments and funding for loans. As you are aware, the assessment is 360,000 whereas the loans was an up to 75,000 figure, and so it is a matter of the level of take-up for the loans, which has proven quite low to date for the reasons that the secretary has referred to.

Senator BIRMINGHAM—We have the base data on loans. Let us get the base data on assessments.

Senator MILNE—Could you take on notice what you expect the savings will be? You would have allocated a certain amount for interest payments on the 20,000 loans this year. Obviously you are not going to achieve that. Could you come back maybe after dinner and tell us how much surplus you have now in that program in terms of what you set aside for interest payments to financial institutions?

Senator BIRMINGHAM—You just indicated there was a notional allocation. Do you have that notional allocation between—

Ms Mackie—No, as I indicated, I do not have that with me.

Senator BIRMINGHAM—If you could take Senator Milne's request on notice there for this year and the—

Mr Thompson—Just to be clear in response to a remark that Senator Milne made, there has been no change to the government's commitments in relation to the program or to the budget at this stage, and so we are not conceding the 20,000. We are trying to work and manage the demand of the program as it arises. We are not conceding that 20,000 will not or cannot be met at this point.

Senator MILNE—I understand that, but at this point 1,008 loans have been granted at seven months into the program.

Mr Thompson—I understand the point you are making.

Senator MILNE—I am just trying to understand how much is in reserve to meet the 20,000 if in effect that occurred by the end of the financial years, which may turn out to be surplus if that 20,000 is not allocated.

Senator Wong—As I understood the evidence earlier, the evidence was that the budget allocation is profiled as \$170 million over five years; is that correct?

Ms Mackie—Correct; \$174 million.

Senator Wong—And \$40 million for 2009-10; is that the evidence?

Ms Delahunt—Yes.

Senator Wong—Obviously, if there is a decision by government that alters that, that will be done through the normal processes.

Senator MILNE—I understand that, but my understanding was that \$40 million covered both the assessments and the interest. I am trying to establish: of the \$40 million what was set aside for the interest?

Ms Kruk—We understand. We will take it on notice.

Senator BIRMINGHAM—What is the average subsidy per loan?

Mr Thompson—The average loan subsidy is just under \$2,000.

Senator BIRMINGHAM—Is that inclusive of the administration costs?

Mr Thompson—That includes the administration costs.

Senator BIRMINGHAM—For the 1,008 invoices you have processed the average price of those invoices, which is a one-off transfer from the Commonwealth to the financial institution, is just shy of \$2,000?

Mr Thompson—That is right.

Ms Kruk—Again, as I indicated, we are a bit subject to the banks advising us of the number they actually are currently negotiating, and the issue is also the need to make provisions for those in the budget. I re-emphasise Mr Thompson's point about there being no change to that budget profile at the moment.

Senator BIRMINGHAM—Could you remind me of the figure for the subsidy per assessment, please.

Ms Mackie—It is \$200.

Senator BIRMINGHAM—That will help. I will not attempt to do all of that math on the spot, but it gives at least some indication. In terms of assessments numbers, how many assessments have been undertaken to date, to your knowledge?

Ms Mackie—One hundred and forty-three thousand.

Senator BIRMINGHAM—Is that the number of assessments that payments have been made by the department for or for which invoices have been received?

Ms Mackie—I do not have the details on the payments made, just on the assessments that have been completed. I would need to take that on notice.

Senator BIRMINGHAM—When you say ‘assessments that have been completed’, how do you know they have been completed? What is that counting?

Ms Mackie—The assessment report is sent in to the department, so it is on receipt of the report, but then making the payment on that report is another step.

Senator IAN MACDONALD—Could you give us a break-up, state and territory, for those assessments? Could you also take on notice the number of assessors per state and territory that have been approved, the number of loans out of the 1,008 and the split-up between the states and territories, please.

Mr Thompson—I can give you the first two now. In terms of numbers of assessors, for the ACT it is 84; for New South Wales, 1,327; for NT, two; for Queensland, 722; South Australia, 274; Tasmania, 66; Victoria, 936; and Western Australia, 237. The number of completed assessments, again by state in that order: ACT, 6,482; New South Wales, 55,987; NT, 213; Queensland, 24,112; South Australia, 11,985; Tasmania, 1,787; Victoria, 32,572; and Western Australia, 8,884, which add up to the total of 142,022.

Senator IAN MACDONALD—So, the two guys in the Territory are doing well. They have done over 100 each by the sounds of it.

Senator BIRMINGHAM—Since you have usefully provided that data on the state breakdown, we might as well get them for the number of loans as well if you have that.

Mr Thompson—I do not have that at hand, so I will take that on notice.

Senator MILNE—Just on that issue of the 143,000 completed assessments, I have received many emails saying that there are outstanding payments from the department and that several small businesses are actually in danger of having to get bridging finance and whatever because the department is not paying within the 30 days. I raised this last time in the estimates in October and I was assured that all of the glitches in the payment system had been ironed out and it was all fixed. If 143,000 have been completed, what is the success rate of the department paying within 30 days and how many of those 143,000 completed assessment invoices are still waiting to be paid?

Ms Kruk—If I could assist in this regard—and I do not necessarily have the detailed data that you are seeking—I would put on the record that a payment rate is not acceptable. We

have the dual challenges of ensuring that payment is made in a timely manner as we have the challenge of ensuring that payment is done in a manner that reflects a good use of public moneys. There have been problems in relation to some of the invoices that have been received by the department—in fact, a large number of the invoices, which have required the department to go back and ensure that that necessary information is provided. Irrespective of that caveat—because I am just explaining some of the challenges—the payment rate is too low. It is too slow. The minister has indicated that that is unacceptable. That is an area that we are continuing to address.

Again I put on the record that this is a program that has been incredibly popular. I also again state that the challenges have been to meet some of those demand spikes. Last week alone, there were 23,000 bookings made under the program. Some of the spikes in demand have been massive and our systems have not been able to cope with some of those.

Senator MILNE—I will just tell you now I will be coming back to you in terms of how many of those bookings last week went to Fieldforce. I am not talking about the bookings made but the actual completed assessments.

Ms Kruk—I understand that, yes.

Senator MILNE—I take on board what you are saying. Mea culpa; the minister says it is not acceptable, and you say it is not acceptable. I raised this at the last estimates and said, ‘Can you assure me that people who are owed money have been reimbursed? Are you satisfied that we are up to the 30-day period for most people?’ The response was, ‘Yes, yes, yes’, that it was all fixed, and the software was fixed. It is not fixed. Whilst I recognise the government is sorry, the fact is that people have not been paid. Could you please get me the information that I am asking for? Of the 143,000 assessments that have been completed, how many invoices remain outstanding and how many of them are beyond the 30 days? Was it not an undertaking that people would be paid in 30 days?

Senator Wong—We will take the first two on notice. In relation to the third, I think that is a characterisation of the evidence that you are asking us to make.

Senator MILNE—I am asking: did the department undertake to pay people in 30 days?

Senator Wong—Is that part of the arrangement; is that the question?

Senator MILNE—Yes.

Ms Kruk—The 30-day payment regime is part of good government process in terms of attempting to get payments met within that time frame. As I indicated, our success rate in that regard, as I understand it—and I do not have the most recent figures on me—indicate that we are not doing that. Again I put on the record that I am very conscious of some of the frustrations that have been raised directly with you and they are some of the issues that we are looking at the moment and have been looking at for some time.

We were also very honest in our testimony before you last time in relation to some of the IT issues that arose. They have been addressed. Some of the issues that are arising now are totally linked to the demand for this program. As I said simply and I say apologetically, the systems have not been able to cope in that regard with those demand spikes.

Senator MILNE—I will get that information about those invoices, because this is leading people to go broke in the community and it is just not good enough.

Senator ABETZ—Hear, hear! That is quite right.

Senator BIRMINGHAM—We have 143,000 completed assessments, and 1,008 green loans that the department is aware have been issued. This is obviously a vast difference between the expectations that the government went in with; the take-up of assessments is much higher, as Ms Kruk has highlighted. How many assessments were expected for this financial year?

Ms Mackie—I do not have the breakdown in front of me of the profiling of the assessments across years.

Mr Thompson—The expectation was that most of the assessments would be complete in this financial year and the next financial year.

Senator BIRMINGHAM—How many assessments were expected overall?

Mr Thompson—The commitment was to 360,000 assessments.

Senator Wong—I do not think it is any secret that, in relation to this program, demand is higher than was expected.

Ms Kruk—I put that on the record last time and I have put it on the record this time. There has also been regular feedback in relation to the take-up of this program.

Senator BIRMINGHAM—Demand for one component of the program is higher and demand for the other component of the program is significantly lower.

Senator Wong—That is correct.

Ms Kruk—The reach of this program, because of the take-up rate, would be even higher than the initial predictions made in that regard.

Senator BIRMINGHAM—Are there terms of reference for the review that the minister has instructed the department to have undertaken?

Ms Kruk—I am unaware whether the minister has actually released those terms of reference or if those terms of reference are available. I will take that on notice. I indicated in my opening statement what it would look at. As I indicated, there is already an external audit under way being conducted by PwC in relation to some of the accreditation and training issues. That is in addition to work that I have already initiated in the department, but the minister, as he indicated in his statement this morning—I have been in the committee room all day so I am not privy to the ins and outs of that—stated that he had requested the commissioning of an external inquiry looking at those processes and bringing those issues together.

Senator BIRMINGHAM—Yesterday was clearly a busy day for Minister Garrett in signing off on things that could be raised here today and, indeed, the media release states, ‘Yesterday I instructed the secretary to implement an independent external process ...’ That is not the PricewaterhouseCoopers audit?

Ms Kruk—No. I understand that; he has already made public reference to the PricewaterhouseCoopers audit some time ago. The independent external inquiry that I think he made public reference to this morning actually looks at some of the procurement and contractual issues that have been raised by members of the public and some of the issues that Senator Milne has raised, and concerns about the probity of the process. The external inquiry will look at those issues.

Senator BIRMINGHAM—Do either of these inquiries look at the policy arrangements and indeed the transition, as it is, between assessments and loans, and in particular will they be looking at why the take-up rate of loans is so significantly lower than the government had expected?

Ms Kruk—Clearly that is something that is also in the remit of the normal course of the ANAO audit processes. The specific inquiries that I have referred to, which the minister announced today, will be more looking at issues raised about the department's management of the process. The minister has asked that that be externally reviewed.

Senator BIRMINGHAM—We can expect all of those issues around timeliness, costings, contracts that have been entered into and all of those types of probity and management issues to be considered within those two assessments?

Mr Thompson—The PwC work at this stage is specifically looking at the accrediting processes that the Australian Association of Building Sustainability Assessors has in place. It is looking at that part of the equation. As the secretary said, the external independent investigation is focusing on the contractual and procurement processes within the department in the administration of the program.

Senator ABETZ—When did the minister instruct you yesterday, Ms Kruk?

Ms Kruk—Is this specifically in relation to the external inquiry?

Senator ABETZ—‘Yesterday I instructed the secretary ...’

Ms Kruk—Yes, that was yesterday.

Senator ABETZ—What time yesterday?

Ms Kruk—This is a matter that I have discussed with the minister over the last few weeks in terms of some of the specific concerns. His formal instruction to me was issued yesterday.

Senator ABETZ—I know that, but what time yesterday?

Ms Kruk—I would have to check. I think very early in the course of yesterday morning.

Senator ABETZ—Minister, why did he not issue a press release yesterday?

Ms Kruk—That is probably a matter to ask the minister.

Senator ABETZ—That is why I asked the minister.

Ms Kruk—I do not want to put myself in that position. But the issue is that also at the same time as that instruction regarding the external inquiry there were a range of other pieces of work that needed to be done which related to issues for resourcing of the call centre and the like. That work is underway. It is not just a single communication.

Senator BIRMINGHAM—There are a lot of very particular concerns with this program that Senator Milne and others have raised, but there does seem to be one striking concern, and that is that all of these assessments are taking place. I am sure that householders are gaining particular value out of them and hopefully are doing something out of them, but the one thing they are quite transparently not doing is taking green loans out of them at present. Is the department undertaking any work as to why the take-up rate of the green loans is not as you would have expected?

Ms Kruk—Yes, we have. It is preliminary work. It is obviously getting an indication. We do rely on the banks in this regard, and I am conscious that these are ultimately contracts between a householder and the bank, in terms of those issues that they are seeking loans for. Some of the informal feedback, and it is only at a very early stage, is that households in many instances are taking up the benefit, as I said, of products that are available in other Commonwealth energy schemes or basically state based schemes. It is pointing them in that direction. I think I put on the record last time as well that there would be a sensible expectation that the current financial situation in the economy does have an impact on people's preparedness to take up loans, and an impact in terms of other interest rate rises in relation to mortgages. There is a range of external factors. I am sorry, I am a bit tired and so I am probably missing the subtlety of the question. Those learnings will come up.

Senator BIRMINGHAM—You are not entirely, but when the program was downgraded from 200,000 loans to 75,000 loans, the global financial crisis had struck and indeed worse was expected in the economy than materialised.

Ms Kruk—Senator Birmingham—

Senator BIRMINGHAM—Sorry, Ms Kruk, if I could finish.

Ms Kruk—My apologies.

Senator BIRMINGHAM—The GFC had already been factored into those forecasts. The government had already announced its pink batts program, which was transparently going to cut the guts out of this program, and that is obviously why the expectation for the number of green loans was reduced from 200,000 to 75,000. Not surprisingly, when offered something for nothing householders will take that ahead of taking a loan. I am not surprised that estimates had to be reduced then, but even those estimates have not been lived up to. One key question out of this has to be: do you know how many people are making the transition from having the assessment to even talking to the banks? Has any research been done on that step in the process? Regardless of whether they then decide the process with the banks is too hard, are they even making the step from getting their assessment from the home assessor and deciding to go and even examine the idea?

Ms Kruk—That is an important piece of work that will be conducted. The program predates some of my corporate history. A lot of initial work was actually undertaken in relation to the benefits of offering a loan in this particular area and also the types of products that people would be likely to take up. I do not have all of those pieces of research behind me, but I certainly remember reading those when I took up the position. I understand your point, and that is certainly something that will come up in the broader evaluation of the program. Again, we are conscious of the fact that, because of the very high take-up rate in assessments,

our systems are not coping, and that is the immediate challenge. I am in no way negating the need for a far more comprehensive evaluation, as is normally undertaken of programs of this type.

Senator Wong—The issue you raise would go to that kind of evaluation. It is a policy evaluation.

CHAIR—Mr Thompson, did you wish to say something?

Mr Thompson—No, that is fine. I will leave it there.

Senator Wong—I am sure we will come back to this after the tea break.

CHAIR—We will suspend for dinner and return at 7 o'clock.

Proceedings suspended from 6.00 pm to 7.00 pm

CHAIR—We will resume the proceedings. I remind everybody we were trying to get to Water if possible by about 8 o'clock. Senator Milne.

Senator MILNE—Just before the dinner break I was asking some questions about the 143,000 completed assessments and the number of invoices outstanding. I acknowledge the department has said they will come back to me. If you cannot come back to me with the numbers now, I would like to know what arrangements are in place to have those invoices that are outside the 30-day period paid as a matter of urgency.

Mr Thompson—We can provide that advice to you on notice.

Senator MILNE—No, I am asking you: what are you doing to make sure that the invoices that are beyond 30 days are paid as a matter of urgency and what undertakings can you give us about the timeframe in which they will be paid?

Mr Thompson—We are attaching additional resources to the payment of those invoices which are correct and which are outstanding beyond the 30 days. I cannot give you an undertaking at this time about what time we intend to complete that process and catch up on that backlog. I would make the point again, though, that some of that delay in the payment of invoices is due to the fact that a large proportion of the invoices that we receive are incorrect and we are having to go back to the assessors themselves to correct that information.

Senator MILNE—That was what you told me in September—that that was all fixed and that people had identified the issues that were the problems.

Mr Thompson—That issue is continuing.

Senator MILNE—I do not want to waste anymore time going into the reasons, I want a solution for people who are now living on credit cards, et cetera. I do not have an indication of whether we are talking weeks, a month or how long it will be before those outstanding invoices are paid.

Mr Thompson—As I said, I cannot give you specific advice on that. What we have done is develop a template for assessors to help them compile their invoices more accurately, and we are attaching more resources to the processing of those invoices.

Ms Kruk—I restate that, but I also do indicate that, in this very chamber, I also have to defend the expenditure of public moneys and provide assurances that we are actually paying

for quality assessments. There does need to be time built in in relation to some of those quality assurance processes. You have my assurance that we will make every endeavour to do it in the shortest possible time. I cannot provide a timeline that would be meaningful; you have my assurance that every effort will be put to reducing that timeline.

Senator MILNE—I would like to move on to the relationship that the department has with Fieldforce. Fieldforce has confirmed that it has a direct IT link between its call centre and DEWHA's booking database, meaning that it does not have to engage the DEWHA call centre at all. When did this arrangement with Fieldforce begin? Did they approach the government or did the government approach Fieldforce? Who came up with this idea of giving them a direct IT link and are they the only company with a direct IT link to DEWHA's booking database?

Mr Thompson—I would like to answer that as comprehensively as I can. Let me just say at the outset that assessors employed by Fieldforce are bound by the same terms and conditions as every other assessor working under the program, including in relation to the promotion or canvassing of other products or services. There is no special treatment or exception for Fieldforce assessors in this regard. Our understanding is different from the one that you just expressed. Fieldforce, as we understand it, does not have direct access to the department's IT system.

On 14 December the department entered into an arrangement with Fieldforce which enabled them to make bulk bookings, which are processed by the department once a week. They provide their bookings on a spreadsheet via an email to the department. As far as we know, that is the only link they have to the department's IT system. This arrangement came into place under an MOU as a measure to relieve the pressure on the call centre, and I think that is an important point.

Because Fieldforce employs a large number of assessors and there was significant pressure on the call centre at the time, the decision was taken to try and free up the call centre from Fieldforce assessor bookings by entering into this separate arrangement with them. These bookings are subject to a weekly limit, as of late January, in order to ensure there is adequate work for all assessors. As I said, these arrangements were put in place to minimise the impact on the department's booking process that would occur if Fieldforce were to book their jobs every day via the call centre. It was an interim arrangement as the department was planning at that stage to roll out the online booking system from January 2010. But the use of that system is now under review because of some difficulties that we have had with that.

Senator MILNE—I asked you who approached whom in relation to establishing a separate and different arrangement for Fieldforce. Did the department approach them or did they approach the department and who signed off on this?

Mr Thompson—I would have to take that on notice, in terms of who approached whom. It was the department's decision to enter into that arrangement, as I said, in order to free up the call centre and the booking system that we were using.

Senator MILNE—Who in the department signed off on it? Did the minister know about it?

Mr Thompson—Again, I would have to take that on notice.

Ms Kruk—I understand that you have expressed some concern about this previously. There are two major issues. This is obviously one of the things I think the external inquiry has the remit to look at. Secondly, I think the concern has been expressed that Fieldforce is taking an unfair—and I do not want to in any way quote you wrongly—proportion of the workload. From my most recent understandings, they get approximately 30 per cent. We will take on notice the detailed question you have asked in terms of the decision-making process, but again I state that this is one of the things that the external inquiry has the remit to consider.

Senator MILNE—Yes, I appreciate that, that they will, but I would like some answers now in relation to this.

Ms Kruk—I understand that.

Senator MILNE—Can you tell me when the call centre closed to taking bookings before Christmas and when it reopened? How many days was it closed and what were the dates?

Mr Thompson—We will get the dates in a second. Can I just clarify, though, that as I understand it the call centre was not closed over Christmas but it was reduced in capacity, and that advice was given to assessors via the regular communication that we have with them.

Senator MILNE—What do you mean by ‘reduced in capacity’?

Mr Thompson—The department notified assessors before Christmas that the call centre would be available in a limited capacity between 25 December and 10 January, and the limited capacity—

Ms Kruk—Assessors could cancel bookings or reschedule bookings but they could not make new bookings.

Senator MILNE—So, for the purposes of new bookings the call centre was closed and there was no other mechanism for assessors, other than those at Fieldforce, to make bookings during that period?

Mr Thompson—I would have to clarify whether that is the case. I understand what you are asking but I do not know whether that is the case.

Senator MILNE—If they can only cancel them or reschedule them and not make new bookings, is there any other mechanism for a self-employed or small business or somebody who is not employed by Fieldforce to make a booking over that period?

Mr Thompson—The assumption that you are making in that comment, though, is that the arrangements with Fieldforce continued to operate during that period, and I would have to clarify that.

Senator MILNE—That is what I am coming to. I am wanting to clarify first that, if you were not employed by Fieldforce, there was no capacity for you during that four-week period to make a booking; at least in that four weeks and then a limited period in the following two? Is that correct?

Mr Thompson—The call centre was only on limited operations for the period 25 December to 10 January, so it is not four weeks.

Senator Wong—Christmas Day to 10 January—so some 16 days—which obviously includes a number of public holidays. So, in that period the evidence here is that the call

centre was only operating in a limited capacity to reschedule or cancel bookings. Your question is that for that period whether or not Fieldforce was able to make bookings?

Senator MILNE—Yes, and to clarify further, my understanding is that the call centre remained closed for new bookings for a further two weeks after 10 January. Is that not correct? What was the arrangement after 10 January? Was it business as usual?

Mr Thompson—That is not the advice I have. The advice I have is that it resumed on 11 January.

Senator MILNE—So, it was business as usual from 11 January?

Mr Thompson—Yes.

Senator MILNE—So, between those dates, as the minister just said, 25 December to 10 January, did Fieldforce make any bookings?

Mr Thompson—I do not have the information so I am going to have to take that on notice.

Senator Wong—That is what he is taking on notice. Mr Thompson is not able to give you the information about whether Fieldforce, in that period, had a different capacity. We will take that on notice.

Senator MILNE—I am very surprised you cannot answer that since you have known this is coming all week. In terms of last week—that is, the week beginning 1 February—can you tell me how many bookings Fieldforce made in that week out of the total number of bookings? I believe that you cited the figure, Ms Kruk, at 23,000 bookings in the last week, did you say?

Ms Kruk—That was the previous week.

Mr Thompson—The week before last. It was the week, I think, finishing 29 January.

Senator MILNE—The week finishing 29 January. So, in that week and then last week can I have the actual total number of bookings and the total number that Fieldforce booked in that time?

Senator BIRMINGHAM—What is the weekly limit that was imposed late January?

Mr Thompson—That is what I am going to answer. You might recall that in my original remarks in response to your question I referred to a weekly limit imposed from late January on Fieldforce's bookings. That limit was set at 6,000.

Senator MILNE—So 6,000 a week for Fieldforce as of what date in January?

Mr Thompson—As of 21 January.

Senator MILNE—Going to the call centre itself, was there a condition imposed that you could only get five bookings per phone call to the call centre?

Mr Thompson—That is my understanding.

Senator MILNE—Are you aware of the waiting times on that call centre? I have had a complaint from a particular Melbourne company that said it made 15 attempts to get into an automated queue and once in the automated queue it waited two hours and then could make only five bookings and start the process again? Given that companies or individuals could

make five bookings and it took them in excess of two hours to do that, hanging on the phone, how did Fieldforce get a 6,000 allowance? You can see the inequity here and why people are very angry?

Mr Thompson—Your question and comment have a number of parts to them. At the outset I would say that the department is very conscious of the level of anxiety that it is causing for individual assessors and company assessors who are having trouble accessing our call centre and making bookings through that mechanism. Our call centre itself is constantly feeding back to us the anxiety that it is causing assessors, and our own staff are taking a number of those calls as well. We understand that. We appreciate it. It is not a situation that we are happy about.

We have significantly increased the number of resources to the call centre. In terms of the Fieldforce arrangement, as I said before, we entered into that arrangement in order to reduce the pressure on the call centre to free up that resource for other assessors within the sector. I understand that that appears inequitable, but that is why we entered into that arrangement.

Senator MILNE—Whatever the motivation, it just does not appear inequitable, it is inequitable, especially if they could make bookings in the period when other people could not. That is to be established. That is clearly the understanding in the community. The sooner we can get an answer on that the better. Apart from Fieldforce, are there any other companies with which the department has a special arrangement to bypass the call centre and be able to go with a different arrangement for bookings?

Mr Thompson—There are no other companies that have an arrangement to use any other booking mechanism.

Senator MILNE—Where we are up to now with Fieldforce is that currently it can book 6,000 bookings a week and there is no suggestion that that is going to stop in the future or did I hear you say there was some review of this arrangement?

Mr Thompson—Of course, as part of looking at how we can make the system work better—and the call centre is one aspect of the program that we are wanting to improve—the arrangement with Fieldforce and other arrangements to manage demand both equitably and effectively under the program are under review.

Senator MILNE—What does ‘under review’ mean?

Mr Thompson—No, it is operational. We are trying to look at it operationally to see how we can make things work better. It is not something which is put off. We are doing that by a consistent—

Senator MILNE—Why do we still have a call centre doing this when an online booking facility was promised and meant to be up and running at the launch of this scheme in July last year?

Ms Mackie—The online booking system was put on hold because of the spike in demand. We appreciate it is difficult for assessors to get through to the call centre but had there been the online centre it would potentially have escalated the spike in demand. It is not an ideal situation, but that is the decision that was taken, to put the online booking on hold. But the technical glitches that had been affecting that system earlier I understand have been fixed.

Senator MILNE—When was the decision made to put the online booking centre on hold?

Ms Mackie—I do not have the date of that decision.

Mr Thompson—I think the concern there was that, if there were going to be problems with the online booking system or if there were going to be some sort of backlog in the department's processing of those bookings through that online mechanism, in fact that would throw pressure back on to the call centre with assessors calling it again to find out where their bookings were up to, et cetera. The judgment was made to try to use the call centre as the main mechanism at this point in time.

Senator BIRMINGHAM—You have an online booking system that would function operationally for an assessor to actually use from their end. Is the concern that the department would not be able to keep up with processing the bookings that came through that system at the department's end?

Mr Thompson—That is part of it, but the other part, as I understand it, is that the online booking system itself was not ready to go. It was not operating correctly.

Senator MILNE—We just heard you say that you had ironed out the problems with it. Is it ready to go now and the only reason it is not switched on is the spike in demand?

Mr Thompson—That is a significant factor, yes.

Senator MILNE—How many bookings do we have to date? How many assessments have been booked up until today?

Mr Thompson—In total it is 205,000. That includes the assessments that have already occurred—the 142 that we referred to before.

Senator MILNE—We have 205,000 out of 360,000. At the rate at which they are being booked when do you expect to reach 360,000?

Mr Thompson—I would prefer not to speculate about that, because the numbers in bookings, as you would appreciate, are continuing to move around. We have experienced a bit of a spike really from before Christmas and then a significant spike in the last two weeks in particular. What we are not sure of at this stage is whether that spike will continue or whether it will quieten down or in fact whether there is a further increase.

Senator MILNE—We know that 6,000 a week are going to Fieldforce and we know how ineffective or effective the call centre is will determine how many other people can get through the booking system to make bookings. But at the rate that things have gone in the last few months it certainly looks to me like this project could well be fully committed by March or April this year, leaving many assessors out of work. Would you not say that that is the case on current projections?

Senator Wong—I think you are aware of this, but the figures that Mr Thompson has given indicate that you have a lot of assessments coming in—I think 23,000 for one week was the evidence. Obviously 6,000 is a significant proportion of that, but that still is quite a significant number of assessments over and above the 6,000, which by the evidence is the limit for Fieldforce.

Senator MILNE—I understand that, but I have in front of me an email saying there is a view that Fieldforce booked 14,000 of the total 21,000 bookings made last week. That email is dated 8 February. If that is the case, the 6,000 limit obviously is not applying and that is why I asked the question on notice: how many bookings have they done in the last week and the week before that out of the total number?

Senator Wong—The assertion you want us to check is that Fieldforce—I am sorry, can you repeat that?

Senator MILNE—Yes. Is it true that they booked 14,000 of the total 21,000 bookings made last week? That was an email received by me on 8 February, so I am assuming it is the week beginning 1 February to 8 February. I would like that checked, because that goes to the question about whether the 6,000 has kicked in.

Mr Thompson—It is not consistent with our understanding, but we will check that.

CHAIR—I am mindful that we have other senators wanting to ask questions, so perhaps you could wind up your questions.

Senator MILNE—I have a lot of detailed questions. I would like to go to the number of assessors, because this again is a major grievance. On 8 May 2009 Minister Garrett issued a press release in which he stated, ‘The Green Loans Program will involve a team of 1,000 assessors providing advice to 360,000 home owners.’ I have had several emails saying that people were advised by Mr Berry from the department that the assessors would be limited to 1,000 to 2,000 assessors for the program and that is why people paid up to \$3,000 each for training, because they assumed they would have four years work based on those kinds of figures. At what point was the department notified that many more than 2,000 assessors were in training or had been accredited?

Ms Kruk—Mr Thompson might wish to clarify what the minister’s statement was vis-a-vis the 1,000 assessors. From my recall—and I do need some assistance here—there were initial concerns about whether there would be adequate assessors trained to actually provide a reasonable level of coverage around Australia. I do not have the wording of Minister Garrett’s statement, but it seems to be inconsistent with my recall of what you are saying. Mr Thompson, do you have anything there to correct or clarify that?

Mr Thompson—Minister Garrett’s statement of 8 May 2009 was that: Australian home owners will be able to make their homes more energy and water efficient, with 1,000 homes sustainability assessors ready to begin work. That was not a reference to the number of assessors that would be accredited under the program.

Senator IAN MACDONALD—Yes, but were any representations made? I think every senator has been inundated with this information. Why is it out there in the community that there was this expectation that there would be a limited number of assessors?

Mr Thompson—I think in the last estimates hearings there was evidence that a minimum of 2,000—at that stage that was our projection of the number of assessors that would be required to deliver the program—assessors would be needed to deliver the assessments across the program. Of course, we have been working with ABSA, the Association of Building Sustainability Assessors, who have the role of accrediting assessors to deliver this program.

Then there is a second stage where the department contracts assessors under the program to deliver it. There is a two-step thing there.

On 26 August last year ABSA raised concerns about issues with some of the aspects of the program, the sustainability calculator, IT systems and the large volume of calls they were receiving about the program. At that stage, which I think is in the public domain now, they suggested a moratorium on new assessors until the systems were improved. The department met shortly after that, on 2 September, with ABSA to discuss a number of the issues, including the moratorium, and to seek to work through some of the issues that they had raised with other areas of the Green Loans system.

Senator IAN MACDONALD—If I may bring you back to the specific question. Is there any explanation that the department might be able to offer why there was this community expectation all around Australia that there would be a limited number of assessors? Was that just misinformation or was it from Mr Garrett's media release or was it also from representations made other than the media release?

Ms Mackie—The figure of 2,000 was thought to be what would be required, as Mr Thompson had said, with an interest in servicing all of Australia, including rural Australia. In the initial rollout of this program there was concern that the numbers were very low. The number of people wanting to participate as assessors was very low. The numbers of households wanting to do the assessments was very low. So, like some environmental programs, it was difficult to get it going. Now we are in a different situation where we have excess demand. The figure of 2,000 was what might have been needed for the program to work. I think the fundamental point on this issue is that the department did not take the position and does not take the position of limiting the number of assessors who could participate in the program.

Senator IAN MACDONALD—Just remind me again: how many assessors do we have?

Ms Mackie—There are 3,648, from memory.

Mr Thompson—Contracted to the department to provide that.

Senator ABETZ—You were of the view that you would need 2,000.

Mr Thompson—At that stage we were.

Senator ABETZ—Did that figure ever find its way into the public domain?

Mr Thompson—The 2,000?

Senator ABETZ—Yes.

Mr Thompson—As I said, that number was mentioned in the *Hansard* evidence given last time by an officer of this department. Again, I could take this on notice, but I am not aware of any other formal communication to the assessor sector about what target the department might have been aiming for.

Senator MILNE—I can return to that. I have several people who have said that they were informed by Mr Berry in the department that the assessors would be limited to 1,000 to 2,000 and it was on that basis that they worked out their business plan and spent the money for the training.

I would like to come back to the number of trained and accredited assessors and the number of people who have completed the training. I have been told that there are 5,000 trained and accredited assessors and another 5,000 people who have done the training. Can you repeat those figures on how many you think you have got trained and accredited currently and how many are trained?

Senator Wong—The evidence that Mr Thompson gave was contracted to the department.

Senator MILNE—I am asking how many are trained and accredited and how many have paid for the training and are not yet accredited?

Mr Thompson—The advice that I can be clear about is how many we have currently contracted to the department. That is in the order of 3,600 assessors. We understand from ABSA that there are another 1,400 who have already been trained and accredited, and that there are in the order of another 5,000 who are in the process of seeking accreditation. On that last number, as I understand it the great bulk of those people seeking accreditation came into play after ABSA announced its moratorium on accreditation.

Senator MILNE—I want to come back to this. I asked you when the department was informed that there were problems with the number of assessors who were being trained. Did you say it was 25 August?

Mr Thompson—No. That was not the intent of that evidence. I said on 26 August ABSA raised concerns about the program and off the back of that were concerned about whether there should be more assessors coming on to the program at that stage. From their point of view, as I understand it in looking at their advice to us, it was about whether they should pause accreditation pending the resolution of these issues and the programs; it was not about total numbers or total demand.

Senator MILNE—Nevertheless, you were informed in August that there were a lot of people who were now being trained and accredited, which was an issue for the organisation. What action did the department take? At any stage did you move in to give any instructions about this or to put a cap on it, or did you just leave it to ABSA to deal with?

Mr Thompson—I would like to answer that in two parts. The initial advice from ABSA was on 26 August. Again I would say that advice, if you look at it in context, was really about their concern, not that there were too many assessors, but concerns that the program itself was facing some issues and they wanted those resolved before accrediting any more. I think that is a different issue.

Senator MILNE—They never raised this as an issue?

Mr Thompson—I will get to that. I am working through a bit of a chronology here. Following that, as I said, not myself but departmental officials met with ABSA on 2 September. As I understand it, the department requested at that time that ABSA undertake a survey of registered training organisations to determine how many more assessors were likely to join the program. As I understand it, ABSA then came back with some advice to the department in mid-October detailing the results of that survey, which at that stage indicated that over 1,000 people were proposing to undertake training. That is an additional 1,000. It

was later on in November that ABSA raised concerns about the total number of people seeking accreditation.

Senator MILNE—When was that exactly?

Mr Thompson—In November. I do not have that precise date here. It was at that point that ABSA was proposing that they would put a moratorium in place. It was later on, on 6 November, that ABSA decided of their own volition to announce the moratorium.

Senator MILNE—What was the department's response? Why did you not act on this? It was a government program that was clearly going very badly, to the point where you had to go and make special arrangements with Fieldforce. Why did you not act at this point? People were incurring \$3,000 debts for training ongoing and now we have 5,000 of them having paid that money with no accreditation and if they get accredited there is now no work for them.

Mr Thompson—In terms of the chronology, the program, as you put it, was not going seriously right at that point. We were still in an area where we were trying to meet the demand for assessments. There had not been a spike in demand at that point. If you take the dates that I have just used, the spike in demand occurred later in December and then into January. The advice from ABSA and their concerns about total numbers of assessors was received at that point in early November. The department took the decision with an approach on principle, I suppose, of not wanting to limit operators within a market. From the outset of the program the decision to undertake training and seek accreditation has been a commercial decision made by individuals. What we have done in that context is inform people at every step of the way about how many bookings were being made and where the program was up to in terms of the total number of assessments, that is the commitment to reach 360,000 assessments. The e-newsletter to assessors and the Green Loans website states the number of home assessments booked and completed so that assessors and people who might be thinking about entering this sector can make an informed decision about the amount of business available. The department also made a very strong point of keeping ABSA informed on the take-up of assessments and on assessor numbers.

To come back to your original point, once ABSA put the moratorium in place I do not think they or anyone else predicted the impact that would have. What it led to was a significant increase in the number of people wanting to be trained as assessors, and that is the situation that we face now.

Senator MILNE—On the training of the assessors, have they undergone a nationally accredited training course?

Mr Thompson—There was no nationally accredited course available at the time the Green Loans Program was set up. The department has work in train at the moment in order to develop national accredited training modules.

Senator MILNE—Mr Berry has put in writing that DEEWR would cover the cost of assessors being upgraded to a certificate IV qualification and people are expecting that that will happen. Now, I understand, the department is saying that it does not have any knowledge of that. First of all I would like to know how is it that you embarked on allowing training that is not nationally accredited? You have a framework that you operate within. There was a Victorian training course, at least, that was an accredited course that could have been used as

a stepping stone. I would really like to know why you embarked on a training program without national accreditation and, secondly, whether DEEWR is going to cover the cost of being upgraded to a certificate IV qualification?

Senator Wong—In relation to the first question, I will ask Mr Thompson to respond. In relation to the second question, I am reluctant to deal with particular individuals in the department in an estimates process. You asserted in your question that you had written information about that. If you would provide that to the secretary, but I would ask that we be able to deal with that on notice, given that it deals with a named individual inside the department.

Senator MILNE—To the more general issue, is there a policy at the moment that the department will pay for the upgrading or not? Is that policy or not?

Mr Thompson—There is no policy which has been approved by the government to that effect.

CHAIR—Senator Macdonald.

Senator IAN MACDONALD—Is the department aware of the letter from Minister Garrett sent to the few people who do get the Green Loan promising them a \$50 Green Reward Card?

Mr Thompson—Yes. Just to clarify, that letter is sent to households who receive their assessment report, not to people who get a loan.

Senator IAN MACDONALD—It says:

... to help you get started, my Department will shortly be sending you a \$50 Green Reward Card which you can redeem at selected retail outlets to purchase eligible energy or water saving devices.

Can you tell me how many of those \$50 Green Reward Cards have been distributed?

Mr Thompson—The department is still finalising arrangements for the delivery of the Green Reward Cards to households.

Senator IAN MACDONALD—What date did these letters go out?

Mr Thompson—There would have been a range of dates. They would have gone out with the first assessment reports. I do not have the exact date when that first one would have been.

Senator IAN MACDONALD—Would it have been a couple of months ago?

Mr Thompson—A few months ago, yes.

Senator IAN MACDONALD—Those people are still waiting for their \$50 card.

Mr Thompson—Yes.

Senator IAN MACDONALD—Is it going to actually come?

Mr Thompson—The intention is to pay that, yes.

Senator IAN MACDONALD—If a commercial operation wrote to you and said, ‘You’ll shortly be receiving this as part of your deal’, and it had not turned up for three months they would be on to all the consumer organisations wanting to know where it was.

Mr Thompson—It is still the intention to send the Green Reward Card to those householders.

Senator IAN MACDONALD—When do you expect that it will go out?

Mr Thompson—Unfortunately, I cannot answer that.

Senator IAN MACDONALD—Would it be a month, six months or two years?

Mr Thompson—We will be finalising arrangements as quickly as we can.

Senator IAN MACDONALD—Can I tell people who have contacted me that they can expect their \$50 in a couple of months?

Senator Wong—Mr Thompson has said that the department will be finalising arrangements as quickly as possible and he is not able to give you the sort of time line you are seeking. If and when such a time line can be given, and obviously we would hope that it could be, then we will certainly provide that.

Senator IAN MACDONALD—Can you take on notice and try to get me a rough assessment? You will be able to work through what constraints there are before you.

Senator Wong—We can do that.

Senator IAN MACDONALD—Can you let us know approximately because some people are interested?

Mr Thompson—I appreciate that.

Senator IAN MACDONALD—Who are the selected retail outlets?

Mr Thompson—As I understand it, that is part of what is being settled in the contractual arrangements to finalise the Green Reward Card.

Senator IAN MACDONALD—What are the deals with these outlets? Are they charging you, the government, \$50 for these cards or are you going to get it at a discounted price of say \$45 and they will throw in the other \$5?

Mr Thompson—I am not in a position to go into more detail than that at this stage because it is the subject of negotiations.

Senator IAN MACDONALD—What can you tell us about the Green Reward Card system? Someone must have had an idea of what it was all about before you wrote to people and told them they were going to get this card.

Senator BIRMINGHAM—My recollection is that in the initial concept of the program householders were to be rebated \$50 extra for the cost of the assessment if they chose to take out a Green Loan. I am assuming that this is the rebate by a different guise. Is that a correct assumption?

Ms Mackie—The one that you just ran through was an original decision concept. In the 2008 press release it referred to a green renovation card. I understand that their thinking around that time in terms of program design was concern about the uptake of assessments, so the card was seen as an incentive for people to undertake the assessments. We are now working through the best arrangement to get the reward card out to people who have had the assessment reports sent out to date. The positioning of that mechanism within the program

shifted in the way that the program has responded to the market and the market has responded to the program.

Senator BIRMINGHAM—Is the card for everybody who has had an assessment undertaken, or just everybody who has gone on to apply for a loan?

Ms Mackie—No. It is separate to the loan. It is related to the assessment. The final decision is still under consideration.

Senator BIRMINGHAM—Are there actually 143,000 \$50 cards waiting to be distributed?

Ms Mackie—Not necessarily. That is still to be resolved.

Mr Thompson—The intention was to provide some incentive to households to act on advice that they received in their home sustainability assessment for those areas for which they would not require a loan.

Senator BIRMINGHAM—I am unclear what is to be resolved. Who was receiving the letters that Minister Garrett was sending out? Everybody who undertakes an assessment?

Mr Thompson—In order to clarify Ms Mackie's position, the government's position at this stage is that everyone who receives a household assessment will get a \$50 Green Reward card.

Senator BIRMINGHAM—But none of those \$50 award cards have been issued—

Mr Thompson—Not yet.

Senator BIRMINGHAM—You were undertaking the initial batch of trial assessments at the tail end of the last financial year, weren't you, so there would be people who have now been waiting seven months since their assessment for their \$50 card.

Mr Thompson—I am not sure that it is actually that long, because there was a bit of a delay, you might recall, in sending out that first batch of home sustainability assessments because they were part of a pilot. I do not think they have been waiting that long but it has been—

Senator BIRMINGHAM—It might be five or six months instead.

Mr Thompson—It is too long.

Senator IAN MACDONALD—A page was attached which outlines the eligible grants and conditions of using the card. Did that attached page go out with these letters?

Senator Wong—We do not seem to have a copy of the letter. I wonder if we can just—

Senator IAN MACDONALD—I can make mine available. I do not think it will identify the recipient. It says that attached is a sheet telling you what you can buy. I suspect the sheet was not there. But can you tell me what you can buy with the \$50?

Ms Mackie—I understand the reward card was designed to cover low-cost options such as low-flow shower heads and low-energy use light bulbs, things of that nature.

Senator IAN MACDONALD—But you are saying you do not have the conditions of use yet, so that is still being looked at?

Mr Thompson—That is right.

Senator IAN MACDONALD—You cannot give me any idea of who the selected retail outlets are?

Mr Thompson—Not at this stage.

Senator IAN MACDONALD—It would be quite a lucrative little contract for some organisation to get. Is the government going to tender for the people to accept the green card and hand over the light bulbs, shower heads or whatever?

Mr Thompson—In terms of how it is actually delivered, it is still being considered.

Senator IAN MACDONALD—Whose idea was the \$50 Green Reward card? Does that come down from the minister or is it a suggestion from the department?

Mr Thompson—It was part of the government's design of the program, the government's commitment under the program, as I understand it.

Senator IAN MACDONALD—So to all of us who are waiting for our \$50, thank Mr Garrett for it? That is his initiative, is it?

Senator Wong—It is government policy.

Mr Thompson—It is government policy and it is part of the government's commitment under the program.

Senator IAN MACDONALD—The letter does encourage you to go online to the Department of the Environment, Water, Heritage and the Arts new portal, www.livinggreener.gov.au. If you went to that site, is it there or is it still under development as well?

Mr Thompson—As I understand it that site is active and has been since August.

Senator IAN MACDONALD—It sets out the full range of federal rebates, initiatives and programs to support these actions. Does it contain that?

Mr Thompson—Yes, it is the suite of other energy efficiency programs which the government has committed to, including the home insulation program and the solar hot water rebate.

Senator IAN MACDONALD—But it would not tell you anything about the \$50 Green Reward card or the conditions of use?

Mr Thompson—I do not think so, but I would have to confirm that.

Senator IAN MACDONALD—I and some of the few people who have done the assessments will anxiously await your advice as to when they can expect their \$50 in the mail. But I might say I am more interested in which retail outlets are going to get it. I am sorry, what did you say when I asked whether you were going to tender for this process?

Mr Thompson—I said the mechanism we use to arrange and carry out the Green Loans program is still under consideration.

Senator IAN MACDONALD—It is the sort of thing Mitre 10 or Bunnings would probably love to get their hands on. I am just giving you a bit of help here.

Mr Thompson—Noted.

Senator IAN MACDONALD—But unless you give it to all of them, which is not quite so valuable, it would seem to have to be a selective tender, would it not, to make sure it is fair and that there is no favouritism?

Senator BIRMINGHAM—And to make sure that the money is actually spent on green merchandise.

Senator Wong—I am sure the department will take on board the suggestions, including Mitre 10 and Bunnings, and making sure it is on green merchandise.

Senator IAN MACDONALD—You want to ensure, as Senator Birmingham says, that you do not buy either a chainsaw or those carbon things you put in your barbecue that perhaps might emit carbon dioxide. So I would expect you would certainly have to have some rules around it. Anyway, we will anxiously await those.

Senator BIRMINGHAM—Does the process for how you are going to work out the \$50 bonus fall within either of the two audit processes that are being undertaken?

Mr Thompson—No. That is something which we have been working on for some time. The issues really go to how do we best have an arrangement for delivering this card, this service, to householders.

Ms Kruk—As I indicated, it is a broad remit. The external investigation will look at contracts and decisions. I do not want to actually limit the scope of the review, to be honest.

Senator BIRMINGHAM—Was this component just forgotten about somehow or totally overlooked at the time that you went live with the rest of the program? I understand problems with the rest of the program that are the result of take-up rates of assessments being higher or failures in modelling in terms of what the take-up of loans might be, or all of those other problems that exist, but the fact that a little more than seven months after you went live with the program towards the tail end of last financial year the mechanism by which you have actually been dishing out these \$50 has not been resolved does seem a little strange to me.

Mr Thompson—I accept that. It is not fair to characterise this part of the program as just being forgotten about though. I can assure you that there has been work undertaken consistently on it through the period. It has been more going to issues around the contract negotiations that I referred to earlier. I cannot really add much more to that.

Senator BIRMINGHAM—How many assessors does Fieldforce have?

Mr Thompson—It is in the order of 400 assessors.

Senator BIRMINGHAM—I know you took some data on notice there, but do you have any idea of the proportion of assessments that they have undertaken?

Mr Thompson—In total?

Senator BIRMINGHAM—Yes.

Mr Thompson—We think it is in the order of 30 per cent. That is 30 per cent of total assessments booked. We keep having to make this distinction between assessments carried out and assessments booked. Bookings are running ahead of assessments, obviously.

Senator BIRMINGHAM—In relation to the operation of the call centre, the call centre is operated by the department or outsourced by the department?

Mr Thompson—We use a mixed model. Datacom, who are our ICT contracted providers, provide most of the call centre infrastructure—correct me, colleagues, here if I am wrong—and a number of the call centre operators, but the department also provides some staff to the call centre to take calls.

Senator BIRMINGHAM—It is Datacom's technology in terms of the phones and the wiring and all of those types of things and a mix of staff involved?

Mr Thompson—And Datacom runs other call centres for the department, so it is a not inconsistent arrangement.

Senator BIRMINGHAM—What is the drop-out rate of calls at the data centre?

Mr Thompson—I do not have that information as a statistic.

Senator BIRMINGHAM—Could you take on notice the average number of daily calls, the average drop-out rate and the average hold time. Drop-out rates and hold times tend to be fairly closely related and will give further information to a number of the issues that Senator Milne was highlighting about just how hard it is and how long people are having to wait. If you give that on a weekly average or some type of average that is produced by Datacom I would have thought as a matter of course we can see whether steps have been made to improve those hold times or whether indeed, as many people have raised in complaints to us, that it seems as if hold times and those types of mechanisms are being used as a demand management system instead, or a demand suppression system even.

Mr Thompson—I understand why some might make that claim, but can I be very clear though that, as the secretary indicated in her opening statement, we have increased the resources to the call centre quite significantly from late January. That was in response to the significant spike in demand coming through the call centre for bookings at that time. While it may appear on the numbers that the level of service provided by the call centre has not improved, I can assure you that we have been working to significantly increase the resources there.

Senator BIRMINGHAM—Were any other providers or groups of assessors able to make email bookings over the Christmas period, aside from Fieldforce and their arrangement?

Mr Thompson—My understanding is that there were no other providers. Can I just be clear, though, because the department did—and I do not have the dates; my colleagues may have the dates—for a period of time enable all assessors, as I understand it, to be making email bookings. But we found that was creating a significant backlog of work and putting more pressure onto the call centre because people were trying to find out where their bookings were. As a result of that we closed down the email booking system. So you referred to an email there, and there are two different things.

Senator BIRMINGHAM—When was that closed down?

Mr Thompson—We had it operating, as I understand it, for two weeks after the call system reopened to full business as usual in January. We were trying to manage demand through that mechanism as well, but it was not successful.

Senator BIRMINGHAM—People who ring get an instant confirmation of their booking, but people who emailed in that time had to wait for a reply.

Mr Thompson—They would go into it, that is right. It had to be processed in a different way.

Senator BIRMINGHAM—You were finding the delays on those were too great, thereby adding to the burden elsewhere?

Mr Thompson—Yes, adding to the burden but also making it difficult for us to project demand for assessments under the program.

Senator BIRMINGHAM—Have any assessors under the program had their fees paid for under the New Enterprise Incentive Scheme?

Mr Thompson—I do not have any information on that.

Senator Wong—I am sorry, I was distracted. Can you repeat the question?

Senator BIRMINGHAM—Have any assessors under the program had their fees for their trading paid under the New Enterprise Incentive Scheme?

Mr Thompson—I think I now understand what you are talking about.

Senator Wong—This is the industry department?

Mr Thompson—Industry or DEEWR.

Senator BIRMINGHAM—I think it is DEEWR.

Mr Thompson—I am sorry, I did not quite grasp it there. We understand that some of them have. We do not have those numbers from DEEWR yet.

Senator BIRMINGHAM—If you could take that on notice, we will probably put it to DEEWR.

Senator Wong—We may need you to do that.

Senator BIRMINGHAM—Thank you.

Senator Wong—The department would not necessarily keep that information because that is an entitlement or a benefit to certain persons delivered through a different department and a different program.

Senator BIRMINGHAM—We will put the questions on notice here and in the other relevant committee and people can respond as appropriate. Lastly, in terms of assessments that are undertaken, what follow-up research is being undertaken by the department to see what actions people actually take?

Mr Thompson—We are planning an evaluation scheme to determine that. That is not operating yet. We wanted to try and bed down some of these issues before we set that in train fully, but we do intend to go back to households to talk to them about a range of things, including the quality of the assessment that they have received, so there would be a bit of quality control evaluation in that as well, but also how useful they found it and what action they were taking in response to that assessment, including those who decided not to take out a loan, which would be the bulk of them.

Senator BIRMINGHAM—I understand you have multiple other pressures to deal with at present but in terms of understanding why people are not taking out a loan and how the scheme might actually provide better value for taxpayers' money, the evaluation process is essential. Do you have a time line for when that will start?

Ms Kruk—That is proposed; that is obviously one of a number of learnings, but in terms of value for money, actually the higher take-up rate by householders of this assessment may actually have an overall environmental gain as well in terms of some of the carbon reduction targets. It is literally learnings on all fronts.

Senator BIRMINGHAM—Indeed it may, but that depends entirely on what householders are doing with their assessments and therefore an evaluation is essential.

Ms Kruk—Exactly. I thought you were just focusing on the loans component.

Senator BIRMINGHAM—No.

Ms Kruk—I apologise.

Senator BIRMINGHAM—The fact that there has been a non-take-up of the loans may well be mitigated by the fact that people are doing all sorts of other wonderful things; I accept that, but we do not know whether they are doing those wonderful things, we just know they are not taking up the loans.

Mr Thompson—The importance of that is not lost on us. One of the reasons the department considers this to be such an important program—and I know the government does—is that it is one of the few programs that gives an insight into the behaviour of households and their energy efficiency use. We understand there is significant capacity to not only increase energy efficiency and reduce carbon emissions but improve the other sustainability aspects of homes. In that sense it is new territory in many respects and the need for an evaluation and for follow-up on that is not lost on us.

Senator BIRMINGHAM—Related to this evaluation approach, for those who take out Green Loans what evaluation or assessment is there that those loans have been spent on appropriate things as recommended in their home assessments?

Mr Thompson—Again, evaluation on that front is caught up in the planning we are doing on evaluation across the whole program.

Senator BIRMINGHAM—So, the original assessor does not go back and see what people have done with their Green Loan? Do the people have to provide a statutory declaration in the application process to the bank that this is what they are planning to do with their Green Loan?

Mr Thompson—They do as part of the normal application, the same as they would if they were taking out a loan for a boat or other things; there would be that requirement. We do have a Green Loan declaration which we provide to financial institutions and they use with loan applicants.

Senator BIRMINGHAM—That is a tick-the-box that you are getting home insulation or whatever else it is that you might be doing?

Mr Thompson—That is right.

Senator BIRMINGHAM—And it commits them to doing certain fixed things of fixed value with their loan that can be assessed later?

Mr Thompson—That is right.

Senator MILNE—I will have a question on notice about whether the money is paid directly into their account or to a third party, as I think was originally envisaged, but I will come back to that. The issue that I want to come back to is the training. You said before there is no nationally accredited training course, so can you give the consumers of Australia a guarantee that every assessor is trained to the same standard or better? Is there a minimum training standard that you can guarantee?

Mr Thompson—Do you mean currently?

Senator MILNE—Currently. When an assessor turns up at somebody's house can I know that that person has had a minimum level of training, which is a standardised minimum level, or have we got a hundred people in a room watching *An Inconvenient Truth* and other people doing four days of training? What is the evenness of the training quality you can guarantee me?

Mr Thompson—I can only talk about what the department requires on two fronts, both in relation to the protocol that we have with ABSA and their accreditation processes—as we indicated before, PwC is assisting the department in auditing ABSA's accreditation processes—and that we require individual assessors who are contracted by the department to the program to certify that they have received training in the relevant module that was developed for the Green Loans program.

Senator MILNE—But for all those assessors that are employed by middle companies like Fieldforce and a whole range of others who are subcontracting, what guarantee is there that they have had any training?

Mr Thompson—I can only repeat my answer: I am not aware of the practice that you are talking about in terms of a situation where people are subcontracted beyond a training competency.

Senator MILNE—What is the training competency you have in your protocol with ABSA? What are you asking to guarantee that those people are trained; what is the minimum of that?

Mr Thompson—Just to deal with the comment you made in relation to Fieldforce, I would go back to the comment I made in relation to earlier questions about Fieldforce, that each of the assessors contracted by the department is contracted under the same terms and conditions, so we do not treat Fieldforce any differently in that sense. Their assessors are contracted in the same way.

Senator MILNE—So, their assessors are contracted to you or contracted to them?

Mr Thompson—We have a group contract as I understand it with Fieldforce, but each of their assessors is required to meet the same terms and conditions as every other assessor contracted.

Senator MILNE—So, what is the minimum level of training that I could have some guarantee that there is an evenness of quality of training across the country when someone turns up at my door to do an assessment?

Mr Thompson—Again, I can only talk about the module or the training standards or the training program that the department had put in place with ABSA's assistance. If you are asking me to give guarantees that training organisations did the right thing and did everything as they were meant to, I cannot give that guarantee.

Senator MILNE—How many of the training organisations offering the training to assessors are registered training organisations?

Ms Kruk—I did indicate earlier that this is one of the things that the PwC audit is actually looking at in terms of the quality of those training modules, because these are issues that have been aired, I think in the public arena as well, and that is one of the specific focuses of that audit. Sorry, I did not want to cut across your line of questioning, but I just had to clarify that.

Mr Thompson—From September all the training which is required had to be provided by registered training organisations and that is a requirement which is, as I understand it, checked by ABSA as part of the accreditation processes.

Senator MILNE—So, you are saying as of last September only registered training organisations were providing training courses?

Mr Thompson—No, I said that part of the requirement that ABSA places on those seeking accreditation as assessors is that training received by people as of September of last year is provided by registered training organisations.

Senator MILNE—What about between July and September last year?

Mr Thompson—Between July and September last year that requirement did not exist.

Senator MILNE—So, some of those trainers could have been trained by someone who had no idea, no experience in the building industry, no nothing; just turned up to do the train the trainer course?

Ms Mackie—My understanding is that ABSA developed a training course and that was provided to organisations in the train the trainer sense to provide the training, but it was not accredited.

Senator MILNE—I just have to say that I am appalled because I have tonnes of emails here from people who have genuine skills in this area regarding people who have gone straight out of any job into train the trainer and become a trainer for assessors—it is not an accredited program—and there is such a diversity of quality in what is being offered to the consumers that it is putting people off taking up some of these initiatives. Often the consumer knows a lot more than the assessor who turns up at their door. I want to know why was the department not overseeing this. You must have had the complaints; if we are getting them, you must have had them. Why did you not act on this training issue of uniformity of training and quality assurance? Where was the audit? Is there an audit process in the department on this program?

Mr Thompson—We have referred to the range of audits and inquiries that are happening at the moment, which have already been in train. I cannot add anything else to that.

Senator BIRMINGHAM—Are there any restrictions on assessors or requirements around assessors and cold canvassing?

Ms Mackie—My understanding is that assessors have to abide by the privacy laws and the Do Not Call Register but, apart from that, my understanding is that there is no restriction on canvassing.

Senator BIRMINGHAM—So, beyond that there is nothing to prohibit assessors from going door-to-door or whatever other means they wish to use to promote themselves?

Ms Mackie—Yes.

Senator BIRMINGHAM—Will the audits that are being undertaken look at whether there are any linkages or, in particular, financial arrangements put in place between any assessors or groups of assessors and home insulation installers?

Mr Thompson—That has not been contemplated at this stage. If you have information about that, we would be interested in hearing it. The addition I was going to make to Ms Mackie's comment was that we also have a complaints mechanism in place for people who indicate that there is a problem with assessors doing cold calls and those sorts of things or other complaints, and we have a compliance arrangement in place to follow up on those.

Senator MILNE—Can I just follow up on that because I am confused now? Did I just hear you say that the only restriction is the cold call register? Apart from that you can cold call; is that what you are saying?

Mr Thompson—The Do Not Call Register.

Senator MILNE—But apart from the Do Not Call Register, cold calling and canvassing is okay?

Mr Thompson—That is our understanding.

Senator MILNE—In the newsletter from DEWHA to assessors in September 2009 it was reiterated that home assessors are forbidden from cold calling and canvassing for households to sign up for an assessment, so how do you explain that?

Ms Mackie—I stand corrected on that.

Senator MILNE—I would like that clarified because Fieldforce has advertised call centres for cold calling and other assessors are being told they cannot do it. On this exact same issue of what is allowed and what is not allowed, the assessors are told that they cannot promote anybody else's products, et cetera, and yet Fieldforce gives bonuses for promoting their product. Now is that prohibited or not for an assessor?

Mr Thompson—Clearly we stand corrected on that previous advice, so we are going to have to get some clarification on that.

Senator MILNE—So, you do not know whether it is legal or not for an assessor to promote a product while they are doing the assessment? The home assessors believe they are

not allowed to do that and yet Fieldforce is doing it; and I am not saying they are the only ones doing it, there are probably others doing it as well.

Senator Wong—Excuse me for a second. I understand the issues you are raising and I think the department does. We will certainly endeavour to find out more detail on those. The question I asked Mr Thompson was, ‘What would be the mechanism by which the department could regulate that?’ Obviously, it may be through the contractual arrangements between the department and the assessors. But we do not have advice here as to the detail of that on that issue.

Senator MILNE—Perhaps you can take on notice three issues. The first is cold calling and canvassing. The second is promoting a brand, product or company. The third is branding. My understanding is that the assessors are bound by rules in terms of identifying the program as Green Loans and having to use government artwork and branding and that several people are advertising the program in their own branding. I want to know whether those three things are contractual obligations, whether they apply to everybody and, if so, who is auditing, following up and enforcing compliance.

Senator Wong—In relation to the third question, that may be an issue that is picked up in the audit that has been announced. In relation to the first two, unless Mr Thompson is able to assist further, we will take that on notice in terms of the detail that you have asked.

Mr Thompson—I do have a bit more information here, but what we will do is get back to you with a comprehensive answer. Part of it goes to, as you pointed out rightly, the advice that we have given to assessors under the program through our regular newsletter. Part of it also goes to what we require of assessors under the contract that we have with them. I can come back with that.

Senator MILNE—I would appreciate some clarity.

Senator BIRMINGHAM—And that clarity needs to be made very publicly available as soon as possible, both for assessors and for MPs. I suspect most MPs’ offices around the country will have fielded phone calls over the last six months from householders irate, confused or upset at not just Green Loans assessors or home sustainability assessors, but people trying to sell home insulation and the range of programs that are out there that all up may be providing a net environmental good; there are a lot of people very concerned about the door-to-door aspect of sales that has emerged from a number of these programs.

CHAIR—Are there any further matters to be examined under 2.1?

Senator BIRMINGHAM—I would like to go to the home insulation program. Once again I note an estimates last minute announcement from the minister that has kept us all busy digesting things in the last day or two. Was either the minister or the department warned about the prospects of electrocutions as a result of foil based insulation in advance of the program or in its early stages at all?

Mr Forbes—As part of the original program design we held consultations with industry, and that included consultations on occupational health and safety issues. Electrical issues were clearly identified very early on in the program and they were incorporated in training modules developed early on in the program.

Senator BIRMINGHAM—When you say they were identified early on in the program, were they identified just in the forums, workshops and consultations that you held or did you receive written advice highlighting these problems?

Mr Forbes—I am conscious that they certainly were raised with us in forums. Whether they were raised in writing in the early part of the program design I am not sure. I would have to take that on notice.

Senator BIRMINGHAM—Thank you. Obviously there are concerns that they were inadequate or the minister would not have, I assume, taken the decision he took today to suspend the use of foil insulation. What inadequacies has the department uncovered or accepted in this regard?

Mr Forbes—Because there have been some deaths associated with the installation of foil, that has required the department to look very closely at the use of foil in the installation process. These are serious issues for the program. If foil is installed correctly there are no safety issues associated with it, but clearly when you have deaths associated with the insulation and, despite having appropriate guidelines, if those guidelines were followed there would not be any problems with the installation. The fact that we have had people not following the guidelines, resulting in deaths, this requires us to be cautious in the way we go forward, and the minister has accordingly made a call to suspend it while we look at the further use of foil.

Mr Thompson—The guidelines are not just guidelines under the program. There are also regulations within states around occupational health and safety. These are installers for those purposes who may have breaches on that front as well.

Senator BIRMINGHAM—The minister initiated a review into aspects of this program or the more intense auditing of installations late last year. Could you give me some details on what those audits have uncovered?

Senator Wong—There have been a range of measures, from recollection, to improve the safety standards associated with this program. It might be useful if we can go through those. You refer to one aspect.

Ms Kruk—While the officers are getting a more detailed chronology, I would like to clarify that this program has been the subject of an ongoing audit. In effect, as Mr Thompson has indicated, it draws its powers very much from the OH&S laws and regulations in place at a state level. That is its legislative base. As issues have arisen through the conduct of the program—as you are aware, over a million homes are now insulated as a result of this program—a number of modifications have been made to the program. I think the specific incident that Mr Forbes is talking about that led to the announcement on the use of foil was actually an installer who was not operating by the existing rules of the program. Am I not right, Mr Forbes?

Mr Forbes—That is correct.

Ms Kruk—I did not want to cut across you in terms of running through the chronology of changes.

Mr Forbes—In the context of the compliance and audit framework, it is probably useful to get a broad feel for that. I think you were trying to get to the audits associated with the electrical incidents in the use of foil in Queensland. Before we get to that I think it is useful to give a broad framework for the compliance and audit frameworks, because this is a significant program and it does require us to have a very significant compliance and audit framework across-the-board, across all the operations associated with the program. That ranges from, firstly, the registration requirement through to the issue of insurance certificates, the issue of prepayment checks where we have automatic downloads coming from the Medicare system which allow us to look at various checks in terms of claims being made and in terms of installers, who is actually making those claims and where they are being made. We also, of course, have our complaints registers and external information that comes to us. We have quite significant targeted compliance arrangements as well. We have desktop audits. We have field audits. We have had significant roof inspections associated with it. For example, 11,000 roof inspections were done up to Christmas. There has also been a number of fraud investigations where information has had to be passed on to the Australian Federal Police in some instances. We have also had to go back to some of the installers in the context of written information and the like.

We have a very broad suite of compliance and audit frameworks in place. We have a contract with PricewaterhouseCoopers, which is not an insignificant contract. It is quite a large contract. It is a national activity. It is not actually confined to one particular state. We have it across the nation, because that is where the program is being delivered. Most of the activity is in Queensland and New South Wales, because that is where most of the installations are occurring. Given the issues associated with the initial problems with foil, which actually arose last October, when we undertook further industry consultation, we also then instituted some further measures, including the minister's undertaking to do a specific audit associated with foil installations in Queensland. We liaised with the Queensland government and PricewaterhouseCoopers to do a special audit of the foil installations.

Senator BIRMINGHAM—Overall do you know how many installations have been undertaken?

Senator Wong—In total?

Senator BIRMINGHAM—In total.

Mr Aaron Hughes—As at 31 January we have 1,055,011 installations.

Senator BIRMINGHAM—How many of those are foil versus pink batts?

Mr Forbes—Foil is a low percentage. It is around 43,000.

Mr Aaron Hughes—Nationwide.

Senator BIRMINGHAM—There were 11,000 inspections undertaken up till Christmas.

Mr Forbes—That was roof installations generally. But in the context of foil we have a special audit under way for foil in Queensland.

Senator BIRMINGHAM—What proportion of the 43,000 homes with foil installations will be audited under that special audit?

Mr Aaron Hughes—There are around 37,000 installations of foil in Queensland. The minister's announcement was along the lines of 10 per cent of those installations in Queensland.

Senator BIRMINGHAM—Around 3,700 inspections will be undertaken in Queensland. How many different foil installers were there in Queensland?

Mr Aaron Hughes—We would have to take that on notice.

Mr Forbes—We do not know the number. We can derive that, but we do not have that with us.

Senator BIRMINGHAM—Is the audit designed such that all installers will have their work audited at some point?

Mr Aaron Hughes—The exact audit methodology is not in front of us at the moment, but we can take that on notice as well.

Senator BIRMINGHAM—If you could.

Mr Forbes—It is designed to cover as randomly as possible. I am sure there is a random element to it, with some that may be targeted, but we will come back with the details on that. It is designed to ensure that we cover off the risk as best we can in the audit to see what sort of scale of issue there is.

Senator BIRMINGHAM—Obviously giving as broad a cross-reference as possible in terms of that risk is useful. I would have thought if 3,700 audits are being undertaken—dependent upon how many installers there are, but I would be doubtful there were more than 3,700 in Queensland—it would be sensible to structure it in a manner so that all were audited at least once. The random nature would then kick in as to just how many times they might be audited and where they might be audited.

Mr Forbes—We will come back on the details. One would assume that if it is well designed it would cover off those issues.

Senator BIRMINGHAM—Is there any consideration within government to auditing all of the houses that have foil insulation?

Mr Forbes—I think it is fair to suggest that we really need to look at the results of the first audit. We have only preliminary results of that so far. I think around 400 reports have come back. There is still a long way to go. The 400 reports is still a very low percentage.

Senator BIRMINGHAM—Four hundred of the 3,700 have been completed. What proportion of those have been found to be satisfactory? All of them?

Mr Thompson—No. As I understand it, we found around one per cent of houses actually need to be looked at pretty carefully because there seem to be some electrical issues associated with the installations or other pre-existing electrical problems.

Senator BIRMINGHAM—You are not saying that all of those issues necessarily relate to the insulation at this stage but that there needs to be a further assessment of those homes from a safety perspective, which is at present one per cent. That is a small number out of 400, but—

Mr Thompson—But it is still a safety question, of course.

Senator Wong—We may have the answer. We would appreciate it if you could just give us a minute.

Mr Aaron Hughes—Can I clarify something from before? The 10 per cent commitment of the minister related to the 10 per cent of installations that occurred at the time the ban on metal fasteners came in, so it is actually around the 2,200 mark as opposed to 3,700.

Senator BIRMINGHAM—Will there be any audits undertaken of homes where installation occurred post the ban?

Mr Aaron Hughes—Under that audit methodology I would not expect so. However, as Mr Forbes has said, the results of that methodology would guide any further audit approaches.

Senator BIRMINGHAM—How many refunds have had to be made to the department under the program or how many claims have been rejected?

Mr Aaron Hughes—Those are two different questions and in both cases we will have to take them on notice to give you a complete picture of what is happening. In terms of refunds, I assume you are talking about what we would call a voluntary recovery?

Senator BIRMINGHAM—Yes.

Mr Aaron Hughes—In that regard there are a number of installers who have confirmed or advised the department that they had made an error in claiming for a certain installation and that they would like to pay some money back. We would have to take on notice the actual number and quantum of that. The second item you mentioned was—

Senator BIRMINGHAM—Claims or applications rejected for payment.

Mr Aaron Hughes—We could not give you a firm figure on that, because it does fluctuate. Through the department's compliance processes we would potentially pend or hold a number of claims any given day on the basis of parameters that are set through the compliance processes. That number will obviously fluctuate for any given day as well, because we may approach an installer or a householder to confirm the suspicion that has come out of the compliance process. In terms of solid figures of what we have rejected, that is something that we would have to take on notice.

Senator BIRMINGHAM—How many instances of fraud have been referred to the AFP?

Mr Aaron Hughes—I am aware of three. However, I would need to check that figure as well for you.

Senator BIRMINGHAM—If you could, please. I will pursue some other detailed questions on notice.

Senator TROETH—What advice has the government received about a spike in the price of insulation since the pink batts program was announced in early February 2009?

Mr Aaron Hughes—As part of the program the department meets with industry very regularly and we take representations from industry regularly as well. In terms of a formal representation or an informal representation, we would have to take that on notice, because obviously industry representatives would make different representations to us all the time and we would have to do some work as to whether or not those representations were true in bearing out the number that we had.

Senator TROETH—Could you include in that answer over that time since early February 2009 how much the price has risen? We are also told that the government has been advised that there is no way that the Australian market could supply the rush for pink batts and that the program would provide a boost for jobs in China. Can you confirm that the government received such advice?

Mr Forbes—We were conscious of this when we were designing the program. Given the scale of the program, we consulted with industry on their capacity to upgrade their workforce and increase their shifts, which they did. Manufacturers in Australia increased their manufacturing capacity considerably, but at the same time it was also insufficient to cater for the likely demand. As a result of that, some importation has occurred.

Senator TROETH—Could you give me some details about how many batts are being imported from China?

Mr Forbes—That might be quite difficult to do, because we do not have statistics coming out of the ABS on that.

Mr Thompson—Part of what Mr Forbes is referring to is that disaggregated information on glasswool batt imports in particular, which is the main product installed under the program, is not available using the available statistics collections from Customs and ABS. Their statistics collections aggregate glasswool batt imports with other glass fibre products, so we cannot separate it out.

Senator TROETH—So, you would not have any idea how much those shipments from China were worth?

Mr Thompson—No, we do not. Given that, as I said, the glasswool batt product is I think the major product installed under the program, that is significant and it would probably overstate it completely or we would be guessing.

Ms Kruk—I think you understand—so I apologise for saying it, anyway—that the actual stimulus component of this scheme has a lot to do with the installation and the work that is generated as a result of the installation, despite the fact that a number of companies based in Australia geared up their operations considerably in this period. I think that has been stated.

Senator TROETH—Given that there still would have been some Chinese batts imported, do they fully meet Australian safety standards, including proper fire ratings?

Mr Aaron Hughes—It has been a requirement under the program guidelines that all insulation installed under the program meets Australian standards, and that requirement has been strengthened with the publication of the list of approved products under the program as well.

Senator TROETH—Would that include the Chinese product?

Mr Aaron Hughes—They would need to provide the department evidence of testing in order for us to allow it under the program.

Mr Thompson—Imported product has always had some place in the market and so those products would have had to comply previously with Australian standards.

Senator TROETH—I have a couple of comments from various states, which I am happy to use. Have any of the fires been linked to dodgy installation under the government's home insulation program? For instance, New South Wales quoted a growing number of fires started by insulation placed over downlights, with at least 26 fires this year. Western Australian fire authorities have reported at least one roof space fire each week. The Western Australian Department of Commerce warned that the federal government's insulation program had resulted in an increase in demand for roof insulation, which may attract inexperienced installers and there is a danger if the product is not being installed according to our strict safety guidelines. Do you have a comment on that?

Mr Forbes—There have been fires associated with insulation where it has not been installed correctly. I am conscious that in New South Wales the figures we have are around 35 and in Victoria around 27. I was not conscious of the WA figures. I am also conscious that there is always a frequency of fires in housing in roofs. There is no doubt that in this context we are very conscious that this is an issue and this is one reason we have a significant compliance regime associated with roof inspections, so that we can follow through on poor installation practice and the need to contact installers and also, in some cases, move to deregistration.

Senator TROETH—The minister, on 6 October 2009, stated, 'We have proposed for about 100 companies in the installation of insulation to be taken off the register.' Can you give me any idea what that updated number is now for companies that have been taken off the register?

Mr Aaron Hughes—There is quite a number that have been taken off the register as at this date. You will be aware with the changes that the minister announced late last year that, as part of the publication of the deregistered installer list, we needed to change the terms and conditions of the program. In changing those terms and conditions we asked every installer business who had registered to come back to us and confirm their acceptance of the terms and conditions. A number of those—at least 2,000—or more than that did not accept the new terms and conditions and so have been removed from the list. The ongoing compliance work has continued and that has meant that a number of others have been removed from the list and a number have actually been published on the deregistered installer list.

Senator TROETH—Could you give me an idea of what sort of breach they would need to commit to be delisted?

Mr Aaron Hughes—We could take that on notice, but largely it would be a breach of the terms and conditions and the program guidelines.

Senator TROETH—Is it Australia-wide or in any particular state or is there any particular concentration?

Mr Aaron Hughes—In terms of where the deregistered installers are?

Senator TROETH—Yes.

Mr Aaron Hughes—We would have to take that on notice as well.

Senator TROETH—Obviously there would be more in metropolitan cities, but I would like an idea of the spread Australia-wide.

Mr Aaron Hughes—We would also have an issue—and I would have to caveat there—that installer businesses register for the program. A business may be registered in a certain state but—

Senator TROETH—Yes, obviously. Have you published the names of people who do not measure up?

Mr Aaron Hughes—We have.

Senator TROETH—So, people will know that they could be at risk due to shonky installation. Recently the number of complaints about the program was put at around 1,200. Could you tell me what that is now?

Mr Thompson—While Mr Hughes is looking for that number, I understand that the percentage of the total insulation installations for which complaints have been received is around 0.62 of the total rollout. The actual number is—

Mr Aaron Hughes—The actual number is 6,607.

Senator TROETH—What were the main areas of complaints about the program?

Mr Aaron Hughes—In terms of numbers where those complaints sit, we would have to take that on notice. The department has a complaints handling process that categorises those complaints into those relating to such things as the quality of installation, the practices of installers, and potentially fire and safety risks as well. We can provide those numbers to you and the types of categories on notice.

Senator TROETH—Yes, I would appreciate that.

Ms Kruk—I think you understand that this program is unique—certainly from any other program I have seen. In effect, every householder is being asked whether they are satisfied with their service. I wish I were asked that question after, for instance, my plumber or electrician comes into my house. It is a level of scrutiny that is unknown in this regard. To have a 0.6 complaint rate is actually—

Senator TROETH—That is people who applied under this program?

Ms Kruk—Yes.

Senator TROETH—Yes, I appreciate that.

Mr Thompson—There was a bit of toing and froing I think with Senator Birmingham about the commitment to do electrical safety inspections in Queensland, and we talked about 10 per cent of homes. The target that was set at 2 November was 10 per cent. As I understand it, while there were a certain number of homes that would have potentially had metal fasteners used in foil insulation in homes at that time, we are applying the audit to homes that had foil insulation installed post that as a way of checking to see whether metal fasteners are continuing to be used. The audit program extends a bit in that sense. We had a couple of goes at that and did not quite crack it.

Senator BIRMINGHAM—Is it back to the early advice, in that sense?

Mr Thompson—It probably is, yes.

Senator BIRMINGHAM—So, it is 10 per cent of the 37,000?

Mr Thompson—Yes.

Senator BIRMINGHAM—Thank you.

Mr Thompson—No, that is not correct. We just want to get this right. I am afraid we might have misled you and we did not intend to.

Ms Howlett—The target was set at the date of the announcement. It was 10 per cent of the installations at that date, which gives a target of 2,200. But the inspections have not been confined to installations prior to that date, because around that time the minister banned the use of metal fasteners. In order to assist our compliance activities, the inspections have ranged from the full extent of the program.

Senator BIRMINGHAM—It will be 2,200 assessments of all homes that have had foil insulation in Queensland?

Senator Wong—Pre and post.

Senator BIRMINGHAM—That is pre and post the metal fasteners ban.

Ms Kruk—Thank you for your patience.

CHAIR—I remind the committee and officers that we can revisit all of these issues in the inquiry that this committee is undertaking into the energy efficiency home packages.

Senator BIRMINGHAM—I know that made Mr Thompson's night.

Senator TROETH—Is National Solar Schools in this program?

CHAIR—It is. We also have questions from Senator Milne on solar panels.

Senator TROETH—Solar schools?

CHAIR—Yes.

Senator TROETH—Late last year that program was suspended until July 2010?

Mr Aaron Hughes—That is correct.

Senator TROETH—It was suspended without notice and simply relayed to sections of the solar industry by email, with a change on the website. Up till that point how many schools had received funding?

Mr Aaron Hughes—Up to the point of the announcement?

Senator TROETH—Yes.

Mr Aaron Hughes—I would have to take that on notice.

Senator TROETH—Yes.

Mr Thompson—When the program was temporarily suspended on 15 October last year the department had already paid or committed to pay claims to schools totalling \$44.53 million.

Senator TROETH—Could you also give me a list of which schools up to that point, not necessarily now, but perhaps on notice?

Mr Aaron Hughes—Yes.

Senator TROETH—And in which electorates they would be?

Mr Aaron Hughes—Yes.

Senator TROETH—Are we able to explore this in the inquiry?

CHAIR—No; the inquiry is about pink batts.

Senator TROETH—I will go on with this now. How many grants were there for solar and other renewable power systems?

Senator Wong—Under this program?

Senator TROETH—Under that program, yes.

Senator Wong—So, what is the total number of grants which comprised the \$44.53 million?

Mr Thompson—Since the program commenced on 1 July 2008 more than 2,500 claims have been approved. I can give some more detail on that. Individual grants to 1,372 schools have been approved.

Senator TROETH—I would like to know the number of grants for solar and other renewable power systems and the total cost; the number of grants for solar hot water systems and the total cost; the number of grants for rainwater tanks and the total cost; the number of grants for ‘a range of energy efficiency measures’ and the total cost? If I could have those in due course that would be appreciated.

Mr Thompson—Yes, we can take it on notice.

Senator TROETH—How many schools simply registered for the \$50,000 rebate?

Mr Thompson—Since the program commenced on 1 July and up to the point where the program was suspended in October, more than 5,200 schools have registered to participate in the program.

Senator TROETH—Thank you. Also, included in those questions on notice: what feedback has the government received from schools, and also the solar industry, in terms of complaints?

Mr Thompson—We can take that on notice.

Senator TROETH—Thank you. Those are all my questions.

CHAIR—Thank you. Senator Milne.

Senator MILNE—I wanted to talk about the solar program and the accusation that the department has lost thousands of solar panel applications and is months overdue in paying installers. Could you tell me how many solar panel applications have been lost?

Mr Thompson—Are you referring to the Solar Homes and Communities Plan?

Senator MILNE—This is the rebate that is meant to be paid back to the installers and companies. They argue that they are many millions of dollars out of pocket.

Mr Thompson—It is the Solar Homes and Communities Plan. Your question is in two parts. The first part goes to the number of claims that are missing. We are aware of claims in regard to those missing claims and we have this under investigation. We have been liaising

with the Ombudsman's Office on appropriate handling of this matter, and no decision has been taken at this time on the precise handling.

Senator MILNE—How many do you estimate have been lost? Just in one newspaper article three companies were referred to as 1,900 all added up; 600 from one company, 500 from another and 800 from another. So, that is 1,900. How many other complaints have you had about the applications that are lost?

Mr Thompson—Based on the information that we have, I am not prepared to give a number. As I said, there are ones that are claimed to be missing, there are claims and counterclaims being made by the industry, so I am not prepared to say what we put that number at at this point in time.

Senator MILNE—How is it possible that they could be lost? What is happening in your system that applications disappear? Nineteen hundred is a lot.

Ms Kruk—This is a contestable space in terms of individuals and companies attempting to demonstrate that they were actually able to receive the rebate. This is in the closure of the program. That is why Mr Thompson is taking this question on some caution. They are being looked at in terms of the veracity of the claim and whether they have in effect been lost or were not received. Mr Thompson, am I correct?

Mr Thompson—That is correct.

Senator MILNE—The other issue is late payment. Having just gone through this with the Green Loans Program, I am concerned that there was an accusation that one company was owed \$3 million after 17 weeks. Another company was owed \$2 million and forced to take out a high interest emergency loan costing it \$200,000 because of late payment. What is going on? I see there is an explanation that more resources have been put into this area—more resources into the call centre and more resources into paying. What is the story here? What is your standard in terms of when you expect to pay? What do you promise people about when you pay and why are you not meeting that?

Mr Thompson—You know there was a very large increase in demand for this program in its latter days. There was a 40 per cent increase in the volume of claims to process in the period October to December 2009, which under any reasonable test is pretty inordinate. The department provided increased resources for a period, including part of that period, to increase staff from 42 to 62 to deal with that backlog. I can assure you that we are working through claims as quickly as the resources permit and we are also working with the industry and have tried to work with them to prioritise the order of payments, where possible. On the website we have the time taken to process claims and have advised people to contact us if they have not received a claim within that period.

Senator MILNE—What is the standard for payment of claims? Is it 30 days? Is that what you would expect? Notwithstanding that is not what you are meeting, but what is the standard?

Mr Thompson—The time changes because of the amount of work coming in and the delay there, but we are seeking to make those payments within six weeks.

Senator MILNE—Within six weeks?

Mr Thompson—That is right.

Senator MILNE—What do you do about the fact that people have to go to bridging finance because you are not paying in a reasonable time?

Mr Thompson—As I said, we are trying to work with individual companies in the industry to prioritise claims where we can do that and where it is feasible and reasonable.

Senator MILNE—Can you take on notice how many payments are outstanding beyond 30 days?

Mr Thompson—Yes.

Senator MILNE—You said there is an ombudsman process. What is going on with that?

Mr Thompson—No. There is a process in relation to the missing applications. We are proactively dealing with the ombudsman's office about the fairest means of dealing with that issue.

Senator MILNE—Who is auditing this non-payment within a reasonable period?

Senator Wong—This is separate from the ombudsman process.

Senator MILNE—You surely must have internal systems that point to failures such as this and how to overcome it. You said that you have put more staff on.

Mr Thompson—Yes, that is right.

Senator MILNE—You cannot tell me at this point how many payments are outstanding beyond 30 days, which most people would regard as reasonable?

Mr Thompson—No, I cannot. I do not have that information, but I am not saying that information does not exist. As I said, we had a huge increase in the number of applications being received. We identified an issue and we acted to increase staff. That indicates that the system was telling us there was a problem.

Senator MILNE—On notice I would like to know how many contestable claims there are in terms of whether an application was lost or missing, notwithstanding you would contest whether it is lost or missing?

Mr Thompson—Yes.

Senator MILNE—Thank you.

CHAIR—Are there any further questions under program 2.1?

Senator BIRMINGHAM—I will try to be very quick. I would like to ask something of the officers who look after the now defunct renewable remote power generation program. How much of the \$7.1 million solar power plant for Coober Pedy that was announced with much fanfare and hype by the minister and Premier Rann on 19 February 2008 has been constructed?

Mr Carter—I am struggling to find my place. Would you mind repeating that question so it is clear?

Senator BIRMINGHAM—Yes. How much of the \$7.1 million solar power plant for Coober Pedy announced on 19 February 2008 by Minister Garrett and Premier Rann has been constructed?

Mr Carter—enGen submitted a revised proposal for Coober Pedy on 19 October 2009 using First Solar as a primary contractor, replacing Solar Systems. The revised proposal was approved on 9 December and the funding agreement is currently being negotiated. As the senator will be aware, we had some issues with Solar Systems being placed in liquidation and some delays around that project as a result.

Senator BIRMINGHAM—Who is the new proposal with?

Mr Carter—enGen submitted a revised proposal for Coober Pedy using First Solar.

Senator BIRMINGHAM—Who submitted?

Mr Carter—‘enGen’. E-N-G-E-N.

Senator BIRMINGHAM—EnGen submitted a new proposal on 19 October 2009 that was approved by the department on 9 December 2009. Does that new proposal involve a different party to construct or operate—or what is the change?

Mr Carter—It is the party constructing as the primary contractor.

Senator BIRMINGHAM—Who is the new party?

Mr Carter—First Solar.

Senator BIRMINGHAM—The minister and Premier Rann said, ‘When it is completed, at the end of 2009, it will generate about 1,860 megawatt hours a year—13 per cent of Coober Pedy’s total electricity requirements.’ Quite clearly, the first part of that statement has long since passed us by, in terms of its completion at the end of 2009. When will it be completed?

Mr Carter—I do not have that information so I will have to take that on notice. As I mentioned, the funding agreement is currently being negotiated.

Senator BIRMINGHAM—Is the funding agreement for the same amount, of \$3.55 million, under the Renewable Remote Power Generation Program?

Mr Carter—I understand that it is, but I might just confirm that. My understanding is that it is for the same quantum, but I will have to check that and take it on notice.

Senator BIRMINGHAM—If you could take that on notice it would be appreciated. And, related to that, could you check that it is for the same specs, in terms of the amount of energy that will be generated, that there will be 26 dishes, each one 14 metres high and tracking the arc of the sun, and all of those statements the minister and Premier Rann were quoted as making at the time.

Minister, I do not expect that you can answer this one on behalf of your colleague, but I want to put it on the record. I would not have to raise this here tonight if Minister Garrett had answered the question asked by the member for Grey, placed on notice in the House of Representatives on 11 August last year and again on 26 October last year when, I believe, the Speaker even raised it with Minister Garrett. We find ourselves asking it here because the member for Grey—not unreasonably, after some seven months of asking the minister what

was going on about this project—decided this was a far quicker way of getting answers. I thank Mr Carter for being able to provide the answers that Minister Garrett did not deign to provide the House of Representatives.

Senator Wong—Was there a question in that?

Senator BIRMINGHAM—If you can explain why Minister Garrett did not answer his questions to the House of Representatives.

Senator Wong—I do not think that was a question.

CHAIR—We will move to program 2.2, the management of hazardous waste substances and pollutants.

Senator FISHER—I have a question regarding some decisions, recent and not so recent, of the Environment Protection and Heritage Council, which I understand is made up of ministers from the Commonwealth, state and territories, New Zealand and PNG. They next meet on 5 July 2010 in Darwin, is that right?

Dr Wright—Yes, that is correct.

Senator FISHER—Thank you. For now, as I understand it, the Environment Protection and Heritage Council—EPHC, if that is the lingo—does not endorse regulatory action to ban the use of or charge for plastic bags.

Dr Wright—That is correct.

Senator FISHER—Can you outline the reasons why?

Dr Wright—The reasons why it has not been banned is that a national approach is not cost effective. Some jurisdictions have decided to proceed with introducing various approaches such as a ban on plastic bags which has been introduced in South Australia. Other jurisdictions are considering levies but there has not been an agreement on a unified national approach. Jurisdictions have some differences in their preferred approaches and there has not been agreement to date on a clear national scheme. The focus has moved from an EPHC perspective to looking at setting standards for degradability of plastic bags, in particular composting standards for biodegradable plastic bags. Draft standards were released about a week ago by Standards Australia for consultation.

Senator FISHER—Thank you. What does that mean then for Minister Garrett's indication in January 2008 on *Sky News*:

We want to phase them out, so do the states. We think it is absolutely critical that we get cracking on it.

What has happened to Minister Garrett's declaration?

Dr Wright—Environment ministers have considered the matter in greater detail and their views on the directions have evolved since that time.

Mr Thompson—If I could add that the statement that came out of EPHC also had the council continuing to express concern about the environmental impacts of plastic bag usage in Australia and endorsing the use of alternatives to plastic bags, such as reusable bags.

Senator FISHER—Mr Thompson, where was that from?

Mr Thompson—I am paraphrasing part of the response from the Environment Protection and Heritage Council.

Senator FISHER—And when was that response given, and response to what?

Mr Thompson—This was when they last considered plastic bags.

Dr Wright—The first consideration was in April 2008 when EPHC considered that the cost of legislative action to ban or mandate a price on plastic bags far outweighed the benefits. Subsequently, ministers emphasised that they were keen to address the problem and that there were other avenues with which to do so, including encouraging standards for degradability.

Senator FISHER—You referred to that before. When was that decision made and where is it publicly available? Was that when they met in November 2009?

Dr Wright—I will just check.

Mr Thompson—In terms of public availability it would have been characterised in the communique from EPHC.

Senator FISHER—If you tell me when that was it would help.

Dr Wright—It would have been that statement in November 2008 and it would be available on the EPHC website.

Senator FISHER—I did not read anything about plastic bags in the communique from their meeting in 2009. It was quite conspicuous in its absence.

Dr Wright—Following the consideration in April 2008 and the subsequent meeting—there are only two meetings per annum—ministers refocused their efforts on to standards on degradability.

Senator FISHER—Has the Commonwealth asked for plastic bags to be listed as an item for debate at the next meeting in July?

Dr Wright—The agenda has not yet been settled but plastic bags are normally discussed at some point at these meetings because ministers keep their fingers on the pulse. It never quite slips off the agenda.

Senator FISHER— Well, apparently plastic bags do not. Are you doing preparatory work for that meeting in respect of plastic bags?

Mr Thompson—There is no specific preparatory work for that meeting. What we have in train is work relating to the commitment that EPHC ministers have already made on degradable plastics, which Ms Wright referred to.

Senator FISHER—Which might be a bag ban backflip in some people's lingo.

Senator LUNDY—Do you support the policy?

Senator FISHER—That is what I am asking the Commonwealth about.

Senator LUNDY—I would be interested to know the Liberal Party's policy.

Senator FISHER—Here are the people of whom we ask questions, Senator.

Senator LUNDY—I know, I am just curious because it would be interesting background to your questions.

Senator FISHER—Has the department commissioned any reports since 2008 into the future of shopping bags in Australia?

Senator Wong—All shopping bags or just plastic ones?

Senator FISHER—Thank you, the so-called single-use plastic bags.

Dr Wright—The research that has been commissioned is into the toxicity and biodegradability of plastic bags. As I just indicated, the draft standard on home composting for biodegradable plastic bags has just been issued for consultation. If a standard is put in place then it is possible for individuals, companies and governments to then seek to apply that standard. It is a significant first step.

Senator FISHER—Okay, and obviously the standard is public?

Dr Wright—Yes, it is available on the Standards Australia website.

Senator FISHER—Thank you.

CHAIR—Are there any further questions under program 2.2? If not, I thank the officers of the department for their attendance.

[9.13 pm]

National Water Commission

CHAIR—I welcome officers from the National Water Commission. Thank you for joining us.

Senator BIRMINGHAM—What research projects or papers has the commission conducted into supplementing potable water supplies with recycled water, in particular stormwater runoff?

Mr Matthews—I am afraid I will have to take that on notice. We have not got that information with us.

Senator Wong—Senator, I am aware or I think I am aware of this. My recollection is there was some CSIRO work done on this issue, so you may want to address the question to them. Obviously, drinking water is also subject to national drinking water quality guidelines, which I think are under the Department of Health and Ageing but I will just check that with officers. Mr Matthews says I am right.

Senator BIRMINGHAM—Rather than asking what research, I will ask: has the commission conducted research into supplementing potable water supplies with recycled water and, in particular, stormwater run-off?

Mr Matthews—As I said, we have not got that information at hand. There has been some work but not research, as I recall. I cannot add any value until I get the records on our *Waterlines* publications.

Senator BIRMINGHAM—Did the commission provide any advice to the minister or to the department in relation to the terms of reference for the \$1.8 million funding for stormwater harvesting research announced by the minister recently?

Senator Wong—Under which program, Senator?

Senator BIRMINGHAM—Your announcement was on 1 February, so it was quite recent.

Senator FISHER—Was it the Cities as Water Supply Catchments research program? It is the one referred to in your press release, Minister, of 1 February.

Senator BIRMINGHAM—Thank you, Senator Fisher.

Mr Cameron—That is an initiative under the Raising National Water Standards program, which is a program administered by the Water Commission.

Senator BIRMINGHAM—It is a program administered by the Water Commission?

Mr Cameron—Yes.

Senator BIRMINGHAM—Excellent; thank you. That program is the Raising the National Water Standards program?

Mr Cameron—That is correct.

Senator BIRMINGHAM—Thank you. Will this research look at reuse options for stormwater? I expect it will, given the title of it and the minister's announcement. Will it also consider all such options, including use as potable water?

Mr Cameron—The \$1.8 million funding announcement made by the minister is a contribution to a broader initiative, the cities as catchments initiative, which is coordinated by Monash University and involves a consortium including the Melbourne and Queensland universities and a number of other organisations. Its purpose is to assist governments and communities to harness the potential of stormwater in a safe and sustainable manner. It will develop, over the next five years, a work program of research and product development in this area. We expect it would look at issues of that sort.

Senator BIRMINGHAM—Sorry—you would expect it to look at issues of which sort?

Mr Cameron—It would look at the question of the safe use of stormwater in the water supply for urban areas.

Senator Wong—I have just been handed a copy of my press release. This is the one which refers to the improvement in water security by easing demand on drinking water supplies and providing fit-for-purpose water for use on parks, ovals and other suitable applications. Is that right? It is in the penultimate paragraph or the third to last one.

Senator BIRMINGHAM—The first says that the project 'will deliver a blueprint to progressing water-sensitive cities.' The other reads, 'It will deliver a "how to" guide—'

Senator Wong—Could I make sure we are all working off the same press release, please? Yours has two pages. Could someone give me a copy of my press release, please?

Senator BIRMINGHAM—I have two documents here. One is the printout from the National Water Commission website of Cities as Water Supply Catchments—obviously a research brief—and the other is your press release, Minister, entitled '\$1.8 million for stormwater harvesting and water sensitive cities'.

Senator Wong—I wonder if you would be so kind as to perhaps allow us to get a copy of both of those so that we are working off the same document?

Senator BIRMINGHAM—Certainly.

Senator Wong—There are quite a number of projects under this program. I am not being critical but in the absence of knowing this was coming we do not have all the detail on it.

Senator BIRMINGHAM—I will continue—and interrupt if need be along the way, Minister. Well, not interrupt but call a halt to—

Senator Wong—I am going to put that up in lights and give it to some of your colleagues.

Senator BIRMINGHAM—It is not an open-ended invitation for the rest of the night. Mr Cameron, you expect it will look at the potential for the safe use of stormwater supplies as part of the drinking supply?

Mr Cameron—To clarify, fit for purpose use in urban water supply. As the minister pointed out, it would include use for parks and other purposes, but the primary focus is the question of the safe and sustainable use of those potential water supplies.

Senator BIRMINGHAM—Is it safe to say that the research project starts with an open mind as to what stormwater may be used for and will look at the health and safety, cost and effectiveness, and all of those other parameters surrounding it, as part of the study?

Mr Cameron—This initiative, as I mentioned, is led by Monash University. It will develop a series of research work activities and I cannot comment right now on the range of issues that it will focus on. The commission will be involved in the ongoing governance arrangements for the project as it develops.

Senator BIRMINGHAM—The research brief on your website, amongst other things about the important knowledge gaps that it will look at, says in the last dot point ‘better understand perceived public health risks’. Public health risks can relate, I guess, to use in non-potable contexts such as the risk of application to parks and gardens but I would have thought that potable context would be one of those public health risks.

Senator Wong—You are asking us to read into the words ‘better understand perceived public health risks’ an assertion about use as potable water. That is what you are asking us to do, right? I am not sure we can do that. This is a research brief. As you know, within the department there is funding for stormwater. The projects funded to date, by recollection, are for fit-for-purpose projects. Hopefully someone from DEWHA will jump and down if I have just misled you. This is a project that was recommended by the commission and funded.

Senator BIRMINGHAM—Has the commission looked at all at the possibility of people drinking what might be called road run-off or stormwater captured from roads, roofs and elsewhere? Is that a possibility that the commission has looked at in any of its work?

Mr Matthews—The commission looks at all the options that are available. Stormwater is certainly a resource that can be used better and more widely. This program, as the minister has been saying, does not have any particular focus, certainly no particular focus on potable reuse. But stormwater is a resource that could be used better and we are convinced that it needs to be looked at more seriously. We think this is a serious research program. There are all sorts of parties that have subscribed to it and we put our shoulder to the wheel as well.

Senator BIRMINGHAM—Has the commission ever ruled out the prospect, for health or economic reasons, of the use of stormwater as a supplement to the potable water supply?

Mr Matthews—The commission has not, but nor would it be for us to do that. The commission's consistent position has been that all options should be on the table and that these decisions should be informed by science and guided by a rational public process. But we have certainly encouraged an open mind.

Senator BIRMINGHAM—Has the commission investigated what costs and environmental benefits stormwater harvesting and reuse may have compared to those of desalination?

Mr Matthews—Not that I can immediately bring to mind. There has been a publication—though it is some years old now—that tried to give a rank order of different forms of different water sources. That would be as close as anything to your question. And it is not in great detail.

Senator BIRMINGHAM—If you could take that question on notice to see if anything else comes to mind and to bring to our attention that publication you mentioned, Mr Matthews, even if it is a little old.

Mr Matthews—We are happy to do that.

Senator XENOPHON—I know from my discussions with Colin Pitman from Salisbury council, who has done a lot of work on this, that there is stormwater for non-portable use and for potable use. It seems that there are continuing advances in the technology and techniques to use it for potable use. Is that something that the commission takes into account? Is the commission monitoring the advances, processes and technology with respect to the use of stormwater? In other words, does the commission see that there are new techniques on the horizon that will allow for a wider use of stormwater harvesting?

Mr Matthews—We try to keep abreast of the state of science. I think it is undeniably true that there are advances that are improving things. For example, the reverse osmosis technology and membrane technology are improving constantly. That is almost a question of fact.

Senator FISHER—When I asked you about your good work that you were doing into domestic water restrictions in particular in estimates in May last year, the answer was you were doing a report and considering whether you would release it. I am pleased that you have since released the report. When was the decision made to release it and were there any objections from any of the parties? The indication was you had to consult with the stakeholders as to whether or not you could release it.

Mr Matthews—There were no specific objections. This was a project that the commission led on behalf of all jurisdictions across Australia. I think it is no secret that sometimes getting a final decision through those intergovernmental processes takes time, and that was what held it up. No, there was not a sharp disagreement among different jurisdictions. All jurisdictions eventually agreed that it was quite acceptable to release.

Senator FISHER—It was released with, from my perspective, surprisingly little fanfare. It was picked up, but was there a media release that accompanied the publication of the report? I could not find one.

Mr Matthews—From memory, that was released on the National Water Commission's website, which is one means that we use for releasing these sorts of products. Part of the reason for that is that it was a shared product so it was appropriate for it to be released not by a single party claiming ownership of a common product.

Senator FISHER—Have you asked for a response to the report from the National Water Initiative parties, in terms of the conclusions and recommendations?

Mr Matthews—The next step now, having completed that report, is that there is a COAG working group which is responsible for it. I understand they have some more work to do, but that is a question that I think you would need to put to the department rather than the commission because it is their responsibility.

Senator FISHER—I see—you have done the report and handed it over. Mr Matthews, can you provide any information, though, on the limitations referred to in the report on data and information about the effectiveness of restrictions in reducing consumption?

Mr Matthews—I think the point that was being made was that it is difficult to estimate those impacts because—

Senator FISHER—Precisely. So, if that is the aim of water restrictions, how do you measure? Hence my question.

Mr Matthews—You can measure the difference between levels of consumption before and levels of consumption after but, as in many of these things, it is very difficult to say whether there is a causal relationship. That is one principal problem. It is also difficult to generalise because it is different from city to city because of climatic and cultural differences and urban density generally. It is difficult to attribute to restrictions some of the structural change that happens—for example, the installation of dual-flush toilets and other structural improvements that are not directly related to water restrictions but do have an enduring effect on the level of consumption in that city. They are some of the factors that underline that statement in the report.

Senator FISHER—In your view, from the report, can you ever find and sustain a link between the imposition of water restrictions and reduced consumption? Can you ever find and sustain a causal link?

Mr Matthews—Strictly speaking, probably not—but I think that would be being a bit theoretical. Most reasonable people would be able to see that there was a connection between the imposition of water restrictions and a rapid reduction immediately afterwards of water consumption. That is intuitively sensible.

Senator FISHER—Yes, you have referred to that previously. But thereafter what happens, Mr Matthews? Demand hardens and reform fatigue sets in, and where does the use usually trend?

Mr Matthews—That is true. That is still our view and that is one reason—

Senator FISHER—Upwards.

Mr Matthews—why afterwards it tends to move upwards. That is one reason why we think that water restrictions have a role which should be kept as a reserve measure rather than

an indefinite measure. They should be used as a surge capacity when the availability of water sharply reduces quickly.

Senator FISHER—Given your report, on what basis can any government claim the success of water restrictions in reducing water consumption?

Mr Matthews—If I may say so, I think your interpretation is a bit harsher than the report itself. The report does not dismiss out of hand that water restrictions are effective. It does make the point that you have drawn out that it is difficult to establish a causal relationship.

Senator FISHER—Attribute causation—actually, you highlighted that.

Mr Matthews—But the commission's view has never been that water restrictions are valueless. The commission's view has always been that water restrictions have a place but it is not an indefinite place.

Senator FISHER—So they serve a purpose for a limited time?

Mr Matthews—They serve a purpose but not forever.

Senator FISHER—Thank you.

Senator XENOPHON—I have a question to the minister on the recent Auditor-General's report on the Water Smart program under the previous government, which the minister is familiar with. There were criticisms made of the processes involved and the lack of transparency in that. As I understand it there is now a different process in place and that it is now in the hands of your department. But, given the Auditor-General's criticism of where some questionable projects were funded against the advice of the National Water Commission, what safeguards are in place so that the matters that were the subject of the recent Auditor-General's report will not occur again? That is with respect to the funding of those projects. I am not sure whether the commission wants to focus on that.

Senator Wong—Mr Matthews may or may not wish to comment on that report. In relation to the administration of the program now—because this report related to the period under the previous government—you may wish to ask the department some questions about what has occurred since. The administration of the program was transferred to the department. This does relate to this program. The government—and I think Minister Tanner had carriage of this issue—released revised Commonwealth Grant Guidelines in July last year. My recollection is that they were revised at that time, but I might ask someone from the department to confirm that.

These required transparent and accountable decision-making processes and timely public reporting through agency websites. The guidelines apply to all grant decision makers and, in particular, require ministers to: first, receive agency advice on the merits of a proposed grant before making a decision; second, report to the Minister for Finance and Deregulation if the minister approves a grant in their own electorate—and that relates to House of Representatives ministers; and finally, to report to the Minister for Finance and Deregulation all instances where a grant has been approved against the advice of the relevant agency, including a brief statement of reasons.

Senator XENOPHON—On that final answer, if the National Water Commission gives its expert advice—

Senator Wong—It would no longer be their advice, because the program is now administered by the department.

Ms Kruk—I have met with the Audit Office as part of their finalisation of the audit. Obviously we are now bound by the new government guidelines, but the reality is that we are also looking at the lessons that came out of this particular audit and applying those to our programs to see if there is anything else we need to tweak as a result of this report.

Senator XENOPHON—Can you just clarify this. I understand that the commission does not make the recommendations or give the advice. But, if advice or opinion is sought from the commission or any other expert body about the funding of a project and the funding still goes ahead, to what extent is there some transparency in that process?

Ms Kruk—I think the minister read out the transparency requirements for when there is a difference of view but I think the minister is also clarifying that it is not the commission anymore.

Senator Wong—It would be open to me to ask the commission for advice. But if your question is about either those circumstances or circumstances where advice came from the department, which would now normally be the case under the program given that they now administer it, the Commonwealth Grant Guidelines apply. If a minister chooses to approve a grant against the advice they have to disclose that to the minister for finance and provide a brief summary of the reasons for that.

Senator XENOPHON—But it is not publicly disclosed at this stage?

Senator Wong—I have to say that I do not recall to what extent Finance makes those public or whether those can be ascertained.

Ms Kruk—The reason I am hesitating is that I do not remember it occurring in my time at all, so we might get a bit of advice on it.

Senator XENOPHON—Perhaps if it is on notice.

Ms Kruk—Yes.

Senator XENOPHON—I do not know if the minister has a view that it would be prudent in those cases where funding occurs against the advice of the department for it to be publicly disclosed.

Senator Wong—I would suggest that that is probably a question that should go to Mr Tanner's representative because he is the responsible minister for the reporting framework and the guidelines.

Senator XENOPHON—Okay, thank you. Could that be taken on notice?

Ms Kruk—Yes.

Senator Wong—We can transfer the question.

Senator XENOPHON—But certainly there are lessons to be learnt from the Auditor-General's report.

Senator Wong—Absolutely.

Ms Kruk—Thank you, Senator.

CHAIR—Thank you, Senator Xenophon. I propose we take a tea-break now.

Proceedings suspended from 9.40 pm to 9.57 pm

CHAIR—We will resume proceedings. We now have outcome 4—the department and the Murray-Darling Basin Authority. Thank you, everybody, for joining us this evening.

Senator BIRMINGHAM—Let us start with the good news. Pleasingly, the drought update that at least I noticed issued in November, which predicted fairly average falls in the southern basin and drier than normal in the northern basin, has, happily, proved wrong. Obviously, we are aware of some of the falls around Christmas in the northern basin and what, to date, has been reported as flows that are likely to reach Menindee, There have also, of course, been some subsequent falls that, I gather, have seen levels in the Balonne and elsewhere rising in the last week that presumably will add to those flows further. What are the latest estimates for potential inflows into the Menindee region?

Mr Freeman—Dealing with the Darling, the rain event that occurred just over the end of December, with a short break over New Year's Day and then again in the first few days of the new year was quite local; however, it fell with such intensity that there was significant run-off. It is fair to say that that event has generated significant water. At the moment, we are anticipating the volume of water at Menindee Lakes will be of the order of 850 gegalitres. The New South Wales government is also estimating that it is of that order—so it is around 800 to 850 gegalitres. There are quite a few uncertainties around that volume, in that the actual flow that went through Bourke was in excess of 1,000 gegalitres. However, between Bourke and Wilcannia it spread out over the floodplain and some of that water is evaporating; and, once it gets onto the floodplain, some of it is disconnected so it does not actually flow back in. The expected Wilcannia flows are some 940 gegalitres. So at Bourke it was 1,340 gegalitres, at Wilcannia it is 940 gegalitres, and we are now predicting that that volume, by the time it gets to Menindee Lakes, will be of the order of 850 gegalitres.

I think you are aware that there was an agreement between New South Wales and South Australia that New South Wales would not operate the full extent of Menindee Lakes. Menindee Lakes is actually a series of four lakes, as people are well aware. Filling those first two lakes, Lake Wetherell and Lake Pamamaroo, generates about 610 gegalitres at surcharge. The lakes do not come under authority control until they get to 640 gegalitres. However, it would not make much sense to anybody to any extent to fill the third lake, which is actually Lake Menindee. Something of the order of 500 gegalitres would be lost, because it has not had significant water in it for some eight years.

The agreement was not to fill Menindee Lakes more than 480 gigs—so you can do a quick subtraction there; it is about 850. The lakes were sitting at about 120 gegalitres when that decision was made, so about 360 gegalitres actually goes into Menindee Lakes to bring it up to 480. There are losses in the order of 90 gigs, because they will actually surcharge those lakes to take the peak off this flood so it does not cause any damage, and also it allows us to re-regulate it back into Lake Victoria once it hits the main stem of the Murray. So there will be some losses in there, but the alternative, if you let the flood go past, would be that you would lose it and not be able to re-regulate it. So we are anticipating that the flow to the

Murray stem is of the order of about 350 gigalitres. There is another 80 or so gigalitres that gets lost between Menindee Lakes and Wellington.

Senator BIRMINGHAM—To the Murray stem?

Mr Freeman—Yes—sorry, up to Wentworth.

Senator BIRMINGHAM—Right.

Mr Freeman—So, by the time it gets to Wentworth, there is about another 90 gigalitres that is lost.

Senator BIRMINGHAM—I thought that was Wentworth, but—

Mr Freeman—Yes, sorry.

Senator BIRMINGHAM—That is okay. It is late, Mr Freeman; we appreciate that. Thank you. Those figures and volumes, I take it, relate at this stage purely to the pre-Christmas and New Year rainfalls, not to any of the more recent ones?

Mr Freeman—Yes, that is correct. Those figures have no additional inflows. In fact, with the most recent rain events there been two issues. There has been good soaking rain, as the farmers would call it, so there has certainly been a lot less run-off than in the late December, early January events. They have generally occurred in three areas. They have occurred in the Paroo, and the Paroo is disconnected from the Darling so, while it will have good benefit to the Paroo, it will not generate any resources into the Darling. There are significant flows at Charleville. However, Charleville, again, is quite disconnected. In 2007 there was a 2,000-gigalitre flood in Charleville which generated 200 gigalitres in the Darling. So there is a lot of water lost in that connection, and certainly this rain event is nothing of the order of 2,000 gigalitres and it has fallen in such a way that it is soaking into the ground. The other rain events were up towards Roma and those will flow eventually into the Warrego, but Beardmore Dam will capture all of those, because Beardmore Dam in Queensland is essentially empty.

Senator BIRMINGHAM—Okay. So do you have any estimate at this stage of how much—and it does not sound like much—might make it into the Darling?

Mr Freeman—Our view is there will be no additional impact from this most recent event.

Senator BIRMINGHAM—Okay. None at all?

Mr Freeman—That is correct.

Senator BIRMINGHAM—Right. Thank you. In relation to the agreement that was struck between New South Wales and South Australia, was the basin authority consulted in the development of that agreement?

Mr Freeman—The authority, under the act, attends the Murray-Darling Basin Officials Committee, so we were there, present, as that agreement was developed. However, I think it is fair to say there was an initial agreement prior to the BOC meeting, which was the New South Wales decision not to take Menindee Lakes above 480 gigalitres and, in doing that, to guarantee 100 gigalitres to the Lower Lakes. So that had already been decided, but I was present for the balance of the decisions.

Senator BIRMINGHAM—Mr Freeman, the document titled *Management of Menindee Lakes releases to South Australia*, from the New South Wales government Office of Water, has a couple of paragraphs:

If there were to be additional inflows into the Menindee Lakes from a subsequent event, the NSW Office of Water would surcharge Lake Wetherell and Lake Pamamaroo to 609 GL.

That is consistent with what you said. It goes on:

Then depending on the additional volumes—

which is living in a hopeful world, but we are all hopeful—

would divert water into Lake Menindee and later Cawndilla if the volume would ensure a minimum of 400 to 500 GL in these lakes.

Can I just check your understanding of that additional statement there, particularly given your statement before that almost 500 gig would be soaked up in Lake Menindee if it were released into it. Is this a statement saying if we had 1,000 gigs to put into Lake Menindee, we would put it in so that it went up to 500?

Mr Freeman—It is probably a little more complex than that. There is the potential to put about 100 gigitalitres into Menindee Lake. So you already have 609 or 610, from surcharging the two previous lakes. At 80 gigitalitres it is likely to trigger the 640, which would then bring it under authority control. That would be essentially when it occurs. Having done that, the 80 gigitalitres would disappear, so it would actually rise for a short while only to soak into the ground. It would mean that the Menindee Lakes were then in the authority's control, but there would be no sense in putting the additional volume in unless you knew there was going to be a subsequent rain event. We would concur with New South Wales advice that it makes sense at this stage to not put any water in Menindee Lake, and whether they take it to 480 or 610 is their decision. It would not make any sense, given the current extent of that rain event, to put the additional water into Menindee Lakes and just have it evaporate and seep.

Senator BIRMINGHAM—Just so I am clear, under this agreement what would be the minimum flows required into the Menindee Lakes system to see water stored in or diverted into Lake Menindee?

Mr Freeman—This agreement does not extend to volumes above that notional 350 potentially as high as 380 volume that you could get. The agreement certainly does not make reference to flows above that.

Senator BIRMINGHAM—So how should we read the statement, 'depending on the additional volumes would divert water into Lake Menindee and Lake Cawndilla if the volume would ensure a minimum of 450 to 500 GL in these lakes'?

Mr Freeman—What New South Wales is saying is that if there is a subsequent event the first step would be to surcharge the current two lakes, Lake Wetherell and Lake Cawndilla, to 610, and clearly they would make a decision. If you knew it was going to be a volume of 500, the best decision would clearly be to put it into Menindee Lake. If it is a volume something significantly less than that, the best alternative would be to shepherd it down into the Murray.

Senator BIRMINGHAM—Looking longer term, are there any plans to change the current arrangements around the management of the Menindee Lakes, and in particular the 640 trigger threshold and the related management arrangements that exist around that?

Mr Freeman—There are two responses to that, one of which I will refer to the department. The authority must review the Murray Darling Basin Agreement to ensure it is consistent with the basin plan. So, when the basin plan is completed, then there is a statutory review of the Murray Darling Basin Agreement to ensure that it is consistent. That is one opportunity. In the interim, though, jurisdictions have agreed to undertake a review under the auspices of the Basin Officials Committee. It is appropriate that Dr Horne cover that.

Dr Horne—The Basin Officials Committee has agreed, in the context of a review of major issues perceived with the Murray-Darling agreement that we are currently undertaking at the moment, to look at the whole issue of the Menindee Lakes. We have a secretariat and a number of consultants who are commencing that work. Through the course of this year, we will be reviewing papers—papers are being prepared on a whole range of issues—and looking at which issues need to be looked at further. Clearly, I think we would all expect that the nature of the Menindee clauses in the agreement are ones which will require further detailed consideration. You can take it that the review process is commencing but it will be a fairly lengthy process.

Senator XENOPHON—Can I ask a supplementary question in relation to that. Dr Horne, if the New South Wales government, for whatever reason, did not want to review the 640-gigalitre rule, what would that mean? If New South Wales did not want to review that rule, how could it be changed and at what point could it be changed? Would the Basin Plan have to come into force for that rule to be reviewed if one party did not want it to be reviewed?

Dr Horne—The review of the agreement requires consensus. So any agreement will need an overall package of changes. New South Wales clearly has, if you like, the largest issue or leverage chip, and that is the Menindee clause. And it will no doubt use that clause.

Senator XENOPHON—So an absent agreement from the New South Wales government, and that 640 gigalitre rule could be with us for many years to come?

Mr Freeman—Chair, with your concurrence, I have a diagram that puts this latest Menindee inflow into context, which I can leave for the committee. It shows 120 years of records and the 2010 event with the anticipated volumes is this little dot down here. In about 30 per cent of years, we would see less water flowing down the Darling River, but in 70 per cent of years we would see more. In fact, this is less than half the long-term median. So it is a relatively small event, although I am always thankful for whatever water we get in the system. I can table that diagram, if it helps the committee.

CHAIR—Thank you.

Dr Horne—Senator, if I can take that one step further. The arrangement which we have in place is clearly there because the Murray-Darling Basin Agreement comes through from the old arrangements. It is there and a function of the old arrangements, and we are in the process of working that through:

Senator XENOPHON—But, essentially, in the absence of New South Wales agreeing to change the rule, we are kind of stuck with it for the current period, I think you said.

Dr Horne—That is right.

Senator XENOPHON—What is your definition of ‘current period’ in this context?

Dr Horne—After the basin plan is introduced, it could lead to a review of the basin plan at some future point in time.

Senator XENOPHON—But we are several years away from that, aren’t we?

Dr Horne—Yes. The basin plan would need to be introduced in the first instance.

Senator Wong—Obviously, Senator, in the interim, there is a significant amount of work being undertaken by the federal government, for the first time, to in fact return water to the rivers ahead of the basin plan coming into effect, recognising that the state shares were preserved under the arrangements that Mr Turnbull, when minister, also put in place. Those policies and programs are, amongst other things, infrastructure as well as a substantial amount of water purchase. They are an investment in what we know will be coming, sustainable diversion limits, which we anticipate will be below the current extraction rates.

Senator XENOPHON—I appreciate that. I am just trying to understand in relation to the 640-gigalitre rule, in the absence of New South Wales agreeing to change that rule, if that could be overridden by the new water-sharing plan in several years time. Is that something that New South Wales could still have a veto power over in relation to that 640-gigalitre rule? That is my discrete question. I think the answer is that it is—

Senator Wong—The Murray-Darling Basin agreement requires consent by the parties to be altered, and this is an aspect of that. So what the states did give the Commonwealth was essentially the basin-wide planning powers, which Mr Freeman’s organisation is exercising, and the right to set the limit on extraction that the authority has in its plan—after consultation with the states, but the Commonwealth sets the limit.

Dr Horne—Perhaps I can just go one step further. You will recall that the reasons behind the 640-gigalitre rule were around protecting the Broken Hill water supply, effectively, in the longer term. One of the major programs that we have in fact commenced, as we have talked about a number of times in this place, is an attempt to look at whether there are more efficient ways to provide a secure water supply for Broken Hill. If that work shows that there are massively improved methods then that will be one approach that the Commonwealth can bring to the table in suggesting new arrangements.

Senator XENOPHON—Sure. I think it was raised two or three estimates ago. Just finally—I do not want to hold up Senator Birmingham—can I put this on notice: could you indicate what the progress of engineering works has been in terms of Menindee Lakes and securing Broken Hill’s water supply, because that seems to be the nub of the issue. Broken Hill deserves a secure water supply, but there would be a massive loss, given the current structure of the lakes. Thank you.

Senator Wong—What are you seeking, Senator?

Senator XENOPHON—Just an update on both the engineering works and any progress with respect to securing Broken Hill's water supply, and—

Senator Wong—Ms Harwood can probably provide you with some information on what has occurred to date.

Senator BIRMINGHAM—I was going to ask the same question, so I would be grateful for at least a quick briefing.

Ms Harwood—There are investigative studies taking place at the moment, looking among the options to see which investment in infrastructure would give the best outcomes in terms of securing Broken Hill's water supply and more efficient water management at Menindee Lakes itself. They are due to report at the end of February in one case and at the end of March in another. So when we have that suite of studies, including the investigation of managed aquifer recharge, we will be able to look at what the best investment decision to take forward is.

Senator XENOPHON—I put my hand up for a briefing when that becomes available.

Senator Wong—We would be happy to provide that, Senator. Obviously, there are a number of issues. You have raised one, Broken Hill's future water supply, and then of course: what is the best way to reconfigure Menindee Lakes? So these are not small projects, and not a lot was done previously. So we are seeking to progress it as quickly as possible. It would be a very major infrastructure project.

Senator XENOPHON—Finally, Minister, would you consider this. I spoke to the Darling River Action Group back in 2008 and they expressed frustration over the lack of progress, not at the Commonwealth level but at the state level, in advancing this project. Do you think that is a fair criticism?

Senator Wong—This project has been talked about well before I became the minister.

Senator XENOPHON—Exactly, but you understand their frustration.

Senator Wong—I have visited Broken Hill and I understand the frustration of people given this has been talked about for many years. What I can say is we have invested the money in major investigations that are looking at the scientific underpinning of what works need to occur. As I said, there are really two very significant issues which have to be dealt with, Broken Hill's water supply and then how you would reconfigure Menindee Lakes, which is a very significant infrastructure project. But we are certainly committed to progressing this as quickly as possible and ensuring that it is also done thoroughly.

Senator XENOPHON—Must it be done with the cooperation of New South Wales as it is a joint project or is that something that the Commonwealth can do?

Senator Wong—Certainly one of the projects was jointly funded. I am not sure that the second one was.

Ms Harwood—We are funding the work on managed aquifer recharge, looking at the opportunities there. The project looking at reconfiguration or the most efficient way of operating the lakes is jointly funded.

Senator XENOPHON—Thank you.

Senator Wong—One of the projects is just Commonwealth funded, from memory.

Senator BIRMINGHAM—Do you expect those reports will be able to be made public or are there reasons why they will not be?

Senator Wong—I am not sure we have considered that. I would certainly consider whatever advice the department gave and make a decision about that. I understand there is a great deal of public interest in this.

Senator BIRMINGHAM—Can I go back to where we were around the management of Menindee Lakes and the issues that Senator Xenophon was raising, following on from my questions. Is it correct that, even when the national basin plan is taking effect and states have to submit their new plans to comply with that, as long as the New South Wales plan complies there is no requirement for New South Wales to change the current management arrangements around Menindee Lakes and the current triggers and thresholds, so not without their agreement?

Mr Freeman—I think it is fair to say that the agreement could not be changed without New South Wales's agreement.

Senator Wong—Or South Australia's.

Mr Freeman—That is right—all the jurisdictions. The issue here is that the authority's review means that we have got to bring the agreement into alignment with the basin plan. However, it is constrained because you cannot affect state shares. There are two numbers on the table here. There is 640 and 480, when it actually goes into New South Wales's control on the way down. It is possible that a review will highlight that you can vary those numbers and still preserve state shares. So there is potential but at the end of the day the agreement cannot be changed without the consensus of all jurisdictions, but this would certainly be in scope in that review.

Senator BIRMINGHAM—Thank you and I appreciate that and the updated information on infrastructure around Menindee. I have some other infrastructure questions but I am conscious of the need to share the time.

CHAIR—Yes, we have other senators wanting to ask questions. Senator Siewert, do you have questions?

Senator SIEWERT—I have specific questions around some Snowy issues. I am happy to wait.

CHAIR—I think Senator Wortley has questions. We will go to Senator Wortley.

Senator WORTLEY—I have one specifically for Mr Freeman. It has been addressed partly by some of the answers that have been provided. I am wondering if he can explain to the committee the key changes brought about by the IGA on basin reform with basin states and how they compare to the old Murray-Darling Basin Commission arrangements that were in place beforehand, so we can have one on one hand and then another on the other hand.

Mr Freeman—The fundamental difference is the changing of the words in the Murray-Darling Basin agreement from 'commission' to 'authority'. Most of the decisions were previously collective decisions. They were consensus decisions. Those decisions, in the vast majority of cases, now rest with the authority. The ministerial council approves a corporate plan on an annual basis. It is a high-level strategic plan. Then, as a general comment,

decisions within that framework are actually made by the authority rather than made by collective decision making jurisdictions. That is the fundamental difference between the new agreement and the old one.

Senator WORTLEY—Thank you. I have some other questions but they are on different topics.

CHAIR—Senator Siewert?

Senator SIEWERT—I do have other questions, but I want to follow-up an answer you provided me with on the Snowy hydro scheme. I want to ask that a bit later, though. In terms of where the rainfall is, we have addressed where we are at with Menindee Lakes. Beyond that, what is the overall scenario for the rest of the basin? We have had falls in the Paroo, Charleville and Roma. What does that do for the Darling system per se? You have answered the question about it not making it to Menindee, but I am after details of the health of the system.

Mr Freeman—Probably, it is best addressed in two stories. One is the connected Murray system, which includes the Murrumbidgee and all the rivers in Victoria and New South Wales that flow into the Murray. We are coming out of an incredibly dry sequence and, whilst rainfall is starting to get back to the traditional sort of rainfall that we might have expected, this year is fronting up to be about the 16th driest in 118 years of record. So we still have this issue that there is no correlation between rainfall and run-off. That is the legacy of the last three years. Last year was the eighth driest in 117 years, the previous year was the third driest and 2006-07 was the driest ever. So we have had a wicked combination of very dry years.

With the Murray system it is fair to say that there is some recovery, but it is a long way from where we would expect it to be. Current water in storage is about 40 per cent of what you would expect normally at this time of the year. So I think it is fair to talk about the Murray system from the perspective of water in storages. It is highly regulated, so you get a feel for the health of the river system. We do have significant flows for the first year going through the Edward, Wakool and other anabranches, so I think the Murray is certainly doing better this year. But we have got this legacy of 10 dry years, essentially. Certainly the last three have been a real problem.

With the Darling it is probably not fair to talk about water in storages; it is not a fair indicator of what is happening in the Darling. If you look at the last three years, rainfall in the northern basin has been about average. However, it has the same issue: a very dry legacy. With the flows in the Darling, as I have indicated, in 30 per cent of years there would be less than that and in 70 per cent of years there would be greater than that, so it is probably doing slightly better. What is clearly coming out is the high variability in the northern basin. A year ago I would have said that the northern basin was tracking along in a way that was not dissimilar to the southern basin. We have had a good year in the northern basin. It is highly localised. Those large rain events in December and January did very little for any of the environmental assets. They actually missed all the environmental assets, which was a disappointment from one perspective. So the rain was highly localised in rivers such as the Castlereagh.

It has been suggested that I might explain what an anabranch is. An anabranch is where you have a tributary that runs off the river system, only to rejoin the river system later on. Those river systems generally get good flows during peak flow periods. So when you have lots of water going down the Murray the anabranches are full. Chowilla is essentially a set of anabranches. When you get very low flows, the flood plain suffers and the anabranches are the first thing that becomes disconnected.

We are starting to see some return of environmental water. I think it is fair to say that we are achieving good environmental outcomes with minimal environmental water. That is both through the Commonwealth Environmental Water Holder and the Living Murray water. But certainly we need a lot more.

Senator SIEWERT—When you say you are achieving good environmental outcomes, can you explain that a little bit more. You said that most of the rainfall has missed our environmental assets. I presume in that case that you are talking about the Macquarie Marshes?

Mr Freeman—That is correct. Again, there are two stories. In the northern basin, the Darling, a lot of the rain has missed the environmental assets. My comments around some of the environmental assets getting the benefit is Murray-centric. That is where we can regulate water. We can push it through, often with mechanical support. There are environmental benefits along the Murray but there is a long way to go. There is no doubt that the flood plain is doing it incredibly tough, but we are seeing the first return to some reasonable flows.

Senator Wong—Senator, if you want details on the use of environmental water, we can get the Commonwealth Environmental Water Holder. That is him there.

Senator SIEWERT—That would be appreciated, actually. Has he got some water to manage now?

Senator Wong—Absolutely.

Senator BIRMINGHAM—Is he holding much water?

Senator Wong—I could say all sorts of things about 12 years et cetera, Senator, but I am getting too tired to.

Senator BIRMINGHAM—You can save that for the next questions.

Mr Robinson—Our holdings started the year at about 60 gigalitres of entitlement, and currently, as of 5 February, they are 563 gigalitres of entitlements. Allocations in the course of the year have been, I believe, about 67 or 66 gigalitres and we have made decisions essentially to use most of that already.

Senator SIEWERT—Of the 67?

Mr Robinson—Yes.

Senator SIEWERT—You have said that from your holdings you are going to allocate 67, or 66.

Mr Robinson—65, to be more accurate.

Senator SIEWERT—Okay, 65. But now you are deciding where you are going to allocate it?

Mr Robinson—No, we have decided, and it has been announced. All our decisions have been announced and decided. We have about two gigalitres of allocation remaining, and 1.4 of it is contingency for one environmental watering event we have going—in case we need it to supplement it—so there is a balance of about half a gigalitre available.

Senator SIEWERT—When you expect to use that?

Mr Robinson—It is not a lot of water in the scheme of things, but we are looking at some decisions at the moment. As I said, we have announced a decision on overwhelming the water we have had available. As Mr Freeman said, at the moment the allocations in some of the northern rivers such as the Gwydir, the Lachlan and the Macquarie are at zero, as they were last year. The Macquarie is actually bit worse than last year. The Murrumbidgee is about the same as last year. Allocations in the Murray and the connected rivers are generally better than last year, but still quite a bit below long-term average.

Senator Wong—Just so we avoid any issue later, the difference between the figure that Mr Robinson gave you and the figures I have announced for water purchase in terms of the number of gigalitres of entitlement would be, I assume, the transfer of title to you, Mr Robinson.

Mr Robinson—That is right. The purchase program is managed so contracts are exchanged, they are settled and they are later registered on state water registers. When they are registered they become part of the Commonwealth environmental water holdings and we get allocations. There can be a few months delay in that.

Senator SIEWERT—I think we have been through this a couple of times before, so thank you. I must admit I did not get a chance to write down all the places where you said allocations are at zero at the moment. Is it possible for you to table that information?

Mr Robinson—I could probably just go through it very quickly.

Senator SIEWERT—Okay.

Mr Robinson—In areas where we have a significant amount of water, the Gwydir general security water is at zero allocation and high security is a 100 per cent—we in fact do not have any high-security water in the Gwydir.

In the Lachlan, high security is at 10 per cent compared to 30 per cent at the same time last year. General security, where we have a lot of water, is at zero—the Lachlan is in a very, very dry state. I think there is about six per cent in the dam.

In the Macquarie, where we have a fair bit of general security water, last year it was eight per cent and this year it is zero per cent. I might just mention that during the December-January period, there was a supplementary water event in the Macquarie. It was not a huge supplementary water event, but we got the first allocations against supplementary water entitlements, and that together with water from the New South Wales government was directed to the Macquarie marshes. It was not, as I said, hugely significant—it was about 1,000 megalitres between us and New South Wales—but it was nonetheless a supplementary water event.

In the Murrumbidgee, where we have a lot of general security water, allocations are currently at 18 per cent compared to 21 per cent last year. As I mentioned, the Murray allocations are generally a bit better than last year. New South Wales Murray is currently 13 per cent compared to nine per cent last year. High security in the Goulburn Valley is 56 per cent compared to 29 per cent last year. The Victorian Murray high security is 63 per cent compared to 35 per cent at the same time last year. And South Australian Murray water is 48 per cent compared to 18 per cent at the same time last year.

Mr Freeman—There is an additional tranche of water with regard to the Living Murray which is not included in the Commonwealth Environmental Water Holders allocations. That is also quite significant this year. Regarding the Living Murray licences and their various products, there is about 941 gigalitres of actual licences, but if you convert those to the long-term cap equivalent, it is approximately 500 gigalitres of licence because of varying security. This year's water allocation against those licences is 113.9 gigalitres. Of that, 69.97—almost 70—gigalitres have been allocated. The largest component of that was the 48.3, which has been allocated to Lake Albert in South Australia and various other small projects. So there is about 44 gigalitres that is not allocated. Some of that is constrained by states not having sufficient conveyance water—for instance, in the Murrumbidgee—to allow some of the water to trade out. It will have to be retained for an additional year. There is almost 30 gigalitres of water available for allocation. The environmental water group, who put forward the recommendations, are just holding off, because if you knew there was additional water you would probably have different priorities than if you knew it was only 30. You would probably assign it to some relatively small environmental assets.

Senator SIEWERT—I am conscious of time. I have one more question about the Macquarie and I would really like to just clarify something about the Snowy. We might need to move on, I am aware. In terms of the Macquarie Marshes and the 1,000 megalitres, that is a small amount of water. Were there are issues around conveyance et cetera with that and ensuring that it actually got there?

Mr Robinson—Not really. As background I will say that we had a small amount of water which was held against our purchased allocations in the Macquarie—the general security. In the spring we added that on top of New South Wales water, so there was approximately a 19,000 megalitre environmental water event then. In the Christmas-New Year period, the total event, as I understand it, was closer to 49,000 megalitres, but with the rules of how the supplementary water is allocated, the largest proportion of that is generally allowed to flow as general environmental flows, and then there was 11,000 megalitres that was allowed to be extracted as supplementary water, 1,000 of which was our water and New South Wales government water. So it was not extracted. It stayed in the system and flowed to Macquarie Marshes. The water that actually got to Macquarie Marshes was in total a lot more.

Senator SIEWERT—With that small amount of water, I was wondering about the difference it would make, given the circumstances. It was not clear from what you said earlier. I apologise. It went with the other water.

Mr Robinson—Yes.

Senator SIEWERT—I just want to ask about the Snowy. You gave me an answer to a question on notice. I got it this afternoon.

Senator Wong—Could I get the officers to the table.

Senator SIEWERT—Fairly late, I got an answer to a question I asked. I am not here to have a go about that. I have read it three times and I find it totally confusing. It is highly complicated.

Senator Wong—I know the question you are referring to.

Senator SIEWERT—I thought you might. It is highly complicated. Have you a schematic of it, or is it possible for someone to give me a briefing on how it works? If somebody knows how it works, this could be their opportunity to describe how it works.

Senator Wong—You want us to explain it?

Senator SIEWERT—My version of it is that you take a bit from here, you take a bit from there and a bit from over there, subtract that bit, add it all together and you get 42. I realise that it is complicated but, honestly, it makes no sense. I have tried three times to interpret it.

Senator Wong—We can attempt to do it now, Senator, if you would like us to do that. But if you would like us to facilitate a briefing, you can arrange that through my office.

Senator SIEWERT—I am very conscious of time; I do not want to take too much of it. If an explanation is going to take a little bit of time, I would appreciate a briefing on it.

Senator Wong—I am happy to facilitate a briefing, if you contact my chief of staff.

Senator SIEWERT—Thank you very much.

CHAIR—Senator Siewert, I am conscious that Senator Fisher and Senator Wortley might have more questions.

Senator Wong—Are there any more questions on the Snowy River?

CHAIR—Senator Birmingham?

Senator BIRMINGHAM—No.

Senator Wong—Not on the Snowy?

CHAIR—No.

Senator BIRMINGHAM—Mr Robinson, how are decisions on environmental allocations made?

Mr Robinson—We have basically established a framework for making these decisions. In the end, they are made by the Commonwealth Environmental Water Holder, so it is my decision. Firstly, we have developed a framework based on criteria that are published and available on our website. Those criteria go to the ecological significance of the assets that are proposed to be watered and the expected environmental outcomes from the use of the water. We make assessments of the risks of doing that—and they can be negative risks in particular. We have a look at the long-term sustainability plans and the management plans et cetera for the site and then the cost-effectiveness. They are our current five criteria. Those criteria were agreed by our Environmental Water Science Advisory Committee, which is a group of

scientists who help us look at all of these issues. They provide advice on individual watering actions as well. We also get advice from our department. Of course, it is not just the state jurisdictions that are putting forward the proposals but most of the proposals are coming through them. They make their case, and we make an assessment and a decision.

Senator BIRMINGHAM—That committee is external advisers?

Mr Robinson—Yes.

Senator BIRMINGHAM—It considers every allocation?

Mr ROBB—They have been considering every proposed use.

Senator BIRMINGHAM—‘Every proposed use’. Sorry, I do not wish to confuse words here. I was delighted to see the commitment to use 20 gigalitres for the Lower Lakes that was made on 20 January. Did the committee consider that use?

Mr Robinson—Yes.

Senator BIRMINGHAM—When did it consider that use?

Mr Robinson—They had a meeting on 19 January. Papers were provided to them before that. There was previous discussion about it in concept but the actual firm proposal, along with the others that were considered at that time, was submitted to them in background papers before the 19th and then there was a meeting on the 19th.

Senator BIRMINGHAM—How long had that meeting been scheduled?

Mr Robinson—Since before Christmas.

Senator BIRMINGHAM—So one might describe it as a fortuitously timed meeting.

Mr Robinson—Basically, the way we are operating at the moment—and it could change as more water becomes available—the scope of watering that is being considered is really spring and autumn watering events. Midsummer and midwinter in general are not good times to water. So we make decisions in sufficient time for spring and autumn watering. As part of our plan we were consulting with states about proposals back in November and getting more detail from them in December and January. In mid-January we were getting the latest allocations, which are probably the last significant allocations at the end of the irrigation season. So when we were clear about water we had available in mid-January, the science committee would meet and provide advice and quick decisions would be made.

Senator BIRMINGHAM—Thank you. Can I turn to the impact of the MOU with New South Wales on water purchases. This is probably a quick question that somebody can answer. Under the MOU is Commonwealth entitled to purchase high-security water?

Ms Harwood—It does not prevent that.

Senator BIRMINGHAM—But the cap in place on the MOU is described in general security terms.

Ms Harwood—General security equivalent.

Senator BIRMINGHAM—What is the standard for equivalency that is accepted there, between equivalents of general security and high security?

Ms Harwood—I think it is about 70 per cent, but it might vary in different catchments in terms of what the translation is.

Dr Horne—You have got a number of general security products: some 65, some might be 70, some are a little higher and some are a little lower, whereas high security is probably up in the 95, 97 type category or per cent—so in 95 per cent of years you will get your allocation. You can quite easily look at a product and say, ‘One unit of this is worth X amount of that.’ You can put them all onto the same basis, so you are looking at oranges and oranges, and you can compare the comparative value of purchasing different products. You go through a range of why it is that you buy high—

Senator BIRMINGHAM—That is all outlined in the MOU—

Ms Harwood—Yes.

Senator BIRMINGHAM—all of those equivalencies, as to how they would be calculated?

Dr Horne—That is why the language in the MOU is general security equivalence.

Senator BIRMINGHAM—But, in terms of different catchments, different formulas are specified.

Dr Horne—Yes, we know what they all are.

Senator BIRMINGHAM—Is that MOU a public document?

Dr Horne—New South Wales’s, yes.

Senator BIRMINGHAM—It is on the website somewhere. If it is a public document could you provide it in answer—that would be more helpful.

Dr Horne—Yes.

Senator BIRMINGHAM—The last area I want to touch on, given the time, is infrastructure. As Senator Siewert and others have reflected today, we have received a number of answers to questions on notice during the day. Of the four remaining, two relate to the water portfolio and, sadly, those two are both mine. One relates to off-farm infrastructure spending and the other relates to on-farm infrastructure spending: questions 110 and 111. Is there a particular reason why those questions, which virtually replicate the wording of questions I have asked previously for updates of figures, could not be answered in time on this occasion?

Senator Wong—In terms of the delay on some of the questions—and this is in response also to Senator Siewert—can I indicate that some of that is my responsibility. You might reflect on the timetable in terms of this portfolio’s activities and the last estimates. We have had negotiations with the opposition on the climate change legislation, the CPRS being in the Senate; Copenhagen; and then, I regret to say, I took some leave. So some of the delay on some of the questions is a matter for my office and me. I do regret that, but I do not want the officers of the table criticised for that. I will check on where the delay is on those two answers, Senator. There were a number of answers which were late because, for example, the figures were no longer in date and I did request that they be redone. I do not know if these are amongst them. If I could take that on notice, we will follow that up.

Senator BIRMINGHAM—If those answers could be provided as soon as possible, that would obviously be appreciated. Has due diligence been completed on all of the basin state priority projects?

Ms Harwood—No, it has not. For some we still have to receive the business cases, others are in the process of due diligence, for some due diligence is completed and some projects themselves are completed. There are projects at all stages of the process.

Senator BIRMINGHAM—Given time, I would be tempted to go through them all. Of course, the answer to one of the questions we talked about would probably cover a good degree of it. Perhaps we can at least look at Victoria and New South Wales and the projects that were committed there. Have business cases been lodged for all of those?

Ms Harwood—Let's start with Victoria. We have received a business case for Sunraysia. The business case for the main project, NVIRP stage 2, is due in February. We are expecting to receive that shortly. In both Victoria and New South Wales there is start-up work, but essentially for the main projects in New South Wales the business cases are due by June this year, though there have been funds provided for development of business cases as well as a pilot project for on-farm expenditure in the Gwydir. That is up and running. That is the first tranche of on-farm funding—a pilot project there.

Senator BIRMINGHAM—Regarding the due dates for the business cases that you mentioned—February for NVIRP stage 2, so that is soon, and June in relation to some of the New South Wales work—are they time lines set by the Commonwealth or the states?

Ms Harwood—Those time lines were agreed as part of the audit of where the state priority projects were up to. That took place late last year. They are dates agreed between the Commonwealth and the states.

Senator Wong—The audit was a Commonwealth initiative.

Senator BIRMINGHAM—These are the first tranches of those dates to fall due since that audit was completed?

Ms Harwood—I would have to check on that. There may have been some for last year, but I will take that on notice just to check that I get the dates right and that the provision was needed by then.

Senator BIRMINGHAM—Remind me again: is that audit a public document?

Ms Harwood—I do not believe so.

Senator BIRMINGHAM—Is there somewhere where we are able to see what the dates or commitments given by the states on these matters actually are?

Senator Wong—We will probably take that on notice. My recollection is that the audit was dealt with by COAG, so it would be a decision for COAG as to whether or not that would be released. We will have to take that on notice.

Senator BIRMINGHAM—Lastly, in order to leave a few minutes from my colleagues, there are some on-farm irrigation infrastructure projects that the Commonwealth has started to roll out funding for. In terms of the water sharing arrangements for savings there, what are the minimum requirements that are being expected of any successful applicants?

Ms Harwood—Do you mean the threshold or the share between—

Senator BIRMINGHAM—The share.

Ms Harwood—The share is that at least 50 per cent of the water savings come to the Commonwealth. That is the general principle in the way we are operating the infrastructure investment, but the shape of the projects can vary according to what the proponents want to bring forward.

Senator BIRMINGHAM—The general principle leaves room to move.

Ms Harwood—There can be a greater share offered to the Commonwealth.

Senator BIRMINGHAM—Fifty per cent is the minimum that can be offered to the Commonwealth and that 50 per cent is transferred to Mr Robinson's outstanding holdings.

Ms Harwood—Yes.

Senator BIRMINGHAM—Excellent. Thank you.

Senator Wong—I just want to remind you that the guidelines for the Commonwealth on-farm irrigation project were the subject of regional consultation and a joint forum with the National Farmers Federation.

Senator FISHER—Critical human water needs.

Senator Wong—Senator Fisher, you are nothing if not persistent.

Senator FISHER—Thank you, Minister. I take that as a compliment.

Senator Wong—Can we just give you the act?

Senator FISHER—I wish that were the answer, but you know that does not keep me happy, nor should it. With each estimates we get closer and closer to the 2010-11 water year by which time, you have told us previously, we will have further information in terms of the critical human water definition. What is the latest progress?

Mr Freeman—There are two bodies of work. There is the development of the schedule under the Murray Darling Basin agreement, which will take effect on sharing of water, as it has in three previous years. That schedule is well developed and we will be in a position to put it to ministerial council prior to the end of this water year. That is a decision of ministerial council, and that is essentially the sharing arrangements as per the previous years, where those various rules have been refined. We will produce that. The broader issue is—

Senator FISHER—When? You said 'prior to'—when?

Mr Freeman—Ministerial council will need to make a decision on this prior to the start of the water year, which is just like a financial year.

Senator FISHER—That is right.

Mr Freeman—It would be proposed to take it to a ministerial council meeting in May. The reason it is so late is that jurisdictions will always want to see what the likely starting position is in coming to an agreement. There will be some deferral. However, we are well placed to present that to ministers at that May meeting. The other issue is the development of the Basin Plan provisions.

Senator FISHER—Mr Freeman, I presume you are consulting with state governments at the moment, on an ongoing basis.

Mr Freeman—That is correct, because ultimately the schedule will require the adoption of all ministers. When we get around to the development of Basin Plan provisions, which is the issue we talked quite a bit about previously, the definitions included in the act are somewhat open to interpretation—

Senator FISHER—Indeed.

Mr Freeman—This is the 86A issue.

Senator FISHER—Yes, we have heard extensive evidence to that end.

Mr Freeman—The authority has actually considered draft principles—

Senator FISHER—Good.

Mr Freeman—which would give that further clarity. It is fair to say that there is a lot of interest in this issue by states because, at the end of the day, states save critical human water needs out of their previous year's allocations. Clearly they want to be able to, not agree on the arrangement—certainly they are strongly interested in what the arrangements might be. There is ongoing—

Senator FISHER—Are we going to get consistency at the end?

Mr Freeman—That is what the authority is striving for. At the end of the day, the authority makes the decision. It is part of the Basin Plan provision. It is not essential for states to tick it off, but at the end of the day the states decide how much critical human water needs they save. We determine a reasonable volume for critical human water needs for each of the southern states. That is then the amount that the state can save—it is actually 1½ times that volume—and it enjoys certain privileges. It is not lost, it does not spill and it allows jurisdictions to carry it from year to year. The actual volume—

Senator FISHER—The states also decide who gets it.

Mr Freeman—That is right. We decide what we think is a reasonable volume. It is then up to the state to save that volume. Clearly they have a strong interest. If it were struck too high, there may be economic opportunities foregone. If it is struck too low, then clearly—

Senator FISHER—Will the principles that you are talking about go to the basis upon which people get the water?

Mr Freeman—The principles will clarify the definition and allow us to determine a number at the state level. We will say, 'This is the critical human water needs provision for South Australia, Victoria and New South Wales.'

Senator FISHER—Will the Basin Plan require the states to implement the principles as applied to the definition?

Mr Freeman—No. The Basin Plan then declares that number and that is the number that enjoys the privileged arrangements for critical human water needs. It is actually 1½ times that volume. States could save less, but that would be very public. A state could save more; however it would not enjoy the privileges of not spilling et cetera. So a state could allocate its

first available allocation water to humans as well as the critical human water needs that we determined.

Senator FISHER—Thank you. That is not really going to the substance of the issue.

Senator Wong—If I promise to buy you some water for critical human needs, can we finish on time!

Senator FISHER—How many regional meetings has the MDBA had, and the board? Have you held any in South Australia?

CHAIR—This will have to be the last question, Senator Fisher.

Mr Freeman—We have held nine meetings and one of those has been held in South Australia, together with a field trip in South Australia to have a look at the Lower Lakes.

Senator FISHER—Where was the meeting?

Mr Freeman—It was in Renmark.

Senator FISHER—When? Perhaps you can let us know.

Mr Freeman—It was on 7 and 8 September last year.

Senator FISHER—Can you provide on notice the groups that you met with and consulted with on that trip?

Mr Freeman—They are board meetings. There is a public session and we send out wide invitations. I think we would have responses as to who indicated they were going to attend, for catering purposes et cetera, and I can provide that.

Senator FISHER—I will put the rest of my questions on notice.

CHAIR—Thank you, Senator Fisher. We appreciate that.

Senator WORTLEY—Chair, I do have some questions relating to South Australia and the issue of water. Given the time, I will put them on notice.

CHAIR—Thank you very much. That completes the examination of the Environment, Heritage, Water and the Arts portfolio. I thank the minister and all the officers for their attendance. I also thank Hansard and Broadcasting for their assistance to the secretariat, and other senators for their cooperation. The motion to accept tabled documents is carried.

Committee adjourned at 11.02 pm