



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

ENVIRONMENT, COMMUNICATIONS AND THE ARTS  
LEGISLATION COMMITTEE

ESTIMATES

**(Budget Estimates)**

WEDNESDAY, 26 MAY 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE ENVIRONMENT, COMMUNICATIONS AND THE ARTS****LEGISLATION COMMITTEE****Wednesday, 26 May 2010**

**Members:** Senator McEwen (*Chair*), Senator Fisher (*Deputy Chair*), Senators 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, Mark Bishop, Boswell, Colbeck, Farrell, Fisher, Heffernan, Joyce, Ludlam, Ian Macdonald, Marshall, McEwen, McLucas, Siewert, Troeth, Wortley and Xenophon

**Committee met at 9.01 am**

**ENVIRONMENT, WATER, HERITAGE AND THE ARTS PORTFOLIO**

Consideration resumed from 25 May 2010.

**In Attendance**

Senator Wong, Minister Climate Change and Energy Efficiency

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

Ms Robyn Kruk, Secretary  
Mr Gerard Early, Deputy Secretary  
Dr James Horne, Deputy Secretary  
Mr Mark Tucker, Deputy Secretary

**Approvals and Wildlife Division**

Mr Peter Burnett, First Assistant Secretary  
Ms Deb Callister, Acting Assistant Secretary, Wildlife Branch  
Mr Terry Bailey, Assistant Secretary, Strategic Policy  
Ms Carolyn Cameron, Acting Assistant Secretary, Strategic Approvals and Legislation Branch  
Dr Kathryn Collins, Assistant Secretary, Business Systems and Governance Branch  
Ms Vicki Middleton, Assistant Secretary, Environment Assessment Branch 1  
Ms Mary Colreavy, Assistant Secretary, Environment Assessment Branch 2  
Ms Michelle Wicks, Acting Assistant Secretary, Environment Assessment Branch 3  
Ms Rose Webb, Assistant Secretary, Compliance and Enforcement Branch

**Arts Division**

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

**Australian Government Land and Coasts**

Mr Mark Flanigan, First Assistant Secretary  
Ms Michelle Lauder, Acting Assistant Secretary, Finance and Aquatics Branch  
Dr Charlie Zammit, Assistant Secretary, Biodiversity Conservation Branch  
Ms Alison Archer, Acting Assistant Secretary, Indigenous Policy Branch  
Dr Paul Salmond, Assistant Secretary, Policy and People Branch  
Dr Sally Troy, General Manager, Communications and Reporting Branch, Department of Agriculture, Fisheries and Forestry

**Corporate Strategies Division**

Mr Arthur Diakos, First Assistant Secretary  
Mr Malcolm Forbes, Coordinator General  
Ms Lily Viertmann, Chief Financial Officer

**Culture Division**

Ms Sally Basser, First Assistant Secretary  
Mr Kim Allen, Assistant Secretary, Collections Branch  
Dr Stephen Arnott, Assistant Secretary, Film and Creative Industries Branch  
Dr Jane Campbell, Acting Assistant Secretary, Literature and Indigenous Culture 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  
Ms Jennifer Carter, Acting Assistant Secretary, International Heritage and Policy Branch

**Marine Division**

Mr Stephen Oxley, Acting First Assistant Secretary  
Ms Lara Musgrave, Assistant Secretary, Tropical Marine Conservation Branch  
Mr Nigel Routh, Assistant Secretary, Marine Biodiversity Policy Branch  
Mr Phil Boxall, Acting Assistant Secretary, Temperate Marine Conservation Branch

**National Portrait Gallery**

Mr Andrew Sayers, Director

**Parks Australia Division**

Mr Peter Cochrane, Director of National Parks

**Policy Coordination Division**

Mr Sean Sullivan, First Assistant Secretary  
Ms Rachel Parry, Assistant Secretary, Communications and Ministerial Services Branch  
Mr Andrew McNee, Assistant Secretary, Strategic Advice Branch  
Mr Peter Webb, Director, Budget Strategies, Strategic Advice Branch

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

Mr Dave Johnson, Director, Scientific Research and Information Section

**Supervising Scientist Division**

Mr Alan Hughes, Supervising Scientist

**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 Craig Bradley, Acting Assistant Secretary, Urban Water Security Branch

Ms Gayle Milnes, Assistant Secretary, Environmental Water Branch

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

**Water Reform Division**

Ms Kerry Smith, Acting First Assistant Secretary

Ms Chris Schweizer, Assistant Secretary, Aquatic Systems Health Branch

Ms Isabelle Arnaud, Acting Assistant Secretary, Water Policy Branch

Mr Russell James, Assistant Secretary, Water Resources Branch

Mr Aidan Dalgliesh, Assistant Secretary, National Water Market System Branch

Mr Karl Higgins, Director, National Water System Project, National Water Market System Board

**Australia Council**

Ms Kathy Keele, Chief Executive Officer

Ms Robin Cowdery, Executive Director, Corporate Resources

Mr Tony Grybowski, Executive Director, Arts Organisations

Ms Libby Christie, Executive Director, Arts Funding

**Australian Film, Television and Radio School**

Ms Sandra Levy, Chief Executive Officer

Ms Anne Browne, Director, Corporate and Student Services

**Bureau of Meteorology**

Dr Greg Ayers, Director of Meteorology

Dr Rob Vertessy, Deputy Director, Water

Mr Alan Vallance, Deputy Director, Corporate

Dr Neville Smith, Deputy Director, Research and Systems

Dr Ray Canterford, Deputy Director, Services

Mr Trevor Plowman, Chief Financial Officer

Dr Sue Barrell, Assistant Director, Observations and Engineering

**Great Barrier Reef Marine Park Authority**

Dr Russell Reichelt, Chairman

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 David Dreverman, Executive Director, River Murray  
Ms Jody Swirepik, Executive Director, Natural Resource Management  
Dr Fraser MacLeod, Executive Director, Basin Plan

**National Film and Sound Archive**

Dr Darryl McIntrye, Chief Executive Officer  
Ms Anne Landrigan, General Manager, Collection Development and Outreach  
Mr Steve Vogt, General Manager, Corporate and Collection Services

**National Gallery of Australia**

Mr Alan Froud, Deputy Director

**National Library of Australia**

Ms Jan Fullerton, Director-General  
Mr Gerry Linehan, Assistant Director-General, Corporate Services

**National Maritime Museum**

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

**National Museum of Australia**

Mr Mathew Trinca, Acting Director  
Ms Lisa Wilmot, Acting Assistant Director, Operations  
Ms Louise Douglas, Assistant Director, Audience, Programs and Partnerships  
Ms Kylie Noonan, Chief Finance Officer  
Mr Michael Pickering, Acting Assistant Director, Collections, Content and Exhibitions

**National Water Commission**

Mr Ken Matthews AO, Chief Executive Officer  
Mr James Cameron, Deputy Chief Executive Officer  
Mr Matt Kendall, Group Manager, Sustainable Water Management Group  
Ms Kerry Olsson, Group Manager, Assessment and Policy Coordination Group

**Screen Australia**

Mr Ross Matthews, Head of Production Investment  
Ms Fiona Cameron, Executive Director, Strategy and Operations

**CHAIR (Senator McEwen)**—I declare open this public hearing of the Senate Environment, Communications and the Arts Legislation Committee. Today the committee continues its examination of the Environment, Water, Heritage and the Arts portfolio. The committee must report to the Senate on 22 June 2010. The committee has set Friday, 30 July 2010 as the date by which answers to questions on notice are to be returned. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance in that 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)

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

**Senator Wong**—As the committee would be aware, the Governor-General signed orders altering the administrative arrangement orders on 8 March 2010. That transferred responsibility for a range of matters which were previously dealt with in this portfolio to my portfolio. They were renewable energy programs, energy efficiency, greenhouse gas abatement programs and community and household climate action. Obviously those programs now come within my department's responsibility within the budget papers, as a result of the machinery of government changes. Officials from my Department of Climate Change and Energy Efficiency will be available to answer questions on those programs in tomorrow's hearing.

**CHAIR**—Thank you very much for that.

[9.03 am]

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

**CHAIR**—Ms Kruk, do you have an opening statement?

**Ms Kruk**—No, thank you very much.

**CHAIR**—Thank you. We will start with general questions of the department, but past experience has led me to realise that senators sometimes are not sure in which program area they are to ask questions about particular issues. If there any concerns about that or people are not sure about where to ask questions, perhaps we could clear that up now.

**Senator Wong**—Has the committee set an indicative time for water?

**CHAIR**—We have got water at seven o'clock.

**Senator Wong**—Thank you.

**Senator ABETZ**—Madam Chair, I would like to make two inquiries. First of all, I understand the change in the administrative order signed by Her Excellency. However, what about the involvement of the department in matters prior to the signing? I assume that we can still ask questions about the department's involvement in decision making prior to the signing although responsibility has now been transferred to climate change?

**Senator Wong**—Ultimately that is a matter for the committee. Any reading of the standing orders around what is before this committee—that is, budget estimates—would indicate that is no longer a matter that these departments and these officers are seized with. I also make the comment that the Senate has at least one inquiry into both the Home Insulation Program and, from Senator Birmingham's motion, a Green Loans inquiry. There is remit clearly within those inquiries for officers from both departments to be questioned about both pre and post the administrative order change. In fact, my advice is that both Ms Kruk and Dr Parkinson had appeared before that inquiry to assist the Senate exactly with that issue. Whilst obviously it is a matter for the committee, my view as minister at the table is that we can answer

questions about the objectives, operational procedures and efficiency of the programs for which we are responsible in this portfolio. That is what we will do.

**Senator ABETZ**—If I can just briefly expand on my inquiry. It would be passing strange if an inquiry by a Senate references committee somehow substituted the right of the Senate legislation committee—and a Senate legislation estimates committee at that—to do its work. I just put that on the record. Let us get down to tintacks.

**Senator IAN MACDONALD**—Adding of course that not every senator here has been involved in those committees.

**Senator ABETZ**—That is right.

**Senator IAN MACDONALD**—So we have as much right to inquire into those things as other senators do.

**Senator ABETZ**—Thank you, Senator Macdonald.

**Senator Wong**—The standing orders say—

**Senator ABETZ**—Point well made, but if I may get down to the tintacks of it? It will not come as surprise that the issue of pink batts, the training, the involvement et cetera will be pursued. I trust I will not be stonewalled here and told, ‘All that is now being shunted to climate change; therefore we will no longer answer about our role, our responsibility in that,’ then of course when we get to climate change being told, ‘We are just new on the job you will have to ask environment about what they did because we were not commissioned at that time.’ I just want to get it clear where we should be asking these questions and getting the answers.

**Senator Wong**—Senator, the standing order refers to proposed expenditure. There is no proposed expenditure in this portfolio relating to the matters that you are talking about.

**Senator ABETZ**—But this department has expended monies in the past. We can play these games as to what estimates can and cannot traverse, but I think you are an expert from your long years in opposition that the clerks will always provide advice, and that you can go back into previous government expenditures as well. Given that, Minister, are you saying that we cannot ask any questions about—I will use a neutral term—the pink batts issue at this committee because it has now been transferred to climate change? I want to canvass the issues whilst this department was in charge of the pink batts issue.

**Senator Wong**—I would refer to what Senator Brandis said in this committee on 13 February 2007:

Senator Conroy, to help you make the best use of your time ... can I foreshadow that no questions in relation to what may be contained in budget submissions will be responded to, because it is not appropriate that they be.

He goes on to talk about how it is the issues in the current budget which are the matter before the committee. Now we will endeavour to assist and I want to make it clear we are not seeking to obfuscate. This government and this department—

*Senator Ian Macdonald interjecting—*

**Senator Wong**—Could I finish, or do we have to deal with Senator Macdonald cackling?

**Senator ABETZ**—Very sensitive! If people cannot chuckle—

**Senator IAN MACDONALD**—A great effort! It is always embarrassing—

**CHAIR**—Order! Have you completed your statement, Senator Wong?

**Senator Wong**—What I was responding to was that this department has appeared before the Senate inquiry, I think, three times. This department has appeared before the Senate inquiry on these issues three times.

**Senator ABETZ**—Oh yes—and?

**Senator Wong**—I want to make it clear we are cooperating; that is what I am making clear as the minister at the table. Obviously, Senator Abetz, I cannot stop you asking questions, but I am flagging with you how I propose to deal with them. That is no longer a function of the responsibilities of this department.

**Senator ABETZ**—I understand what you are saying, but it is quite clear that within this budget a lot of money has been allocated to—I will not say ‘fix up the mess’—deal with the issues created by the pink batts issue. I would have thought it appropriate to canvass why this extra expenditure is being required to deal with those issues which arose whilst this department was in charge of those issues. Are you saying that we cannot ask questions about that or—sorry—that, if we ask questions about it, we will be stonewalled and told to go to Climate Change?

**Senator Wong**—I think I prefaced my remarks by saying this is ultimately a matter for the committee. I have also said that I obviously cannot stop you asking questions, Senator. I have indicated to you the officers who are responsible for these functions both under the Administrative Arrangements Orders and in terms of the portfolio budget statements, which is what is before this committee. I also wanted to emphasise again that this department in terms of the historical issue has cooperated extensively with the Senate in terms of being transparent about the issues. The government does not resile from that fact that there are substantial issues with the Home Insulation Program which we are working to remedy.

**Senator ABETZ**—Madam Chair, given what the minister has just said, are you in a position as this stage to make a ruling? We know what the numbers are on this committee, but if you are minded to allow questions on that issue then we can proceed. If not, we may need a quick private meeting just to deal with that. I do not want to take up too much time. It seems to me that this issue as to whether we can ask questions has to be dealt with as the No. 1 priority. If the committee is of the mind that, yes, it can, possibly what we ought to do, with respect, is defer it. If I might seek advice from the Clerk as to what her view is and if we can then come back to that issue, I have a few general questions, as has Senator Macdonald.

**Senator Wong**—Can I make a suggestion. Obviously, if you wish to take up Senator Abetz’s approach, that is a matter for you. It may be that we could proceed and see the extent to which the questioning can be dealt with. I think the difficulty is as I have outlined. But I do not know precisely what Senator Abetz will be asking.

**CHAIR**—Thank you, Minister, and thank you, senators. Senator Abetz, of course you are at liberty, as is any senator, to seek advice from the Clerk. I suggest that, if that is what you wish to do, you do that. Then subsequently we can have a meeting to discuss how things are

going. With regard to the point that the minister made about Senate select committees, I did make mention of the fact that there is a standing order under section 25(13), which says:

A committee shall take care not to inquire into any matters which are being examined by a select committee of the Senate appointed to inquire into such matters and any question arising in this connection may be referred to the Senate for determination.

**Senator ABETZ**—But this is a references committee, not a select committee.

**Senator MARSHALL**—They are references.

**Senator ABETZ**—Yes, they are both references, not select.

**CHAIR**—Fair enough. But perhaps the Clerk might like to give some advice on that as well. I am of a mind to allow the questions to continue but to see what can be answered by this department or not.

**Senator ABETZ**—All right.

**CHAIR**—If that becomes problematic then we are at liberty to have a private meeting to discuss it. As you know, the government has cooperated in these inquiries and I do not intend to obfuscate that in any way. I also point out, Senator Abetz, that today of course the main portfolios are about environmental matters. I know there are a lot of senators who have got questions to ask under the portfolio areas here.

**Senator ABETZ**—Understood.

**CHAIR**—I would not want to chew up all of the committee's time revisiting things that are perhaps being dealt with in other committees and which also, I imagine, will be traversed tomorrow when we have the Department of Climate Change and Energy Efficiency.

**Senator ABETZ**—Can I then quickly ask: if we were to pursue questions on pink batts, under what area should we be asking that? Should it be under general, because I assume there is no longer a specific program that would allow us to ask questions on it? Because it is no longer within—

**CHAIR**—That is correct, because it is in the Department of Climate Change and Energy Efficiency.

**Senator ABETZ**—Yes, so these—

**Senator Wong**—QED.

**Senator ABETZ**—This general period would be the right time to ask—is that right?

**CHAIR**—There are general questions of the department. There is an area for general questions.

**Senator ABETZ**—All right. Excuse me, Senator Macdonald and the secretary—

**CHAIR**—Can I also remind you that this conversation was started, Senator, by my asking if senators wished to seek clarification from departmental officials about areas that they have questions about to make sure we get them in the right program area?

**Senator ABETZ**—Yes, that is right.

**CHAIR**—I know Senator Boswell, for example, has come across a problem getting his matter into the right area, so perhaps Senator Boswell could ask us what it is about so that the departmental officials could tell Senator Boswell which would be the appropriate time to ask those questions. If other senators have those sorts of inquiries, could we also have those as well. That said, Senator Macdonald, did you wish to make a point?

**Senator IAN MACDONALD**—No, I wanted to ask a general question which is germane to this first section and really touches upon some of the things Senator Abetz was mentioning.

**CHAIR**—But you are not seeking clarification of where to ask questions?

**Senator IAN MACDONALD**—No.

**CHAIR**—Senator Boswell, I understand your questions are about wild rivers in the north of Queensland. Is that correct?

**Senator BOSWELL**—In the north and the Lake Eyre Basin.

**CHAIR**—Could a departmental official tell Senator Boswell where he should ask those questions, please.

**Mr Sullivan**—The Lake Eyre Basin committee is outcome 4, which is water.

**CHAIR**—Water is this evening.

**Senator Wong**—After 7 pm on the Lake Eyre issue—and wild rivers?

**Ms Kruk**—I think it is a question on wild rivers relating to Lake Eyre.

**Senator BOSWELL**—I will ask some questions on the wild rivers.

**Senator Wong**—Yes, the Queensland legislation.

**Senator BOSWELL**—It is Queensland legislation. I do not want to ask about the Queensland legislation. I want to ask about the reaction of the federal government to the Queensland government.

**Senator Wong**—Yes, I was not trying to be difficult. I was trying to clarify.

**CHAIR**—Senator Boswell, that is this evening under the water—

**Senator Wong**—Just hang on; on wild rivers I am not sure.

**CHAIR**—All right.

**Ms Kruk**—Madam Chair, I will alert water officials to it at seven o'clock, but I will also potentially have heritage officials there as well. I think, without second-guessing Senator Boswell's questions, I will try and deal with it on both bases.

**Senator IAN MACDONALD**—Senator Boswell, it could be in World Heritage, which is all tied up with—

**Senator BOSWELL**—I tried that last night.

**Senator Wong**—It came up last night, Senator Macdonald.

**Senator ABETZ**—You were brushing me off.

**Senator BOSWELL**—I was tactfully unsuccessful last night.

**Senator Wong**—I think the difficulty, Senator Boswell, is that it is because it is Queensland legislation.

**Senator ABETZ**—No, it is a private member's bill before this parliament.

**Senator Wong**—But there is not an outcome which—

**Senator SIEWERT**—It is in the environment.

**Senator Wong**—Correct, but it is not something that the government is dealing with in any particular program; that is my point. I am not trying to be difficult. Senator, are you able to scope what you want to ask in a bit more detail on the wild rivers legislation so we can try and make sure—

**Senator BOSWELL**—I want to ask the reaction of the federal government to the implications and whether they are monitoring the state legislation and the interaction between the federal and the state governments.

**Senator Wong**—On?

**Senator BOSWELL**—On the Lake Eyre Basin and on the cape.

**Senator Wong**—The Lake Eyre Basin is outcome 4, but I do not think outcome 4 will cover the issue on wild rivers you want to deal with. What I am asking, just on the wild rivers issue, is whether you are able to give us a bit more clarity about where you want to go. I want to make sure we have officials here for that if you come back at seven.

**Senator BOSWELL**—I want to question the federal officers on the monitoring of the state legislation and whether there has been any interaction between the federal and state departments?

**Senator Wong**—Madam Chair, we will try and make sure we have sufficient officers across a couple of outcomes at seven o'clock to assist Senator Boswell.

**CHAIR**—There you go, Senator Boswell.

**Senator BOSWELL**—The gentleman that was here last night and was sitting around there—

**Senator LUDLAM**—Mr Shevlin?

**Senator BOSWELL**—No, another man. He was in world heritage.

**Ms Kruk**—Yes.

**Senator BOSWELL**—I would like to talk to him again.

**Senator Wong**—We will facilitate that.

**Ms Kruk**—I will have an officer available.

**CHAIR**—Thank you, Senator Boswell. Are there any further issues of clarification about where to ask questions?

**Senator SIEWERT**—Just double-checking: marine questions will be dealt with in 1.1; is that correct?

**Ms Kruk**—That is right.

**Senator SIEWERT**—And biodiversity questions in 1.1?

**Ms Kruk**—That is 1.1, yes.

**Senator SIEWERT**—Hawke review? EPBC?

**Ms Kruk**—Yes.

**Senator SIEWERT**—In there or in regulation?

**Mr Sullivan**—It is 1.2.

**Senator SIEWERT**—So that is regulation. Thank you.

**Senator LUDLAM**—Is it possible we can have an indicative time when we might see the OSS come down from Darwin?

**Senator Wong**—We have a lot of difficulty hearing you, Senator Ludlam; I am sorry.

**Senator LUDLAM**—What is that, hearing?

**Senator Wong**—Yes.

**Senator LUDLAM**—Are we able to guess what time we might see the Office of the Supervising Scientist after general questions?

**Senator Wong**—It depends how long we have general questions for.

**CHAIR**—I have no idea how many general questions we have got, so you might want to talk to the opposition senators about that to get an indicative time. We will move to general questions of the department.

**Senator IAN MACDONALD**—Minister, can you just tell me: in this department where does the responsibility stop? This is a question obviously related to the insulation program. There are still officers here being paid in this year's estimates so these are legitimate questions. Regarding the difficulties experienced with the insulation program, does the buck stop with Mr Garrett?

**Senator Wong**—I am not sure precisely what you are asking. Obviously Mr Garrett was the responsible minister for the administration of that program until the machinery of government changes which transferred responsibility to my portfolio. Within my portfolio, Minister Combet has responsibility for the Home Insulation Program.

**Senator IAN MACDONALD**—Mr Garrett would indicate and has indicated that he was acting on advice. On that basis I just want to inquire as to how the secretary of the department was appointed?

**Senator Wong**—The secretary of the department was appointed as secretary. There was a procedure in place, which I think existed under your government, around the appointment of secretaries to departments.

**Senator IAN MACDONALD**—What is it?

**Senator Wong**—The Prime Minister appoints the secretaries of departments on advice.

**Senator IAN MACDONALD**—Are these appointments advertised?



**Senator Wong**—If you have detailed questions about the appointment process of departmental secretaries, they should be addressed to the Department of the Prime Minister and Cabinet.

**Senator IAN MACDONALD**—There have been a hell of a lot of problems in this department in recent months. It coincides with the appointment of the current secretary.

**Senator Wong**—That is not correct, Senator.

**Senator IAN MACDONALD**—I am sorry?

**Senator Wong**—I do not think that is correct to say that.

**Senator IAN MACDONALD**—The problems have been there before the appointment of this secretary; is that what you are saying?

**Senator Wong**—My recollection, and this was obviously when I was not responsible for the program, is that the Home Insulation Program was announced in early 2009—from memory, in February. I think Ms Kruk was appointed in March.

**Ms Kruk**—That is right, Senator Macdonald.

**Senator IAN MACDONALD**—All of the allegations we have read about, about warnings not being passed on or warnings being given and not heeded, have occurred since March 2009, Minister, so you make my point very well. What I am seeking from you is—and I have asked the question—where the blame stops. I am not sure that I got an answer to that. Quite clearly anyone who has been around government for a while knows that ultimately the secretary of the department is responsible. Hence my questions about how Ms Kruk was appointed to this position, where she came from and what her experiences were in this area in the past. Is it true she was dismissed from the position of D-G of New South Wales National Parks and Wildlife? It is these sorts of questions I am interested in. I think the world can see that the environment department, from being one of the most efficient and responsible departments over many, many years achieving a lot of serious goals, has certainly fallen in a heap in the last 12 months. Hence my questions, which I think are legitimate, about Ms Kruk's appointment: what Mr Rudd did with the appointment; what attracted Mr Rudd to the appointment of Ms Kruk to this position; what her experience was.

As you rightly pointed out earlier, we must confine these to current expenditure, and of course Ms Kruk is with us. In response to the matters raised by Senator Abetz, Ms Kruk would be the officer most familiar with the insulation batts—I will call it a fiasco; I think that is a polite term, from what the media are calling it. Ms Kruk is obviously not going to be available in your department when we want to ask these questions. In relation to Senator Abetz's queries, now is the time that we have the opportunity to question the person most directly involved in what everyone sees as the greatest fiasco in government administration for a long period of time.

**Senator Wong**—I am not sure which of that was a question and which of that was a statement.

**Senator IAN MACDONALD**—There are any number of questions.

**Senator Wong**—Yes there were.

**Senator IAN MACDONALD**—Let me ask again, how was Ms Kruk appointed?

**CHAIR**—Ms Kruk. Her name is pronounced Kruk, rhyming with truck.

**Ms Kruk**—Thank you, Madam Chair.

**Senator IAN MACDONALD**—As in truck. My apologies, Ms Kruk.

**Senator Wong**—There were a range of statements made in that and I want to place on the record that many, in fact most, of them the government does not agree with.

**Senator IAN MACDONALD**—Sorry?

**Senator Wong**—The government does not agree with.

**Senator IAN MACDONALD**—What, that the department was once the most efficient?

**Senator Wong**—As is your wont, you went through a whole range of polemic. I am not going to—

**Senator IAN MACDONALD**—Tell me which ones you do not agree with.

**Senator Wong**—Could I finish?

**Senator IAN MACDONALD**—Tell me which ones you do not agree with.

**Senator Wong**—Can I finish? Really!

**Senator MARSHALL**—Grow up. Act like an adult.

**Senator IAN MACDONALD**—Thank you, Senator Marshall. Coming from you that is very good advice, you child!

**CHAIR**—The minister is responding to you, Senator Macdonald.

**Senator IAN MACDONALD**—Yes, thank you.

**Senator Wong**—I do not propose to waste the time of the committee taking issue with every aspect of the various inaccuracies you just placed on the record. I just wanted to make sure that was clear. I also make the point that in relation to the Home Insulation Program I think it has been very clear from the evidence to the committee and on the public record that this was a very substantial program the like of which had not been rolled out before.

**Senator ABETZ**—That is right.

**Senator Wong**—We acknowledge that. I think that has been acknowledged by the government.

**Senator ABETZ**—Nobody has rolled out anything like this before.

**Senator IAN MACDONALD**—Who was in charge of it, Minister?

**Senator Wong**—I would really appreciate it if I could finish.

**Senator IAN MACDONALD**—But you stopped.

**Senator Wong**—I let you speak for some five minutes on a whole range of issues that did not relate to a question. The government has been very clear. I think it is clear from what is on the public record that the scale of this program was unlike anything that this department had been asked to do previously. The issues which arose in the course of that program are a matter

of record. In relation to Ms Kruk, I do not know if the committee believes it is appropriate for a committee to be asked to inquire into the CV of a particular officer. I do not recall ever having asked those questions when on that side of the table of a particular public servant—

**Senator IAN MACDONALD**—That is thoroughly irrelevant.

**Senator Wong**—I would make the point that from my recollection Ms Kruk was a senior public servant under both parties in government in New South Wales, both Liberal-National and Labor. In relation to her appointment under the Public Service Act, appointments of secretaries are made by the Prime Minister. This is the legislation which Prime Minister Howard applied. If you have questions about the appointment of this or any secretary they should be addressed to the Minister representing the Prime Minister in the Prime Minister and Cabinet estimates.

**Senator IAN MACDONALD**—I have made very clear the purpose of my questions. Here is an issue which has been variously described as the greatest administrative fiasco in the history of Australian government. We have sitting before us at the moment the secretary of that department during the time that the fiasco occurred. I think it is a very legitimate question to ask you or Ms Kruk as to what part she played in the administration of that program. It seems to me, quite clearly, that somewhere along the line—it may not have been Ms Kruk, but somewhere along the line—someone has, to use the colloquialism, stuffed up very badly. I think it is legitimate for this committee to find out where the responsibility lay, who—not by name, but by position—where those decisions were made and why it is that we now have a program costing \$2.4 billion, \$1 billion of which is going to go to correcting the mistakes of this department or this minister. I am asking you who is responsible.

**Senator Wong**—As I have said, the minister responsible, until the change of administrative orders, was Minister Garrett. I am now the minister responsible, as it is within my portfolio, and responsibility for the home insulation program has been given to Minister Assisting which is Minister Combet. Obviously, Ms Kruk is and was secretary of the department responsible for the program from the time of her appointment until the time the function was transferred. Ms Kruk has appeared before the Senate committee on a number of occasions to outline in detail the management of the program during that period.

**Senator IAN MACDONALD**—I am sorry, Minister, you have not answered my questions. I have not been at those committees and I am sure other senators in this room at the moment were not at those committees either. I repeat: what part did the secretary play in the decisions that have been made in relation to the home insulation issue?

**Ms Kruk**—Can I just make a very strong point? I have made myself available for the inquiry on any number of occasions. I have also, in the context of that inquiry, accepted the responsibility, both personally and for the department, in relation to issues surrounding the program. I want to put that on the record. I have been very prepared to detail the steps in the development of the program. I have also been very open in terms of issues surrounding the delivery of that program. So, if you ask me if I am accepting responsibility, I have previously, very publicly, and before this very committee, also indicated where there were weaknesses within the administration of the program. But I have also, I think, very transparently, pointed

out where there were some very good components of the program. If you are asking me whether I am avoiding responsibility, no I am not.

**Senator IAN MACDONALD**—No, I was not asking you that all, Ms Kruk.

**Ms Kruk**—Sorry, that was my understanding of the suggestion.

**Senator Wong**—Senator, why is it so difficult to say her name correctly?

**Senator MARSHALL**—He is just being childish.

**CHAIR**—Have you affirmed the question, Senator Macdonald?

**Senator IAN MACDONALD**—I am trying to ask questions against continual—

**Senator Wong**—It is basic courtesy. It is basic courtesy to try and get someone's name correct.

**Senator ABETZ**—But you can make mistakes when you have often repeated it in another way.

**Senator IAN MACDONALD**—I cannot see what the issue is, Ms Kruk. So I do not run into your sensitivities again, Minister Wong, I will call her the secretary. My question really is: what part did the secretary play in the decisions that were made which resulted in the greatest administrative fiasco of governance history in Australia? What part did the secretary play?

**Ms Kruk**—I am sorry that my name is ethnic, Senator. It is obviously troubling.

**Senator IAN MACDONALD**—Thank you, Secretary. You always retreat to that, do you not?

**Ms Kruk**—I am sorry—

**Senator IAN MACDONALD**—If you want to get into that business, as I said before, come this side of the table.

**Ms Kruk**—I have on a number of instances indicated my surname is Kruk.

**Senator IAN MACDONALD**—I will call you secretary, with great—

**Ms Kruk**—Just think of truck.

**Senator IAN MACDONALD**—Mind you, my name is ethnic too, I might say.

**Ms Kruk**—Is it?

**Senator ABETZ**—Everybody has an ethnic origin, I understand.

**CHAIR**—Senators, we have limited time today. Do you think we could get to some questions, please?

**Senator IAN MACDONALD**—I repeat the question: what part did the secretary play in the decisions that were made?

**Ms Kruk**—I have run through that previously on transcript. I have indicated every step of the decision-making process. It has been very broadly reported. Subsequent to that time, there has also been an independent review of the program. That review, by Dr Hawke, actually identified both the strengths in the agency's delivery of the program and also some of the

successes. I say, again, if you are asking whether I accept responsibility at a departmental level—

**Senator IAN MACDONALD**—I am not asking.

**Ms Kruk**—Senator, you have asked that. I am affirming that I accept responsibility.

**Senator IAN MACDONALD**—I am not asking you.

**Ms Kruk**—I am very happy to answer any specific questions you may have.

**Senator IAN MACDONALD**—How more specific can I be? What part did the secretary play in the decisions that were made in what has turned out to be the greatest administrative fiasco in the history of governance in Australia?

**Senator Wong**—The secretary has indicated she was responsible for the department at that time.

**Senator IAN MACDONALD**—But I am asking: what part did she play?

**Senator Wong**—Well, Senator—

**Senator IAN MACDONALD**—Let me be more specific. Were decisions on the training of people involved in this program ultimately made by the secretary?

**Senator Wong**—I am going to refer you to the evidence that has been provided to the inquiry into this matter.

**Senator IAN MACDONALD**—Sorry?

**Senator Wong**—I am referring you to the evidence of the department on that issue. Extensive evidence was provided in the inquiry on this matter.

**Senator IAN MACDONALD**—So you are not going to answer it here in this estimates committee?

**Senator Wong**—I am referring you to that evidence.

**Senator IAN MACDONALD**—This is typical of you and your government: you only answer those questions which do not embarrass you.

**Senator MARSHALL**—That is the answer. So you do not want a detailed answer. That is on *Hansard*. You do not want it.

**Senator IAN MACDONALD**—I am asking the relevant people who are before this committee not some other committee. I did not happen to be on the other committee. I do not have to explain to Senator Marshall; he should have been around long enough to understand the procedure. Minister, I come back to asking about appointment to this position, the most important position in the department. Did the nominees' backgrounds and experience in government come into play? Was that investigated?

**Senator Wong**—I will repeat what I said. Under the Public Service Act, Prime Minister Rudd, just as Prime Minister Howard, appoints the secretaries of departments. If you have questions about this secretary or any secretary's employment, they should be addressed to the representative of the Prime Minister in the appropriate estimates committee.

**Senator IAN MACDONALD**—So you have no idea why a particular person was appointed as secretary of the department of environment?

**Senator Wong**—No, that is not what I said, Senator. I will repeat it. That is a responsibility exercised by the Prime Minister—this Prime Minister, as for Prime Minister Howard. If you have questions about the nature and procedure relating to the appointment of a secretary of any department, they should be addressed to the Prime Minister's representative in the appropriate estimates hearing.

**Senator IAN MACDONALD**—With consultancies given by the department, what part does the secretary play in determining which consultants get which jobs? Is it the secretary's job to tick off on that or is it the minister's job?

**Ms Kruk**—It would depend on the cost of a particular consultancy. On the whole, I am not directly involved in the employment of consultants. Do you have a particular one in mind?

**Senator IAN MACDONALD**—Yes, the Nous Group—N-O-U-S Group. Were you involved in that appointment, Secretary?

**Ms Kruk**—I think the Nous Group has worked for the department, but I think the Nous Group has worked quite extensively for the APS as a whole. Is there a particular appointment?

**Senator IAN MACDONALD**—Appointment by your department since you have been the secretary.

**Ms Kruk**—I am not aware of a particular appointment. I think they may have assisted the department in certain areas. I certainly did not directly appoint them, but I consider them to be an organisation that has worked extensively with both Commonwealth and state governments. So I am not aware of there being a problem.

**Senator Wong**—Sorry, Senator, could I check how you spell that? Is it N-O-U?

**Ms Kruk**—N-O-U-S.

**Senator Wong**—So Nous?

**Ms Kruk**—Yes.

**Senator IAN MACDONALD**—Nous, I am sorry—

**Senator Wong**—I have always—

**Senator IAN MACDONALD**—I really will have to an elocution lesson before I appear before this ministry again.

**Senator Wong**—I was wanting to check that we had the correct consultancy. I have seen that title before; that is all.

**Senator IAN MACDONALD**—The secretary had no difficulty in working out in what I was talking about.

**Senator Wong**—She is familiar with it, obviously.

**Ms Kruk**—Senator Macdonald, I must admit, no I have not appointed a Nous Group, but I would not be surprised if they have not worked for the department in my time as secretary.

**Senator IAN MACDONALD**—So since you have been secretary, Leanne Wallace, who I understand is from the—however you pronounce it—Nous Group, has not been appointed to any position in the department as a consultant?

**Ms Kruk**—No, I think Ms Wallace actually facilitated a workshop for us. Mr Sullivan, is that correct?

**Mr Sullivan**—Yes.

**Senator IAN MACDONALD**—Getting back to my original question, what part does the secretary play in those appointments? Do you tick off? Do they come on advice from lower orders of your staff or is the minister the one who ticks off? I am just curious.

**Ms Kruk**—I think that particular consultancy would have been—Mr Sullivan, I might require your assistance.

**Mr Sullivan**—Perhaps I can help. I think the question was whether the secretary appointed consultants. The department operates with a series of delegations where there is authority for people at particular levels and responsibilities to engage particular consultants or undertake activities, and those are clearly set out in the chief executive instructions and the rules and governance procedures for the department. With respect to the one instance to which the secretary just referred where Nous were a facilitator for a conference, from my recollection—and I will check this, as it was some time ago, and correct it if I am wrong—they were taken off an APS panel, which is common procedure. This is where you already have a preselected range of people available for a range of tasks. My recollection was that Nous was used for that conference—to facilitate it. It was a facilitation role. It was over 12 months ago. Whether Nous has undertaken any other work for the department, I would have to take that on notice.

**Senator IAN MACDONALD**—Thank you, if you would. That was a very interesting piece of information, but it was not the question. My question was: from where do those appointments come? Who ticks off on them? Who signs the contract generally, and in that particular instance? If you do not know, perhaps you could take it on notice?

**Mr Sullivan**—I can take that on notice in terms of who actually signed the contract for that particular appointment. As a general point, for those particular contracts there will be a decision taken not necessarily by the secretary—it may be a deputy secretary or it may be me—that we need a facilitator for that particular conference. We would then go and look at the APS panel to see if there is someone on there. That is one way of doing it. There is a whole range of ways of acquiring external expertise. Again, I will correct the record, but from my recollection that contract would not have been signed by the secretary. It would have been signed by probably someone at my level.

**Senator IAN MACDONALD**—Let us take my offer and check it out and give me an accurate answer on notice in that particular interest.

**Mr Sullivan**—I will take that on notice.

**Senator IAN MACDONALD**—You are saying, generally, sometimes contracts are signed off by persons in positions of lesser order than the secretary?

**Mr Sullivan**—That is how delegations work within the department.

**Senator IAN MACDONALD**—Is there a rule on which of those goes to the secretary and which goes to other people?

**Mr Sullivan**—As I said, there are governance rules that govern under chief executive instructions which are—

**Senator IAN MACDONALD**—Are they publicly available?

**Mr Sullivan**—The chief executive instructions? I will look around to see if I can get a nodding head.

**Senator IAN MACDONALD**—Let us not wait. Could you make them available to this committee?

**Mr Sullivan**—They are clearly available to all staff.

**Senator IAN MACDONALD**—Could you make them available to this committee on notice?

**Mr Sullivan**—Just so I do not give you a lot of paper, there are a number of chief executive instructions. Would you like the one with respect to—

**Senator IAN MACDONALD**—The ones relating to signing off of contracts for consultants. Minister, the secretary of this department is a very busy role. Could I ask perhaps if anyone has got the information now but if not, on notice, how many days in a normal working week the secretary is not in Canberra?

**Senator Wong**—That would not be something I would necessarily trash, Senator. There are many days when I am not in Canberra. Ms Kruk reports to me on water issues, obviously. I certainly know in that capacity I have asked her to do a range of work with state governments that I am sure has required her to be interstate.

**Ms Kruk**—Is that a question that you should ask me rather than the minister?

**Senator IAN MACDONALD**—I am asking through the minister. I am very, very sensitive, Secretary, so I am doing the right thing, asking the minister. If she wants to pass that to you, I would be delighted to hear your response.

**Ms Kruk**—I would be in Canberra four out of five days most weeks; most weeks, five. I make it my business to try and spend some time in the other states. Last week, for instance, I was at community cabinet in Burnie and next week I will be at community cabinet in Perth—that will be two days. I think I am also in Brisbane.

**Senator IAN MACDONALD**—Do you think, on notice, you could let us know, say, in the last 12 months, how many days you have not been in Canberra? Would that be okay?

**Ms Kruk**—I think that is possible. Is your concern that I am in Canberra too much or not sufficiently?

**Senator IAN MACDONALD**—Not sufficiently.

**Ms Kruk**—I will be pleased to answer your question then.

**Senator IAN MACDONALD**—You would have answered it in any case. You are just going to answer it with pleasure this time.



**Senator ABETZ**—With brief pleasure attached to it.

**Ms Kruk**—I was unsure as to whether you thought I was spending too much time in Canberra.

**Senator IAN MACDONALD**—Obviously—

**Ms Kruk**—Because that is often a criticism that is charged at Canberra bureaucrats.

**Senator IAN MACDONALD**—Not when you are administering a \$2.4 billion program, Secretary.

**Senator Wong**—She is also guiding administration on a \$12 million program in water, which involves travel as well.

**Senator IAN MACDONALD**—Minister, I preface my next question by referring you to old *Hansards* where you, and I think others, spent literally hours chasing the then secretary, I think, of the Department of Agriculture, Fisheries and Forestry—

**Senator Wong**—No, that was not me.

**Senator IAN MACDONALD**—Mr Smith, about where he lived and—

**Senator Wong**—No, Senator, I was not a member of that committee.

**Senator IAN MACDONALD**—Your colleagues, let me put it that way.

**Senator Wong**—And I don't think I know a Mr Smith.

**Senator IAN MACDONALD**—I preface this next question with reference to the precedent your party set in inquiring where secretaries live and how often they returned home. I ask the secretary, through you, Minister, whether she actually lives in Canberra or somewhere else?

**Senator Wong**—For me personally, I would be very reluctant to be asking people where they live. I think that is a matter for them. I will ask Ms Kruk if she wishes to respond and if she wishes to take the question on notice.

**Ms Kruk**—I am actually quite happy to tell you where I live. I have a residence in Canberra, I have a residence in Sydney and home is actually the Southern Highlands.

**Senator IAN MACDONALD**—Quite frankly, where people live is none of my business but the only reason that is relevant, as it was when the Labor Party kept questioning Mr Smith several estimates ago, was regarding who pays for you to travel from Canberra to your home in Sydney or to your home on the Southern Highlands?

**Ms Kruk**—I would refer you to the Remuneration Tribunal, which makes the decisions about the payment of secretaries. My payment is in accord with those decisions.

**Senator IAN MACDONALD**—You must know whether you pay or whether the department pays. I am only asking these questions because they were challenged and asked time and time again of Mr Smith by the Labor Party in the past, and so it is an interesting question that the Labor Party used to ask.

**Ms Kruk**—I am happy to answer it. It would be in accordance, no doubt, with the rules that also applied to Mr Smith at that time. If I am travelling home for personal reunion

reasons, that is clearly personal; if I am travelling to Melbourne or travelling to Sydney or to Brisbane, that is business based travel.

**Senator IAN MACDONALD**—But on Friday afternoon, if you do go home for the weekend and on Monday morning when you come back, or Sunday evening when you come back—there is no embarrassment about this, I am simply wanting to know.

**Ms Kruk**—If I am travelling to go home it is clearly personal travel.

**Senator IAN MACDONALD**—So, it is not paid by the department?

**Ms Kruk**—No. There is what is termed a reunion provision in a secretary's remuneration. It is a tribunal decision, is it not?

**Senator IAN MACDONALD**—In the way that Mr—

**Ms Kruk**—Yes. I think that is on the public record.

**Senator Wong**—It is probably not dissimilar to—

**Senator IAN MACDONALD**—In the way that Mr Smith was asked, do you go home most weekends?

**Ms Kruk**—Yes, I do.

**Senator IAN MACDONALD**—When you go home Friday and come back Sunday—

**Ms Kruk**—No, I stand corrected. If I have got commitments in Canberra on the weekend I can often traverse.

**Senator IAN MACDONALD**—Of course. But otherwise you fly home Friday afternoon and come back—

**Ms Kruk**—No, I tend to drive. It depends. Without wanting to bore the committee with my domestic arrangements, for instance this weekend I stayed in the Southern Highlands because I had a very early meeting on Monday morning.

**Senator IAN MACDONALD**—Okay, and the petrol is at your own expense?

**Ms Kruk**—I think I have answered that. I have a reunion allowance as part of my package so they are personal costs then. They are not costs paid for by the department.

**Senator Wong**—Do you really want to do this?

**Senator IAN MACDONALD**—That is all I have at the moment, Madam Chair, on this section.

**CHAIR**—Thank you. Which other of the coalition senators would like to ask questions?

**Senator ABETZ**—Minister, the chances are that this is more directed to you. The secretary will recall that I have been asking questions about Minister Garrett and with whom he communicated in relation to the Gunns pulp mill announcement.

**Ms Kruk**—Oh, Senator Abetz!

**Senator Wong**—It would not be estimates if we did not have these questions. Can you just let me see—

**Senator ABETZ**—It will be recalled that I asked about this at February 2009 estimates, May 2009 estimates, October 2009 estimates and February 2010 estimates.

**Senator Wong**—Could you just pause while I see if I can find the brief.

**Senator BIRMINGHAM**—We all note and applaud Senator Abetz's persistence.

**Senator Wong**—No, we will not.

**Senator ABETZ**—On each occasion I have been told that to find out with whom the minister communicated would, in general terms, be an unreasonable use of resource, or words to that effect; is that correct?

**Senator Wong**—I am sorry, I do have difficulty tracking all the questions. This is Senate question on notice 1226?

**Senator ABETZ**—I do not know about that. I am just seeking to confirm with you that you recall that I have asked about this at four separate estimates and have been told that it would be an unreasonable use of resource to provide the names with whom Mr Garrett communicated on that day. I could go through each estimate and quote chapter and verse but that would just delay the committee.

**Senator Wong**—I am sorry, Senator, could you give me a minute? I am just trying to find the question on notice answer to which you are referring.

**Senator ABETZ**—I am not asking about the question on notice.

**Senator Wong**—Actually, Senator, you have. You have asked me to confirm the minister's answer. I want to have a look at the minister's answer before I make the confirmation. I am just asking if you can give me a minute and I will try to find it.

**Senator ABETZ**—I refer to the actual estimates here.

**Senator Wong**—Yes, but there is also a question on notice answer. You asked for confirmation, Senator. If you are happy for me not to confirm, I will not look.

**Senator ABETZ**—I would have thought anybody would have recollected, and the secretary clearly does. We can wait.

**Senator Wong**—Senator, yes that is the case, the answer to question on notice 1486, paragraph 4.

**Senator ABETZ**—Thank you. Can I indicate to the committee and the minister that I no longer require the telephone numbers that I also sought. What I want to ask is why is it, Minister, that a senator, in asking reasonable questions at four separate estimates about this, has to be reduced to paying money to make an FOI and then have that request finally fulfilled when the minister, in the face of the FOI law, knows that he can no longer withhold the information. Is this the government's Operation Sunlight at its best?

**Senator Wong**—I will take that question on notice.

**Senator ABETZ**—All right. Can I then ask—

**Senator Wong**—I am just asking a question in clarification. Can you refer me to the FOI response? What is the date of that?

**Senator ABETZ**—There was one response to say that I would get something in due course, which was 8 February 2010, from the legal section of the department. Then I received another response on 11 May, just earlier this month.

**Senator Wong**—Could I please get a copy of those responses from the department?

**CHAIR**—While you are seeking that clarification, Senator Macdonald would like to make a correction.

**Senator IAN MACDONALD**—Thank you, Madam Chair. I referred to the previous secretary of the agriculture department as Mr Smith; it was actually Michael Taylor. I just want to correct the record.

**CHAIR**—Thank you.

**Senator ABETZ**—Delete ‘Smith’; insert ‘Taylor’.

**Senator Wong**—If you want to ask me questions on the FOI response, I do not actually have a document on that, I am afraid. I can seek it, and I would want to seek it if you are going to ask me questions. I am not sure who the decision maker was in respect of that.

**Senator ABETZ**—The department sent me the letter, so the department should have it. The legal section of the department sent me a letter dated 11 May 2010, and it would be surprising if people did not think this may come up at the estimates.

**Senator Wong**—Many things come up at estimates and some of them—

**Senator ABETZ**—Yes, but this has had the boring regularity of coming up at estimates.

**Senator Wong**—I have to say that I was not aware of the FOI issue.

**Ms Kruk**—Senator Abetz, if I can get Senator Wong the relevant information then we could come back to it during the session, if that is possible.

**Senator ABETZ**—When you find the letter could you also then ask Minister Garrett’s office as to what date he wrote to Mr Allan Scadden, Special Counsel of the Australian Securities and Investment Commission? Because the FOI response that I received dated 11 May 2010 has attached to it a letter that the minister wrote to ASIC, which says, ‘I refer to your letter of 3 March 2009,’ but mysteriously this letter that was attached does not seem to have a date on it. I can find out from ASIC estimates as to when they received Mr Garrett’s letter but it would be helpful for us to know, when receiving a copy of this FOI, if the minister’s office could tell us when the minister wrote to ASIC.

**Senator Wong**—I wonder if you could provide us with a copy of that?

**Senator ABETZ**—Just bear with me.

**Senator Wong**—If we can come back to this I will try to get some advice.

**Senator ABETZ**—Not a difficulty.

**Senator Wong**—I suspect that we will have the same discussion we have had for four estimates, but if you wish to spend time on this again, that is a matter for you.

**Senator ABETZ**—Clearly, you have not seen it. I dare say there are a few departmental officials cringing because the point I am about to make is that Minister Garret responded in

early 2009 to the ASIC request of all the people with whom he communicated. After ASIC had all the information from Mr Garrett, Mr Garrett was still asserting it would be an unreasonable use of resource to disclose this information that he had already gathered and gleaned and confirmed to ASIC and to this committee. That is getting very, very close to misleading the parliament. That is why I want to know the exact date on which Mr Garrett wrote to ASIC, because the date on that letter will then advise us as to whether the minister and the answer provided that 'it would be an unreasonable use of resource' was a sustainable argument given that he told us in that letter to ASIC all the people with whom he had communicated. This is a very serious matter and I am more than happy for the minister to get a copy of that and find out the date on which Mr Garrett wrote to ASIC and I am sure his office, if they were contacted, would be able to provide that information within a matter of minutes.

**Senator Wong**—I will take it on notice and see whether I can be of assistance. I would make the point if the assertion from the opposition is that the answer regarding our unreasonable diversion of resources is misleading the parliament, then most of the Howard government ministry would have misled the parliament over the last decade because I know I received that answer on many occasions. I am sure Senator Marshall and others did too.

**Senator ABETZ**—Minister—

**Senator Wong**—Senator, I do not—

**Senator ABETZ**—When the work has already been done and communicated to another party, it is disingenuous in the extreme—some would in fact call it deliberately misleading—to assert that it would be an unreasonable use of resource when the work had already been done. Of course the letter itself is very telling because it makes the points that I have previously sought to make, and that is that in his statement to the parliament on 25 February 2009, Mr Garrett said that he had confidentially informed key stakeholders of imminent government decisions in which they have a particular interest. Of course the people that he personally telephoned, Lawyers for Forests; Tasmanians Against the Pulp Mill; the Wilderness Society; and the Australian Conservation Foundation, but not Timber Communities Australia, not the Forest Industries Association, not the Tasmanian Forest Contractors Association—nobody associated with the industry, let alone Gunns themselves. He did contact Duncan Kerr, the member for Denison, but he could not contact the federal member in whose electorate the pulp mill may be built, namely Jodie Campbell. So we have got a clear indication of a pecking order here but that is a matter for another occasion. What the minister has been able to do in this letter is to set out, as I had suspected, all the favoured ones that he had rung, whom he had deputised people in his office to ring other people. All this information, clearly, is easily available to ASIC and we want to know the date because the ongoing answers of an unreasonable use of resource is unsustainable given Mr Garrett's response to ASIC. He knew the information and I will just ask this final question—

**Senator Wong**—There are quite a few questions, Senator.

**Senator ABETZ**—Yes, but this is a very serious matter of misleading—

**Senator Wong**—There is also a lot of—

**Senator ABETZ**—a Senate committee. Will the minister consider reimbursing my FOI cheque to get this information? If senators have to be reduced to getting FOIs out with their own personal money when they should be allowed to get this information at Senate hearings, then they are told at Senate hearings it is an unreasonable use of resource when the information has already been gleaned and gathered, it is tantamount to contempt of the parliament. So let us find out the date that Mr Garrett wrote to ASIC.

**Senator Wong**—That is a pretty serious allegation.

**Senator ABETZ**—I know it is very serious.

**Senator Wong**—Senator, I listened to a very long diatribe. That is a serious allegation, and I do not accept it. I will take those matters on notice and if I am able to assist I will do so.

**CHAIR**—Thank you. Senator Abetz.

**Senator ABETZ**—Can I ask whether the minister can get back with that date on the letter, let us say, by morning tea and then if we may revisit that issue briefly?

**Senator Wong**—I have taken it on notice, Senator.

**Senator ABETZ**—Yes, I know you have.

**Senator Wong**—I understand your—

**Senator ABETZ**—I am making a further request to get the date on the letter and if the minister hides it, take the tip, I will get it out of ASIC next week when they are before estimates and if the minister does not provide it now, we will know it is just another step in this minister's obfuscation and his inability to live up to his responsibilities. So if we do not have it by morning tea we will pursue it further, but I accept, Chair, that if the minister wants to defend the other minister and not respond within that timely fashion, that is up to them.

**Senator Wong**—Hang on, Senator. We are going to have a very long day if you simply make a whole range of assertions and then move on and do not expect a response. I will take the question on notice. I do not know whether I will be able to respond in the time frame you have dictated. I want to make that clear and on the issue of you expending money, can you just tell us how much out of pocket you are?

**Senator ABETZ**—I have got no idea. What is it?

**Senator Wong**—You want the cheque reimbursed?

**Senator ABETZ**—Sorry?

**Senator Wong**—You sought—

**Senator MARSHALL**—Some money reimbursed.

**Senator ABETZ**—That was flippant.

**Senator Wong**—I am sorry, I—

**Senator ABETZ**—The serious issue is—

**Senator MARSHALL**—It was all flippant.

**Senator ABETZ**—That senators are reduced to putting in official FOI requests that cost money for material and information that they are entitled to glean as a matter of course—

**Senator Wong**—In your view.

**Senator ABETZ**—At these estimates.

**Senator Wong**—In your view.

**Senator ABETZ**—Well—

**Senator Wong**—It is your view, Senator; be fair on that.

**Senator ABETZ**—No. We were told the reason the answer was not being given was that it was an unreasonable use of resource. We now have before us, black on white, that all that information was gleaned and gathered and available for communication. Is the minister's argument that simply transferring the information from his office to this committee would have been an unreasonable use of resource? It is all there, black on white. We know with whom he communicated. We know that he knew. We know that he communicated that to a third party but deliberately withheld it from this committee.

**CHAIR**—Did you wish to respond to that again, Senator Wong?

**Senator Wong**—No, I do not think so.

**Senator ABETZ**—Thank you. Can I move on, if this is the right place, in relation to registered environment organisations or does that fit into a particular program?

**Senator MARSHALL**—You can ask that—

**Senator ABETZ**—Thank you. I am very concerned about the Tasmanian devil and the Tasmanian Devil Foundation. I understand an application has been lodged and it is currently in the department. As I understand the process, after the department thinks it is a good idea, it gets flicked through to the Australian Taxation Office. I just want to understand, with no disrespect, whereabouts in the sausage machine this application is? Is it still with the department or has it moved on to the ATO?

**Mr Sullivan**—I am not aware of where that specific one is up to, but you are correct, Senator, in that when organisations do apply, there is a test in terms of meeting criteria and again you are correct as well in terms of being a joint—because it is a taxation matter. I can take that on notice and get back to you. I can try and source that information for its progress and get back to you during the day.

**Senator ABETZ**—I am advised—and there is a financial imperative on this one; The Tasmanian Devil Foundation is a very worthy cause—that an application arrived on 3 May and if this could be fast tracked because a generous benefactor has promised—

**Ms Kruk**—We can possibly make—

**Senator ABETZ**—certain things. If things can get through by 30 June the Tasmanian Devil Foundation will have an extra \$100,000.

**Ms Kruk**—Senator, we will take on notice and see if we can assist.

**Mr Sullivan**—If that is okay, Senator, I will take that as advice. If it came in on 3 May it is still within the department, but I will go and talk to my people—

**Senator ABETZ**—Can I make a plea to see what can be done in relation to it and if, per chance, you could advise, if the minister is agreeable during the day, if it is possible, just to let me know on the side what is happening with it.

**Mr Sullivan**—I can get back to you in the day, Senator, on where that is in the sausage machine, as you have described it. I will go and find out which sausage it is in the line.

**Senator ABETZ**—Yes, because if it is still in your department then I cannot harass the ATO next week but if it is already with the ATO I will then seek to harass them to expedite the matter.

**Mr Sullivan**—I may not win any favours then for getting it to them before next week.

**Senator ABETZ**—All right. That is me done, thank you, Chair.

**CHAIR**—Thank you, Senator Abetz. Are there any further general questions? Senator Birmingham.

**Senator BIRMINGHAM**—Thank you, Chair. Senator Wong and Ms Kruk, good morning. Can I start with the issue surrounding the machinery of government changes and the logistical things and so on that flow from that. Now looking at the PBS, obviously there are significant changes to staff numbers in the year ahead, in particularly outcome 2, 308 is the estimated deviation in average full time staff. Can you give us an indication of exactly how many full-time staff equivalents were transferred from DEWHA to the DCCEE?

**Ms Kruk**—I may hand over to—

**Senator Wong**—We have been trying to find the right acronym—DC-squared-E-squared was one proposal. I thought it was a bit weird personally, but anyway it is difficult.

**Senator BIRMINGHAM**—It is a department that I know had many economists, and it sounds like the economists may have come up with that acronym for you.

**Ms Kruk**—I may ask Mr Sullivan to give you the details. I think you are aware that the machinery of government stuff is well progressed; staff have transferred. We are actually in the final stages of that staff transfer, so Mr Sullivan can assist.

**Mr Sullivan**—The machinery of government obviously has quite clear guidelines through the APSC. It is a staged process, it just does not happen overnight. In terms of where staff are going, the clear rule is that staff will follow function. That happened, and happened reasonably quickly. There are a number of measures, whether they are ASL full-time equivalents or actual head counts—they all give you different numbers because some people are part time et cetera. Over 300 people went in that first tranche of movement. The other movements are the movement of administered funding and movement of departmental funding, but there is also a second tranche of staff movements, which is still being finalised. The reason that is not simple is that it is for associated people within corporate areas who were nominally supporting that function, and so a proportion of those staff then go to the receiving department, which is DCCEE.

I think that is almost finalised. You do want to get round pegs in round holes, and so you basically look at where there are needs on one department's side and where there are also people who want to change as well, because you do not necessarily just want to send people



away to a place where they do not want to work. There was not an option with the first tranche; if you were working in the outcome 2 program then you followed function. The second tranche of staff, as I said, is close to finalisation—I can check that and take that on notice for you if you like, but my recollection is that it is in the final stages of being signed off.

**Senator BIRMINGHAM**—When did the first tranche movement occur? Was that a transfer on a specific date?

**Mr Sullivan**—It was a specific date, and I cannot recall what it was. It followed very quickly after the 8th because of the machinery of government and the Governor-General's—

**Ms Kruk**—We can follow up with that date.

**Senator BIRMINGHAM**—Thank you, Ms Kruk.

**Mr Sullivan**—Can I also say, just for the information of the committee, something that it is relevant to asking general questions about those programs? It is not only all the staff who follow function who transfer but the files are also transferred. So the corporate knowledge is not just the people, it is also the supporting documentation and files. They are basically boxed, housed and delivered.

**Senator BIRMINGHAM**—The second tranche is expected to be finalised when?

**Mr Sullivan**—It is a much smaller number and it should be finalised—I will check for you—by the end of May. I think that was the target date for that to be finalised. That is a much smaller number.

**Senator BIRMINGHAM**—Approximately?

**Mr Sullivan**—Approximately 15.

**Senator BIRMINGHAM**—Is that a physical transfer? What has happened internally in that regard? Have staff packed boxes and moved buildings, or is there a floor or two dedicated within your existing facilities that are now—

**Ms Kruk**—That is actually a physical transfer and staff have left the building now. We have also used it as an opportunity to consolidate our own accommodation and to drive down our accommodation costs as well. I think some staff may still need to be physically transferred. Is that right, Mr Sullivan?

**Mr Sullivan**—Obviously you do not just put people on the street, so this is done to maintain business as usual services for the government, regardless of what department they are in. A majority of staff have now moved physically or are in the process of moving physically and, as the secretary said, we are moving some of our other staff from a building in the city to a building in Woden, and the energy efficiency component of DCC is moving into a building we formerly occupied in the city.

**Senator BIRMINGHAM**—Right. In terms of changes to floor space and changes to buildings, what is the approximate reduction in floor space utilised by DEWHA?

**Mr Sullivan**—I cannot give you a specific on that. Obviously, it is average square metres times the number of people in terms of the formula but, as the secretary said, we have consolidated. We are trying to use this as a way to consolidate, reflecting that both DCCEE

and we are in multiple locations. The lower number of locations you have for an organisation the more efficient you are and the costs are reduced. So we are using this to try to minimise costs to both organisations.

**Senator BIRMINGHAM**—Let me come at it from a different direction. The secretary said consolidation has occurred. Can you please detail the consolidation that has occurred and the savings that have come from that?

**Mr Sullivan**—The consolidation is that we are co-locating staff that were from the city in a building in Woden. Perhaps I should take this on notice and give you some more detail, because there are myriad buildings. Perhaps Mr Forbes can actually stop me taking it on notice and give you more detail?

**Mr Tucker**—We anticipate the savings will be just over \$1 million a year for us in accommodation costs.

**Senator BIRMINGHAM**—Just over \$1 million?

**Mr Tucker**—That is our current projection.

**Mr Forbes**—We are moving out of Farrell Place, which has a net lettable area of 7,147 square metres, and that is, essentially, the net reduction.

**Senator BIRMINGHAM**—That is roughly the net reduction—and Farrell Place being the city building that Mr Sullivan was referring to?

**Mr Sullivan**—Yes.

**Mr Forbes**—That is the city building.

**Senator Wong**—It is not a monument to Senator Farrell.

**Senator BIRMINGHAM**—I am sure that is to come at some stage. Now in terms of the \$1 million of savings, when are they expected to be realised?

**Mr Forbes**—Essentially, that will be from next year.

**Senator BIRMINGHAM**—In 2010-11?

**Mr Forbes**—In 2010-11.

**Senator BIRMINGHAM**—Farrell Place is a building the department leases?

**Mr Forbes**—It is a building which was leased by the department and which has been transferred to the Department of Climate Change and Energy Efficiency. The lease has been transferred to their responsibility.

**Senator BIRMINGHAM**—The lease has been transferred and DCCEE are taking over that lease, notwithstanding that most of the staff have moved out of that building?

**Mr Forbes**—They are in the process of moving out of it now. All our staff will be out towards the end of June, and it will be fully occupied by the Department of Climate Change and Energy Efficiency at that time. I think that is around 21 or 22 June.

**Senator BIRMINGHAM**—The handover date for the lease from DEWHA to the Department of Climate Change and Energy Efficiency is 21 or 22 June?

**Mr Forbes**—I am not sure whether it will be the handover of the lease. We are currently in the throes of working things out. Under the section 32 arrangements, they will be taking over the costs of leases from the time of the machinery of government changes but there are ons and offs in regards to that and they are currently being negotiated.

**Senator BIRMINGHAM**—The building will be handed over vacant at that time?

**Mr Forbes**—There is a progressive move of our staff out and the Department of Climate Change and Energy Efficiency staff in. Currently the building has Climate Change and Energy Efficiency staff as well as Environment, Water and Heritage and the Arts staff. It is a mixed bag at present.

**Senator BIRMINGHAM**—Of the more than 300 staff who have moved from DEWHA, how many of them have physically left this building?

**Mr Forbes**—Physically left?

**Senator BIRMINGHAM**—Farrell Place.

**Mr Forbes**—Most of the staff who were in Lovett Tower in Woden have moved into Farrell Place. We have other staff in Climate Change and Energy Efficiency in other buildings; for example, they are in the Burns Centre in Parkes and also in the John Gorton Building.

**Senator BIRMINGHAM**—They are staff moving from your other sites into Farrell Place and Farrell Place will be taken over by DCCEE?

**Mr Forbes**—That is right.

**Senator BIRMINGHAM**—Thank you, Mr Forbes, that clears up that one. Can I come to the topic we started with in terms of insulation and ask the Secretary whether she was aware of any of the letters from Minister Garrett to the Prime Minister dated 14 August, 27 August, 28 October and 30 October?

**Ms Kruk**—I do not have the benefit of actually having seen the letters. I am aware of the fact that I think this committee or possibly your inquiry has actually asked for those letters to be tabled. I was certainly aware of the content of those letters but not necessarily the final form of those letters. These are the letters in relation to the cabinet exposures, is that correct, of the Home Insulation Program? Are they those letters?

**Senator BIRMINGHAM**—They are the letters in relation to the Home Insulation Program, yes.

**Ms Kruk**—Please do not test me on the ins and outs of the letters.

**Senator BIRMINGHAM**—I would be intrigued to know the content of the letters. As to what they are actually in relation to beyond that—

**Ms Kruk**—I am sorry, I am not familiar with the final terms of those letters. I am certainly aware of the general content of those letters. They were cabinet related advices.

**Senator BIRMINGHAM**—Were those letters drafted by the department or drafted within the minister's office?

**Ms Kruk**—The normal procedure would be that a draft would be provided to the minister's office and the minister would obviously have to be comfortable with the contents of those letters before they were issued.

**Senator BIRMINGHAM**—Are you aware of whether the normal procedure was followed on these occasions?

**Ms Kruk**—That is what I am saying; I am not familiar with the final form of those letters so I cannot assist you in that regard.

**Senator BIRMINGHAM**—I am not asking about the final form at this point, I am asking about the drafting of them. Are you aware whether normal process was followed in relation to these four letters; whether they were drafted by the department and then forwarded to the minister's office?

**Ms Kruk**—I have no reason to believe that normal process was not followed. So, no, I do not believe there is an issue.

**Senator BIRMINGHAM**—Would you have signed off on those drafts or the minutes conveying those drafts prior to them being conveyed to the minister's office?

**Ms Kruk**—In most instances I would be aware of the content of those letters because they would have been the subject of ongoing discussions. I would not necessarily have signed off on them.

**Senator BIRMINGHAM**—If not you, then a deputy secretary?

**Ms Kruk**—A senior officer of the department, yes.

**Senator Wong**—Not necessarily a deputy.

**Senator BIRMINGHAM**—Can you advise who signed off on those letters?

**Ms Kruk**—That is where I cannot assist you. I think you will note I have always tried to assist as much as possible. I really do not have access to those files any more. That is one of the consequences of the machinery of government. As I indicated, I do not think there was any change to the normal process in this regard because the issues that were being considered by cabinet were very openly discussed between ourselves and the minister's office, as I have indicated on the record.

**Senator BIRMINGHAM**—I will pursue who signed them off tomorrow; that is fine. We will just have to deal with some of these variances. I want to go to the issue of cabinet consideration.

**Senator ABETZ**—Can you assure us that the officer who signed off on these draft letters is in fact now in the climate change department and not still an officer in your department? I am concerned, as I understand it, and I suppose you would be the prime example, Secretary, that not all the staff related to the pink batt issue actually moved to climate change; some remained in place. Therefore I am just foreseeing the circumstances where people in climate change say, 'Look, sorry, we do not know, that person is still in the department of the environment, you should have asked him or her.'

**Ms Kruk**—I do not think that situation will arise in terms of any official still being with the department. I am happy to be corrected.

**Senator ABETZ**—The problem is if you are corrected as of tomorrow it will be too late for us to pursue it.

**Ms Kruk**—You would know that I would be called before the inquiry again. I do not believe that to be the case. The machinery of government transferred the full function of the energy programs over to the department of climate change.

**Senator ABETZ**—And all files?

**Ms Kruk**—And all files. That is where I am at a difficulty in this inquiry. It is not a matter of not wishing to be helpful; all files, that is the issue.

**Senator ABETZ**—You would have access to them should you seek access for matters—

**Ms Kruk**—Not necessarily.

**Senator ABETZ**—in which you were personally involved as having signed off a minute or something like that? You would still have access to those on request?

**Ms Kruk**—It is not an issue I have ever tested. I suppose that has always been my understanding that when a function goes across to another agency I would have to actually seek formal approval to access it.

**Senator ABETZ**—Of course but you can get it?

**Ms Kruk**—That sort of permeability between the barriers does not exist.

**Senator ABETZ**—Just recently I wrote to Minister Burke seeking some old files of mine whilst I was a minister in his portfolio and he kindly provided me with photocopies of them. I was slavishly following departmental advice for which somebody has since criticised me and I did not have any memory of the matter. Mr Burke kindly agreed that he would come to the party. Ms Kruk, I imagine that would be a similar situation and that it would be available to you?

**Ms Kruk**—It is not a provision I have tested. Certainly when I have appeared before the inquiry before I have had access to the files. In this instance I no longer do.

**Senator ABETZ**—I will not delay any further.

**Senator BIRMINGHAM**—While we are covering off on some of those staff matters, aside from the approximately 15 in the second tranche of staff to be transferred, who I assume from Mr Sullivan's comments are primarily corporate services staff, and correct me if I am wrong there—

**Ms Kruk**—Yes.

**Senator BIRMINGHAM**—There are no staff in DEWHA still working on any aspect of the Home Insulation Program or energy efficiency programs in general?

**Ms Kruk**—No, there are not; I can confirm that.

**Senator BIRMINGHAM**—Returning to the issues of these four letters; Ms Kruk, you have referred to them as cabinet related correspondence in your answers. In responses provided to the Senate inquiry into this matter, we were told that the correspondence of 14 August 2009 was submitted to the Strategic Priorities and Budgets Committee of the Cabinet soon after its receipt. It seems fairly logical that that correspondence would be covered as a

cabinet document, having gone to a cabinet subcommittee. However, I take it by omission in this response, given the question specifically asked about all four letters and the response does not detail any of the other three letters having gone to cabinet subcommittee or cabinet, that none of those letters actually did go to a cabinet subcommittee or cabinet.

**Senator Wong**—We would need to take these questions on notice. These are questions in relation to your inquiry which I understand the hearings of which have not finalised, so you are obviously welcome to pursue it in that context. You are asking us to deal with a response in the inquiry which really goes to the issue I raised at the outset of estimates. Secondly, as I understand, there is an outstanding order for production from you, I think, Senator, which is also before the government.

**Senator BIRMINGHAM**—Yes.

**Senator Wong**—In relation to these letters, I will be flagging to you now I will be taking these questions on notice.

**Senator BIRMINGHAM**—Given the experience Senator Abetz had that we were discussing before concerning Gunns, I have taken the approach of pursuing every avenue rather than relying on any one taking precedence. So, yes, there is an order for production of documents that is outstanding with the Senate chamber. There is also an FOI request related to—

**Senator Wong**—The decision date which has not yet been reached.

**Senator BIRMINGHAM**—No, we have asked questions in the Senate committee about them, and questions have been asked in the House of Representatives about them.

**Senator Wong**—Correct.

**Senator BIRMINGHAM**—The Prime Minister and the minister have consistently stated there is cabinet relationship for these letters. Indeed, answers to have them tabled from the department have consistently stated there is some cabinet relationship for these letters. Yet, when actually asked to detail what the cabinet relationship is, the department has only been able to detail it on one out of the four occasions. I am asking whether Ms Kruk is aware whether any of the other three letters went to cabinet or a cabinet subcommittee, or whether any of the other three letters were directly quoted in material presented to cabinet or a cabinet subcommittee.

**Senator Wong**—But that question goes directly to the possible content of cabinet deliberations.

**Senator BIRMINGHAM**—No, I am not asking what the content is. I am trying to ascertain—

**Senator Wong**—Senator, you are asking if parts of letters—

**Senator BIRMINGHAM**—These letters are not public.

**Senator Wong**—May I finish?

**Senator BIRMINGHAM**—Certainly, Minister.

**Senator Wong**—Thank you. Parts of letters were quoted in cabinet submissions. That goes directly to cabinet deliberations.

**Senator BIRMINGHAM**—Well, it does not if you are protesting that these letters are covered by cabinet confidentiality and therefore will not be released.

**Senator Wong**—Is the question whether the letters are covered by cabinet confidentiality, and therefore will not be released? Is that the question?

**Senator BIRMINGHAM**—No, Minister, because you have made those claims previously.

**Senator Wong**—No, is that the question?

**Senator BIRMINGHAM**—Okay, the question is: on what basis are these letters covered by cabinet confidentiality?

**Senator Wong**—I will take that question on notice, as per my previous answer, for the reasons I have outlined.

**Senator BIRMINGHAM**—I would really like to avoid the necessity of having Ms Kruk appear before the other inquiry again. In fact, the other inquiry would dearly like to get on with reporting, I suspect, in the near future and meeting its latest timeline, whatever that is for reporting, rather than having the departmental officials back again.

**Senator Wong**—For the fourth—

**Senator FISHER**—There is not much point in having further hearings unless Senator Wong is volunteering Senator Arbib to appear before the committee to have further investigation. Maybe she is.

**Senator Wong**—With all due respect, Senator Fisher, I do not volunteer people generally.

**Senator FISHER**—You did indicate that perhaps the committee had not finished its hearings, so we look forward to Minister Arbib volunteering his face—

**Senator Wong**—If you have an issue in relation to Senator Arbib, you can pursue that in the Senate as is the appropriate course.

**Senator FISHER**—Thank you.

**Senator Wong**—Okay, you know that. I am not his keeper; he is not mine. If you have a view about that, there are avenues open to you. There is no need to play that game here.

**Senator BIRMINGHAM**—You have not yet given Ms Kruk even the opportunity to say simply, ‘Yes, I know’, ‘No, I do not know’ or ‘No, I cannot recall in relation to these’. You have jumped in and taken this question on notice. It should be a straightforward question. Why are these three letters—I will accept the case around the 14 August letter—by why are the 27 August, 28 October and 30 October letters covered by cabinet confidentiality? On what basis or grounds?

**Ms Kruk**—Formally for the record, I will say I do not know. The manner in which those letters are treated is ultimately a decision that will be taken presumably by the Department of Prime Minister and Cabinet, so I am afraid I cannot assist you in this regard.

**Senator BIRMINGHAM**—Ms Kruk and Minister, perhaps let it be noted that—and I am sure of course that—

**Senator Wong**—Let it be noted is very ostentatious, Senator Birmingham. You generally are not ostentatious.

**Senator BIRMINGHAM**—Thank you, Minister. I should start a file of the advice that you give me during these hearings. There are lots of people you tell me not to mentor myself on and things that I am or am not.

**Senator Wong**—It is a Senator Abetz-ism.

**Senator BIRMINGHAM**—It is very flattering.

**Senator Wong**—It is a Senator Abetz-ism; you do not need to do that. Let it be noted.

**Senator BIRMINGHAM**—It is very flattering, Minister.

**Senator Wong**—Well, I do not know about that.

**Senator BIRMINGHAM**—As to the response to these questions on notice, I will pursue this again tomorrow with the Department of Climate Change and Energy Efficiency.

**Senator Wong**—That is noted.

**Senator BIRMINGHAM**—If they could, please, perhaps see whether an answer might be forthcoming for tomorrow's hearings. I assume if all of the files have been transferred, they would actually know on what basis these letters are covered by cabinet confidentiality. If an answer could be forthcoming tomorrow, that gives them 24 hours notice to actually look at it and find out why the department and all agencies continue to claim it when responses given to date indicate that only one of the four letters ever appeared in any cabinet material.

**Senator Wong**—Thank you. I shall let that be noted.

**Senator ABETZ**—Known or noted?

**Senator Wong**—Noted. Can I just clarify my recollection, and I may be incorrect, the decision maker for the purposes of the FOI application and the order for production is neither me nor Minister Garrett from recollection. You are asking questions germane to both of those decisions.

**Senator BIRMINGHAM**—As you noted, an FOI application is outstanding.

**Senator Wong**—To the Department of Prime Minister and Cabinet, I believe?

**Senator BIRMINGHAM**—The FOI application was made I think to all three departments and all three ministers.

**Senator Wong**—I stand corrected.

**Senator BIRMINGHAM**—Indeed, all four ministers, including Mr Combet as well, just in case he happens to have copies of them, because we are obviously not sure.

**Senator Wong**—Fair enough. I was of the understanding it was Department of Prime Minister and Cabinet, but if that is the case, that is relevant.

**Senator BIRMINGHAM**—This question is not related to the FOI application, because in the end these—

**Senator Wong**—Well, it is absolutely germane to it.



**Senator BIRMINGHAM**—To the point Senator Abetz was making before, I should not have to pursue this as an FOI application.

**Senator Wong**—That is your opinion.

**Senator BIRMINGHAM**—If these materials can be genuinely made public, if they are actually not covered by cabinet confidentiality, then we should be able to ask, either in the Senate inquiry or in these estimates hearings, for them to be provided. That is what we are doing here. That is what I will do again tomorrow. I would hope that the Department of Climate Change and Energy Efficiency can look into the matter tomorrow. I would ask you to ensure that officials there are aware that the issue will be raised, and that they can actually provide a substantive answer on why each of these three letters is covered by cabinet confidentiality. If it is, I will accept it and I will not ask for the detail of what is in it. But if it is not, then they should be released.

**Senator Wong**—Have we finished? It is an extremely long lecture, Senator. In relation to, I think, what was the penultimate question in a long line, I will ensure they are aware.

**Senator BIRMINGHAM**—Thank you, Minister.

**Senator Wong**—I am not going to give an indication now as to what any answer will be.

**Senator BIRMINGHAM**—That is fine. I would appreciate it if they are aware and able to give an answer which would be a step forward from what we have had today or on previous occasions. Finally, would it be equally normal—and we understand it is normal practice for the drafts to come from the department to the minister's office and, Ms Kruk, you would have no expectation as to why normal practice would not have been followed on these four occasions—for copies of the final version to return to departmental files?

**Ms Kruk**—I have no reason to believe that that would not have been the case.

**Senator Wong**—That would be normal practice.

**Senator BIRMINGHAM**—So it would be normal practice and therefore one would expect that copies of those four letters would be in files that have been transferred to DCCEE?

**Senator Wong**—Now you are asking us a different question. I am happy to give the answer on what would be normal process. I will not give you an expectation answer about what may or may not be.

**Senator BIRMINGHAM**—If normal process were followed, that would be a reasonable expectation?

**Senator Wong**—That is not a question; that is an assertion.

**Senator BIRMINGHAM**—Would that not be a reasonable expectation, Minister, if normal process were followed?

**Senator Wong**—I do not know what is in the files. You can ask the questions tomorrow. I will not hypothesise in these hearings. I genuinely do not. I have not inspected the files.

**Senator BIRMINGHAM**—Well, for the record, so that in the advice that is provided to DCCEE, who I am sure are probably monitoring these things anyway, I will also ask tomorrow whether they hold copies of those four letters, and I would hope that they will be

able to provide an answer at those hearings tomorrow. I turn now to the risk register updates, and particularly the updates of the risk registers provided to the Senate inquiry recently dated 31 July, 27 September and 1 October. Ms Kruk, how widely were those documents circulated within the department?

**Ms Kruk**—I will do it to the best of my knowledge. I understand that the project team and those officers working in close contact with the project control group would have been familiar with those documents. I presume a number of officers would have been involved in the development of those registers, and I think we have publicly indicated before that that was done with the assistance of an outside party, as I recall.

**Senator BIRMINGHAM**—That is right. Did you ever see the documents?

**Ms Kruk**—I think I actually took questions on the risk register before your committee. So definitely, yes, the risk register.

**Senator BIRMINGHAM**—Did you ever see the documents prior to or at the time of the development or within the vicinity of the development?

**Ms Kruk**—Some of the documents, I think, were already under development when I commenced in the department, so I would have been briefed on them at various stages.

**Senator BIRMINGHAM**—Did you ever brief the minister on them?

**Ms Kruk**—I think I have indicated previously that the insulation program was the subject of our discussions at our weekly meetings. I think there were more detailed briefings and actually provided to him by other department officials. The reason I am being cautious is that I have, in all of my appearances before the inquiry, been well and truly on top of the documents. You are now relying on my recall which I always think is far more unreliable than someone who has actually been very closely associated with the documents. So please do not take my hesitation as being anything other than now a growing distance from the documents. Please refer to my evidence, because that was informed by my direct access to the documents.

**Senator BIRMINGHAM**—Certainly. At that stage we had not, as a committee, seen the three documents in question. We had seen the first, from memory, the 29 April version of the risk register; we had not seen the three other versions that were only provided to the Senate inquiry in the last couple of weeks.

**Senator Wong**—You can recall the witnesses. That is open to you.

**Ms Kruk**—I recall actually taking questions on the risk register, so I think certainly that document was provided between my various appearances, and I think after one of my appearances—actually, before the second appearance. I remember taking questions on the register.

**Senator BIRMINGHAM**—The first version of it was provided?

**Ms Kruk**—As you clearly understand, the register is obviously adjusted as the program rolls out, as it was in this case.

**Senator BIRMINGHAM**—That is right, the subsequent three versions were not, and in terms of ascertaining whether information from them was provided in briefings to ministers, obviously in your weekly verbal briefings with the minister, for which you only have your

recollection and we cannot ask for file notes or copies of briefings which presumably have been transferred to DCCEE, do you recall raising details in those updated versions of the risk register with the minister at all?

**Ms Kruk**—I do not recall the exact discussions on the various iterations of the risk register, but I think we have previously read into evidence the changes that were made to the program design as a result of the issues that were raised in the risk register. That has been read into transcript. So the risk register issues were translated into programmatic changes.

**Senator BIRMINGHAM**—Once again, Minister, I just say this so that we try to get answers tomorrow. I will pursue with DCCEE tomorrow in terms of file notes and briefing notes that were conveyed to the minister, whether quotes or issues from these versions of the risk register were contained in briefings, minutes et cetera that went to the minister.

**CHAIR**—Would that be an appropriate time to break for morning tea?

**Senator BIRMINGHAM**—I am happy to do that now.

**CHAIR**—Okay, thanks very much.

**Proceedings suspended from 10.43 am to 11.05 am**

**CHAIR**—We will recommence if people are ready. Minister Wong.

**Senator Wong**—Never say I do not respond to you, Senator Abetz.

**Senator ABETZ**—There is always the exception that proves the rule, but I am waiting for it.

**Senator Wong**—I can help you to some extent. First, obviously the context that I do wish to place on the record, letting it be noted, is that ASIC has investigated this matter and, as you know, Senator, has made it clear that it is satisfied that no breach of the Corporations Act may have occurred.

**Senator ABETZ**—Yes, that is right.

**Senator Wong**—In relation to the letter that you requested, I am advised that the date of the letter was 6 March 2009.

**Senator ABETZ**—That was the letter, if I may interpose, as I understand it from ASIC to Minister Garrett?

**Senator Wong**—No, that is Minister Garrett to ASIC.

**Senator ABETZ**—Thank you. So he responded on the same day he got the—

**Senator Wong**—No.

**Ms Kruk**—No. Senator, what was your question? I thought you asked about the date—

**Senator Wong**—You asked me the date on which the letter was sent.

**Senator ABETZ**—From Mr Garrett.

**Senator Wong**—To ASIC.

**Senator ABETZ**—I understand Mr Garrett's letter starts—and I no longer have it with me, but I think you have a copy, 'I refer to your letter of 6 March 2009'—

**Senator Wong**—Maybe we are talking about a different letter.

**Senator ABETZ**—So Mr Garrett was responding to a letter of 6 March.

**Senator Wong**—No, 3 March.

**Senator ABETZ**—Sorry, 3 March?

**Senator Wong**—Sorry. Let us take this one step at a time. I understand that ASIC wrote to the minister on 3 March, and the minister responded on 6 March.

**Senator ABETZ**—On 6 March, right.

**Senator Wong**—In relation to the second part of your question with respect to the content of the question on notice, the minister will take that question on notice.

**Senator ABETZ**—I now have the information courtesy of the FOI. If I may briefly follow up, just so that I fully understand, the information that I was seeking in relation to whom the minister contacted, which was such an unreasonable use of resource, was in fact able to be obtained within a matter of three days, is that right? The letter was dated 3 March from ASIC seeking details, and the minister was able to respond on 6 March?

**Senator Wong**—That question goes to the question I have taken on notice. I have said I am taking on notice on behalf of the minister the second aspect of your question which is the content of I think paragraph 4 of the relevant question on notice. We can have a discussion about that. Senator Joyce is leaving.

**Senator ABETZ**—Just for the purposes of noting—

**Senator Wong**—Can I just let you know before you go, Senator Joyce, that Water is on at the same time as the State of Origin match which will make it difficult for you.

**Senator ABETZ**—I think both matches are a foregone conclusion. That means that that information was available at the May 2009 estimates, the October 2009 estimates, and the February 2010 estimates, for noting, Minister. It was denied because it would be an unreasonable use of resource to make it available, and the minister had it and provided it to ASIC.

**Senator Wong**—That assertion is a matter in response to which I will take on notice.

**Senator ABETZ**—After the FOI, it is no longer a matter of assertion; we now have it in black and white that the minister was able to identify each and every person that he personally rang on that day in January. When I was asking about it in February 2009, it was unreasonable, so there was a complaint into ASIC to flush it out, and he was able to get it within three days, and then has withheld that information at three subsequent estimates hearings. That is something that Minister Garrett has to personally answer, and I trust he will get up in the parliament and make a personal explanation and explain the personal explanation he tried to give some time last year in relation to this matter.

**Senator BIRMINGHAM**—Ms Kruk, did you see or review the transcript, or both, of the *Four Corners* program of 26 April?

**Ms Kruk**—No. Actually, sorry, I think I did see the transcript. I certainly did not see the program.

**Senator BIRMINGHAM**—You have reviewed the transcript of the program at some stage?

**Ms Kruk**—Yes.

**Senator BIRMINGHAM**—In relation to the Home Insulation Program? One of the claims made in the program by somebody represented as being a departmental official was that:

... we were told many times by senior management that the technical and safety issues were of less importance than getting this programme up and running and creating jobs.

... ..

In fact we were told that safety was of less importance than job creation.

Do you recall ever providing that advice or making similar comments to anyone?

**Ms Kruk**—No, not at all. Safety was an issue, as I have indicated on transcript before, from the outset. I have also indicated on transcript before that risk was inherent in the program.

**Senator BIRMINGHAM**—Do you recall emphasising the speed of implementation of the matter to anyone?

**Ms Kruk**—No. As I have also indicated on transcript before, the program had been announced before I commenced this role. As I have also indicated, there were very tight delivery time frames.

**Senator BIRMINGHAM**—Were you ever instructed or advised, or did you receive comment from any of the responsible ministers, that this approach of emphasising speed of delivery was important?

**Ms Kruk**—They were stimulus related programs. As I said, there were very tight delivery time frames. No, I did not receive directions along the line you have asked.

**Senator BIRMINGHAM**—Did you ever hear any other senior officials within the department make a comment or give advice along those lines?

**Ms Kruk**—Not that I am aware of, no.

**Senator BIRMINGHAM**—Are you aware of any investigation into the allegations made on the *Four Corners* program about this matter?

**Ms Kruk**—No, there were no investigations. The issues that were discussed in the *Four Corners* program I think have been a subject of investigation both within the inquiry of which you are a member and also subsequently by the Hawke inquiry.

**Senator BIRMINGHAM**—Do you believe that the assertions made in the *Four Corners* program were incorrect?

**Senator Wong**—That is a question of opinion.

**Senator BIRMINGHAM**—Well?

**Senator Wong**—I am not trying to be difficult, Senator, but it is a question of opinion, ‘Do you believe?’.

**Senator BIRMINGHAM**—Are they incorrect?

**Ms Kruk**—I have indicated what I believed to be correct, which is that it was a stimulus related program and the time frames were tight. The comments were attributed to a whistleblower. I have no further information other than provided by *Four Corners*.

**Senator BIRMINGHAM**—Are you aware of anybody within management roles in the department ever saying to departmental officials that the technical and safety issues were of less importance than getting the program up and running and creating jobs?

**Ms Kruk**—To the contrary. As I have also indicated, the safety issues from the outset, given increased requirement on training for operators in the industry, were stressed from the start. Also, the subsequent modifications to the working environment were I think evidence of the fact that the safety issues were always front of mind. I again say that there was inherent risk. Some of that risk could not be mitigated.

**Senator BIRMINGHAM**—There is a difference, of course, between safety issues being front of mind and yet still precedence being given to speed of implementation. Was that prioritisation of speed ever put in any form ahead of safety to departmental staff by any management?

**Ms Kruk**—Not that I am aware of, no. I have also indicated that previously.

**Senator BOSWELL**—I saw that program, and I was quite shocked about some of the allegations that were made in it. I noted some, and I put these to you. From the transcript of the *Four Corners* program on 26 April:

WENDY CARLISLE: The letter arrived too late to save Matthew Fuller, but *Four Corners* can reveal there were people in the environment department trying to warn their superiors of the risks of electrocution and fires.

*Four Corners* spoke to a department insider who says these warnings were made to senior bureaucrats.

We cannot reveal the insider's identity.

INSIDER: In fact we were told that safety was of less importance than job creation.

Can you tell us whether you made any inquiries about that allegation when you saw it made in the *Four Corners* program about people getting electrocuted, or did you just think, 'I had better not ask in case I get the right answer'?

**Ms Kruk**—No, to the contrary. First, I make it very clear for the record that that was not a directive from any senior manager in terms of safety being a secondary consideration. Secondly, from my recall—and I am happy to be corrected—the staff had already transferred over to the Department of Climate Change at that stage. Thirdly, I am very conscious of the fact that there are various inquiries underway in this matter. Fourthly, I understand there has also been a decision by the Queensland regulatory authority on the particular case which was the subject of the *Four Corners* program.

**Senator BOSWELL**—In the same program, in answer to a question as to whether warnings had been issued and that, without training for installers, there could be deaths, she said yes, that warnings had been given in the department that deaths could occur.

**Ms Kruk**—As I indicated on evidence previously, there were a number of modifications made before the commencement of the program about the requirements that operators would need to have. Subsequently a number of changes were made to the manner in which insulation

could actually be installed in rooftops which had never previously existed. As I have indicated on transcript previously, this was an area that actually had very low barriers to entry. I think all parties would agree it is an area now that has very high barriers to entry, and a lot more scrutiny than a whole range of other workplaces.

**Senator BOSWELL**—Were you warned, or did anyone tell you as secretary and head of the department, that without training for installers there could be deaths?

**Ms Kruk**—There was training of installers. I think the risk register, about which I have answered questions previously, did indicate there were safety issues. I have indicated on transcript before that my brother is an electrician, and I am more than personally aware of some of the safety issues of going into rooftops.

**Senator BOSWELL**—On the same program, the public servant in question said she had warned about safety problems and come up with the solutions but those solutions were ignored by the department. Is that true; was there anyone in the department warned and provided with the solutions?

**Ms Kruk**—Clearly the person—I must admit, I do not recall it being either a male or a female officer—had a belief. My understanding was that there were various industry consultative groups put in place. A number of modifications were made to the training requirements and also the conditions under which installation could be provided in households. I am not aware of the particular issues that this officer has allegedly made. All I can point to is the fact that significant changes were made to the program during its rollout.

**Senator BOSWELL**—What you have said there is that there was a warning and that you or someone changed the program and that you were aware of the warning; is that correct?

**Ms Kruk**—No.

**Senator Wong**—That was not her evidence.

**Senator BOSWELL**—Let Ms Kruk answer.

**Ms Kruk**—What I have indicated is that, I gather in the early stages of the program design, various consultative industry groups gave input in relation to the need to have increased training. That was actually instigated. As those groups rolled out and provided advice during the program's rollout in that first 12 months, other modifications were made, both in relation to the advice provided by those groups and also in relation to the information that was coming from our own compliance monitoring regime.

**Senator BOSWELL**—Was the modification done before the deaths or after the deaths?

**Ms Kruk**—This is now testing me. A series of modifications were made which I have put in transcript in a chronology. Modifications were made at various points. As I said, modifications were made at the commencement of the scheme. The deaths from recall occurred in November-December, and this is where my recall will become sketchy. But certainly the fatalities occurred in November and December.

**Senator BOSWELL**—The whistleblower in the *Four Corners* program said that she told someone very high up in the department. Did anyone tell you that there could be fatalities? Did anyone mention it to you? Were you told?

**Ms Kruk**—No.

**Senator BOSWELL**—Were you told about the allegations in the—

**Ms Kruk**—No. Quite clearly, what I have indicated is what I have said on transcript. Continual changes were made. From my recall—and I do not have access to the transcript anymore—the officer that was allegedly quoted in the transcript was actually referring to actions in the earlier part of the year. I am trying to be helpful, but I also do not intend in any way to mislead this committee through recall.

**Senator BOSWELL**—Allegations were made that they were trying to get home that jobs were more important than safety. There was a warning that installers could meet their death and that solutions were ignored by the department. They are pretty serious allegations. I would have thought that someone in your department at a high level, a very high level—maybe not to you but a high level—such as one of your department secretaries or assistant secretaries, would have heard these warnings and reported them to you. If these warnings were out, surely someone in the department would come to you and say, ‘Look, there are certain allegations flowing around here; we’d better take note of them.’ From what you are saying, no-one ever mentioned them to you?

**Ms Kruk**—You asked whether I had been advised of the allegations that were made on the *Four Corners* program. I have said no. What I have made quite clear is that I was briefed in relation to potential risks in the rollout of insulation and the changes to the program that were made as a result of them.

**Senator BOSWELL**—So you changed the program when you were told there were potential risks?

**Ms Kruk**—There were a number of changes to the program in its rollout which we have previously provided to the inquiry. They have to do with various methods of installation; they have to do with the safety requirements, the training requirements of operators; they have to do with the quality of the product actually used.

**Senator BOSWELL**—Were these done before the deaths or after the deaths?

**Senator Wong**—Senator, I have not intervened because Ms Kruk has been handling these at a general level. But, if you are going to go to detail of chronology, a very detailed chronology has been provided on the very many changes that the government made, on advice, to improve the safety of the program over a lengthy period. You may have comment to make about that, but if you are asking the secretary now to traverse again that evidence, I would refer you to the evidence of the Senate inquiry because, frankly, that was evidence provided where the officer would have been prepared and considered very carefully those issues. That evidence is already before the Senate.

**Senator ABETZ**—In relation to the training that occurred in relation to the Pink Batts program, did the department engage the national skills council or an organisation of similar name to assist with training?

**Ms Kruk**—I would need to take that on notice or, possibly, you to ask it tomorrow. I know that external parties were employed in relation to the content of that training program.



**Senator ABETZ**—Did the training go to the Construction and Property Services Industry Skills Council?

**Ms Kruk**—From recall, yes, but please, I do not want to be in any way misleading of this committee. There were a number of external parties that were consulted in the development of that training program.

**Senator ABETZ**—By the department?

**Ms Kruk**—I am not sure whether the skills council actually was the agent to pull it together. So could you actually either give me that question on notice or, in effect, ask the officers tomorrow?

**Senator ABETZ**—I will do both—I will put it on notice here and I will also ask it tomorrow.

**Ms Kruk**—Thank you.

**Senator ABETZ**—Can you at least confirm to us that the unit of competency that was first developed and allowed was in fact only a part accreditation as opposed to a full unit of competency in relation to these insulation installers under the program?

**Ms Kruk**—I will have to take it on notice, or I will restate my comment that this was an area that required absolutely no training for operators to be able to operate in it prior to the introduction of this program.

**Senator ABETZ**—Sorry?

**Ms Kruk**—This was an area basically where any individual or actually any householder could undertake work without having any training requirement.

**Senator BIRMINGHAM**—Except in South Australia.

**Ms Kruk**—This was the first training requirement—except in South Australia, sorry.

**Senator ABETZ**—But the department was involved in some accreditation or seeking to skill people up?

**Ms Kruk**—There was a training requirement; you are correct.

**Senator ABETZ**—To be able to undertake the program?

**Ms Kruk**—What I do not want to do is lead you down a path which may not be 100 per cent factually correct. What I am indicating is that there was a training requirement, and if you want more detail I am asking you to put that on notice.

**Senator ABETZ**—All right: that will need to be taken on notice. Can I ask—and this may be a question to the minister's office as well, but the department may well have knowledge of this because I assume a departmental official may have been present—as to whether a Mr Lindsay Fraser of the CFMEU in fact met with Mr Garrett to express concerns raised by trainers and by the union as to the safety issues?

**Senator Wong**—I will take that on notice.

**Senator ABETZ**—If so, when was that meeting? I hope we will not have the problems that I have had with Gunns in relation to this particular meeting. Did this department pay the

CPSISC, the Construction and Property Services Industry Skills Council, for the training module for developing the skill set?

**Ms Kruk**—I would not know. I would have to take that on notice as to whether their role was an advisory one or one for which they received remuneration; I am unaware.

**Senator ABETZ**—If they were paid, how much were they paid, and for what purpose were they paid, and when were they paid? Where was the first meeting between the department and the CPSISC in relation to developing these skill sets?

**Ms Kruk**—Again, I would have to take that on notice. I would have no idea.

**Senator ABETZ**—Specifically, was it at your department's offices in Civic? Do you have offices in Civic?

**Ms Kruk**—We have a number of buildings, as I think we indicated to Senator Birmingham.

**Senator ABETZ**—Do you have offices in Civic?

**Ms Kruk**—Yes. So specifically in Civic, not in Canberra generally?

**Senator ABETZ**—Well, anywhere in Canberra, but if you can tell us the location as well, because I am told that the first meeting was in fact called by the department, held at some departmental premises, and then where the issue of urgency was expressed to those that might deliver the training, because of trying to rush the money out of the door.

**CHAIR**—Are there any further general questions?

**Senator WORTLEY**—Ms Kruk, if, as is proposed by the opposition, you were not able to replace staff that have resigned or retired for a period of two years, what effect would that have on your department to carry out its functions?

**Ms Kruk**—Sorry; I missed the beginning of your question.

**Senator WORTLEY**—If, as is proposed by the opposition in Mr Abbott's budget in-reply speech, you were not able to replace staff that resigned or retired for a period of two years, what impact would that have on your organisation?

**Ms Kruk**—It would be very troubling. I think senators are aware of the fact—and officers are obviously here to answer questions in relation to those areas—that we have a very significant regulatory role in relation to major projects. We obviously have very tight time frames in relation to effectively carrying out that function and we report publicly on our time frames. It would be of significant concern if we were not able to replace critical officers. A freeze of that type would have an impact on us. It is particularly the case when we rely on staff with a specific expertise. In some instances, yes, it is possible to actually backfill utilising expertise that may reside within the department, but, as we are a department that relies very extensively on technical expertise in a range of areas in relation to water science, biodiversity science and terrestrial and marine science, we would be significantly constrained in a number of operational areas, and more seriously in relation to regulatory responsibilities.

**Senator WORTLEY**—What areas within your department would you look at cutting?

**Ms Kruk**—I was not aware of the fact that there was a cut. I think the proposition from the opposition was a non-replacement of staff. Am I correct in relation to that?

**Senator WORTLEY**—That is right, yes. If you do not replace those staff, you said it would have a significant impact.

**Ms Kruk**—The concern would be that, while if it relies on attrition then it obviously has no impact if you have no staff leave, every department has a normal turnover of staff. It is of significant concern if that is in areas where we are not able to replace critical staff. Having been the subject of staff freezes in various positions that I have held as CEO, I can say that normally there is latitude in relation to the replacement of critical staff. It is not my understanding that that was in this particular policy announcement. I might ask Mr Sullivan to assist.

**Mr Sullivan**—It is difficult to predict the future, so I will not do that. In terms of looking back in the department, annual staff turnover rates are between eight and nine per cent in our organisation. That will vary across the APS depending on the agency. That figure may well come down because some of that staff turnover rate is about movement within the APS as well, and those figures may change. As a guide, our annual staff turnover rate is in the order of eight to nine per cent per annum.

**Senator MARSHALL**—You virtually have a statutory obligation to complete some of the functions, so, if it is eight to nine per cent, do you actually have eight to nine per cent of people sitting around doing nothing at the moment that you could afford to get rid of?

**Ms Kruk**—Simply, no.

**Senator MARSHALL**—What about for the following year? Will you double that? It would be another eight to nine per cent—I will not do the maths, because I know it will be slightly less numerically, because it is eight to nine per cent attrition based on a lesser reduction in the first place. Let us say it is around 15 per cent or so.

**Ms Kruk**—It is. As I said, our most significant concern would be the replacement of critical staff in our regulatory areas, and that has the potential to actually slow down development approvals that have a significant potential economic benefit for the country.

**Senator MARSHALL**—What happens if there are senior critical positions that actually retire or resign? How do you replace them when there is a policy of non-replacement of staff?

**Ms Kruk**—That is why the figure that Mr Sullivan has given is a troubling figure, because that does have a massive impact. I think the recent APS reform document has indicated that there is a somewhat aged demographic across the APS, so the turnover rates actually may be somewhat higher than the historic average because of the demographic of the APS.

**Senator MARSHALL**—If you do not have enough staff to actually fulfil your statutory requirements, how would you then handle that?

**Senator BIRMINGHAM**—Senator, can I just remind you that the minister's opening statement placed emphasis on the fact that these estimates are about what is in the budget papers. We might argue as to whether you can also examine past expenditure, but I would have thought hypothetical expenditure was an interesting examination. You certainly usually stop me with hypotheticals, Minister.

**Senator Wong**—As I recall, your side of politics, when I made my opening statement, vehemently disagreed with the proposition I have been putting. As I understand it, what is being put relates directly to functions of the department.

**Senator BIRMINGHAM**—It sounds very much as if it relates to hypotheticals to me.

**Senator Wong**—No.

**Senator MARSHALL**—I will continue. I just think it is interesting that the opposition say they are all about scrutiny but, the minute you try to scrutinise anything that they propose, they shut up shop and bring up the shutters. They do not want to talk about that, and I can understand why, because it is another embarrassing, off-the-cuff, ridiculous policy from the opposition. Anyway, you are the one that interrupted my question, so I am happy to keep going. What actually happens if you have essential positions within your organisation that you are not able to backfill from within the organisation—because every time you backfill you leave another hole, of course?

**Ms Kruk**—It would depend what rules actually accompany the staff freeze. I am not aware of any other announcement other than what I saw in the policy statement. It would be of significant concern if I could not replace critical positions.

**Senator MARSHALL**—What often happens in these situations is that it is simply that permanent public servants are replaced by contractors to do a particular function. Is that an option that would ultimately be undertaken if you need to fulfil your statutory obligations?

**Ms Kruk**—It would depend on what the rules are surrounding the staff freeze. In some instances, that is also accompanied by a restriction on the employment of contractual staff. As I said, the most significant concern is in relation to positions of a critical, often scientific or technical, basis where you cannot replace one officer with another officer from another division because you are relying on a specific expertise.

**Senator MARSHALL**—Could you take it on notice for me and provide me with a breakdown—without being ridiculously accurate—generally about where you get the eight to nine per cent attrition rates, including what age groups and what levels in your organisation. Also, what is eight to nine per cent in numerical terms?

**Ms Kruk**—Our staffing profile is just over 3,000. The impact across the portfolio would be quite profound because, as the senator is aware, we have bodies such as the Bureau of Meteorology in the portfolio as well. They are a highly technical organisation. That may be an issue that Dr Ayers can pick up if you have him before you this morning.

**Senator MARSHALL**—I suppose that is an issue, too, in terms of actually keeping and providing ongoing training and skills that your department covers. If you are unable to take on, say, engineering graduates or other people to bring them through and learn some of those skills that people have who retire from, for instance, the Bureau of Meteorology, what does that actually do or potentially do to the corporate knowledge?

**Ms Kruk**—It is significant. Also, you have touched on the point that the portfolio and the agency is actually a combination of a policy agency, a regulatory agency and also a service deliverer, because we are obviously responsible for the operation of, for instance, various

national parks across Australia as well. Each of those areas would experience a different difficulty in relation to a turnover loss of that type.

**CHAIR**—Are there any further general questions of the department? If not, thank you very much for that. Because Senator Ludlam has had to go elsewhere, we will delay examination of the office of the Supervising Scientist until Senator Ludlam is available again. We will now go to agencies, commencing with the Bureau of Meteorology.

[11.40 am]

### **Bureau of Meteorology**

**Senator ABETZ**—At the last estimates I asked a few questions about the weather station at Darwin, and thank you for the information that has been provided on notice. Following from that, has the lowering of the raw data temperatures by up to 0.6 of a degree for the period 1910-1990 involved checks to measure the difference in temperature between the old and new positions for the five or six times the airport weather station was moved?

**Dr Ayers**—The checks that are involved are comparing the records at the site of the measurement with records from other sites in the region, so the correlations between the various additional records can be used as a means of doing the adjustment. I might add, if I may—

**Senator ABETZ**—Just on that, are we talking about movements within the precinct of the Darwin Airport?

**Dr Ayers**—Yes.

**Senator ABETZ**—Do you have information about the changes of the movement? If you move it to another place at the Darwin Airport, you did not have a pre-existing measuring point at the Darwin Airport?

**Dr Ayers**—That is right. As the measurements unfold, you can go back and look at the correlations between measurements at other existing sites and the new site. So these corrections are made subsequently.

**Senator ABETZ**—As I understand it, a correction was made, which I can understand, getting your weather station from a more coastal type position to the airport, and you make an adjustment for that. But then moving it within the airport precinct, where one would assume things are not all that different in relation to urban warming or the impact of the sea because it is within a relatively close precinct, why were adjustment factors used?

**Dr Ayers**—Even small movements can make a difference in the microclimate, and it is important that those be tracked and followed up.

**Senator ABETZ**—What advice did you have of the microclimate at Darwin Airport to be able to make these adjustments?

**Dr Ayers**—As I said, the adjustments are made subsequently by comparing the records as they unfold with the previous location. They are not done prior to making the move. Could I make another point about the Darwin site? I understand that part of the questioning of the Darwin site has been a concern that the record at Darwin may in some way have been manipulated and used to produce an effect upon the average temperature in Australia and the

change in temperature with time over the last 50 or more years. I should just point out that the Darwin site is not used in the calculation of the Australian annual temperature.

**Senator ABETZ**—Why not?

**Dr Ayers**—It is one of a handful of sites that we identify as urban sites, so we do not use them to make a contribution to the Australian average surface temperature.

**Senator ABETZ**—Why does the Intergovernmental Panel on Climate Change use the raw data rather than the bureau's high quality series when it publishes temperatures of Australia? Do you have any liaison with them about that or is that solely their decision?

**Dr Ayers**—The information that we provide is available, and it is used by a number of agencies worldwide that take information from around the globe to produce what are, in fact, three series of global temperatures.

**Senator ABETZ**—But you provide raw data and adjusted data? Can I use those terms 'raw data and adjusted data'?

**Dr Ayers**—Yes.

**Senator ABETZ**—Do you provide that to them?

**Dr Ayers**—We provide the information, but each of these organisations or agencies will have their own quality assurance methodologies and checks and adjustments. They will have their own methods. Also perhaps they will not use all the sites that we use in Australia. The global picture is produced by those agencies using their own selection criteria.

**Senator ABETZ**—I was just wondering what discussion might have been had, but that is fine. Coming back to excluding Darwin from the Australian average, what other points of measurement do you have around Australia that would be in a similar position that might be used?

**Dr Ayers**—I am sorry, Senator, I do not quite understand the question.

**Senator ABETZ**—Darwin has been excluded; what other weather station monitoring has been discarded apart from Darwin?

**Senator Wong**—In which—

**Senator ABETZ**—If you had been following, you would have heard Dr Ayers tell us that because of its urban nature, I think was the term used in relation to Darwin Airport, it was not used.

**Dr Ayers**—Senator, may I respond?

**Senator ABETZ**—Of course.

**Dr Ayers**—We would not use the word 'discarded'; that perhaps would imply that there is something wrong with the records.

**Senator ABETZ**—Is 'excluded' not used? What term do you feel comfortable with?

**Dr Ayers**—We have selected 100 sites that are used to create the national average. The reason that they are selected is that they are sites that have records longer than a minimum of 30 years. This is the criterion that is used by the Bureau of Meteorology and is also

recognised and used by the World Meteorological Organisation to define a length of record that can be considered useful for climate purposes rather than daily weather purposes. So paying attention to high quality records in regions that are not influenced, for example, by urban influences, provides the rationale for selecting a sufficient number of sites of high quality to provide an annual average. That is the process.

**Senator ABETZ**—Darwin was excluded because of its urban nature or because it has not been around for 30 years?

**Dr Ayers**—It was not selected because of its urban nature.

**Senator ABETZ**—Right, not because it had not been around for 30 years?

**Dr Ayers**—Because of its urban nature.

**Senator ABETZ**—Out of the selected 100 sites, could you take it on notice and provide a list of those 100 sites and those sites which are not used?

**Dr Ayers**—The sites are publicly available. They are on the bureau's website. I am happy to reply on notice.

**Senator ABETZ**—If you could, please. I do not want the reading out of a list of 100 sites.

**Senator Wong**—They are on the web, Senator.

**Senator SIEWERT**—I will go to the new program that you have been given funding for in the budget, the National Plan for Environmental Information program. Are you the right people to ask?

**Dr Ayers**—Yes.

**Senator SIEWERT**—I understand that \$18 million has been budgeted over four years?

**Dr Ayers**—That is correct.

**Senator SIEWERT**—I understand that it is \$4.4 million per year, is that correct?

**Dr Ayers**—Approximately, but there is a split between the department and the bureau.

**Senator SIEWERT**—Could you explain that split, who does what and how it will roll out?

**Dr Ayers**—Certainly. I will ask Dr Vertessy to take that, but I will just make some introductory remarks about this initiative which the bureau welcomes very much. We believe that it will reap significant benefits from the work that we have been doing in the National Climate Centre and with the water initiative. We feel that the way in which we have been able to develop information systems will significantly enable us to take this work on and add it to a range of other functions that we have that are about high quality information, and making that information available in ways that are useful. From the bureau's point of view, this is a very welcome addition because it complements the other things that we are doing. It is not about social and economic information; it is about environmental information. It will complement the outlooks and accounts that we will be producing in other areas.

**Senator SIEWERT**—I have some specific questions, but maybe if you start, I will throw in some questions.

**Dr Vertessy**—At the moment I have executive carriage in the bureau of implementing the plan as far as the bureau's component of it goes. You are correct, it is a joint initiative between the Department of Environment, Water, Heritage and the Arts and the bureau. Our roles differ as follows: the department is responsible for preparing some legislation to govern the new environmental information role for the bureau. It will also be involved in reviewing Australian government activity in the environmental information space. It will work with the bureau to establish a high-level advisory group.

**Senator SIEWERT**—I am knocking these things off as you are going along. When you say Australian government activity, do you mean states, territories and the federal government?

**Dr Vertessy**—No, the Commonwealth government.

**Senator SIEWERT**—How are you going to work with the states?

**Dr Vertessy**—That will come up at a later point in time. Currently in the program there is no provision for an arrangement with the states, but the plan will be further developed over time to develop a working relationship with them.

**Ms Kruk**—Could I assist in this regard? We have discussed the desirability of having a set of national environmental accounts with the states on a number of occasions, and only received, can I say, wholehearted support. They understand, and this matter was only discussed at a standing officials meeting last week most recently, that in the first instance the Commonwealth has to get its own household into order in relation to the collection of data currently within its own remit. I am sure Dr Vertessy was going down this path as well, so I do apologise, but it is a matter of steps. We recognise that the states, as is the case in the water area, are the custodians of a good amount of the data that will make up the environmental accounts.

**Senator SIEWERT**—That is in fact where I was going, because we had this discussion previously over the water accounts.

**Ms Kruk**—Yes we did.

**Senator SIEWERT**—That is where I am going with the environmental accounts, because they are the holders of a large amount of this information. We are not going to have a true picture until we get that information included in the accounts.

**Ms Kruk**—No. Dr Vertessy, my apologies for cutting in at this moment. Can I also say that one of the other very explicit focuses is to put in place effective linkages with the NRM groups, the natural resource management groups. We are very conscious of the fact that this data has a purpose at the national level, without a doubt, but it should also have a benefit at the NRM and at the local level as well. It is, can I say, an incredibly exciting initiative to have the opportunity to work in. We have so many parties to have to line up at this stage. Dr Vertessy, my apologies.

**Dr Vertessy**—Not at all—you did a great job.

**Senator SIEWERT**—The \$5 million that is coming out of monitoring of the NRM program will not be helping, I would have thought.



**Ms Kruk**—Having met with the NRM groups in Darwin only quite recently, I can say they are very supportive of this and recognise that this is a longer term agenda. Also obviously groups such as the Wentworth Group of Concerned Scientists, while I deal with other organisations, recognise the benefits of this, and that this is a seeding opportunity.

**Senator SIEWERT**—I am not knocking the benefits of the program.

**Ms Kruk**—I do understand your point.

**Senator SIEWERT**—I am critical, as you know, of the money that is coming out of NRM and monitoring. Sorry, I interrupted.

**Dr Vertessy**—No, that is okay. We do not have policy carriage of it, obviously; the department has carriage of that. The bureau's role is as follows. First of all, we will be the go-to people in the federal government for environmental information—probably not the sole organisation, but we will play a pivotal role in the provision of environmental information in the future. We are going to begin the journey by conducting a bit of an audit of the environmental datasets that are out there across the Australian government. We will probably also be looking around the states as well in that process. We will use that review to identify which datasets should be accorded priority to capture and form a normalised national dataset. That would be the first thing.

Along the way we will establish some technical panels. We will seek Australia's best expert advice, and in the process I dare say we will also be engaging technical experts in the state governments to help us work through the development of data standards for the exchange of the information and the normalisation of that information across the country. Also, we will get some insight from them as to what specific environmental information products and services might be generated from those datasets.

The program has provision also for us to take the first steps in developing the foundations of a national environmental information system. We will build upon the work that we are doing in weather and climate and water in particular so that we can prepare ourselves to take on a large amount of diverse environmental information across the country. Finally, we will also lay the conceptual foundations for an environmental account for the nation.

**Senator SIEWERT**—I have a number of questions out of that. Firstly, what is the funding split for the department and for the bureau out of the overall \$18 million?

**Dr Vertessy**—I can confirm the funding commitments to the bureau. The total fiscal impact in four years from the next financial year is as follows: \$3.2 million in 2010-11, \$4.28 million in 2011-12, \$4.87 million in 2012-13 and \$4.36 million in 2013-14. That comes to a total of \$16.72 million over the period.

**Mr Sullivan**—The funding split for the department is \$0.8 million in 2010-11 and \$0.5 million in 2011-12.

**Senator SIEWERT**—Can I diverge for a second? Is it appropriate that I ask the department questions here or should I be doing that later on this issue?

**Mr Sullivan**—Do it now, while we are here.

**Senator SIEWERT**—I will come back; I just wanted to check that, Mr Sullivan, thanks. You were talking about the conceptual framework; how will you be reporting the information? I presume it will be public. How often will it be reported? You may then want to link that to the issue of what you are going to use as the indicators. What will you be reporting on?

**Dr Vertessy**—I wish I could answer that, but unfortunately that is all work to be done. It will require a lot of consultation across government and the community as well to actually understand where we should focus the effort.

**Senator SIEWERT**—That was my next question, about consultation. What is the time frame for when you expect to have the first set of accounts—is that what we are calling them straightaway, or are we just calling it information for the time being?

**Dr Vertessy**—There is no commitment to actually prepare environmental accounts at this stage.

**Senator SIEWERT**—Another commitment that the government is yet to make is how this information will be used or reported?

**Dr Vertessy**—Correct.

**Senator SIEWERT**—I do not necessarily agree with the information, but I will accept it. I would obviously like to see it moving quicker, but in terms of the National Plan for Environmental Information, presumably there will be a reporting process on that first off, even if it is not called the accounts. Is that correct?

**Dr Vertessy**—Yes. The bureau would intend to make publicly available the information it collects in the lifetime of this program, most certainly. The details of how we report and what we report are yet to be worked out.

**Senator SIEWERT**—Is there a time frame that you have been given to say, ‘Okay, we want the first set of whatever we are going to be reporting on done within 12 months, two years or the end of the four years’?

**Dr Vertessy**—There will certainly be something within the lifetime of the four-year program. We have yet no program for delivery of any particular type of information by any particular date at this stage.

**Mr Sullivan**—If I could add to that, the issue here is creating something that can be enduring rather than an investment in a one-off snapshot and the production of a report.

**Senator SIEWERT**—Which we have done in the past with the land and water audit.

**Mr Sullivan**—Which has been done in the past. This is about establishing a system that is enduring and that can be built on. It is a foundation, rather than: here is the whole product. This was obviously developed in consultation with other departments as well, not just with the bureau in our portfolio but with Treasury, ABS and others, who all play in this space. The economic accounts took 30 to 40 years to develop. I am not saying that that is our time frame here, but this is a significant investment in making something that will be enduring. This is ongoing funding for the bureau. In terms of the first set of products coming from that, that will be a decision based on how we are going and how we are tracking over the first 12

months—where we are tracking with consultation with the states and how we are tracking with consultation with technical experts on standards and responding to reports such as the 2007 report of the OECD into Australia's environmental, which set greater harmonisation of data standards. The 2006 *State of the environment* report said the same but to make the investment enduring. The Wentworth Group said to make it scalable. The challenge is responding to all those and keeping the technical people in the cart because we have a significant amount of investment of dollars in data already. Part of the challenge is to get a better handle on how that can be currently used and utilised and then set a framework for what we need to produce a set of environmental accounts.

**Senator SIEWERT**—Thank you. I want to ask about the split between the two agencies, so if I ask it in general, either one of you can answer. With respect to the state of the environment report, does it mean from now on we will not be having a state of the environment report because it will be part of this process?

**Mr Sullivan**—No. The state of the environment report is a statutory responsibility.

**Senator SIEWERT**—You talked about legislative changes, which I want to get to, but there is no intention to change that process?

**Mr Sullivan**—As to the current state of the environment committee, which is due to report from memory in 2011, we would want this system up and running now for them to be able to extract data. Then they could do much more of a job of looking ahead rather than reporting back.

**Senator SIEWERT**—So you would bring the two of them together?

**Mr Sullivan**—We will be keeping the SOE committee up to date with what we are doing here. One of the key recommendations and findings both in the 2006 report and also the previous reports was that we have trouble. We know there is a lot of data there and data mining is difficult, bringing it together is difficult, and we are not getting as accurate a community view as we would like in terms of where Australia is heading with this environment. This plan will be developed and we will keep the SOE committee informed, and get their views on it as well. But, in reality, this is about responding to a long-term investment rather than a short-term need, and producing a report for that 2011 report that they can use, and we will move onto what we do next.

**Ms Kruk**—I think the SOE could draw very clearly on these accounts, but bodies such as the ABS are equally keen to be able to use the data coming out of this in terms of making a far more integrated assessment of the interaction between a whole range of economic, societal and environmental factors. That has been a gap in Australia's data to date in their national accounts. This also has the potential to make us a world first in terms of being able to integrate those accounts. I would also want to put on the record that we have partnered with Treasury in the development of the accounts work so far, and that has been quite pivotal ensuring that alignment is built in place from the outset.

**Senator SIEWERT**—In terms of the consultation process, when does it start, have you developed a process, and I presume that you will be talking to government, industry and the community sector?

**Dr Vertessy**—No, the plan has not been worked out yet. The next two steps that will be taken will be first to form a steering committee for the project.

**Senator SIEWERT**—Who is on that?

**Dr Vertessy**—That is yet to be ascertained. We are negotiating that with the department at the moment. The second key step that we will be taking will be to establish a high level advisory group comprising Commonwealth agencies that are active in the environmental information area. That will be our forum for talking through strategy on who we should consult with, when we should do so, et cetera.

**Mr Sullivan**—In the initial instance you are looking at the drivers in terms of Rob Vertessy and me. While this has already been announced, the funding becomes available on 1 July and we are working ahead of time here; we are not waiting for 1 July. I do not want to give the impression that we are not doing anything. This has been through the budget process. We have begun consultations. Rob and I both wrote to a whole range of stakeholders immediately after the budget to manage expectations of people to some degree that this was a long-term investment, not a short-term audit. In terms of the governance committees, we are working through that now to make sure that we are starting to deliver come 1 July. We will be putting processes in place over the coming weeks.

**Senator SIEWERT**—In terms of the steering committee, how soon do you plan to have that up and running? What expertise bases are we having on that committee, and is it going to be across the sectors to ensure that you do have expertise in those sectors?

**Dr Vertessy**—The purpose of the steering committee is to make sure that we are keeping on track with the project. It would not be a forum for engaging stakeholder input, for instance, into what we are doing. That will be sought in another environment and at another time. In all likelihood, the steering committee will be largely DEWHA and bureau representatives. It may be open to others; that remains to be seen. We have not had that conversation yet. I would like to make it clear that its chief purpose will be to make sure that the project is implemented in an orderly fashion, sticking to milestones and budgets.

**Mr Sullivan**—We are basically the project management side; it is the high level advisory group that will help steer that and potentially committees underneath that in terms of technical capacity and technical needs, and where we draw in the key players both in terms of where we are heading in direction and strategic views as well as the technical capacities on standards—how we actually get better harmonisation of standards and how we set that pathway in train.

**Senator SIEWERT**—In view of the time, I have one more question. You mentioned legislation requirements. At least, that is what I thought you mentioned, Dr Ayers, or Mr Sullivan. Somebody mentioned legislation.

**Mr Sullivan**—That is a policy commitment in terms of looking at the need for legislation to support that, whether that be similar to the support role that BoM has in the Water Act 2007—and I am not saying that that is to the same sort of degree of powers that are in the Water Act—or it is looking at adjuncts in terms of a review of the EPBC Act. We can go through that in a number of ways. That will be a policy discussion not for 1 July but it will be a process undertaken over the next six months working with the bureau and other Commonwealth stakeholders on how to progress that. That is one of the foundation elements.

I do not want to go into any more detail because I would be talking without policy coverage and without coverage of talking to other people. That was part of the platform of saying: look at that; you may need that to progress in terms of the bureau's role, but also in linking to some of the recommendations coming out of the Hawke review, for instance. That is basically saying that that is on the table, there is no timetable for that to be delivered but it will be worked out over the next six to 12 months.

**Senator BIRMINGHAM**—In relation to the additional funding provided to the bureau in this area, large amounts of it appear to be capital funding as well. What are the capital expenses related to development of this plan?

**Dr Vertessy**—They fall at least into two categories that I can think of. The first will be computing infrastructure, so servers, disk storage, et cetera, that would prepare us to accept large influxes of new data. The second would be in the capitalisation of staff expenses to actually build the information system, as it were. There may be others, but I cannot think of them right at the moment.

**Senator BIRMINGHAM**—They run into the sums of a couple of million dollars out into the forward years. I understand there are start-up costs for you, but it is the ongoing capital costs that are of interest.

**Senator MARSHALL**—I have a lot of questions so I might not be able to get through them all. What percentage is your staff turnover?

**Dr Ayers**—Our percentage would be in the order of seven per cent based upon the most recent figures that I have from January through to this period of time.

**Senator MARSHALL**—A significant part of your organisation I guess would fall in the category of skilled technical type staff?

**Dr Ayers**—Yes.

**Senator MARSHALL**—What percentage roughly, and is the attrition rate the same?

**Dr Ayers**—The attrition rate at the moment is I think relatively constant across the organisation. However, the percentage of staff who are technically qualified is large in the bureau, as you will understand. We have something like 250 forecasters providing forecasting services across the country. We have also even people in the IT area who are perhaps not out in the field as well as technical staff in the field. The majority of staff are technically trained one way or another. In fact, so far as forecasters, technicians and observers are concerned, we run a training school because we need to have people with specific skills and abilities that are not produced elsewhere in the education system.

**Senator MARSHALL**—These are unique skills for which only you provide the training?

**Dr Ayers**—Yes. To be a forecaster in the bureau, you have to have a science degree with second-year maths and physics, and then do a graduate diploma through the Bureau of Meteorology Training Centre.

**Senator MARSHALL**—How many people do you actually bring through that training process to give you your skills?

**Dr Ayers**—We have a turnover in forecasters of roughly 20 to 30 a year, and we have that same number produced by the training college. It is a bit of a line ball. In fact, in recent years, we have had to go to the international market and recruit some forecasters to make sure that we had the full complement.

**Senator MARSHALL**—How many people are employed by the training college?

**Dr Ayers**—How many people are employed in that area? That is not a point of detail that I have with me.

**Senator MARSHALL**—But it just does this work, does it? It just trains for you?

**Dr Ayers**—Yes.

**Senator MARSHALL**—If you are not allowed to employ staff for two years, it means you are not going to have anyone coming through your training college—

**Dr Ayers**—Sorry, Senator; let me go back a step to the previous question. We train also for the Navy and for some South Pacific islands. So, when you said ‘just for you’, I interpreted that for the meteorological community, but there are Navy folks that come through as well, for example, and people from the South Pacific.

**Senator MARSHALL**—What percentage would that be? Would that provide a critical mass to enable the college to continue on?

**Dr Ayers**—Of the 30-odd places per year, we have about 20 and the rest will go to the Navy.

**Senator MARSHALL**—So you have two-thirds. If you are unable to bring anyone through your training program for two years, what is that going to do to the long-term skills base of your organisation?

**Dr Ayers**—In terms of forecasting, in particular, that would be problematic.

**Senator MARSHALL**—Does that mean the services that you provide now simply will not be able to be provided into the long term?

**Dr Ayers**—It will depend if you are referring to a freeze on staffing recruitments.

**Senator MARSHALL**—Yes, I am. There is a proposal that there would be a public sector wide freeze for the next two years. I am trying to work out what that actually does to our ability to provide the essential services that you provide now?

**Dr Ayers**—I have said it would be problematic. If that were to be the case, we would have to rearrange the services in order to provide as best we could from the resources that were available.

**Senator MARSHALL**—Do you fund the training college?

**Dr Ayers**—Yes.

**Senator MARSHALL**—Would you continue to fund a training college that does not actually train anyone for yourself but trains people for others?

**Dr Ayers**—I do not believe that that is viable.

**Senator MARSHALL**—No, it is not viable. So the college itself is likely to close. What happens to the skills mass then? Do people sit around for two years to see if there is a change of policy and then maybe reapply for their training roles or do we potentially lose those skills forever?

**Dr Ayers**—The people who are in the training centre are all skilled in their particular disciplines, and they are useful to the bureau in periods when the training levels fluctuate. Those people can be deployed.

**Senator MARSHALL**—Potentially a policy such as being promoted by the opposition would have devastating long-term effects to our ability to provide these technical based services to the Australian community?

**Dr Ayers**—We would have to rearrange things to some degree. The extent to which there would be a long-term problem and the consequences would be things that we would manage under the circumstances. I cannot give you a prediction.

**Senator MARSHALL**—I think everyone can make the appropriate assumptions from what you have said. The government announced last year that it would be rolling out seven-day forecasts to 650 towns and cities across Australia. Can you tell me where that program is up to?

**Dr Ayers**—That referred to the Next Generation Forecast and Warning System which was piloted in Victoria a little over a year ago and was in place during the terrible bushfires on 7 February. It is a system that takes the output of the numerical forecasting models and the information from the forecasters and lays it out on a six-kilometre grid, so in essence you end up over the whole area having forecast points across a six-kilometre square grid. So we are able to provide forecasts now out to seven days for any location across that grid domain.

**Senator MARSHALL**—Is that fully up and running now?

**Dr Ayers**—That is up and running in Victoria. Specific seven-day forecasts have not been available other than for the state capital cities and territory capital cities in the past. Now in Victoria in the pilot study, there are specific forecasts for 80 towns and cities across Victoria. They are specific for those locations. But anybody living in between, in a rural area, using the web and with a mouse, can just mouse over their location and get a forecast to within six kilometres of where they live.

**Senator MARSHALL**—Is it up and running in other states outside Victoria yet?

**Dr Ayers**—It is in the process of being rolled out in New South Wales, and we had a program of investment last year by the government to roll it out nationally. It will roll out over the next four years.

**Senator MARSHALL**—Do you have your full staffing complement yet for this rollout?

**Dr Ayers**—The rollout does not require additional staff. It is a change in technology, not a change in staffing. The staff have to be trained. New South Wales will come on line towards the end of the third quarter this year. We have begun the preliminary work to roll it out in South Australia and Tasmania. When it is rolled out nationally, there will be 650 towns or cities with specific seven-day forecasts, but quite apart from those specific towns and cities,

any individual will be able to go to a location on the web, within six kilometres of where they live, and obtain a forecast.

**Senator MARSHALL**—Subject to being able to retain the skills in-house to be able to provide that service into the long term. The government also announced last year that it will be rolling out four new radars. How are they going, and are they on schedule? I think they are at Croker Island, Hobart, Mount Isa and Wollongong?

**Dr Ayers**—Yes. The preliminary works are going on at the moment for those four. Perhaps I could mention that there was a previous investment program that we are still completing this year that has new radars coming on line at Perth Airport and Serpentine south of Perth. There is a Doppler radar that will come on line shortly in Tamworth and site works are under way for a Townsville radar. We have also recently in March commissioned a radar at Emerald in Queensland. They are all part of this ongoing process. The four new radars that you mentioned at Mount Isa, Hobart, Croker Island or Maningrida in the Northern Territory are part of the ongoing forward looking program. All of that is happening this year. Two of the four, in particular, Mount Isa and Wollongong, are in train at the moment in terms of the site works. The other two are a little behind. There was no particular reason for choosing them other than the ease with which we have to go through the process of identifying sites, doing all the site works, making all the arrangements with local authorities in order to put the radars there. I might add that, so far as radars are concerned in Australia, we have at the moment about 60. If you look at the UK and Northern Ireland, there are 18 radars covering that region.

**Senator MARSHALL**—Yes, but the weather there is just bad. There is no variation.

**Dr Ayers**—Your words, Senator, not mine. In Germany, there are 17 radars. Canada, which has a land area 20 per cent larger than ours but perhaps no larger if you include the Antarctic, has 28. For us to have 60 radars across the country is fundamentally a tremendous infrastructure network. I am very proud of what the bureau has been able to achieve. These radars that are coming on line here are fundamentally important to us providing forecast warning services. The investment that is giving us the four Doppler radars that are rolling out at the moment at Mount Isa and so on also has a component in it for a couple of years of extra work for our researchers to work out how to bring the real time information from the radars on wind speed, direction and rainfall rates, into the forecasting models, so that when we are forecasting severe weather, we are able to have real time contributions from the radars. It is a wonderful advance.

**Senator MARSHALL**—Could you outline the key conclusions from the state of the climate report and tell us what that report tells us about the influence of human induced greenhouse gas emissions on temperatures in Australia?

**Dr Ayers**—I missed the second part of the question, but I will go to the first part. The bureau's obligation is to provide information to the community. Our contribution to the state of the climate report was to provide information produced by the National Climate Centre to demonstrate the variability and change in climate that we have observed over the last 50 years.

What we have observed quite clearly is a change in surface air temperature that has been consistent decade after decade for the last five decades across the continent. Also in sea



surface temperature; we have seen the same decade by decade increase in temperature in the seas and the temperature of the surface ocean around Australia. The precipitation has gone up a little bit overall, when you take a continental average, but that is variable. It has gone up a lot in the north-west of the continent but precipitation over that period has shown a trend down in the south-west part of the continent and in the south-east part of the continent and up into southern Queensland. They are all observed changes based on high quality records. They make clearly the point that the climate of Australia has changed. There are some other things lying behind that amalgamated information, if you like, that is readily easy to digest. There are other changes in the circulation patterns that are going on that are just past but sit behind that. We have some additional understanding of the changes that have occurred. By and large, that was simply an expression of the annual climate summary that we produce every year, but putting it together and seeing what we have seen over the last 50 years. It is one of the functions of the bureau to provide that information.

**Senator JOYCE**—How would you assess the state of data and information about Australia's water resources?

**Dr Ayers**—I might ask Dr Vertessy, who heads our water division, to respond.

**Senator JOYCE**—To elaborate, what is the bureau's role in improving the data and information on Australia's water resources?

**Dr Vertessy**—We have two roles; our long-term strategic role is to collect the information that is collected by over 200 different agencies that make measurements about water resources, and put it into a national repository such that we can report on the changing availability and quality and utilisation of the water resources. Through the publication of a national water account and the publication of annual water resource assessments, and also by reporting such information online on the web, we will be providing a much better understanding of how our water resources are changing.

**Senator JOYCE**—What is the status of your involvement in the Australian Water Resources Information System—AWRIS?

**Dr Vertessy**—That is an ongoing project. We are about to release the first public release of AWRIS.

**Senator JOYCE**—When does that get released?

**Dr Vertessy**—Next week.

**Senator JOYCE**—Is this an ongoing project, or will it have a completion date at some time?

**Dr Vertessy**—The water information program operates over 10 years, starting in July 2007. We expect that there will be ongoing development of AWRIS through the life of that program.

**Senator JOYCE**—To what extent are you liaising with the Murray-Darling Basin Authority and its development of the draft Basin Plan to limit water use to the basin for environmentally sustainable levels?

**Dr Vertessy**—We consult with the Murray-Darling Basin Authority along the way. We have representation of the authority on our high level steering group known as the Jurisdictional Reference Group on Water Information. We have substantial officer-to-officer contact, and we are positioning ourselves to provide data to the authority, noting however that to date we have really been building the system, and are only now starting to bring data on line.

**Senator JOYCE**—Will the data that you make available to this authority be publicly available?

**Dr Vertessy**—Yes. All the data that we are collecting will be publicly available.

**Senator JOYCE**—Does it include any modelling?

**Dr Vertessy**—Yes. We will be producing water availability forecasts in the future.

**Senator JOYCE**—Will that modelling be publicly available?

**Dr Vertessy**—Yes, it will.

**Senator JOYCE**—Is that modelling reviewed outside of the department?

**Senator Wong**—Senator, while perhaps Dr Vertessy might want to add to it, some of this, obviously, can be asked also in outcome 4. However, you may also be aware that prior to the authority engaging in the process it is currently engaging in, the government—in fact it was commenced by Mr Turnbull and we extended it—did resource a significant study called the sustainable yield study, of which the CSIRO was in charge. I think the bureau had some input into that? Yes? I am getting nods. That has been out for some time. That did every catchment in the basin, as well as Tasmania, I think Northern Australia, and south-western Australia, from memory.

**Senator JOYCE**—Because if the data is only just getting going, then how can it have an involvement in the Basin Plan if you are only just getting the data together?

**Dr Vertessy**—That is really a question for the authority to answer, but I would note that there are substantial data sets available in the country that can be got at directly from the states that collect it.

**Senator JOYCE**—When will you deliver the first version of the national water account?

**Dr Vertessy**—That is scheduled for publication at the end of this year.

**Senator JOYCE**—The end of this year? Are there any risks that you will be providing this information after the draft of the Basin Plan is released mid this year, and after the six-week consultation period of the plan is presumably finished?

**Senator Wong**—It is not a six-week consultation period.

**Senator JOYCE**—Sixteen.

**Senator Wong**—You are asking the officer to answer a hypothetical in relation to two different timelines. The bureau is responsible for the national water account in collaboration, from memory, with a range of other bodies, and the officer has given an answer in relation to the timeframe of delivery of that commitment.

**Senator JOYCE**—Minister, are you confident that this information will be provided in a form that is accessible prior to the 16-week consultation plan?

**Senator Wong**—I am not sure that the two are necessarily—there is a lot of data that is being considered in the context of the authority's preparation of the Basin Plan. I would be the first to acknowledge that it would have been better if this country had started work on this plan earlier. However, we were not in government until the end of 2007 and we commenced work pretty quickly on the plan. If your question is to what extent are aspects of the national water account required for the Basin Plan, I do have views about that but I would probably want officers at the table to assist with that. They will be here either in outcome 4 or when the Murray-Darling Basin Authority appears before the committee.

**Senator JOYCE**—Fair enough. How much of your work informs the department's purchase of water entitlements under the Restoring the Balance in the Murray-Darling Basin program? Are you consulted as a matter of course before purchase of the entitlements?

**Dr Vertessy**—Our current work does not inform that. We are still in the process of establishing ourselves as a collector of information on water markets, allocations and trades.

**Senator JOYCE**—You are not informed of the—

**Senator Wong**—That would be because the process for consideration of where to purchase and what to purchase is not reliant on the bureau. It is run by the department, and when I have officers here after seven o'clock they can explain to you how we go about assessing the need for water purchase and where. We have a range of mechanisms in place to ensure transparency, and external advice.

**Senator JOYCE**—Were you consulted before the \$303 million purchase of Twynam Agricultural Group's water?

**Dr Vertessy**—No.

**Senator Wong**—I have already said to you that this is not the bureau's role.

**Senator JOYCE**—Is any element of your work on improving the data and information about Australia's water resources tasked with identifying potential spots for new dams or water storages?

**Dr Vertessy**—No, it is not.

**Senator JOYCE**—What are your best forecasts for rainfalls—

**Senator Wong**—Dams and water storages are generally state responsibilities, unless of course they are joint such as the Murray-Darling Basin—

**Senator JOYCE**—Not necessarily. Infrastructure Australia also has a look at—

**Senator Wong**—No, we fund. In terms of infrastructure the Commonwealth is a funding body. There is obviously water infrastructure under the MDBA, formerly the MDBC, and as I said, those officers will be here after seven.

**Senator JOYCE**—But the Bureau of Meteorology's intricate and—

**Senator Wong**—They do not build dams, Senator, and it is not their job.

**Senator JOYCE**—Their information is essential in determining where you would put a storage.

**Senator Wong**—I would not have thought that the bureau would have been asked by government, whether us or the coalition, about where to build a dam on very many occasions.

**Senator JOYCE**—The Commonwealth assists with planning, just as Infrastructure Australia does.

**Senator Wong**—If you have questions about Infrastructure Australia, you will need to ask them in that department.

**Senator JOYCE**—I already have. What are the best forecasts for rainfall in the southern basin this coming winter?

**Senator Wong**—What is the forecast for rainfall in the southern basin? Dr Ayers or Dr Vertessy might be able assist here. My recollection is the authority has also given some indication.

**Dr Ayers**—The current rainfall outlook for the southern part of the continent is neutral, or slightly below neutral—something like 40 to 45 per cent probability of exceeding medium rainfall.

**Senator JOYCE**—Does the bureau collect information on hydrology as part of the national water account?

**Dr Vertessy**—Yes we do, but I want to make it clear that we are not making the primary measurement, say, of stream flow and groundwater out in the field. We are collecting data measured by other people and putting that into the national water account.

**Senator JOYCE**—That information would be crucial in ascertaining where water storage should be built, would it not?

**Senator Wong**—Senator, you are asking him a question of opinion, and you are asking him about something which I have already indicated is not part of the bureau's role. They do not decide where the dams are built.

**Senator JOYCE**—That is it. Thank you.

**Senator Wong**—Thank you.

**CHAIR**—Thank you Senator Joyce. Are there any further questions for the bureau? If not, thanks very much for appearing before us this morning and this afternoon.

[12.31 pm]

#### **Great Barrier Reef Marine Park Authority**

**CHAIR**—Welcome, Dr Reichelt and Mr Elliot.

**Senator SIEWERT**—I want to go back to the structural readjustment program, if I can. Should I be asking you or should I have asked that of fisheries?

**Dr Reichelt**—That is not one we manage. Do you mean the structural adjustment program for the Great Barrier Reef?

**Senator SIEWERT**—Yes. I will ask the department—

**Ms Kruk**—Maybe also marine division.

**Mr Sullivan**—Which I misinformed you before was 1.1; it is 1.2.

**Senator SIEWERT**—I got that message. Has it always been 1.2?

**Mr Sullivan**—Yes, I just got it wrong.

**Senator SIEWERT**—I always forget. In that case, I have misinformed you. My questions are specifically are about that program.

**Senator MARSHALL**—I understand the Great Barrier Reef Marine Park Authority has received additional funding for the Reef Guardian program this year. Can you tell me about the program? How long has it been going, and what has it achieved so far?

**Dr Reichelt**—Thank you for that question. The Reef Guardian program has been running for about three years now. I can check, but it is approximately three to four years old. It began with a schools program, and that has been running ahead of our expectations. We have now membership of 194 schools involving over 60,000 students, and it has been a very effective way of fulfilling our obligations under the act regarding educating people about the Great Barrier Reef Marine Park. We have found that it has been a very cost-effective way to inform young children about the values of preventing run-off and pollution for the environment, and environmentally sustainable practices. It is still increasing. It will reach a natural limit when we have reached all the schools.

In parallel with that, the local government authority has become aware of the Reef Guardian Schools Program and requested participation. We now have 10 Reef Guardian councils. The councils seek accreditation from us for their practices to improve their water quality management. It has proven very popular with the councils as a way of ensuring their constituencies understand that the Great Barrier Reef essentially begins at the top of the range. In other words, water run-off, water handling, waste management practices and habitat management are all critical. We are finding that these processes are very enthusiastically adopted. We will be expanding that to Cape York and Indigenous councils as well with the funding that has been allocated this year.

As to where that program is going, at our ministerial council last year with Queensland and Commonwealth ministers present, we set a policy direction to include farmers and the fishing industry. Those are the two areas that will get the focus in the coming year to expand the Reef Guardian program. It has turned out to be a very cost-effective way to fulfil that part of our act.

**Senator MARSHALL**—There are 10 councils involved. How many schools are involved in it?

**Dr Reichelt**—One hundred and ninety-four.

**Senator MARSHALL**—Would you, on notice, provide a list of those schools to us?

**Dr Reichelt**—Yes, I would.

**Senator MARSHALL**—Thank you. What will the additional funding allow you to do?

**Dr Reichelt**—The additional funding for our budget next year falls into three categories. Firstly, it is essentially a baseline lift that compensates for declines in tourism revenues and

enables us to maintain our current functions. I can give you the exact allocations. There is \$4.2 million over two years to increase our baseline funding. We have had a squeeze on our budget since the global financial crisis, due to the drop in tourism particularly. There was a nine per cent fall in tourism in the region. Typically we would receive over \$8 million per year from environmental management charges for people using the marine park, and that fell last year and is low again this year. That is the first component.

The second component is \$3.8 million over two years under the general banner of improving the outlook for the Great Barrier Reef. The way we are doing that is through the Reef Guardian program. We are addressing one of the issues identified in the *Great Barrier Reef outlook report 2009*, which is to encourage environmentally sustainable practices along the coastlines of the Great Barrier Reef. It will also help us improve our management of scientific information and the quality of our assessments of the environment. So it will enhance our internal knowledge management systems.

The third tranche of our funding, \$4 million over two years, is to repair and upgrade the Reef HQ Aquarium. This is a critical infrastructure injection for the marine park authority. It is a very popular facility. It is 22 years old, it is in the tropics and it is a concrete facility full of salt water. It attracts visitors from all over the world. It is approximately 70 per cent self-sustaining with revenue from fees, which is high for a publicly funded facility. We reach something like 10,000 students internationally through video conferencing. Schools in North America and Europe will pay us for a lecture from divers within our tank in Townsville. That also helps us fulfil our global responsibility. Under our act we are obliged to have regard for Australia's heritage conventions, and one of the obligations of that convention is to present the values of our heritage properties to the world. So we are fulfilling that for Australia as well.

**Senator MARSHALL**—Is the nine per cent fall in tourism affecting visitors to the Reef HQ as well?

**Dr Reichelt**—Yes, it has put pressure downwards. We have got a very innovative and energetic staff there. They have increased their local awareness raising and marketing. I think they have had a slight fall in numbers, but it is only about one per cent.

**Senator MARSHALL**—One per cent?

**Dr Reichelt**—Yes.

**Senator MARSHALL**—It is defying the trend?

**Dr Reichelt**—They are. They are very creative and very energetic.

**Senator MARSHALL**—I understand there has been some research published recently on the impact of green zones. What can you tell me on the impact of green zones on fish numbers?

**Dr Reichelt**—There has been a very important scientific paper published in the *Proceedings of the National Academy of Sciences of the United States of America*, which is arguably America's most prestigious scientific journal. It is the proceedings of their academy. It was an invited review of the effects of the management system in the Great Barrier Reef. Its

title is 'Adaptive management of the Great Barrier Reef: a globally significant demonstration of the benefits of networks of marine reserves'. The headline conclusion is:

A comprehensive review of available evidence shows major, rapid benefits of no-take areas for targeted fish and sharks, in both reef and nonreef habitats, with potential benefits for fisheries as well as biodiversity conservation.

This was the original intent of that program. To put some figures to that, let us look at the popular fish species coral trout. Some five years after the completion of the zones the numbers and densities of those fish are somewhere between two and four times their previous state. They have bounced up quickly and appear to be sustaining that. It is variable and patchy; you can find some areas where cyclones, which had a big effect last year, have depressed numbers. The overall statistics show a two- to four-fold increase.

We did get some results this week from the Commonwealth Environmental Research Facilities conference. I do not believe it is published other than in this presentation, but using DNA evidence in the Keppel Island area, by genetic mapping of parents and offspring of fish, some 60 per cent of the offspring of the fish in the green zones were ending up in the fishing zone. That is the first evidence, and possibly the first international evidence—I will not vouch for that—of what is called the spill-over effect. It was assumed to be there, it was likely to be there, it makes sense but the actual tracking of parents of commercially targeted species, I think it was a striped emperor or something, was further evidence that the underlying zoning plan, compliance programs and other area management processes that are underway in the Great Barrier Reef are working, and are very beneficial to the ecosystem. I did leave out that in the same American Academy of Sciences paper it was also reported that areas which have been made no-take areas clearly have better fish populations, but they have more coral and they have distinctly fewer crown-of-thorns outbreaks. That was an unexpected and a new scientific—

**Senator SIEWERT**—In the green zones?

**Dr Reichelt**—Yes. I would call it scientifically still a preliminary result, but it is quite clear statistically that the reefs which were made protected as green zones have far fewer crown-of-thorns outbreaks. There are many scientists now speculating on why that may be the case. That is what I would call an ecosystem benefit for the system.

**Senator MARSHALL**—The impact upon recreational fishing is always a bit of a touchy subject from time to time. Did the study look at the impact on recreational fishing?

**Dr Reichelt**—The actual impacts of the zoning on fishing practices itself was not the topic; it was more looking at the ecosystem and the results. There was a reported social survey showing the overall support for the zoning system in the barrier reef running at something of the order of 70 per cent of recreational fishers being in favour of the highly protected areas. The paper also reports that for commercial fisherman is not anywhere near that high, but recreational fishers are very supportive, on average.

**Senator MARSHALL**—Finally, what is the attrition rate within the marine park authority?

**Dr Reichelt**—Our staff turnover rate?

**Senator MARSHALL**—Yes.

**Dr Reichelt**—We run at close to what last year I believe was the APS average of eight per cent. In an agency of 200 people, that is about 16 per year of what we call our core or on-going staff.

**Senator MARSHALL**—Are they sitting around doing nothing at the moment, that eight per cent of your staff?

**Dr Reichelt**—No, Senator, they are very busy.

**Senator MARSHALL**—If you are unable to fill a potential eight per cent attrition rate over a two year period, what will be the impact on the authority's ability to provide the services that it is providing now?

**Dr Reichelt**—It would clearly involve staff reductions of the order that we are quoting. If that turnover rate was to continue—mind you, announcing a freeze might affect the average resignation rate—we would have to start targeting areas for reducing services, and we would do that according to the priorities of the government of the day.

**Senator SIEWERT**—I would like to go, if possible to the impact of the tanker, *Shen Neng 1*. Has the authority incurred any costs through dealing with that incident, and what are they?

**Dr Reichelt**—I do not have the figures. We are certainly counting those costs; I just have not had a report on them. From day one we began recording all of the costs of our staff time, travel expenses, communications, operations in the field, at times involving 20 or 30 of our 200 staff. I think they will be significant. I just cannot give you a precise figure here.

**Senator SIEWERT**—Can you take that on notice?

**Dr Reichelt**—Yes.

**Senator SIEWERT**—When you say you are counting staff, are you counting staff time as well?

**Dr Reichelt**—Yes.

**Senator SIEWERT**—Is it your understanding that you will be reimbursed those costs?

**Dr Reichelt**—The short answer is yes. The mechanism of that is being discussed at the Commonwealth level now and is subject to investigations as to the best way to recover those costs. There are civil and criminal investigations both running at the moment, and I probably cannot go into the details of those. Of course, there is also the insurance of the company itself. Yes, we are vigorously pursuing the costs that we have incurred.

**Senator SIEWERT**—Is it your understanding that you have to pursue those separately to the government or that the government will reimburse your costs—reimburse is probably not quite the right word—but will give the authority that amount of money and then they will pursue it? Do you have to pursue reimbursement of the costs through the company or through insurance?

**Dr Reichelt**—It is done very cooperatively across all the relevant government departments and our legal experts are in frequent contact. It is a whole government approach to this problem, including Attorney-Generals, government solicitors, maritime safety, ourselves and



our colleagues in the department. From the marine park authority's point of view, we are working as a whole of portfolio approach in pursuing this problem.

**Senator SIEWERT**—Can you tell me when the authority first became aware of the incident? Were you notified immediately?

**Dr Reichelt**—Yes, I became aware at 7 pm on Easter Saturday, which I believe was minutes after the Maritime Safety Queensland person accepted combat agency responsibility under the national plan. As soon as they found out, I found out.

**Senator SIEWERT**—Can you tell us now the understanding of the extent of the damage that has been caused by the spill and the impact on the reef?

**Dr Reichelt**—Yes, the principle damage is the physical impact itself. I believe of the order of five tonnes of oil were leaked and spilled through the top vents of the ship as the water rose through some of the compartments. There was a recording of some of that oil appearing on North West Island a week later roughly. It was deemed to be low impact. It had already formed into small boards and it was picked up by National Parks in a one day operation. Oil spill caused apparently minimal damage based on information I have now.

The actual impact of the ship is more significant than we initially expected because it was essentially a 13 metre draft vessel grounding in 10 metres of water, which means it was not as damaged as it might have been but at each high tide it walked around the reef, and it walked up to two kilometres and wiped its antifouling paint across the reef as it went. We are still doing and are yet to publish the scientific surveys of that. We have had very good cooperation, I might add, from both the Queensland government and the Australian Institute of Marine Science who have provided staff and vessels to support that.

**Senator SIEWERT**—I have a number of questions coming out of that. When do you expect to be publishing the paper or the review of the extent of the impact?

**Dr Reichelt**—Because the paper itself will also be used in legal proceedings, as soon as possible is what I would prefer and I am understanding of the order of weeks not months, but I do not have a specific date.

**Senator SIEWERT**—In terms of the antifouling paint, what was the paint that was being used?

**Dr Reichelt**—I do not have the chemical reports yet, but I do know from personal observations of my staff that it was quite toxic, as you would expect. I believe it was a layered paint so that it probably had old and more toxic chemicals.

**Senator SIEWERT**—Did it have TBT?

**Dr Reichelt**—Quite likely. I have yet to see a confirmed chemical analysis but the opinion of the people taking paint samples last Friday was that it had these old TBT-style paints as well but I would rather not be confirming that until I see analysis.

**Senator SIEWERT**—Is it likely then that we will have other ships visiting the area that are in the same situation, in other words have TBT or other highly toxic antifouling paints on them.

**Dr Reichelt**—I am not an expert in that area but I would say it is quite plausible. I am sure the Transport maritime people could answer that, but I do not have that answer.

**Senator SIEWERT**—I will chase that with Transport, thank you. In terms of what happens now with the extent of the damage and the timeframe, how soon are we likely to see the reef repair itself in terms of that damage?

**Dr Reichelt**—A typical recovery time for a reef that is affected by bleaching or crown-of-thorns would be anywhere from five to 15 or 20 years, depending the extent of the damage. I think we will get an idea of that more precisely from the actual report of what was there before the ship hit it. We are talking 10 years not one year, and of the range I indicated. There is a proviso on that, as I was about to say before, that wherever the pieces of antifouling are sitting, things are dying around it due to the exudation of the antifouling. We will need to pick up that antifouling piece by piece.

**Senator SIEWERT**—We have the scarring damage that has been caused?

**Dr Reichelt**—The physical damage of a 220 metre steel ship.

**Senator SIEWERT**—Plus the antifouling paint has come off in strips and is extending the area of damage.

**Dr Reichelt**—It is sitting on the bottom.

**Senator SIEWERT**—It is continuing to extend the area of damage?

**Dr Reichelt**—I do not know; it is possible. The currents can be quite strong there and smaller particles can be distributed more widely. It has happened in previous groundings.

**Senator SIEWERT**—You said that the antifouling paint needs to be physically picked up. How long will that take and is it occurring? I presume that is part of the ongoing cost?

**Dr Reichelt**—It is not happening yet. We are waiting for the preliminary report, the first report I mentioned earlier to map the problem for us, then we will design the restoration program. That will not be a matter of weeks; it will be a longer program. The precise technology used to pick it up is yet to be determined. After a previous grounding some eight or 10 years ago of the *Doric Chariot*, they used suction pumps to pick up the sediment with this material in it, but that was a smaller area.

**Senator SIEWERT**—Is it possible to tell me what size area we are now talking about that is being impacted by the antifouling paint?

**Dr Reichelt**—I cannot give you that figure precisely. The figure I saw in a very preliminary report had not mapped the whole extent of it but it was something like 35,000 square metres, something of that order. I think for the precise figures it would be best if we can wait for that report.

**Senator SIEWERT**—You mentioned that because of the currents, there is the potential that it is getting shifted around as well?

**Dr Reichelt**—It is possible.

**Senator SIEWERT**—How big a size area does a particular patch influence? Is it just the patch it covers or does it go wider?

**Dr Reichelt**—I was told that the pieces that were visible were extending their toxic effect over a matter of a meter or two. Again, these were preliminary observations by divers on the very first look. I am hoping we will get a more precise picture in this technical report.

**Senator SIEWERT**—I just want to go back to this issue of ships continuing to use the park with these particular paints. This has been an ongoing issue for years and years and years. You told me to talk to Transport, which obviously I will, but is the authority still having ongoing discussions about this, because this is not the first time this has happened? Are you having ongoing discussions not just about collisions but about the ongoing effect this antifouling paint can have on the marine park?

**Dr Reichelt**—We have raised the general issue as recently as within the last month of thinking beyond oil to hazardous noxious substances in the marine parks, and that would include the antifouling on ships and noxious substances as cargoes. We are very interested in raising that in the national operational forums under the national plan.

**Senator SIEWERT**—What is the timeframe for dealing with that? We have been having this debate about antifoulants for years and years and years

**Dr Reichelt**—I am not sure of the timing of the reporting of those operational groups. I could try and get more information on the timing.

**Senator SIEWERT**—We would appreciate it if you could. I am conscious of time and I will try and wind up before one o'clock. I am conscious that I probably cannot ask certain questions because of the ongoing investigations. As far as you can answer, what are you now doing in terms of the routing of ships to ensure that this sort of accident does not happen again?

**Dr Reichelt**—This is a matter for Minister Albanese's department. I am well informed of the government's actions. They are not my responsibility but I believe all the technological issues are being pursued vigorously through that portfolio.

**Senator Wong**—Whilst Mr Reichelt might have some knowledge, I think it would be best to go to the department with responsibility for it.

**Senator SIEWERT**—Have you been asked for advice by the department?

**Dr Reichelt**—Yes, we were consulted. Consultation between the Australian Maritime Safety Authority, the Queensland government's Maritime Safety Queensland and us has been, from my point of view, very thorough and very cooperative. Wherever we have expressed an opinion it has been listened to and we have had very positive responses in how they have managed that ship over the weeks. We have had good consultation on the shipping traffic issue as well.

**Senator SIEWERT**—There are two issues: the ship itself, where it has been taken to and how that has been handled; and the ongoing issue now of shipping in the marine park. You have been consulted extensively and I am to ask the other department about when we are likely to see some long-term change?

**Dr Reichelt**—Yes, that is correct. Their changes will involve international consultations. That is something that they are expert in and that is their responsibility.

**Senator SIEWERT**—I just want to go back to the issue of reclaiming the costs to the authority. What timeframe have you been given for when that is likely to occur?

**Dr Reichelt**—I do not have a timeframe right now. I am waiting to hear the outcome of the legal consultations amongst the experts that I mentioned earlier.

**Senator SIEWERT**—If that is impacting on your budget for the next financial year, have you got an agreement by the Commonwealth that you can go over budget to compensate for the costs that you have incurred and are continuing to incur? How does it impact on your bottom line?

**Dr Reichelt**—It will depend on the overall cost once we are finished and what the lack of those resources has done to the programs. We have not done that yet. We have the opportunity, through various budget processes, to have those discussions during the coming year. What we have done to date will not radically alter our end of year outcome. The issue is the loss of capacity to deal with some other things.

**Senator SIEWERT**—That is my concern.

**Dr Reichelt**—We have not done it yet but we have avenues to pursue that through things such as additional estimates and consultation with the portfolio.

**Senator SIEWERT**—Regarding the magnitude of expense, are we talking millions of dollars or hundreds of millions of dollars?

**Dr Reichelt**—From an agency point of view, certainly not hundreds of millions.

**Senator SIEWERT**—But millions of dollars?

**Dr Reichelt**—I would not like to give a figure. I am just speculating, Senator.

**CHAIR**—Thank you Senator Siewert. It is now one o'clock so the committee will break for lunch, resuming at two o'clock. We will require GBRMPA back again for some questions led by Senator Macdonald.

**Proceedings suspended from 1.00 pm to 2.02 pm**

**CHAIR**—We will continue with our examination of the Great Barrier Reef Marine Park Authority.

**Senator IAN MACDONALD**—Are you subject to the efficiency dividend?

**Dr Reichelt**—Yes.

**Senator IAN MACDONALD**—What does that mean to you in cash terms this year?

**Mr Elliot**—The additional efficiency dividend equates to approximately \$400,000 of our budget this financial year. The downward pressure is \$400,000.

**Senator IAN MACDONALD**—I ask you this every year and you say you reallocate duties, make savings here, use less paper and that sort of thing, but is there any specific way that you are going to meet that this year?

**Dr Reichelt**—The sorts of things over the last few years have included the slight reduction of staff, as indicated in previous estimates. We think that we have made all of the reductions

in spending now that we can make and the representations to government, as announced in the budget, have indicated that some baseline support is forthcoming next year.

**Senator IAN MACDONALD**—Do you have before you or can you obtain on notice the staffing levels over, say, the last three years? I ask this every year, so it should be somewhere.

**Dr Reichelt**—We can easily provide that.

**Senator IAN MACDONALD**—Are they going down or up?

**Mr Elliot**—They are going down. Since mid-2008 we have reduced our full-time equivalent staffing by 23 positions, which is approximately 10 per cent of our overall staffing.

**Senator IAN MACDONALD**—I thought Senator Marshall might be interested in that. He was making those inquiries before.

**Senator WORTLEY**—And you would reduce them even more.

**Senator MARSHALL**—I have had some follow-up information on that.

**Senator WORTLEY**—You are going to reduce what has already been reduced.

**Senator IAN MACDONALD**—We will see.

**Senator WORTLEY**—That is what the opposition would do.

**Senator IAN MACDONALD**—It is quite clear that under the Liberal governments the Great Barrier Reef Marine Park Authority has done very well. I might say that is mainly because it has some very good local members up that way.

**Senator Wong**—You are not blowing your own trumpet or anything.

**Senator IAN MACDONALD**—I would not have said that, but I will. Someone else asked about the environment management charge collections and you said they were down. Can you be more specific about that?

**Dr Reichelt**—Yes, we can. We can run through the last couple of years.

**Mr Elliot**—Last year we originally predicted \$8.2 million in collections for the entire year. That is the last financial year and not this one. We ended up collecting \$7.48 million, which was approximately \$700,000 down on estimates. This financial year when we did the original estimates, which was long before the financial year started, based on the same visitation numbers we were looking at about \$8 million. We revised that down to \$7.3 million. We are now expecting to get \$7.5 million this year. We are looking at the same figure this year to what we collected last year, within \$20,000 to \$30,000.

**Senator IAN MACDONALD**—I am sorry; I am just not hearing you.

**Mr Elliot**—We will be within \$20,000 to \$30,000 of the same figure we collected last year. There has essentially been no change between last year and this year.

**Dr Reichelt**—We would make clear that those years are well below the historical average.

**Senator IAN MACDONALD**—That was my next question. Do you have in front of you in your briefing notes what they were for the couple of years before that?

**Mr Elliot**—As I said, last year it was \$7.48 million. The year before that it was just over \$8.04 million, from memory. The year before that I would have to take on notice.

**Senator IAN MACDONALD**—It would have been up on that though.

**Mr Elliot**—It would not have been up in terms of money because there was a rate increase that came into effect. The visitation numbers were similar to that in-excess-of-\$8-million yield.

**Senator IAN MACDONALD**—I might say I was pleased to see your base funding did go up in a small amount, but not sufficient to cover the reduction in EMC that you have seen through lack of numbers in previous years. Do you have any forecasts, which means crystal balling the tourism industry? What are you forecasting for next year? Are you able to do that or do you do that?

**Mr Elliot**—We do that. The first thing I will say is that we do not have our end-of-year result yet. The figure of approximately \$7.5 million is as at the end of May, with one month of the financial year left. What I can say is that from a visitor numbers perspective we are predicting similar figures next year to this financial year.

**Senator IAN MACDONALD**—I do want to move on. I promised the chair I would be five minutes. I was not going to call you down specially this time, but as others have called you I just wanted to ask a couple of questions. I would like to follow up on Senator Siewert's questions about the tanker that ran aground. I did not hear what you said to her right in the beginning—that you are expecting to be reimbursed from someone fully for any moneys that you have spent around that activity which is not part of your core activity. Is that right? Is that what you said?

**Dr Reichelt**—I said that we were working with the portfolio and other departments to take a whole-of-Commonwealth-government position on pursuing the costs to be returned. We do not work in isolation on that. We work with the whole-of-government approach.

**Senator IAN MACDONALD**—I appreciate that. In your normal run-of-the-mill efforts—and they are hardly run of the mill, I might say—your normal work program does not include whatever efforts you have put into helping with this. So you would expect somewhere or somehow that you would get some compensation for that? Is that what you are saying?

**Dr Reichelt**—If we are unable to recover the costs we will expect to see an impact of this incident in our end-of-year figures and next year as well, because that restoration process that I was questioned about will be ongoing for possibly months and into next year.

**Senator IAN MACDONALD**—Do you keep a separate line item in your budget on the actual cost of this?

**Dr Reichelt**—We are tracking it closely.

**Senator IAN MACDONALD**—That is all I have to say, except finally to congratulate GBRMPA, as I often do, but this time on the occasion of the memorial to the late Virginia Chadwick last week, which was exceptionally well done. I appreciate you were just one of the movers involved in that, but it was a great initiative of those involved, including GBRMPA. The formation of the Virginia Chadwick Foundation will be very important for the reef and for learnings around the world on coral reefs and associated ecosystems. Again, well done!

**Dr Reichelt**—Thank you for those comments.

**CHAIR**—Are there any further questions for GBRMPA?

**Senator McLUCAS**—I would like to also add my congratulations to GRMPA for last Friday night's function for Virginia Chadwick. She has been a great leader in marine research and protection and will be sorely missed.

**Dr Reichelt**—Thank you.

**Senator SIEWERT**—I would like to clarify so that I have not misunderstood. When we were talking about the antifouling paint, you said 35,000 square metres. Is that correct?

**Dr Reichelt**—I said I had seen that as a preliminary figure and I asked if you would bear that in mind. We will get you the precise estimates as the report becomes public.

**Senator SIEWERT**—What sort of impact is it having? It is killing things. Are we talking about coral habitats?

**Dr Reichelt**—Living plants and animals in the vicinity of the particles. I followed up in the break and I was reminded that there are many particles that are so small that you cannot see them readily by diving. I was talking about the large visible chunks.

**Senator SIEWERT**—It could be spreading further?

**Dr Reichelt**—Yes.

**Senator SIEWERT**—Thank you.

**CHAIR**—We would like to thank you for appearing before us this afternoon.

[2.13 pm]

**CHAIR**—We will now go to the Office of the Supervising Scientist. Thank you for joining us. Our apologies for the slight delay.

**Senator LUDLAM**—You probably have a fair idea of some of the things that I am going to ask you about. I will start with a couple of simple matters first. Am I reading the OSS budget in the budget portfolio statements correctly, in that there has not been any movement in your annual operating budget?

**Mr Hughes**—That is correct. There has been no change in our budget.

**Senator LUDLAM**—A couple of times we have talked about potential expansion of your mandate. It was recommended in the Hawke review—I hope I am not quoting that review incorrectly—that the OSS take on greater responsibilities for oversight and management of uranium mining throughout Australia. I take it that, as it has not been reflected in the budget, that expansion of your mandate has not occurred and will not be in this financial year?

**Mr Hughes**—As far as I know, the government has not created its response to the Hawke review at this stage.

**Senator LUDLAM**—Do you or your office have a position, one way or another, on whether it would be a good idea for the OSS's mandate to be expanded to uranium mining outside the Alligator Rivers region?

**Mr Early**—We traversed this at the last estimates. The normal approach when there is a review that is subject to whole-of-government response is that we do that through

interdepartmental committees before we provide advice to the government. Mr Hughes has been involved in that process, but it is not appropriate to be giving personal views about individual recommendations within the Hawke report.

**Senator LUDLAM**—Is appropriateness caught within the public interest immunity grounds on which you are meant to justify those sorts of denials of requests for information?

**Mr Early**—You are asking for a view on a policy matter that is before the government.

**Senator LUDLAM**—Which public interest immunity ground is caught by that?

**Mr Early**—My understanding is that the Senate estimates committees do not address matters of policy that are actually before the government, which is the current situation.

**Senator LUDLAM**—I am not sure that actually answers the question.

**Ms Kruk**—I do not think that Mr Early is in any way seeking the public interest immunity ground. I think he is calling on a longstanding principle of public servants not commenting on public policy and government policy. Is that correct, Mr Early?

**Mr Early**—That is right.

**Senator LUDLAM**—The chair actually incorporates precisely that into *Hansard* each morning before we start these committees. Does the longstanding practice override the necessity of providing the public interest immunity ground?

**Senator Wong**—Why don't you refer the question to me and I will see what we can do. Remind me of the question, please.

**Senator LUDLAM**—I am seeking to know whether the OSS has taken a position or provided advice to government on whether its mandate should be expanded beyond the Kakadu region to encompass oversight of uranium mining throughout Australia.

**Senator Wong**—That does go to advice to government.

**Senator LUDLAM**—Is advice to government a public interest immunity ground?

**Senator Wong**—I am not going to answer that question. If you want me to take it on notice to see if there is any information relevant to whether we can provide, I will.

**Senator LUDLAM**—There are two questions now. One is whether the department is immune from providing that information to this committee and the second is the substance of the question itself.

**Mr Early**—Could I ask for clarification from the chair, because my understanding is that the information that you read out at the beginning of estimates talks about officers not being asked questions of policy.

**CHAIR**—Yes, we do make that statement prior to hearings of estimates. I may not have articulated it but it is encapsulated in the clause that says officers and senators are well aware of the rules of conduct. There is a particular motion before the Senate about claims of public immunity.

**Senator LUDLAM**—The minister has offered to take those two questions on notice, so we will move on. There are a couple of budget line items from past budgets and this budget on



restoration and rehabilitation of former uranium mines in the Alligator Rivers region. Could you provide us with an update on your role specific to that work, please?

**Mr Hughes**—The program is being run by Parks Australia so the director of national parks is actually the person that you should probably ask about progress on that. But the role that we have had has been to provide technical advice to Parks Australia on request from time to time.

**Senator LUDLAM**—Does that mean you are not able to update as to the progress of that work?

**Mr Hughes**—I understand that the work program in the South Alligator Valley was completed on time and on budget in the last dry season. I have not been down there since that time.

**Senator LUDLAM**—Was that work on the assessment of rehabilitation or the rehabilitation itself?

**Mr Hughes**—That was a rehabilitation program.

**Senator LUDLAM**—There was a separate budget line item for other mines in the Alligator Rivers region which from my understanding was for an assessment rather than actually conducting site rehab; is that correct?

**Mr Hughes**—I am not aware of that.

**Senator LUDLAM**—What can you tell us about the rehabilitation of the Rum Jungle site? Do you have any formal or informal role in advising me?

**Mr Hughes**—Yes. The Rum Jungle site program is a national partnership agreement between the Northern Territory government and the Australian government. It is a program that from the Commonwealth's perspective is managed by Resources, Energy and Tourism. There is a technical working group that oversees the activities of the national partnership agreement and I am a member of that technical working group.

**Senator LUDLAM**—Are you able to tell us when it is likely that that site will be considered rehabilitated? I think it was mined in the 1950s and 1960s and we are still dealing with the consequences of that mining. Do you have an end date for when that rehab work will be complete?

**Mr Hughes**—The current national partnership agreement and funding for Rum Jungle is for an assessment phase. At the conclusion of that assessment one of the outcomes is designed to be the recommendation of a suitable rehabilitation program.

**Senator LUDLAM**—There is no end date for that yet because we have not even begun the rehabilitation works; we are still assessing what they are going to look like.

**Mr Hughes**—The assessment program runs for four years.

**Senator LUDLAM**—When does that conclude?

**Mr Hughes**—That will be four years from last year.

**Senator LUDLAM**—But there is no way of indicating how long it is going to take to actually clean up that site?

**Mr Hughes**—We need to undertake that assessment work to be able to provide some more detail about the actual—

**Senator LUDLAM**—I understand that. I presume you will tell me the same applies about eventual costs of site remediation. That is what this assessment is for.

**Mr Hughes**—Could you just repeat that?

**Senator LUDLAM**—The eventual costs of remediation.

**Mr Hughes**—I have no idea.

**Senator LUDLAM**—I would like to go to the issue that I think we have spoken about just about every time we have met, which is the plume of process water leaking out from under the main tailings dam at Ranger. I have a couple of questions on that but is there anything that you want to update the committee on since the last time we spoke about this issue as to any progress or any movement at the site?

**Mr Hughes**—Yes, ERA have given an undertaking to do some additional work around the site to provide some quantification of the lateral seepage rates. They will be putting in some additional bores to pump test. They are also doing some additional interpretation on the geophysics that was flown last year to try to refine their estimates of the areas of the geological structure.

**Senator LUDLAM**—As to the actual mapping and the faulting below the dam?

**Mr Hughes**—Yes.

**Senator LUDLAM**—Did ERA come forward with that proposition or is that something that you were finally able to persuade them to undertake?

**Mr Hughes**—I think it is probably fair to say that everybody has been in general agreement that additional work needed to be done on that. Stakeholders have asked ERA to do those things, including ourselves.

**Senator LUDLAM**—That is wonderful to hear because that general agreement was certainly very lacking when I have raised this, and I have raised this with you multiple times. I guess you are not responsible for press statements of the company, but they are extremely reluctant to undertake any of that work, so it is good that there has been movement. Can you tell us when the work on lateral seepage is expected to provide some results that might be made public, or at least to the MTC?

**Mr Hughes**—I could not give you an exact date on that but I know that there is drilling planned this dry season.

**Senator LUDLAM**—That is great. The company has said—and I think you have confirmed for us—that lateral seepage is not really the issue. The issue is the water falling out directly beneath the dam. Nobody really seems to know where it is going. The company has been pretty consistent in its message that the water is not travelling far laterally from beneath the dam.

**Mr Hughes**—That is correct.

**Senator LUDLAM**—So why are they concentrating on lateral seepage? I thought that was relatively well understood and modelled?

**Mr Hughes**—If there is any seepage of any note going anywhere it will be lateral seepage that is of any consequence because the water that is sitting underneath the dam will be treated at the time of rehabilitation.

**Senator LUDLAM**—In as much as that is possible; I think the last time you acknowledged that it will not be possible to get it all out. Are there any estimates of the total volume of contaminated water that is sitting under the dam?

**Mr Hughes**—No, there are no updates on that. But I can tell you that ERA has undertaken to do additional modelling as a result of the AQUA TERRA report that we commissioned. That AQUA TERRA report had a recommendation in it that the modelling be updated and so ERA have undertaken to do that additional modelling.

**Senator LUDLAM**—The modelling is good but we rely on modelling at the moment which is essentially very high-tech, educated guesses as to what is in the water and where it is going. Is there any discussion or any direction from your office to undertake lateral drilling to actually directly sample the water that is coming out from under the dam?

**Mr Hughes**—The drilling program that ERA are now embarking on will enable water that is involved in the lateral seepage to be sampled.

**Senator LUDLAM**—Not the lateral seepage, not the water coming out sideways, but the water falling out directly below the dam. Is there any proposition for directional drilling or some other way of directly sampling where that water is going, how much is coming out and what is in it exactly, because at the moment we are relying on models?

**Mr Hughes**—No, it is not possible to drill underneath the dam from the side—

**Senator LUDLAM**—Why is that?

**Mr Hughes**—Because the aquifer that would be most affected there is only 20-odd metres thick. If you set back from the dam and drill under it at an angle you would be passing beneath that before you got your drill hole under the dam.

**Senator LUDLAM**—The company believes that below a horizon of 20-odd metres or so there will not be any signature at all from the tailings water coming out from under the dam?

**Mr Hughes**—Those rocks are pretty tight, once they get below the weathered rocks.

**Senator LUDLAM**—The most important thing then is modelling the faults and then we might be able to tell how far the water is travelling. Do you have any idea when that modelling—or however you would describe it—would be completed?

**Mr Hughes**—I understand that it is going to be this year.

**Senator LUDLAM**—Completed this year?

**Mr Hughes**—Yes, that the modelling will be updated this year.

**Senator LUDLAM**—Who is responsible for calculating the eventual remediation costs for the site? I know we have touched on this in past discussions. Is that the company or is it the OSS? Who is responsible for the costs of getting several billion litres of contaminated water

out of the ground after the site has closed? Have any cost models or estimates of what that is going to cost been undertaken either by you or the company?

**Mr Hughes**—Each year ERA is required to produce a rehabilitation plan which is fully costed. That plan is reviewed by MTC stakeholders and then it is independently assessed by an independent assessor at the behest of Resources, Energy and Tourism, who are the federal regulator.

**Senator LUDLAM**—Are you confident that there is enough money in the kitty in 2021, or whenever the facility finally closes, to retrieve several billion litres of contaminated water from the ground?

**Mr Hughes**—The costed plan is reviewed each year so it is current—

**Senator LUDLAM**—Is it 100 per cent costed?

**Mr Hughes**—Yes.

**Senator LUDLAM**—So as far as the company and as far as you are concerned they have enough money in the tin to deal with total site rehabilitation costs at the end of the mine life?

**Mr Hughes**—That is correct.

**Senator LUDLAM**—I want to ask you about some material that was in the press over the weekend, I think as a result of statements made by the Gungami Aboriginal Corporation and by the Environment Centre Northern Territory. I wanted to take your views on a graph that has been provided to me by the Environment Centre Northern Territory. I just wonder if we might ask—

**Mr Hughes**—I have a copy of the graph.

**Senator LUDLAM**—Okay. I do not know whether other members of the committee have it or want it. Can you please talk us through what this graph tells us in your view? It came to me from the Environment Centre Northern Territory.

**Senator IAN MACDONALD**—Yes, but where did they get it from?

**Senator LUDLAM**—I am just about to ask.

**Senator Wong**—I think what you are asking Mr Hughes is to offer an opinion on someone else's graph.

**Senator LUDLAM**—I presume this is company data. This has not come out of the air.

**Senator Wong**—This is not his graph. It is not his document.

**Senator LUDLAM**—Let us start there. I think that is fair enough. I think you are probably fairly familiar with the shape of it.

**Mr Hughes**—Yes.

**Senator LUDLAM**—This is provided to me in good faith by the ECNT. If you want to dispute the validity of the data that is presented—

**Mr Hughes**—No, it looks similar to the graph I have. This information was circulated by ERA to stakeholders, so that is how it came to be—

**Senator LUDLAM**—That is how it has come into the public domain. That is great.

**CHAIR**—Now that we have identified the document, can you table it, please?

**Senator LUDLAM**—I will do that.

**Senator ABETZ**—Is this an ERA document?

**Senator LUDLAM**—It is ERA water quality monitoring data.

**Senator Wong**—It is not an ERA document. Can we be clear?

**Senator LUDLAM**—It is an interpretation thereof.

**Senator Wong**—I understood the evidence to be that this is a graph prepared by an environmental group—I am sorry, the name escapes me—

**Senator LUDLAM**—The Environment Centre Northern Territory.

**Senator Wong**—That is correct—on the basis ostensibly of data provided by ERA; is that correct?

**Senator ABETZ**—Thank you for that.

**Senator LUDLAM**—I am happy to table it on that basis as an interpretation, given that Mr Hughes has acknowledged that it looks essentially congruent—

**Senator Wong**—You can table it on whatever basis.

**Senator LUDLAM**—Of that, that is fine. What it looks like and my reading of it is that on 10 April there was quite a significant spike in electrical conductivity. There was a lesser spike on 11 April that was recorded in the water downstream of the mine but was not recorded in the water upstream of the mine.

**Mr Hughes**—That would be correct.

**Senator LUDLAM**—Initially this data is not recorded because this is real time monitoring which I understand is obviously more flexible and more reflective of the actual situation in the monthly or weekly water sampling that goes on. I would firstly want to confirm that this spike was not picked up in the regular weekly or monthly monitoring that goes on up there?

**Mr Hughes**—That is correct.

**Senator LUDLAM**—The first thing to note there is the importance of the real-time modelling, that it does give us a much more fine-grained signature of what is going on. The company has not acknowledged that the spike is a result of mining operations. Is that a view that you share, or have you analysed this material? What is your view on it?

**Mr Hughes**—We have our own monitoring systems, both upstream and downstream of the mine. As you said, this spike is not reflected in the data upstream of the mine, so consequently you can conclude that it has come from the reach of Magela Creek, which stretches between upstream of the mine and downstream of the mine. The most likely explanation is that the saline solutions have come from the mine.

**Senator LUDLAM**—We use electrical conductivity as a marker for dissolved material, including uranium and other dissolved radionuclides. Have you, or has the company, any other data that would reflect not just the EC but what might have been contained in that water?

**Mr Hughes**—You are quite right in stating that the continuous monitoring program is much more sensitive and much more effective than the grab sampling. In fact, we have been working now for four or five years on a continuous monitoring program ourselves. We have been undertaking a significant amount of research. One of the things we have put on our continuous monitoring station downstream of the mine is auto-samplers. They are triggered automatically when an event like this occurs, so we have actually got a series of samples through that time.

**Senator LUDLAM**—Great.

**Mr Hughes**—I can say that there was no significant uranium or radionuclides in that water.

**Senator LUDLAM**—It is saltwater?

**Mr Hughes**—It is saltwater.

**Senator LUDLAM**—Sulphates?

**Mr Hughes**—Yes.

**Senator LUDLAM**—Any other contaminants of note?

**Mr Hughes**—Magnesium sulphate.

**Senator LUDLAM**—No other contaminants of note that you picked up?

**Mr Hughes**—Nothing of note.

**Senator LUDLAM**—Has the company been able to share with you what the origins of those two spikes were and why that happened?

**Mr Hughes**—I will probably need to explain a bit to you about how water leaves the mine site. The chemical signature of the saline waters indicates to me that it is from retention point 1. Retention point 1 catches run-off water from the site and it spills passively into a billabong called Coonjimba Billabong, and from there Coonjimba Billabong is connected to Magela Creek. What happens is that when Magela Creek falls, Coonjimba Billabong is able to spill into Magela Creek, so while Magela Creek is high it acts as a barrier and the water builds up in Coonjimba Billabong. What has happened here—and when you look at the graph in detail—is that as the creek falls there is outflow from Coonjimba Billabong into Magela Creek and that is what is reflected in these graphs, most likely.

**Senator LUDLAM**—Thank you for taking us through that. Is there a legislated or a regulatory limit on the electrical conductivity and whatever that is acting as a tracer for? Is this an exceedence, or how would you characterise the event?

**Mr Hughes**—The current regulatory system for Ranger and Magela Creek is based on the grab sampling programs. As I have said before, the continuous monitoring is a research program that we have been undertaking. ERA have seen the value of that program and are now introducing their own continuous monitoring as well so that they can better manage water.

**Senator LUDLAM**—That is really good news. Will either the company or you, as part of your research work, be routinely publishing continuous monitoring results which, as you say, are more accurate and fine-grained than the grab sampling?

**Mr Hughes**—I do not know about the company, but certainly we will be posting continuous monitoring data when we have got all the bugs out of the system to suit ourselves.

**Senator LUDLAM**—Can you tell us what those bugs are; what is the difficulty?

**Mr Hughes**—There are a range of hardware issues, software issues, IT issues and all sorts of things.

**Senator LUDLAM**—I encourage you in that work. When you say you do not know about the company, your office is designed to know about the company. Can you give us a commitment here that you will become—

**Mr Hughes**—Sorry, I do not know whether the company will be choosing to publish their continuous monitoring data.

**Senator LUDLAM**—Can you make them choose?

**Mr Hughes**—The regulator can.

**Senator LUDLAM**—I am addressing you as the regulator, Mr Hughes. Can you compel them to publish that real-time monitoring data and, if not—

**Mr Hughes**—The day-to-day regulator of Ranger is the Northern Territory government Department of Resources. They are the authority that issue Ranger's authorisation.

**Senator LUDLAM**—Surely it is within your power to request the company publish those real-time results, and what would be the disadvantage of that material being in the public domain?

**Mr Hughes**—At the moment ERA is not required to collect continuous monitoring data.

**Senator LUDLAM**—I am just asking if we can require them to do that and why we would not.

**Mr Hughes**—I think it is a question for the regulator, but I would assume that into the future everybody will see the value of the continuous monitoring and it probably will become the order of the day.

**Senator LUDLAM**—I am seeing the value of it right now. I am wondering why we would not just publish that material and compel the company to do it. They may not see the value of it from a publicity point of view because that sort of material will not be going unnoticed from now on if those graphs are reported. There is a fairly obvious incentive for the company to drag its feet, but not so your office.

**Mr Hughes**—In fairness to ERA, they circulated to stakeholders this material immediately after the occurrence of those spikes.

**Senator LUDLAM**—I acknowledge that; we would not be having this discussion if they kept that hidden. If you compel them to release that data on a daily, weekly or whatever basis, they will not be needing to hold emergency meetings with the MTC, stakeholders or whoever; that data will just be available in real-time. Why would you not ask them to do that?

**Mr Hughes**—I just do not want to pre-empt a decision to be made by the regulator and by the MTC. I see the value in what you are saying and I do not have a problem with it. I just do not want to pre-empt somebody else's decisions.

**Senator LUDLAM**—I do not see that it is pre-emptive if you ring the regulator and say: ‘Isn’t this an expression of the bleeding obvious? Why don’t we force them to publish this data in real-time if it exists?’ It is not pre-emptive. Surely that is part of your job.

**Mr Hughes**—My job is to ensure that the Alligator Rivers region remains protected from the effects of uranium mining. We undertake research work which underpins that and allows us to make those sorts of judgment calls. We do participate in the regulatory process through the mine site technical committee and we will be suggesting to the committee those things which are reasonable.

**Senator LUDLAM**—You are not pointing out that this is fairly reasonable?

**Mr Hughes**—I have no problem with this. I agree this is reasonable; in fact, it is why we have just spent five years working on it ourselves, to make sure that we get this stuff working properly.

**Senator LUDLAM**—Let us get it into the public domain, particularly if the company is also collecting that data. Can you tell us a little bit about the event that happened, I believe in January, when some kind of borrow pit failed and spilled a few million litres of contaminated water into, I think, the Gulungul catchment? What are you able to tell us about that event?

**Mr Hughes**—That water was ponded in an earth dam which was a borrow pit and it had pushed up banks, so it was not a terribly well-engineered structure.

**Senator LUDLAM**—It collapsed, so I guess that is—

**Mr Hughes**—Essentially what it was holding was run-off water.

**Senator LUDLAM**—Run-off from what?

**Mr Hughes**—Run-off from the site.

**Senator LUDLAM**—From the mine site. It has been characterised as moderately contaminated. What does that mean in the scale of things?

**Mr Hughes**—I would not characterise it as moderately contaminated. I would characterise it as very lightly contaminated.

**Senator LUDLAM**—Lightly, okay. Have there been any consequences for a collapse of a containment structure on that site? What happens when that sort of event goes on?

**Mr Hughes**—ERA rebuilt the structure to proper engineering standards.

**Senator LUDLAM**—How come it was not built to proper engineering standards already? This is one of the most highly regulated mine sites on the planet.

**Mr Hughes**—There was no requirement for ERA to actually have that sediment pond there. They were doing that to try and collect run-off and to drop out sediment before it went into the stream, so it was just a matter of best practice, but it was not the best practice.

**Senator LUDLAM**—Not the very, very best practice, seeing as how it collapsed when it rained. What governs constructions of these unlicensed or unregulated structures on that site? I am just wondering how seriously you would categorise this in the scale of things that go on at that site—six-odd million litres of contaminated water floods into Gulungul Creek and then on into Kakadu.



**Mr Hughes**—You have already seen how sensitive the continuous monitoring programs are.

**Senator LUDLAM**—Yes, it would be great if that was published in real-time.

**Mr Hughes**—That water was not even detectable.

**Senator LUDLAM**—It was not detectable?

**Mr Hughes**—The event was not detectable.

**Senator LUDLAM**—We would know that if that was published in real-time on the company's website. I will leave it there, Mr Hughes, and I just encourage you to maybe make that phone call in a non-pre-emptive way and suggest to the NT regulator that all parties would appreciate the data being made available in real-time.

**Mr Hughes**—I think I have already mentioned the fact that ERA have made the data available.

**Senator LUDLAM**—But on a one-off basis, and my understanding is the people had to fight quite hard to get hold of that information. It was not provided out of the goodness of their hearts and it is not caught in a weekly grab sampling.

**Mr Hughes**—I disagree with that. I actually have a copy of the email which went to all the stakeholders.

**Senator LUDLAM**—It was provided spontaneously as an acknowledgement of an event that had occurred? We should not have to rely on that kind of goodwill if that material was just being put into the public domain.

**Senator Wong**—Is there anything in relation to Mr Hughes's function that you want to say?

**Senator LUDLAM**—Did you object to my use of the term 'goodwill'?

**Senator Wong**—I am sorry.

**Senator LUDLAM**—Do not worry about it? What was your question?

**Senator Wong**—Is there anything in relation to Mr Hughes's function you want to put to him? This is an issue about ERA you are putting now and you are entitled to the view, but I am not sure what you want him to do.

**Senator LUDLAM**—This is the peak regulator for that facility, so I think it is a reasonable question.

**Senator Wong**—He has disagreed with your construction of what occurred. I am not sure now what you are asking him to do.

**Senator LUDLAM**—Can you make your very best efforts to make sure that that material is placed into the public domain in real-time or as close to that is possible? I guess we will just have to follow that up.

**Mr Hughes**—I will raise that at the next mine site technical committee.

**Senator LUDLAM**—I would greatly appreciate that. Thank you, Mr Hughes.

**CHAIR**—Senator Abetz.

**Senator ABETZ**—Mr Hughes, are you aware of the discussion about salinity levels in the Magela Creek?

**Mr Hughes**—In what respect?

**Senator ABETZ**—In relation to statements made on ABC radio in Darwin just recently.

**Senator Wong**—You might have to give a little more information.

**Senator ABETZ**—I am just wondering if Mr Hughes is. If he is not, an assertion was made by one of the traditional owners. I should stress here that we are not saying, and nor is anyone saying, that there is any risk to human health here. What I want to know is whether that assertion, or statement, is consistent with the information available to the supervising scientist?

**Mr Hughes**—That is that there is no risk to human health here?

**Senator ABETZ**—Yes.

**Mr Hughes**—Yes, I would agree with that.

**Senator ABETZ**—Can you confirm that you have been kept informed of the matters that were outlined in a *Sydney Morning Herald* article of 24 May? I do not know if you are aware of the article headed ‘Kakadu being poisoned by Rio Tinto mine’.

**Mr Hughes**—I have read the article.

**Senator ABETZ**—Yes, you have read the article. I am just wondering whether you have been kept informed of the matters by ERA.

**Mr Hughes**—Yes, ERA have kept us informed of what goes on at the mine site. Those issues are relating to this particular graph which Senator Ludlam has provided. The salinity levels that produce an electrical conductivity spike like this are approximately 25 milligrams per litre sulphate. The figure of 25 milligrams per litre sulphate is about one-tenth of the drinking water standard; the standard for drinking water for sulphate is 250 milligrams per litre. I think that there is no question that the salinity has not created any issues for human health.

**Senator ABETZ**—From your point of view, from the Office of Supervising Scientist, has there been any breach of the regulations by ERA in relation to this matter?

**Mr Hughes**—No.

**Senator ABETZ**—We have canvassed this before, and I daresay you have not changed your mind in relation to this, but the legislative or regulatory environment under which ERA operates at Kakadu is seen as amongst the most rigorous in Australia, if not the world.

**Mr Hughes**—I would say that is a fair comment. I have said so before.

**Senator ABETZ**—Yes. In relation to the rehabilitation of Ranger, whereabouts are we with that? The plans have been developed to your satisfaction?

**Mr Hughes**—As I said in response to Senator Ludlam, ERA produces an annual plan of rehabilitation. That plan is designed to be implemented immediately. So that rehabilitation can be done in the event that, for example, the company ceased mining tomorrow; that plan is the plan which would run.

**Senator ABETZ**—So they have an ongoing updating, if you like, of the rehabilitation plan given the changed scenarios?

**Mr Hughes**—It is a statutory requirement of ERA to do that.

**Senator ABETZ**—Given changed scenarios?

**Mr Hughes**—Yes.

**Senator ABETZ**—What about the rehabilitation plan or the regulatory requirement in relation to rehabilitation? Would it be fair to say that is also one of the tightest, most exacting regulatory requirements of any rehabilitation program for a mine in Australia?

**Mr Hughes**—I am not aware of any that have the same level of rigour.

**Senator ABETZ**—You may have confirmed this already to Senator Ludlam. If you have, my apologies. I was called out of the room for a short while. Can you confirm whether leakage or seepage from the Ranger tailings dam is having any impact on the Kakadu National Park?

**Mr Hughes**—There is no evidence of any impact on Kakadu National Park as a result of the Ranger tailings dam.

**Senator ABETZ**—Can you confirm to us that you are actively monitoring the situation there?

**Mr Hughes**—Yes. As we have seen with these graphs that Senator Ludlam has produced, we have very sophisticated monitoring systems in all of the waterways around Ranger.

**Senator ABETZ**—Thank you very much.

**Senator LUDLAM**—Can I ask a follow-up question to one of the questions that was put forward by Senator Abetz?

**CHAIR**—Yes. Senator Ludlam.

**Senator LUDLAM**—I forget exactly what was the language you used in response to the question, but you told Senator Abetz that there had not been any exceedance or any breach of regs up there. I will need for you to read for me the vertical scale on the graph that I have given to you. The first spike on 10 April was 90.

**Mr Hughes**—The EC is approximately 90.

**Senator LUDLAM**—Is there no regulatory threshold at all, and was that not a breach?

**Mr Hughes**—The regulatory thresholds were determined on the basis of grab sampling, so they apply to grab sampling. The guideline for EC is 43.

**Senator LUDLAM**—So this was double the guideline but was real-time monitoring?

**Mr Hughes**—That is correct.

**Senator LUDLAM**—What regulatory threshold applies to real-time monitoring?

**Mr Hughes**—Real-time monitoring has no regulatory role at this stage. That is why we are working on it.

**Senator LUDLAM**—There is no upper limit. There is no amount of saline water they can tip into the water column that would breach any threshold, because there is no threshold there.

**Mr Hughes**—I do not think that is the way that ERA manage their water.

**Senator LUDLAM**—It is a bit hard to tell how they are managing it. In response to Senator Abetz's question, they did not breach any regulatory thresholds because none have been set.

**Mr Hughes**—That is correct.

**Senator LUDLAM**—It is hard to breach a limit if you have not capped it.

**Mr Hughes**—That 43 microsiemens per centimetre is a guideline, not a limit. The only limit that applies is to uranium, because that has been determined by eco-toxicology. The figure for uranium is six micrograms per litre.

**Senator LUDLAM**—Yes. We spoke about that at some length some time ago. The company has confirmed and you are happy that there was no spike of uranium or other nuclides?

**Mr Hughes**—That is correct. We had numerous samples during this event.

**Senator LUDLAM**—I will leave it there. I think it is worth making the point that the reason that there was no breach is that there is no threshold to breach, which is interesting.

**CHAIR**—Senator Abetz, did you wish the right of reply?

**Senator ABETZ**—No.

**CHAIR**—Thank you very much for travelling down to meet with the committee today.

[2.48 pm]

#### **Parks Australia Division**

**CHAIR**—We will now move to the Director of National Parks.

**Senator SIEWERT**—I would like to go to the budget.

**Senator Wong**—Congratulations, that is the first question.

**Senator SIEWERT**—I did ask a previous question about the budget.

**Senator Wong**—That is true. So you are the winner today.

**Senator SIEWERT**—I am following up from questions I was asking on Monday in the Rural and Regional Affairs and Transport Legislation Committee around Caring for our Country where we went through quite an extensive process, and I know that officers are dying to go through some more again this afternoon. I am referring to the cuts that have been made to Caring for our Country. While we could not define the level of cuts that are going to national parks, as I understand it national parks, World Heritage and some of the other granting programs under Caring for our Country will be impacted by the \$70.4 million worth of cuts that are being made. Have you had a look at how that is going to impact on your purchasing ability for properties over the next financial year and forward estimates?

**Mr Cochrane**—To the best of my knowledge there has been no allocation of those funding cuts across the Caring for our Country programs managed in this portfolio, so at this stage I

cannot answer that question. I can say that there has been absolutely no change to the targets for the program for the acquisition of properties over the period of Caring for our Country estimates.

**Senator SIEWERT**—Has there been any discussion with you around the potential impact of those cuts?

**Mr Cochrane**—No.

**Senator SIEWERT**—What would you anticipate being the process? I am looking at the figures that we were given on Monday. I do not have the transcript so I am going from my notes and acknowledging that I may not have noted down exactly and precisely. We were told on Monday that for national parks for 2010-11 the budget would have been \$37 million and it may now be \$36 million.

**Mr Cochrane**—There are two separate items here, one of which is my own agency budget, which is not affected by the issues you raised, and the other one is the Caring for our Country budgets and the various elements under that, two of which I am in part responsible for: the National Reserve System and Indigenous Protected Areas. As I said before, the application of those cuts has not been determined.

**Senator SIEWERT**—When you say ‘the application of those cuts’, do you mean to your program or the fact that there is a \$1 million cut in your acquisition funding?

**Mr Cochrane**—No. At this stage there is no cut to the acquisition programs. It would be more appropriate if you direct this question to Mr Flanigan when he comes on.

**Senator SIEWERT**—Yes, I will. The point here is that you have just said that your targets remain the same.

**Mr Cochrane**—Correct.

**Senator SIEWERT**—Can you tell me what those targets are for the next financial year and how you intend to meet those if your funding is cut?

**Mr Cochrane**—The question of whether my funding is cut is a hypothetical one at this stage. The targets are the important things.

**Senator SIEWERT**—It has been cut.

**Mr Cochrane**—The targets remain. The targets for Caring for our Country for the National Reserve System as a whole are for the acquisition of 25 million hectares over the five-year period. As has been said before, we believe that they are ambitious but achievable.

**Senator SIEWERT**—I was talking about your targets. Have you set your specific targets for acquisition for next year?

**Mr Cochrane**—We do not have specific acquisition targets in any one year because, as you would be aware, what we can achieve in any one year depends on what is available and what is on the market, which is pretty lumpy. We are on track for getting the average figure over the five-year period, so 5 million hectares roughly for this financial year. We will get close to that.

**Senator SIEWERT**—I will pursue the budget cut. People listening may want to check what I was told on Monday because I was pursuing that figure fairly vigorously.

**Mr Cochrane**—I understand.

**Senator SIEWERT**—You have updated us over several estimates about where the acquisition program is up to. Can you tell us where you are up to now?

**Mr Cochrane**—Yes. We believe we are on track for the end of this financial year for the acquisition of the order of 1.1 million hectares through property acquisitions. Our current figure for declared Indigenous protected areas is just short of 2.7 million hectares.

**Senator SIEWERT**—How much have you acquired since you updated us in February? As I recall, you had some purchases on the books that you could not tell us about.

**Mr Cochrane**—I still have a lot of purchases on the books that I cannot tell you about, unfortunately.

**Senator SIEWERT**—I understand that. I am now asking for an update on the ones that you could not tell us about previously.

**Mr Cochrane**—I can give you total figures in four categories. Proponents have acquired 635,000 hectares of properties that have been purchased and the contracts have been paid. We have another 9,000 hectares, eight small properties, for which contracts are executed and the money will be out the door somewhere in the next day or so. My figures are as of two o'clock yesterday afternoon. There are another four properties totalling just over 200,000 hectares where we have final contracts with proponents for signature. Again, I am expecting that will be days or a few weeks away. We still have draft contracts under negotiation for another 286,000 hectares, which is another five properties. I am very hopeful that all of those will be complete within the next few weeks or by the end of the financial year.

**Senator SIEWERT**—That means that you have met your targets for this financial year.

**Mr Cochrane**—We will be very close. Some of these may happen. We have also got a few more in the wings, which may come to fruition within that period as well.

**Senator SIEWERT**—What is the total value of those purchases?

**Mr Cochrane**—Adding all of those together, including some projects on private lands where we are funding covenanting organisations to pursue covenants on private properties, the actual expended and expected is \$33,700,000.

**Senator SIEWERT**—That is slightly under budget.

**Mr Cochrane**—I am sorry, I did not count the private areas protected land. Our total expected expense at the moment is \$36,900,000. It is very close to the \$37 million that we have this year.

**Senator ABETZ**—I refer to question No. 35 that was taken on notice and which you do not have to look up. I would like to say thank you for the very extensive answer that I was provided with. I found it very helpful. I must say that when I read it all I felt a bit guilty and thought of all the officers who unfortunately spent time working on it.

**Senator Wong**—What was the question?

**Senator ABETZ**—You would not want to know. It dealt with all the various plans for the management of our national parks. I was given a very extensive answer, so to those who were part and parcel of putting it together, I would like to register my thanks. I understand you engage in our specific program for intensive fox control which includes monthly baiting in the Booderee National Park.

**Mr Cochrane**—Correct.

**Senator ABETZ**—As a result of that baiting program do you find the odd fox carcass?

**Mr Cochrane**—That is a very good question. We have very low numbers of foxes. We have now moved to trapping foxes because the small number we have left are very wily.

**Senator ABETZ**—They are more likely to fall into a trap than to take a bait.

**Mr Cochrane**—Some of them are bait-shy now so we are trying to outwit them by alternative means. I will have to take on notice the question about dead bodies.

**Senator ABETZ**—Congratulations on the success of the program. Can you talk to one of your officers who, hopefully, has been there for a while about the inter-baiting and whether they discovered fox carcasses on a regular basis. I would be interested in that information and wish them every success in wiping them out.

**Mr Cochrane**—Thank you.

**Senator ABETZ**—What sorts of traps do they use, by the way?

**Mr Cochrane**—I might have to take that on notice, my apologies.

**Senator ABETZ**—You wanted to ask about Christmas Island, but if I can go right down south to Macquarie Island: there are no foxes there I understand but literally rats and mice, and rabbits and other things. How are we going with that program? I read in my local newspaper on 17 April 2010: ‘Macquarie Island rodent plan shapes up’. How are we going with that?

**Mr Cochrane**—It is actually another part of the portfolio, because Macquarie Island is actually a national park run by the Tasmanian government, but the control program is jointly funded with the Commonwealth.

**Senator ABETZ**—That is not a problem. Nothing rests on it.

**Ms Kruk**—You may have inspired Mr Cochrane’s ambitions here, Senator Abetz!

**Senator ABETZ**—We are very jealous of our land in Tasmania; we won’t let you have Macquarie Island. But we always accept federal government money in Tasmania; you would be aware of that. Thank you.

**Senator SIEWERT**—Can we go to the bats, please—it wouldn’t be estimates without the bats! Have we an update on the status of the pipistrelle bat at the moment? Have they found any?

**Mr Cochrane**—No. We do continue to monitor and right at the moment we are servicing our AnaBat machines—our monitoring devices. As soon as they come back into service we are going to try a few new areas on the island that we have not looked at before. Unfortunately the results to date have recorded no calls.

**Senator SIEWERT**—If you are trying new areas, how confident are you that you are going to find some?

**Mr Cochrane**—Not high, but—given our experience with other threatened species on the island, and listed species, some of which have not been seen for decades and we have rediscovered through intensive searching—I do not think our expectations are zero at all.

**Senator SIEWERT**—In terms of the ongoing work and implementation of the recovery plans, where are we up to with the funding allocation from the minister last year? How is the implementation going and what is happening with the next phase?

**Mr Cochrane**—Are you talking about the recovery plan for the island or the yellow crazy ants program?

**Senator SIEWERT**—I was talking about the island. I wanted to go on to the crazy ant program next, if that is okay.

**Mr Cochrane**—It has been slower than I had hoped, but we are continuing to work on the regional recovery plan for the whole island. We have certainly gone out to consultation with key stakeholders. We have taken all that advice on board. We have had a few other priorities on the island that have meant we have set that aside for longer than I would have hoped.

**Senator SIEWERT**—When do you expect to finalise that process?

**Mr Cochrane**—This year.

**Senator SIEWERT**—This year?

**Mr Cochrane**—This calendar year. At the same time we are preparing, and have a very advanced draft of, the new management plan for the park as well, which will be a critical document for us.

**Senator SIEWERT**—When you say that the planning process will be finished this calendar year, does that mean that the additional expenditure that was announced—I think it was this time last year, wasn't it?

**Mr Cochrane**—That was for a series of activities associated with some immediate actions, including additional crossings for red crabs. That money is under way. Whether we will actually have those in place this financial year I cannot tell you, but I am anticipating it would be this calendar year.

**Senator SIEWERT**—You mentioned the advanced management plan. Has that been released?

**Mr Cochrane**—No, it is a draft which is currently undergoing legal review within my team, and I would hope within the next few months we will release that for public comment.

**Senator SIEWERT**—In terms of the crazy ants, did you not put out an update a couple of months ago saying that has been pretty successful?

**Mr Cochrane**—We did. We are very happy with the aerial baiting. That was late last year. We did 784 hectares and reduced numbers quite considerably. We are still analysing the figures for monitoring. My data here states that monthly monitoring of the baited sites shows no evidence of ant recovery at any of those sites.



**Senator SIEWERT**—It is monthly monitoring?

**Mr Cochrane**—Monthly monitoring, yes.

**Senator SIEWERT**—And there has been no recurrence at any of the sites?

**Mr Cochrane**—Yes.

**Senator SIEWERT**—Do you have additional resources if there is a recurrence? Do you have additional resources to deal with those?

**Mr Cochrane**—I would hope that, by the time the numbers get up—and bearing in mind it is about eight or nine years since the first aerial baiting campaign—within that sort of time frame we would well and truly have an alternative bait method and biocontrol method in place so we would not have to be using the same toxin that we are currently using.

**Senator SIEWERT**—How is the work progressing on the alternative?

**Mr Cochrane**—The researchers are employed. They have field sites on island. They are on island. Beyond that, it is still relatively early days. You would appreciate that work on biocontrols is not a quick process.

**Senator SIEWERT**—I appreciate that. I was just interested in terms of the time frames and whether the build-up from the last time to the build-up to the next time is going to be sufficient to develop the alternatives.

**Mr Cochrane**—Last time, in 2000-01 we actually aerial-baited something like 2,700 hectares. This time it was just short of 800 hectares, so the scale of what we need to do intensively has certainly reduced. Bear in mind also that we continue to hand-bait as well in areas that we can access.

**Senator SIEWERT**—Can I just quickly go back to the regional plan? That is going to be finalised by the end of the year; released—

**Mr Cochrane**—I am hopeful that that will be the case, if we do not have other pressures.

**Senator SIEWERT**—Then the obvious question is: where do we go from there, and what is the adequacy of funding to actually implement it?

**Mr Cochrane**—Yes, that is a good question.

**Senator SIEWERT**—Where are we at with the adequacy of funding and the threats—

**Mr Cochrane**—I think that is a little bit of the horse before the cart. We will need to see the recovery plan to work out what will be needed to fund it.

**Senator SIEWERT**—If it is out at the end of this calendar year—that is, halfway through the financial year—

**Mr Cochrane**—Yes.

**Senator SIEWERT**—do you have money in your budget to implement it or will you need additional funding to implement that recovery plan—if it is satisfactory, et cetera?

**Mr Cochrane**—That depends what its content is. If it is proposing new activities then we would need to seek new funding for that.

**Senator SIEWERT**—Could you foresee a recovery plan that would not include new activities, given the extent of the issues you need to deal with?

**Mr Cochrane**—You are asking me to speculate, but I would anticipate there would be some new activities, yes. I am sure we can do more things.

**Senator SIEWERT**—I would not dare put words into your mouth, but I interpret from your comments that, if there are new measures, you will need additional funding and you do not have funding in your budget to implement it as of now?

**Mr Cochrane**—Unless there is something we give up.

**CHAIR**—Are there any further questions for the Director of National Parks? There being none, thank you very much, Mr Cochrane; we appreciate your attendance today. That concludes examination of the agencies.

[3.08 pm]

**CHAIR**—We will now move to program 1.1, Sustainable management of natural resources and the environment. Senator Abetz has asked whether this is the appropriate program to ask about Macquarie Island. I take it that it is?

**Ms Kruk**—Senator Abetz, I think I need to correct the record. It is the Antarctic Division that is in partnership, is it not? The answer to the question is, no, anyway. Can you put the question on notice?

**Senator ABETZ**—Nothing revolves around it. That is fine. Just don't tell me it is in Climate Change and I will be happy.

**Senator SIEWERT**—Can we start with Caring for our Country. I do not want go over the figures that I went through on Monday other than just to see whether your figures are the same as their figures. But I am presuming that you have read what their figures were. I specifically want to go to the national parks issue, the world heritage issue and the grants program. As I understood it, and definitely from what I was told on Monday—and I am talking about the non-admin cuts—some of these cuts would be across national reserves, world heritage and other granting programs. Is that correct?

**Mr Flanigan**—As my colleague Mr Thompson was trying to iterate on Monday, it is really too early to be definitive about that. The reason is to do with the way these nominal budgets are made and constructed within the ministerial board. It might be helpful if I just go back a little bit and talk about the make-up of the Caring for Country program and the way the funding comes together for that.

The Caring for our Country program is a combination of five funding appropriations: the special account; the Landcare funding; a line for working on country; the environmental stewardship program; and then the funding for the regions, which at the moment is a Treasury appropriation. Those five make up the total pool that the two ministers then allocate on an ongoing basis to achieve the objectives, the outcomes and the targets set for the program.

As you know, the savings of \$81.3 million are across two of the appropriations, Landcare and the special account. They have been sequenced so that they escalate into the last year. Importantly, as to the Caring for our Country outcomes at the moment, the published

documentation runs to the 2012-13 budget year, and the estimate period we are talking about now runs into that next year as well. The savings that are being sought across the two appropriations are \$10.3 million, \$15.3 million, \$20.3 million and then \$35.3 million in that fourth year. That means something like 43 per cent of the saving we are being asked to look for is falling in that last year for which there are no detailed outputs, targets, objectives nor any existing contract commitments with community groups and the like. It was done quite deliberately so as to minimise the impact across the range of activities—administration, staff and funding to external groups to do things on the ground.

When my colleague was running through the potential numbers earlier in the week, I think he pointed out that, when you take into account the funds that are also coming back into the budget for the commitments to the stewardship program and the contract for that, the result of those savings is that we still have more funds available in each of the next three years than we have had in the year that we are in now, which effectively means that our total effort will not diminish. What we are being asked to do is, effectively, trim our sails.

The way that the ministerial board then operates is: across that combined set of appropriations, the two ministers look at the funding allocations that are thought to be necessary to achieve the outcomes for the program. They are effectively nominal allocations, and they are regularly reviewed by the minister. Funds can be moved to different parts of the six priority areas within the initiative so as to make sure that we stay on track in terms of meeting all of the commitments that the program has made up.

Those decisions for this set of saving targets have not been made yet. While we may have been starting to think about how we might absorb those things and where it might be best for us to move funds around within that total allocation, the ministers have not yet made a decision on that, so it is not actually possible for me to say exactly where and how they will fall.

**Senator SIEWERT**—I asked this on Monday and they said to ask it here. How does the special accounts process work? That is the NHT special account. Has that money been specifically set aside for NHT?

**Mr Flanigan**—For expenditure on natural resource management activities.

**Senator SIEWERT**—Exactly. So can you explain what happens if you are cutting it? Some of the money that has been cut is coming out of that fund, so what happens to that fund if you are cutting it?

**Mr Flanigan**—I am not a budget accountant in that sense, but essentially the saving will be appropriated out of that account, and so then it will not be there for allocation for the ministers.

**Senator SIEWERT**—With money that has been specifically put into the NHT special account—it may just be because I am not an economist that I do not get it—when you say ‘it is appropriated out’ so that it will not be in that account, how is that consistent with the process of that money actually being there specifically for NHT or for natural resource management?

**Mr Flanigan**—The government having made a decision to take that saving from that appropriation line, that appropriation line will be reduced, and then the ministers, within the ministerial account, will make their own allocation decisions within the remaining pool that is available. Beyond that, as to the actual mechanics of how that is done, I would have to seek that from—

**Senator SIEWERT**—I suppose it is more a political or a management question in terms of how that money is used. The government decides it is going to save some money, so, instead of then spending the money that has actually been set aside under the NHT special account for NRM, it is then used somewhere else.

**Mr Early**—It is not as though the money is taken out of the account. What we are talking about is the amount that would have been put into the account in the out years being less than what it was in the budget figures last year. It is not as though money has been taken out.

**Ms Kruk**—It is a reduction in the size.

**Senator SIEWERT**—It is a reduction in the size of the money, which is getting back to the issue that it is a reduction in the size of the money that is being allocated to NRM.

**Ms Kruk**—I think Mr Flanigan and Mr Early are also both clarifying that it is not a reduction in existing effort. It is my understanding—and I do not have the benefit of the background of this program as officers around the table do—that with a program of this size and length you would anticipate some efficiency in the life of the program. The onus is on us to have a look at how we can obtain that. I think Mr Cochrane has indicated that there is not too significant a concern in relation to targets. Mr Flanigan is no doubt undertaking a similar exercise, but I do want to stress that it is not a reduction of existing effort; it is a reduction in the additional funds that we would have got. Mr Early, am I correct? Without in any way claiming to be an accountant, this is my understanding.

**Mr Early**—Yes, as Mr Flanigan said, we actually have more money in the next three years than we currently have in this financial year.

**Senator SIEWERT**—It is not being indexed, so in actual fact the real value is going down.

**Mr Early**—I would have to do the maths. I am not sure.

**Senator SIEWERT**—That is what we were told on Monday.

**Mr Early**—I am not sure that is right.

**Senator SIEWERT**—Is that in fact what is happening? Certainly, in the Landcare area, what is happening is that the indexation that was there has been taken away. In other words, there is a reduction in the real value of what is being spent. You can muddy it all you want by saying there is a slight increase. It does not keep up with the cost of actually providing those NRM—

**Ms Kruk**—I am not intending to muddy it, because I think it was very transparently included in the budget in terms of a reallocation of moneys, and certainly it read as such. I must admit I am not familiar with the evidence that was proffered by our colleagues from DAFF in relation to the Landcare program and how that was actually being rolled out.

**Senator SIEWERT**—In the budget papers it is listed as ‘duplication’: page 163, Caring for our Country, ‘reducing duplication’.

**Ms Kruk**—I think it is giving us a very clear pointer in relation to the fact that we need to look at what efficiencies can be achieved in the rollout of the program. Whether I would have used the terminology is probably debatable, but it is a clear challenge to us.

**Senator SIEWERT**—I am not going to go through all the figures again, but we identified about—and I am being generous—

**Ms Kruk**—You have expressed your concern on this one earlier as well.

**Senator SIEWERT**—If we are being generous, we found on Monday between about \$3 million and \$4 million that was actually savings in administration so far. If you can highlight some more, that would probably be useful.

**Mr Flanigan**—Looking for savings in administration is always an ongoing task.

**Senator SIEWERT**—I do not know that I am going to get any further on this.

**Senator WORTLEY**—I am interested in the extent to which Indigenous people are participating in our Caring for our Country program and, in particular, the main areas of funding for Indigenous people in this program and the proportion of applications under the business plan and the community actions grants.

**Mr Flanigan**—One of the highlights of the program to date has been the engagement of Indigenous people within the program. We have a number of discrete projects designed to help engage Indigenous people in land management much more greatly, and in particular a significant effort in trying to boost the number of Indigenous rangers, particularly in remote Australia. At the moment we are well on target to achieve that objective, and I think we have something like 66 Indigenous communities engaged through the combined program and Working on Country, and something in the order of 660 rangers contracted through the program.

**Senator WORTLEY**—Are you able to provide a breakdown of the number of projects and ranger positions in each state?

**Mr Flanigan**—I have my colleague Ms Alison Archer here, who is responsible for managing that part of the program. She could probably give you that detail.

**Ms Archer**—I can give you a breakdown of the Working on Country projects. By state, there are 20 in Queensland with a significant number in the Cape included in that; 21 in the Northern Territory; 8 in South Australia; 7 in Western Australia; 3 in Tasmania; 5 in New South Wales; and 2 in Victoria.

**Senator WORTLEY**—What sorts of projects are the rangers involved in?

**Ms Archer**—The rangers are, through their employment, environmental rangers. They are delivering some very valuable environmental and cultural management outcomes for the government under the Working on Country program. Their work involves a wide range of activities. They do weed management; fire and feral animal management; work protecting and managing sea country; threatened species management; and site rehabilitation, including revegetation. They help to manage sites of cultural significance. The other significant benefit

of the program is that they have taken the opportunity provided by it to build their skills base. They are also drawing on their traditional knowledge and those two—the Western knowledge and the traditional knowledge—are feeding together to really improve the environmental outcomes that we are getting from that program.

**Senator WORTLEY**—Are the social and economic benefits of the programs evident?

**Ms Archer**—Yes, they are. The program is making a very positive contribution towards addressing Indigenous disadvantage through a range of social, economic and health spin-offs. In a lot of cases these benefits are being felt in some of the most remote and disadvantaged communities in Australia. Some examples are communities such as Raukkan in South Australia, Wadeye in the Northern Territory and the Martu people in the Western Desert. These communities and many others have reported significant improvements in social and health problems, particularly for their young people, who are taking a lot of pride in caring for their country and using their skills to help their communities.

**Senator WORTLEY**—I want an update on the Indigenous Protected Areas program.

**Ms Archer**—I can give you a brief update. Certainly the number of declared Indigenous protected areas is continuing to grow. Not only are there 60-odd declared, but also the same number again are undergoing a consultation process. Many of the Working on Country ranger groups are assisting in the maintenance of environmental and cultural values on these lands.

**Senator WORTLEY**—Are you able to do a state-by-state breakdown of the IPA program?

**Mr Flanigan**—The Indigenous Protected Areas activities and the negotiation and the declaration of those areas is the responsibility of my colleague Peter Cochrane.

**Senator WORTLEY**—Thank you.

**Mr Cochrane**—I believe the question asked for a breakdown state by state of Indigenous protected areas?

**Senator WORTLEY**—Yes, that is right.

**Mr Cochrane**—Unfortunately, I do not have that in quite the form that you would probably want, so can I take that on notice, but could I also refer you to the department's website, because we maintain all of that data currently with fact sheets on each Indigenous protected area, maps and so on.

**Senator WORTLEY**—Are you able to tell us about the linkage between the Indigenous Protected Areas program and the Working on Country program? Does that go back to Ms Archer?

**Mr Cochrane**—As Ms Archer said, it is very close indeed.

**Ms Archer**—There is a significant intersect with where the communities are that have ranger programs and where the declared Indigenous protected areas are. The Working on Country program is largely based on working on tenured Aboriginal lands, and so that includes, in many cases, Indigenous protected areas. The ranger teams are really adding significant value to the management of those lands for those peoples, so it is really a close intersect.

**Senator BOSWELL**—You mentioned the peninsula and North Queensland and the ranger program. I was always under the impression that that ranger program was state funded. Are you saying it is federally funded?

**Ms Archer**—There are two programs operating in the cape. One is federally funded and there is also a wild rivers ranger program. They actually work quite closely together.

**Senator BOSWELL**—How many rangers does the Commonwealth employ in the peninsula?

**Ms Archer**—We have 20 projects in Queensland and most of those are in the cape. I do not have the specific numbers of rangers in those programs here, but I could provide that on notice.

**Senator BOSWELL**—You have 20 projects?

**Ms Archer**—Twenty communities that we are working with.

**Senator BOSWELL**—Are they communities such as Doomadgee and Hope Vale?

**Ms Archer**—We certainly are funding rangers in Doomadgee, Hope Vale, Coen and Mossman—a number of areas—and going into the gulf.

**Senator BOSWELL**—How many rangers would you have there?

**Ms Archer**—I do not have the numbers, but I can provide them to you.

**Senator BOSWELL**—How many rangers would be in Queensland? Did you not mention 20?

**Ms Archer**—I said 20 projects. The teams of rangers range from three to 15. I could get you specific figures.

**Senator BOSWELL**—And then in addition to that there are wild rivers rangers?

**Ms Archer**—Yes.

**Senator BOSWELL**—As to Indigenous protected areas, could you explain what they are?

**Mr Cochrane**—They are areas of Indigenous land. They need to be Indigenous owned and/or managed. We begin a dialogue with them if they are interested. They come to us about managing their lands for conservation. If those discussions go well, they eventually choose to formally commit those lands to be managed for conservation purposes. In a number of cases they are not exclusive uses for conservation. There are other uses that may be compatible, but in the main it is about trying to secure conservation outcomes on Indigenous lands that would not otherwise be able to be acquired, for example, for national parks.

**Senator BOSWELL**—How many of those are in the peninsula?

**Mr Cochrane**—There are currently 38 declared across the country.

**Senator BOSWELL**—How many in the peninsula?

**Mr Cochrane**—Potentially?

**Senator BOSWELL**—In the peninsula?

**Mr Cochrane**—There is one at the moment, Lockhart River—country Indigenous protected areas.

**Senator BOSWELL**—Once they become Indigenous protected areas, is there any embargo that goes on them? For instance, can you grow things?

**Mr Cochrane**—There is no embargo. It is a contractual arrangement that we enter into. The Indigenous communities prepare a plan of management, which defines the values that they want to protect and how they intend to protect them. Most of them go to things such as controlling weeds and feral animals. In some cases it also involves fencing stock out of particularly sensitive areas. It goes to a series of activities and in many cases there are other economic activities that travel in parallel.

**Senator BOSWELL**—Thank you. That is all I had.

**Senator TROETH**—I wanted to ask some questions about the reduction in the funding for Landcare. Both Minister Garrett on 24 October 2008 and Tony Burke on 24 December 2008, in reported press comments, paid tribute to the great work carried out by Landcare. In light of those comments, why was it necessary for the government to cut funding for Landcare?

**Ms Kruk**—That is probably a matter to raise with Minister Burke in his portfolio capacity. Mr Early, I understand I am correct in that regard?

**Mr Early**—Yes.

**Senator TROETH**—There is funding from Agriculture, but there is also funding from Environment, Water, Heritage and the Arts.

**Mr Early**—Not in relation to Landcare.

**Senator Wong**—That part of it is Minister Burke.

**Senator TROETH**—It is certainly with Minister Burke for Landcare.

**Senator Wong**—I think Senator Siewert probably traversed it knowing—

**Senator SIEWERT**—I did.

**Ms Kruk**—I think Senator Siewert pointed out the section in the budget documentation where a lot of it was described as program duplication. Is that right?

**Senator SIEWERT**—Yes.

**Senator Wong**—That is the case.

**Senator TROETH**—I will do that, in that case.

**Ms Kruk**—They were announced together, so that is probably why you have linked them.

**Senator Wong**—They were announced together. As you would be aware, there are a range of areas across government where there has been a tightening of the belt to deal with the need to try to bring the budget back into surplus earlier and to fund significant investment in other areas, particularly health.

**Senator TROETH**—Yes. Nevertheless, I thought that the government would have recognised not only the improvement to country that could be made but also the great social



impact that Landcare has had on helping to hold communities together over the last 10 years of drought. I will explore Minister Burke's comments further. Thank you.

**Senator BIRMINGHAM**—I would like to take the point of the minister about the difference. I did not catch all of Senator Siewert's questioning, so if it has been covered then please tell me. In relation to the reduction around Caring for our Country funding, most of those in the PBS are shown as reductions in departmental program support. What exactly does that entail? Is that a reduction of staff within the department administering the Caring for our Country programs? Over the forward years it is a significant reduction from some \$80 million this year down to \$53 million by 2013-14.

**Mr Early**—We did traverse that quite significantly. We talked about efficiencies. In effect, they are decisions for the Natural Heritage Ministerial Board, and they have not been made yet. We cannot give you definitive areas where those cuts are, but we will be looking at our own efficiencies, staffing as you say, and some of the savings that might otherwise be achieved through design, streamlining and so on.

**Senator BIRMINGHAM**—Without wanting to take up a lot of time, what is the current \$80 million spent on? It is described as departmental program support. Is it all staff and administrative costs within the department?

**Mr Early**—As we said, the cuts have been programmed in order to have the minimum impact on the program. If you have a look at the figures you will see that there is more money in the next three financial years than there is in this current financial year, so we believe we can maintain the level.

**Senator BIRMINGHAM**—Is that for the grants component?

**Mr Early**—No, for the entire Caring for our Country program. In effect, the increase in the program is being reduced, but it is still an increase.

**Senator BIRMINGHAM**—I would like to draw your attention to page 35 of the PBS, and the second to last line item on that table, which states 'Annual departmental expenses, departmental program support', which shows a decline from \$88 million in the current 2009-10 financial year down to \$53 million in the 2013-14 financial year. What is that line item? What is the departmental program support? Where do you currently spend the \$88 million?

**Mr Sullivan**—There is a mixture. If you look at the footnote, it includes other revenue in addition to appropriation and sale of goods and services. The bottom line is that Caring for our Country, similar to the NHT—and this has an NHT component to it in terms of the trust—is complex in how it is made up with respect to money coming from the trust and also money administered that is used for program expenses. Within that envelope there is a degree that is allocated for administration of the program, and Mr Flanigan can probably help you with that. The point we were making initially was that the total programming expenses for the Caring for our Country program is the bottom line on page 35, which shows the \$359 million to \$361 million this year and then in the out years.

**Senator BIRMINGHAM**—I get that point.

**Mr Sullivan**—I am not trying to obfuscate here. While a decision has been made in terms of reducing that funding, which has transitioned over the years, the actual allocation of how

that will be achieved in terms of the final tick-off is now a matter for the NHT ministerial board, as established under the legislation. There is some flexibility within that as to how that will be allocated, in terms of whether that will be achieved through efficiency gains through the joint team arrangements between the two departments, as well as through outlining where the money will come from in particular program lines. Landcare is different. The point that we traversed with Senator Siewert and that you went through in detail on Monday night was that there was an indexation issue with respect to Landcare, which is a separate line. Hopefully I have given Mr Flanigan a forewarning. In terms of the departmental allocation—and Mr Flanigan might want to correct me if I am wrong—that, too, is subject to discussions with the joint team arrangements and with ministers, which is then ticked off.

**Mr Flanigan**—It certainly is. We are not expecting that it will have any significant staffing impact that goes beyond that, but there will certainly be some, if you like, reallocation of efforts and activities to higher priority activities. This is in line with the comments I was making to Senator Siewert earlier about balancing our activities so that we make sure they focus on the high priority activities and delivering against the outcome statements. There will be some effort to make sure that we are applying our resources in the most efficient way, and I believe there is room within the program designed for us to do that. For example, some of the conversations that we have been having with the regional bodies go to the way in which we do business with the regional groups and how we can do that more effectively. It is that type of thing that we will be looking to as we go through this process.

As I pointed out earlier, in the next three years—which are the three years that are covered by the current outcome statement and business plans—the scale of the savings has been minimised because of increases to the last year. The last year is the one that we have not made a new outcome statement for yet.

**Senator BIRMINGHAM**—I do not want to take up any more of the committee's time on this. I am always delighted to hear of efficiencies, always delighted to think that a department can manage to get the same outcomes or better outcomes with less administrative cost. That is what we all like to hear. You have not come remotely close to explaining to me what this line item entails, though. Specifically for the line on page 35 of the PBS described as annual departmental expenses, departmental program support, can you provide on notice a breakdown of how the \$88,297,000 in the 2009-10 revised budget has been expended, what components it is made up of and so on, and what decisions, if any, have been taken as to how you are going to meet the forward projections, ultimately to slice more than \$25 million off that figure by 2013-14, which is integral to your plans to keep Caring for Country on track and of course the government's projected surplus.

**Ms Kruk**—We will do so.

**CHAIR**—Are there any further questions for this program area of 1.1?

**Senator SIEWERT**—Yes.

**CHAIR**—We will go to afternoon tea and return at 4 o'clock with 1.1.

**Proceedings suspended from 3.42 pm to 4.00 pm**

**CHAIR**—We will resume proceedings.

**Senator SIEWERT**—I want to go to the Mount Lyell remediation program and the transfer of the funding from that project to the fox project. I do not want to ask about the fox project; I want to know how the decision was made to transfer the use of that money, and then I would like to know what is happening with the project that money was supposed to fund originally.

**Mr Flanigan**—This particular project has been a vexed one. I think that is the best way to describe it. It was initially agreed with the Commonwealth to fund that project in 1998 and by 2010—that is over 10 years—the project had failed to meet its milestones in the contract. So, effectively, the contract lapsed and there had been no significant progress made on the project. It was in that context that, when Tasmania was seeking additional funds for the fox process, the ministers made the decision to fund the Fox Eradication Program rather than enter a new contract for the remediation.

**Senator ABETZ**—Did you say ‘ministers’?

**Mr Flanigan**—Ministers within the NHT ministerial board.

**Senator ABETZ**—So state and federal.

**Mr Flanigan**—No, sorry—the two federal ministers.

**Senator ABETZ**—Just the two federal ministers, unilaterally.

**Mr Flanigan**—Yes, in terms of that board and having had a request from Tasmania for an additional \$7 million for the Fox Eradication Program.

**Senator SIEWERT**—I have a couple of follow-up issues here, one of which goes to the 10 years of that project. I am pretty certain that not many other projects would have been funded for that long while not meeting their milestones without suffering the consequences of getting their money pulled or whatever. Why did it go for that long and what actions were taken to see whether they could meet their milestones? It seems to me that it is an important project.

**Mr Flanigan**—Yes, but ministers in the end have to make a decision between priorities. Certainly the issues associated with making sure that foxes do not establish themselves in Tasmania have a much greater long-term environmental and economic impact than the potentiality of that particular project. So there were choices about where you would put your resources. Dr Zammit could probably go into the detail of the history.

**Senator ABETZ**—Can we just be told what the reason was? If it was not meeting its benchmarks and the funding was pulled, that is one argument. If the argument is that foxes are a greater priority than the remediation work on the west coast, that is potentially another argument. Or did it become a convenient argument that we found that a benchmark was not being met and that, therefore, enabled the money to be handed over to the fox eradication taskforce?

**Mr Flanigan**—Effectively, the contract was terminated. The benchmarks had not been met and the project had not been delivered.

**Senator ABETZ**—For how long had it been terminated?

**Dr Zammit**—Let me take this back a little. I want to just unpick this a little more so that we understand exactly what the steps were. The Commonwealth, back in 1998, as Mr Flanigan says, agreed to fund the Mount Lyell Acid Mine Drainage Remediation Project. It took about four years for that initial commitment to spend money to reach a contract, or maybe a bit longer. Initially, there were reasonable concerns, as we can tell from the records, around the technical and commercial feasibility of the idea to do this work, and it was not until December 2003 to early 2004 that there was a settlement between the two sets of officials around what a viable project might look like. There was a conversation between governments at that point and, by late 2004, the contract to provide the money was made under a normal MOU and financial contract. The MOU and the financial contract were signed in December 2004. Between December 2004 and the lapsing of the contract in June 2008, none of the milestones were met and none of the Commonwealth's funds were expended. So the contract formally lapsed—

**Senator SIEWERT**—In that six years.

**Dr Zammit**—It was a four-year contract. It lapsed in 2008, with none of the milestones being met and none of the Commonwealth funds being expended. I understand that the state spent some money doing some pilot work, but none of it was drawn down from the Commonwealth allocation. So the Commonwealth was in a situation where a contract had lapsed and none of the milestones had been met and, at the same time, independently, there was a conversation underway around investment in foxes. So the Commonwealth then requested that the state undertake an independent assessment of the Mount Lyell project in order to give it some advice before it took a decision on the lapsed contract. That assessment took place and we got the advice from the independent technical specialists about a year ago, in April 2009. That technical assessment provided advice on a range of matters, including increased capital costs, ongoing management costs and the observation that the pilot project, when it reached commercial production, would not be financially viable—it would not be able to fund itself from the sale of the extracted copper. So there were a raft of unresolved questions sitting in the independent report.

Knowing that we had a raft of national policy objectives under Caring for Country, the advice then to the Natural Heritage Ministerial Board was to make a judgment, essentially, as to whether to reinvest in a project that for 10 years had not delivered anything very much or to reallocate the funds to an independent and parallel request from the state for investment in foxes. The ministers took the decision then, balancing the inherent risks remaining in the Mount Lyell project with the opportunities to tackle the fox problem in Tasmania, to invest in foxes. That was just last year.

**Senator SIEWERT**—I have a couple of questions following on from that. Who did the independent assessment?

**Dr Zammit**—An independent named GRD Minproc. I think that report is on the web.

**Senator SIEWERT**—I hear your comments around looking at where to better invest the money, considering that the project was not working. Obviously it is concerning for people to hear that a government after funding a project may change its mind over priorities outside of the issues around the priority of the project at the time. Whether the project was meeting its

milestones is a separate issue to what priority was given to it. People will be concerned that funding may be given for a year or two and then the government may change its mind over its priorities with no funding being given for the rest of the project.

**Ms Kruk**—As I understand Mr Flanigan's advice to you, the issue was that the program was very late in starting. Even in its development, it was delayed for four years. So it is not as though there was a change of priority; there were just concerns. Obviously some funding had been put aside for four years, which is quite a considerable period to have that funding 'banked', so to speak.

**Senator ABETZ**—But when was the state government advised that the contract was deemed to be at an end?

**Dr Zammit**—The contract lapsed in June 2008 and at that time—

**Senator ABETZ**—No. The question is: when was the state government advised of the federal view that the contract had lapsed? You might have struck a view at a particular time, but was that ever communicated and, if so, when?

**Mr Flanigan**—I will take that on notice. I just do not have the records here of that particular communication with the state.

**Senator ABETZ**—A very good little time line was read out to us, but we just do not seem to have the crucial time—

**Ms Kruk**—Mr Zammit may have that in his time line, but officials are reluctant to give you a date without confirming it.

**Senator SIEWERT**—Were the state consulted prior to the decision being made?

**Mr Flanigan**—We will take that on notice.

**Senator ABETZ**—Surely you must know whether there was consultation or not.

**Senator SIEWERT**—You have told us about the independent assessment; you went to the effort of getting that done. Who in the state knew that you were doing that?

**Mr Flanigan**—The usual course of contract management is that, if the milestones are not met, the project is finished. It is a contractual arrangement to meet milestones to receive payments for delivery of activities as they go through. I will need to check our records, unless Dr Zammit has something additional in his detail.

**Dr Zammit**—I do not have the detail.

**Ms Kruk**—Senators, I note your disappointment that we cannot give you the exact details, so perhaps the officials can take on notice the exact date and also what consultation occurred with the state.

**Senator SIEWERT**—I will ask about one final issue. The decision was made around your taking an independent assessment and all those sorts of issues. Were those things done because the project was not meeting its milestones, prior to any consideration of the money being available for something else, such as funding for foxes? What is the time line regarding the application coming in for more money for foxes and the department acting on a project that was not meeting its milestones?

**Dr Zammit**—The independent assessment of the Mount Lyell project happened well before the request for foxes arrived.

**Senator SIEWERT**—If you could take on notice the actual timing of that and the consultation, that would be appreciated.

**Dr Zammit**—Yes.

**Senator COLBECK**—I have a couple of quick questions specifically on the foxes. Senator Abetz has asked—and I understand that you have taken this on notice—when the state government was advised that this would occur. Would it have been on or about 1 March this year?

**Senator Wong**—Senator!

**Senator COLBECK**—I am just trying to help. That is when it became public.

**Senator Wong**—With respect, that is not ‘just trying to help’; that is asking the question again.

**Senator COLBECK**—No, it is not. I am asking: was it on or about 1 March? We have asked that you give a date. It is a different question.

**Senator Wong**—You did that with a straight face. I could not even keep a straight face answering it. We have taken the question on notice.

**Senator COLBECK**—Let us try another one, then. Had the Commonwealth received any requests from the state to extend its agreement for the funding program?

**Dr Zammit**—Are we talking about Mount Lyell or foxes?

**Senator COLBECK**—Mount Lyell.

**Dr Zammit**—Yes.

**Senator COLBECK**—Without trying to put words into your mouth, was that request received around May last year?

**Senator Wong**—I understand what is being asked, Senator.

**Senator COLBECK**—You have indicated to us a time when the contract expired. I will ask the question a different way, if that helps. Was the request received before the contract expired?

**Dr Zammit**—The answer is yes. We received from the state, in about May last year, a request to extend the contract.

**Senator COLBECK**—Was that before the contract expired?

**Dr Zammit**—No.

**Senator COLBECK**—It was after the contract expired.

**Dr Zammit**—Yes. The contract expired in June 2008 and there was an independent review underway.

**Senator COLBECK**—Post the expiration of the contract.

**Dr Zammit**—Yes.

**Senator ABETZ**—What did the independent review determine, if the contract had already expired?

**Dr Zammit**—The reason for the independent review was that the contract had expired, none of the milestones had been met and there was an expectation from the states regarding the contract being renewed.

**Senator ABETZ**—There was an expectation?

**Dr Zammit**—Yes. The Commonwealth's view was that, prior to advising ministers to renew a contract against which no moneys had been spent and no milestones had been met, we would do an independent review of it.

**Senator COLBECK**—That is fair enough. When was the request responded to?

**Dr Zammit**—I do not have that record in front of me. I will have to take it on notice.

**Senator COLBECK**—My advice is that it was declined in January 2010.

**Dr Zammit**—I do not have that and I cannot confirm that.

**Senator COLBECK**—This is a statement by the Tasmanian minister Ms O'Byrne that she had made a request in May, and we have those two things lining up for the federal government to extend the agreement. We have established that was post the lapsing of the contract. Was the review completed by the time the request to extend had been received?

**Dr Zammit**—The review was completed—

**Senator Wong**—Can I just stop you there? Obviously a range of discussions may have occurred between the federal and state governments on this issue—

**Senator COLBECK**—I have two questions to go. I just want to know the answer to that and another question.

**Senator Wong**—I have taken the issue on notice. I think you want to put to us a sequence of events and I am happy to hear you out and take it on notice, but I would rather that the minister have the opportunity to consider the totality of those requests.

**Senator COLBECK**—There are no traps here; I am just putting on the record a statement from Ms O'Byrne the Tasmanian minister.

**Senator Wong**—Yes, that is fine.

**Senator COLBECK**—I am not trying to trip anyone up; I am not trying to do anything except establish what occurred and, effectively, who did what, particularly the Tasmanian government. Back to Ms O'Byrne's statement where she said that she had forwarded the request in May—and we have established that is the case—to extend agreement with the state government. That was declined in January 2010 and advice was received that the federal government funding would be reallocated to the fox eradication effort. So I will put that on the record and ask you to confirm that. But the advice from Ms O'Byrne, the Tasmanian minister, is that the Commonwealth responded in January 2010 with advice that the funding was to be reallocated.

**Senator ABETZ**—Just to confirm: if I want to ask questions about the eradication task force, do I do that under 1.2?

**Mr Flanigan**—The fox eradication?

**Senator ABETZ**—Yes.

**Mr Flanigan**—No; it would be us.

**Senator ABETZ**—Can I then quickly ask two questions? Did your department have any say or involvement in the agreement to import fox scats into Tasmania?

**Dr Zammit**—From memory, I do not think so. I think that was entirely a decision by the Tasmanian managers of the project.

**Senator ABETZ**—As a result, it would stand to reason that there would not be any written documentation.

**Dr Zammit**—That is right. I think it was an operational decision within the management of the program.

**Senator ABETZ**—And we had to get the fox scats undoubtedly from Senator Marshall's state or somewhere else—that woke him up! So there would not have been any need for any federal—

**Dr Zammit**—No.

**Senator ABETZ**—certification or approval or whatever for that to occur.

**Dr Zammit**—On first principles, I do not think so.

**Senator ABETZ**—Thank you. By the way, can I thank whoever did this? The question last time around was somewhat facetious, asking about the freight equalisation scheme. I was somewhat horrified when I realised that the question had been taken seriously as to whether the freight equalisation scheme applied to the importation of fox scats into Tasmania. I had just come from that committee, asking questions about the freight equalisation scheme—

**Senator Wong**—It is now on the record for all to see, Senator.

**Senator ABETZ**—I know it is. I was somewhat horrified that—

**Senator Wong**—‘Abetz spruiks freight equalisation scheme as fox measure.’

**Senator ABETZ**—Most people do not take me seriously and then, when I do not want them to take me seriously, they do.

**Dr Zammit**—And look what you get.

**Senator ABETZ**—Yes, that is exactly right. Anyway, thank you for all of that.

**CHAIR**—We are still in program 1.1. I understand that Senators Macdonald and Siewert still have questions.

**Senator IAN MACDONALD**—I have, Madam Chair. I will try to be quick, as I am being told that we are well behind. I understand that you have answered a lot of questions from Senator Siewert—and on this issue we agree almost all the time. So stop me if I am asking you anything that Senator Siewert has asked already. I am sure that Senator Siewert would have raised the cutback with you, and you perhaps saw the interaction last night with the agriculture department; but do you have any idea where—not the \$10 million cuts—the \$70 million cuts will fall?



**Mr Flanigan**—We have already been through that in some detail with Senator Siewert.

**Senator IAN MACDONALD**—You have been through that entirely? Okay. Is there a one-line answer that you can give me?

**Senator Wong**—Probably not one line.

**Senator IAN MACDONALD**—I really do not want to go into the detail; it is just to advance my next question.

**Mr Flanigan**—The one-line answer is that the details of that are yet to be determined within the ministerial board.

**Senator IAN MACDONALD**—So no decisions have been made.

**Mr Flanigan**—No final decisions, no.

**Senator IAN MACDONALD**—But the Reef Rescue, I understand, is quarantined?

**Mr Flanigan**—The intention is that there will be no diminution of the effort in Reef Rescue; that is correct.

**Senator IAN MACDONALD**—Is that the same as being quarantined? There will be no cutback in the funds that go to—

**Mr Flanigan**—The detail of the explanation that I was giving the committee earlier goes to the way in which over time, through the ministerial board, we manage the movement of funds so that we keep our effort on achieving the outcomes and the objectives set for each of the individual projects. Reef Rescue is clearly one of the key deliverables in the program, and the intention is that it will still be met in full.

**Senator IAN MACDONALD**—Did Senator Siewert go into the reason for the cutback in this program of, effectively, \$80 million? If she did not, can I ask that?

**Senator SIEWERT**—See if you get a different answer.

**Senator IAN MACDONALD**—Pardon?

**Mr Flanigan**—‘See if you get a different answer.’ That is a decision of the government.

**Senator IAN MACDONALD**—But I am really asking the minister. Was it just a general saving cut, or was it a thought that perhaps this program is not as effective as the government thought it might be? Why was this program targeted for very substantial cuts over the next few years?

**Senator Wong**—I think it might have been Senator Troeth that I responded to on this issue. Mr Flanigan and other officials have gone through some of the ‘efficiencies’—I suppose that would be a broad way to put it—in terms of the program. But I also made the comment that—like, I think, all portfolios—this portfolio has found additional savings, which obviously are part of the government’s broader budget strategy of returning the budget to surplus three years early and with a significant investment, for example, in the health portfolio.

**Senator IAN MACDONALD**—So you are saying that savings were found in this portfolio to help the government’s overall strategy, including what you are saying are increases in health.

**Senator Wong**—I expressed that that was an element of this. I think Mr Flanigan also went through efficiencies within the program.

**Senator IAN MACDONALD**—So there were efficiencies that enabled us to save \$70 million or \$80 million? I do not need you to go through them again.

**Senator Wong**—This is traversing precisely what we traversed—

**Senator IAN MACDONALD**—I do not need you to go through it. I just need—

**Senator Wong**—You are asking the question, so—

**Senator IAN MACDONALD**—Just a yes or no.

**Senator Wong**—Can I refer you to our previous answers? Perhaps that is the best way of doing that.

**Senator IAN MACDONALD**—It makes it very hard for me to ask the next question. But there is no trick about this. There are efficiencies and a contribution to the broader budget strategy. Did the reductions come from internal departmental ‘savings’ or in the amounts made available to those people on the ground who are using this money to protect our biodiversity and our landscapes?

**Mr Flanigan**—In the earlier answer, I pointed out the way the savings target is falling across the four years. The largest component of it falls in the fourth year, outside of the current outcome statements. Part of the reason for doing that was to minimise the way the savings would impact both across the administration of the program and on program delivery. The detail of how that will be worked through is yet to be settled within the ministerial board, but the expectation—and I am quite confident that this will be the case—is that the focus will be on continuing to deliver all the stated outcomes and targets for the program and that we will be able to do that with the budget that is available. But there was also material in the answer that goes to the quantum of the budget that is available across all the appropriations within Caring for our Country such that the amount of funds available in the next three years is never less than what we had this year.

**Senator IAN MACDONALD**—I understand from last night in agriculture that some part of that will be in reductions in staff working on the Caring for Country program.

**Mr Flanigan**—I understand that is what my colleagues on the DAFF side thought. On the DEWHA side of the activity, we think we can make the adjustments that are being sought of us without having to reduce staff.

**Senator IAN MACDONALD**—Because you may have read or heard yesterday that I raised the issue that many of your clients already say that this area is grossly understaffed with the result that corners are being cut, programs are not coming out and queries are not being answered. But you are assuring me that you would be aiming to ensure that there are no further personnel reductions in this area.

**Senator Wong**—Senator, I think that is a little unfair on Mr Flanigan. He has put his answer in a certain way. He obviously is not in a position to make guarantees, which is what you—

**Senator IAN MACDONALD**—No, I am not.

**Senator Wong**—You have used a number of provisos; I do not want there to be any misapprehension. He has indicated what the expectation or anticipation would be. I cannot recall precisely the words that he used, but I think it is safe—

**Senator IAN MACDONALD**—That is right. The expectation, and perhaps hope, is that there will be no diminution in the number of staff dealing with the program.

**Mr Flanigan**—That is correct. But the thrust of your observation was about the standard of service delivery that we deliver. I would just like to point out that, as we have been establishing the program, we have had lots of feedback from all across the community, and we have a very active program of keeping that dialogue alive and fresh. That has been resulting in us improving our practices across a number of fronts—improvements to the assessment process and improvements in the way that people can make application. Just last month, I was up in Darwin having quite extensive discussions with the regional boards—both the CEOs and the chairs—to talk about the ways we can continue to improve our service delivery in this space. I am quite confident that that is something that my team and the staff within the division will be able to meet in spades.

**Senator IAN MACDONALD**—Have you and your team read in detail the Senate committee report into the administration of this program; and has that report assisted the department in addressing some of the many complaints that became obvious during the course of that inquiry?

**Mr Flanigan**—Yes. The government is in the process of making its formal response to that report. But, on the way through, we have been listening to those comments that people have made and through not only the inquiry process but also our, if you like, listening and talking to people around the regions. As you know, we are not all Canberra based; we have a number of staff around the country. They are in constant contact with people and, as an executive, we make an effort to make sure that we are talking to people and listening to what they say. So we have done things like create a ‘frequently asked questions’ component to our web page so that we can respond rapidly to issues that the community and others raise about the program.

**Senator IAN MACDONALD**—Are you aware of the concern there is—you would be, if you were to read this report—particularly by NRM bodies that are based outside the major population centres? There is a concern about their ability to maintain qualified staff that they have built up because of what they see as continuing cutbacks—and not only cutbacks but also uncertainty about the possibility of cutbacks, which is impacting upon their ability to retain staff, who clearly do not have a lot of options in some of these places?

**Mr Flanigan**—A comment a bit like that was raised with me at the chairs’ meeting in Darwin. I think it is fair to say that, as far as we can within the program, we have been doing what we can to improve that. So part of the design has been giving certainty to the regional bodies and providing them with funding that runs over two or three years so that they have some continuity in their base funding and, as far as we can give this within the normal budget estimate cycle, the ability to give certainty to those groups about their long-term funding. That is designed to make sure that, at their core, they have the support they need to lead their businesses.

**Senator IAN MACDONALD**—That is good; thank you for that. There is a final area that I want to raise in this section—and I only raise it because, while it is an example of a particular issue, it is an issue that has a huge impact on a very significant part of the biodiversity of Australia. I am referring to that whole area up in the Gulf of Carpentaria, which, as you know, was unusually inundated with floodwaters earlier this year in a one-off circumstance. I am told that it is the first time in living memory—of Europeans, at least—that it has happened, with certain parts of the landscape being under water for up to eight weeks and literally the whole ecosystem being killed, except for some things that could crawl up some of the trees to get out of it. But being under water for eight weeks destroyed all grass seeds and a lot of the biodiversity that made that part of the world quite different, as we are often told. My question is—and I also asked it yesterday—whether there is some way that, as a nation, we can address some of the very significant biodiversity issues now occurring. The government, to its fairly rare credit, I might say, eventually allowed exceptional circumstances for the landowners to help with their businesses and for them to exist—and that was fine; it was great—but there is a greater issue now with the biodiversity of the landscape. Is there any way that the national government or Australia as a whole can assist in doing something about that?

**Mr Flanigan**—I am aware of the situation you are talking about. I do not think there is much I can add to the answer my colleague gave on Monday night. There have been some changes made to that NRM region and its funding to try to help in that circumstance. As I understand it, they have an application in in this current round. But obviously making a decision on how that application will fare is not my gift to give.

**Senator IAN MACDONALD**—I am not expecting you to. I am really asking the department whether they are aware of the significant environmental issue involved there. It is not a question of people, of human beings; it is a question of the ecology, the biodiversity, the landscape—whatever.

**Mr Flanigan**—Within the division, we are certainly aware of the circumstance up there.

**Ms Kruk**—I think various pieces of work have been commissioned in this regard, looking at the impact of a whole range of factors on biodiversity under the banner of adaptation. We have done some of that work jointly with the Department of Climate Change. There probably is not one particular tool. As Mr Flanigan was saying, I think, in essence, it is looking at whether some of the existing policy tools and funding sources we have are sufficiently sensitive to areas where there is an increasing impact on biodiversity, which is coming up through our own survey work and also work from the various CRCs. Mr Early, is there anything you would like to add to that?

**Mr Early**—No.

**Senator IAN MACDONALD**—That is very good and thank you for that, Secretary. But this is not a sort of a climate change thing or an ongoing process; as far as I am aware, this was a very special one-off or ‘once in every 150 years’ event that has had a major impact. So, whilst I appreciate what you say, I am sure you are taking into account that particular aspect for this area, which is said to be a very significant area.

**Ms Kruk**—Yes. I was not linking it solely to a part of a possible impact in terms of climate change. I was signalling that I think the awareness of biodiversity impacts is becoming increasingly profound and there is the whole question of whether our existing policy tools and funding streams can pick up some of those responses. Mr Zammit, do you want to add to that?

**Dr Zammit**—No; I think that is fine.

**Ms Kruk**—That is on both an international and a national scale. I think the circumstances in the area that you refer to obviously are related to quite a significant flood event, so there are some unique elements in that regard.

**Senator SIEWERT**—I want to go to the biodiversity strategy; should I be asking about that here?

**Ms Kruk**—Yes.

**Senator SIEWERT**—Could you tell me where the strategy is up to? I understood that it was going to go to the last MINCO meeting, but it did not; is that correct?

**Mr Flanigan**—That is correct.

**Senator SIEWERT**—Why is that? When is it likely to be dealt with?

**Mr Flanigan**—There is nothing sinister. I will ask Dr Zammit to—

**Senator SIEWERT**—I was not implying that there is anything sinister. You will be aware that we have a long-term interest in this issue.

**Dr Zammit**—It did not get onto the agenda at the last minute for the Darwin MINCO and there are a complicated set of reasons around that. But the ministers agreed to consider it immediately out of session. It is currently being circulated for finalisation. It is in the system. Through the ministerial council, they had a session process for clearance by all ministerial council members.

**Senator SIEWERT**—So, if it is done out of session, they will clear it and then the final version will be released?

**Dr Zammit**—That is right; it will be released as soon as it is cleared.

**Senator SIEWERT**—What is the time frame for that?

**Dr Zammit**—We have asked for it to be done as soon as possible.

**Senator SIEWERT**—I know that you will tell me that you cannot—

**Ms Kruk**—It is not under his control; I think that is what he is signalling—and he is a man who has put his best endeavours into it and is still putting his best endeavours into it every day.

**Senator SIEWERT**—Yes. I took that from the reaction and the expressions on members' faces.

**Ms Kruk**—I am sorry; I just missed the question.

**Senator SIEWERT**—As you will be aware, one of the big criticisms of the process that is undergone in terms of feedback from people is the lack of targets in the document. Has that been addressed in the final strategy?

**Dr Zammit**—Yes. I might just add that the intention is to have it released well before the Conference of the Parties to the Convention Biological Diversity.

**Senator SIEWERT**—Thank you. I will mention the ‘e’ word. I presume that when it will be released is partly dependent on when the election is.

**Ms Kruk**—If I could assist, it is subject to the processes of the state, as it is obviously a multilateral agreement. Without having any knowledge of the ‘e’ word, I am aware of some of the processes that it has to go through.

**Senator SIEWERT**—Do I ask about dieback here or in the next section?

**Mr Flanigan**—Is it anything in particular about dieback?

**Senator SIEWERT**—Where we are up to with an abatement plan; or will that be in the next section?

**Mr Flanigan**—No. That will be in the next section.

**CHAIR**—Senator Wortley.

**Senator WORTLEY**—Could you give us a quick update on the Environmental Stewardship Program?

**Dr Zammit**—I can do that.

**Mr Flanigan**—Dr Zammit is getting them all today.

**Dr Zammit**—A quick update, yes. On environmental stewardship to date, are you aware of the broad architecture of the program?

**Senator WORTLEY**—Yes, we are.

**Dr Zammit**—We are running stewardship rounds for box gum grassy woodlands in New South Wales and Queensland. To date we have run five tender rounds and we have had 210 successful bids. They have achieved about 27,000 hectares of protected box gum woodland, and the broad commitment in funding for that is about \$71 million.

**Senator WORTLEY**—How do you assess the bids that come in?

**Dr Zammit**—It is a multistage process. We have a metric that allows us to calibrate the environmental quality of the asset in the field, and we invite the landowners to provide management actions around those assets in the field. So the landowner puts in a bid with a price and there is an environmental score for that price. In addition, we use an economic model called the ‘marginal cost curve’ to choose value for money bids from the pool.

**Senator WORTLEY**—So that is how you assess the value for money.

**Dr Zammit**—That is right.

**CHAIR**—As there are no further questions in program 1.1, I thank the officers.

[4.45 pm]

**CHAIR**—We will now move to 1.2, Environmental regulation, information and research.

**Senator ABETZ**—On what basis did the Environment Investigations Unit director, Mr Mark Livermore, write to Tasair in relation to allegations about their aiding and abetting whaling in the Southern Ocean?

**Mr Burnett**—We received an allegation.

**Senator ABETZ**—Was that from the Environmental Defenders Office in New South Wales?

**Mr Burnett**—I will be with you in just a minute. Perhaps I could just complete my last sentence. We received an allegation of a breach of the EPBC Act and we were investigating that allegation.

**Senator ABETZ**—Was that from the Environmental Defenders Office?

**Mr Burnett**—I will ask Ms Webb to address this.

**Ms Webb**—Yes.

**Senator ABETZ**—So that was the letter dated 7 January 2010 to Mr Ashwood from the Environmental Defenders Office Ltd, which was cc'd to the minister.

**Ms Webb**—That is correct.

**Senator ABETZ**—So it was on that basis that the department then issued the notice under paragraph 486F(1)(a) and (1)(b) of the act.

**Ms Webb**—It was following some preliminary investigations that a decision was made to issue a notice.

**Senator ABETZ**—Did the preliminary investigation include seeing whether the air charter company had aeroplanes with the capacity to get to the Southern Ocean and return?

**Ms Webb**—I am afraid that I cannot give that level of detail.

**Senator ABETZ**—I am advised that, physically, their aircraft are incapable of doing that. I would have thought that is a fairly fundamental point before you start putting citizens through the third degree on the basis of an Environmental Defenders Office allegation—which, of course, was denied by the company to the Environmental Defenders Office. But does the department understand that Australia lays claim to all of the Southern Ocean?

**Mr Burnett**—I do not know that I would agree with that statement.

**Senator ABETZ**—No, so the department does not. I would—

**Mr Burnett**—No, I did not say that. I said that I do not know that I would agree with your statement. I do not have sufficient knowledge to tell you whether that is a correct statement or not.

**Senator Wong**—Senator, I have had questions on that issue, in the Attorney-General portfolio, to the Office of International Law.

**Senator ABETZ**—Thank you. I am asking about this because, in the notice or in the letter, allegations are made around potential aiding and abetting of Japanese whaling within the Australian jurisdiction, but the actual notice talks about 'in the vicinity of Japanese whaling operations in the Southern Ocean'. I would have thought they are two substantially distinct

bodies of water, whilst there may be some overlap. So I am wondering about where the legal advice was sought for the drafting of this breach. Was that all in house?

**Senator Wong**—Hang on. There are quite a number of questions in that, Senator.

**Mr Burnett**—I do not have that document in front of me; I have not seen it. I do not know that I am in a position to express a concluded view on the legalities of the drafting of a legal document that forms part of a detailed investigation. I can take it on notice.

**Senator ABETZ**—If you need to take it on notice, do so. ‘Given that you have now been advised that our aircraft are incapable of the extended flight range to do so, your allegations are completely baseless and fatuous in the extreme.’ That was written to the department on 8 April 2010. Can I be advised as to whether this matter is still being pursued against a genuinely small business and a genuine small business man who is absolutely antiwhaling and has stated so but who is being put to huge expense in relation to what I would say is a quite bizarre pursuit of him by the department?

**Senator Wong**—Could you just give me a minute, please, Senator? I think I might need to take that question on notice.

**Senator ABETZ**—All right. Take that one on notice as well. How many more of these types of notices have been issued under section 486F(1)(a) and (1)(b) of the act in the last two years?

**Ms Webb**—I would have to take that on notice.

**Senator ABETZ**—Thank you very much. Is only internal legal advice from the department sought in relation to these breach notices?

**Mr Burnett**—It depends on the investigation. In some cases it is internal; in some cases we have our external lawyers look at those—

**Senator ABETZ**—All right. Can you find out in relation to this one of Tasair as to whether or not only internal legal advice was sought. I would also like to know the basis of the huge amount of information that is being sought under these notices, like the type of aircraft registration number, registered owner and even seating capacity. What the seat capacity has to do with an allegation of allegedly aiding and abetting certain activities is, I must say, quite astounding. It is all there in schedule 1 and schedule 2, but the demand for information goes to such things as: would more whales be killed if there were 12 seats on the plane as opposed to six seats? Who are the people who think of these questions? When a small business has to answer them, it takes time and effort. I cannot see how it would bear any relationship to any potential prosecution.

**Senator Wong**—Those are matters of opinion. Officers would obviously—

**Senator ABETZ**—Please take it on notice to ascertain why the number of seats was being sought.

**Senator Wong**—If I could finish what I started to say: obviously these notices are issued as part of officers exercising their function under the legislation that has been passed by this parliament. I do not know whether this part was part of the original act; certainly it may be legislation that Senator Hill, in fact, brought forward through the parliament. A range of



assertions were made in your statement and question, and I do not want my lack of a response to the statement to be taken as agreement to that. But, insofar as we can ascertain a question, I will take that on notice for consideration.

**Senator ABETZ**—Then we have this wonderful requirement about ‘any sighting information noted and/or communicated, whether by crew or passengers’. How would Tasair know what the passengers may or may not have communicated after the charter flight? It then states, ‘Please include full description and coordinates of anything sighted.’ So they might have sighted a seagull or a whale or a dolphin and they have to provide detail according to this notice. It is one of these, if I might say so, typically bureaucratic catch-alls without any specificity to it. It has put Tasair to great expense and great heartache for what seems to be an intention by the minister and the department to prosecute a Tasmanian small business because they are unable to prosecute the Japanese who are actually killing the whales instead of those who are taking charter flights. Thank you, Chair.

**CHAIR**—Is there a response?

**Senator Wong**—Really, that was a speech.

**Senator ABETZ**—And I hope that it is taken to heart because it is offensive when big government bureaucracies—

**Senator Wong**—Senator, that is your opinion and I think it is unfair of—

**Senator ABETZ**—deal with small businesses in such a high-handed manner.

**CHAIR**—Order!

**Senator Wong**—I have not finished, Senator. I sat and listened to you for some time. It is unfair to officers for you simply to berate them in that way. If you have a view, that is your view.

**Senator ABETZ**—I have a very strong view on this.

**Senator Wong**—That was not a question—

**Senator ABETZ**—I have a very strong view on this—

**Senator Wong**—and again I say—

**Senator ABETZ**—and it is an offensive use of power.

**CHAIR**—Have you finished, Senator?

**Senator ABETZ**—I have, indeed.

**Senator Wong**—And I will say: we do not accept—

**Senator ABETZ**—You can keep talking.

**Senator Wong**—the assertions that are being made by you—

**Senator ABETZ**—That is up to you.

**Senator Wong**—and I do not believe any of that last aspect. Yes, walk out of the room, Senator. Go on; walk out of the room.

**Senator ABETZ**—You know that I have to go, and I do not need your ostentatious lectures.

**CHAIR**—Thank you. At the risk of creating a game of musical chairs with the officers, I intend to go to Senator Boswell. Other officers may be required at the table; but, anyway, Senator Boswell, ask your question and we will see how we go.

**Senator FISHER**—You can call it the Boswell jig or something!

**Senator BOSWELL**—Mr Oxley, when does the department intend to make a clear statement in support of the provision of compensation for structural adjustment to fishers and other businesses negatively affected by the impending expansion of the marine protected areas? You have had a consultants' report that recommended against the provision of compensation or structural adjustment to most fishermen for almost a year. Will you or will you not compensate fishers and other businesses if they are affected by displaced effort?

**Mr Oxley**—Senator, it is not the department's prerogative to make a policy statement about how impacts on commercial fishers and other businesses that are affected by the declaration of marine protected areas will be dealt with in compensation or structural adjustment terms; that is a matter of policy for the government to determine.

**Senator BOSWELL**—I understand that it is a matter of policy, but I am asking you: has your department done any work on it and has the department made any decisions on it, or are there decisions that you have made pending government statements?

**Mr Oxley**—Perhaps I could start by just outlining the process that we have been going through in relation to the development of a displaced activities policy which will ultimately be considered and decided by the government. You have mentioned the expert review that the department had commissioned last year in relation to the legal and policy basis for a displaced activities policy. Yes, the department has had that report for some time—and I think this was acknowledged at the last Senate estimates hearing.

Essentially, at the moment, we have two committees that are running in parallel. One is a government steering committee that is made up of officers from a number of government departments—including Finance; Treasury; Agriculture, Fisheries and Forestry; Attorney-General's; and several others. They have been providing whole-of-government input into the development of a policy statement on displaced activities that would look to go more broadly than just the commercial fishing industry. Secondly, we have had in place—we provided answers to questions about its membership after the last estimates committee meeting—a stakeholder advisory group, which was convened to provide advice to the government on that displaced activities policy.

In recent times, we have provided a copy of that expert review to the stakeholder advisory group members and have asked the members of that group to give responses or comments in response to that report to the department in order to help in the development of a displaced activities policy, which we would then put up to the government. The time frame for responses to that request was originally 14 May and, at the request of the members of the stakeholder advisory group, we extended that to 28 May. As of today, I think Ports Australia is the only member of the stakeholder advisory group that has formally provided that advice to us, although I understand that all the other members will be doing so by the end of this week.

**Senator BOSWELL**—The report suggests that compensation be limited, although I am not sure of the exact words, and only people with—I think the term is—‘property rights’ should be compensated. I do not have the report. Does that mean that only people with quotas will be considered for compensation, or does that mean that people with licences will be compensated?

**Mr Oxley**—I would like to draw a distinction regarding what the report recommends as one input into a government decision-making process because, along with that report, we have also already received submissions from various of the stakeholder interests who are represented on the stakeholder advisory group. For example, last year we received a submission from the Commonwealth Fisheries Association—I think it was—on behalf of the commercial fishing sector. We have also had submissions from other sectors that are represented on the stakeholder advisory group. The expert review, so to speak, is quite a complex body of work, and the report comes to a basic conclusion that, when considered against the just terms compensation provisions of the Constitution in relation to acquisition of property, there are only very limited circumstances in which the just terms compensation provisions of the Constitution would be triggered. This is a long-understood statement about the nature of those property rights in a marine environment context. The report says those interests would essentially be limited to native title holders and some mining interests. As to the mining interests, we are talking there about petroleum leases of some form or another.

The report then goes on to make a series of recommendations about the appropriate basis for developing a policy. It says that for reasons of economic efficiency and equity because governments over a decade or more have gone through a process of allocating or creating statutory fishing rights with the objective of stimulating greater investment or creating a more stable investment climate in the commercial fishing industry, where there were such entitlements in place—and the nature of those entitlements could vary but it would typically be the effort unit that was the traded currency in the fishery—in those circumstances there would be reasonable grounds on which to provide assistance. But it is only in those circumstances that the expert review—and again I emphasise this is one input into the government’s decision-making processes—suggested that assistance might be provided.

**Senator BOSWELL**—So what you are saying is that this report recommends that Aboriginals and miners are entitled to compensation but the fishermen—or fisher people—whose fishery is not unitised are not entitled to anything?

**Mr Oxley**—What I am saying is that if you look at it in straight legal terms, as has been assessed through this policy review and the advice that has been provided there—and I need to emphasise that it is not legal advice to the Australian government, it is a policy review—the only circumstances in which just terms compensation provisions of the Constitution would appear to be triggered would be where there was an infringement of native title rights or where there were established property rights in some limited circumstances associated with the mining industry. After that it is a question of policy rather than law as to whether or not assistance would be provided.

**Senator BOSWELL**—It seems a pretty mean way to do business if the government does follow the recommendations in view of the fact that the previous government had to put in

\$255 million to straighten up the Barrier Reef fiasco. When will the decision be made on this compensation in these areas?

**Mr Oxley**—I am not in a position to foreshadow when the internal policy processes of the government will come to a conclusion.

**Senator BOSWELL**—Has your department been working on this?

**Mr Oxley**—Yes, the department is working on it. As I indicated earlier, we have been working through two vehicles primarily, firstly using a stakeholder advisory group and, secondly, using a government steering group.

**Senator BOSWELL**—The AFAs will be assessed. Do you have any time lines for when they will be assessed?

**Mr Oxley**—The areas for further assessment is an ongoing process. Essentially the stage we are at now—and I will just anticipate that you are most particularly interested in the east coast—is that the consultation on the areas for further assessment is currently underway. We have had a couple of staff going up and down the coast of Queensland and New South Wales engaging as sought with a range of stakeholder groups. The purpose of the areas for further assessment is that they are identified because within them are areas of interest from a biodiversity-conservation viewpoint which prospectively would form the basis for a network of marine reserves in Commonwealth waters.

The purpose of the consultation on the areas for further assessment is to go out and talk to the stakeholders who actually have a direct interest in these areas, whether they be commercial interests—commercial fishermen, for example—or whether they are recreational interests—recreational fishing, no matter what their interest—and to understand within those areas for further assessment what parts are particularly important to them from an economic, recreational or social perspective. While we are seeking to develop a conservation network of marine reserves which represents all of the biodiversity of Australia's marine environment, we are seeking to do that in a way that minimises the socioeconomic impact of establishing it. Getting some better, fine-scale information from the coalface—from fishers, from recreational users, from other interests such as the tourism industry—is really quite important to us. That is the purpose of this consultation on the areas for further assessment.

**Senator BOSWELL**—Will the risk assessment of the areas for assessment be completed before the displaced effort policy is finalised?

**Mr Oxley**—You are asking a question about the sequencing between doing risk assessments in relation to those activities and how they might impact on the conservation values that we are seeking to protect in a marine reserve system within the areas for further assessment and the displaced activities policy. At this stage I cannot forecast which of those two things will be completed first. But the commitments that the minister has given are, first, that in the case of the threat assessment work, or the risk assessment work, the fishing industry will have an opportunity to test the preliminary conclusions reached by the department before we finalise that threat assessment work and, secondly, that the displaced activities policy of the government would be released in advance of the release of the first of the draft marine bioregional plans.

**Senator BOSWELL**—I would ask you to go back one step. The report that you gave to the stakeholders, or the government's standing committee, recommends that minimum compensation be paid. You then said, 'Well, the only people entitled to compensation are Aboriginals and miners and it is not recommended that fishing people get anything.' Is that basically—

**Mr Oxley**—That is not my comment or a statement on behalf of the department. That is me explaining to the Senate committee what the report says. Just to be clear about that, it is not a statement of policy in any way; it is a statement about what the report says. But I am also saying that that is well-founded in terms of the long-understood position of this government and the previous government.

**Senator BOSWELL**—I would just take the point that the previous government went out and paid \$255 million to everyone from net-makers to outboard motor people to fishermen or anyone that was involved in the loss of income because of closures in the Barrier Reef going from \$10 million for fish processing factories down to outboard motor people. So I think that you should be careful before you assert that the previous government only paid Aboriginals and miners. It paid everyone.

**Mr Oxley**—I did not assert that at all. You may have misunderstood my comment. My comment was that the position that legally there was no entitlement to assistance under the just terms compensation provisions of the Constitution has been held consistently. If you look at commercial fishing, for example, the just terms compensation provisions are not triggered by a declaration of a marine protected area displacing commercial fishing interests out of that new marine protected area, and that was explicitly stated in the previous displaced activities policy insofar as commercial fishing was concerned. But I was not stating that the previous government's package of assistance did not assist other interests.

**Senator BOSWELL**—This Coral Sea conservation zone is an area of one million square kilometres. Could you tell me how the department is going to go about assessing the environmental issues concerning such a vast area? Are you going to go around with some sort of scientific instrument that measures what is on the bottom or how are you going to do it? How are you going to assess what are the bioregional benefits in that one million square kilometres?

**Mr Oxley**—Clearly we are not going to be out there with research vessels doing new research because to do so would cost a lot more money than even the division I head up has available to it in any year. The cost of doing new research activity is extremely high. Consequently what we have to rely on is the body of existing knowledge and evidence about the biodiversity conservation values present in the Coral Sea. I think it would be fair to say that, relative to other parts of the marine environment—and bearing in mind that the marine environment is generally not well understood—we have a relative dearth of information about the biodiversity of the Coral Sea, although we do have some good information that attests to the high biodiversity values of the region and the reality that the coral reef systems in the Coral Sea are actually different from the coral reef systems in the Great Barrier Reef Marine Park.

**Senator BOSWELL**—That is my question. You say you have a dearth of information. You do not have any information.

**Mr Oxley**—No, I did not say we do not have information. I said—

**Senator BOSWELL**—A dearth is little information. Very few people fish there. Very few people go there in ordinary fishing—not commercial fishing, amateur fishing. It is just a mystery to me how you can assess the biodiversity of a million square kilometres. How are you going to assess it?

**Mr Oxley**—First, just to come back again, we do draw upon the existing scientific information that we have available to us. Secondly, one of the tools that we use as a department and other agencies use is what are known as geomorphological surrogates for biodiversity. We understand what the seabed looks like. We understand the different types of features, whether it is sea-mounts or canyons or so on, and we understand generally the sorts of biodiversity that are associated with those different sea-floor features.

**Senator BOSWELL**—Given that there will be no-take zones in the marine protected areas that will flow from the planning processes in areas for further assessment, there is going to be a displacement. There are going to be no-take zones in those AFAs. So there will be no-take zones. Do you intend to remove the effort on those zones or does the government intend to remove the effort?

**Mr Oxley**—Yes, you are correct that in areas where no-take zones are established—I need to be clear here that it is within those areas for further assessment that a marine reserve network will emerge—there will be some no-take areas identified and the intention to have at least one no-take area within each provincial bioregion—so a large ecologically similar area—is set out in the rules for building the marine reserve network that are published in the marine bioregional profiles. Where there is a displacement of effort, we then get to a question about the residual fisheries—so the areas that are not closed—being capable of absorbing that effort or not. So, if it is an under-fished fishery, can it sustain that continuing level of effort and, if not, then what is the process by which that effort needs to be removed, which gets you into areas such as licence buy-outs.

**Senator COLBECK**—Is that effectively about the benthic environment?

**Mr Oxley**—It is not only about the benthic environment, but that is a significant part of it.

**Senator COLBECK**—A lot of species do not stay within the bioregions, they move through the bioregions, so certain activities are reasonably able to be considered as part of the management plans, which end up determining the major effect of the MPAs at the end of the day.

**Mr Oxley**—That is correct, but we were talking about if it is displaced. Even in a pelagic sense there will be areas where they will fish. It could be longlining operating over sea mounts, but if that area becomes a no-take area then you are going to get a displacement effect. That is why I am making the observation.

**Senator COLBECK**—It is a matter of other regions being able to take the displacement.

**Mr Oxley**—Yes, and that is a particularly relevant consideration with pelagic fisheries, where the species move around, as opposed to bottom fisheries, where the species are more sedentary.

**Senator BOSWELL**—I would like to ask a question about the Coral Sea. We are told that all existing activities were allowed to continue, indicating that they posed no threat. Since then charter boats have had to apply for permits. Can you tell us if a charter boat business is sold, will the permits be able to be exchanged or sold?

**Mr Oxley**—Yes.

**Senator BOSWELL**—So if they are swapped or someone wants to pass the permit on to his children, that will be okay?

**Mr Oxley**—The procedure we have in place to transfer the permit is that they apply to transfer it and we do not present any barrier to that occurring.

**Senator BOSWELL**—As a matter of interest, when the Pew foundation announced the Coral Sea Conservation Zone in September 2008 the Pew maps were exactly the same as the maps that the department put out. The Pew maps were given; I do not know whether the department used the maps, but it would have to be about a billion-to-one chance that the maps would be the same.

**Mr Oxley**—The boundaries of Australia's exclusive economic zone are reasonably easy to map.

**Senator BOSWELL**—Yes, they are.

**Mr Oxley**—We have used the same boundaries. We have used the boundary of the EEZ.

**Senator Wong**—Can we let Mr Oxley finish his answer before you ask the next question?

**Senator BOSWELL**—Yes. The cut-off at Bundaberg, or the southern boundary, is exactly the same as Pew put forward to the government.

**Mr Oxley**—I will take that on notice.

**Senator BOSWELL**—Is it a coincidence?

**Mr Oxley**—I do not know whether it is a coincidence, whether it is intentional or whether it reflects the established known accepted boundary of the Coral Sea. I will take that one on notice.

**CHAIR**—Senator Boswell, I am mindful that we have 35 minutes.

**Senator BOSWELL**—I have waited for four hours and I have yielded to everyone, but when I want to ask a few questions, I am given the wrap-up.

**CHAIR**—Senator Colbeck, have you finished your questions on this matter?

**Senator COLBECK**—I have a few questions to finalise on this particular issue. Have there been any changes to the displaced stakeholder advisory group? Acknowledging that you provided us with the names, have there been any changes to the membership?

**Mr Oxley**—No, I do not believe so, although I understand that there may be a change in the membership of the Indigenous representative, which is really a matter for the department's Indigenous advisory committee to determine who, amongst its membership, sits on that panel.

**Senator COLBECK**—You said at last estimates that this group was to convene in March. Did it do that? Can you give us a list of the dates of meetings on notice?

**Mr Oxley**—We commenced in April, as it turned out, and not March, if I remember correctly.

**Senator COLBECK**—Have there been further meetings?

**Mr Oxley**—No, there have not.

**Senator COLBECK**—Is the expert review to the stakeholders advisory group a public document?

**Mr Oxley**—It is not a public document as such.

**Senator BOSWELL**—I can get you a copy.

**Mr Oxley**—I will take it on notice and perhaps we will be able to save Senator Boswell the trouble.

**Senator COLBECK**—I took from Senator Boswell's questions that the contents were not necessarily all that secret, but I thought I would ask formally. I was going to ask if those that received it had to sign a confidentiality agreement?

**Mr Oxley**—The attitude that I took in chairing the stakeholder advisory group was that, while they were there as representatives of stakeholders, it was not for the department to seek to dictate to them as members of an advisory group to the department as to who they should or should not consult with in developing their response to the report. We did not seek to fetter them in any way.

**Senator COLBECK**—I appreciate the attitude, because it does assist them in managing their consultation process as representatives.

**Ms Kruk**—You will understand that it is with good faith and also good process that Mr Oxley has given this paper as a basis for discussion. I think he has also clarified the status of the document as well.

**Mr Oxley**—It does not represent government policy.

**Senator COLBECK**—I think I indicated that I appreciated the approach. The issue of compensation was traversed in Agriculture the other day, which you probably noted. What interactions are there in respect of the issue of the status of statutory fishing rights? Where does that fit within the scope of things from your perspective? I am not trying to place a trap or anything.

**Mr Oxley**—Could you be clearer with your question?

**Senator COLBECK**—You sort of addressed it with Senator Boswell, because you talked about the different types of licences and fishing rights. I am aware that there is, and has been for a period of time, some review of that process within government. I am just wondering what your agency's input into that process was, bearing in mind that it potentially has a



significant impact on the policy decisions that the government makes—I am not saying you—and recognising that you have also indicated that the government might necessarily make a policy decision on those issues as part of this process.

**Mr Oxley**—Are you talking about a review of statutory fishing rights occurring within the agriculture portfolio or are you talking about it in the context of displaced activities policy?

**Senator COLBECK**—There is a review of the process going on. They impact on each other. There is discussion about the status of those rights within the agriculture policy. I just wondered whether you have been consulted on that, but then the status of those plays into the issue of displaced stakeholder interests.

**Mr Oxley**—To the best of my knowledge I, personally, have not been involved in any discussion about any review of statutory fishing rights occurring within the Agriculture, Fisheries and Forestry portfolio. I will need to take it on notice as to whether the department or the marine division has been consulted.

**Senator COLBECK**—The initial dates that were set down for the various stages of this process have been pushed out. There have been a couple of formal announcements of that. I think the eastern region was the first one of those. Have there been any other formal announcements as to the key activity dates for the process?

**Mr Oxley**—No formal announcements.

**Senator COLBECK**—It is generally accepted that they have been pushed out to facilitate the consultation process.

**Mr Oxley**—That is correct.

**Senator COLBECK**—Do you have any specific dates set out for the release of the first, which I understand is the south-west?

**Mr Oxley**—We do not have any formal specific dates set out, no.

**Senator SIEWERT**—Will it be sooner rather than later?

**Mr Oxley**—I cannot speculate on that. We have a series of things that we need to do in order to bring our development of the South-west Marine Bioregional Plan to a conclusion and, indeed, all the other ones, and the draft marine reserve network that would be embedded in those plans. Some of those steps include some quite significant engagement with the commercial fishing industry around fishing threat assessment work. We have not yet set a date for our next engagement with those parties. It is taking more time than we had anticipated to do this work around marine bioregional planning and that slippage is largely a product of us having to deal with novel concepts. We are working in an untested policy space in bioregional planning, which has meant that we have had to do a lot of internal thinking about how we best write and develop a plan under the EPBC Act.

**Senator COLBECK**—I would like to ask you about resources that you are providing to various groups to work with some of these works, bearing in mind in the recreational space and in the commercial sense there are no national bodies that exist anymore. Have you provided additional resources to any of these groups to help them to do any work that they

might need to do, specifically with the commercial guys, on the threat assessment process that you are dealing with?

**Mr Oxley**—We have not provided any direct assistance at this point in time in relation to the threat assessment work. We are about to enter into contracts with the QSIA to do some information gathering for us, some finer scale information, in relation to the areas for further assessment on the east coast, and we are also entering into a similar agreement with the New South Wales Professional Fishermen's Association out of Maclean on the New South Wales north coast to do a similar body of work in New South Wales. The Professional Fishermen's Association is an organisation that is growing quite rapidly at the moment. The CEO has been working a lot with fishing cooperatives up and down the east coast to build the membership and representation of fishers from New South Wales where there has not been a state representative body for a long time.

**Senator COLBECK**—There is certainly a lot of activity at the moment; there is no question about that. What process would an organisation have to go through to make formal contact? Would they need to identify the issues that they want to deal with as part of a process and make application for assistance?

**Mr Oxley**—Generally that is what would happen. They would come to the department and we would look at the case on its merits, recognising that there are limits to the resources available to the marine division to support stakeholder engagement in that way. We will do the best we can wherever we can.

**Senator COLBECK**—We talked to ABARE and BRS, who I believe are doing some work for you on social and economic impact of the regions. Is there anyone else doing any modelling or work for you to do some assessment of those effects on the proposed regions?

**Mr Oxley**—To my knowledge we have not used ABARE at this point in time.

**Senator COLBECK**—It is BRS.

**Mr Oxley**—It is the Bureau of Rural Sciences. They are exclusively doing that work for us at the moment. The primary work that they will be doing for us, as we begin to identify internally within government what the marine reserve network might look like, will be an assessment of the likely displacement of fishing activity from within those marine reserves based on the zoning arrangements that we identify, and that will be displacement of both Commonwealth fisheries and state fisheries. They have access to all the necessary data from both the Commonwealth and from the state fisheries management agencies. They will also have a preliminary look at how the impact of any displaced effort catch flows through the economy at a regional level. We need to understand better though, to do that, where the product actually landed, so we understand. The catch in the northern prawn fishery in the Gulf of Carpentaria could be landed somewhere down the east coast, so we need to understand that a little bit better. That is one of the reasons why we had this consultation process on the areas for further assessment, to get that sort of local intelligence.

**Senator COLBECK**—Following the release of the draft plans, is there remaining some flexibility on the consultation that runs after that? It still says 90 days in the documentation. We are understanding of the fluidity of what you are going through, and the process, and appreciating the process that you are dealing with now.

**Mr Oxley**—We are scoping a 90-day statutory consultation process which you would kick off a few days after the minister announced it because you do not want to count the first three or four days, whatever it might be, as formal days. We are keen to hold to a 90-day public consultation period and we are still working through precisely how we will undertake that consultation, including the balance between being available and engaged and out on the ground, as opposed to setting up a system by which we can receive submissions electronically. Clearly we will want to do that. That is work in progress at the moment.

**Senator COLBECK**—I am sure your database is swelling.

**Mr Oxley**—We have a very significant database, yes.

**CHAIR**—We need to scoot along.

**Senator COLBECK**—I just wanted to ask a couple of quick questions, and I hope I am in the right place here: are you aware of the export of seahorses that were seized in the US?

**Mr Burnett**—That is us.

**Senator COLBECK**—That is you? I will come back to you later then. You obviously know about it, so I do not have to worry about that. The IOTC meeting in respect of where the decision was made to protect thresher sharks, was anyone from the agency represented at that meeting?

**Mr Oxley**—No.

**Senator COLBECK**—Did you have any input into the submission that went with the AFMA delegation to that commission meeting in Korea?

**Mr Oxley**—I will ask Mr Routh to answer that.

**Mr Routh**—Yes, there was a process between relevant agencies to develop that brief.

**Senator COLBECK**—Was there any consultation outside the agency in the development of the submission?

**Mr Routh**—I would have to check and take it on notice, but recognising that it was not a DEWHA lead—

**Senator COLBECK**—No, I understand that, but I know that people who have an interest in these things ring you up and send you submissions and stuff, and that is what I am interested to know: what inputs from outside the agency came in and what submissions did you receive. I am happy for you to take that on notice, given time.

**Mr Oxley**—Can we just be clear on what is being taken on notice? We will take on notice a question about any submissions or engagement that DEWHA received, but if there are questions about external engagement for DAFF then that question is for that portfolio.

**Senator COLBECK**—We have already had our conversation. You just have the fortune or misfortune to be after them.

**Senator Wong**—Sorry, I have just jumped in briefly. Ms Kruk referred to, in response to questions on biodiversity, a report that the government had commissioned. It might be of interest to the committee for me to table that. It outlines the effect on Australia's biodiversity of climate change, underlining that the effects of climate change on biodiversity are already

discernible and pointing out that biodiversity is one of the sectors most vulnerable to climate change.

**Senator SIEWERT**—An issue that has come up a couple of times, both here and in rural and regional, is that the biodiversity and bioregional planning process is being rushed. Can you tell us how long this process has been taking place? When did it first start?

**Mr Oxley**—The marine bioregional planning process, so the development of bioregional plans under the Environmental Protection and Biodiversity Conservation Act, commenced in 2006-07, so on or thereabouts 1 July 2006.

**Senator SIEWERT**—Does that include the south-east?

**Mr Oxley**—The south-east is a little bit more complex, so if I may just outline briefly that complexity. The Commonwealth Marine Reserve Network for the south-east marine region has already been done, and that was done outside of the bioregional planning process. It is our intention to develop a marine bioregional plan under the EPBC Act for the south-east marine region, though there is no intention to revisit the reserve system as part of that process. It is important that we bring our management of the south-east marine region into the same legislative framework as applies elsewhere around Australia because what we are trying to do here is create a planning system that informs good decision making under the EPBC Act, by much more clearly articulating what it is about the Commonwealth marine area that is important from the biodiversity conservation perspective and where are the biologically important areas for threatened, endangered and protected species, so that when industry proponents are referring their development proposals for assessment under the EPBC Act they know what is of particular concern that they need to be taking account of when they are developing their proposals and referring them. That is the intention now.

**Senator COLBECK**—Can you tell us about plans for the south-east region?

**Mr Oxley**—I think it is untested as to the relationship between the management plan and the marine bioregional plan, but I do want to be clear that it is the department's intention to promulgate a draft management plan and begin public consultation on it in the second half of this year. We will be doing the management plan in advance of the marine bioregional plan being finalised. I do not think that there is a conflict in doing that.

**Senator SIEWERT**—As much I would dearly love to stay on bioregional planning, I have got very limited time so I am just going to move on from bioregional planning—still marine. Can I go to some of the issues that have come out of the Montara process? I am very conscious of going over what has been actually dealt with in the inquiry. One of the issues that has come out of it is the environmental science coordinator and the issue that that environmental liaison officer was not appointed until fairly late, as I understand it, in the process for Montara. My question goes to AMSA saying that they have been commenting that the DEWHA in that process has been dropping off in recent years and that they have been trying to get DEWHA to be more involved overall in their national planning process. Can you comment on that and I want to know, under the budgeting arrangements for the marine portfolio that have been in place over the last couple of years, whether that has limited your ability to be involved in that process? Why is it that DEWHA has not been as engaged with AMSA in that process?

**Mr Oxley**—First, may I just comment in relation to the appointment of a formal liaison officer that, notwithstanding that we did not put a liaison officer into the operation centre, we had ongoing daily engagement through all of the planning processes that AMSA were running around managing the oil spill. As a department we were effectively engaged and we had one consistent point of contact for AMSA in terms of engagement with DEWHA.

I will come back to the role of the environment and science coordinator in a minute, but to deal with the last element of your question, as far as we in the department have been able to establish, we have not had a significant engagement in oil spill response or management since probably the late 1990s or early 2000s.

**Senator SIEWERT**—What about the Queensland one?

**Mr Oxley**—No.

**Senator SIEWERT**—You were not involved in that?

**Mr Oxley**—No.

**Senator SIEWERT**—Sorry, I interrupted.

**Mr Oxley**—In fact, the National Marine Oil Spill Contingency Plan was last updated in 2003, I think it was, and the response plan allocates a very limited role to the department, which is as one source of advice against a number of specifically identified matters in relation to prospective environmental impact, if I could characterise it that way. That is the only role that the department has under the National Marine Oil Spill Contingency Plan and that is something on which, as a department, we have made two submissions to the commission of inquiry. I think we quite honestly reflected on our roles and responsibilities and the effectiveness of the national response plan and identified some areas for improvement. One of those areas for improvement was in relation to the way the role of the environment and science coordinator was fulfilled and where it sat within the overall response structure. There was a sense from our department that the ESC could have had a more significant role in advising senior management.

It was on about 15 September, if I remember the date correctly, that we as a department formally took on the role of ESC under the Montara response. It was an initiative we took because our sense was that the wildlife response was not being dealt with. We were being expected to lead a wildlife response even though there was no formal status for us taking on that role under the national plan. We sought to formalise it and give ourselves access to the cost recovery provisions under the national plan by formally taking on that role. At that point in time though, I think that we—and this is the reflection—did not fully appreciate the scope of the role of the ESC or, indeed, the resources that were available to the ESC, in terms of tools on the AMSA through the oil spill response plan arrangements, that we could have access to to fulfil our role as ESC. We discovered them just by accident over time, I have to say.

That was what led us to make some pretty clear recommendations in our submissions that there needs to be firstly a much clearer role for the ESC, setting aside the question of what agency or what individual that might be, and then, secondly, in relation to the ESC that there needed to be very clear, ongoing training and guidance as to what that role would entail.

Subsequent to that we just recently had one or two officers participate in an oil spill response training exercise that was run by AMSA a couple of weeks ago. We were invited by AMSA to participate and we engaged, so perhaps that is the sign you are looking for.

**Senator SIEWERT**—I have got other questions that I will put on notice but there is a specific one I do want to ask that is very topical and that is the issue around dispersants and the role you play with AMSA in providing advice as to the appropriateness and the toxicity of dispersants. I would also ask if you have looked at the fact that the US and Europe has now banned some of the dispersants that we use, and that we did use on Montara, and continue to be on our list?

**Mr Oxley**—My understanding is that the picture in the US is not quite as black and white as what you have just represented there, although I understand that is how it has been reported. I think it is most appropriate that I would refer you to AMSA for advice about dispersants and I understand they are on in estimates tomorrow.

**Senator SIEWERT**—But what I want to know is the role you play in talking to AMSA and providing advice.

**Mr Oxley**—I do not believe that we have played, or had, any specific role in relation to questions about the selection of dispersants.

**Senator SIEWERT**—You do not provide any advice and you have not had any role?

**Mr Oxley**—I do not believe we have provided any advice in relation to the appropriate dispersant to use. The one area that we were continuously interested in to understand was what was the fate of dispersants in the water column. That is something that we sought throughout the response to understand better because obviously we would be concerned if the dispersants were getting down and actually connecting with the biodiversity. That was a concern generally in banks and shoals, those shallow environments with lots of coral ecosystem. We wanted to understand how far down into the water column the dispersants were getting to understand whether there was potentially any impact there.

**Senator IAN MACDONALD**—On the basis that you will be jointly answering with agriculture the questions we asked on Monday night on marine bioregional planning—would that be a correct assumption?

**Mr Oxley**—I have not seen the questions that were asked of DAFF. I presume that if they took on notice questions in relation to the operations of our portfolio they would be referred on to us.

**Senator IAN MACDONALD**—They were mainly about the Gulf of Carpentaria, the northern bioregional planning process, where I was very, very critical of the so-called consultation. With the time limited, perhaps I could simply refer you to what I said on Monday night in relation to that and if DAFF have not answered it to your satisfaction, or where it particularly involves your department—you will see I have been critical of your department in it and also critical of DAFF for not standing up for the fishermen as well as they should as in the past that department has stood up for fishermen—but rather than repeat them here with the limited time we have got and in deference to my colleagues and the chair could you have a look at that but answer that on notice to me.

**Mr Oxley**—If I may just briefly, to give the senator a level of reassurance, say that subsequent to that meeting that you are referring to this week staff from our division have been up in that area meeting with those groups that you are speaking about.

**Senator IAN MACDONALD**—So you did see what happened on Monday night?

**Mr Oxley**—Yes. Sorry, I am aware that there were a range of questions raised in relation to marine bioregional planning. As to that specific one that I am guessing you are referring to about a meeting at Normanton that you attended with several other members of parliament there were fishers who felt that they did not have an adequate understanding of the process, or effective engagement in the process, and then I think it was a chamber of commerce or some similar type of organisation which felt that it had no real understanding of the process. Subsequent to that we have had staff up there this week meeting with those two particular groups and making sure that they are engaged.

**Senator IAN MACDONALD**—Thank you for that. I understood that was going to happen following this exposure. But my point really was the so-called consultation process is a very, very limited process. In this instance it has been fixed but I know what is happening there. I do not know what is happening around the rest of Australia but I am concerned about it. Again, thank you for that answer. Although I was aware of that it is the broader issue of the extent to which when it is said, ‘We have had consultation’, the extent to which consultation was held. I am repeating what I said there but they were told they were being consulted yet there was a very selective consultation target in the first thing and those that might have a greater interest—those who were not conservationists—did not seem to be in the race.

**Mr Oxley**—I do not know that I would agree with that statement but let me say, first, in relation to the questions that you posed at the DAFF estimates the other night, I will undertake to review those questions and if we can assist in providing clarification on answers in relation to those, we will. In relation to the suggestion that—excuse me for paraphrasing—the conservation NGOs got a look in but no-one else did, the engagement that we had up in the Gulf of Carpentaria at the beginning of this year was actually initiated by the Gulf Savannah Fishermen’s Association, I think it was called, and we went and met specifically with a number of fishers at their request. While we were there we also had meetings with representatives of the local—it is not a chamber of commerce there, is it, but it is—

**Senator IAN MACDONALD**—Progress.

**Mr Oxley**—The progress association was involved in a meeting with us as well. I think we have provided advice previously on that, but perhaps not to the Senate. I am happy to also provide some clarification about what engagement did happen on that occasion.

**Senator IAN MACDONALD**—I am pleased to hear that, but let me say that the two groups most involved—that is, the business groups, by whatever name they go, and the fishing groups, by whatever name they go—did not even know about this until almost after the first consultation was over and done with. My point is: there is an example. But I would ask from what we said the other night if you could perhaps respond to the whole process of how consultation occurs?

**Mr Oxley**—Certainly.

**Senator HEFFERNAN**—Everyone should watch the *7.30 Report* tonight and see that striped tigers do not change their stripes. Also everyone ought to be aware of the environmental lessons to be learned from China that they are out here, as well as in New Zealand, trying to buy up our dairy capacity and are avoiding the Foreign Investment Review Board review of that process.

Can I just go to bumble bees? On 9 March 2010 a Deb Callister wrote to Mr Frank Costa and said:

We have knocked back the application to amend the import list for bumble bees related to the risk of bumble bees escaping and becoming established and invasive in the environment. The potential risk on the spread of exotic weeds impacts on native flora and fauna.

If you are ready for questions I will not go to a preamble.

**CHAIR**—Questions would be good.

**Senator HEFFERNAN**—Has there been any suggestion that bumble bees which are already in Tasmania should not be in New Zealand? Are they a hazard?

**Mr Burnett**—I do not know about New Zealand. I certainly know they have been found to pose a significant risk in Australia?

**Senator HEFFERNAN**—Are they a significant risk in Tasmania? That is part of Australia, which was pointed out to me by Senator Colbeck the other day.

**Mr Burnett**—They are present in Tasmania—

**Senator HEFFERNAN**—Are they a hazard?

**Mr Burnett**—They are illegally imported. The assessment that the department did a year or two ago was a national assessment and I do not know whether it addressed Tasmania specifically, but it was on a national level.

**Senator HEFFERNAN**—I would like to put on notice the New Zealand questions so you can come back with some sensible answers.

**Senator Wong**—I think he sort of answered them.

**Senator HEFFERNAN**—He did not know, but we need to know.

**Senator Wong**—He works for the Australian government.

**Senator HEFFERNAN**—But surely you look over the fence. Did you obtain an independent review of the science that you relied on to recommend to the minister that you would deny the application? Did you have an independent review?

**Mr Burnett**—Yes, a formal review has been carried out.

**Senator HEFFERNAN**—Was an import risk analysis formally taken?

**Mr Burnett**—It is not called an import risk analysis but, yes, it is equivalent to that—

**Senator HEFFERNAN**—What was undertaken?

**Mr Burnett**—An application was made to add the bumble bee to a list known as the live import list. You cannot import a species into Australia unless the species is listed on the live import list.



**Senator HEFFERNAN**—I do not need the application. What was the science? If there was not a full import risk analysis, what was there?

**Mr Burnett**—I have a full statement of reasons signed off by the minister last year. We would be happy to provide you with a copy and it may give you a full explanation.

**Senator Wong**—Can I suggest that we provide that to you. You can have a look at it over the break. I am not sure where the committee is going after this, but if the committee is staying on this outcome why doesn't Mr Burnett provide you with a full—

**Senator HEFFERNAN**—This is stupid.

**Senator Wong**—Can I just make a suggestion and then the committee can decide what it wants to do?

**Senator HEFFERNAN**—You are not stupid but the clock is stupid.

**Senator Wong**—If Mr Burnett provides you with his full statement, why don't you have a look at it over the break and if you want to ask any questions and if the committee is minded to continue the outcome we would be happy to deal with it. But that may go to some of the issues you are raising. I should also say to the committee we are in your hands what you want to do.

**CHAIR**—A proposal has been put to me from the opposition that the committee extends its examination of these portfolio areas—that is, program 1.2 and 2.1—from 7 pm until 8 pm and then at 8 pm we can commence outcome 4. I have asked the secretariat to ascertain whether the officials are available for that to happen and if that is the case then I am not going to stand in the way of it. The committee will make a decision about that shortly when we receive the advice from the officials about their availability. We will advise the officials over the dinner break what the situation is.

**Senator HEFFERNAN**—Just to give them something to think about, has consideration been given to a controlled trial?

#### **Proceedings suspended from 6.01 pm to 7.02 pm**

**CHAIR**—We will resume. Senator Heffernan was going to put some questions on notice about bees.

**Senator HEFFERNAN**—A revisit of the North Auburn branch of the Commonwealth Bank. Given that there is, as Senator Colbeck will explain I am sure, bumble bees in the non-mainland of Australia, I will put a series of questions on notice, including whether there is the possibility of a feasibility of a controlled pilot or trial in a glasshouse on the mainland, and a series of other questions not related to the import risk analysis but the process that occurred around that.

**Senator COLBECK**—I am trying to quickly flick through the report, but I cannot see any specific references in your study to what you might have found with respect to the status of the population in Tasmania and what the impact of the species were in Tasmania.

**Mr Burnett**—I will ask Ms Callister to answer that.

**Ms Callister**—My understanding is there has not been any specific detailed study of the impact of the bumble bees in Tasmania, but the information that was drawn on in doing the

assessment of the application for the live import drew on looking at its impacts and potential impacts across the whole of the country, and also drew on looking at its potential for the population expanding based on information that we had seen from where it had been introduced in other parts of the world.

**Senator COLBECK**—Would you not have a reasonable test case in looking at Tasmania? As I understand it, they have been there for about 15 years and they are spread state wide. There is the opportunity to have a look at that. Are you aware of what the status of actually managing the species in Tasmania might be, for the purpose that was requested in the submission? It seems incongruous to me that you can have them outside the greenhouse but you cannot have them inside the greenhouse; they are outside the greenhouse.

**Ms Callister**—My understanding is that the populations found in Tasmania were believed to have been illegally introduced, so there has not been any formal study of their impact. As I said, when the application was made they looked at what they believed would be the potential impact if that species was introduced more widely in the country, including looking at the impact of things such as the potential to spread sleeper weeds, potential impacts on native species and so on.

**Senator COLBECK**—There was no study about what the actual impacts were in Tasmania, where they have existed for 15 years and are widespread already.

**Ms Callister**—I am not aware of any detailed studies that have been done specifically on the impact of the species in Tasmania, no.

**Senator COLBECK**—What about a risk analysis on the possibility of their travelling across Bass Strait?

**Ms Callister**—I am not aware whether we looked at whether they would actually be able to travel across Bass Strait under their own volition.

**Senator COLBECK**—There are about five or six ships that travel across Bass Strait every day. I am not going to go into the freight equalisation scheme, for the benefit of Senator Wong or Senator Abetz.

**Senator Wong**—You have done that already.

**Ms Callister**—From what I understand about the biology of bees, in order for them to establish a feral population in another place it is not simply a question of having a single animal travel over. You would need to have sufficient animals travelling over, including a queen bee, as I understand it, in order for the colony to establish outside of Tasmania.

**Senator COLBECK**—My understanding is that the population in Tasmania started from one single queen bee.

**Ms Callister**—I have not had any information that suggests that. If you have information as to that we would be interested to see what you know.

**Senator COLBECK**—My information has come out of sources in Tasmania, obviously, and my own observations including my backyard at home, where we had a hive last summer. I suppose if it is against the law nationally then it is against the law in Tasmania as well.

**Mr Burnett**—It is a specific offence under the EPBC Act, so it would be illegal to be in possession of them. As they are believed to have been brought in illegally, it is also illegal to knowingly possess them.

**Senator COLBECK**—What process is there to manage the reality that they are there?

**Mr Burnett**—I do not know. That would be a matter for the Tasmanian authorities.

**Senator COLBECK**—It is a state matter.

**Senator HEFFERNAN**—Can we lock up Senator Colbeck?

**Senator COLBECK**—I do not have any with me. It could be like owning a wild rabbit, for example? They are feral and a pest species so it is effectively under the act illegal. Is it possible for someone to apply for a permit under the act?

**Mr Burnett**—Essentially that is what was done.

**Senator COLBECK**—No, I am talking about Tasmania.

**Mr Burnett**—I do not know.

**Senator COLBECK**—You can take that on notice.

**Ms Kruk**—When I was in Burnie last week when I met with Minister Garrett one of the producers down there was interested in exploring this avenue.

**Senator COLBECK**—Marcus Brandsema?

**Ms Kruk**—That is him, thank you. But it was quite clear that he still had a fair way to go with the state processes. I have encouraged him to meet with departmental officials. The major issues to understand are the steps and the information. He is definitely interested, but he is very conscious of the difficulty in getting through some of the preliminary steps.

**Senator COLBECK**—He is one of the people who have given me quite a bit of information.

**Ms Kruk**—He probably would have raised the issues with you.

**CHAIR**—We were going to go back to marine. Does anyone have any further questions for marine? I know Senator Siewert has some.

**Senator IAN MACDONALD**—Senator Siewert has and I promised I would keep it going for her.

**Senator COLBECK**—I have one which I have given on notice, and I understand the answer will be brief.

**CHAIR**—Senator Birmingham has not had a go yet.

**Senator IAN MACDONALD**—If I can ask my CERF questions I will disappear for the night.

**Senator Wong**—Believe it or not, I do not blame you.

**CHAIR**—That saves the marine officials having to come to the table. Senator Macdonald, you can ask your CERF questions.

**Senator MARSHALL**—I am in no hurry to get rid of them.

*Senator Birmingham interjecting—*

**Senator IAN MACDONALD**—I thank Senator Birmingham, but believe me, in the longer term it is better if I go. Can you confirm for me that the Commonwealth Environment Research Facility was a \$40 million four-year project based in the Cairns based Reef and Rainforest Research Centre?

**Mr Sullivan**—The CERF is in its concluding stages. As you will remember, it was a commitment of the previous government. It was larger than the \$40 million. CERF included an investment in North Queensland, as well as investment in other hubs across Australia. In terms of its forward profile, which is in the budget papers—

**Senator IAN MACDONALD**—Just to get it clear, the \$40 million over four years was managed by the Reef and Rainforest Research Centre?

**Mr Sullivan**—The RRRC was selected through a tender process at the beginning of the CERF program to manage the delivery of the investment that was agreed to by the minister on an annual basis for the Marine and Tropical Science Research Facility, which was the \$40 million component loosely over the \$100 million commitment.

**Senator IAN MACDONALD**—How much of that was administered by the RRRC?

**Mr Sullivan**—The original commitment was \$40 million out of the \$100 million that was managed by the RRRC.

**Senator IAN MACDONALD**—That program is coming to an end.

**Mr Sullivan**—Yes.

**Senator IAN MACDONALD**—It has been replaced by the National Environment Research Program, the NERP—and correct me if I am wrong—which provides \$7 million a year for the reef and Torres Strait hub, which includes the Wet Tropics. Is that correct?

**Mr Sullivan**—That is partly correct. You are correct in saying that the CERF is being replaced by the NERP, the National Environment Research Program, primarily because the word ‘facilities’ gave a misleading impression as to what the program was designed to do. It was not about facilities, it was about research.

**Senator IAN MACDONALD**—I am sorry, you are going to have to speak up. I am afraid old age is catching up and I am going deaf or something.

**Mr Sullivan**—I have post-dinner blues, I am sorry.

**Senator IAN MACDONALD**—At least you had dinner.

**Senator Wong**—He would rather be at the footy too.

**Mr Sullivan**—Being at the footy would be even better than watching it. The key lessons were linkages within the hubs, better linkages across the hubs investment, and increased engagement with end users. This is the total spectrum. I know you have asked about the North Queensland component, and I will get there. Guidelines have been released for the National Environment Research Program, which is on a two-speed process. There are three components to it. One is transitional funding for the hubs that receive funding for the first

four years, and that is to allow the hubs to either finish well or maintain capability if they are all or in part refunded under the second phase of the program.

In terms of the Great Barrier Reef and Torres Strait, the *Outlook* report, which I know that you are fully cognisant of, defines clear research priorities for the reef. Expressions of interest have been called for proposals for the Great Barrier Reef and the Torres Strait. At the same time, expressions of interest have been called for and concluded, just recently, for hub investments for the remainder of the funding. The \$7 million that you talked to before—and I cannot remember whether you said \$7 million or \$7.5 million.

**Senator IAN MACDONALD**—I did say \$7 million.

**Mr Sullivan**—That relates to reef in the Torres Strait. That is locked away. Also, in terms of the allocation from the forward years, there is a commitment that the reef and Torres Strait, in terms of administration, will be fit for purpose. That applies across all of the program in terms of the hub investments. They will be fit for purpose. There is a tender currently under way for the administration of that component of the program.

**Senator IAN MACDONALD**—Is that \$7 million fixed for reef and Torres Strait for four years?

**Mr Sullivan**—That is the intention at the moment in terms of working through the research proposals.

**Senator IAN MACDONALD**—But you are saying it might not necessarily go to the Reef and Rainforest Research Centre?

**Mr Sullivan**—No. Under the previous government that was put out to tender, and that tender is currently being evaluated.

**Senator IAN MACDONALD**—Is there a clause in the tender that says it has to be North Queensland based?

**Mr Sullivan**—I will have to check on that and take it on notice, because I want to be clear about that. The clear public commitment of the minister and the government has been that that will be delivered from North Queensland. I imagine it is in the tender, but I will take that on notice.

**Senator IAN MACDONALD**—That is probably good enough, but do take it on notice. Someone in North Queensland will get to administer that \$7 million a year over the next four years?

**Mr Sullivan**—Yes.

**Senator IAN MACDONALD**—It will replace a \$40 million program for the last four years?

**Mr Sullivan**—\$39 million. But on top of that, there is also the remainder of the program, which is now purely biodiversity focused. As part of that there is an allocation for Northern Australia, which we have received proposals for, as well as biodiversity. In terms of the mixture of how that is actually then allocated over the next couple of months in terms of advice to the minister on successful proposals that are coming in the hub round, there may

be—and I do not want to pre-empt what is an expression of interest and a competitive process—

**Senator IAN MACDONALD**—You will not do it this time. You gave me a bit of a wink and a nod last time, which made me think everything was cool and you knew the decision was coming. Of course you could not tell me, but I am not taking your winks and nods anymore.

**Mr Sullivan**—I think my wink and a nod was actually quite good, because a decision did come out a couple of days later in terms of the announcement of the program. I understand that what followed from that were comments made in North Queensland about my character as well, so I take that on board.

**Senator IAN MACDONALD**—I did not say that, did I?

**Mr Sullivan**—Not you, no.

**Senator IAN MACDONALD**—I do not usually do that.

**Ms Kruk**—We might ask him to repeat it for the record.

**Senator IAN MACDONALD**—Ask the secretary.

**Mr Sullivan**—I think they were comments made to you about my passion for chardonnay. But for the record—and it has been in *Hansard* before—I actually do drink beer, but that is okay. I will restate that for the record.

**Senator IAN MACDONALD**—You are not getting it from me, I have to tell you.

**Mr Sullivan**—I am not asking for it, unless Queensland wins. I think where you are getting to is that I cannot give you a guarantee whether more money will end up in North Queensland, but there is the clear expectation from researchers and a clear direction from government that terrestrial biodiversity is the focus of this program as well as there being a Northern Australia component.

**Senator IAN MACDONALD**—As we went through last time, you say there is a clear expectation. Unfortunately there is not an expectation. They are already losing world-class scientists because they do not know whether they are going to get funded again, and you know that.

**Mr Sullivan**—As I talked about transition funding for the existing hubs—

**Senator IAN MACDONALD**—An additional \$750,000.

**Mr Sullivan**—An additional \$750,000 in transitional funding for the rainforest side of the business. If you look at the allocations that were made to hubs previously, this is approximately a \$6 million hub, which is a significant investment in itself. \$750,000 is for the transition for the next six months for the rainforest component. It is not just a commitment. It is recognition that Australia is one of the few developed countries in the world that undertakes tropical research both terrestrially and in a marine environment and we are world renowned for that.

**Senator IAN MACDONALD**—I do want to come to what you are saying, but I just need to understand, first of all, the reef and Torres Strait is mainly for marine research, is it, not for rainforest research?

**Mr Sullivan**—That is right.

**Senator IAN MACDONALD**—We find we have \$7 million a year for four years for ‘marine’ research. Where would I look to find what is being allocated for rainforest? Is that in the terrestrial things you are talking about?

**Mr Sullivan**—On top of the additional money that has been allocated to address the issue of potentially losing capability from rainforest—

**Senator IAN MACDONALD**—That is the \$750,000?

**Mr Sullivan**—That is the \$750,000, which is a significant boost to funding. I have not seen the expression of interest yet. That has closed, but I have not seen that. But on top of that I expect there will be rainforest in Northern Australia components to that. There will be. I will put that on the record. There will be.

**Senator IAN MACDONALD**—This is out of a total of, what did you say, \$120 million?

**Mr Sullivan**—No, the forward estimates for the program are \$83 million over four years. Again, this reflects the program in transition, so it is \$20 million in 2010-11 rising to \$24 million in 2013-14.

**Senator IAN MACDONALD**—But that is down from \$120 million from the Commonwealth environment research facility?

**Mr Sullivan**—Previously at the point of announcement it was \$100 million over four years. That was subsequently reduced by \$10 million and there are now additional minor savings that have been taken from it. But in terms of the out-year projections this is basically—I will not draw a graph—

**Senator IAN MACDONALD**—I am not yet trying to make comment. I am simply trying to understand this. The old CERF program was for \$120 million, was it not?

**Mr Sullivan**—No, \$100 million.

**Senator IAN MACDONALD**—I thought you said \$120 million earlier—in the last 10 minutes?

**Mr Sullivan**—No, I apologise for that.

**Senator IAN MACDONALD**—No?

**Mr Sullivan**—No. It is \$100 million.

**Senator IAN MACDONALD**—That is being replaced by the National Environment Research Program, which is \$83 million, did you say?

**Mr Sullivan**—Ongoing at levels that next year—if you take that into account—will be \$87 million over four years.

**Senator IAN MACDONALD**—Previously the Reef and Rainforest Research Centre administered \$40 million for both marine and rainforest research. Is that—

**Mr Sullivan**—Approximately \$40 million. It is a little bit less than that. I can take that on notice and give you the exact details.

**Senator IAN MACDONALD**—What you are saying is that the marine part of it is now \$28 million over four years, and \$750,000 is on account of the rainforest element?

**Mr Sullivan**—It is there to basically maintain capability in the rainforest component and recognising that rainforests are a critical component of our ecosystems and one that the minister made a decision to put an additional investment into.

**Senator IAN MACDONALD**—But did you say that the rainforest element is not necessarily called rainforest anymore; it is called terrestrial ecology or something?

**Mr Sullivan**—It is not defined specifically as a rainforest investment. Again, this is going back to my original point—maybe I jumped through that reasonably quickly—about creating better linkages. With better linkages across rainforest research, while we recognise that North Queensland is the heart of rainforest research, there are other rainforest research capabilities in Australia. There are also linkages made between rainforest research and terrestrial research.

**Senator IAN MACDONALD**—I am not asking for justification. I am just trying to understand what it is. The rainforest is now part of a broader Australia-wide terrestrial research facility. Am I getting that right?

**Mr Sullivan**—This is in the stage of expressions of interest, with the intention of that component of the program being worked through in terms of a two-stage process of brokering that through over the next six months.

**Senator IAN MACDONALD**—How much is in that terrestrial section as opposed to the marine, reef and Torres Strait?

**Mr Sullivan**—I do not have that figure in front of me. I thought we ran through this at the last estimates.

**Senator IAN MACDONALD**—There is \$28 million for—

**Mr Sullivan**—And the remainder is for biodiversity plus Northern Australia. There is a minor component—I think it is \$2 million a year—but again I will take that on notice.

**Senator IAN MACDONALD**—I am sorry, what is the Northern Australia bit?

**Mr Sullivan**—The key focus of the program in what has been put out for expressions of interest for research proposals, hub investments, is the Great Barrier Reef and Torres Strait—

**Senator IAN MACDONALD**—\$28 million.

**Mr Sullivan**—and Northern Australia has been identified as a priority need for increased research. The majority of the remainder and the bulk of the investment is therefore biodiversity investments. Depending on the proposals coming in, that may mean a terrestrial hub and a marine hub. A terrestrial hub may be made up of more than one significant partner or one significant area. There is still some flexibility in working through—

**Senator IAN MACDONALD**—I am sorry, \$28 million for the marine and Torres Strait. Of the other \$52 million, that is to be divided somewhere for figures you do not yet have—

**Mr Sullivan**—No, I do have them. As I said, I apologise, I do recall giving them at the last estimates in terms of the breakdown of funding.



**Senator IAN MACDONALD**—But it is divided between Northern Australia and then biodiversity Australia-wide?

**Mr Sullivan**—Yes. There is a small element left in reserve, which is for emerging priorities as they arise on a year-to-year basis.

**Senator IAN MACDONALD**—Could you give me the Northern Australia component?

**Mr Sullivan**—From memory, and again I correct the record—

**Senator IAN MACDONALD**—I will not hold you to this.

**Mr Sullivan**—it is approximately \$2 million a year, I think.

**Senator IAN MACDONALD**—So, that is a total of \$8 million over four years.

**Mr Sullivan**—If you are doing the maths in terms of what is left then, again, I need to recheck those.

**Senator IAN MACDONALD**—That is fine. But the biodiversity, and indeed the Northern Australian component, and indeed the reef and Torres Strait, could hypothetically all emanate out of ANU in Canberra?

**Mr Sullivan**—Sorry, you said the reef and rainforest—

**Senator IAN MACDONALD**—The reef and Torres Strait funding of \$28 million is a competitive process for which RRRC is a bidder. It could be that ANU in Canberra gets it; is that right?

**Mr Sullivan**—There are two elements to that. One is an expression of interest process for research proposals for the Great Barrier Reef and Torres Strait, and that is competitive. There is also a tender process for the administration of those projects. In terms of the previous CERF arrangement, where the investment was, it primarily was with the key providers—CSIRO, JCU and AIMS—but there were also elements from other universities who do have research elements.

**Senator IAN MACDONALD**—But the administrative component could, for example, be done out of ANU in Canberra?

**Mr Sullivan**—No, the administrative component is the one where the government has made a commitment. The administration will all be done in North Queensland.

**Senator IAN MACDONALD**—In relation to the balance, the \$52 million, which is Northern Australia and the terrestrial works, they could be anywhere in Australia?

**Mr Sullivan**—They could be, but I think the clear signal is that they will be fit for purpose. The decision to run the administrator hub from North Queensland was again a reflection of that fit-for-purpose model.

**Senator IAN MACDONALD**—My final question, because time is against me, is that Mr Garrett announced \$750,000, which you have mentioned, for that transition funding. What happened to the other part of the \$5 million that was announced for the transition funding?

**Mr Sullivan**—That has been worked through in work programs with all the remaining hubs, and it is coming to a conclusion. It is being allocated on a pro rata basis, is the short answer.

**Senator IAN MACDONALD**—But let me say this: the \$40 million for reef and rainforest was a little less than half of the \$100 million. \$750,000 is nowhere near a half of \$5 million.

**Mr Sullivan**—That is on top of the \$5 million. That was \$750,000 on top of the \$5 million. And that is only for six months. When I made the analogy of that being equivalent to a \$6 million hub investment, that gives you an idea of the significance.

**Senator IAN MACDONALD**—So, it is a \$5.75 million transition period, but of the total almost \$6 million transition it is not proportional, but that is a mathematical—

**Mr Sullivan**—Rather than cutting off hubs and then running processes and then seeing that they would have to build capacity again, it was in response to research providers' legitimate claims that not only did they want to finish well but also to maintain their research capabilities.

**Senator IAN MACDONALD**—When can we expect an announcement to be made on the providers of research for the Great Barrier Reef and Torres Strait hub?

**Mr Sullivan**—Is this for the administrator?

**Senator IAN MACDONALD**—Yes.

**Mr Sullivan**—As I said, the tender process has only just closed and it will run through the tender evaluation process now. In terms of our project plan for that—

**Senator IAN MACDONALD**—Advice to the minister is to be by when?

**Mr Sullivan**—The contractor is expected to be in place by the start of July.

**Senator IAN MACDONALD**—So, less than a month. Sorry, less than five weeks.

**Mr Sullivan**—I talked about a two-track process. The Great Barrier Reef has the outlook report driving research priorities. It is recent, and it has well established research-user/research-provider relationships. The idea is to get the replenishment into the Great Barrier Reef research capacity as quickly as possible.

**Senator IAN MACDONALD**—Thank you.

**Senator SIEWERT**—Is Mr Burnett going now? So, we are going back to marine?

**CHAIR**—Yes.

**Senator SIEWERT**—Could I ask a very simple question I have been trying to ask for some time? Where is the Christmas Island mining proposal at?

**Mr Burnett**—We are still considering it.

**Senator SIEWERT**—You have been considering it for some time.

**Mr Burnett**—The final decision has only been made within relatively recently.

**Senator SIEWERT**—When was that, when you say 'relatively recently'?

**Mr Burnett**—I do not have an exact date—earlier this month.

**Senator SIEWERT**—This was then following the process of sending it back to the company?

**Mr Burnett**—Yes, there was some intermediate work, because the company raised a lot of issues with us that we had to work through. The final has gone to the minister relatively recently.

**Senator SIEWERT**—How long a time frame then? He can take any time, can he not?

**Mr Burnett**—It is the minister's call.

**Senator SIEWERT**—Thank you.

**CHAIR**—We are back to marine again. I understand Mr Oxley would like to correct some evidence he gave.

**Mr Oxley**—Yes. Before the dinner break, in response to a question from Senator Siewert about advice from the department to AMSA in relation to dispersants, I indicated that we had not provided advice. I just wanted to refer the senator to our supplementary submission to the Montara Commission of Inquiry, in which we outlined that after we took on the role of environment and science coordinator we actually reviewed the net environmental benefit assessment that was done on the use of dispersants and provided advice to AMSA that we agreed with the outcome of that environmental benefit assessment. I just wanted to be clear that we had that role.

**Senator SIEWERT**—That is in response to the particular dispersants that we used for the Montara incident?

**Mr Oxley**—Yes. We reviewed the net environmental benefit assessment on the use of dispersants.

**Senator SIEWERT**—But not the particular dispersants?

**Mr Oxley**—To my knowledge, not the particular dispersants.

**Senator SIEWERT**—That is where I was going to. It is the issue of the particular dispersants because, as you would be aware, there is some dispute now about whether—

**Mr Oxley**—It is a point of discussion in the United States at the moment.

**Senator SIEWERT**—Exactly.

**Mr Oxley**—There is one other matter that you asked me about before the break also. You referred to the Queensland oil spill, and when you asked that question I had the Moreton Bay oil spill in my head. Is that the oil spill you were referring to?

**Senator SIEWERT**—In that case, I was referring to that one, yes. Does the initial answer to, 'Do you provide advice to AMSA in general on the dispersants that are on list that they use?' still stand?

**Mr Oxley**—That answer still stands, yes.

**Senator BIRMINGHAM**—In the February estimates hearings Ms Petrachenko, who is not with us today, indicated during discussions about possible legal action of various forms against Japan that preparatory discussions about understanding what goes on in the IWC have been had between DEWHA and the Attorney-General's Department. Have further discussions been had since we met in February?

**Mr Early**—Yes.

**Ms Kruk**—Can I just apologise for Ms Petrachenko's absence? She is actually involved in negotiations at the moment in relation to whaling.

**Senator BIRMINGHAM**—We miss her. It has become a regular exchange.

**Ms Kruk**—I can sense it.

**Senator BIRMINGHAM**—Further discussions have been had; is this a sign of the government moving towards taking some firm position on this issue?

**Mr Early**—All I can really say is what the Prime Minister has said; he has foreshadowed legal action if Australian objectives in relation to whaling cannot be achieved diplomatically.

**Senator BIRMINGHAM**—You are working through that as a safety mechanism, as such, with the Attorney-General's Department? Who is the lead agency in relation to the consideration of—

**Mr Early**—There are a number of agencies involved. Attorney-General's is obviously the key agency, but it is a policy matter for the government to decide and the Prime Minister has indicated the current position. I really cannot say a lot more than that.

**Senator BIRMINGHAM**—Is there a regular meeting occurring between the department and the Attorney-General's Department—a working group established or anything of that sort which is progressing the issue?

**Mr Early**—There are a number of interdepartmental discussions on a whole range of issues related to whaling. The IWC meeting is approaching, as you know, so there are a lot of discussions going on.

**Senator BIRMINGHAM**—More particularly, are there discussions between DEWHA and the Attorney-General's Department in relation to options for any type of action against Japan?

**Mr Early**—I do not think I can add to what I have already said.

**Senator BIRMINGHAM**—There have been further briefings or discussions; are they are in response to requests from the Attorney-General's Department or at the initiation of DEWHA?

**Mr Early**—As you will appreciate, this is a whole-of-government issue and, as I said, the Prime Minister has made the government's position clear. Obviously, departments are working to support the government position, and I really cannot say a lot more than that.

**Senator BIRMINGHAM**—Has DEWHA been provided with any funding in relation to measures that may support any action against Japan in the forthcoming year?

**Mr Early**—There is no legal action that has been initiated at this stage, and so there is no funding included in the budget.

**Senator BIRMINGHAM**—Is there any funding for surveillance or related matters?

**Mr Early**—No.

**Senator BIRMINGHAM**—In relation to issues surrounding whaling, what is funded within the forward year?

**Senator Wong**—Do you mean in this portfolio?

**Senator BIRMINGHAM**—Yes.

**Mr Early**—I can take that on notice and give you a full breakdown.

**Senator BIRMINGHAM**—A full breakdown would be great. In general terms we are looking at policy advice, obviously, and IWC engagement.

**Mr Early**—The research program?

**Senator BIRMINGHAM**—Yes, the announced ones there. There are no other large areas that we are missing?

**Ms Kruk**—I think he is concerned that it might reflect unfavourably if he does not give the scope of coverage appropriately. Can we take that on notice? I think he has covered the major areas.

**Senator BIRMINGHAM**—I will try to move through quickly. It would be a sad occasion if I did not ask about Mr Hollway and the status of his contract. Is he currently in a contract and when does that contract expire?

**Mr Early**—Yes, he is currently in a contract. It expires on 30 June 2010.

**Senator BIRMINGHAM**—Are there intentions or decisions to renew that contract? Is his position funded in the next financial year?

**Mr Early**—The current contract is to 30 June and obviously there will be discussions about what happens to that closer to that date.

**Senator BIRMINGHAM**—Is the position of the whaling envoy funded for the department in the next financial year?

**Senator Wong**—It is not a specific line item in the budget, from memory. It never was.

**Senator BIRMINGHAM**—My recollection is that in either last year's budget or the year before there was an additional allocation for a period of time provided in, I think, budget paper No. 2 at that stage.

**Mr Early**—DEWHA and DFAT are jointly funding the envoy's work in the current period to 30 June, and additional funding has not been sought at this stage for continuation.

**Senator BIRMINGHAM**—No additional funding being sought nor, presumably, being provided or you would—

**Ms Kruk**—At this stage.

**Senator BIRMINGHAM**—I got those words as well, thank you. In relation to the envoy's activities since we last met, where has he been and for how many days?

**Senator Wong**—Since when? February? Is that right?

**Ms Kruk**—I am not sure whether Mr Early has that sort of detail. Is that something we can take on notice otherwise? What sort of detail—sorry?

**Mr Early**—I have details in relation to October; I do not think I have got it since estimates. He has certainly been involved in meetings, but I have not got those figures since we last met. I can take that on notice.

**Senator BIRMINGHAM**—We will put a few of those questions on notice so we can move through relatively quickly. The IWC No. 62 is coming up fairly quickly—scientific committees starting from 30 May and then the IWC proper from 21 to 25 June. Who will be leading Australia's delegation this year?

**Mr Early**—The delegation has not yet been approved.

**Senator BIRMINGHAM**—So, we do not know who will be leading it yet. 'Not been approved' as in you do not know who is proposed to lead it, or it is all awaiting Prime Minister's approval? Where is this approval pending?

**Mr Early**—It is before ministers to give Commonwealth government approval of the delegation.

**Senator BIRMINGHAM**—That is for the specific IWC delegation. I am assuming the participants in the scientific committees and so on have been given their approvals?

**Mr Early**—Dr Nick Gales from the Antarctic Division is attending the scientific committee.

**Senator BIRMINGHAM**—We do not know who is going yet. We do not know whether the minister or the envoy is going this time around as yet. The proposed consensus decision from the chair and vice-chair of the commission that is meant to be discussed at the IWC—and we may be in some difficulty without Ms Petrachenko, but we can try, if others can help you—is to improve the conservation of whales. What is the government's position on that proposed consensus decision?

**Mr Early**—Minister Garrett set out the government's position quite extensively in a recent address at the ANU. I can table that as representing the government's response to that proposal.

**Senator BIRMINGHAM**—Thank you. Tabling that would be useful.

**Mr Early**—I have just been reminded that there is a position paper on the Australian proposal, so I can table both of those.

**Senator BIRMINGHAM**—The position paper on the Australian proposal is the document that I think, amongst other things, states:

Whaling (other than current aboriginal subsistence whaling) should be phased down within a reasonable timeframe, including the phasing down and out of whaling in the Southern Ocean within five years.

**Mr Early**—Yes.

**Senator BIRMINGHAM**—That is the current Australian position? Is that a fixed position or in the context of the IWC proposal or the consensus paper, as such, does the government accept the proposal? Or is it willing to negotiate at least around the margins of the proposal; that it does not move to a total phase out but does move to a stepping down of the number of whales?

**Mr Early**—I think the best answer I can give there is to point you to Minister Garrett's address, which addresses those issues and sets out the government position quite explicitly.

**Senator BIRMINGHAM**—Thanks, I will not take any more time of the committee on this one.

**Senator SIEWERT**—Can I just follow up where Senator Birmingham left off in terms of the position that will be put at the forthcoming meeting about the potential for legal action? Have you actually investigated whether any international legal action will be successful? There has been a lot of speculation and discussion around whether it is actually not going to be successful. Have you done a review of whether any subsequent action would be possible?

**Mr Early**—Given the delicate state of negotiations, I would prefer not to answer that question. That is a really important issue which is the subject of discussions in the lead-up to and during the IWC itself.

**Ms Kruk**—I think you will understand Mr Early's reluctance in that regard.

**Senator SIEWERT**—Given that the government has already made some statements that they are potentially going to take legal action later in the year, I find it hard to understand why you are reluctant then to say whether, if the proposal gets through, you think legal action may or may not be successful.

**Mr Early**—What you are asking is whether legal action would be successful in a hypothetical situation. I am not sure it is in Australia's interests for me to comment.

**Senator SIEWERT**—Let me rephrase it. I presume that you have read the various legal opinions about the possibility of a successful action.

**Senator Wong**—The government is well aware of the legal issues around this matter.

**Senator SIEWERT**—How soon before the government's announcement that it was going to be taking legal action was the government or the department aware of the proposals that were going to be put before IWC at the next meeting?

**Mr Early**—I do not think that I can answer that. As you would appreciate, these are cabinet discussions. It is not my place to be telling what happened and when in those considerations.

**Senator SIEWERT**—Maybe I misphrased that one. I am conscious that I will need to stop shortly. When was the department aware of the proposals from the working group? When were they put on the table and flagged or finalised through the working group process?

**Mr Early**—Ms Petrachenko was a member of the working group and was aware of developments as they occurred.

**Senator SIEWERT**—The developments were occurring. Can you tell us or remind us of when those proposals were formally announced?

**Mr Early**—The chair's paper was formally released on 22 April, but I understand there was an earlier draft released in February or March.

**Senator SIEWERT**—February or early March?

**Mr Early**—Yes. I can get that exact date for you.

**Senator SIEWERT**—That would be appreciated. Thank you.

**Senator BIRMINGHAM**—Looking at this document that has been circulated—the Australian proposal—I thought for a moment it was the minister's speech, but I see that is the

second document I have been given. I will hold that thought for a little longer. I was about to say that the timelines did not stack up.

**CHAIR**—We have come to the end of Program 1. I thank the officers.

**Senator COLBECK**—I would like to ask one quick question to Marine before they go. They know about it, and I hope the answer will be brief. Has the department been provided with any advice or had any interaction with the Department of Health and Ageing or the NHMRC in relation to their recently released draft which recommends Australians eat seafood once a week, based on concerns over sustainability of fish stocks?

**Mr Oxley**—To the best of my knowledge, no, but for reasons of completeness we will check and, if the answer is different, we will provide that in response as a question on notice.

**CHAIR**—Thank you. We will now move to Outcome 2.1, Waste.

[7.49 pm]

**CHAIR**—Senator Ludlam.

**Senator LUDLAM**—I thank the chair and the committee for giving us the opportunity to not send you home empty handed. I would like to start with container deposit legislation. My understanding is that there is nothing in the budget for a container deposit scheme because there is no such scheme and that ABARE is now doing peer review of the Choice willingness-to-pay modelling. Can you confirm that for us?

**Dr Wright**—You are correct. The willingness-to-pay study, which was commissioned by the EPHC, is currently with ABARE for peer review.

**Senator LUDLAM**—Whose decision was it to peer review the Choice modelling?

**Dr Wright**—It was a decision of the Environment Protection and Heritage Council.

**Senator LUDLAM**—That was presumably taken at the last COAG round at which this issue was raised.

**Dr Wright**—Yes.

**Senator LUDLAM**—The government is proposing to build a \$43 billion National Broadband Network without so much as a cost-benefit analysis, willingness-to-pay modelling or any kind of peer review that you are describing. Why is there an intention to smother the CDL under an avalanche of reviews, peer reviews and counterreviews? Why not just get on with it? What will the ABARE study tell us that we do not already know?

**Dr Wright**—It has been standard practice within the waste arena under EPHC to make economic modelling peer reviewed to ensure that it is robust, particularly if that is going to be a foundation for a regulatory impact statement which will be assessed by the Office of Best Practice Regulation. It is very important to ensure that the methodology is robust and that there are no errors in the design of the studies and the way that the analysis is undertaken.

**Senator LUDLAM**—We are not even at the point of developing a regulatory impact statement yet. We are peer reviewing the willingness-to-pay model that was based on earlier work that had been done for the EPHC. Presumably the RIS is going to take a while to draw



up and then the minister may or may not approve. When are we going to get to see a container deposit scheme in Australia or are we just going to review it until it is finally dead?

**Dr Wright**—You are correct in saying that this is one of the pieces of work that will inform decisions of environment ministers as to whether to proceed to a regulatory impact stage. The Choice modelling study is one component. There was an earlier piece of work by BDA. There have been two pieces of work commissioned to inform ministers so that they can make an appropriate decision as to whether a regulatory impact statement is the right course of action.

**Senator LUDLAM**—Will you be releasing the ABARE peer review?

**Dr Wright**—It has been our practice with previous studies to release the final peer review report to say whether a study is robust or not.

**Senator LUDLAM**—The scheme itself is effectively dead in the water until all these reviews and counterreviews are complete. Can you estimate the earliest time that we might see a CDL scheme introduced in Australia?

**Dr Wright**—Whether a CDL scheme were adopted by governments would be subject to a thorough and robust analysis and a regulatory impact statement, and we are not yet at that stage.

**Senator LUDLAM**—This is the most thorough analysis that I have ever seen. I feel sorry for the people trying to push this within government. I acknowledge that there was some good news in the budget. We have \$23 million over five years for the initial component of the national waste policy. We are engaging with computers, TVs and tyres. There is some e-waste funding in there. Can you tell us what proportion of total funding you think is relative to the overall scope of the national waste policy?

**Dr Wright**—I can give you an indicative assessment. Just bear with me while I check my documents on that. The information that I have with me covers the initiative of the direction in the national waste policy of taking responsibility, which includes the development of a product stewardship framework, the development of the scheme for TVs and computers, and other product stewardship work, including tyres, beverage containers and the National Packaging Covenant. Over the period to 2014-15 that is \$3.4 million.

**Senator LUDLAM**—You mentioned beverage containers in there. Is that in the context of something other than container-deposit legislation?

**Dr Wright**—That is in the context of expecting that we will have ongoing work on packaging, including the National Packaging Covenant and including seeing through the analysis on beverage containers, whether that includes a RIS or further work or not. It does make provision for that.

**Senator LUDLAM**—I hope you have not just confirmed for us that we are still going to be reviewing container deposit out to 2014-15. Can you tell me that is not the case?

**Dr Wright**—Certainly not. I have not confirmed that.

**Senator LUDLAM**—It is still in the mix. Going specifically to e-waste, what does that money buy us? Are we going to have a network of neighbourhood collection centres and so on or what will we see at a result of that funding specifically for electronic waste?

**Dr Wright**—The framework for product stewardship and the approach that has been agreed for televisions and computers is what is called a co-regulatory approach, where industry led and implemented schemes are underpinned by a free rider safety net to ensure that all players in the market do the right thing. The Commonwealth will be providing the framework legislation and resources to monitor and ensure compliance, but the actual implementation of the scheme, the provision of collection facilities and infrastructure will all be run, funded and managed by the sector itself.

**Senator LUDLAM**—I am sorry, I have no idea what you just told me. Will we still see a network of neighbourhood collection centres? Who is responsible for the work on the ground?

**Dr Wright**—The way the structure will be put in place is that producer responsibility organisations, which are not-for-profit organisations funded by, for example, the AIIA, which is the peak body for the computer industry, and Product Stewardship Australia, which is the peak body for the TV industry, will run, manage and fund all the collection infrastructure and the recycling. It will not be funded by the Commonwealth or state governments, it will be funded by the industry sectors themselves and they will manage that through producer responsibility organisations.

**Senator LUDLAM**—By 2014-15, which is as far as the budget horizon takes us—and I trust you will not tell me that this is hypothetical, because I hope it is not—will we see such a network of collection centres? Will we have a robust e-waste collection scheme operating within the timeframe of the \$23 million?

**Dr Wright**—The public statement by Minister Garrett is that a recycling scheme for televisions and computers will be up and running in 2011, and we are working with jurisdictions and the business sectors to that end.

**Senator LUDLAM**—I would like to go back to the CDL. Something is strongly bugging me about this poor little container deposit scheme legislation, which is being reviewed and assessed to death. By what criteria do you decide that a scheme such as the insulation scheme can be rolled out en masse on a huge scale in an enormous hurry without any of these regulatory oversight mechanisms that probably would have saved a lot of grief, when with a relatively small and contained scheme such as the CDL we appear to be simply suffocating under reviews. Who is the decision maker that judges how much each of these initiatives will be subject to reviewing and peer reviewing and so on?

**Dr Wright**—Packaging and container deposits are subject to ministerial agreement through the Environment Protection and Heritage Council, and I am unable to comment on the other scheme.

**Senator LUDLAM**—Is that a diplomatic way of saying that they are just political priorities—they are not set by you?

**Mr Tucker**—We can only operate within the directions which ministers give us. In terms of what scheme is done in what way, we have a standard framework in which we examine all the proposals coming through in this regard that we apply.

**Senator LUDLAM**—I am sorry; is it the minister advising you to bury the container deposit scheme under reviews or is that coming from the department?

**Mr Tucker**—No. What I am saying is that there is a standard way in which we look at all of these, and clearly it is up to ministers to make decisions on what advice they will take and what decision they will make.

**Senator LUDLAM**—That was the most frustrating 10 minutes of my whole day.

**CHAIR**—I am sorry for that. Thank you, everybody. That concludes the examination of these portfolio areas. We will now move to outcome 4.

**Ms Kruk**—Can you just give me some forbearance. In answering questions with Senator Macdonald this morning—I am unsure, because I am tired—I think I may have suggested that last weekend's travel was a reunion. I actually chaired an Environment and Heritage Protection Council meeting in Sydney on Friday, so that was work related travel. I would need to check the transcript, but I just want to correct the record at this stage.

**CHAIR**—Thank you for that clarification.

#### **Proceedings suspended from 8.01 pm to 8.06 pm**

**Senator BOSWELL**—The department would be aware of the Queensland government's plan for wild rivers declaration of the Lake Eyre Basin, the Georgina, the Diamantina and the Cooper Creek system. What involvement has the department had with the Queensland government concerning these wild rivers?

**Dr Horne**—The department in recent times has not had any formal discussions with the Queensland government on wild rivers. I think some years ago—perhaps in 2007, when Senator Heffernan, I think, was chairing a task force on Northern Australia, which I believe you were a member of at some stage—the Queensland officials came down and met with some of the members of the task force, or at least with some of them, and/or members of DEWHA in that meeting. They certainly listened to what Queensland had to say. But just on wild rivers itself, we have not had any formal discussions with them.

**Senator BOSWELL**—You are aware that there is a wild rivers declaration imminent in Queensland?

**Dr Horne**—Indeed.

**Senator BOSWELL**—You do not monitor it at all?

**Dr Horne**—It is Queensland legislation.

**Senator BOSWELL**—I am not questioning that, but I would have thought that the environment department would have had some interest in it.

**Dr Horne**—We clearly look at all developments around the country, but we have not had formal discussions.

**Senator BOSWELL**—Have you had any discussions?

**Dr Horne**—I am sure that officers at various forums where we meet with our Queensland counterparts on a pretty regular basis in all sorts of forums would have had discussions on an informal basis.

**Senator BOSWELL**—What were those discussions? I am not asking you to examine the Queensland legislation, but what would those discussions be on? You say it is a—

**Dr Horne**—I have not been party to them myself. There would have been individuals who might have discussed some aspects of the legislation. I have not gone through and asked all my officers what the content of those discussions has been. I might ask Mr Shevlin or Ms Schweizer whether they have had particular discussions that might go to Senator Boswell's question.

**Ms Schweizer**—I look after the Lake Eyre Basin Ministerial Forum agreements and the associated committees that come under that, which include a scientific advisory panel and a community advisory committee and also a senior officials group of the participating jurisdictions. Certainly, as part of the process for keeping those committee processes informed by Queensland on their work of revising the Cooper Creek water resources plan, they have advised the forum and the associated committees of the proposed wild rivers declaration for Cooper Creek. In that context, certainly I and many of my staff have been briefed as part of the broader committee meetings on Queensland's proposals and their process for declaring a wild river, but it has been merely a formal transfer of information to ensure we understood what they were doing and how it related to the Lake Eyre Basin agreements.

**Senator BOSWELL**—Last night I asked Mr Shevlin about World Heritage listings. I think you said that there was some prospect of listing the peninsula and the wild rivers up there. You had discussions about them.

**Mr Shevlin**—Yes. The government has an election commitment to pursue a possible World Heritage listing for appropriate areas of Cape York, but only with the full consent of traditional owners. That is something that we have been discussing with Queensland officials and others.

**Senator BOSWELL**—You were going to place that on the interim list. That has not gone ahead?

**Mr Shevlin**—No. In fact, at the last estimates hearing we discussed this at some length. There are the two stages of the process. One is that the states can propose places to be added to the tentative list, and the minister makes a decision on whether or not to include those and advises the World Heritage committee, and then subsequently there can be a full development of the nomination. The minister has made it clear that neither the development of a full nomination nor the submission of her tentative list nomination for Cape York will proceed without the full consent of traditional owners.

**Senator BOSWELL**—Have there been any discussions about World Heritage listings in the Lake Eyre Basin?

**Ms Schweizer**—I believe there were some possible discussions on World Heritage listing in the Lake Eyre Basin approximately 10 or 15 years ago and those discussions were the genesis for the subsequent Lake Eyre Basin Intergovernmental Agreement, which was the

response instead of World Heritage listing, which was to start to look at how the basin and its river systems could be managed as a whole. To the best of my understanding, there have been no subsequent discussions about World Heritage listing within Lake Eyre Basin. From time to time there is consideration of natural heritage listing of parts of the Lake Eyre Basin, generally relating to cultural and social aspects of the basin, not natural heritage components.

**Senator BOSWELL**—If not as World Heritage, how are you going to qualify it?

**Ms Schweizer**—That is right. There is also a national heritage list, and there are places within Lake Eyre Basin which from time to time are considered for listing on the national heritage list.

**Senator BOSWELL**—Has there been any work to place any of the basin under national heritage listing?

**Mr Shevlin**—I think there might be one part of it. I am sorry; I was not expecting that question. I will just check those details and get back to you.

**Senator BOSWELL**—Has any work been done on assessing World Heritage values?

**Mr Shevlin**—For the Lake Eyre Basin?

**Senator BOSWELL**—Yes.

**Mr Shevlin**—As Ms Wright said, there was some work done back in 1994. As far as I am aware, there has been no work in the last 10 years in this area and probably, most applicably, the tentative list submissions that we received from Queensland did not include anything to do with the Lake Eyre Basin. They have not proposed it to the Commonwealth government as an area that they would like to have assessed in the future.

**Senator BOSWELL**—You were going to give me some—

**Mr Shevlin**—I was going to check on the national heritage nominations, whether there is any assessment underway.

**Senator BOSWELL**—While you are looking at that, I will ask Ms Schweizer a question. In 1993 the then Prime Minister, Mr Keating, gave a commitment to assess Lake Eyre for World Heritage. You are saying that there are no plans under the current administration for proceeding towards World Heritage listing for Lake Eyre Basin?

**Ms Schweizer**—That is my understanding.

**Senator BOSWELL**—I will get the answer from Mr Shevlin and I will be off.

**Mr Shevlin**—There is one assessment that is underway by the Australian Heritage Council in relation to the Birdsville-Strzelecki track. That will encompass some part of the Lake Eyre Basin, but it is actually looking at that track. There is a bit, but it is not looking at the Lake Eyre Basin per se.

**Senator BOSWELL**—Does it have anything to do with the rivers?

**Mr Shevlin**—As they are doing the assessment they might identify some elements of rivers or some part of the track. I would not like to say that it does not include any crossing of rivers or anything relating to rivers, but the assessment is underway at the moment. Until that information is received it is difficult to comment.

**Senator BOSWELL**—When will the assessment be done?

**Mr Shevlin**—These assessments can take a number of years. That one is due to be completed by June 2013, so it is a few years out yet.

**Senator BOSWELL**—Thank you.

**Senator JOYCE**—How many World Heritage areas are there in the world now?

**Mr Shevlin**—There are about 890, of which 17 are in Australia.

**Senator JOYCE**—Does it ever get to a point where they start to diminish in their meaning, because there are so many of them?

**Mr Shevlin**—Yes. That is an issue that the Australian government has been pursuing in the World Heritage Committee. We have said that the committee and the convention need to take a serious look at where it wants to be in the future and whether there is a sensible upper limit to the size of the list. We are approaching 1,000 places that will be on the list at some stage in the future. Would it be appropriate for it to be 10,000? I think that everyone would say obviously not. That is a discussion that the Australian government has initiated as part of the World Heritage convention process, because the very valid question is: how big can the list get before it starts to devalue?

**Senator JOYCE**—How much of a good thing can you have before it is nothing?

**Mr Shevlin**—Exactly. The competing pressure is that a lot of countries see World Heritage listing as a real prize, so there are many countries around the world that are desperate to get sites on the World Heritage List.

**Senator JOYCE**—Thank you.

**CHAIR**—I thank the officers for staying.

[8.18 pm]

#### **Murray-Darling Basin Authority**

**CHAIR**—I understand Senator Joyce has questions, and I presume Senator Xenophon has questions as well, on the Murray-Darling Basin Authority.

**Senator Wong**—Mr Freeman had an opening statement and I am just having a look at whether we could table it, given the time.

**CHAIR**—Did you wish to make a brief opening statement, Mr Freeman?

**Mr Freeman**—I could. I was trying to head off potential questions, but it may be better to take questions as they come. I am prepared to table the opening statement.

**CHAIR**—That would be useful. We will go to questions. Senator Joyce.

**Senator JOYCE**—When can we expect the draft Basin Plan to be released?

**Mr Freeman**—I cannot answer that specifically. The authority is considering the elements that make up the proposed Basin Plan. It is a complex instrument, as most people are well aware, and has never been done in the world, with 14 mandated elements. As we are considering those we need to consider the integrated whole, and they are currently before the authority but we do not have a final date yet.

**Senator JOYCE**—Your chair is saying late July or early August.

**Mr Freeman**—We published in our concept statement that we are working to a mid-year release, which we still are, but we do not have a specific date.

**Senator JOYCE**—When the chair states late July or early August, is that a correct or incorrect statement?

**Senator Wong**—Mr Freeman has indicated that is what the authority is working to.

**Senator JOYCE**—So it is July?

**Senator Wong**—No. I said that Mr Freeman has indicated that is what the authority is working to, but he does not have a date to give you.

**Senator JOYCE**—So late July or early August is not right?

**Senator Wong**—I cannot make it any clearer than how I have made it.

**Senator JOYCE**—Are you on track with your timetable? Have you asked for more time from the government?

**Mr Freeman**—No, we have not asked for more time from the government. We are working to get this completed as per the original plan. It is fair to say that with some of the early statements we said potentially an end of June/July release. We will not meet end of June, but we do not have a specific time.

**Senator JOYCE**—Can you provide some details on the release strategy for the draft Basin Plan? Will you provide a copy to the minister before its release? Who decides when the draft Basin Plan is released?

**Mr Freeman**—The draft Basin Plan is an instrument of the authorities, which is different to the Basin Plan, so the authority will be developing the draft. It would be appropriate to give the minister a copy, but that is not for the minister in any way to comment on prior to the public release. That is simply to give the minister a copy as we would with any other public document.

**Senator JOYCE**—Who decides when the draft Basin Plan is released?

**Mr Freeman**—The authority will decide.

**Senator JOYCE**—Who are the decision makers in that?

**Senator Wong**—The authority members have been public for some time.

**Senator JOYCE**—I would like to have that for the record.

**Senator Wong**—Do you want their names?

**Mr Freeman**—For the record, the chair is Michael Taylor. The members are Professor Barry Hart, Dr Diana Day, Mrs Dianne Davidson, Mr David Green, and me, Rob Freeman.

**Senator JOYCE**—Will you release the draft Basin Plan if an election campaign is occurring at the time of your intended release?

**Mr Freeman**—I have asked the same question, whether the announcement of an election would interfere with the release of the Basin Plan, but I have not received the legal advice back at this stage.

**Senator JOYCE**—Who is providing the legal advice?

**Mr Freeman**—The Australian Government Solicitor.

**Senator JOYCE**—If the Australian Government Solicitors says that you can, would you do that?

**Senator Wong**—That is a hypothetical.

**Mr Freeman**—That would be a decision of the authority as to when it releases it.

**Senator JOYCE**—Do you understand that the Basin Plan has huge political ramifications?

**Mr Freeman**—I understand the political impact of the Basin Plan. That is correct. I think it is very important for people to understand that the proposed Basin Plan is a proposal for discussion, and hence the comment about the minister and her role with the proposed Basin Plan. It is a proposal for discussion purposes with an extensive consultation process reflecting that the proposed Basin Plan is not a done deal.

**Senator XENOPHON**—Can I ask a supplementary question in relation to that, directly in terms of what Senator Joyce said?

**CHAIR**—Yes.

**Senator XENOPHON**—As I understand it, in terms of the caretaker convention, if it is a draft plan then it is not a government policy as such and it is something that will be out there for discussion. As I understand it, under the caretaker convention, you are not actually implementing government policy, you are just putting something out for discussion.

**Senator Wong**—In the abstract, broadly what you have said accords with my recollection of the parameters of the caretaker convention, although I have not turned my mind to that in detail. I think Mr Freeman has given evidence about the authority exploring that issue and, as he has also said, it is the authority's document.

**Senator XENOPHON**—As an independent authority it is your discretion as to when you release that?

**Mr Freeman**—That is my understanding. I am not aware of the impact of an announced election, so I have asked that question of the Australian Government Solicitor.

**Senator XENOPHON**—You are just taking a cautious approach to get that advice as to whether you can release it or not?

**Mr Freeman**—That is correct, yes.

**Senator XENOPHON**—And if there is not any fetter, you are likely to release it?

**Mr Freeman**—That will be a decision of the six people on the authority as to when that is released. We just need to make sure that we do not do anything inappropriate if there was an election announced.

**Senator XENOPHON**—I understand that. Thank you.

**Senator JOYCE**—It is a 16-week consultation plan for public feedback; is that correct?



**Mr Freeman**—Yes. The act specifies a minimum of 16 weeks. We have spoken to industry and there seems very little appetite to extend the 16 weeks. In fact, comments have been to the contrary, but the statute is 16 weeks.

**Senator JOYCE**—Do you believe that there would be turmoil caused by a release during an election campaign, as you would have a 33-day campaign and then all of a sudden the ructions and ramifications of what happens after the election? This will probably be a very opaque time to be discussing a Basin Plan.

**Senator Wong**—Chair, through you, can I suggest that it is not reasonable to put Mr Freeman in the position of having to give an opinion on a potential or hypothetical situation.

**CHAIR**—Yes.

**Senator JOYCE**—When do you expect the Basin Plan to be finalised? Is there flexibility with the timing of its finalisation?

**Senator Wong**—Is this the draft plan?

**Senator JOYCE**—No, the Basin Plan.

**Mr Freeman**—Following the release of the proposed Basin Plan there are statutory time lines, some of which are a maximum and some of which are a minimum. Essentially, the Basin Plan could not be produced much shorter than 40 weeks following the release of the proposed Basin Plan, with the potential for that to be in the order of 50 weeks if all the time frames were pushed to their limits. I think it is really important that people understand that is reflecting that there is significant work to be done in analysing all the submissions, in publishing our response to those submissions, in between the proposed Basin Plan and the statutory instrument.

**Senator JOYCE**—If it is 40 or 50 weeks, is there a risk of the Basin Plan not being finalised by the intended date?

**Mr Freeman**—That depends on what the intended date was. We have been working towards this mid-year release, which would allow finalisation of the Basin Plan next year.

**Senator JOYCE**—If it is 50 weeks and if it is in August, with 52 weeks in the year, it would be after the middle of next year, would it not?

**Mr Freeman**—It would be approximately July, if it is 50 weeks.

**Senator JOYCE**—How far into next year would you be prepared to go?

**Mr Freeman**—I think, that, again, that is speculating as to the release date. When we have a release date we will then have a better feel for the time frames around the statutory instrument. But the statutory instrument is not entirely within the authority's control. That does need to go to ministerial council. That does go to the minister. From memory, the minister has a period of 12 weeks within which she has to release the Basin Plan. There are a lot of other actors, and the time frames are less certain.

**Senator JOYCE**—As to the six committee members, are they involved full time with this MDBA? What engagement does the Commonwealth have with them? I know you are full time. I can see that.

**Mr Freeman**—Yes, that is correct. The authority members, including the chair, are part time. It is fair to say that the authority is meeting more now than it originally intended, while it works through the detail of the proposed Basin Plan. The authority is now meeting on a fortnightly basis. It was originally anticipated that we would probably meet in the order of about 10 times a year, so the workload in this recent period has doubled. However, once we release the Basin Plan I think we will move back to that monthly frequency.

**Senator JOYCE**—What is the process of the committee? How does it work? What is the allocation of duties? Who has what role?

**Mr Freeman**—The authority is an expert based authority. Essentially the authority comes to decisions as a whole. We have not delegated to subcommittees. There is an issues subcommittee that is identifying issues, but they can only be resolved through the six-person authority. There are no subcommittees of the authority. We make those decisions collectively.

**Senator JOYCE**—Is it a majority vote? Is it a unanimous vote?

**Mr Freeman**—We have never got into a voting situation. We have been able to reach positions by consensus.

**Senator JOYCE**—If you take an area such as the economic capacity of agricultural areas, who is the specialist in that area on your committee?

**Mr Freeman**—I think it is fair to say that the expertise is probably spread between several members. I would profess to have some expertise in the area. The chair, who has an economics background and was a former secretary of the Department of Agriculture, Fisheries and Forestry, clearly has expertise in the area. David Green, whilst he is an economist with a long background in energy and water reform, similarly has some knowledge. I think it is fair to say that at least two of the other members have significant dealings with rural Australia—Di Davidson through her agricultural business and Diana Day through her consultancies.

**Senator JOYCE**—Have any of them ever been irrigators or had an irrigation property or have any of them actually ever owned a farming property?

**Mr Freeman**—Yes. Di Davidson currently holds a significant irrigation licence and an agricultural property.

**Senator JOYCE**—On the environmental basis, do any of them have expert knowledge on the environment?

**Mr Freeman**—Again, I think the eminent one in that regard is definitely Professor Barry Hart, who is well known in water quality and ecology and is a long-term lecturer in that area. Having said that, I have some expertise in the area and I believe some of the others do too.

**Senator JOYCE**—What is your expertise in the environment?

**Mr Freeman**—I guess my background was that I ran the Department of Water, Land and Biodiversity Conservation in South Australia, which was clearly a sustainable development department. Prior to that I was the Deputy Director-General of the Department of Natural Resources and Mines in Queensland, again spanning the economy and the environment.

**Senator JOYCE**—What do you see as your major credential or the thing that you are proudest of in that former role?

**Mr Freeman**—I think probably water planning, water resource management.

**Senator JOYCE**—We have had a lot of comments that 16 weeks is probably not going to be long enough. Have you been receiving any of that feedback?

**Mr Freeman**—No, I have not. In fact, I have received comments to the contrary from most of the peak bodies.

**Senator JOYCE**—Such as?

**Mr Freeman**—They were comments from the NFF and I believe the Australian irrigators council.

**Senator JOYCE**—They thought that 16 weeks was too long, did they?

**Mr Freeman**—There is an alternative suggestion that rather than have a long consultation period there would be benefit in being able to make some initial comments, get responses to those, and then make some further comments in the context of that. So the suggestion was that two shorter consultation periods might be better than a four-month process.

**Senator JOYCE**—Those are not the comments that we are getting. I now want to go on to the setting of SDLs. Section 3(iii)(d)(iii) of the Water Act 2007 states that one of the objects of the act is:

... to maximise the net economic returns to the Australian community from the use and management of the Basin water resources; ...

How is the authority going about maximising the net economic returns of the basin in the context of the Basin Plan?

**Mr Freeman**—The objects of the Water Act actually create what I call a nested arrangement.

**Senator JOYCE**—I am sorry; what does that mean?

**Mr Freeman**—Essentially, what it requires us to do—and a good place to find this is probably in section 4, I think—is restore the ecological health to the river system and in doing that optimise economic, social and environmental outcomes. So we cannot read those elements that you read in isolation. It is important that we actually deal with those collectively and in doing that reinstate the long-term ecological health.

**Senator JOYCE**—Are you saying that your nested arrangement is a superior clause to this clause, is it?

**Senator Wong**—What does that—

**Senator JOYCE**—What I am saying is that you are talking about an environmental outcome to optimise social and economic benefits. This talks about maximising the net economic returns to the Australian community. Those two positions are incongruous. Which one prevails?

**Senator Wong**—You have referred to one part. There is a range of objects to the act, which include—and I am paraphrasing—returning the basin to environmentally sustainable levels of

extraction. I would like to remind you that, in relation to this issue and the 16-week consultation issue, which you just raised some concerns about, this is legislation you voted for.

**Senator JOYCE**—I am asking questions. That is what I am here to do.

**Senator Wong**—That is fine.

**Senator JOYCE**—Good. When you talk about your nested arrangement and you have those three positions—environmental, economic and social—does one prevail more than the others?

**Mr Freeman**—It is not all the environment. Section 4, which has the definitions of the act—the environmental sustainable level of take I think is probably the most succinct explanation of it—is explaining that the sustainable level of take is the amount of water which, if exceeded, would compromise key environmental assets. So, it is not all environmental assets. It is those things which are essential for the health of the system and its key ecosystem functions. It is the productive base of the water resources and it is the key environmental outcomes of the water resources. It is an ‘or’ that we have to deal with. We cannot compromise those. The productive base in this context is the ecological health of the river system, the productive systems that you need behind the river system to make it healthy. We clearly have discretion, because there is no specific answer in here, but we cannot compromise the ecological health of the river system.

**Senator JOYCE**—You cannot compromise the ecological health of the river system?

**Mr Freeman**—That is correct.

**Senator JOYCE**—What do you use as a base for comparing what is compromising and what is not compromising?

**Mr Freeman**—What the authority has been able to do is identify what are the key environmental assets and the key ecosystem functions of the basin.

**Senator JOYCE**—Can you give me an example of some of your key environmental assets?

**Mr Freeman**—Key environmental assets would be things that are internationally recognised. For instance, Ramsar sites, JAMBA sites, CAMBA sites, et cetera. It would be those things which have been recognised internationally according to relevant international agreements which are defined under the act. It is not just about environmental assets. It is also about ecosystem functions. It is not simply about having healthy wetlands; it is about having healthy river systems as well. Ecosystem functions are about low-flow regimes, so that we do have water in times of scarcity in the river system. The authority has actually identified proposed key environmental assets. It has publicly released the criteria for those. It has identified the key ecosystem functions and released those, as well as a draft for comment, so we can step through that. The challenge is then to determine the water that is required to sustain those things.

**Senator JOYCE**—Do you want to change your answer, after the conversation?

**Mr Freeman**—No.

**Senator JOYCE**—Those key environmental aspects are premier, indissoluble and absolute? They are the absolute function?

**Mr Freeman**—No, they are not. The act requires us to base our decisions on best available science, and science is nowhere precise in this regard. There are zones. This is where the consideration of economic and social then comes in. Basically, we can consider the amount of water that we believe needs to be returned to the environment to satisfy those key ecosystem functions and assets, but clearly that is a band. That is where you would look at the social and economic implications of choosing numbers in that band—

**Senator JOYCE**—Are you saying that social and economic things would affect the—

**Mr Freeman**—The setting of sustainable diversion limits.

**Senator JOYCE**—It could in a way—excuse the metaphor—water down the importance of key environmental assets?

**Mr Freeman**—No. What we cannot do here is compromise the ecological health, but there is no precise answer to that. The best available science will give us a regime, an envelope within which it says: if you return this amount of water to the environment, then you will achieve the objectives. Where you sit in that envelope is a decision that takes on board the economic and social consequences. We actually get to consider economic and social in addition to that.

**Senator JOYCE**—You cannot compromise the ecological health. So, if someone can prove that, in a fashion, you are compromising the ecological health, you must change the water regime upstream from that area to provide more water for it, I imagine?

**Mr Freeman**—If that ecological health is key to the river system. That is often a challenging discussion with communities, because things that people value at the local level may not be key to the system.

**Senator Wong**—Can I just say, because I think I understand where you are going with that, that the ecological health we are talking about in this case refers to really key environmental assets and key ecosystem functions, as well as the productive base of the water resource. That was the definition that Mr Freeman referred you to. That is not just someone's opinion. I think your question was, 'If somebody has a view, do you have to change it?' Clearly, the authority has to come to a view about the various considerations in the act which go to key environmental assets and key ecosystem functions but also to the productive base of the water resource.

**Senator JOYCE**—Seeing as you are discerning whether someone is compromising the ecological health of the system, are you looking at the ecological health of the system in its natural state or in its revised state, taking into account weirs, dams—the infrastructure that is currently present there?

**Mr Freeman**—We are looking at the system in its current state.

**Senator JOYCE**—In its current state?

**Mr Freeman**—That is correct.

**Senator JOYCE**—So, you would say that if, for instance, a certain aspect of the river system had been in place you would compare it as a base against that amended ecological state rather than its natural ecological state?

**Mr Freeman**—As a generalisation, yes. The only exception to that would be those sites which had been internationally recognised. We would be comparing it against its state at the time of listing.

**Senator JOYCE**—At the time of listing?

**Mr Freeman**—Yes, so, again that is the most recent date. We are not talking about returning the basin to some predevelopment environmental position. It is about the environmental position in its current extent or it would be the extent at the time of listing.

**Senator JOYCE**—If you can prove that a move would bring a detriment to the environment in its amended ecological state, then that would be a firm premise that the water regime had to change?

**Mr Freeman**—I am not sure I quite understood the question.

**Senator JOYCE**—If someone can prove that the amended state of the river and its environment—not just the river, but the things that are pertinent to the river—and since the nature of the river has changed because of the habitation of man and the structures put in place, then if you can say, ‘Well, this ecological state has definitely been affected in an amended way’, we are not taking it back to what is characteristic prior to, basically, white settlement, or whatever you want to call it, prior to 1788, or whatever the politically correct term is. If that argument can be sustained—that it has affected or compromised the ecological state—then you have a duty to return it to what it was.

**Senator Wong**—I just want to make very clear, it is not the policy of this government to return the Murray-Darling back to the state it was before European arrival. It is the policy of this government to return the Murray-Darling, over a period of time, to sustainable levels—something that has never been done.

**Senator JOYCE**—What the act says is you cannot compromise the ecological state.

**Senator Wong**—We believe that this river system has been overallocated, that we are taking too much out of our rivers and we believe something has to be done about it, which is why we are doing what we are doing, both in terms of water purchase and investment to return water savings to the river, and why we have established the authority that is sitting to my left to do the right thing by the Murray-Darling. Do not set up a sort of straw man argument that says this is some deep—

**Senator JOYCE**—How would you know what I am setting up?

**Senator Wong**—Because you are running a rather odd argument that seems to be suggesting that there is some agenda to return it to pre-1788 condition. That is not the case.

**Senator JOYCE**—No, I never said that, not at all. So, who is going to determine when we are compromising the ecological state and when we are not compromising the ecological state and exactly the remedy we are going to take to take it back to what you believe the correct ecological state should be?

**Mr Freeman**—The first criteria is ‘key’, so it is not just about any environmental asset out there or any ecological state; it must be a key environmental asset or a key ecosystem function.

**Senator JOYCE**—Give me an example of one.

**Mr Freeman**—They are the things that underpin the health of the river systems.

**Senator JOYCE**—Give me an example of one ecological—

**Mr Freeman**—An example of one would be to have an open mouth to the river system. Without an open mouth we do not export salt and nutrient and this river system mobilises two million tonnes of salt a year.

**Senator JOYCE**—How much water are you having to move daily out of the mouth of the river system to have an open mouth to the river system?

**Mr Freeman**—There is no daily figure because this is a long-run average.

**Senator JOYCE**—You have got to work out whether you have got an open mouth or not.

**Senator Wong**—Hang on, Senator. Can Mr Freeman be permitted to finish his answer before you pepper him with another question?

**Mr Freeman**—So, a key environmental asset would be to maintain an open mouth to the river system, otherwise we will have a system that is not sustainable because it will not be exporting salt and nutrient, and we are seeing some effects of that given that the mouth has essentially been closed since 2002, with increased blue-green algal blooms. It is an indicator of a key environmental asset. There are many assets within the basin. The basin is home to some 25,000 wetlands; those 25,000 wetlands will not all be key.

**Senator JOYCE**—Let us just go back to the mouth of the Murray. How much water do you intend to let flow out of the mouth of the Murray each year to maintain an open mouth for the Murray.

**Mr Freeman**—The authority has not determined that. The long-run average flow out of the river mouth is of the order of about 2,700 gigalitres. Sorry, that is the median, not average, I am told. The challenge here is not so much the volume; it is that during periods of low rain we currently do not get the water through the river system.

**Senator JOYCE**—What are you going to do in those years?

**Mr Freeman**—The amount of water that people can take will be redefined to ensure that we actually end up with a sustainable basin. Whether that means you need water through the mouth every year, I would not speculate, but the issue here is we need to be exporting salt and nutrient otherwise you do not have a sustainable system.

**Senator JOYCE**—So, are you going to maintain all facets in the Lower Lakes to maintain an open mouth?

**Mr Freeman**—Sorry, maintain all—

**Senator JOYCE**—Are you going to maintain the Lower Lakes to maintain an open mouth to the Murray?

**Senator Wong**—You are actually asking questions which pre-empt the Basin Plan. These are matters the authority needs to consider on a whole-of-basin basis.

**Senator JOYCE**—Do you have any vision at this current point that you are going to maintain around about 2,700 gigalitres going out the mouth of the Murray annually?

**Mr Freeman**—No, we have not settled on volumes.

**Senator JOYCE**—When is this plan coming out?

**Senator Wong**—You have asked that question.

**Senator JOYCE**—That is a pretty crucial part of your plan.

**Senator Wong**—You have asked that question and you have been given an answer.

**Senator JOYCE**—It is a pretty crucial part of the plan. When do you think? Are you getting close to working it out?

**Senator Wong**—Senator, hang on. Chair, I am not going to sit here as minister at the table and have this occur. This question has been asked.

**Senator JOYCE**—What occurring?

**Senator Wong**—The cross-examination in this way. The officer has answered the question on a number of occasions and you are just coming back to him over and over again.

**CHAIR**—There are other senators wishing to ask questions, so can we move along?

**Senator JOYCE**—Section 21(4)(b) of the Water Act requires that the Basin Plan must be prepared on the basis of the best available scientific knowledge and socioeconomic analysis. What sort of socioeconomic analysis have you done on the potential impacts of the plan? Who did the work and what is the cost to the MDBA?

**Mr Freeman**—There have been several tranches of work undertaken by the authority. There has been a basin-wide economic and social assessment by ABS and the Australian Bureau of Agricultural and Resource Economics. At the regional scale there has been a significant consultancy with Marsden Jacob Associates to look at where the regional impacts will fall. In addition to that there have been significant inputs, large consultancies. You are interested in the actual cost of some of those consultancies, I believe, as well.

**Senator JOYCE**—Yes.

**Mr Freeman**—The Marsden Jacob Associates one is of the order of \$980,000, but I will take it on notice. We have found the exact number.

**Dr MacLeod**—The actual cost is \$989,752.

**Senator JOYCE**—Did the Marsden Jacob Associates study involve town hall meetings? What sort of sample set of people did they talk to? What were the numbers of the people they spoke to?

**Dr MacLeod**—Marsden Jacob Associates had a community survey involving 2,000 households across the basin, including irrigators, dry land farmers, regional businesses and the general community. In addition, there were approximately 250 targeted interviews with representatives of local government, industry, catchment management authorities and so on.



**Senator JOYCE**—How did they conduct those 2,000 interviews?

**Dr MacLeod**—By telephone survey.

**Senator JOYCE**—In fact, one of the people they contacted was me.

**Senator Wong**—I am sure you gave them good feedback.

**Senator JOYCE**—I am sure I did. I am looking at our \$989,752 worth of value from our telepoll. How competent do you think the information they got from their telepoll was?

**Senator Wong**—What is the question? How competent is the information they got in the phone call? I do not know that any officer at the table can answer that question.

**Mr Freeman**—What I can say is that the information that they got at the regional scale is consistent with the information that ABS and ABARE got at the whole-of-basin scale. Whilst the impacts can be quite significantly different in individual regions, the information was consistent. We have got a degree of confidence that we can measure the impact at the basin scale and we are trying to get an impact analysis at the regional scale. Those two are at least consistent, so that has been helpful.

**Senator JOYCE**—Does the information you have got from Marsden Jacob Associates affect the envelope of the decisions for what is compromising an ecological asset?

**Mr Freeman**—The information that we get from Marsden Jacob Associates and the other consultancies and the economic social space is used in three ways. It is used to actually determine, within the total volume of water, given that the best available science does not give you a single point answer here, how you may, with your best judgement, optimise economic, social and environmental without going outside those bounds; it is an input to that. Secondly, though, there are options here; if we are looking for a volume of water through the mouth, that can come out of lots of rivers—it can come out of the Murrumbidgee, it can come out of the Campaspe, it can come out of the Goulburn, or the Darling.

So, we look at that. We do not only look at that from a hydrological perspective; we look at that to see what would the socioeconomic impacts be in those various catchments, acknowledging that there are often quite different volumes in those different tributaries. The senator would be aware that if you wanted to get a volume at the mouth out of the Darling, there would be a significant volume in southern Queensland and northern New South Wales because of transmission losses and things. So what would the social and economic impact be in getting that volume out of the various tributaries?

Finally, we actually use the socioeconomic input to look at the extent to which the authority has the ability to deal with what we would call the transitional issues. I guess the most obvious of those are the temporary diversion provisions. The authority has the ability to step from current level of take to the new level of take, which is developed under SDLs, and we would do that with an eye on the socioeconomic impacts. So, the socioeconomic actually comes in in three ways in consideration of sustainable diversion limits. There is quite a big input, hence the amount of effort and the cost of some of these consultancies.

**Senator JOYCE**—But it cannot compromise the ecological value of the asset?

**Mr Freeman**—Key—it is very important this is not just an ecological asset. It must be key to the health of the system and, as I said, there are many environmental assets out there, not all are key, and similarly with the functions. These are things that are important to underpin the health of the river system. The first criterion is key. Within that I agree with your statement that I cannot compromise the key ecosystem functions and the key environmental assets of the river system.

**Senator JOYCE**—Is the standard of living of the people who live in the basin an environmental asset? Are they determined to be part of the environment?

**Senator Wong**—I did not understand the first part of your question. You had your hand over your mouth.

**Senator JOYCE**—They heard me, Minister. You were talking to the person beside you.

**Senator Wong**—I am sorry, I did not hear the first part of the question.

**Senator JOYCE**—Do you want me to repeat it for you?

**Senator Wong**—If you do not mind, yes.

**Mr Freeman**—Are people environmental assets?

**Senator Wong**—Are people environmental assets? Mr Freeman has made clear that socioeconomic analysis will play an important role in the development of this Basin Plan. That is the government's position and that is consistent with the act. I do not want anything that is being said here to be taken as any indication that socioeconomic analysis will not play an important role because it will and it is.

**Senator JOYCE**—My understanding of the ABARE study is that they model water buybacks by assuming that everyone in the community is paid when an irrigator sells water.

**Senator Wong**—This is a question for the department because the ABARE study, from memory, was commissioned by the department.

**Senator JOYCE**—Does this accord with the authority's view on how water buybacks work?

**Senator Wong**—Questions on the ABARE study should be directed to the department.

**Senator JOYCE**—I am telling you what the ABARE position is. I would like to know whether that accords with your view.

**Senator Wong**—You are not telling me. You have a view about it.

**Senator JOYCE**—It is the fact.

**Senator Wong**—You have a view about your interpretation of the ABARE study.

**Senator JOYCE**—I do not want to get contentious, but it is not my view, it is a fact. It is actually your policy.

**Senator Wong**—It used to be the coalition's policy, too.

**Senator JOYCE**—The ABARE study is the model for water buybacks, assuming that everyone in the community is paid when an irrigator sells water. It is just the way the model works. You would know that, as you are the minister. And no-one from a region leaves a

region after a sale. You should also know that; you are the minister. I would like to know whether the authority view is in accord with how buybacks work?

**Mr Freeman**—The authority's role is to determine the new sustainable level of take. How we bridge between current levels of diversion, or cap or whatever expression people use for that, and the new sustainable level of take is not an issue for the authority to deal with. I cannot comment on what our view on buyback is, but buyback actually closes the gap. If there are buybacks in the catchment where we have determined that there needs to be a reduction in water-take, then buyback is a very effective mechanism to ensure that the remaining water users are less impacted.

**Senator JOYCE**—Are you aware of how the ABARE study works?

**Senator Wong**—It is not his study.

**Senator JOYCE**—So you are not aware of how the ABARE study works?

**Senator Wong**—I am saying that it is not Mr Freeman's study and it is not the authority's study.

**Senator JOYCE**—Then the answer to the question is that you are not aware of how the ABARE study works.

**Senator Wong**—As I said, questions on the ABARE study should go to the department. They are happy to answer them.

**Senator JOYCE**—They have and we have asked them. I would like to know whether you are aware of how the ABARE study works?

**Mr Freeman**—I am a little unclear as to which ABARE study you are referring.

**Senator JOYCE**—The modelling that they use for the water buybacks that assumes that everyone in the community is paid. It is equilibrium based modelling; everyone in the community apparently receives the money when a water licence is sold—not necessarily the farmer, even though in real life the farmer does get the water. It assumes that everybody in the district gets water and, of course, this is not the case. Are you aware of that?

**Mr Freeman**—I am aware of the issue that you are talking about. I am not aware of the ABARE study. I am well aware of the flow-on effects as water moves out of the community, and the authority is very concerned about the flow-on effects into communities, not just with the irrigators.

**Senator JOYCE**—You would be aware that the equilibrium based modelling that ABARE puts forward in that study presumes something that does not happen; that is, the money does not go to the community, it goes to the person who sells the water.

**Mr Freeman**—I cannot comment on the ABARE study. As I said, I am not aware of the ABARE study. I am aware of the flow-on impact issue in these communities. There is a flow-on right through the community that occurs when water is removed from that community.

**Senator JOYCE**—Have you used in any way, shape or form or resourced that ABARE study?

**Senator Wong**—No. I told you a number of questions ago that this is the department's study. I do find these questions interesting. Do I understand from them that you are saying that we should not purchase water?

**Senator JOYCE**—No. I am asking questions about your knowledge of the study. You are entitled to answer them if you wish.

**Senator Wong**—Do you or do you not support what is—

**Senator JOYCE**—As you know, I ask the questions and you answer them, Minister.

**Senator Wong**—Yes. I am not surprised you do not want to answer. It is quite clear that you do not.

**Senator JOYCE**—The ABARE study is also highly aggregated, dividing the basin into seven economic zones. In their words ABARE state, 'In a sense this is not an ideal way to examine the regional effects.' Given this, is the department commissioning other work which looks at the effects of buybacks in a more disaggregated way?

**Senator Wong**—Can we do this with some order? Those are questions for the department. If you want to finish with the MDBA and move to the department then we are very happy to facilitate that. I will say that Mr Freeman is not 100 per cent. He has been very good to be here despite the fact that he has got quite a bad cold. I would prefer, if possible—

**Senator JOYCE**—He has quite a bad cold.

**Senator Wong**—Yes, he has. I would prefer, if possible, if we could finish with the MDBA so that he does not have to stay until 11.

**CHAIR**—Let me attempt to ascertain that. Do you have any further questions for the MDBA, Senator Joyce?

**Senator JOYCE**—Yes.

**CHAIR**—Do any other senators have questions for the MDBA?

**Senator BIRMINGHAM**—Yes.

**CHAIR**—I will keep that in mind.

**Senator JOYCE**—In the authority's submission to the Productivity Commission, after its draft report the authority stated:

The MDBA will ensure that environmental water requirements and socioeconomic impacts are considered together with the social and economic analysis being used initially to inform how, where and when water can be delivered to meet environmental requirements and at least social and economic costs.

Considering the focus of how, where and when, will the socioeconomic impacts also determine how much water is taken from consumptive uses?

**Mr Freeman**—I think I have answered that. I have explained that the total volume of water will be determined with an eye on economic and social consequences. In doing that we cannot compromise these key ecosystem functions and assets. It is fair to say that economic and social considerations determine SDLs. In addition to that, as I have said, the economic and social considerations determine where we might direct that water that is required to be

diverted to the environment and where we might get that from. I think I have answered the question.

**Senator JOYCE**—In the last water event, how much water fell in the basin? How much water became available in the northern part of the basin, or the headwaters of the basin?

**Mr Dreverman**—In the last event we received rain in the northern basin from December into January and February, and then a bigger event in March. About 6,700 gicalitres of water passed the major gauging stations on all the major rivers in the north.

**Senator JOYCE**—Down to what point?

**Mr Dreverman**—From the Paroo all the way east through the Warrego, the Nebine, Culgoa, Condamine across to the Moonie and into the Weir River. About 6,700 gicalitres passed those gauging stations and from that event about 1,100 gicalitres will or has already reached Menindee Lakes.

**Senator JOYCE**—How much was extracted from the river?

**Mr Dreverman**—That is a hard number. The estimate is not a precise figure. We are relying on estimates made by state water agencies. We are currently estimating that there was an increase of about 1,500 gicalitres in private storages.

**Senator JOYCE**—Fifteen hundred extracted and 6,700 went down. What point is that 1,500 gicalitres extracted down to? Is that down to Menindee?

**Mr Dreverman**—No, that is only in private storages.

**Senator JOYCE**—From Burke up?

**Mr Dreverman**—Yes, from Burke upstream. That also includes the storages in northern New South Wales that extracted water from the December-January events on the Namoi and—

**Senator JOYCE**—Dams like Cope and Split Rock?

**Mr Dreverman**—No. Most of the rain fell below the major storages, so there has been very little change in storage volumes in the major publicly owned storages. The change in government-owned storage is somewhere in the order of 200 gicalitres. Most of the change is in private storages out on the floodplain.

**Senator JOYCE**—So 5,200 gicalitres was not extracted and how much do you think will go out to the mouth of the Murray from that?

**Mr Dreverman**—None. The Lower Lakes are still below sea level so it will take a lot of water to refill the Lower Lakes before anything will go out through the mouth.

**Senator JOYCE**—I am aware of that. I was there the other day. How much will get into the Lower Lakes?

**Mr Dreverman**—Including water put in from the Commonwealth there is 170 plus another 50, so it is about 220 at this stage. Plus there is water that will be available to South Australia in the 2010-11 year, which is yet to be allocated. South Australia has indicated that they are committed to putting another 170 extra into the Lower Lakes in 2011.

**Senator JOYCE**—Basically 5,200 gigalitres was heading down and 220 gigalitres gets there. Where did the rest of the water go?

**Mr Dreverman**—When you use the words ‘heading down’, it is not actually heading down. That country is very flat and most of the water spreads out onto the floodplain.

**Senator JOYCE**—Like a dry carpet?

**Mr Dreverman**—It is an area that is covered with very large, flat, shallow wetlands and lakes. That water fills those lakes. It seeps into the floodplain. It evaporates there. Some of the rivers are terminal. Parts of the Warrego, most of the Paroo, most of the Nebine and most of the Lower Balonne do not actually connect into the Darling system, except in extreme floods and this has triggered some of that, but very little. A lot of the water that is harvested is actually harvested in those systems that would otherwise have flowed to terminal lake systems such as the Narran Lakes.

**Senator JOYCE**—That is a great experiment. There was 6,700 gigalitres—5,200 was not extracted, 220 ends up in the Lower Lakes, and that is with an allocation, I would imagine, coming from Menindee as well. It is a disaggregated system. Do you assess it in a disaggregated way?

**Mr Dreverman**—Yes, we certainly operate it that way. For the north to be connected to the south requires an extreme and sustained period of flow. Even though the rainfall in March was a very large individual rain event, one rain event does not actually connect the Darling in a meaningful way to the Murray.

**Senator JOYCE**—Let us say there is a famine in Asia or Africa. Would one gigalitre of water be able to be diverted to produce more rice in Australia to alleviate the impacts of famine overseas?

**Senator Wong**—I am having trouble knowing where to start. The best way to support ongoing irrigated agriculture in the Murray-Darling is to recognise the need now for change and to equip our irrigators to manage that.

**Senator JOYCE**—That is very similar to your ETS logic.

**Senator Wong**—Tell me, is it your position that we should not be putting water back into the Murray-Darling?

**Senator JOYCE**—You do not ask me questions; I ask you questions.

**Senator Wong**—I am not surprised. I have seen your comments saying that the act should be changed. I do not think Senator Birmingham or Senator Fisher would agree with that, but I will wait on their indication as to whether it is now coalition policy to change the Water Act as you have been advocating.

**Senator JOYCE**—The question is: would you divert a gigalitre of water to produce the rice to feed the people who are starving?

**Senator Wong**—Our objective is to have a sustainable level of take and an irrigated agriculture system that is efficient enough to grow food with less water, because we recognise that the current level of take is unsustainable. You may wish to believe that it is not, but I have to say that the irrigators I speak to understand that this reform is needed. There may be an

argument about how it is implemented, but they understand it is needed. The way in which you ask questions suggests that there is no need for change.

**Senator JOYCE**—I am very aware of your process of discussions with farmers. It is almost comical—your secret visits and your unwillingness to actually entertain any sort of real negotiations or open discussions with them. It is quite absurd, actually.

**Senator Wong**—I think you call them ‘secret visits’ because I did not give you a call before I went to St George. I was not aware I had to get a leave pass.

**Senator JOYCE**—You did not even give the mayor a call, you did not even give the local paper a call—you gave no-one a call.

**Senator Wong**—I met with the mayor and I was not aware that I—

**Senator JOYCE**—No-one knew you were coming. You did tell the *Australian*. You were more of a surprise than Father Christmas.

**Senator Wong**—I was not aware that you were the person in charge of letting people into St George.

**Senator JOYCE**—I am not. It would have just been polite for you to let the local paper know, the local mayor know, the people who you are supposed to be representing. It would have been nice if you had told them rather than turn up in some sort of clandestine Minister Wong move.

**Senator Wong**—Do you know what is clandestine? Clandestine is the fact that you were refusing in this hearing to tell people what your policy really is because you know the bloke sitting next to you has a different view. That is what is clandestine. Really what you want to do is make sure that this reform does not proceed. What you want to do is to tear this plan up before it even starts, and you should be a bit more honest with the Australian people about what your real agenda is.

**Senator JOYCE**—When you are ready, I will ask another question. Would you be prepared to divert a gigalitre of water to be able to produce more rice to feed people overseas if there was a famine?

**Senator Wong**—No-one is suggesting that the Water Act that the coalition supported, including you, Senator—

**Senator JOYCE**—Are you not willing to answer that question?

**Senator Wong**—I am answering the question—is going to prevent any diversion for agriculture. That is a ridiculous proposition. Of course there will be diversion still for agriculture. The point is that we cannot sustain the levels we are currently diverting.

**Senator JOYCE**—Would you be prepared to divert an extra gigalitre of water to produce the rice to feed people if there was a famine?

**Senator Wong**—We will still, under the Basin Plan, be diverting water for agriculture to grow food.

**Senator JOYCE**—Would you be prepared to divert, to compromise your insoluble and absolute belief in not compromising ecological value, if it meant that you were feeding other people to stop them from starving to death?

**Senator Wong**—Socioeconomic considerations—that is, the considerations of community and industry—will play an important role in developing a plan. I do not want you to go out of here under any illusion that principle has been compromised.

**Senator JOYCE**—I will go out of here with absolutely no illusion that you failed to answer that question.

**Senator Wong**—I have answered the question; it is just that the question makes no sense.

**Senator JOYCE**—So what is the answer? You would, or you would not?

**Senator Wong**—I have already said to you, water will be diverted for agriculture under the Basin Plan. The difference between you and me is I am not going to pretend we can keep diverting it at the current level.

**Senator JOYCE**—You just will not answer the question; that is what you will not do. We are just haggling over the price, aren't we? It is a consideration of environmental impacts as opposed to other impacts, and environmental impacts are obviously more important than famine impacts.

**Senator Wong**—That is really, given what I have just said, quite a ridiculous proposition.

**Senator JOYCE**—You never answered the question, if you thought it was that ridiculous.

**Senator Wong**—It is because your question makes no sense.

**Senator JOYCE**—It makes absolute sense. Your answer makes no sense. In fact, it was not even an answer; it was just an avoidance. Once the SDLs have been developed for the proposed Basin Plan, will you be assessing the socioeconomic implications of any reductions in the long-term average?

**Senator Wong**—To whom is that question directed?

**Senator JOYCE**—To anybody who wishes to take it. You seem to make your own arrangements whether you want to answer them or not.

**Senator Wong**—When you say 'you', is 'you' the minister or is 'you' the authority?

**Senator JOYCE**—In the authority's submission to the Productivity Commission after its draft report the authority stated:

Once the SDLs have been developed for the proposed Basin Plan, MDBA will assess the socioeconomic implications of any reductions in the long term average sustainable diversion limits and provide a report to the Murray–Darling Basin Ministerial Council along with the proposed Basin Plan.

Does this mean you will simply report on the socioeconomic impacts but consider no changes to the level of SDLs, regardless of these impacts?

**Mr Freeman**—I do not think that provision should be read in isolation. Socioeconomic impacts are a really important consideration in determining SDLs, and the socioeconomic analysis is being used to review and refine initial SDL options derived from the modelling of environmental water requirements. Having ultimately determined proposed SDLs as part of



the proposed Basin Plan, the authority has a statutory obligation to provide to ministers not only those proposed SDLs but also the socioeconomic impact that would occur from those SDLs. It is really important to understand that is not the only time that we consider social and economic impacts. Given that we have now got a proposed answer, what would the social and economic impact of that answer be? But it is not the only time we consider social and economic impacts. Social and economic impacts are actually part of the decision-making process to get your SDLs.

**Senator JOYCE**—Would they effect change, or is it just something where you say, ‘That’s it. I’ve got the report. I’m feeling wonderful about it, but I’m not going to change anything’?

**Mr Freeman**—There are two steps. Social concerns and economics can impact SDLs in the first step. Having determined proposed SDLs, we then, together with those proposed SDLs as part of the proposed Basin Plan, give those to the ministerial council, together with an assessment of the social and economic impacts of them. There are two different social and economic assessments. One is social concerns and economics being part of the determination of SDLs. The second one is: having determined SDLs, of which social and economic were components, what is the social and economic impact of those? We must publish that for ministerial council.

**Senator JOYCE**—So it would bring about change?

**Mr Freeman**—Social and economic considerations are part of the SDL determination—that is correct.

**Senator JOYCE**—So they could bring about change?

**Mr Freeman**—The initial SDLs. The ones that you are talking about that we publish could bring about a change. It is only a proposed plan, but at that stage we are saying: if these proposed SDLs were adopted, these would be the social and economic impacts in these various catchments.

**Senator JOYCE**—Once they are adopted, social and economic impacts become irrelevant; they cannot affect the SDLs.

**Mr Freeman**—Once SDLs are determined, with social and economic considerations as part of that determination, they are then embodied in state water resource plans, and state water resource plans can also consider further social and economic issues.

**Senator JOYCE**—What does that answer mean?

**Mr Freeman**—What I am saying is that social and economic concerns are part of the SDL determination process.

**Senator JOYCE**—We have got that. Then you have adopted the SDLs.

**Mr Freeman**—That is right.

**Senator JOYCE**—Can the further social and economic impacts affect those SDLs?

**Mr Freeman**—What I am saying is that those SDLs then go into a state water resource planning process. We determine SDLs at the water resource plan area. There would be one for the Condamine-Balonne, for instance. How a state then considered spreading that SDL involves social and economic considerations.

**Senator JOYCE**—So you are saying that the SDL is locked in; it is determined to the state as to where they take them from.

**Mr Freeman**—They have an SDL within which they are required to comply, but they have options again as to how you distribute that in a catchment, just as we did initially.

**Senator JOYCE**—But the total SDLs cannot be affected?

**Mr Freeman**—That is correct, but this conversation is tending to imply an SDL is a firm number. An SDL is more a share of the resource than a firm number.

**Senator JOYCE**—Can you explain the difference between ‘a share of the resource’ as opposed to ‘a firm number’?

**Mr Freeman**—Basically, an SDL could not exceed the available water in a system.

**Senator JOYCE**—I hope not.

**Mr Freeman**—If we had a dry year, an SDL is not a firm number. An SDL is an expression of that in the long term, so SDLs are both expressed as a long-term average and in terms of a formula, or a share, of the water resource.

**Senator JOYCE**—Will what has been purchased so far go towards the determination of the SDL?

**Mr Freeman**—What has been purchased so far will work towards reducing any gap between current levels of diversion and a proposed SDL.

**Senator JOYCE**—So, if you propose an SDL of X per cent, is that an X per cent from where we are at the moment or an X per cent that will include the purchases made so far?

**Senator Wong**—I understand this is your first estimates in this portfolio and I understood your need to explore some of how the act works and so forth, but really what you are doing now is asking for quite a lengthy explanation of how the act—that I again mention that the coalition voted for—might work in certain circumstances. I am very happy to arrange a briefing for you if that is what you would like, but I fail to see how asking—

**Senator JOYCE**—I just cannot work out why you just cannot answer that. I thank you very much for your consideration and I really do commend you for it. Thank you very much, it is good of you. Can you not just answer the question?

**Senator Wong**—This is becoming: if this, then this, then perhaps this down the track, what will happen? I do not think that is really an appropriate use of estimates time.

**Senator JOYCE**—It should be such a simple answer. Why can you not just give it? It is really simple. Are the SDLs going to take into account the purchases of water already made, or is it the percentage that you are now—

**Senator Wong**—Yes, I have said publicly that water purchases will go—every megalitre we purchase or that we return to the river through infrastructure investment—towards meeting the gap between current levels of take and the new lower limits that are required. I have said that publicly on numerous occasions.

**Senator XENOPHON**—On the issue of SDLs and further to Senator Joyce’s blunt questioning, in the consideration of establishing the SDLs do you consider the efficiency or

otherwise of an irrigation district? It is one of the issues that are raised in terms of in the Riverland, for instance. If an irrigation area is more water efficient as a result of being early adopters to water efficiency measures, is that something that is taken into account in determining the SDL?

**Senator Wong**—I will let Mr Freeman answer his component of that, but what I would say to you is that those might be issues more that go to how government policy operates in terms of the Water for the Future program rather than the determination by the authority of the SDL.

**Senator XENOPHON**—It may be relevant in consideration.

**Senator Wong**—I am happy for him to answer it, but I am just flagging for you that it is a probability.

**Senator XENOPHON**—I appreciate that.

**Mr Freeman**—SDLs are based on the current level of development of the system. Having looked at the current level of development in the system, it then is the amount of water that could be sustainably taken. Whether that water is used efficiently or inefficiently is not part of the decision making as to the volume that can be extracted.

**Senator XENOPHON**—Does that mean that early adopters of water efficiency measures could, in effect, be prejudiced in a sense, because of that? There is a perception that would be the case.

**Mr Freeman**—I do not think that is a question for the authority. The authority will determine what the sustainable take is on the southern Murray system. How that is then distributed between the states is an issue for the states.

**Senator Wong**—One might argue the opposite: that, in fact, if you worked in a catchment or a valley that was more efficient, your levels of overallocation would potentially be less, so you might actually be in a less difficult position—this is an abstract discussion—than if there was a catchment that had not invested in efficiencies previously. Where this issue has been raised with me by communities is on the basis of, ‘We put our own money in for efficiencies a number of years ago, and others now are having public money put in for those.’ That has been raised with me and I understand the argument that is put there, but I am not sure how the act would enable Mr Freeman to decide, on the basis of who had been good, that we should somehow change the level of take.

**Senator XENOPHON**—Thank you for the response. I am just trying to establish whether that is a consideration in the mix of things that are considered in determining the SDLs.

**Mr Freeman**—It could be determined as part of that social and economic input. What we look at is the sustainable level of take and the sustainable level of take to the extent that it is not a hard answer from the best available science. There is a zone there that we need to decide, and that is based on the economic and social impacts of moving within that zone. So to some extent there would be different social and economic impacts if you were efficient or inefficient, wouldn't there? I imagine it would be one of the ingredients, but it is fairly indirect.

**CHAIR**—We will suspend for the evening tea break.

**Proceedings suspended from 9.31 pm to 9.47 pm**

**CHAIR**—After consultation with senators who are here it seems that nobody has questions for the National Water Commission, so you can go; thank you. We will resume with the MDBA.

**Senator JOYCE**—What is 28-14?

**CHAIR**—I can answer that question. It is the winning score of the State of Origin match that Queensland won.

**Senator JOYCE**—On a more serious note: Minister, it has been reported in the *Financial Review* that the purchase of Twynam was \$40 million over the market. I know that is probably the first major property you have ever bought but how could you get it so wrong?

**Senator Wong**—I am happy to answer that. I will need the department at the table. That is not a question for the MDBA. Do you have any questions for the MDBA?

**Senator JOYCE**—Yes, I have a number of them. How many town hall style public meetings have you held in rural areas of the basin to explain the plan?

**Ms Kruk**—I think the department can also assist you in that regard because they have actually conducted 17 meetings, but I might wait for Dr Horne to actually give you a detailed account of those meetings. They have been a joint effort with a number of agencies, obviously including the MDBA, but I think with other agencies with an interest.

**Senator JOYCE**—So there were 17 meetings?

**Dr Horne**—There have been 17 community meetings which have not only been directed at explaining the Basin Plan but have been directed at explaining Water for the Future. The team that we have taken out into the MDB has included members of the ACCC, the MDBA, Centrelink, ourselves, DAFF—really all the people who are part of providing Water for the Future and being able to explain Water for the Future to the communities and to irrigators and farmers.

**Senator JOYCE**—Of these meetings, how many were actually town hall meetings, publicly announced so whoever wanted to turn up could turn up?

**Dr Horne**—They were all town hall meetings. They were all advertised in newspapers. Some of my officers can speak in more detail but some of them had interviews with local papers. There were some I think at local radio stations. That is just the town hall meetings. There have been countless meetings held in towns like Deniliquin and Griffith and Renmark with groups of irrigators, with irrigation providers.

**Senator JOYCE**—The reports that we have got back have said you have had a few town hall meetings but most have been small meetings that have not been widely advertised.

**Dr Horne**—I would reject that.

**Senator JOYCE**—What are your plans for meetings after the release of the draft Basin Plan?

**Senator Wong**—In terms of the timetable: if there are no further questions of the MDBA, I am happy to move to the department. Do you want to keep holding the MDBA?

**Senator JOYCE**—Yes, I do.

**Senator Wong**—This is currently a question that is being answered by the department. If we were able to timetable this sensibly I would appreciate it.

**Senator JOYCE**—We have heard some reports about irrigators being asked how they could cope with a cut of certain percentages—20, 40 and 60 per cent. Were those questions directed by the MDBA? Why were they asked? Does that indicate the potential level of cut?

**Mr Freeman**—No. Those specific questions were not directed by the MDBA, and it is fair to say that the MDBA was disappointed that the questions were framed that way. The consultant was to ask how people would continue with the current level of restrictions that they have had through the recent years of drought and talk in those terms, not to mention specific numbers. It is fair to say that, across the basin, many of those equate to 20, 40 and 60. The consultant unfortunately chose those numbers. Having started the survey using that sort of terminology, we thought it was important to continue that terminology so that the survey would be statistically valid. But we were disappointed with the choice of the words.

**Senator JOYCE**—Was that Marsden Jacob that made those 20, 40, 60 inquiries?

**Mr Freeman**—Yes. The sorts of questions we wanted asked were very much around those sorts of scenarios. But instead of talking about 20, 40 and 60 per cent reductions, which start to take on a status all of their own, it is: 'How would you live if the current level of water restriction continued on a permanent basis?' and those sorts of questions. Those questions across the basin do equate to 20, 40 and 60. I think it is fair to say that it was a misunderstanding. The authority did advise the consultants it was disappointed with their choice of words. As I said, it was important to continue so that the study actually had some integrity.

**Senator JOYCE**—Is 20, 40 or 60 in any way, shape or form a representation of the sort of cuts we are entertaining?

**Mr Freeman**—The authority has made no decisions around the sorts of reductions that will be required.

**Senator JOYCE**—Do you acknowledge that with cuts in that vicinity there would be absolutely catastrophic economic effects in the basin?

**Mr Freeman**—The surveys confirmed that at 60 per cent there are catastrophic outcomes; that is correct.

**Senator JOYCE**—Yet those catastrophic outcomes under the current plan as it is could come about because we cannot compromise the ecological value of the basin?

**Senator Wong**—That is a misstatement of the evidence.

**Senator JOYCE**—What do you mean?

**Senator Wong**—Mr Freeman has said on a number of occasions, as have I, that socioeconomic considerations will play an important role in the development of the Basin Plan—

**Senator JOYCE**—No, you said that you cannot compromise the ecological—

**Senator Wong**—Key environmental assets.

**Senator JOYCE**—Compromise the key environmental assets or compromise the ecological basis of—

**Senator Wong**—And we have also said that, in determining that, socioeconomic considerations will play an important role in developing the SDLs—

**Senator JOYCE**—Important but not primary.

**Senator Wong**—and the act, which you supported, recognises the need to return the basin to sustainable levels of take. So you—

**Senator JOYCE**—Basically your approach is to look after the environment and count the bodies later.

**Senator Wong**—No, it is not. It is not. If you were to go out there and say that, you would be telling that which is not true. You would be saying things which are not true. This reform does require politicians to actually look at what is needed and not simply tell people—

**Senator JOYCE**—I have heard that before.

**Senator Wong**—It is true. Do you not think there is a need to reduce the take out of the basin?

**Senator JOYCE**—I think there needs to be a lot more diligence than paying \$303 million to one family for water licences that are way over the market—

**Senator Wong**—I notice you do not answer the question.

**Senator JOYCE**—while purchasing another place such as Toorale Station which you did not even have the competence to go and inspect.

**Senator Wong**—Every time I ask a question about water purchase or returning water to the river or reducing—

**Senator JOYCE**—I am just asking if you are competent.

**Senator Wong**—I notice that you do not answer. I notice you do not answer and I notice—

**Senator JOYCE**—I know why I read on the front page the *Financial Review* that you paid over \$40 million more than you should have—\$40 million of taxpayers' money.

**Senator Wong**—You do not answer the core question in your—

**Senator JOYCE**—It goes to the core of your competency.

**Senator Wong**—No. The core question in your portfolio is whether you are prepared—

**Senator JOYCE**—It goes to the core of your competency about how you perform in this portfolio—

**Senator Wong**—to return water to the Murray-Darling. Are you prepared—

**Senator JOYCE**—Whether you have the capacity to understand the value of water and what you are exactly doing.

**Senator Wong**—to return water to the Murray-Darling Basin? Are you prepared to return water to the basin?

**Senator JOYCE**—Are you competent enough to buy things at the right price?

**Senator Wong**—Do you see? Yes, we are.

**Senator JOYCE**—No, you see: I ask the questions; you answer them. That is why you are on that side of the table.

**Senator Wong**—It is unsurprising that you do not want to answer the question because you do not want people to know the truth—

**Senator JOYCE**—Okay. I am quite happy for there to be the return of water to the basin—

**Senator Wong**—So you support water purchase?

**Senator JOYCE**—but I am just not happy for an incompetent minister to go around spending far too much money on an asset that they could have bought far cheaper.

**CHAIR**—Order.

**Senator JOYCE**—Incompetency is something that we do not tolerate.

**Senator Wong**—So you support water purchase? Do you support water purchase?

**Senator JOYCE**—I do support water purchase, but I do not support the incompetent way that you purchase such places as Twynam which you know you paid too much for because you did not have the diligence to go through it.

**Senator Wong**—I reject that. Do you support the act as it currently is or do you want to make sure that the act is changed so we cannot implement the plan?

**CHAIR**—Senators, order! This is an unedifying spectacle. Can we please get back to a question and answer format. Senator Joyce, I understand there is an arrangement, if you like, for you to conclude your questioning at approximately 10.05 pm, which gives you about eight minutes.

**Senator JOYCE**—That is correct. Could the authority please explain how it is going to set limits on the access to groundwater? What scientific knowledge is being used to set these limits?

**Mr Freeman**—I will leave the details to Dr MacLeod, but I will say: basically, the same approach. We are using state models so that most of the groundwater systems of the basin where there is high quality water are actually modelled. We are using the state models. Where it is an unconfined aquifer those models are certainly looking at annual levels of recharge and setting SDLs that will not exceed the annual level of recharge. There are not as many options in regard to distributing groundwater but, again, the science is not precise. The science will give us a range that we believe deals with the annual recharge, and socioeconomic considerations again come into play as to where you want to sit in that range. It is fair to say that the groundwater resources generally in the basin are not overallocated to the extent that surface water is. Whilst that component is challenging, it is not as challenging as the surface

water arrangements. But Dr MacLeod can outline which of the areas are modelled, if that is the detail you want.

**Senator JOYCE**—How is this approach consistent with the Water Act's insistence that the Basin Plan must be based on the best available scientific knowledge? To your knowledge is there anything in the act which refers to the precautionary principle which justifies its use?

**Mr Freeman**—Yes, the act does refer to the precautionary principle and best available science and knowledge—'scientific knowledge' I think are the words of the act. The best available, though, is often not definitive, and the authority in its decision making is required to observe the precautionary principle.

**Senator JOYCE**—Will the basin separately identify the elements of the sustainable diversion limits which are due to the predicted impacts of climate change?

**Mr Freeman**—The authority has to determine the extent of risk that is to be borne by the Commonwealth. In doing that it is fair to say it will have to determine the climate change component together with the new knowledge and policy shift components. Whilst we have not got specific answers, the authority will have to identify the climate change component.

**Senator JOYCE**—And that will be identified?

**Mr Freeman**—That is correct.

**Senator JOYCE**—What portion do you think that will be?

**Mr Freeman**—We have not got answers, as I said.

**Senator JOYCE**—But that will come out with the draft Basin Plan?

**Mr Freeman**—That is correct.

**Senator JOYCE**—What are the potential savings with the redevelopment of the Menindee Lakes Storage?

**Mr Dreverman**—The Darling River Water Saving Project has been finalised and is with government for consideration of options. There are a range of possible water savings, but most of them do not involve structural works in a major sense.

**Senator JOYCE**—What do they involve?

**Mr Dreverman**—The rest of the study is overseen by the department, not by the authority, so—

**Senator JOYCE**—So it does not involve structural works?

**Senator Wong**—That is a decision for government, Senator.

**Senator JOYCE**—So it does not involve structural works—that is interesting.

**Senator Wong**—That is a decision for government.

**Senator JOYCE**—Is there any reason why, Minister, you did not have the competency to actually go forward with the \$410 million that is allocated to you for the redevelopment of the Menindee storage lakes?

**Senator Wong**—I am happy to answer questions about Menindee. That is not a question for the MDBA. Do you want me to bring the department to the table and ask the MDBA to—



**Senator JOYCE**—No.

**Senator Wong**—So we have finished with the MDBA?

**Senator JOYCE**—As long as we get a chance to ask them—

**Senator Wong**—I am happy to answer that question.

**Senator JOYCE**—I was more interested in you because it is sort of your decision.

**Senator Wong**—Yes, and I have answers.

**Senator JOYCE**—Can you only answer that later on?

**Senator Wong**—I would like the officers responsible for this issue at the table, Senator. I have explained this to you on a number of occasions. While I do have the floor, I am interested that you now say you support water purchase when you recently described me doing what I am doing as thieving water. Isn't it your view that water purchase is actually thieving water?

**Senator JOYCE**—I think that in some sections that is precisely what you will do, actually.

**Senator Wong**—So water purchase is thieving water?

**Senator JOYCE**—There are certain areas where it is viable to purchase water and certain areas where it is not, and I think—

**Senator Wong**—Where isn't it viable?

**Senator JOYCE**—the process of you going forward and doing such things as purchasing \$303 million worth from one family is just outrageous—absolutely outrageous.

**Senator Wong**—Do you think water purchase is theft?

**Senator JOYCE**—And it was \$40 million more than you should have given. And I think the other process of you going through this Dutch auction in so many areas, finding the most vulnerable farmers and screwing them down, is outrageous as well—I think that is also outrageous.

**Senator Wong**—Hang on, on the basis of what you have said, you do not want us to put out tenders and you do not want us to purchase by direct negotiation, and you have described water purchase effectively as thieving.

**Senator JOYCE**—I think you should refer to the Productivity Commission as open and transparent. The Dutch auction process which you have been participating in, finding the most vulnerable farmers, who are being hounded by the banks, and being part of their malaise, is disgusting.

**Senator Wong**—So you do not want me to purchase water?

**Senator JOYCE**—I think that you are responsible for that. It is another sign of your incompetence.

**Senator Wong**—You do not want me to purchase water is what you are saying.

**Senator JOYCE**—I am saying that you will be judged by your actions.

**Senator Wong**—Yes, purchasing water from willing—

**Senator JOYCE**—You will be judged by your actions.

**CHAIR**—And so we all will be, Senator Joyce. Can we please get back to questions and answers. You have two minutes, Senator Joyce.

**Senator JOYCE**—What is the authority doing to address the concerns that have been raised with this? What is the authority doing to improve the consultation more generally?

**Mr Freeman**—In addition to the meetings that Dr Horne outlined which the authority has participated in with DEWHA—and that was very important because many of the questions that the community raises are neither specifically to the agency or specifically to DEWHA—and the National Water Commission has participated in at least some of those meetings, if not all, the authority has had six public meetings in regional centres. There has been considerable effort to address community forums, but I think it is fair to say they have been more industry based and not general town hall meetings. DEWHA's meetings and the six I have mentioned were town hall meetings that anyone could attend.

With the release of the proposed Basin Plan, the authority has taken on board this desire to have two rounds of engagement. We will be looking at a series of meetings across the basin early in the 16 weeks where we can basically explain what is in the proposed Basin Plan and at a series of meetings late in the 16 weeks—still leaving sufficient time for people to prepare their submissions—where we can take people's questions and respond to them, to give them an opportunity to craft their submissions with the benefit of that second meeting. Farmers have indicated that they are very electronically enabled and they are looking for a process whereby they can access information and make submissions electronically. We will also deliver that.

We have also had across the basin specific meetings to deal with Indigenous people, who, I think it is fair to say, have found it more difficult to articulate what they would like to see in the Basin Plan. There have been two specific Indigenous meetings. During the 16 weeks we are looking for Indigenous people to be able to have their own forums as well, but the numbers of those will have to be proportional to the Indigenous interest in the basin. So we do not want there to be too many Indigenous meetings, nor do we want there to be a disproportionate number of general town meetings.

**Senator JOYCE**—In the authority's submission to the Productivity Commission after its draft report, the authority stated:

The MDBA notes that there is no regulation or even an accreditation process for intermediaries of this nature, and as such is concerned that the information gathered and supplied by intermediaries may be biased ...

What problems does this lack of regulation lead to? Would better regulation improve these problems?

**Senator Wong**—This is the Productivity Commission report you want to use as toilet paper, Senator?

**Senator JOYCE**—Is that your answer?

**Senator Wong**—I just want to be clear about—

**Senator JOYCE**—Is that the extent of your competence?

**Senator Wong**—No, not at all. I am not—

**Senator JOYCE**—Is that a competent answer from a competent minister?

**Senator Wong**—No, it is your position.

**Senator JOYCE**—That is a competent answer from a competent minister! That is the sort of minister we have. That is the sort of minister this nation has.

**Senator Wong**—I will tell you what: this minister would not say that about the Productivity Commission report—

**Senator JOYCE**—No, that was a very competent answer you gave to that question.

**Senator Wong**—This minister would not—

**Senator JOYCE**—You extolled all your virtues with that one.

**Senator Wong**—This minister would not say that about the Productivity Commission report, just as this minister would not describe purchasing water as thieving, as the shadow minister has done. In terms of the Productivity—

**Senator JOYCE**—Do you have a competency to answer the question?

**Senator Wong**—Yes, I do.

**Senator JOYCE**—Well, answer it.

**Senator Wong**—What was the question?

**Senator JOYCE**—Do you want me to repeat it? Have you forgotten it?

**Senator Wong**—Yes, I have.

**Senator MARSHALL**—It is lucky it is written down for you, isn't it?

**Senator JOYCE**—In the authority's submission to the Productivity Commission after its draft report, authority stated:

The MDBA notes that there is no regulation or even an accreditation process for intermediaries of this nature, and as such is concerned that the information gathered and supplied by intermediaries may be biased ...

What problems does this lack of regulation lead to? Would better regulation improve the problems? Can you answer it this time, Minister?

**Senator Wong**—Yes, I can, and, Senator, I notice you are reading your question and I will answer without reading. The policy issue—

**Senator JOYCE**—What does that mean? That means I prepare and you do not.

**CHAIR**—We will have the minister's answer and then we will be moving on to another senator.

**Senator Wong**—I will make a couple of comments about the Productivity Commission report. The government is considering the report's recommendations, and there are a number of aspects where I think it is already informing some of how we are rolling out our programs—in particular, the issues around purchase and the issues around infrastructure. We do not agree with the Productivity Commission's recommendation that we should be taking

money out of infrastructure and putting it into water purchase—and I do not think, Senator Joyce, you would either. We do not believe that the only assessment of value for money in the basin should be purely financial. We do believe that there is a public policy case for investing in the basin, which is what we are doing through the \$5.8 billion worth of investment.

The question you raise I think refers to water brokers. The issue of regulation of water brokers has been raised with me by different parties. There are a range of different views around that, and it may be, going forward, in terms of the operation of the water market, that we would need to consider how we ensure that the market operates most efficiently. The government currently is not proposing to regulate water brokers, but it is an issue that we are going to monitor carefully, because, as the market becomes more mature, it is certainly important to ensure that brokers act properly. I think most do; it is important, however, that we continue to keep an eye on that. That was my answer.

**Senator JOYCE**—Well, you should have given it the first time.

**Senator Wong**—It is the hypocrisy, Senator, of quoting a report that you describe as being best used as toilet paper. You cannot get away with saying stuff like that.

**Senator JOYCE**—It is your incompetency.

**Senator Wong**—You are the alternative government.

**Senator JOYCE**—It is incompetency that you cannot give an answer; you try to extenuate it because you are not across your brief.

*Senator Marshall interjecting—*

**Senator JOYCE**—Oh, here is grumpy Gavin.

**Senator MARSHALL**—It is hard to suffer fools at this time of night.

*Senator Joyce interjecting—*

**CHAIR**—Order, Senators! Minister, please conclude your answer.

**Senator Wong**—I simply think, Senator, that it is important to have a coherent policy—and you do not.

**CHAIR**—Senator Xenophon has one follow-up question to that.

**Senator XENOPHON**—It relates to the Productivity Commission and your response in relation to that, but perhaps that would be more appropriate when the department is present.

**CHAIR**—Thank you, Senator Xenophon.

**Senator BIRMINGHAM**—Correct me if I am wrong in what I have heard in some of your answers to Senator Joyce. From the couple of flood events in the north of the basin at the beginning of the year you expect 1,100 gig to have reached Menindee Lakes or thereabouts.

**Mr Dreverman**—Sorry, that was in relation to the inflows arising from the floods in Queensland in early March.

**Senator BIRMINGHAM**—The first event.

**Mr Dreverman**—That was essentially the third event we have had in the year. Before that, about 1,000 gegalitres had already flowed into Menindee Lakes. So we end up with about

2,100 gigalitres that has flowed into Menindee Lakes this year. That is a really important volume because, unless we refill Menindee Lakes, we do not actually get the opportunity to have a year when we supply South Australia from the Darling rather than from the Murray. When we have that opportunity it gives our major drought storage at Dartmouth the chance to refill. If we are going to get back to long-term averages in the whole of the Murray system, then we really do have to have a year when we have some reliance on the Darling. So it is a very welcome inflow and it is a really good basis for resetting the system.

**Senator BIRMINGHAM**—Excellent. Management of the lakes transitioned from the New South Wales government to the MDBA on 10 April—is that correct?

**Mr Dreverman**—In the middle of April.

**Senator BIRMINGHAM**—That is when the trigger point of 640 gigalitres was reached?

**Mr Dreverman**—Yes.

**Senator BIRMINGHAM**—Up to that point, how much during the course of the year had been released from the lakes?

**Mr Dreverman**—New South Wales released about 650 from the lakes, of which about 500 reached the Murray. The other 150 was part of the distribution-evaporation-transmission loss in the lower Darling, including a volume that went into the Great Darling Anabranch.

**Senator BIRMINGHAM**—Since the MDBA assumed control on 10 April, what volume has been released?

**Mr Dreverman**—By the time it came under our control, the release had been brought back to the minimum of about 200 megalitres a day. We have been doing that for a month, so only a few gigalitres have been released in total.

**Senator BIRMINGHAM**—In relation to the lakes, according to your website, at present their current volume is about 80 per cent, at 1,381 gig. Is that a correct update? It is usually fairly well up to date. What does that physically mean for the four lakes?

**Mr Dreverman**—The operating strategy is to make sure at the end of the event that the first two lakes are as close to their maximum surcharge level as possible and the rest of the water will be put into the third and fourth lakes, Menindee and Cawndilla, which are interconnected, so they are actually a single body of water. At the end about 610 of about 1,400 will be in lakes Wetherell and Pamamaroo and the balance will be in Menindee and Cawndilla.

**Senator BIRMINGHAM**—The balance will be in lakes Menindee and Cawndilla. What do you expect that balance to be at the end? Do you expect them all to be surcharged to their full level?

**Mr Dreverman**—No, we will go to about 1,400 gigalitres total, or maybe a little more—it just depends on the recession, as it is happening at the moment. The maximum surcharge level of the whole lakes is 2,050 gigalitres, so there will still be air space in Menindee and Cawndilla of about 650 gigalitres.

**Senator BIRMINGHAM**—So it is pretty close to the total figure already.

**Mr Dreverman**—Yes. The flood peaks have passed and the flow at Burke is back to quite a small trickle and at Wilcannia it is, I think, about 5,000 megalitres a day in the last week. It will be falling to reflect the reduction at Burke a week or so ago. There is a small flow coming out of the bottom of the Paroo, just upstream of Wilcannia.

**Senator BIRMINGHAM**—And the 200 meg a day approximate release that you are undertaking at present, is that what you expect to be doing for the foreseeable future? Is there a bulk release expected at some point?

**Mr Dreverman**—There will be a bulk release expected later in the year. It depends on the seasonal conditions in the Murray. There is still a fair amount of water in Lake Victoria and we are now moving into the winter season, where the Murray is typically sustained by water coming out of the tributaries downstream of Hume—so the Kiewa, Ovens, Goulburn and Murrumbidgee. Normally, through the winter, they sustain the relatively low flows that we need in the winter, given that there is essentially no irrigation in the winter.

**Senator BIRMINGHAM**—So 650 gig will have been released by the New South Wales government prior to MDBA taking over management. Do you have an estimate in total from the flood events that you expect will have been released by the authority?

**Mr Dreverman**—By when? By the end of, say, this time next year?

**Senator BIRMINGHAM**—From water specifically related to these flood events, based on what you would expect average remaining inflows to be.

**Mr Dreverman**—Okay. We will not be making any release. We do not need to make a release to manage the floods. So we are able to re-regulate everything. All the releases of water from Menindee will be a regulated release over the coming year to meet the regulated flows into Sunraysia and into South Australia.

**Senator BIRMINGHAM**—Why was water diverted into Lake Menindee and Lake Cawndilla?

**Mr Dreverman**—Initially in January and February, New South Wales chose not to put water into Menindee and Cawndilla because those two lakes are very large—there is a very large surface area—when you first put water in, you lose 100 to 150 gegalitres in loss into the dry lakebed. They were also looking at bureau forecasts at the time about the likelihood of further events. If that had been the only water we had had for the year, we would not have had enough go into Menindee and Cawndilla to meet that loss and leave a sufficient volume in there to make it a worthwhile use of the water. At the time we also had very low levels in Lake Victoria. So we had lots of air space in Lake Victoria. So we could re-regulate it. Once we had brought Lake Victoria up to a higher level and we knew that there were at least 1,000 gegalitres coming out of the Queensland floods in March, New South Wales had enough confidence—they were still controlling the lakes—to actually take the hit on Menindee and Cawndilla, on the evaporation losses there, knowing that that is the point at which it is worth while to fill the whole lakes rather than pass the water downstream.

**Senator BIRMINGHAM**—Did New South Wales consult with the authority in making that decision?

**Mr Dreverman**—Yes. We were in very, very close contract right through.

**Senator BIRMINGHAM**—And the authority concurred with that management approach to the lakes?

**Mr Dreverman**—Yes.

**Senator BIRMINGHAM**—And that is because there is a particular environmental benefit to watering those other two parts of the system—or the two related parts of the system?

**Mr Dreverman**—I think the environmental benefit for the lakes is probably a second order. It is because that is the best way to maximise water for use against its entitlements. Whether it is entitlements for consumptive use or for the environment, that is the best way to maximise water availability. Given that we have come out of a series of years where water availability has been so restricted, it is the best way of trying to help particularly the irrigation in the Murray to recover from what has been a very, very tough four years.

**Senator BIRMINGHAM**—So it maximises water availability by increasing the storage there. Is water from all four parts of the system is able to be released back into the Darling to flow through and provide that extra availability?

**Mr Dreverman**—Yes, it is, but remember that when the lakes fall below 480 gegalitres control reverts back to New South Wales and New South Wales then uses the residual water to underpin local use, including Broken Hill's water supply.

**Senator BIRMINGHAM**—So the decision is that you can store enough there to provide higher reliability of irrigation allocations for users downstream of the Menindee Lakes system?

**Mr Dreverman**—Yes. The important thing is that, once that water flowed into Menindee Lakes, it really has been invaluable in improving the outlook for the coming year. It is not necessarily used immediately in the year that it has come in. Before the Queensland floods we had enough water to cover critical human water needs for next year, but we now have not only enough water for that but enough water to convey that critical human water and to meet the private carryover needs. Because of the late season improvements, private carryover is quite high. Maybe in the order of 25 per cent on average of long-term use in the Murray will be carried over by private irrigators. They go into the season with carryover, but the opening allocations will still be quite low—against many products possibly zero and the rest will be low. So we still need a lot more water before we get a decent year for irrigators.

**Senator BIRMINGHAM**—Thank you. In relation to state water-sharing arrangements and so on, are you aware of any changes or agreements between states as a result of the flood events earlier this year?

**Mr Dreverman**—There was a change—I think there was media coverage of it—in January. The basin officials committee made a decision in January to change the arrangements of how water from Menindee is shared during the period or relating to the rain events up to 10 January.

**Senator BIRMINGHAM**—Do you know what the detail of that is?

**Mr Dreverman**—Yes, I do, in general terms.

**Senator BIRMINGHAM**—Can you share, please?

**Mr Dreverman**—The accounting arrangements for the water coming in to the Murray from the Darling when the Darling is under New South Wales control require water to be shared between New South Wales, Victoria and South Australia. New South Wales gets five-sixths of the water, South Australia gets one-third and Victoria has to provide one-sixth—so Victoria effectively loses one-sixth from its available water. The Victorians were concerned about that and its impact on irrigators, so there was an arrangement made whereby, in relation to inflows arising from rain up to 10 January, New South Wales and Victoria each agreed to underwrite the impact on Victoria.

The other part of that arrangement was that, having done that, there is also a provision in the protocols whereby trade is not normally allowed out of the lower Darling when it is under New South Wales control. Those provisions were then relaxed, which allowed the TLM water holder that was holding a significant environmental allocation in the lower Darling to trade that water out of the lower Darling, and that was then committed to the Lower Lakes—there was 48.3 gigalitres. It also allowed irrigators in the lower Darling to trade any allocation they had downstream.

**Senator BIRMINGHAM**—In relation to the more publicised components, I guess, of those arrangements, was there also an agreement from the New South Wales government that additional water would flow to South Australia?

**Mr Dreverman**—I think the arrangement with New South Wales was more about the certainty of timing of water. Because of the circumstances in the Lower Lakes, where they have been recovering from what had been record low levels the year before and are still very low compared to what their preferred target operating range would be, and having gone through another hot summer, South Australia was keen to get certainty of getting early water to bring those lakes back up quicker. That was probably more the element of that arrangement.

**Senator BIRMINGHAM**—How much early water has flowed as a result?

**Mr Dreverman**—That is the 148 gigalitres, and then I think the Commonwealth put in another 20 gigalitres, so it is nearly 170 gigalitres.

**Senator BIRMINGHAM**—And all of that has been released or is in transmission at present?

**Mr Dreverman**—Most of it. Some of the trade water, I understand, is still to go. There may be a little bit more that goes in June and July, because we have had quite high delivery rates. We had delivery rates of up to 9,000 megalitres a day, and the normal maximum entitlement flow to South Australia is 7,000, so we are already over what the normal regulated release was with trade adjustments and entitlement flows. So we have spread it out over a number of months. It is still happening today.

**Senator BIRMINGHAM**—Is there any more beyond that approximately 170 gigalitres that you expect?

**Mr Dreverman**—Yes, because in the assessment process, because of the inflows into the Darling, South Australia's outlook for the following year has improved. Some of that has been reflected in assessments already announced, and some of that water, because South Australia



was already on its maximum entitlement for April and May, then went into what we call the minimum reserve, which is available to help underpin flows to South Australia in the 2010-11 water year. So some of that water will go through to South Australia. How South Australia uses that is up to it.

**Senator BIRMINGHAM**—And that additional water that you speak of was part of the normal water-sharing formulas?

**Mr Dreverman**—Yes.

**Senator BIRMINGHAM**—Thanks, Mr Dreverman. Quickly, I have one last thing for you. You mentioned briefly earlier the transition arrangements in the development of the Basin Plan. It is my understanding that Victoria is the only state outstanding for development of transition arrangements—is that right?

**Mr Freeman**—That is correct. Victoria is not in schedule 4 yet with its existing plans. It is fair to say that some of the other states have water resources that are not covered by a plan, and they are looking at introducing interim plans as well. Often groundwater resources previously have not had a planning regime at all. States are working to bring those in, but as a state Victoria is the only state that is completely unregistered in schedule 4.

**Senator JOYCE**—Was any of the water held in Victoria for the Commonwealth transferred for temporary use into New South Wales or any other state?

**Senator Wong**—Which water?

**Senator JOYCE**—How much of the allocation has the Commonwealth used of the water held—

**Senator Wong**—Which allocation?

**Senator BIRMINGHAM**—I think you mean the Environmental Water Holder.

**Senator JOYCE**—It is the environmental water.

**Senator Wong**—If it is Commonwealth Environmental Water Holder water, that officer is here. He is obviously an officer in the department. Commonwealth environment water is not managed by the MDBA.

**Senator BIRMINGHAM**—Victoria has until the plan is finalised—and other states in relation to other transitional arrangements—to lodge such arrangements? That is correct?

**Mr Freeman**—That is correct. That would be the Basin Plan, not the proposal.

**Senator BIRMINGHAM**—And the authority is monitoring Victoria's progress in that regard?

**Mr Freeman**—That is an issue for Victoria and certainly for Victorian officials, as the authority is well aware that at the moment they are not registered in schedule 4. But what Victoria does is Victoria's business.

**Senator BIRMINGHAM**—Are you expecting Victoria to be registered in schedule 4?

**Senator Wong**—That is a matter for Victoria.

**Mr Freeman**—I am not speculating.

**Senator BIRMINGHAM**—Thank you.

**CHAIR**—There are no further questions for the MDBA, as I understand it. Is that right, senators? Good, thank you. You can put some questions on notice. Thank you very much for appearing before us tonight, especially Mr Freeman. We hope you feel better soon.

[10.30 pm]

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

**CHAIR**—We will now move to the department.

**Senator XENOPHON**—Minister, in relation to the Productivity Commission report *Market mechanisms for recovering water in the Murray-Darling Basin*, your media release made reference to the fact that you ‘already have a substantial due diligence process’ in relation to the purchase of water. That is in relation to the Productivity Commission suggesting that there could be more efficient ways of purchasing water. I note that Dr Horne is at the table now. I think the underlying thesis of the Productivity Commission’s report was that there are more efficient way of purchasing water. I think they made the point that in some parts of the basin the cost of water was upwards of \$10,000 a megalitre, compared to the cost of purchasing water. I know that the minister indicated that she would be ‘seeking advice as to whether any further steps are necessary’. Could you indicate whether that has been considered and whether the due diligence process will be altered in any way in the context of the Productivity Commission’s report? I guess that is a question both to the minister and to the department.

**Senator Wong**—As my release indicated, there are obviously a range of issues in the Productivity Commission report. Your question goes to purchase?

**Senator XENOPHON**—As distinct from infrastructure, I think. The commission made the point that there are more efficient ways of delivering water to the environment.

**Senator Wong**—Than infrastructure?

**Senator XENOPHON**—For—

**Senator Wong**—There are a number of propositions. The commission made a range of recommendations. One set related to whether or not it would be better not to spend money—I am paraphrasing, obviously—investing in infrastructure but instead we should be purchasing. On that issue, the government have made clear that that is not a recommendation we would accept. Then there is a second set, I suppose, in relation to different methods of water purchase. I think that is what your question is going to; correct?

**Senator XENOPHON**—Also, in terms of the issue of infrastructure, a nuanced approach—whether there is a greater degree of rigour. Your media release made reference to the issue of due diligence. Will there be a different approach to that in the light of some of the findings of the commission?

**Senator Wong**—We already have a very comprehensive due diligence approach, but of course we will be and are being informed by the commission’s finding on that aspect. If you want, I can ask Dr Horne or Ms Harwood to talk about that aspect—that is, how to ensure value for money in infrastructure. Would you like a response on that?

**Senator XENOPHON**—Yes. I did have a briefing with Ms Harwood—

**Senator Wong**—Correct.

**Senator XENOPHON**—in Adelaide some time ago. To narrow it down, given the time constraints: you indicated that you would be seeking advice as to whether any further steps are necessary. Is that advice process still continuing in the context of the Productivity Commission's report? In other words, has that process of seeking advice been completed in terms of considering—

**Ms Harwood**—No, it is still on foot.

**Senator XENOPHON**—This report came out close to two months ago. Could you indicate an approximate time frame for a response in relation to whether due diligence will be altered in any way?

**Dr Horne**—At this stage we are still considering the Productivity Commission report. As you know, we did three short tenders in 2009-10. Those tenders have now closed. We are just considering the final one of those tenders. That will bring to an end the purchasing that we do in 2009-10. What we do at the end of each financial year is review all the purchases during the year and the methods that we undertook those purchases with—the techniques which were used. Before we go into 2010-11 we will revisit the whole methodology and we will look at what the Productivity Commission has had to say. We will look at the market circumstances, given that, as you know—and we have said this to the market—we are focusing our water purchases on only four catchments at the moment.

**Senator XENOPHON**—I appreciate that.

**Senator Wong**—Could indicate what my expectation would be. It would be my expectation that advice would be provided to me, with sufficient time for us to consider that advice prior to further purchases being commenced in the next financial year.

**Senator XENOPHON**—Perhaps we are at slightly cross-purposes. I appreciate your response, but your release on 31 March said:

The Productivity Commission is right to recommend that rigorous approval processes be applied to infrastructure projects.

We already have a substantial due diligence process but I will be seeking advice as to whether any further steps are necessary.

That was in the context of due diligence with respect to infrastructure.

**Dr Horne**—Our due diligence arrangements on infrastructure are very tight and we intend to keep them very tight. We are looking at them and we will review them with each project. As you know, the infrastructure spend is in a whole bunch of areas, and we are reviewing each of those individual areas and overall as we move through this process.

**Senator XENOPHON**—Is there a specific review in the context of this report?

**Ms Kruk**—We have an obligation to give the minister advice in relation to the matters that you referred to in that press release.

**Senator XENOPHON**—So that is still an ongoing process?

**Senator Wong**—Yes. I think what Dr Horne is trying to get at is that we are not only trying to improve this as a result of the Productivity Commission; there is an ongoing process of working through improvements on due diligence and on the program itself. What we are trying to reflect to you is that, yes, obviously that is one prompt but, in fact, that is the approach that was being taken.

**Senator XENOPHON**—Insofar as you would be advised with respect to the Productivity Commission recommendations on infrastructure and the efficacy of the infrastructure projects, when do you expect that a final position will be reached?

**Senator Wong**—I would probably have to take that on notice. That work is still underway. As I said publicly and as Ms Kruk has outlined—

**Senator XENOPHON**—I will move on, given the time constraints. I note that Senator Birmingham has asked a number of questions in relation to the Menindee Lakes. With respect to the infrastructure works, at my first estimates, at the end of 2008, I asked some questions about the Menindee Lakes. Minister, you were at the mercy, if that is the correct term, of the New South Wales government in relation to those works. Have there been advances in relation to that, given the vast evaporation in that lake system?

**Senator Wong**—What we are dealing with regarding Menindee Lakes, as you would know, is a very large, a very shallow and, in terms of evaporation, a very inefficient water storage system that is owned by New South Wales. The original purpose of the storage was to do two things: secure water for South Australia and for Broken Hill. It is the case that, as I said, it is inefficient in that there is a very significant amount of evaporation. The previous government had a look at this and, unfortunately and regrettably, nothing was done until we came to government. However, it is a very substantial and, if I may say so, very complex issue to determine the best set of works to put in place, because there are the two different objectives. It is not just a water storage area, like Hume dam, for example. It is a system which is intended to store water for downstream users but also to provide Broken Hill's water supply. We funded two investigative studies at Menindee. The intent was to ensure there is sound information to make a decision on what would be a very substantial infrastructure decision. One of those studies, as has been flagged today, was completed in late March. We have a further interim report—

**Senator XENOPHON**—Has that been released?

**Senator Wong**—No, not as yet. That is still before me.

**Senator XENOPHON**—Could you indicate a time frame as to when that will be released?

**Senator Wong**—That is a matter I am considering. I flag with you that this would be something we will need some significant consultation on. I think you have visited Broken Hill—I certainly have—and there are different views about what is the best way to proceed in a range of different interests, environment and others, around that decision. This will also require consultation with, obviously, the New South Wales government as well as other stakeholders.

**Senator XENOPHON**—Do you anticipate that in the next 12 months we might be in a position to begin some engineering works to reduce that level of evaporation? Have you received any advice in relation to that?

**Senator Wong**—The reason I am hesitating is that, as minister, once you say a time frame—it is important to get this right. Much as the objective is one we all share, which is how do we ensure less evaporation there? It is not an occasion on which you send in the bulldozers before you know what you are doing and before you have agreement with different levels of government and different stakeholders, including the community. I am very keen to make sure that this is rolled out in a sensible way and with proper planning on these options and proper consultation.

**Senator XENOPHON**—Is the Commonwealth's ability to deal with Menindee Lakes in terms of evaporation circumscribed, in any way fettered by the New South Wales government? I know this has been looked at by the Carr, Iemma, Rees and Keneally governments.

**Senator Wong**—I think the better way to look at it is to say—and I was referencing this—that this is something that would need agreement, small 'a' agreement, with MDBA states.

**Senator XENOPHON**—So one state could throw a spanner in the works, given the structure of the agreement?

**Senator Wong**—We have to try to resolve these issues as best we are able.

**Senator XENOPHON**—I am spruiking to give you more power.

**Senator Wong**—Yes, I am very conscious that you want to keep doing that.

**Senator XENOPHON**—Take it as a compliment.

**Senator Wong**—We have taken over what we need to take over and we want to get the Basin Plan up and running.

**Senator XENOPHON**—I will now go to the north-south pipeline.

**Senator Wong**—Again.

**Senator XENOPHON**—It is 70 billion litres of water out of the system. I note that there is a report in the *Sunday Age* of 28 March headed, 'Brumby's water plan savaged', with experts' verdicts that it's a dog. La Trobe University water expert Professor Lin Crase said that it will be a 'giant white elephant' in the context of the north-south pipeline and the Foodbowl Modernisation Project. I note from your office that there is not any direct Commonwealth money in that.

**Senator Wong**—I want to be very clear: the north-south pipeline project is entirely a Victorian government project, as I have made clear previously. There is no Commonwealth funding in it. Any savings that accrue, including for the environment, are a matter for Victoria. I also make the point, as I previously made to Senator Birmingham, that Victoria is responsible for complying with the existing cap. How they choose to deal with the water that they currently have is ultimately a decision for them. The Commonwealth's role in relation to the pipeline really was limited to Minister Garrett's EPBC decision.

**Senator XENOPHON**—But do you have a concern—given your responsibilities in respect of the basin and the fact that this is taking water out of the basin—about having water experts such as Alistair Watson saying that fellow economists are now calling the project ‘the northern dog’. Do you have a concern about the impact of this project—notwithstanding that it is a Victorian government project—in the context of the basin?

**Senator Wong**—There are two responses I would like to make. The first is that we should remember that there is no increase in the current cap. So this is water Victoria is choosing to use within its current cap entitlement. I am not going to say that I have a concern, but it reaffirms my view that our due diligence on the food bowl stage 2, which we are funding, and the importance we place on ensuring the water savings are achieved is strengthened.

**Senator XENOPHON**—You do not call it a concern, but—

**Senator Wong**—I think I am saying that I do understand what has been said about that project. Obviously, I have not investigated but it, as I said, strengthens our resolve to ensure we apply a proper due diligence process to the funding the Commonwealth is providing to the next stage.

**Senator XENOPHON**—Finally in relation to this, given a number of experts have expressed concerns with respect to what has already occurred with the north-south pipeline, will that be taken into account in the context of the due diligence that you will consider for stage 2?

**Ms Harwood**—We are doing very comprehensive due diligence on the business case for stage 2. We are in the midst of that at the moment. A very important part of that due diligence, using external expertise as well, is looking at the projected water savings, the nature, extent and character of the water and the timing and the estimation of those water savings. So a large part of the due diligence is looking at the character and volume of the water savings projected.

**Senator XENOPHON**—I may get a briefing from your very helpful officers in relation to this.

**Senator Wong**—We are very happy to provide it.

**Senator XENOPHON**—Thank you.

**Senator SIEWERT**—I understand the Western Australia government is starting some water reform measures and starting to talk about trading in that south-west area. I am wondering to what degree you are involved in that. Are there ongoing negotiations with the Western Australian government? If there are, at what level do you overview what is going on?

**Dr Horne**—We only overview at a very high level. Clearly we have ongoing discussions with the Western Australians about projects that we might potentially be involved in. We also have discussions with them through the water reform committee, which is one of the COAG committees where we periodically—that is, probably four times each year—look to see how each state is tracking against their NWI commitments.

**Senator Wong**—To decode that, I think what you were referencing is a range of reforms that the state government is engaging in—some of which commenced under the previous government—which is Western Australia taking steps to comply with the National Water Initiative. Obviously we have an ongoing interest in states doing that, but it is a state matter.

There is some Commonwealth funding for some things. That is, we fund various water projects through our urban programs. But, ultimately, those issues of charging et cetera are to do with the state complying with its NWI initiatives.

**Senator SIEWERT**—That is what I figured was happening. Have they been engaging the Commonwealth in discussions over potential funding assistance for the development of the process in that south-west part of Western Australia? Dr Horne made some comments about how part of the process may be some discussions around funding for particular initiatives. I am just wondering: are they seeking funding for particular initiatives associated with that particular area?

**Senator Wong**—With the water price changes and so forth? I will take advice on this, but the nature of discussions with the Western Australian government, as with most governments on the urban waterfront, has been around accessing funding for urban water projects such as desal, stormwater et cetera. We have announced a range of funding of projects across the country.

**Senator SIEWERT**—This is below the metro area, so it is starting to introduce water-trading arrangements in south-west Western Australia and the water associated with that area.

**Ms Harwood**—There are some rural water infrastructure projects that we have been working on with Western Australia, funded under the Sustainable Rural Water Use and Infrastructure Program. We could provide details of those on notice.

**Senator SIEWERT**—That would be appreciated. What is the process while it is ongoing? It is starting to pick up in south-west Western Australia. Stakeholder discussions are occurring; people are starting to engage with it a lot more in Western Australia. What level of engagement do you have, in terms of oversight, providing advice and those sorts of things, as it becomes more of a reality for people? Is it just through the four-yearly meetings and the water reform process?

**Dr Horne**—Up to now it has really just been through those processes. If Western Australian officials were to approach us and the issues were issues which we felt were important, then clearly we would seek to help them if we could. A lot of that sort of discussion goes on at a bureaucratic level.

**Ms Harwood**—The other major investment we have made to assist with water management is the investment in the CSIRO sustainable yields project, which provides the evidence base for their future water planning.

**Senator Wong**—It shows that in your state, on that and in terms of the history, climate change has had an impact of some significance over the last three decades, as you would know, Senator.

**Senator SIEWERT**—It was one of the states that took on board the issue of reduced rainfall very significantly, at least in the early nineties, and started planning for that. There were announcements around the sustainable yields project—Minister, you were in Western Australia.

**Senator Wong**—I was.

**Senator SIEWERT**—Several times, but in the last year in terms of the sustainable yields project—

**Senator Wong**—It would have been earlier this year. We released the sustainable yields study.

**Senator SIEWERT**—Is there further work on that project in Western Australia?

**Senator Wong**—I do not know if there is any further work on that project, but perhaps the way to understand it is that we funded the extension of the CSIRO sustainable yields study which was focused on the Murray-Darling for Tassie, WA and the north, because one of the things we need to get a better sense of—and I have to say I think now the data is much better than it was when we first came to government—is what the projected water availability would be so we can plan for that. Obviously there are ranges, and if you look at the reports they forecast a range of different climates scenarios and a range of different water availabilities. Obviously you cannot predict a point in time, but in decisions governments and others are making now various projections need to be factored in. Our intent in funding that was to provide a better resource not just for us but for state governments and local governments to make more informed decisions around investment in infrastructure in water resourcing, informed, as I said, by a better understanding of where the science will take us.

**Senator SIEWERT**—Thank you.

**Senator BIRMINGHAM**—I refer you to question on notice No. 136.

**Senator Wong**—Can you just hold on, Senator; we have a lot of questions on notice.

**Senator BIRMINGHAM**—It is one of the many that have arrived in my inbox over the last 48 hours.

**Senator Wong**—I have been working hard, because I knew you would raise it, to try and make sure we cleared as many as possible.

**Senator BIRMINGHAM**—Yes. It would be much easier for me to look at them, and for them to be of some use, if they arrived a little sooner—but anyway.

**Senator Wong**—I reckon our record is not bad by comparison, Senator.

**Senator BIRMINGHAM**—I was not here much then. Question 2 was: how much of that up-to \$400 million has been spent relating to the Menindee Lakes \$400 million promise. The answer to question 2—

**Senator Wong**—I think that is meant to be million.

**Senator BIRMINGHAM**—It is not \$12.15?

**Senator Wong**—No, Senator—I think there is a typo! I do not think I would do that, Senator.

**Senator BIRMINGHAM**—I just wanted to check. You have to be careful with your millions, billions and trillions, you know, Minister!

**Senator Wong**—I might be doing a Barnaby, you reckon?

**Senator JOYCE**—Now you're doing it again!



**Senator BIRMINGHAM**—I thought it was late, and we might as well—

**Senator Wong**—You should talk to Andrew Robb about that!

**Senator BIRMINGHAM**—I should have even saved it till last, perhaps. Okay, we are fairly sure that \$12.15 million has been spent on that project.

**Senator Wong**—At least I picked it before you asked the question!

**Senator BIRMINGHAM**—Excellent, thank you.

**Senator Wong**—I think that was expended to the date of the question. There is more committed.

**Senator BIRMINGHAM**—More committed beyond that, yes.

**Senator Wong**—I think I have answered a question in the Senate on that.

**Senator BIRMINGHAM**—And I know we have had various exchanges on the Menindee Lakes tonight already. Looking at question on notice No. 131, and the answer to question 4 relating to conveyancing processing times between states, why does it take about four times as long to transfer water as it does your average suburban house.

**Senator Wong**—That is a very good question, Senator.

**Senator BIRMINGHAM**—And what is being done to make that process somewhat more efficient?

**Senator Wong**—I might let Dr Horne respond to that. But, obviously, this is one of the issues we have been trying to improve. This is about interaction between different state systems.

**Dr Horne**—We have set some standards that states have agreed to. As the systems improve, remembering that there are some states that still have entirely paper based systems, we hope that within a time frame—I could get you the time frames if you like—in a couple of years all systems will be electronic, will be compatible and will be able to talk to each other. When all of that happens, these times should dramatically reduce. At the moment some of the paper based systems really just lead, in the tails of your spectrum, if you like, these very long times. These are averages. You can see the difference between the minimum, the maximum and the average. It is a pretty big range. You would hope that, once you get your systems improved, to a certain extent—

**Senator Wong**—I have suggested to Dr Horne he might tell us that we are funding a national water market system.

**Senator BIRMINGHAM**—Dr Horne, perhaps you could provide that information on notice, in terms of the targets—

**Dr Horne**—Yes.

**Senator Wong**—We are actually investing in this, Senator.

**Dr Horne**—If I can just add one further point: the four per cent limit itself actually increases these time frames as some transactions get held up because of it, and have to be put off for another year, in a sense. So some of these transaction times have really been blown out by the four per cent limit being reached and people having to wait until the next water year

before the transaction can be completed—or even the year after. So that would explain the big variations, if you like.

**Senator BIRMINGHAM**—Thank you. I am trying to prioritise what I get the chance to ask you. The PBS indicates that 11 of the 13 priority projects agreed under the IGA are on schedule. Which ones are not?

**Ms Harwood**—I will just walk through those priority projects. Of the 17, one is finished—the pipeline around the Lower Lakes. There are two that are approved and underway—the community irrigation on-farm project in Queensland and the coal seam gas project. There are three currently undergoing due diligence or post-diligence—Sunraysia and the NVIRP stage 2. And the early works part of the Riverine Recovery Project in South Australia. For a number of these projects the business cases are due in the next few weeks. All of the state priority project business cases have to be in by 30 June. A couple of them have slightly earlier arrival dates.

In terms of being on schedule, for a couple of projects the point at which they were going to submit their business case has moved, but they are all still required to meet the 30 June deadline. From memory, the business case relating to the Lower Lakes, the \$200 million project for the Lower Lakes and Murray Mouth, is a little delayed. But, in other respects, by the end of June we should have all the business cases.

**Senator BIRMINGHAM**—Do you recall the other one that has presumably been delayed to cause this 11 from 13 statistic?

**Ms Harwood**—I think it is the ACT business plan.

**Senator Wong**—Yes, it is.

**Senator BIRMINGHAM**—On that significant note, I thank you.

**CHAIR**—Thank you, everybody. That concludes the examination of the Environment, Water, Heritage and the Arts portfolio. I remind senators that written questions on notice should be provided to the secretariat by Friday next week. The committee will commence its examination of Climate Change and Energy Efficiency at nine o'clock tomorrow morning. I would like to thank the minister and officers for their attendance, the secretariat and Hansard and Broadcasting for their assistance, and the senators for their cooperation today.

**Committee adjourned at 11.02 pm**