



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATIONS, INFORMATION
TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE

ESTIMATES

(Budget Estimates)

THURSDAY, 27 MAY 2004

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SENATE

**ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY
AND THE ARTS LEGISLATION COMMITTEE**

Thursday, 27 May 2004

Members: Senator Eggleston (*Chair*), Senator Mackay (*Deputy Chair*), Senators Allison, Lundy, Santoro and Tchen

Senators in attendance: Senator Eggleston (*Chair*), Senators Allison, Bartlett, Carr, Crossin, Lundy, McLucas, Santoro, Tchen and Wong

Committee met at 9.01 a.m.

**COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS
PORTFOLIO**

Consideration resumed from 26 May 2004

In Attendance

Senator Kemp, Minister for the Arts and Sport

**Department of Communications, Information Technology and the Arts
Executive**

Ms Helen Williams AO, Secretary

Ms Fay Holthuyzen, Deputy Secretary, Communications

Dr Rod Badger, Deputy Secretary, Information Economy

Arts and Sport Division

Ms Lynn Bean, Chief General Manager, Arts and Sport Division

Ms Karen Gosling, Special Adviser, Collections and Governance

Mr Kevin Isaacs, General Manager, Arts Support and M2006 Taskforce

Mr Peter Young, General Manager, Film and Digital Content

Mr Paul McInnes, Acting General Manager, Collections and Governance

Ms Sally Basser, General Manager, Sport and Private Sector Support Branch

Mr Kate Cowie, General Manager, Old Parliament House

Mr Andrew Sayers, Director, National Portrait Gallery

Mr Simon Elliot, National Portrait Gallery

Agencies

Arts and sport

Australian Sports Commission

Mr Mark Peters, Chief Executive Officer

Mr Brent Espeland, General Manager, Sport Performance and Development

Ms Lois Fordham, General Manager, Business Operations

Mr Simon Kidman, Finance Manager

Australian Institute of Sport

Mr Michael Scott, Director

Australian Sports Drug Agency

Mr John Mendoza, Chief Executive

Ms Anne Gripper, General Manager, General Manager, Strategy and Support

Mr Kim Terrell, General Manager, Operations

CHAIR—We will continue dealing with the sports portfolio.

Senator LUNDY—I would like to turn now to the issues relating to Indigenous sport. For the 2002-03 financial year ATSIC expended a total of \$10.31 million to provide sporting organisations for Indigenous people through the then head office, regional councils and the Australian Sports Commission. Given that ATSIC no longer exists, or will be abolished, will funding for these programs continue?

Ms Williams—We do not have the details yet, but certainly funding for Aboriginal sports will continue. As I said to you—on one of the days this week—the ATSIC programs will come to portfolio departments. If something was to be delivered by, for example, the Sports Commission there would be an agreement setting out exactly what it was for and then it would be delivered that way. But we do not have the details yet of what programs are coming over.

Senator LUNDY—That anticipates my next few questions, so I will just go through that. Information to date indicates that the administration of ATSIC's former sport and recreation portfolio program will now in fact come to DCITA. Can you confirm that?

Ms Williams—Yes, but we do not know the amounts or the details yet.

Senator LUNDY—So that \$10.31 million has not been confirmed?

Ms Williams—We do not have the actual figures, but it has been said very clearly that ATSIC programs will continue in the areas in which they were.

Senator LUNDY—I know you say that the details have not been sorted out, but how do you anticipate you will be able to successfully manage those programs, particularly the ones that have been managed by regional councils at a very grassroots level?

Ms Williams—Overall, there will be a network. There will be 21 Indigenous coordination centres around the country. They will be used by all the departments that have ex-ATSIS programs in the regions and, for the first year, the ATSIC coordination will be used, as well as developing those 21 centres, to establish a good relationship with the Aboriginal communities in the areas.

Senator LUNDY—To follow up on that, those coordinating centres have obviously had programs in place. What sort of mechanism do you have in place or will you have in place to get feedback?

Ms Williams—We do not have anything in place in the regions at the moment. We have not got a regional network at all. The reason I cannot give you real details yet is that we do not know how many staff we will get, but we expect to get staff in—at least some staff, even if it is just a percentage of a staff person—in all of those areas and more than one in some of

them. We will have to develop our network through that in coordination with the other departments that are using those centres. For example, the Department of Employment and Workplace Relations will be a major user of those centres.

Senator LUNDY—I presume those additional staff members are not in the current budget papers and that they will come along with the funding.

Ms Williams—No, all the funding is on the one-line appropriation with DIMIA this year. The ex-ATSIS funding is now in one line with the Department of Immigration and Multicultural and Indigenous Affairs.

Senator LUNDY—Minister, can you give a guarantee that at least that full amount will be transferred to DCITA, or will there be a cut to that \$10.31 million?

Ms Williams—There will be no cuts overall to the programs, Senator Lundy. What we do not know is the split between who is administering what, but the announcement made it very clear there would be no overall cut to the programs.

Senator LUNDY—But, if there is \$10.31 million expenditure on sport and recreation, it follows quite logically that \$10.31 million is the minimum amount we are talking about for the government to make that commitment.

Ms Williams—That would be expected but, for example, originally we felt we were going to administer heritage and now it looks as though the Department of the Environment and Heritage is going to administer heritage. That administration is still fluid until we get the exact figures, but the amounts will be the same.

Senator LUNDY—So there is nothing to suggest that you will not get the \$10.31 million that has been previously allocated to ATSIC for sport and recreation.

Ms Williams—There is nothing to suggest that that amount will not go to sport. What I am not sure about is the administrative arrangements, but we should know within the next few weeks very definitely.

Senator LUNDY—Minister, are you able to shed any light or give any guarantees to the Indigenous sports program?

Senator Kemp—I was just thinking how superbly that question was answered by Ms Helen Williams.

Senator LUNDY—I take it you do not have anything to add.

Senator Kemp—Of course, I was going to make a major contribution, but, after hearing the secretary, I do not think that I could do any better than that.

Senator LUNDY—The last funding figures given for the Indigenous sports program were \$2.1 million from ATSIC and \$1.5 million from the Australian Sports Commission. This was administered by the ASC under a memorandum of understanding agreement with ATSIC. Am I correct to assume that this memorandum of understanding, which is due to expire on 30 June 2004, will not be in place following that date?

Mr Peters—On that program, as the secretary said, there are still some details, but we have got assurances that that program will continue for 2004-05 because it has implications for the employment of a number of Indigenous sport and rec officers throughout Australia. But the memorandum, as I understand it, will not be between ATSI and ourselves but the department and ourselves.

Senator LUNDY—With those same amounts?

Mr Peters—Yes.

Senator LUNDY—So, in addition to that \$1.5 million, you currently administer the \$2.1 million under the MOU.

Mr Peters—Yes, and we have agreements with the state and territory departments who supplement that funding as well.

Senator LUNDY—And you anticipate that you will continue to administer that following 30 June 2004.

Mr Peters—We received information and we have now written to the individual state and territory departments saying that that particular component will continue for 2004-05.

Senator LUNDY—Will there be any additional funds beyond the \$2.1 million and the \$1.5 million?

Mr Peters—We are waiting, as the secretary said, to find out what the final transfer is, how that is to be administered and what role the commission has in administering those funds.

Senator LUNDY—Going back to the \$10.31 million, just clarify for me whether the \$2.1 million that you currently administer is part of that \$10.31 million. It is, isn't it?

Mr Peters—I am not sure where the \$10.31 million comes from.

Senator LUNDY—That is the total ATSI expenditure on sport and recreation.

Mr Peters—We are working off some different figures, so I am not quite sure.

Ms Williams—The likelihood, Senator Lundy, is yes.

Senator LUNDY—Those figures that ATSI currently spend on sport, you currently administer \$2.1 million of those under the memorandum of understanding.

Mr Peters—Yes.

Senator LUNDY—The question is: in the likely transfer of those funds to DCITA, is DCITA likely to get the ASC to administer all of those funds to run the Indigenous sports program and the sports specifically but also the regional council projects and multiregional projects in sport and recreation?

Ms Williams—I am not trying to be difficult here but I simply do not know what we are getting. Apart from the particular ones Mr Peters mentioned, which we have focused on particularly because the funding was about to run out, we just do not know the details yet, I am afraid.

Senator LUNDY—So all you can confirm is that in all likelihood the ASC will continue to manage their current ISP—Indigenous sports program—with that \$2.1 million component that they already get from the ATSIC budget under the current memorandum.

Ms Williams—That is very likely, yes.

Senator LUNDY—But you cannot confirm whether or not they will—

Ms Williams—I simply do not know what we are getting, so we have not been able to look at it.

Senator LUNDY—I know you do not know what you are getting.

Ms Williams—So I cannot confirm it.

Senator LUNDY—I know you cannot tell me the amounts.

Ms Williams—There is a strong possibility, but I simply do not know.

Senator LUNDY—What is the process for working that out? Once you find out your amount then you have discussions—

Ms Williams—We will look at what the programs are. We will have discussions. This is also being managed, as you may know, by a minister's committee and under that a secretary's committee looking at these funds on a whole of government basis. We really just need to talk about what they are, look more closely at what staff we are getting in these 21 centres and then decide what would be the best process.

Senator LUNDY—Minister, is it the government's intention to maintain the integrity of this funding and that it be available to promote sport and opportunities for Indigenous communities right round Australia?

Senator Kemp—Of course. Frankly, I think money coming to our area will ensure that it is effectively administered and I would expect to see an improved program.

Senator LUNDY—That is very good. Has the ASC requested this money to be administered by the Australian Sports Commission?

Mr Peters—We have been in discussions with the department for some weeks on what components are relevant to Indigenous sport as against recreation as to other multiregional funding that has been used in the past. As the secretary said, those discussions have been quite positive but at this stage we are unaware of the actual details to be able to finalise any sorts of delivery discussions.

Senator LUNDY—But you would like to be able to manage that money, wouldn't you?

Mr Peters—I think the commission has a record of putting programs on the ground, and that is certainly the line of the discussions with the department that have been progressing.

Senator LUNDY—Are you able to tell the committee whether—and I understand this is a little hypothetical because it has not been resolved—the government can commit to the continuation of the community sport development program once ATSIC has gone?

Mr Peters—I am not sure what that program is.

Senator LUNDY—It is one of the elements of the current ATSIC sport and recreation programs that exists within the ATSIC sport money that is currently administered. It is probably a question for you, Minister.

Senator Kemp—It probably is too. We are getting some information on it. Frankly, I am not across this particular program, so before I make a comment I will get some advice.

Senator LUNDY—The issue is that under that program there are currently around 50 Indigenous sports development officers employed. It is a question about their job security but also about their ability to continue doing the community development work that they do.

Senator Kemp—Let me make it clear. We are interested in maintaining what has been achieved to date and seeing what we can do to improve delivery of services. We are not in this to cut services to people; in fact, quite the reverse is the case. We think the ASC and the department have particular skills they can contribute to the thinking about these programs and delivery. People should view this in a positive light. That is certainly the way we are viewing it.

Senator LUNDY—This is your opportunity to help them do that. Can you give a commitment that there will not be any cuts to that program in the midst of all this change?

Senator Kemp—There will be no cuts in funding, as far as I am aware. Therefore, it would flow from that that at least the general level of services will be maintained. In the longer term, people may look at how programs can be better delivered and reorganised, but no-one should feel threatened or uncertain about the future. The Sports Commission and the department are approaching their new roles with great enthusiasm. They bring a high degree of expertise, to be quite frank. The people you are talking about should be looking at this in a very positive sense. This is about ultimately delivering improved services to Indigenous communities. That is what it is about and that is the end of it. We will do whatever we can to make sure that those services are delivered in an effective way to those communities.

Mr Peters—In relation to the specific issue with the 50 Indigenous support officers—

Senator LUNDY—I think it is around 50.

Mr Peters—and the extension for 2004-05 of the ISP funding that I talked about and the secretary alluded to, we have agreements with the states. The combination of the funding that we have from ATSIC and the commission's funding under the Indigenous sports program, together with the complementary funding of states and territories, sees the employment of 50 Indigenous sport and recreation officers. That is the only component we have so far been able to confirm with the states. All the states are now able to continue the contracts of those officers through to 2004-05, which was certainly one of the issues they were concerned about in recent months. We have confirmed without knowing all the details that certainly that aspect of the program will allow that partnership to continue and those officers to continue to be employed.

Senator LUNDY—That program is under your current MOU?

Mr Peters—Yes. That is the key element of the Indigenous sports program.

Senator LUNDY—So you are able to confirm that those jobs are safe for at least 12 months?

Mr Peters—Yes, and the states and territories have been informed of that.

Senator LUNDY—See, Minister—Mr Peters was able to confirm that.

Senator Kemp—I would expect that from Mr Peters. I would be shocked if he could not.

Senator LUNDY—You spoke too soon, I think.

Senator Kemp—Not at all. Senator, ministers take advice and, as you know, I am a very consultative minister.

Senator LUNDY—Mr Peters, are you of the view that there is any duplication between the work of the Australian Sports Commission and the ATSIC sport and recreation programs?

Mr Peters—Under our charter, we deal with sport. There were some elements that ATSI was involved in previously that could be classed as recreational and community development activities. They also supported some educational initiatives. So all of the money in this area that could be called sport and recreation was not actually sport specific. There were some responsibilities that ATSI previously had through their councils to deliver programs outside straight sports programs. We are in continual dialogue with them about different aspects of their regional programs particularly and at this stage we are not sure what will transfer across, other than we expect the dollar amounts to transfer across. We are all waiting at the moment, as the secretary said, to find out exactly what does come across. Our relationship with ATSI before was one of discussing where the priorities should be.

Senator LUNDY—That does not really answer my question. In your view about duplication, you described the areas where arguably you are not duplicating. Are there any specific areas where you think you are duplicating?

Mr Peters—We had discussions with ATSI about some of the areas they funded. We believe that perhaps one funding program delivered under the ISP would have been more effective—

Senator LUNDY—Delivered by you?

Mr Peters—Delivered by Indigenous people in Indigenous communities, which is what the ISP is about.

Senator LUNDY—Obviously, if at some point in the future you administer these programs, that issue will be resolved.

Mr Peters—It already has been discussed. I think there have been very positive meetings between the department, representatives of ATSI and representatives of the commission. Those issues have been put on the table. Certainly from what I have seen they have been very open and honest discussions. We are waiting to see what the final transfers are so that the memorandums can be set up between the department and ourselves.

Senator LUNDY—Did you envisage in that transfer process that the nature of the programs currently run under ATSIC would change in accordance with your view that your model for pushing resources out to communities is better than what ATSI had?

Mr Peters—I think ATSI will argue that they had communities delivering their programs. I think our discussion with them is that, if you are dealing with national sporting organisations in delivering programs with the Indigenous sport and recreation officers in communities, it is better to have one body dealing with a national sporting organisation rather than two bodies and, therefore, you could streamline the process. It does not really affect the on-the-ground delivery because there are the 50 officers—and we would hope that the number of officers in Indigenous communities would increase—it is just the management of it. I think our discussions with ATSI were more about the duplication of management rather than about the duplication of programs on the ground. That has been a very open discussion to date.

Senator LUNDY—I think it is a very important one. So you are saying that this money will still go to grassroots organisations, not the big NSOs like the AFL. You will still get that money to the communities through the development officers?

Mr Peters—That has been the model. I think to the credit of the AFL and the Rugby League their programs are about delivering in the communities and working with the Indigenous sport and recreation officers. I think that has been an effective delivery mechanism.

Senator LUNDY—So you do plan to give it to the NSOs and distribute it in that way rather than directly to the communities?

Mr Peters—That is what is unknown at the moment. We do not know what is coming across, all we can deal with is the \$2.1 million that we have at the moment and that is in partnership with the states and territories. Some of those programs will engage NSOs but it will be up to the Indigenous sport and recreation officers within that community to find out what is the most effective way of developing sport. We are trying to avoid the fly-in fly-out programs where there is no residual benefit to anyone other than a good time for a couple of hours. I think that has been a major breakthrough with the Indigenous sports program over the last couple of years.

Senator LUNDY—Obviously, there is some concern that that funding will consolidate around specific sports rather than, as you say, allowing communities themselves to determine what their sports and recreation priorities are. Can you give some sort of commitment that you will not narrow the definition of the types of sport and recreation activities that this funding can support in Indigenous communities?

Mr Peters—It is not our intention to change the way things operate at the moment, and that is that Indigenous people in Indigenous communities determine what Indigenous priorities are. The whole basis of delivery of the programs and the importance of that is those 50 sport and recreation officers on the ground working with their communities and determining what their priorities are.

Senator Kemp—Senator, I see this as an opportunity. There is a bit of a tendency in your questioning to rule out any change here or any change there and ask what commitments can be made. Basically, the Sports Commission and the department are charged with building on this program and making it more effective. Clearly we would want to produce a program which would have the support of the Indigenous communities. This sense that you have to rule out this or that and guarantee something else does not look at the broader picture. The broader picture is: how can a government deliver through its agencies the best possible program to Indigenous communities and win the support of those communities? If you think of it in this way, most people are likely to be winners out of this. This is an opportunity, and I think we should approach it in a positive light.

Senator LUNDY—I now have some questions for ASDA. I refer to RNE information provided in the ASDA newsletter of March 2004. There is an outstanding weight-lifting anabolic steroid infraction from 6 September 2003 for which no sanction has been handed down as yet. The test date was 6 September and the entry date was 1 December, which is almost six months ago. Can you explain why this infraction has not yet been resolved and a sanction handed down?

Mr Terrell—I believe the matter you are referring to has gone to a tribunal hearing. The hearing is in progress and a decision is yet to be handed down.

Senator LUNDY—Can you provide a date as to when the tribunal hearing is likely to conclude and a decision will be provided?

Mr Terrell—I think they are fairly close. I would say in the next couple of weeks. ASDA's role in terms of the tribunal hearings is nonexistent. We are aware of when the hearing is being convened. In one or two instances we may be a party to the hearing, but the actual process is determined in this particular instance by the CAS, which is the body hearing the matter.

Senator LUNDY—Can you provide an explanation as to why it has taken so long?

Mr Terrell—This particular case involves an athlete, and there have been questions raised as to the athlete's status under the sports anti-doping policy. I may need to correct this once I go back and have a look at the details of the case, but I believe the matter relates to whether or not the athlete had retired from the sport—this is, when they are subject to the test.

Senator LUNDY—Is this time frame unusually long?

Mr Terrell—This is obviously longer than—I think everyone would like these matters to progress. Some matters do take quite awhile to resolve.

Senator LUNDY—Is it unusually long?

Mr Terrell—I have no statistics saying what an average time for these matters may be.

Senator LUNDY—It might be a good question to take on notice.

Mr Terrell—Sure.

Senator LUNDY—On another issue, on 6 February 2004 a story appeared in the news that banned drugs had been found in the possession of a current AIS cycling scholarship holder.

Cycling Australia chief executive, Graham Fredericks, confirmed on 5 February that an investigation was being conducted jointly by the AIS and Cycling Australia. This infraction does not appear on the RNE. Is that because this case is coming up for appeal to the Court of Arbitration for Sport next week?

Mr Terrell—ASDA's involvement in this matter has been very limited. It has not involved a decision by ASDA to place the athlete on the RNE because it has not involved any process whereby ASDA would be involved with the athlete. There was no positive drug test and there was no request by the athlete to provide a sample.

Senator LUNDY—Are you aware that this case is coming up for appeal?

Mr Terrell—Yes, we are.

Senator LUNDY—So a doping infringement will not appear on the RNE until an appeal process has been completed?

Mr Terrell—This matter is not something which can appear on the register of notifiable events. This is a matter which the Sports Commission and the relevant sport have been handling. I imagine Mr Peters and the Sports Commission can fill you in on the details, but the nature of this matter is not an RNE; it is not something which ASDA is responsible for.

Senator LUNDY—To make sure I am clear: was it in February this year that syringes and phials containing a banned substance were found in the room of an AIS cyclist?

Mr Terrell—We became aware of the matter in December last year, once the Sports Commission informed us of the circumstances relating to the matter.

Senator LUNDY—Can you tell me what those drugs were and how much was found?

Mr Terrell—I think this is something the Sports Commission would be better off dealing with. They understand the details much better than ASDA does.

Senator LUNDY—I refer to newspaper reports of 17 May, which indicated that syringes and phials, one of which was reputed to contain a growth hormone, were found. Can you confirm that that was the case?

Mr Terrell—I can confirm that the Sports Commissioner has told us that that is the case.

Senator LUNDY—Can you confirm that the substance found in the phials is on the banned substances list or contravenes the ethos of fair competition, even if you cannot confirm that it was a form of growth hormone?

Mr Terrell—If the substances as reported were in fact those substances, yes, they are banned.

Senator LUNDY—Can you tell us why it has taken so long for this case to be finalised?

Mr Terrell—We cannot. I think that is a matter for the Sports Commission.

Senator LUNDY—I have a final question before I go to the Sports Commission. I understand that Bob Ellicott was originally listed to head up the CAS inquiry; however, Malcolm Holmes has now been appointed. Are you aware of the reason for this?

Mr Terrell—No, we are not.

Senator LUNDY—Did the ASC conduct an inquiry into this matter, as the athlete involved was an AIS scholarship holder?

Mr Peters—Perhaps a couple of points of clarity: this issue is not the result of a positive drug test. It is not an appeal hearing. I am quite happy to have Mr Espeland walk you through the entire case and the appropriate dates. The recent delay is because CAS has not been able to hold its hearing, and that is what we have been waiting for. I am happy for Mr Espeland to walk you through the issues from day 1.

Senator LUNDY—So this was your internal investigation into this matter? Is that what we are going to hear about?

Mr Peters—You are going to hear why the appropriate actions have been taken.

Senator LUNDY—Mr Espeland?

Mr Espeland—In early December last year, the Australian Sports Commission was advised that a quantity of phials and syringes had been found in an athlete's room in Del Monte, which is the resident home of the track cycling program for the Australian Institute of Sport. We conducted a preliminary investigation to scope the matter. A joint investigation on behalf of both Cycling Australia and the Australian Sports Commission was then undertaken by an independent investigator, who commenced work as soon as practicable before Christmas. Because of the split-up of people going to Perth and other places around Australia for the Christmas break, it was late January before he completed his report. It was a very thorough one and looked at all aspects of the issue. It did take some time because, as Mr Peters indicated, it was not as a result of a test. The substance required particular analysis by the laboratory to make sure that what we thought was the case was indeed the case. The carriage of the material and access to the laboratory was facilitated by ASDA.

Senator LUNDY—Can you confirm, given ASDA's evidence, that under the new WADA code possession of a banned substance is in fact an infringement?

Mr Espeland—It is a fairly complex matter.

Senator LUNDY—No, it is black-and-white, actually.

Senator Kemp—Hold on, Senator. We will get the reply. You asked the question, and you will wait for the answer to be given.

Mr Espeland—It is a fairly complex matter, in that there are primarily two policies involved with respect to a potential breach—Cycling Australia's and the Australian Sports Commission's anti-doping policy. I can say that the case against the athlete involves possession and trafficking as well as assisting, under the rules that apply to the sport and the commission at this point in time. Yes, there will be some slight changes in the elements of proving possession but by and large, in a general sense, possession is part of the anti-doping policies of the two organisations at the moment, and they will be when the WADA code is fully implemented. The number of alleged anti-doping offences is considerable.

Senator LUNDY—So why is this not being handled as an infringement by virtue of the fact that an infringement of both of those policies has occurred, which you have just confirmed? Why is there no reporting of this matter through the appropriate processes?

Mr Espeland—ASDA can talk in particular detail to their process in relation to the RNE, but this is not an RNE matter. This is not a result of a testing outcome or an abuse of the testing process.

Senator LUNDY—The issue is that a banned substance was found, and that goes against the ethics of a clean and drug-free sports environment. News reports have it as some kind of growth hormone, and you are saying that there is no process by which this incident could go on the RNE because there was not a positive drug test per se, but nothing has happened about this.

Mr Espeland—I have not said that at all. I have started to describe a process and I can continue if you like.

Senator LUNDY—What will happen next?

Senator Kemp—Senator Lundy, I think we have to get the full story before you jump to conclusions. You have asked Mr Espeland to take you through the process. Let us go through the process. On that basis, you can then ask further questions and we will respond to them.

Senator LUNDY—Before Mr Espeland continues I would like to ask ASDA what happened in the US in relation to Marion Jones not testing positive but still being under review due to the new WADA code.

Mr Mendoza—I think there is a very significant difference in the United States that needs to be known here. The US Anti-Doping Agency acts under powers given to it through the US Olympic Committee in agreement with all of their national governing bodies. USA Track and Field is one of those national governing bodies. Marion Jones is a member of that body. USADA has the power to undertake investigations for breaches of anti-doping rules, which in this case include possession, attempted use, involvement in trafficking and so on. We are certainly not privy to all of the details of those cases. I think the media reports that are available in Australia generally contain the same information that ASDA has available. I would not want to comment beyond that about the Jones case per se, but I make the point that USADA operates under a different policy framework from that which is in place Australia.

Senator LUNDY—Thank you for that. That makes it clear. Mr Espeland, before you continue can you tell the committee what sort of growth hormone it was?

Mr Espeland—It was an equine growth hormone.

Senator LUNDY—You can confirm that that is a banned substance?

Mr Espeland—Yes.

Senator LUNDY—Is it detectable through drug tests?

Mr Espeland—It is my understanding that it is not, but that is a matter for ASDA to specifically comment on.

Mr Mendoza—Equine growth hormone—in fact, the whole gamut of growth hormone—is not detectable. There is work which the Australian Government Analytical Laboratories will be able to comment on in relation to a test for human growth hormone. They are involved as one of the four laboratories worldwide in the final validation of a test for human growth hormone, but no such research or development of protocol for equine growth hormone is under way.

Mr Espeland—The matter is going to a CAS hearing on 3 and 4 June. It was the case that, immediately the preliminary investigation indicated that a doping offence may have occurred, the athlete's support from the AIS and the Sports Commission was suspended. That athlete is no longer an AIS scholarship holder. That scholarship lapsed at the end of the last calendar year. So immediate action was taken in terms of the support the commission was providing. Now due process needs to take place in terms of whether the investigation will lead to a hearing, which is what is being determined by the head of Cycling Australia and the head of the Australian Sports Commission. As I said, that matter goes to a hearing in the next week or so.

Senator LUNDY—I would like to get clarification on one thing. If an infringement of this nature occurs is it ever possible for it to go on the RNE, by the nature of the infringement not being a positive drug test but possession of a banned substance?

Mr Mendoza—The short answer is: under the current legislation, no. Under the future legislation—that is, the legislation that has passed through this place in recent months—that will still not be the case. However, we have developed a position where there would be another public record which would record anti-doping rule violations, as they are defined under the code, in a single list.

Senator LUNDY—When is that due to come into effect?

Mr Mendoza—The deadline for that legislation taking effect is 9 or 10 September. I will have to get you the exact date but it is six months after royal assent.

Senator LUNDY—So effectively we have to wait until then for reporting of this type of matter?

Mr Terrell—The actual reporting of the matter still will not be appearing on the register of notifiable events. It is proposed that there would be, within our reporting structure, information available to the public about all of these matters. The register of notifiable events is specifically set up under the ASDA legislation to handle currently positive test results and failures to comply with requests by ASDA to provide a sample. That category of matters will be expanded under the amendments which have passed through parliament and which will be introduced, as Mr Mendoza said, over the next two to three months to enable us to meet our functions as a national anti-doping organisation under the World Anti-Doping Code. Some of the matters which have been alluded to, including possession and trafficking, will still not be reportable under the register.

Senator LUNDY—I understand that equine growth hormone is an S4 poison. What does that mean, and can you tell me a little bit more about that particular drug?

Mr Mendoza—Our understanding is that equine growth hormone and other forms of animal growth hormone are listed as S4 poison substances. The authority that is responsible for that is another Commonwealth authority, the Australian Pesticides and Veterinary Medicines Authority. They would be able to comment in more detail about the listing of substances as S4 poisons, but I can confirm that it is on that schedule and that schedule is administered by that authority.

Senator LUNDY—So it is a horse drug?

Mr Mendoza—That is correct.

Senator LUNDY—Mr Espeland, were any horses present in the Del Monte residence?

Mr Espeland—Not to my knowledge.

Senator LUNDY—There are obviously a number of concerns regarding the handling of investigations into an alleged doping infringements. On 9 March last year, Minister, newspapers reported that you said that the government was ‘moving quickly to put a proposal to establish a recognised tribunal with the power to investigate substance abuse in every sport.’ A senior source said that the tribunal initiative would be part of the budget to be handed down in May last year. I am unaware of any significant moves to establish such a tribunal. Is the establishment of an independent tribunal still an issue that the government is taking seriously?

Senator Kemp—It is. In fact, a great deal of work is being done on this issue. As we have looked closely at it, the complexities have become clear to us, so we want to set up an arrangement which is sustainable and which meets the requirements of sport and the requirements of an independent investigation. A great deal of work is being done on this. We would have liked to have had it completed earlier but, as it has turned out, that has not been possible. My view is that we have to get this right. It is important to get this arrangement right, and there is no lack of enthusiasm from the government on this.

Senator LUNDY—Thank you, Minister. Is there any particular reason why there has been no significant movement forward on the establishment of an anti-doping tribunal?

Senator Kemp—Senator, you have just asked me that question, and I have just responded to it.

Senator LUNDY—I think it is a different question.

Senator Kemp—I think you have got to listen to answers.

Senator LUNDY—I think you need to listen very carefully to my question.

Senator Kemp—I listened very carefully to your question. You asked me about that and I explained to you that a considerable amount of work has been done by the ASC, ASDA and the department on this issue. It is a matter that has been under constant discussion. I am anxious that we can bring this to a head. There have been complexities about the establishment of such a body. There has been very widespread consultation with the sporting community on this issue. It is something that from the government’s point of view we are keen to make sure we get right. It is more important to get this right than to have a rushed

solution. It is true, however, that I would have preferred this matter to have been dealt with sooner rather than later. But I repeat: there is no lack of enthusiasm from the government for this policy direction. It is something that I am particularly keen to have finalised and announced.

Senator LUNDY—Do you think that the establishment of such a tribunal—which you are obviously enthusiastic about—will assist in increasing transparency and consistency in investigations into doping allegations like the one we have just been discussing?

Senator Kemp—I think it will help remove some doubts that some people have about processes. Having a process which is well known and independent and transparent is important.

Senator LUNDY—How important is independence of the tribunal from the ASC, from ASDA, from the government—from everybody?

Senator Kemp—The tribunal has to be seen to be independent, obviously.

Senator LUNDY—But does it have to be independent—

Senator Kemp—If it is going to have the confidence of people, it cannot be seen to be the creature of Senator Kemp, of Mark Peters or of John Mendoza. It has to be seen to be an independent body, and I think that is very important. That is why we call it an independent tribunal.

Senator LUNDY—Does the ASC support the need for that independence?

Mr Peters—It depends on the definition of independence.

Senator LUNDY—Independence from the Australian Sports Commission.

Mr Peters—We have to play a role because we work with the NSOs. As the minister said, there are complications because it is not just about anti-doping; it is also about the issue of harassment, which a lot of sports are facing at the moment, and the court costs associated with selection policy issues. So this tribunal, or sports council—or whatever the final terminology will be—has to address all those issues. CAS has informed us they cannot hear these issues. They are stretched to the limit at the moment a la the French case. It has taken them some months to arrange a hearing. So this is a way of supplementing that. A lot of discussion needs to go on still with a number of people. I think the Sports Commission needs to play a role—as do the department, ASDA and the government. I am not quite sure what the final definition of independence will be. The department is coordinating those discussions at the moment.

You refer to the issue of transparency. We believe our processes are transparent now. What this allows is to assist sports to deal with the increasing legal and administrative workload associated with the types of issues which are becoming more prevalent, and which are not necessarily anti-doping issues, but issues in the harassment and selection fields. It is very difficult for NSOs out there at the moment.

Senator LUNDY—We have a situation where it appears that a drug specifically classified for use on animals and that is undetectable in drug tests, and I understand is a drug that is commonly used in the cycling community, was found in an AIS cycling residence, but the

issue that there was not a positive drug test seems to be of greater importance than the issue that there may be a case of a banned substance being used. Minister, if we are serious about stamping out drugs in sport—and I put this to you as well, Mr Peters—don't you think we need greater transparency and true independence for such a tribunal?

Senator Kemp—Let me make it absolutely clear that we are serious about stamping out doping in sport. This government has a very fine record in that regard. We moved with vigour on this issue when we assumed office. I do not want to diminish the role of previous governments but the truth is that this government has a very fine record in this area. The standards that the community demands in this are very high, in my view, and we want to make sure that our system is at world's best practice at least, if not leading the charge. So what are the elements of that? The elements are that the body has got to be seen to be an independent body. Another element is that transparency is important. So we want to establish a system that not only works effectively but is seen to work effectively. Perceptions are important in this area. The fact of the matter is that we are building on a very strong base.

Mr Peters—Senator Lundy, perhaps I need to respond to one of your comments. I am not sure of your wording but my inference was that the taking of this substance is prevalent in cycling. I would be very disturbed if that were the case, because we are not aware of it and no-one else is aware of it. We believe that the NSOs are doing everything they can to keep sport as clean as it can be. This investigation has been very transparent. Substances were found in an athlete's room. There are a whole lot of complications in proving whether the substances were his or not, and we have had to go through a very thorough investigation and then refer it to the appropriate body. Suggestions that this is very prevalent among cyclists would be very disturbing. I do not know whether you have information, but there are a lot of people out there who are quite devious in what they try to achieve. But if you have information I would like to have it because that is a fairly serious allegation that someone would have against the sport.

Senator LUNDY—I was not making an allegation and I accept your comments. It is good to hear your reassurances. I would like to revisit another issue that I have discussed here before. Recently there have been a number of concerns regarding the transparency and authenticity of in-house investigations carried out by sports organisations. I will use as an example the investigation last year into allegations of the importation of a suspected banned substance by an Australian athletics representative. There have been a number of questions raised over the process used for the investigation of this matter. I believe that eventually the Australian Government Solicitor was instructed to complete an audit of the processes used by three Australian Sports Commission employees. This type of matter is one that could easily be impartially and effectively investigated by an independent tribunal, is it not? This is where an independent tribunal could really help to ensure that level of transparency and independence.

Mr Peters—I do not agree. In the democracy we live in there are often disgruntled people who for various reasons bring accusations forward, and there is only one person of whom I am aware who has raised an issue about this particular investigation. In fact, there were two components to the investigation. We believe this individual put a number of our staff in an unfair and unacceptable position because of the individual's friendship with them.

As soon as management were aware of the issue, it was investigated openly. There were two investigations: one into the actions of our staff, the difficult situation they were placed in and whether they had breached our code of conduct and anti-doping policy and the second investigation was appropriately referred to the sport. With the agreement of the AOC, ourselves and the sport, an investigation of the allegation was undertaken by Browne and Co, which does a lot of work in this area as an independent investigator and reached a conclusion which all the bodies agreed with. Again we have one individual taking the reputation of many people and organisations when that individual may have mixed motives to do with legal cases et cetera. I do not believe that is an appropriate example. It is the only one I am aware of and a lot of slurring goes on when perhaps an individual wants to take an organisation on. It resulted in *Four Corners* doing a program that was absolutely blatantly full of mistruths and misrepresentations, which we have taken up with the ABC.

I am aware of only one person—a disgruntled person—who had a number of motives that we believe were present in the allegations, and two independent investigations. I approached the Australian Government Solicitor as the CEO of an organisation to be assured that, if there were any improvements in our processes—the investigation looked at our processes, whether we had reacted properly as an organisation and whether there were ways we could improve what we did. We are always concerned when publicly we are being brought to the fore. The AGS said that there is nothing wrong with our processes. We were transparent. We put in process what had to happen. For me it was not anything other than a reassurance as a CEO that, because of the absolute no tolerance that we have towards drug taking and the integrity of our people who were under question, our organisation had done the right thing and that is what happened.

Senator LUNDY—The athlete himself raised these issues. So I do not accept—

Mr Peters—With whom?

Senator LUNDY—The athlete himself raised the issues with many people.

Mr Peters—He did not raise them with us and those people did not refer them to us. As soon as we were aware of the allegations, we investigated them.

Senator LUNDY—If I could go to the audit conducted by the Australian Government Solicitor, you mentioned Mr Peters the ‘Tarnished Gold’ program on the ABC and the fact that this show reported that the full audit had been conducted and ticked off all the processes. Mr Peters and Mr Scott, do you agree that the outcomes of the report in the AGS’s opinion showed that employees investigated had acted appropriately and gave a clean bill? Can you confirm that?

Mr Peters—Our independent investigation into the way that the staff acted is—

Senator LUNDY—No, I am talking about the Australian Government Solicitor audit. What were their findings?

Mr Peters—They audited the process and said that, when we brought the independent investigator in to look at the staff issues against our code of conduct and anti-doping policy, that was the appropriate thing to do.

Senator LUNDY—They gave you a tick, didn't they?

Mr Peters—And we expected that because we did do the appropriate thing. The outcome of that then becomes a judgment of management. Our judgment was that some of those individuals had shown poor judgment but they were put in a very difficult situation by the complainant, who in some cases had sworn them to confidence. They had a difficult conflict between friendship and professional interest and that was the concern we had. Some of those staff are still suffering because of the situation they were put in and the investigation. I find it very sad that one individual is able to destroy the integrity and will of those people. We are still spending a lot of time trying to help some of those people. The AGS said that what we did was totally appropriate but at the end of the day it is a management decision, based on our code of conduct, how we deal with our staff. We did not believe, because of the extenuating circumstances, that any of those staff needed to be fired but certainly they were reprimanded and, as I said, it has been a very difficult situation for those staff.

Senator LUNDY—Thanks for that. I want to go back to the Australian Government Solicitor report. Given you have confirmed that there was nothing in that report that reflected negatively on the Australian Sports Commission, why is it that, despite twice having requested a copy of this document—once directly from the Australian Government Solicitor on 7 April this year, who informed us that their client, the Australian Sports Commission, had advised the Australian Government Solicitor not to provide a copy of this report to my office, and also in a formal request to the minister's office sent subsequently on the same day—we still have not been provided with a copy? In fact, we have heard nothing at all from the minister's office in regard to this request.

Senator Kemp—If you want to put that question on notice, we will look at it.

Senator LUNDY—Why are you hiding it?

Senator Kemp—I am not hiding it.

Senator LUNDY—It does not reflect negatively on the Australian Sports Commission.

Senator Kemp—Getting a phone call from your staff to hand over bits paper is not the way things are done. Why don't you just follow proper processes?

Senator LUNDY—I have followed two proper processes.

Senator Kemp—Put a question on notice and then we will respond.

Senator LUNDY—Consider it formally on notice—

Senator Kemp—Okay, we will now take the question on notice.

Senator LUNDY—but I can tell you that your tardiness has been superseded. I have a copy of the report.

Senator Kemp—Good, there you go. Why, in that case, are you raising the question?

Senator LUNDY—My understanding is that there were three employees who were investigated whose names will not be disclosed because of confidentiality, and I respect that.

Can you tell me if the actions of any members of senior management at the Australian Sports Commission were investigated by the Australian Government Solicitor?

Mr Peters—The Australian Government Solicitor investigated the process and said that there was nothing wrong with the process, which included what senior management did when they were aware of the incident. In my opinion there is no need to take action against senior management, because as soon as they were informed action was taken and that instigated the two studies.

Senator LUNDY—Senior management were involved, as you say, once they were informed. Why weren't their actions part of the Australian Government Solicitor's audit into this process?

Mr Peters—The whole process was. It included what senior management did as well as what staff did. It was an investigation into the process which involved the entire Australian Sports Commission from senior management down to the individual officers. The instructions were—

Senator LUNDY—Your report focuses on the three employees, not senior management. Was that a deliberate strategy?

Mr Peters—No.

Senator LUNDY—It looks that way.

Mr Peters—They were asked to look at the process and that is what they did.

Senator LUNDY—Under article 4.1 of the Australian Sports Commission's antidoping policy it says:

Where the ASC receives information that a person may have committed a doping offence, the *Executive Director*—

has power to investigate the matter. Did the ASC conduct its own inquiry into this alleged doping offence under the direction of the Executive Director in accordance with that policy?

Mr Peters—Yes.

Senator LUNDY—Is it common practice for the ASC to conduct its own inquiries into alleged doping offences that concern athletes who receive funding either directly from the ASC or its associated programs?

Mr Peters—We do what that section talks about. We brought independent people in to do it. They were professional investigators.

Senator LUNDY—Minister, are you concerned about the transparency and authenticity of investigations such as this being conducted in-house by the Australian Sports Commission?

Senator Kemp—If you are able to raise issues which show that proper process has not been followed, then I will look at them, but you have not. You have picked up allegations that people have made and you have attempted to besmirch the reputation of people. Frankly, if you have got further evidence that shows why you think those processes are not appropriate, let us hear them. The truth is you can make allegations and you can attack people, but you

need to produce the evidence that proper processes have not been followed. What, for example, do you think should have been followed? In light of what Mr Peters has said and in light of the Solicitor-General's comments, what do you think should have happened?

Senator LUNDY—Using Athletics Australia as an example, a federal government inquiry into sport was announced in March—

Senator Kemp—That is always the trouble with you—

Senator LUNDY—No, listen to the question. Do not interrupt.

Senator Kemp—No, I am going to respond.

Senator LUNDY—No, do not interrupt.

Senator Kemp—Senator Lundy has made an allegation and she has been asked to sustain the allegation. She has been asked to point out where she thinks the process is wrong—

Senator LUNDY—I am about to answer that question.

Senator Kemp—In that case, I will cede the floor to you.

Senator LUNDY—Thank you—and you should not have interrupted in the first place, but you tend to do that when you get a bit nervous. The issue here is that an investigation was carried out by the Australian Sports Commission that was not transparent. When pressure was placed on the Australian Sports Commission and the Australian Government Solicitor was involved, another report was produced that was kept secret. I formally requested a copy of that report on 7 May, and the ASC asked the Australian Government Solicitor to keep it secret. I asked the minister's office and they also failed to provide a copy. That is not transparency. That is not independence. I put to you, Minister, that there is a problem that you as minister have not fixed.

Senator Kemp—So the problem is that you have not got the report, but you have actually just told us that you have got the report.

Senator LUNDY—I have got the report, but the issue is that—

Senator Kemp—Hold on. Let me go through this.

Senator LUNDY—it tried to be covered up.

Senator Kemp—Senator Lundy, you have asked me a question and I am going to exercise my right to respond. Apparently, after all this the problem is that you have not got the report. That is the whole issue that this has now boiled down to. We have looked at the reputations of people and we have dealt with whether in your view things were dealt with improperly. We have now found that the fundamental issue is that you have not got a copy of the Solicitor-General's report. What did I say? I said, 'Senator, if you want a copy of the report, give me a question on notice and I will consider whether I will give you the report.' That is what I said. Then you said, 'Well, I've already got a copy of the report.' Frankly, Senator Lundy, this is a fairly ordinary performance on your part. Your major complaint is that you did not have a copy of the Solicitor-General's report. Is that the substance of your complaint?

Senator LUNDY—It is part of the problem. I put to you that the other part of the problem is that the athlete in this case came to us with concerns about the fact that he had been slurred in the paper and had had no opportunity to clear his name, as a result of the incompetent way that this investigation was handled internally by the ASC. Also, this athlete was not able to receive copies of these reports that related to his circumstances. So, again, there has not been what I would call natural justice all around in this particular case. You say things to me about slurring people, Minister, but Mr Peters just made references to an individual—I am not sure who he is referring to, but I am sure that he knows—implying that they deliberately set out to create a problem or, indeed, to besmirch the names of other people. So Mr Peters has used this forum to have a slag back at someone who has obviously played a role in bringing some of these issues to light. Whatever side of the argument you come down on, it is not about taking sides; it is about independence, transparency, and natural justice to athletes and complainants. I cannot see in this example where that has been applied to any of the parties, including the parliament, which has a right to have access to this kind of information for the sake of transparency.

Senator Kemp—If you want access to information there are appropriate processes for you to follow. Therefore, proper consideration is given to them. If you want access to documents, put questions on notice and they will be considered. The fact is that you did not do that, so that is a failure of process on your part. If you had done that then that would have been considered. In relation to the other matters you have raised, Mr Peters might care to make a comment.

Mr Peters—I am not aware of any information from the commission telling the Australian Government Solicitor not to provide any information. My understanding—and we are having it checked now—is that we actually were providing the report to your office, following a request. I am finding out whether that happened and what the timing of it was. You have now introduced another individual into this scenario. All of this has been within the legal framework of the Freedom of Information Act and the Privacy Act. We have had a number of individuals request certain documentation from us. We are restrained as to what information we can provide because of those particular acts, and yet it seems that we are accused of protecting some people and not protecting others.

This is a very difficult situation. As I said, there are two separate investigations being undertaken by reputable people. We had the process investigated by a third party. The only non-transparency is when, as I say, the Privacy Act and the Freedom of Information Act protect individuals. Those individuals have the right to decide whether information is to be released or not, and on a number of occasions those individuals have said that they did not want that information released. So we are in a difficult situation. I am not aware of how we could have been any more transparent. We have used the process and we have used professional people to undertake the investigation. We have had a third party—again, a reputable party—look at our processes and they have said that there was nothing wrong with our processes. These are very difficult situations that we have to deal with, and I believe that our staff have been very professional in the way that they have dealt with them.

Senator LUNDY—Minister, I just want to be very clear about this. The question about the AGS report was placed formally on notice through the Senate Table Office on 7 April.

Senator Kemp—In that case, I will consider the issue. I do not think it has been brought to my attention since then.

Senator LUNDY—Thank you.

Senator Kemp—But you have already got it, so events have passed it by.

Senator LUNDY—It is the point. In response to Mr Peters, an independent external investigation rather than an ASC investigation would be a good start to relieving some of this pressure on the Australian Sports Commission. Using Athletics Australia as an example, a federal government inquiry into the sport was announced in March because there were significant concerns raised within the sport that the original inquiry completed by the Australian Sports Commission and Athletics Australia was not as impartial as it should be. Is it a correct assumption that that was the reason for the government calling an inquiry when there had already been an Athletics Australia and an ASC inquiry into the problems at Athletics Australia? Doesn't that example confirm the difficulty that the ASC has in being independent in its investigations? It re-establishes the point about the need for greater independence and transparency, and—

Senator Kemp—We have already discussed the proposal for an independent tribunal. We have already discussed that I think this is the way to go forward. We are now looking at the role—

Senator LUNDY—the general compromised position the ASC finds itself in when investigating sports that they fund. That is a broader question.

Senator Kemp—We think that it makes sense—the ASC and ASDA support this—to move towards an independent tribunal. In relation to these sensitive matters, there will always be accusations raised. There will always be aggrieved parties. It is an area which is naturally fraught with enormous tension because careers and reputations are at stake. The question is: what is the best possible process by which this can now be handled? My feeling is—and supported by both the agencies under my control—we move towards an independent tribunal. This will not stop in the end. People will make accusations of natural justice. People will make accusations against people.

Senator LUNDY—I think everyone agrees it is a difficult area.

Senator Kemp—We are all agreed on that. The debate has been about whether under the current processes the ASC has acted appropriately. Mr Peters has put to you that there are aggrieved people and there are people who feel that their reputations have been put at stake. It is very easy to make these attacks, and these attacks stick. I do not think you should be too pious about it. Forums in this parliament are used pretty vigorously and robustly at times and are often very careless about the reputations of people. I think that is why we should be appropriately cautious.

Senator LUNDY—I agree with that. I think the way this discussion has proceeded has been quite sensitive to that. In conclusion, I want to make clear when I mentioned earlier this

alleged prevalence of the use of growth hormone in cycling, I absolutely was not referring to Australian cycling. The allegations surrounding aspects of international cycling was the context I made that comment in. I have absolutely no information about that in Australian cycling, which I guess makes the issue that we are grappling with that much more shocking. I did want to clarify that, Mr Peters, because I know you did express concern. I have no knowledge that it is prevalent in Australian cycling.

I agree that these issues are extremely difficult and sensitive and I think that reinforces the point that the path you are obviously on and have now said that you are committed to will give you the opportunity to demonstrate that the government does have a commitment. The political comment I am making, of course, is that it has taken an extraordinarily long time, and I am pleased to hear that you are finally acting.

Senator Kemp—It has taken a long time, but on the other hand I do not want to diminish the role that people have played in the past. People have been operating under established procedures, and I think that you have to be careful about making allegations that are very serious. The implied allegation that the ASC has not acted properly is a very serious allegation and it should not be made lightly—

Senator LUNDY—Hence the opportunity Mr Peters has to defend the ASC's position here.

Senator Kemp—It should not be made lightly and it should not be assumed that people act in bad faith. These are complex and difficult issues, for the reasons that I have stated. I have to say that, with your track record on this, I think you are all too ready to raise an allegation which affects the reputations of people and the standing of various institutions. You have the right to do that, but you should be aware that they are not without cost to the individuals involved.

Senator LUNDY—Minister, I can assure you that I treat these issues with the utmost seriousness and I approach them on the basis that they are extremely sensitive. But they are also very grave matters that it is in the public interest to explore, and that is my job. I would like to go on to another issue now. Minister, can you tell me what the grassroots sports fund is?

Senator Kemp—Presumably, you are speaking about the Targeted Sports Participation Growth Program.

Senator LUNDY—No. I will put it into context for you.

Senator Kemp—I think you will have to define it more clearly.

Senator LUNDY—I had not heard of it either. Let me put it into context. On 15 October 2001—so we are going back a little way—just prior to the last federal election, Prime Minister Howard, Senator Grant Chapman and MP Trish Draper attended the Ingle Farm Sporting Club in the electorate of Makin. I will quote from the speech the Prime Minister gave there. He said:

I'm therefore very happy to say that one of the things we will do if we get re-elected is out of the grassroots sports fund is to contribute a sum of \$10,000 to this club to assist it with all of its sporting

activities, and also to make a like contribution of \$10,000 to the Pooraka Sports Club for similar purposes.

So can you tell me what the grassroots sports fund is?

Senator Kemp—I think I will have to look at the context of that. The way I define grassroots is the enormous support that we give through programs like the targeted sports program to encourage more young people to take part in sport. That is what I would say.

Senator LUNDY—That is what you would presume.

Senator Kemp—What date was that again?

Senator LUNDY—It goes back to before the last federal election.

Senator Kemp—That is before my time.

Senator LUNDY—We are nearly at the end of term so I am wondering if the grassroots sports fund has been created.

Senator Kemp—This government has given an enormous amount of money to sport—record funding to sport. We have mentioned the programs that this government is involved in, including the targeted sports program.

Senator LUNDY—There is no grassroots sports fund, is there, Minister?

Senator Kemp—That is what I call grassroots sport.

Senator LUNDY—The minister said that the grassroots sports fund was going to contribute the money in a certain way.

Senator Kemp—She may have been speaking broadly; she may have used—

Senator LUNDY—Sorry, this was the Prime Minister speaking.

Senator Kemp—In that case, let me just say that there is a major program to encourage grassroots sport that this government has undertaken, so I am not sure what point you are making.

Senator LUNDY—Could you take it on notice? I think that the Prime Minister made it up in order to garner votes.

Senator Kemp—I think you are dead wrong, Senator. I think that the Prime Minister—

Senator LUNDY—You can now provide the evidence as to why I am wrong.

Senator Kemp—probably had in mind the important programs we have in place to encourage grassroots sport. He may have used a term which is not commonly used, but I will take it on notice.

Senator LUNDY—Can anyone at the table tell me whether or not grants of \$10,000 were made to the Ingle Farm Sporting Club and whether a grant of \$10,000 was made to the Pooraka Sports Club after the 2001 election? Was this promise of the Prime Minister honoured? I am asking the Sports Commission. You handle most of the government's sports grants. Are you aware of these grants having been made?

Mr Peters—I think from memory there were some grants made after the election. I am not quite sure whether they were to those groups, but I am happy to check.

Senator LUNDY—Under what program?

Mr Peters—I do not know.

Senator LUNDY—You do not know?

Mr Peters—No.

Senator LUNDY—Were you there in 2001?

Mr Peters—Yes, but it depends when in 2001 it was.

Senator LUNDY—My question was: it was an election promise prior to 2001 so, after the 2001 election—any time, even up until yesterday—did those sports clubs receive that money as promised by the Prime Minister in the election campaign when he was on the stumps with Trish Draper?

Senator Kemp—We will take that one on notice. Frankly, I cannot provide the detail of every grant, but we will take that on notice.

Senator LUNDY—I would ask the commission then if there is a grant program that would be able to provide such grants to such clubs, whether it is in targeted sports or any other program.

Mr Peters—There is no program called the grassroots program at the moment. Again, I cannot remember all of the programs that may have been in place in 2001. We will take that on notice. From memory, I think there were some grants given out to some clubs, but that may have been under our club network program. Certainly those particular ones you talk about we will take on notice and get back to you about.

Senator Kemp—Are you saying that those clubs have not received the grants?

Senator LUNDY—I do not know. I am asking that question.

Senator Kemp—Senator, we know that these things do not happen entirely at random. You just pull out a list of grants and ask whether they have been delivered. I would just like to know whether you are aware of whether those clubs have received any money.

Senator LUNDY—No, I am not aware.

Senator Kemp—You are not aware. So you have had no contact with those clubs at all?

Senator LUNDY—No. I am asking you.

Senator Kemp—And your staff have had no contact? Leave it with us. We will see what we can find out.

Senator LUNDY—The Prime Minister, at the time of making this speech, was obviously giving an endorsement to the local member. The focus on sport and grassroots participation was obviously a strong element. What we know so far is that there was no grassroots sports fund, even though it was specifically reference by the Prime Minister—

Senator Kemp—You have said that 10 times, and I have responded each time, Senator.

Senator LUNDY—We do not know whether these clubs have received this funding, and the ASC is unable to provide advice on whether or not there is an eligible grant program to provide it.

Senator Kemp—There are probably thousands of grants that are made by the Australian Sports Commission over the years. You have asked whether someone has received a particular grant three years ago. Shucks, I cannot produce this for you off the back of my hand, Senator! This is a bit of a surprise, I know. What I suggest you do is leave it with us. You apparently do not know whether they have received the money or not. That is what you are saying to us. You have had no contact with those clubs.

Senator LUNDY—Never heard of the grassroots sport fund.

Senator Kemp—You have had no contact with those clubs, and you do not know whether they—

Senator LUNDY—Is this one you trot out during the election time?

Senator Kemp—have received it so, assuming you are being entirely accurate in what you are informing the committee—

Senator LUNDY—I am asking questions.

Senator Kemp—we will look closely at it and provide you with a response.

Senator LUNDY—Minister, was it common practice of the Prime Minister to use the mythical grassroots sports fund to race around marginal seats and make promises?

Senator Kemp—If you want to have a political debate, I suspect the officers could leave the table and you and I can talk about politics. You see, Senator, what I will do is look at what the Prime Minister said and then I will provide a response to you. But if you are talking about whether this government has a program to encourage grassroots sport, this government—with things like the targeted sports program—can hold its head up very high, compared to all previous governments and in particular the Hawke-Keating government. We have not had a sports rorts program—that is true, Senator.

Senator LUNDY—We might have just found it—the grassroots sports fund—only there is no money. That is really cute!

Senator Kemp—The one thing that stands out from the 13 years of the Labor government is sports rorts and whiteboards. I am sorry you have raised this issue but, if you want to have a political debate, we will have a political debate. But I do not know why we are wasting the time of these distinguished officers at the table.

Senator LUNDY—Can I place a question on notice also to the department. If there is a slush fund out there through which these promises are actually honoured perhaps it was not through the Australian Sports Commission, so I ask the department to also peruse them.

Senator Kemp—Are you opposed to these grants being given to these clubs?

Senator LUNDY—No, I just want to get to the bottom of the Prime Minister's grassroots sports fund.

Senator Kemp—You are opposed to grants being given to sports clubs; we understand that. You seem to be worried about whether this government is interested in grassroots sport. I think I have answered that.

Senator LUNDY—I am working on the information I got from the Prime Minister's web site, from the text of a speech he gave in supporting Trish Draper at the last federal election. It is a marginal seat—\$20,000 was promised to clubs.

Senator Kemp—I suspect an overenthusiastic researcher has brought that to your attention, because you do not seem to be very well informed about it.

Senator LUNDY—I would like the ASC to take on notice a number of facets: firstly, if any grants were made to those clubs and, if so, through which program; secondly, how do clubs apply for such grants through that program and is it still available; and, thirdly, if there has ever been any special requests or discretionary funding applied for any purpose outside the normal, published and public programs that the Australian Sports Commission supports. In other words, is there a secret Prime Minister's slush fund called the 'grassroots sports fund' which he uses to hand out bribes to marginal electorates in the lead-up to the election.

Senator Kemp—The Labor Party is the expert on slush funds with the famous sports rorts, which will forever live in Australian history.

Senator LUNDY—I suspect this one does not exist.

Senator Kemp—Sports under Labor is associated with sports rorts. This is a Liberal government, it is not a Labor government. Do not judge us by your standards.

Senator LUNDY—It is a mystery. It is pretty embarrassing for you. I would have thought you would at least have been advised about the grassroots sports fund.

Senator Kemp—The embarrassment actually relates to yourself.

Senator LUNDY—You looked pretty much at a loss when I first raised it.

Senator Kemp—From 2001? That is a very big point, Senator.

Senator LUNDY—We are heading into an election.

Senator Kemp—Yes, I can see that.

Senator LUNDY—If these dirty tricks were deployed in 2001 I would not put it past the coalition to trot them out again. I do not think it appropriate that the very important issue of grassroots sport is treated as appallingly as the Prime Minister and Trish Draper have.

Senator Kemp—Very unfortunate comments, Senator. Let's just get on record, seeing that you have made a political point: do you condemn the sports rorts as run under the previous government by Ros Kelly and Paul Keating? Let's have a clear response to that, to test your sincerity.

Senator LUNDY—The issue I have been discussing is grassroots sport. Don't try and avoid the questions.

Senator Kemp—*Hansard* will show that you made an attack on this government regarding what you believe to be slush funds and rorts—

Senator LUNDY—Will you rule out a sports slush fund for the forthcoming election?

Senator Kemp—Then I asked you a simple question so you could show your sincerity, in view of the principled way you are coming at this, and indicate your condemnation for sports rorts under Ros Kelly and Paul Keating. The *Hansard* will show that after this long period you still could not condemn that program. The shadow sports minister did not find it necessary to condemn that program. That is a big message. Thank you, Senator; that is all on the record.

Senator LUNDY—I was ignoring your comments.

Senator Kemp—You have time now to correct it; the *Hansard* is open.

Senator LUNDY—What I want to know is whether or not you are planning to have a slush fund—

Senator Kemp—Ducked it again.

Senator LUNDY—for the forthcoming election in the area of grassroots sport.

Senator Kemp—This government will always act in an ethical fashion, unlike the previous government. I repeat that you were given the opportunity to condemn sports rorts under Paul Keating and Ros Kelly and you were unable to do it.

Senator LUNDY—You are starting to waffle, Minister.

Senator Kemp—No. I am just bringing to the public's attention the standards of the shadow minister for sport.

Senator LUNDY—What we are looking at here is a vote-buying slush fund. Do you intend to have one in the lead-up to the next election?

Senator Kemp—Is this the best you are able to do?

Senator LUNDY—Tell me.

Senator Kemp—Is this really the best you are able to do?

Senator LUNDY—Do you have an announcement? Can I ask the ASC if they have some money put aside for special grants leading up to the election?

Senator Kemp—Let me assure you: there is no whiteboard and no sports rorts under this government; that belonged to the previous government. This government will always act in an ethical fashion.

Senator LUNDY—If all you can talk about is a whiteboard, then you are a pretty sad case.

Senator Kemp—I think we should wind this up. Clearly, Senator Lundy has no serious questions. I think we can, at least, dismiss the officers. I am happy to stay here until 11p.m. as agreed.

Senator LUNDY—I still have more questions for the officers and, when you are quiet, I will ask them.

Senator Kemp—Why are you wasting everybody's time with these inane questions?

Senator LUNDY—Minister, you have been waffling on for five minutes.

Senator Kemp—You have been asking me questions and I have been responding.

Senator LUNDY—With waffle—waffle, waffle, waffle.

Senator Kemp—Could you kindly ask some sensible questions, because we have all these senior officers here. Let's get into the substance of sport and let's not waste any more time.

Senator LUNDY—Can the Australian Sports Commission provide details of any unusual grants that have occurred in the last three years that do not sit within defined and published programs—that is, that are not currently on the public record? I would like the response to this question to be most comprehensive and full-ranging in terms of the types of grants.

Senator Kemp—Let's just get it clear: what do you mean by 'unusual grants'?

Senator LUNDY—As I just said, outside of published and existing programs.

Senator Kemp—So if the grant has been published, does that mean that we do not have to record that on notice for you? Is that right?

Senator LUNDY—That is right.

Senator Kemp—I can assure the department and the Sports Commission that I will not want too many resources directed at such a fruitless exercise. But, if Senator Lundy can be provided with any information, we will see what we can do. Senator, I think you have to pursue a more serious line of questioning; this is getting more and more ordinary.

Senator LUNDY—Are there funds going to select sports clubs that can be accessed? We get many requests from sports clubs seeking assistance, and it is quite urgent in many cases and quite understandable. Is there any fund available by which sports clubs of this nature can get access to federal funds?

Senator Kemp—What we normally do—

Senator LUNDY—I am asking the Sports Commission.

Senator Kemp—I will reply at the start and then the Sports Commission can respond. We always get requests from many organisations and sports clubs. One thing that we always do is refer them to the Australian Sports Foundation. In fact, I hear some very good stories about the use of the Australian Sports Foundation, which provides tax deductibility. That is a facility which, hopefully, is being increasingly accessed by sports. It encourages of course private donations. It is one way, I think, in which people can successfully raise money, and tax deductibility is an important facility.

Senator LUNDY—That is a separate point, but I will ask Mr Peters to answer my question.

Mr Peters—We do not have a specific grants scheme that clubs can apply for but, in our club development, in our programs in women and sport, in our grants scheme with the Office of the Status of Women and in our disability area, when we work with NSOs some of that money may well end up in the delivery of a particular program with a club. So there is no specific program that a club can apply for, but they may well be the beneficiary of funds

provided in one of these programs through the NSO and the state sporting organisation. In fact, when we have piloted some programs, often it is done in a region by clubs.

Senator LUNDY—I guess that is self-reinforcing. Money could go to a club indirectly through a different sports initiative but not in the way the Prime Minister described, where the grant is made directly to the club per se?

Mr Peters—Again, I have only heard what you have read from the Prime Minister's speech, and I am not aware of that.

Senator LUNDY—That is all I know about it as well. Minister, can you fill us in on the current situation with the request for the Elphin Sports Precinct, seeing that we are talking about requests for funding? In fact, do you have any discretionary funds available to you for special requests from the sports community that these clubs should know about?

Senator Kemp—This particular facility that you are talking about is in—

Senator LUNDY—I am not sure where it is.

CHAIR—What is it called again?

Senator LUNDY—Elphin.

CHAIR—So it is not a suburb.

Senator Kemp—There is one in Launceston—is that what you are talking about?

Senator LUNDY—Yes.

Senator Kemp—I think I will take on notice.

Senator LUNDY—I think they were looking for \$8 million support from the federal government.

Senator Kemp—I am aware of this particular project and that there has been a lot of discussion about it. What I am not aware of is where that all stands at the moment. I am aware of the press reports. To ensure accuracy, I will take on notice.

Senator LUNDY—Do you have funding available within your portfolio which could be applied to that particular request or would it require a separate budget?

Senator Kemp—We do not have a capital program in my portfolio. I can obtain capital funds from time to time. Bathurst is an obvious more recent example of where I wrote to the Prime Minister and we obtained funds. There is not a general capital fund from which I can distribute funds at this point in time. I would always like to have one, but I do not.

Senator LUNDY—So to get funding of that kind you need to get cabinet support and a special line allocation in the budget or additional estimates or something.

Senator Kemp—I would have to go through government processes. I cannot just say yes to a particular project like that. I would have to go to higher authorities.

Senator LUNDY—Have you ever done that?

Senator Kemp—I write to the Prime Minister from time to time on various things.

Senator LUNDY—Have you had any success?

Senator Kemp—The budget announcement on Bathurst was certainly a success for motor sport.

Senator LUNDY—What about the funds for the shooting range in Danna Vale's electorate? Where did they come from? Was that you?

Senator Kemp—Are you talking about Holsworthy?

Senator LUNDY—That is in Danna Vale's electorate, isn't it?

Senator Kemp—Is it? I am asking: are talking about Holsworthy?

Senator LUNDY—Yes.

Senator Kemp—That was a Federation Fund grant.

Senator LUNDY—Federation Fund—did you have a say in that?

Senator Kemp—I am just not that senior. There have been ongoing discussions about it. The Federation Fund has run its course, by and large, and was not administered by the previous sports minister, as far as I am aware, nor by me.

Senator LUNDY—But it was useful for a capital works sports fund for marginal seats of coalition members.

Senator Kemp—I tell you what, Senator, I think you are probably showing signs of being before this committee for 36 hours. This is pretty ordinary stuff. Would I like to have a capital fund? Of course I would; any sports minister would, but there is no fund that I can dip my hand into.

Senator LUNDY—But there seems to be a variety of funds—

Senator Kemp—Governments can make decisions.

Senator LUNDY—that you can get access to if you press the right buttons and are marginal or conservative enough.

Senator Kemp—First of all, there is no sports rorts fund, which you still do not find it possible to condemn, I notice. There is no such fund. The government will make capital grants from time to time.

Senator LUNDY—Can you give an indication as to whether the federal government is seriously considering the Elphin project?

Senator Kemp—This is being handled elsewhere.

Senator LUNDY—By whom?

Senator Kemp—It is not being handled by me.

Senator LUNDY—Why not? It is a sports thing.

Senator Kemp—I shall see where this particular proposal is at and either provide you with information or direct you to the people who can provide you with the information. That is the

probably the best way to do it, unless anyone here at the table can add any information. Apparently, we cannot assist you.

Senator LUNDY—Is there any reason for the delay in the government's consideration of that project?

Senator Kemp—Sometimes I have said that you do not seem to listen to the answers.

Senator LUNDY—I am just giving you an opportunity, Minister. If you do not want to take it, that is fine by me.

Senator Kemp—We have come back to this thing twice. I will say now what I said before: this is a project which I do not believe I have the information on hand to provide to you, but I will take it on notice and I will get you the information.

Senator LUNDY—I have a few more questions.

Senator Kemp—I hope they are better than the last series.

Senator LUNDY—I am doing really well with my timing this morning.

Senator Kemp—I have to say that, in my eight years before Senate estimates, that was the most ordinary series of questions I have experienced.

Senator LUNDY—You say that every time.

Senator Kemp—No, I do not. That is the first time I have said that.

Senator LUNDY—I expect you to say that; you would say that.

Senator Kemp—In that case, if I do say that it is because you get more and more ordinary.

Senator LUNDY—You hate being accountable.

Senator Kemp—I love Senate estimates; I just hate wasting time, and we are wasting time profoundly.

Senator LUNDY—You hate seeing the coalition government embarrassed and exposed to a higher degree.

Senator Kemp—Senator, you have run out of questions—just wind it up. We have very senior people here. It is embarrassing for the Senate to have them go through this.

CHAIR—Senator, if you have more questions, please proceed with them.

Senator LUNDY—I am waiting for the minister to stop waffling.

CHAIR—Otherwise we ought to wind it up because we have other programs and portfolios to go to.

Senator LUNDY—Does Senator Tchen want to contribute to the waffle and waste more time?

CHAIR—No, you are here to ask questions.

Senator TCHEN—No, I will leave the waffling entirely to you, Senator Lundy.

Senator LUNDY—According to information provided in answers to questions on notice, the grants and loans made by the government to the Australian Soccer Association are being administered by the Australian Sports Commission in accordance with Australian Soccer Association's business plan. Has this business plan been completed and accepted by the Australian Sports Commission?

Mr Peters—Yes.

Senator LUNDY—Can the ASC provide a copy of this business plan to the committee?

Mr Peters—Yes.

Senator LUNDY—Prior to the disbanding of Soccer Australia and the founding of the Australian Soccer Association, I understand the Sports Commission were given around \$2.3 million to fund elite soccer development—that is, Australia's national junior men's and women's soccer, Olympic and senior women's teams—and Soccer Australia have topped up the elite sports fund by around \$1 million a year. Is that correct?

Mr Peters—The majority of the \$2.3 million we provided was for the junior men's full residential program at the AIS and the women's camps program. There was also some money for coach development and sport development, but it was a very much smaller percentage of it. I am not aware of the exact figure that Australian Soccer topped it up with, but if they talked about their Socceroos program, it would be far greater than the \$1 million figure you have there. That is an historical thing. We can go back and get those details.

Senator LUNDY—If you could. Is this funding still being provided to the Australian Sports Commission in addition to the \$3 million annual grant, or has it in effect been replaced by the grant money?

Mr Peters—It is still being provided.

Senator LUNDY—It is still being provided, but you do not know the actual figure.

Mr Peters—The \$2.3 million is still being provided. The figure I am not sure of is the figure which you referred to that Soccer Australia were contributing prior to the review.

Senator LUNDY—Is that additional Soccer Australia element still being provided?

Mr Peters—I would suggest it is far greater than that. The budget in the business plan is significantly larger than the one for the previous Soccer Australia body.

Senator LUNDY—What is it in the current business plan?

Mr Peters—I cannot remember the exact figure in the business plan.

Senator LUNDY—Ballpark?

Mr Peters—I think it is now in the \$20 millions—I cannot remember whether it is low or high.

Senator LUNDY—That will be for the purposes of the national junior men's and women's, Olympic and senior women's soccer?

Mr Peters—The senior teams, yes.

Senator LUNDY—And the junior men's and women's?

Mr Peters—Yes.

Senator LUNDY—So \$20 million will be received by the—

Mr Peters—You asked me for a ballpark figure. I think it is low or high \$20 million. There are two pillars for the financial future of Australian soccer. They need to brand the Socceroos—and then hopefully the Matildas will gain in popularity, as women's soccer is one of the fastest growing sports. Their initial priorities are, firstly, to brand the Socceroos, because there is a lot of revenue if you can play home games in Australia—like the recent Turkey games. They are looking to have Australia play more games out of a European or English base because the costs of getting players and ensuring their availability to come back and play in Australia make it very difficult. The second is that they need a successful national league. They have separated the national league out as a separate funding entity, but a priority is to work with all of those national teams, including the juniors.

Senator LUNDY—I appreciate that, but this is money from the Australian Soccer Association going back to the Australian Sports Commission and the AIS soccer program. Do you know what I mean?

Mr Peters—How much of their budget supplements the programs run at the AIS?

Senator LUNDY—Yes. I think their contribution used to be around \$1 million to supplement those programs. The question is: is that funding still being provided?

Mr Peters—Perhaps a definition of the AIS programs would help in terms of what contributions are made by all sports, not just soccer. Mr Scott can talk about the way the AIS runs its budget.

Senator LUNDY—I think if I see the business plan, I will be able to better target my questions on notice. Obviously the government has supported the Australian Soccer Association to do a whole range of things, but the AIS and the Sports Commission have previously had a contribution from Soccer Australia. What I want to know is what the nature and value of that contribution will continue to be. You do not know and I do not know. I do not know what is programmed, other than what was before, or whether or not that can continue. If you do not know any of it then I will put it on notice. But can you tell me whether any money in the grants to the Australian Soccer Association generally was specifically allocated for the Matildas or Olyroos?

Mr Peters—The business plan costs out over the next few years the cost of those programs and the funds provided by the government in the rescue package. Also, our continuing funding very much goes to support those two programs. Without that funding, those programs would not happen.

Senator LUNDY—What about funding to grassroots and, for example, junior soccer clubs?

Mr Peters—The business plan looks at growing the sport. In a strange way, soccer is probably one of the best advanced grassroots sports in terms of the number of young people

playing the sport. Their difficulty has been turning that into athlete and talent pathways and having a linkage between the senior bodies and those juniors, and that has been one of the complaints. We are presently considering with them the introduction of a targeted sports program which picks up a Victorian model and gives a bit more structure to the way the transition from juniors happens. They are aware of that, but their immediate priority—as you will see from their business plan—is establishing their brand names. They have to actually get themselves financially viable.

Senator LUNDY—So there is nothing for grassroots in the business plan?

Mr Peters—They are going to work with the states in terms of coaching directors. If you are going to have efficient programs at the junior club levels, you have to put coaches, officials and all of that in place. The money is used to develop coaches. We have accreditation schemes for coaches and officials, so that is part of the delivery down at the state level. The conducting of regional, state and national competitions in the junior ranks is also part of providing incentives and pathways for young soccer players. In each of the states and territories, as with all sports, you have state sporting associations who get separately funded by state governments. Their role is primarily to work at the junior development level, and they will go into agreements with the Australian Soccer Association on how best to implement programs.

Senator LUNDY—Does the business plan also include budgets for the executive salaries of the Australian Soccer Association?

Mr Peters—It has figures in there. It does not individualise each of the packages, but it has salary figures in there in summary form.

Senator LUNDY—Okay, I will wait until I see that. Do the state soccer associations currently contribute any money directly to the Australian Sports Commission soccer programs?

Mr Peters—The former board of Soccer Australia implemented a capitation fee, which again is a commission we believe all sports should have in place. It was recommended in the Crawford report that that capitation fee continue, and the Australian Soccer Association are intending to continue that. Their hope is that, when they are financially stable, they can contribute more money back to the grassroots level. But the intention is, since the Crawford report and within the present board, that that capitation fee should continue to apply to all soccer players in Australia.

Senator LUNDY—I obviously do not have the business plan in front of me but I am presuming that a substantial amount of the government grants are focused on, as you say, developing the brand at the elite end of the sport. Currently the capitation fees are continuing. Are you concerned that that gives the impression that the grassroots of soccer are still required to effectively fund or supplement the program for the brand development and elite development of the game, despite the massive injection of federal government funds?

Mr Peters—It would be true to say that soccer Australia was a sport that had no system. It had no planning and obviously had no future. The new business plan sets priorities of how the

sport can financially become self-reliant within a three- to four-year period. Once they establish themselves as financially stable then they can look at a lot of the things I know the board would like to do—that is, to move the sport in all elements, including grassroots. But that sport needs to identify revenue avenues very quickly. That revolves around the success of the Socceroos and the success of the National Soccer League. They cannot be distracted from attracting other sponsors. The idea is for them to be at the same level of support that the AFL, the rugby codes and cricket are and to be less reliant on government funding than they are at the moment.

The business plan is structured on how they generate the revenues to allow themselves to do that. Part of those discussions with state associations, all of whom are going through restructuring with state governments at the moment, is about continuing the development of their sport. As I said, they have a very strong junior base now. It is establishing pathways for those young people who want to go on and represent Australia with the Matildas or the Socceroos or to go into refereeing at a senior level. They have a major task. The package from the government has been very generous in allowing them to establish themselves or to awaken the sleeping giant, which is the catchphrase around the place. That is their challenge at the moment.

Senator LUNDY—What is the interaction like at the moment between the Australian Soccer Association and the state bodies generally, but also in the context of the progress of the Crawford review recommendations?

Mr Peters—About 80 to 85 per cent of the Crawford recommendations have already been introduced. The other 15 per cent will happen over the next six months. That is a matter of negotiations. We still have a staff member working with Soccer Australia, with the states and territories and with the state and territory governments on the restructuring of the state bodies and we are in continual dialogue with them as to how they are going. The feedback I am getting from the state governments and those people trying to drive reform in the state government is very positive. Again, there are always some individuals who wish to cling to the past and some false power bases but that is the beauty of volunteer sport.

Senator LUNDY—Just out of interest, how many of the state representatives are interim members of the ASA board and how many are full members?

Mr Peters—There are no state members on the ASA board. They are people independent of official positions within soccer.

Senator LUNDY—Was that part of the Crawford review recommendations.

Mr Peters—That was part of the Crawford report. Underlying that there have been committees established for coaching, for women's soccer and for juniors. Each of those representatives, together with representatives from the states based on a capitation ratio, form the voting members of the organisation. If those members believe the present board is not operating effectively, they have under the constitution with a 75 per cent majority the ability to vote those people out. The states or the members retain the overall power as to how the sport will proceed. That also involves some of the special interest groups we have established under the Crawford report. But within our recommended model for governance of the ASA

board at the moment, people should not hold official positions within their state or territory because it is perceived that they may well bring a bias to the table. It is independent thinkers who are needed in a number of sports.

Senator LUNDY—So what is the relationship like? I know this is obviously a sensitive issue in the context of the Crawford recommendations. What is your observation?

Mr Peters—My observation is that it is very positive. I think the Crawford report was embraced by the majority of soccer people. I think there has even been a conversion of those who were very sceptical. But when you do massive change like that, there are always some people who want to relive the past glories—false as they may be.

Senator LUNDY—Finally, to what degree does the business plan incorporate the goals of the Crawford report?

Mr Peters—The whole basis of the government's rescue package is that the Crawford report will be implemented—

Senator LUNDY—So they are completely integral.

Mr Peters—Yes. We are quite pleased with the progressing of that at the moment.

CHAIR—I thank officers from the Communications, Information Technology and the Arts portfolio. I thank Ms Williams for being here and thank you, Minister, for your patience in going through these estimates.

Senator Kemp—It is always a pleasure.

Proceedings suspended from 10.56 a.m. to 11.18 a.m.

ENVIRONMENT AND HERITAGE PORTFOLIO**In Attendance**

Senator Ian Macdonald, Minister for Fisheries, Forestry and Conservation

Department of the Environment and Heritage**Executive**

Mr David Borthwick, Secretary
Ms Anthea Tinney, Deputy Secretary
Dr Conall O'Connell, Acting Deputy Secretary

Approvals and Wildlife Division

Mr Gerard Early, First Assistant Secretary
Mr Malcolm Forbes, Assistant Secretary, Environment Assessment and Approvals Branch
Mr Mark Flanagan, Assistant Secretary, Policy and Compliance Branch
Ms Anne-Marie Delahunt, Assistant Secretary, Wildlife Conservation Branch
Mr Ian Cresswell, Assistant Secretary, Wildlife Trade and Sustainable Fisheries Branch

Australian Antarctic Division

Ms Linda Hay, General Manager, Policy Coordination
Mr Rod Allen, General Manager, Corporate
Mr Kim Pitt, General Manager, Operations

Corporate Strategies Division

Mr David Anderson, First Assistant Secretary, Corporate Strategies Division
Mr Peter Woods, Assistant Secretary, Knowledge Management and Education Branch
Mr Peter Brent, Director, Finance Reporting Section

Heritage Division

Mr Bruce Leaver, First Assistant Secretary Heritage Division
Dr Barry Reville, Assistant Secretary, Heritage Assessment Branch
Ms Alison Russell-French, Assistant Secretary Heritage Management Branch

Land Water and Coasts Division

Mr Tony Slatyer, First Assistant Secretary, Land, Water and Coasts Division
Mr Theo Hooy, Assistant Secretary, Water Branch
Dr Rhondda Dickson, Assistant Secretary, Natural Resource Management Policy Branch
Mr Stephen Oxley, Assistant Secretary, Marine Environment Policy Branch
Mr Mark Carruthers, Acting Director, Strategic Management Section
Mr Peter Taylor, Director, Marine Protected Areas Taskforce

Natural Resource Management Programs Division

Ms Chris Schweizer, Acting First Assistant Secretary, Natural Resource Management Programs Division
Mr Harry Abrahams, Director, Queensland NRM Team

Parks Australia

Mr Peter Cochrane, Director
Mr Darren Schaeffer, Business Manager, Business Management Section

Policy Coordination and Environment Protection Division

Mr Phillip Glyde, First Assistant Secretary, Policy Coordination and Environment Protection Division

Ms Kerry Smith, Acting Assistant Secretary, Communications and International Branch

Mr Mark Hyman, Assistant Secretary, Environmental Protection Branch

Mr Peter Burnett, Assistant Secretary, Environment Standards Branch

Ms Kathleen Mackie, Assistant Secretary, Policy Development Branch

Supervising Scientist Division

Dr Arthur Johnston PSM, Supervising Scientist

Mr Alex Zapantis, Assistant Secretary, Office of the Supervising Scientist

Great Barrier Reef Marine Park Authority

The Hon Virginia Chadwick, Chair

Mr John Tanzer, Executive Director

Mr Andrew Skeat, Executive Director

Mr John Barrett, Director, Corporate Services

Mr Peter Cronin, Manager, Finance

Mr Michael O'Keefe, Manager, Parliamentary and Ministerial Liaison

Office of the Renewable Energy Regulator

Mr David Rossiter, Renewable Energy Regulator

Sydney Harbour Federation Trust

Mr Geoff Bailey, Executive Director

Australian Greenhouse Office

Mr Howard Bamsey, Chief Executive

Dr Diana Wright, Division Head, Industry, Communities and Energy Division

Mr Gerry Morvell, Branch Head, Energy Futures Branch

Mr Ian Carruthers, Division Head, International Land and Analysis Division

Ms Jo Mummery, Branch Head, Land Management and Science Branch

Mr Greg Terrill, Branch Head, International and Strategies Branch

Mr James Shevlin, Branch Head, Built Environment and Communities Branch

Ms Shayleen Thompson, Branch Head, Industry and Markets Branch

Mr Mark McGovern, Chief Finance Officer

Ms Jo Evans, Manager, Greenhouse Friendly Team

Ms Jacquie Shannon, Manager, National Strategies Team

National Oceans Office

Mr Max Kitchell, Director

Mr Sean Sullivan, Deputy Director

Bureau of Meteorology

Dr Geoff Love, Director of Meteorology

Dr Louise Minty, Superintendent, Coordination and Information

Dr Ray Canterford, Assistant Director, Services

CHAIR—I declare open this public hearing of the Senate Environment, Communications and Information Technology and the Arts Legislation Committee considering the budget estimates for 2004-05. By resolutions of the Senate of 3 December 2003 and 11 May 2004,

the Senate has referred to the committee particulars of proposed expenditure for the year ending 30 June 2005, particulars of proposed supplementary expenditure for the year ending 30 June 2004 and the annual tax expenditure statement for the two portfolios of Communications, Information Technology and the Arts and Environment and Heritage, which we are now about to deal with. We have examined the Communications, Information Technology and the Arts portfolio over the past three days and we are now proceeding to the Environment and Heritage portfolio. The committee is required to report to the Senate on 17 June 2004, and it has set a deadline of Friday, 6 August 2004 for the return of answers to questions placed on notice.

I welcome Senator Ian Macdonald, the Minister for Fisheries, Forestry and Conservation, who is representing the Minister for the Environment and Heritage, the Hon. Dr David Kemp, MP, and officers from the portfolio. I particularly welcome Mr David Borthwick to his first round of estimates as departmental secretary. Before we move to questions, I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. I also remind officers that they will not be asked to express an opinion on matters of policy and that they will be given reasonable opportunity to refer questions asked of them to superior officers or to a minister.

Witnesses are reminded that the evidence given to the committee is protected by parliamentary privilege. I also remind you that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate.

I will call the agencies as per the agenda. I believe Senator Carr wishes to open questions on a general basis.

Senator CARR—On portfolio matters. Mr Borthwick, the statement that is published by the minister, Dr David Kemp, entitled ‘Sustainability Strategy for the Australian Continent—Environmental Budget Statement, 2004-05’ refers in chapter 1 to ‘whole-of-government environment expenditure and new measures’ on page 3. How important from the department’s point of view is the concept of a whole-of-government approach to environmental management?

Mr Borthwick—It is fundamental to the approach that the government is bringing to environment issues. That is the whole purpose of bringing out this statement. It is not just what happens in my department; it is what happens in the whole-of-government approach. I guess that is illustrated at the highest level by the Prime Minister chairing the Sustainable Environment Committee of cabinet, which brings together the key portfolios on environmental issues, and that approach is reflected in that statement.

Senator CARR—What happens when there appear to be actions taken that are inconsistent with this approach?

Mr Borthwick—The environment is one of those areas where it does butt up against economic and sometimes social objectives. Often those objectives are compatible with one another. The process of resolving that is through the Sustainable Environment Committee of

cabinet at the foremost level, and under that through normal interdepartmental processes. In terms of the area where it is most acutely felt—that is, the interaction on national resource management issues between my department and the Department of Agriculture, Forestry and Fisheries, we have a joint team, so it is a seamless arrangement. Our executives of the two departments meet regularly. We have officers of our department located in the DAFF portfolio, and vice versa. So it is a seamless operation.

This is in national resource management issues. We have a ministerial board that oversees those issues. My minister, Minister Truss, Minister Macdonald and Sharman Stone, the Parliamentary Secretary to my portfolio, are on that. So there is the Sustainable Environment Committee of cabinet, there is a ministerial board that focuses particularly on the National Action Plan for Salinity and Water Quality, and then there is the normal range of departmental interactions under that. So it is very much the approach that the government brings to try to make sure that it is integrated and that, if there are trade-offs, they are explicitly addressed and are brought to the attention of ministers for decision.

Senator CARR—I am pleased by that. It sounds very reasonable for an approach like that to be taken and, if I have understood your answer, your major interface is with Forestry. On page 5 of the department's budget statement, there is a list of agencies that are involved, outside of the agricultural and resource departments. When I look down the list, I see DEST mentioned, which I presume is a reference mainly to the CRC program, is it?

Mr Borthwick—Primarily the CRC program. A number of the programs that that department administers do directly address environment issues.

Senator CARR—So it would be CSIRO as well?

Mr Borthwick—CSIRO is broader than that. One of their research priorities or flagship initiatives is focusing on land and water issues and the like. We meet regularly with CSIRO, both at an executive level and throughout our organisation, on environmental issues.

Senator CARR—So the figure of \$61.3 million, which is the Department of Education, Science and Training's contribution to the environmental expenditure—I take it you take responsibility for this table?

Mr Borthwick—Yes, we do.

Senator CARR—How much of that is CRC money?

Mr Borthwick—I think that is spelt out in the attachment, appendix 1, to this statement. I will ask Mr Glyde to give you a breakdown of that.

Mr Glyde—The various elements that make up the CSIRO line and the DEST line in the table on page 5 are listed separately in appendix 1. By way of example, it is not all CRCs. Other activities that DEST undertake that do not relate to CRCs are listed on page 74. The second line from the bottom of page 74 is a line for DEST—'National Radioactive Waste Repository and Store'. On the next page, page 75, towards the bottom, under 'Inland waters', there is a listing of the International Centre of Excellence in Water Resource Management. A number of activities that DEST do outside of CRCs are also captured in this table.

Coming back to your question about which CRCs are listed in the table, there is a generic listing. If you look on page 77 under the heading 'Other'—the cross-portfolio things that do not necessarily fit under one category like heritage or parks and reserves—about six lines down there is 'DEST Cooperative Research Centres', which shows the expenditure as provided to us by DEST for the coming years in relation to CRCs.

Senator CARR—It is \$50 million?

Mr Glyde—That is the estimated expenditure for 2003-04.

Senator CARR—Out of the \$61 million contribution to the environment budget?

Mr Glyde—Correct.

Senator CARR—So it is the bulk of the budget.

Mr Glyde—Yes.

Senator CARR—They are not all the CRC programs, because DEST spends about \$230 million or thereabouts per annum on CRCs. So I take it they are the environmental CRCs that we are talking about. Would that be right?

Mr Borthwick—That is correct.

Senator CARR—We would be talking about the Great Barrier Reef world heritage area CRC, would we?

Mr Borthwick—I do not have the range of them, but there are the reef CRC, the wet tropics CRC, the Antarctic CRC and a range of others.

Senator CARR—But among the most significant are the three in North Queensland that go to support the world heritage area. Would that be a fair description?

Mr Borthwick—Yes, that is right.

Senator CARR—Are you familiar with the review of the CRCs undertaken last year by Howard Partners?

Mr Borthwick—Not in detail. I am aware that a review was undertaken, but that was the responsibility of the DEST portfolio, not my portfolio.

Senator CARR—Yes, it was a DEST review undertaken by Howard Partners. John Howard from Sydney University did the review. Did the department make a submission to the review?

Mr Borthwick—Can we take that on notice? I do not know whether we did or not.

Senator CARR—I would be surprised if you did not have someone here who could help us with that. Are you saying you do not have anyone here at the moment that could help me with that inquiry?

Mr Borthwick—We were anticipating going through the list of questions starting with the Antarctic Division, so the relevant people are not here to answer in detail.

Senator CARR—This is a cross-portfolio matter and that is why I am asking these questions now.

Mr Borthwick—I understand that.

Senator Ian Macdonald—Perhaps we could deal with those when the relevant officers are here.

Mr Borthwick—We will certainly get back to you over the course of the day on that question.

Senator CARR—In particular, are you aware that the guidelines for the CRC program changed last December?

Mr Borthwick—Yes.

Senator CARR—Are you aware that the guidelines specifically moved away from public benefit research?

Mr Borthwick—That is not really related to us. I think these questions should really be directed towards the DEST portfolio.

Senator CARR—I thought you might say that but, as we have already canvassed, \$50 million out of the \$61 million that is provided by DEST to the environment portfolio budget statement goes to these areas. I would have thought the management of these three CRCs, which have now been defunded, would have been a matter of some interest to the department.

Senator Ian Macdonald—‘I would have thought’ is not a question.

Senator CARR—It is a question.

Senator Ian Macdonald—What is your question?

Senator CARR—My question is: when was the department advised that these three CRCs were not successful in their funding applications?

Senator Ian Macdonald—I am not quite sure what this has to do with it, but does anyone know the date, the time and the second we were advised?

Mr Borthwick—We would have to check on when we were advised about that. I think the point needs to be recorded that funding for those CRCs is going to continue for the next two years, so it is not as though the funding for those CRCs will fall into a hole. The overall way in which those CRCs and their scientific endeavours are addressed is something for the government to consider. In that regard, I should mention that one of the four national research priorities identified by the government is the environment. Essentially, you will have to wait and see what happens. The key point from our portfolio’s point of view, because we agree with you that funding environment research is an important objective, is that funding is in place for the next couple of years.

Senator CARR—Their funding runs out in that period. Are you aware that the non-government sources of funding are already talking about withdrawing their funding because the government has not shown sufficient confidence in these CRCs?

Mr Borthwick—The key point for the three CRCs you mentioned is that funding is secure until June 2006. It is not unusual in all sorts of programs for funding to go out into the out year, and then matters are addressed by government in a timely way.

Senator CARR—I will come to that, in particular the timeliness of government addressing these issues, because I have got some statements here that go directly to your responsibilities, Mr Borthwick, on behalf of the department. I will come back to this point. The critical issue here about the defunding of these CRCs was the change of the guidelines. That is why I am interested to know when the department was advised and what advice the department provided to the CRCs, given that in one case, the Great Barrier Reef heritage area CRC, one of the agencies of the department is in fact a core contributor.

Mr Borthwick—Yes, GBRMPA.

Senator CARR—Presumably you were advised that there was some change in the guidelines.

Mr Borthwick—I was not in the department at the time and I was certainly aware that there was a change in the guidelines. There was a far greater emphasis put on making research more commercial in its orientation in terms of the CRC guidelines. The CRCs as originally formulated were primarily directed towards commercial research rather than public good research. Over time it evolved more towards public good research. So there was an explicit government decision at the time to direct CRC spending more towards commercial research. I think the point that needs to be made is that, in terms of environment spending, funding under those CRCs is secure for the next two years, as I mentioned before, and there is a range of alternative ways in which environment research can be funded.

Senator CARR—You are very anxious to tell me about that, and I will be only too happy to accommodate you, but I need to establish what has happened within the department. I have a copy of the review here. Contrary to what you have just said, it says:

The CRC Programme also addresses a market failure, particularly in environmental research, but also in agricultural research, that enables more attention to be given to the application of knowledge to reverse environmental degradation and biodiversity loss than would otherwise be the case.

Senator Ian Macdonald—Which report is this?

Senator CARR—This is the review of the CRC program by Howard Partners.

Senator Ian Macdonald—Done for the department of environment?

Senator CARR—No. We have already canvassed this. Minister, it would be helpful if you actually listen to the proceedings.

Senator Ian Macdonald—I am simply making the point that if it is a report to another department you should ask the other department about it.

Senator CARR—We have already canvassed that. The secretary has just advised the committee that the CRC program was to perform a certain function, and the review clearly contradicted that advice to the committee. I ask Mr Borthwick: were you able, once these review committee decisions were brought down, to make comment to the government, or was the department able to make comment to the government, about the nature of the review?

Senator Ian Macdonald—I do not think Mr Borthwick was in his role at that time. Obviously Mr Borthwick was not able to. Was the department? Have we got officers to talk about this?

Mr Borthwick—No.

Senator Ian Macdonald—Will they be here later?

Mr Glyde—I will need to take some advice on that.

Senator Ian Macdonald—As we said to you before, Senator, we had planned a certain way to go through the estimates. I appreciate you are talking about a broader thing, but if you want the accurate answers we will have to get the right officers here.

Senator CARR—Thank you, Minister. There must be other senior officers who were within the department at the time, earlier this year. Is that the case? Mr Glyde, were you in the department at the time?

Mr Glyde—I was. I am searching my memory to recall the precise events. I would like to take some advice and to have a look at, for instance, our cabinet processes, records and things like that. I would have to confirm my understanding before I would be comfortable answering. I will do that as quickly as I can.

Senator CARR—Sure. The secretary has been kind enough to draw to my attention the dispute resolution process within government. He has drawn our attention to the cabinet committee, the interdepartmental processes and of course the board between the two major departments that you referred to. At what point did the cabinet committee or any interdepartmental committee consider the question of the Howard report prior to its release?

Senator Ian Macdonald—What the cabinet committee talked about is not something we talk about in estimates. Was there a departmental approach to this? I am not sure.

Mr Borthwick—There was a departmental approach, but it was not coordinated by our department. You really need to direct your comments in that regard to both DEST and PM&C. They were both involved in that process.

Mr Glyde—I am worried there might be a possible misunderstanding here. Whilst the financial figures are reflected in the blue book as being environment expenditure, the expenditure for these does not come to our portfolio.

Senator CARR—I am only too well aware of how it works, but I asked you a series of questions to establish that early in the piece. You indicated to me that you stood by the figures within it and you indicated to me that you thought the CRC program was a major contributor towards the claimed moneys in this allocation. I do not think I have ever asked you: did you spend the money?

Mr Glyde—No.

Senator CARR—I asked you whether or not you had any input into the review, and we are waiting on advice on that, and I also asked you at what point were you advised of the applications and when they were defunded, and we are also getting advice on that. Given that one of your agencies is a direct core participant in at least one of these CRCs, I would be

surprised if you were not very interested in these matters—and I note from the compendium of CRCs that major environmental organisations throughout Queensland are. I ask you further: are you aware that John Howard, the managing director of Howard Partners, wrote to the CRC applicants in January this year and said that CRC evaluation completed last August recommended that the program be more sharply focused on economic industry outcomes and that CRCs be industry driven and that pure public-good related research not be part of the program in the future.

Senator Ian Macdonald—The question is: are you aware of that?

Mr Borthwick—I am not aware of that.

Senator CARR—If that view is taken, how many of the CRCs covering environmental research would in fact be funded?

Mr Borthwick—That is a hypothetical question. As you mentioned, there are explicit criteria for CRCs and it is a competitive process. They are assessed through that process and I cannot judge what will be the outcome of that process.

Senator CARR—The CRC for the Great Barrier Reef has total funding from direct Commonwealth budgetary sources of \$19.4 million, the CRC for tropical rainforests has \$19 million over the seven-year period and the CRC for coastal zones has funding of \$17.7 million. Can you confirm that those figures are right?

Mr Glyde—I do not have those figures in front of me to confirm them.

Senator CARR—You will just have to take it as read. I have read directly from the education department document.

Senator Ian Macdonald—If you know the answer, do not ask these officers. It is not their area anyhow.

CHAIR—But it is a relevant point.

Senator Ian Macdonald—He has got the information and he is satisfied with it, but he is asking whether it is right. We do not know. If you know it is right, we will take your word for it.

Senator CARR—I thank you for taking my word for it. It is very good of you. I am asking those questions because I want to be clear about exactly how much public expenditure is involved from the Commonwealth, as these organisations have been defunded. The member for Herbert, Mr Peter Lindsay, told the *AM* radio program on 19 May:

... a proposed budget has been submitted to the Government. We just have to get that ticked off ... there's two years to do that so I don't think there is going to be a problem at all.

Do you have any media monitoring of the major current affairs programs?

Senator Ian Macdonald—Whether the department does or does not, what various members say is not a matter for this department's estimates deliberations.

Senator CARR—It is precisely a matter for this department's estimates.

Senator Ian Macdonald—No, I said the department does not monitor what parliamentarians say as part of its estimates procedures.

Senator CARR—No, but it does have media monitoring and it would be aware, I take it, that there has been a claim made on ABC radio that there will be alternative funding found for these CRCs ‘out of environment dollars’. Are you aware of that statement, Mr Borthwick?

Mr Borthwick—I am aware of that newspaper article.

Senator CARR—And what about the *AM* broadcast? Sometimes politicians say they have been misquoted.

Mr Borthwick—I am aware of the general tenor of that statement.

Senator CARR—Can you advise the committee where to find it in the budget statements?

Mr Borthwick—I am not saying that the statement is right or wrong. I just note that there was a statement made to that effect.

Senator CARR—Yes, you have agreed that a statement has been made.

Mr Borthwick—Yes.

Senator CARR—I am now asking you to please show me in the budget documents where I might be able to identify a source of funding to replace the CRC moneys that have now been withdrawn by DEST.

Senator Ian Macdonald—Do you mean out of this portfolio?

Senator CARR—Yes. It says here ‘environmental dollars’. I presume that means this department.

Senator Ian Macdonald—You make an assumption that it says that. These people are not going to agree or disagree with your assumption. They are not going to give you their assumption, because that is not what they are here to do at estimates committee hearings.

Senator CARR—Can you identify in the budget papers presented to the parliament a source of funding from your department that might be used to replace the money that has now been withdrawn by the education department?

Mr Borthwick—I do not think it is a relevant consideration at this stage, because the funding is in place for the next two years for those CRCs.

Senator Ian Macdonald—So you can identify in the budget where money is going to CRCs. Give us the page number.

Mr Borthwick—Funding is guaranteed for the next two years for those CRCs.

Senator Ian Macdonald—And that is shown at page 77 of your statement, Senator. How more helpful can we be?

Senator CARR—Mr Borthwick, you can show me where your budget statements highlight that funding will be provided to those CRCs.

Mr Borthwick—No. You will have to look in the DEST forward estimates for that. But you can also see on page 77 that funding is going to CRCs in the environment area out to

2007-08. With respect to the three specific CRCs that you mentioned in the Northern Queensland area I can say that funding is in place until June 2006.

Senator CARR—Where can I find in the budget a discretionary pool of funds that can be used for environmental research, other than those you have identified that have already been appropriated in previous years and allocated to conclude in June 2006?

Mr Borthwick—It is not an issue that is relevant at this juncture, because the funding is in place for those programs.

Senator CARR—You say that it is not relevant. I am asking a specific question about whether there is a pool of discretionary funds within your department's budget that might be appropriated—

Senator Ian Macdonald—Do you mean beyond 2006?

Senator CARR—beyond that—which, as the member for Herbert said 'will replace the moneys that have been taken away from these organisations as a result of their failure to secure the next round of funding'.

Senator Ian Macdonald—Mr Borthwick has already explained, I thought very clearly, that, as far as this portfolio is concerned, funding is clearly shown for those relevant CRCs until 30 June 2006. Other funding will be a matter for governments to determine in future budgets.

Senator WONG—Have any discussions been held with the member for Herbert, by any officials within this department, regarding the future funding for these CRCs post the 2006-07 year? That is a reasonable question, Minister, given the answer that Mr Borthwick gave earlier to Senator Carr.

Senator Ian Macdonald—Let me make it clear, and you have not asked the question, but those discussions would be held in cabinet and in government and we are not going to tell you about those.

Senator WONG—I did not ask that, Minister.

Senator IAN MACDONALD—I know, and I acknowledged that you did not, but I am saying that that is where they would be held.

CHAIR—So it is those kinds of discussions.

Senator Ian Macdonald—They would be government decisions, not departmental decisions. You have asked the department where the funding is for the next two years. They have identified it. The government will make the decisions.

Senator CARR—Mr Warren Entsch, the member for Leichhardt, put out a press release on 18 May this year. He said he had raised the issue with the Prime Minister, and he had met with the Minister for Science, Peter McGauran; the Minister for the Environment and Heritage, David Kemp; and the Minister for Education, Science and Training, Brendan Nelson. He says all of them have confirmed their support for the CRCs, that the CRC guidelines make it difficult and that they were examining all options for alternative funding. I ask you specifically: what is the nature of the discussions with Dr David Kemp?

Senator Ian Macdonald—That is a question for me; that is not a question for officers. I do not know. I have not discussed with Dr Kemp what Mr Lindsay or Mr Entsch might have spoken to him about. I suspect that it is not a matter for this estimates committee but, to be helpful, I will refer that to Dr Kemp and see if he has an answer.

Senator CARR—Thank you. What funding options are available within the Department of the Environment and Heritage other than the funding that has been allocated to two years hence?

Senator Ian Macdonald—I hope I am being clear with this—and the officers can stop me if I am not—but these are decisions for government, not for the department. The department has identified to you where the appropriate funding is until the end of the next two financial years.

Senator CARR—Are there funding options in the department at the moment beyond that period?

Senator Ian Macdonald—Beyond 2006?

Senator CARR—Where would I find this in the forward estimates?

Senator Ian Macdonald—You will find it probably in next year's budget and in the following year's budget.

Senator CARR—But there is nothing in this current budget that I could draw attention to.

Senator Ian Macdonald—They are matters for government. We might decide tomorrow to do something.

Senator CARR—Yes, you might, but I am asking a question: where do I find it in the current budget? Are there any provisions in the current budget for any discretionary funding for environmental research other than that that has already been announced?

Senator Ian Macdonald—I imagine, if the NHT Board thought that there was a good research project, we might decide to do that. I do not know the department well enough to go through other areas, but departments can find money through various sources. I would suggest that the NHT Board might be an appropriate one, were the government minded to do that.

Senator CARR—How much funding is available through that source for discretionary research?

Mr Borthwick—It is a matter for the board to take decisions on relative priorities but, as Senator Macdonald said, that would be a matter for the board to do.

Senator CARR—But there is no particular pool that is available for discretionary funding.

Senator Ian Macdonald—Senator, you have asked that three times; we have answered it three times. We can keep saying what we have said, but I am not sure that that is going to take us very far. We have answered that to the best of our ability.

Mr Glyde—We have a variety of programs across the portfolio where research is undertaken for specific purposes, whether it be in the Antarctic Division, the Supervising Scientist Division or elsewhere. They are all undertaking research, and they are all

undertaking research that we have been directed to do as part of government policy. So there are lots of funding lines, if you like, within the portfolio where research is undertaken. The question of the relative priorities and what have you is really a matter for government to direct the portfolio.

Senator CARR—It would be fair enough to say that, if you chose to fund the Great Barrier Reef CRC, something else that is currently funded would no longer be funded.

Senator Ian Macdonald—These are hypotheticals and matters for government decision but, if you want to concentrate on what this estimates committee is about, if you look at page 77—which we have referred you to—funding for CRC research has actually gone up by \$4 million. You are talking about cutbacks—good political statements—

Senator WONG—Reality.

Senator Ian Macdonald—but the facts are before you on page 77. They go up from \$50 million in 2003-04 to \$54 million in 2004-05—

Senator WONG—Yes, before they are reduced in 2006-07 by about \$20 million, Minister. That is the cutback.

Senator Ian Macdonald—The forward projections usually go down or remain about the same, but these are things that are adjusted every budget. And 2005-06 we will be dealing with in the 2005-06 budget. Someone more capable than I should give you a lecture on how these budget statements work, but, unfortunately, it is not a point for this department at this time.

Senator CARR—You would be appreciative, Minister, that a major research announcement was made less than a month ago which purported to detail funding for the next seven years. You would also be aware that your own budget statements show a decline in funding for this program—from \$54 million to \$48 million to \$34 million to \$29 million.

Senator Ian Macdonald—I am aware of a lot of things but I do not know whether they are matters for this department in this estimates committee.

Senator CARR—You were kind enough to draw this to our attention, so I think you should amplify it.

Senator Ian Macdonald—I am aware Mr Latham is giving Bob Brown credit for putting 40 per cent of Tasmania in reserves when in fact it is the RFAs that did that. I am aware of lots of things, but they are not relevant to this particular estimates committee hearing. You have the figures there. If we can help you any further on those, we are very keen to.

Senator CARR—Given that the member for Herbert and the member for Leichhardt have apparently produced a budget, has that budget been drawn to the attention of officers of the department?

Senator Ian Macdonald—You are asking the officers of the department, but it is really not relevant to them whatsoever. They can tell you about the figures and the material before you, and we have been through that any number of times.

Senator CARR—It is a straight question.

Senator Ian Macdonald—It is unfair to ask the officers to comment on things that I, Mr Lindsay, Mr Latham or Senator Carr might do.

Senator CARR—It is a straightforward question. Have any of the departmental officers been made aware of this budget? Have they actually seen it?

Senator Ian Macdonald—Seen what? Which one?

Senator CARR—The budget that the two members who were on ABC radio say they have put to ministers—has it reached the officers yet?

Senator Ian Macdonald—If it has been put to ministers that is a question you should ask me and I will refer it to Dr Kemp. Although, I would think those sorts of matters are not relevant to this particular committee.

Senator WONG—It is about the expenditure of public funds; it is entirely relevant. It is a simple question. We are not asking what is in it, because we are probably not entitled to. What we are asking is: have the officers been made aware of it and, if so, when?

Senator Ian Macdonald—Again, if Dr Kemp had asked the officers for some advice on it—

Senator WONG—We are entitled to ask when that advice was given.

Senator Ian Macdonald—then that is advice to ministers, and it is not a matter for this committee.

Senator WONG—When it is given is—that is an entirely appropriate question.

Senator Ian Macdonald—What? When it is given.

Senator WONG—Yes. When was the advice given?

Senator Ian Macdonald—What can possibly be relevant to the expenditure of funds about a time when advice is given to a minister?

Senator WONG—It is entirely relevant.

Senator CARR—Departmental officers' time is a matter for the committee. I have a statement here broadcast by the ABC that says:

... a proposed budget has been submitted to the Government.

Have the officers seen this proposed budget for these refunded CRCs?

Senator Ian Macdonald—I suppose if we go through the whole department we can get a yes or no from an officer.

Senator CARR—We have got senior officers at the table. I find a matter that has been of such public interest—

Senator Ian Macdonald—Have any of you seen it—yes or no? No.

Senator CARR—You have not received it.

Senator Ian Macdonald—Have not seen it.

Mr Borthwick—I have not seen it.

Senator Ian Macdonald—Mr Borthwick has not seen it.

Senator CARR—Have any of the other senior officers seen it?

Mr Borthwick—I do not believe any senior officers have seen the proposal that you are referring to.

Senator CARR—I ask you, Minister: has Dr Kemp seen a proposed budget?

Senator Ian Macdonald—What Dr Kemp talks to colleagues about is a matter for Dr Kemp and not this committee. I will certainly refer that to him. He may want to provide an answer.

Senator CARR—Given that it is a matter of a statement being made on the ABC on 19 May by Mr Peter Lindsay, which says:

... a proposed budget has been submitted to the Government.

I think it is more than a matter of private conversation. Would you agree?

Senator Ian Macdonald—No, I would not necessarily agree. Both Mr Lindsay and Mr Entsch—unlike some other members up that way—are very keen fighters for their area. They work very hard in promoting the interests of the people they represent and they are very able and very hardworking people. If they say they have spoken to Dr Kemp about it, I have no doubt that is accurate but that is a matter between them and Dr Kemp.

Senator CARR—Could you follow those questions up with the minister. Who initiated the budget—that is if it exists?

Senator Ian Macdonald—I have given you an answer. If you have a series of questions along those lines, put them in writing and I will refer them to Dr Kemp.

Senator CARR—This is a fairly straightforward question: what is the timeline for consideration of this proposed budget?

Senator Ian Macdonald—They are all future policy issues that are not a matter for this estimates committee. Having been very generous and having said that I would refer that one question to Dr Kemp, I withdraw my offer to refer any others. They are future policy issues—matters for government.

Senator CARR—So you will not be putting any further questions.

Senator Ian Macdonald—I did say that I would ask Dr Kemp if he wanted to answer the question about whether Mr Lindsay had spoken to him about it. As I say, I can assure you that if Mr Lindsay said it then it would be true. But of what relevance that is to this committee I am not sure. I can understand where you are coming from. You want to make some sort of political point. You will have to do better than that if you want to try to defeat two very active, very able sitting members who really have the interests of their electorates at heart.

Senator CARR—I see that there are officers here from the Great Barrier Reef Marine Park Authority. Are they able to answer questions on this matter?

Senator Ian Macdonald—Not on future policy matters they are not, no. None of the officers are.

Senator CARR—I turn to the question of the de-funding of the Great Barrier Reef CRC.

Mr Borthwick—I do not think that they would have information to bear on the line of questioning that you are pursuing, Senator Carr—

Senator CARR—Can I ask them that?

Mr Borthwick—but when they come to the table you can ask them questions.

Senator CARR—It is just that these are cross-portfolio matters. It is a simple matter to identify whether or not they are able to help me on this matter.

Mr Borthwick—We have got the head of GBRMPA here.

Senator CARR—That is exactly my point: can they help me on these matters or not?

Mr Borthwick—It all depends on the particular questions you are asking. They can answer factual questions, perhaps, about the reef CRC. You are asking questions about alternative sources of funding and policy deliberations of the government. They will not be able to help you on those sorts of questions.

Senator CARR—That is fair enough. Have they seen a proposed budget?

Mr Borthwick—I am sure they have not, no.

Senator Ian Macdonald—Did Mr Lindsay suggest that he had given it to them?

Senator CARR—No. He said he had given it to the government. I am trying to establish who in the government has it.

Senator Ian Macdonald—We are going back through what we were going through before. The government is Dr Kemp and it is Mr Howard—it is the cabinet and it is the ministry. That is the government.

Senator CARR—I see. And departmental officers have not seen it? We have established that?

Senator Ian Macdonald—The departmental officers are excellent—they are very good and they are very able—but they are not the government.

Senator CARR—Thank you very much.

Senator Ian Macdonald—I am always happy to help.

Senator WONG—I just wanted to clarify again the combined EA-AFFA expenditure, which is identified in Dr Kemp's budget statement as 'environmental spending'. Do you have past budget figures there? I think we dealt with this last time.

Mr Glyde—Are you talking about the combined DAFF-DEH expenditure?

Senator WONG—Yes.

Mr Glyde—Chart 1.3 on page 6 shows combined DAFF and DEH portfolio expenditure from 1995-96.

Senator WONG—Yes. I was looking at table 1.1 on page 5.

Mr Glyde—Table 1.1 shows estimated expenditure for 2003-04 and then for the four forward years, whereas I thought you asked the question in relation to the historical expenditure. That is on the following page. Unfortunately it is not in a table, but it is in graphical form. You can see back to 1995-96, when we first started putting these figures together.

Senator WONG—In 2003-04, what was the figure that was committed for the combined EA-AFFA expenditure?

Mr Glyde—You are asking what the total was in the equivalent book last year?

Senator WONG—Yes.

Mr Glyde—I think for 2003-04 we estimated that the total DAFF-DEH expenditure would be \$957.6 million. That is on page 5 of the previous book. What we are saying is that at this stage of the year we are expecting to spend \$952.1 million by the end of 2003-04.

Senator WONG—So there is a slight underspend for 2003-04.

Mr Glyde—There is roughly a \$5.5 million difference between what we thought this time last year we would spend in 2003-04 and what we think this time this year we are going to spend in 2003-04.

Senator WONG—Can you give me the same figure for 2002-03? Is it \$934 million?

Mr Glyde—I have what we were thought we were going to spend in 2002-03. I will have to see if I have the previous year's book to be able to give you that figure.

Senator Ian Macdonald—We do come prepared for this year's estimates, not for the estimates of three years ago.

Senator WONG—You say that every time, Minister.

Senator Ian Macdonald—It is right every time, I am afraid. We will be helpful and try and get it for you—but, please, these are estimates for the current year, not for three years ago. You had your go on them three years ago.

Mr Glyde—Our estimate of our expenditure for 2002-03 was \$960 million and our actual expenditure for 2002-03 was \$935 million.

Senator WONG—So there was an underspend of \$25 million. Are you able to give me the same figures, including underspend, for 2001-02, 2000-01 and 1999-2000?

Senator Ian Macdonald—Come on. No. This is not relevant. We are not going back into that.

Senator WONG—You are refusing to give details of public expenditure?

Senator Ian Macdonald—Yes.

Senator WONG—On what basis?

Senator Ian Macdonald—Back from those years. Do you want to go back to 1903?

Senator WONG—No—1999. It is very simple.

Senator Ian Macdonald—No, we are not doing that.

Senator WONG—Where is the chair?

ACTING CHAIR (Senator Tchen)—He has gone for a short walk.

Senator WONG—Can we have a private meeting? That is ridiculous.

Senator Ian Macdonald—We are not doing it. We are here for this year's estimates, not for the estimates of three years ago.

Senator WONG—Asking some questions about last year's and previous budget estimates leads up to some other issues about public expenditure. Is the minister really refusing to answer questions about public money over the last few years? This is information Mr Glyde has previously been able to provide.

ACTING CHAIR—Senator Wong, can I ask you the purpose of the private meeting you are seeking?

Senator WONG—We are going to discuss the minister's refusal.

ACTING CHAIR—Your question is related to previous years budgets?

Senator WONG—Yes, which are also outlined in this budget.

ACTING CHAIR—Those should be public knowledge already, shouldn't they?

Senator WONG—Then there would not be any problem with Mr Glyde providing them, I assume.

ACTING CHAIR—I am sorry. For last year's budget, for example, there have been three other estimates hearings already. Weren't you able to obtain that information then?

Senator Ian Macdonald—The officer just very helpfully pointed out that we have already given these figures to Senator Wong before. So why do the officers have to come prepared with information on previous years that they have previously given to you, Senator Wong, on notice after last year's budget?

Senator WONG—Which question on notice? And I did notice, Mr Borthwick, for some reason the questions on notice were not finalised to the committee by this estimates hearing. Is there any particular reason for that?

Senator Ian Macdonald—On 4 November 2003 all of this information was given to you in writing.

Mr Borthwick—I am not sure if it was actually on that date.

Senator WONG—No, it was a question on notice. What is the reference for the answer to the question on notice?

Mr Glyde—It was during the May budget hearing. In the discussion I think we provided some of this information to you.

Senator Ian Macdonald—May 2003.

Senator WONG—Are we referring to an answer to a question on notice, Minister? I am not sure what you are referring to.

Senator Ian Macdonald—I am just trying to find that out. The note says it was given to you in previous budget estimates.

Mr Glyde—It was not in relation to a question on notice, Senator Wong; it was just that we were providing these figures in the course of the budget hearing last time. I have a table that shows our—

Senator WONG—Thank you.

Mr Glyde—estimated expenditure back to 1996-97 and our actual expenditure—

Senator Ian Macdonald—But this was provided in last year's estimates.

Mr Glyde—Yes, correct.

Senator Ian Macdonald—This is the point I would make: if you go back over the years, we have already given you this information.

Senator WONG—Mr Glyde, could you provide that to me, rather than us going through—

Senator Ian Macdonald—Can't you look at the *Hansard* of last year's estimates?

Senator WONG—Mr Glyde, could you provide that to me?

Senator Ian Macdonald—Chair, this is the point I make: these are questions about the—

Senator WONG—Look—

Senator Ian Macdonald—I am talking to the chair—current year's estimates. We try to be helpful and give the information back before the estimates, but you push my indulgence in doing this. But then, when we do it one year, we get asked for the same information every year. It is already on the record.

CHAIR—The estimates are on the current budget and the annual report, and if you need background information you should use your own resources to research that requirement, Senator.

Senator Ian Macdonald—Thank you, Chair—

Senator WONG—Mr Glyde, perhaps with reference to the table—

Senator Ian Macdonald—but we will table what we have provided in previous—

Senator WONG—Thank you.

Senator Ian Macdonald—years, to be helpful to the committee. But I simply make the—

CHAIR—On the understanding it is a one-off and not setting a precedent.

Senator Ian Macdonald—Indeed.

Senator ALLISON—Chair, on a point of order: it is quite legitimate for members of this committee to request information that may not be available on the day, but as far as I can recall we have not had a ruling from the chair to suggest that any information with regard to budgets is something that we should find ourselves, without assistance from the department.

The minister is wasting our time here by arguing over every point. I suggest we proceed and where the department cannot immediately provide information that it be taken on notice.

Senator Ian Macdonald—I am not allowing the department to go back four or five years to do things which were dealt with in previous estimates committees. And it does not matter what you might want—

Senator ALLISON—Chair, this is—

Senator Ian Macdonald—we are here to answer questions about this year's estimates—

Senator WONG—Calm down, Minister.

Senator Ian Macdonald—not last year's.

Senator ALLISON—Chair, there are no rules that would support what the minister asserts, and I suggest we get on with the business.

Senator WONG—We are going to be here very late if we continue in this way.

Senator TCHEN—On a point of order, Chair: these are the estimates for the current budget. What has been pointed out is that the information being sought about previous budgets is public information; it would have been presented in the previous estimates and would have been presented in the department's annual report. There is no reason for the department to be asked for that information again.

Senator ALLISON—On that point of order, Chair, if I may: there is nothing in the rules governing estimates that prevents a senator from requesting information from a previous year or even earlier than that. The senator in question may have her own reasons for wishing to have that information at this point in time. I suggest we move on.

Senator TCHEN—I appreciate that—

CHAIR—Thanks for that.

Senator TCHEN—but I point out there is nothing in the rules to say that the—

CHAIR—I remind the committee that the Senate has referred to this committee particulars of proposed expenditure for the year ending 30 June 2005, particulars of proposed supplementary expenditure for the year ending 30 June 2004 and the annual tax expenditure statement. That covers what this estimates is about. It is not outside the bounds to request information; however, it remains at the discretion of the department and the minister as to whether or not that is provided at the time.

Senator Ian Macdonald—Thank you, Mr Chairman.

Senator WONG—Referring to your table, Mr Borthwick or Mr Glyde, can I confirm the underspend in 2003-04 was \$5.5 million?

Mr Glyde—That is correct.

Senator WONG—So for the \$952.1 million figure in table 1.1, the estimated expenditure was \$957.6 million.

Mr Glyde—That is correct.

Senator WONG—And in 2002-03 it was \$24.9 million.

Mr Glyde—The figure I have here is \$25 million, so that is close enough.

Senator WONG—And \$132 million for the previous financial year.

Mr Glyde—That is correct.

Senator WONG—And \$121.6 million for the 2000-01 financial year.

Mr Glyde—Yes.

Senator WONG—And \$230.9 million for the 1999-2000 financial year.

Mr Glyde—No. I have that as \$69 million for 1999-2000.

Senator WONG—I have just over \$1.06 billion committed with estimated actual spending of \$769.7 million. Is that not correct?

Mr Glyde—I have estimated expenditure for 1999-2000 of \$839 million and actual expenditure of \$770 million. My figures are all to the nearest million.

Senator WONG—You say the previous commitment was less than \$1 billion. I thought that was one of the years that the government trumpeted the \$1 billion expenditure.

Mr Glyde—I think in 2000-01 our estimate was \$1,004 million and our actual was \$882 million.

Senator WONG—And in 1999-2000?

Mr Glyde—The estimated expenditure was \$839 million and the actual expenditure was \$770 million.

Senator WONG—So the total shortfall is around \$350 million over the five years. Is that right?

Mr Glyde—I am not quite sure about that. When you are looking at these figures you have to realise that some of it may relate to administered funds and that, whilst the expenditure may not occur in that particular year, it gets reprofiled or rephased into subsequent—

Senator WONG—There has been a lot of rephasing; we have had a lot of discussions about that in previous budgets.

Mr Glyde—I wanted to clarify that point in relation to when there are underspends,

Senator WONG—Is there any explanation for the consistent pattern of underspending in this portfolio?

Mr Glyde—If you look at the year we are currently in we are within \$5 million in a \$1 billion budget. They are the normal sorts of ups and downs; it is a very small variance.

Senator WONG—The figures are \$25 million, \$132 million, \$120 million and \$70 million for the years prior to that, though.

Mr Glyde—And \$22 million in the year before that. There are often good reasons why our estimated patterns of expenditure are higher, or lower in some cases, than what we actually

achieve and they relate to program design, climatic factors—there are a whole lot of things that relate to underspends.

Senator Ian Macdonald—I think the important thing is that in 1995-96—if you look at the graph on page 6—you will see the combined spending on the environment was below four hundred—

Senator WONG—I thought you did not like dealing with past budgets, Minister, but when it is politically convenient to you, you want to deal with them. Is that right?

Senator Ian Macdonald—You are looking at the trends, which we have been speaking about. What I was objecting to, Senator, was that you are wasting the time of the officers giving information.

Senator WONG—I think you are wasting time now, Minister.

Senator Ian Macdonald—You have clearly shown you already have it, and you are quoting the figures. But quite clearly there has been a twofold increase, up to over \$1 billion. It has more than doubled.

Senator WONG—I am glad we have time for you to make political points in this estimates, Minister. Mr Borthwick or Mr Glyde, turning now to the current environment budget statement, page 77, as part of the environment spending, included is \$280 million of our aid budget. Is that right?

Mr Glyde—That is correct, for 2004-05.

Senator WONG—And on page 73, \$351 million in the customs portfolio?

Mr Glyde—\$306.2 million and \$45.4 million.

Senator WONG—Totalling \$351 million.

Mr Glyde—That is correct.

Senator Wong—\$43.9 million, tax office.

Mr Glyde—Yes.

Senator WONG—And other agencies, \$162.7 million. That is set out at page 5 of the statement.

Mr Glyde—Yes.

Senator WONG—Of the \$2.365 billion that the government claims is being spent on the environment, how much is actually being spent by the environment department?

Mr Glyde—That is shown on page 5.

Senator WONG—\$360 million?

Mr Glyde—Yes. The next two lines down show joint expenditures of DAFF-DEH (NAP-NHT). That acronym is essentially the Natural Heritage Trust expenditure and the National Action Plan for Water Quality and Salinity, which are jointly administered by DEH and DAFF. We have the NHT.

Senator WONG—Yes, I am aware of that.

Mr Glyde—So if you put those two together, that is how much—

Senator WONG—Some \$800 million?

Senator Ian Macdonald—It is \$1.1 billion, isn't it?

Senator WONG—No.

Senator Ian Macdonald—Have a look at the table on page 5.

Senator WONG—I am looking at the table on page 5. If you add the NAP-NHT funding, which is \$462 million, and the DEH funding—

Senator Ian Macdonald—You have to put in the Greenhouse Office and the office of the—

Senator WONG—I was asking about the department. This is going to take a very long time if you interrupt every question I ask.

Senator Ian Macdonald—Senator, you have the tables there. The answer is \$360 million.

Senator WONG—I am asking questions of this department.

Senator Ian Macdonald—It is \$360 million. What do you want to know?

Senator WONG—Mr Glyde, just to confirm, the actual expenditure by the environment department is around \$800 million. Correct?

Mr Glyde—The department also includes outcome 2, which relates to the Antarctic Division. If you want to look at departmental figures, we are bringing in other things that are not necessarily reflected in this table.

Senator WONG—So table 5 does not include the Antarctic Division?

Mr Glyde—No. It is not included in that figure, as far as I am aware. I am confirming that, in terms of DEH's expenditure on the environment, putting those two numbers together gives you the rough number.

Senator WONG—It is about right, which means about \$1½ billion of the trumpeted environment spending is, in fact, from other agencies and departments?

Mr Glyde—That is the whole point of putting this document together because, in a way, the yellow book will show you chapter and verse what we spend on the environment elements of the portfolio and of the department, whereas the intention of the blue book is to try to gather together the expenditure in other portfolios, as the secretary has already mentioned.

Senator WONG—I am very glad you mentioned that. If you look at Budget Paper No. 1, there is a discussion about the environment protection subfunction—not the portfolio budget statements; Budget Paper No. 1: *Budget strategy and outlook*. Could you get the analogous book for 2003-04? Before the minister interrupts, the reason I need that is that the government has declined to put a definition of 'environment protection' in this year's budget papers, so I am referring to the earlier one.

Mr Glyde—Which page in Budget Paper No. 1 are you—

Senator WONG—Page 6-14.

Mr Glyde—Is this the 2004-05 book?

Senator WONG—Correct. I know it says ‘Housing and community amenities’, which is interesting, but you will see that there is what I think Treasury calls a subfunction called ‘Environment protection’ with \$257 million. I understand that the functions that are specified in these budget papers are based on a standard classification of functions incorporated into the government’s finance statistics. For environment protection there is a somewhat lesser sum of \$257 million.

Mr Borthwick—They are done for different purposes.

Senator WONG—Yes. One is about spin and padding other agencies’ funding and the other is about the reasonable accounting classification.

Mr Borthwick—No.

Senator Ian Macdonald—No. The only spin comes from some of the silly questions you ask here. That is the only spin.

Senator WONG—The other is a reasonable government-utilised accounting basis.

Senator Ian Macdonald—If you are going to talk about spin and try to take political points we are going to be here all night. Can we get back to the current year’s estimates for this portfolio?

Senator WONG—I am asking questions about page 6-14 of the budget paper for 2004-05.

Mr Glyde—If you are asking us what is in those environment protection figures, I would have to take that on notice. If you look at the following page, for example, there is ‘National estate and parks’. They are functions that are within our portfolio. This is an existing classification that is used historically. I have not been involved in putting these figures together for this purpose. I would have to take it on notice if you were asking me what is in there and how we match these figures up to what is in the yellow book. I would be happy to do that if you like. It would be hard to compare and contrast between the yellow book, the white book and the blue book.

Senator WONG—That is because the white book is using Treasury’s classification of the government function of environment protection and the blue book is trying to bring in a whole range of activities, including ATO expenditure and Customs expenditure, and classify that as environment protection.

Senator Ian Macdonald—What is your question?

Senator WONG—That is the reason for the difference, isn’t it?

Senator Ian Macdonald—Are you asking a question or just making a comment?

Senator WONG—Isn’t that the reason for the difference?

Senator Ian Macdonald—No.

Senator WONG—Do you know what environment protection, referred to on page 6-14, means, Mr Borthwick?

Senator Ian Macdonald—Is this in this department's estimates?

Senator WONG—Environment protection? Yes.

Mr Borthwick—We will have to take that on notice. They are classifications prepared for different purposes. It just would not be sensible for us to try to explain the differences on the run.

Senator WONG—It was not really an answer to my question.

Senator Ian Macdonald—'We will take it on notice' is the answer.

Mr Borthwick—We will take it on notice and we will reconcile the difference.

Senator WONG—So the representing minister and the secretary of the department do not know what the government means in Budget Paper No. 1 when it refers to the environment protection subfunction?

Senator Ian Macdonald—We have said we will take it on notice. If there are any other questions we will answer them. If not, we can go home.

Senator WONG—Can I perhaps assist you? On page 6-36 of the 2003-04 Budget Paper No. 1, the environment protection subfunction is described as:

... the sustainable management of the environment including greenhouse gas abatement, protection of the marine environment and promotion of sustainable development of environmental resources.

Senator Ian Macdonald—We have indicated that we will take this question on notice.

Mr Glyde—I do not have the document; I am sorry.

Senator Ian Macdonald—We will take that on notice, anyhow.

Senator WONG—Would you agree that, from the community's perspective, if one talked about environment expenditure that would probably be about right?

Senator Ian Macdonald—We do not comment on what the community's anticipation might be. We are taking the question on notice and will give you a full and helpful answer, as always.

Senator WONG—Going back to page 6-14 in Budget Paper No. 1, can you confirm that under that subfunction of environment protection funding actually drops in the forward estimates from \$284 million to \$233 million?

Mr Glyde—That is certainly what the table says.

Senator WONG—Can you explain the decrease in environment funding over that time?

Mr Glyde—As I said earlier I am not sure, and I cannot explain here, what the components are of environment protection. When I look down, I see that it talks about the Natural Heritage Trust being a major driver in these years. I know, for example, that the Natural Heritage Trust amount is \$310 million per year for the next few years. So it is clear that there are some things counted in and some things counted out in this line. As I said before, I would

have to take it on notice to be able to give an explanation as to why that amount goes down from \$284 million to \$233 million. I suspect it has a lot to do with what is in that classification. I do not know what is in that classification, but I would be very confident that these figures do not differ from what we present in the yellow books and the blue books as well. It will be a question of classification, as I have mentioned before.

Senator WONG—Are you aware that, under that classification, which has been consistently used subfunction by Treasury—at least over the last five or six years—environment protection spending, as outlined in Budget Paper No. 1, has dropped from \$555 million in 1999-2000 to \$257 million in 2004-05?

Senator Ian Macdonald—I am sure the officer would not be aware without checking that.

Mr Glyde—I was not aware of that, Senator Wong.

Senator WONG—The figures I have—and we have pulled them out of Budget Paper No. 1—over the 1999-2000 financial year to the current financial year—

Senator Ian Macdonald—Do you have a question?

Senator WONG—I am about to get to it, Minister. I will start again. The amounts I have, which have been pulled out of Budget Paper No. 1, in relation to environment protection spending by this government between 1999-2000 and 2004-05 are: \$555 million, \$390 million, \$403 million, \$244 million, \$284 million and \$257 million.

Mr Glyde—I cannot disagree with that, but I cannot confirm that the amounts you are reading out to me are correct. I just do not have them.

Senator WONG—Perhaps you can confirm on notice that they are correct.

Mr Glyde—Yes, I am happy to do that.

Senator WONG—Given Treasury's analysis of how much the spending on environment protection has been falling, is the only reason that there has been a supposed increase the fact that the government is relying on expenditure from other departments and in other areas to calculate its alleged environment spending?

Senator Ian Macdonald—No. That is not a question for these officers, Mr Chairman. Senator Wong is asking the officers to attribute intentions to the government, and it is not an appropriate question and they will not be answering it.

Senator WONG—It is not an intention; it is a mathematical question.

Senator Ian Macdonald—They will not be answering it. They have said they will take on notice your questions about differences and definitions.

Senator WONG—Mr Glyde, on notice then, could you tell me what programs are included in the subfunction?

Senator Ian Macdonald—Yes, we will do that.

Senator WONG—Not just EA expenditure, but which programs are actually included.

Senator Ian Macdonald—We will do that.

Mr Glyde—I am happy to do so in consultation with the Treasury.

Senator WONG—Also, I think you were going to confirm on notice whether the figures I gave to you were correct.

Mr Glyde—Yes.

Senator WONG—Could you clarify whether or not the definition of the subfunction has changed for the same time?

Mr Glyde—Yes, I will.

Senator WONG—Given its expertise in environmental matters, does the department engage with AusAID in relation to environmental outcomes for the aspect of AusAID funding which is included as part of the government's environmental spending?

Mr Glyde—We do engage with AusAID in relation to a number of projects.

Senator WONG—Are there any environmental benchmarks you seek that they achieve?

Mr Glyde—Often this department is funded by AusAID to undertake projects that relate to the environment. We would have those, but are you asking the question generally? What we reflect in the blue book is the expenditure that AusAID believes relates to the environment.

Senator WONG—That AusAID believes?

Mr Glyde—Yes.

Senator WONG—Does the environment department work with AusAID to ensure that those funds are actually achieving environmental outcomes?

Mr Glyde—We do. We look at what they say the funds are going to be spent on and draw conclusions. We do that each year and we ask all portfolios—as the Commonwealth does for all the various areas of Commonwealth expenditure—to check that they are right.

Senator WONG—Do you do that, Mr Glyde?

Mr Glyde—I do not do that personally but people in my division do.

Senator WONG—What proportion of the AusAID funding is for renewable energy? They have an aid energy sector, don't they?

Mr Glyde—That is probably a question for AusAID. I would have to take that on notice. I do not know that number.

Senator ALLISON—Is there a document available which sets out the actual environment programs and measures in, for instance, the Australian Customs Service or the Australian Agency for International Development? It would appear to me to be sensible for that to be provided, given that it is a claim that this is environment spending. Can we have that document?

Mr Glyde—That is a question you have to direct to those other portfolios. I am not quite sure to what extent—

Senator WONG—It is in your portfolio budget statement.

Senator ALLISON—It is in your environment portfolio and you just indicated to the committee that you are satisfied that these programs are being spent on environment measures and so on.

Mr Glyde—It comes back to the break-up in their budget documents. What we are reflecting here is the environment expenditure in each of those portfolios.

Senator ALLISON—Mr Glyde, you have just indicated that you were satisfied, by some data provided to you, that those programs were primarily environment related, which is why they end up being in the environment budget.

Mr Glyde—I thought you were asking the question: can I produce from other portfolio documents?

Senator ALLISON—I think Senator Wong would agree with me that, since you claim it to be environment spending, it is reasonable for you to justify that on the basis that you have already done that exercise, according to you last remarks.

Mr Glyde—We have provided this information as we have summarised it in the environment budget statement.

Senator ALLISON—But were you or were you not satisfied that this was environment spending?

Mr Glyde—We are satisfied that this is environment spending.

Senator ALLISON—And how were you satisfied?

Mr Glyde—By the process of going out and asking the portfolios for their estimates, and by then liaising with the portfolios to make sure that we are counting the same sorts of things we have counted from year to year.

Senator ALLISON—Is this recorded in a document?

Mr Glyde—The result of those consultations is in front of you.

Senator ALLISON—I can see the result, but it does not have any details in it. It does not tell us how the \$563 million for Customs was spent on the environment.

Senator Ian Macdonald—Senator, you get that from the Customs portfolio.

Senator ALLISON—Indeed, you don't, Minister.

Senator Ian Macdonald—We have a—

Senator ALLISON—The Customs budget has—

Senator Ian Macdonald—Let me finish.

Senator WONG—Senator, let her finish.

CHAIR—Order! The Minister is making a comment.

Senator WONG—Actually the minister interrupted Senator Allison.

Senator Ian Macdonald—I thought Senator Allison had finished. Please continue.

Senator ALLISON—The point to be made is that this information is nowhere. It is not in this budget and it is not in the Australian Customs Service budget, nor is it in the Australian Agency for International Development. And if I am wrong, I am happy to be corrected, but an examination of those documents does not show this.

Senator Ian Macdonald—Senator, I am not sure there is a question in that, but let me explain. This government takes a whole-of-government approach to the environment. We understand that various departments do very good environmental work. This department oversees some of it but a lot of the other departments have their own people who are very qualified in environmental issues as well. The department is satisfied, as is the government, that what we are calling the ‘blue book’ does bring together the whole-of-government approach to the environment and the environmental spending across all portfolios. If you want specifics about individual programs, unfortunately, this department does not have them. You have to go to the relevant department.

Senator ALLISON—Minister, that is not what Mr Glyde indicated. Mr Glyde indicated that those figures had had some scrutiny on the part of the department, that there was a level of questioning at the very least about whether or not they were environment programs. You say I did not have a question, but my question was raised, and you indicated it could not be answered—would not be answered.

Senator Ian Macdonald—What specifically is the question you want us to answer?

Senator WONG—We want to know—I am not speaking also for Senator Allison. I would like to know, given Mr Glyde’s answer, the basis for asserting these other portfolios’ expenditure as being included in environment expenditure and what environmental outcomes are associated with that expenditure. I understand from Mr Glyde that the department has oversighted this. The government cannot decide it is going to just chuck a whole heap of stuff into this budget statement as environment expenditure.

Senator Ian Macdonald—Yes; I understand your question.

Mr Glyde—The text in the book that we never ever seem to discuss tries to outline—

Senator WONG—That is very funny, Mr Glyde!

Mr Glyde—I am trying to say that we always talk about numbers, but the text in there tries to explain what the environmental outcomes are that are derived from this expenditure. You have referred specifically to the Customs expenditure. You have also mentioned things like the tax office expenditure during this discussion. Each is slightly different. There are footnotes to explain how we have gone about judging whether expenditure is in or out as far as environmental expenditure is concerned. If I could turn to page 77, just by way of example—

Senator WONG—I have read the footnote—

Senator Ian Macdonald—Let him finish, please.

Mr Glyde—If you look at footnote B, we find it extremely difficult to come up with any way of paring out the specific part of the Customs expenditure that relates to the

environmental services they provide. It is a joint product, as I think the secretary has explained in previous hearings. When a patrol vessel is out looking for a variety of things, it is always looking for environmental issues or smugglers, or whatever it might be. We find it hard to take out of that total expenditure the environment component. So we list the total one, as we have done for the last three or four years, and we put a footnote to that effect. If you look down below, just to contrast, under footnote E we have the Bureau of Meteorology expenditure. We have some estimates from the Bureau of Meteorology as to what proportion of their expenditure relates to environment. We footnote that as well. So we try to capture the environmental component of the expenditure on a particular program and reflect that in this document and, where that has been hard to do or where there is some interpretation required, we reflect that in a footnote. In terms of the environmental outcomes I can only repeat that we try to describe the environmental outcomes in the text of the document.

Senator Ian Macdonald—Could you give us an example, to make it clearer to the committee?

Senator WONG—I am glad you brought that footnote to my attention again, because I did highlight it, Mr Glyde, and think, ‘I must ask Mr Glyde about this.’ It is the case, isn’t it, that as part of the trumpeted \$2.3 billion environment expenditure, the government has included the whole of a particular output in the Customs portfolio which may only be partially beneficial to the environment, and in fact involves expenditure in relation to a whole other range of outputs?

Mr Glyde—That is correct, Senator, and we footnote it to that effect. It is not the whole Customs expenditure.

Senator WONG—No—in relation to two outputs, it is.

Mr Glyde—That particular output—correct.

Senator WONG—In relation to two outputs you have said, ‘We are calling all of that environment expenditure’. Then you have a little footnote that says, ‘We used the whole output because we cannot actually work out what environment services are part of this.’

Mr Glyde—Yes, and we do that because we are trying to allow comparison from year to year about environmental expenditure. We have done it in the previous year. We have done it in the year before that. We footnote it to that effect, so that we can have some sensible comparisons across the years.

Senator WONG—In relation to the Customs contribution, you would have to agree that that is a pretty loose claim.

Mr Glyde—Customs provide some important services for us from an environmental perspective. We have no way of splitting that function out of the other functions they perform for other portfolios. So we are trying to reflect that fact.

Senator WONG—But the inclusion of both outputs as environment expenditure is pretty rubbery, given your explanation?

Mr Glyde—No. I would argue that it is the best we can do when we are talking about the delivery of a joint product that Customs provide for a number of portfolios across the Commonwealth.

Senator WONG—So it is double counted, is it?

Mr Glyde—No, I do not think it is double counting. What we are saying is that this is the closest we can come to the estimate of environment expenditure that Customs do on our behalf. We are reflecting it quite clearly in the document.

Senator WONG—The total amount that you are relying on for Customs, which you agree comprises other activities which have no environmental benefit, is almost as much as the department's own expenditure, excluding NHT and NAP, isn't it?

Mr Glyde—That is correct.

Senator WONG—You are using an output 'Civil maritime surveillance and response, \$306 million'. The government is asserting in this budget statement that that is environmental expenditure.

Mr Glyde—As it has done in the previous year. We are trying to compare like with like to get an estimate of expenditure across the government on environment. We have no mechanism for a further finer delineation of that expenditure.

Mr Borthwick—As Mr Glyde said, when Customs are out on patrol they are meeting a range of services, one of which is environment, one might be looking at smuggling et cetera.

Senator WONG—That is separately identified.

Mr Borthwick—Because they are meeting a range of services, a joint product in other words, it is not practical to separate out those things.

Senator WONG—I do not have a problem with that. What I have a problem with is the government, in its papers, and the department claiming the entirety of the output as environment spending when, on your own evidence, it is not.

Mr Borthwick—No, that is not my evidence.

Senator WONG—I think it was Mr Glyde's evidence. It is clear that the output relates to matters other than environmental initiatives or environmental protection activity. That is the point of the footnote.

Mr Borthwick—It does relate to the environment. We cannot achieve our environmental outcome without Customs doing that patrolling. That patrolling also happens to achieve other objectives. We have tried to be very transparent and acknowledge that it is a joint product, but we cannot meet our environmental objectives without their spending that total lump of money.

Senator WONG—I do not disagree with that. Just to note that, for your issue of smuggling, there is a separate allocation. It is another \$45 million that you have counted as environment spending. My point is this: I can understand Mr Glyde's explanation as to why you do not disaggregate the whole of that output, but to claim the entire \$360 million as environment spending is frankly fallacious.

Senator Ian Macdonald—That is a view you have, which is a view that I would not share. It is your opinion; you are entitled to it. It is not a matter for the officers at this committee. It is quite wrong.

Senator WONG—So you think it is environment spending despite the fact that your officer has clearly said that you include the entirety of that output cost because you cannot disaggregate the environmental outcomes.

Senator Ian Macdonald—That is not what the officer said. Have a look at *Hansard* and see what he said.

Senator WONG—Let us ask him again.

Senator Ian Macdonald—Let me explain, you have had your chance. As a simple example, a patrol boat goes out in Northern Australia. It is looking for a number of things. It has to pay its petrol to go out and it has to pay its captain and its crew. While it is out there, it might come across some Indonesian fishermen illegally fishing for shark fins, a very important environmental issue.

Senator WONG—That is a separate allocation, Minister.

Senator Ian Macdonald—It might also come across some smugglers at the same time. It might also come across some at quarantine.

Senator WONG—That is at the \$45 million?

Mr Borthwick—No, it is not. I think we need to clarify that.

Mr Glyde—The \$45.4 million you are referring to relates to the southern ocean funding.

Senator WONG—Surveillance.

Mr Glyde—Yes. It is the same function.

Senator Ian Macdonald—Heard and McDonald Islands, which is of very important environmental consideration. If you ask any environmental groups they class that as environmental spending.

Senator WONG—Can we go back to the process that you were describing, Mr Glyde? Do I understand that your branch or division seeks to confirm that there are some positive environmental outcomes for the expenditure in other agencies and departments which is included in the environment expenditure of the Commonwealth.

Mr Glyde—That is correct. Each of the portfolios that produces one of these documents to try to capture whole-of-government expenditure has a process of consulting with each other to get the estimates of what that expenditure is. It is our job to make sure that those estimates are as accurate as possible and also to confirm that they actually are delivering environmental outputs. We do that on the basis of the information that they provide and their own knowledge of their activities.

Senator WONG—Perhaps you can advise—and you might need to take this on notice—what environmental benefits are associated with the AusAID funding of \$280 million for the International Development Corporation?

Mr Glyde—There is some text in here, but it is summary text.

Senator WONG—It is very summary. I have actually read that text.

Mr Glyde—I can provide you with a fuller explanation of what is achieved from those funds.

Senator WONG—Perhaps also in relation to the \$306 million for Customs.

Mr Glyde—I am happy to do that.

Senator WONG—Can you just clarify something: is it the case that the renewable energy project funding under the AusAID budget, which is referred to in this portfolio budget statement, has reduced to \$647,000 in the last financial year?

Mr Glyde—Which page are you on, Senator?

Senator WONG—Page 76. It is not disaggregated here.

Mr Glyde—You are saying that is an element within the AusAID funding.

Senator WONG—Yes. Do you know if renewable energy funding is an element within the AusAID funding that is referred to here?

Mr Glyde—I do not know. I will have to take that on notice. I am not aware of that.

Senator WONG—Does anyone here know?

Mr Glyde—No-one seems to be rushing to the table.

Senator WONG—Deathly silence behind you—maybe they are hiding. So you are not aware of what renewable energy funding is associated with—

Senator Ian Macdonald—He said he will take it on notice.

Mr Glyde—I will take it on notice. I do not know.

Senator WONG—You might have seen that there has been a suggestion in the media that the AusAID budget funding for renewable energy projects has gone from \$20 million in 1996-97 to \$647,000 in 2002-03.

Mr Glyde—I am sorry, Senator, but I am not aware of that. I have not seen that.

Senator WONG—Could you confirm, on notice, if that is correct?

Mr Glyde—Yes.

Senator WONG—I presume you would have done that as part of this quality control process you would know.

Mr Glyde—I would have to confirm that. As I said before, I was not personally involved in the discussions with AusAID.

Senator WONG—So does anyone in the department have discussions with AusAID to try to enhance the environmental outcomes of our aid budget, or is that a matter for AusAID only?

Mr Glyde—We have an international steering committee on which DFAT is represented, where we talk with DFAT in relation to achieving joint objectives throughout all of our work. In relation to AusAID, I would have to take on notice whether or not we have any specific interactions with them but, generally speaking, we try to encourage all Commonwealth agencies and departments to consider the environment in their decision making.

Senator WONG—But you are not aware that the funding for renewable energy in the AusAID budget has reached such miniscule levels.

Mr Glyde—I was not personally aware of that, Senator, as I said earlier.

Senator Ian Macdonald—You are not agreeing that they are miniscule levels, either.

Mr Glyde—No. I am just not aware of it.

Senator WONG—On notice, when you are looking at that aspect of the portfolio budget statement, could you tell us how much is spent on renewable energy projects, both in flat dollars and as a percentage of the total amount of AusAID that is identified as environment spending?

Mr Glyde—Yes.

Senator ALLISON—That is also the subject of one of my questions on notice, should you have the information to hand. And the answer is almost nothing.

Senator WONG—What do you mean ‘nothing’? They do not spend anything on renewables?

Senator ALLISON—Nothing for renewables.

Senator WONG—From estimates hearings of PM&C, I understand that a number of advertising campaigns were identified as coming out of this portfolio. Could you clarify what they are and where they are coming out of? Where are applications for the Natural Heritage Trust coming out of?

Mr Glyde—That is coming out of the programs of the Natural Resources Management Programs Division.

Senator WONG—Is it identified in the budget statement?

Mr Glyde—The environment budget statement lumps all of the expenditure of the NHT into four lines.

Senator WONG—Convenient.

Mr Glyde—So there is no specific allocation out there for communications aspects.

Senator WONG—It is not a part of Landcare, Rivercare and whatever the other two are?

Mr Glyde—I think these questions would best be directed to the Natural Resources Management Division.

Senator WONG—So there is no funding for NHT applications coming out of any other area of the department?

Mr Glyde—Not that I am aware of.

Senator WONG—I will ask them. Is there a \$5.5 million campaign on environment resource management?

Mr Glyde—Certainly work has been undertaken in relation to a campaign for natural resources management; that is under way.

Senator WONG—Who is handling that?

Mr Glyde—That is handled within my division, the Policy Coordination and Environment Protection Division.

Senator WONG—So you can answer questions about that?

Mr Glyde—I will do my best.

Senator WONG—Can you tell me whether the \$5.5 million identified by PM&C is the cost of advertising placement only?

Mr Glyde—The figure that you are referring to does not ring a bell with me.

Senator WONG—Perhaps you can tell me the costs.

Mr Glyde—We are in the process of developing a communication strategy, and a budget has been set aside. But we are still in the process of going through that, so at this stage I cannot give you the costs as to what it is going to end up being. We are still in the process of going through the Ministerial Committee for Government Communication and of working through the design and the development of it.

Senator WONG—How much is it going to cost?

Mr Glyde—I am not sure to be quite honest. I do not have that figure in front of me.

Senator WONG—Has any expenditure occurred in relation to the advertising campaign?

Mr Glyde—There has been some expenditure on the campaign in terms of the development you would expect from market research and tendering for the various elements of the campaign.

Senator WONG—Let us focus on the expenditure to date. Can we go through that?

Mr Glyde—We have expenditure to date of \$33,432 to the company who is providing advice to the communications unit.

Senator WONG—Who is that company?

Mr Glyde—It is Gavin Anderson consulting.

Senator WONG—Presumably they are doing this under a contract?

Mr Glyde—Yes.

Senator WONG—What is the total value of the contract?

Mr Glyde—I cannot say that. It is an hourly rate contract.

Senator WONG—What is the hourly rate?

Mr Glyde—I do not have that information.

Senator WONG—Can you provide that on notice or perhaps after lunch?

Mr Glyde—If I can.

Senator WONG—Did that contract go out to tender?

Mr Glyde—I am not sure. I will have to take that on notice and have that information in front of me.

Senator WONG—No-one here can tell me whether the contract went out to tender?

Senator Ian Macdonald—We will take it on notice.

Mr Glyde—The officers who would be available to talk about this are not here at the moment. We had assumed that this would be dealt with under the Policy Coordination and Environment Protection Division, which is right at the end of the agenda.

Senator WONG—I will do that.

Proceedings suspended from 1.00 p.m. to 2.07 p.m.

Australian Antarctic Division

CHAIR—I welcome witnesses from the Australian Antarctic Division.

Senator WONG—I turn to the air link proposal, which was announced in February 2002 by the then parliamentary secretary. Has the service started operation?

Mr Pitt—The service has not started operation yet. We are in the process of bringing into service two aircraft which will operate internally within Antarctica. That is as far as we expect to get this year.

Senator WONG—There were two years work prior to 25 February 2002, which is now two years ago, and it was indicated in the announcement then by the government that Skytraders had been selected as the preferred supplier for the air link.

Mr Pitt—That is correct.

Senator WONG—Is that still the case?

Mr Pitt—Yes, it is.

Senator WONG—Why has it not started operation, given the length of time that has elapsed?

Mr Pitt—We entered into arrangements for the construction of two planes last year. The first of those aircraft has been delivered to Skytraders and is now sitting in Canada having its skis fitted. The second aircraft will be provided about one month from now and will then have its skis fitted. Our intention is to start using both planes when the 2004-05 summer Antarctic season commences.

Senator WONG—The planes were already identified in the media statement on the announcement two years ago—the make of plane and so forth.

Mr Pitt—That is correct.

Senator WONG—Were they not in existence at the time?

Mr Pitt—No, they were not. The planes needed to be manufactured. The type of plane we use is typically used for military purposes in a cargo carrying role. We have purchased them for a civilian purpose, and they have had to come onto the civilian register.

Senator WONG—So when do you anticipate those?

Mr Pitt—We expect them to be delivered to Australia by about August this year. When the Antarctic season starts, when most of our research is undertaken, they will fly from Hobart down to Casey Station. That is programmed to happen in early October this year, I think.

Senator WONG—Was funding allocated in the previous budgets for the purpose of these planes?

Mr Pitt—The Antarctic budget has been allocated but we have adjusted our use of that money to allow these two planes to be brought into service without requiring additional funding.

Senator WONG—In the announcement in 2002, though, was there already a budget allocation for the 2002-03 financial year for the purchase of these planes?

Mr Pitt—Not specifically for the purchase of the planes.

Senator WONG—What was there a budget allocation for?

Mr Pitt—We were given the amount of funding necessary for us to undertake the Antarctic Division's objectives. For these two planes we adjusted our transportation logistics and operational allocation to make savings that would permit these two planes to be introduced into service.

Senator WONG—Is the reason for the delay that you have had to find sufficient savings over the last two financial years for the purchase of these planes?

Mr Pitt—No.

Senator WONG—When did manufacture commence?

Mr Pitt—Manufacture started in late 2003.

Senator WONG—So why the hiatus between the February 2002 announcement and the commencement of manufacture?

Mr Pitt—We needed to go through a variety of operational considerations and proving processes to be sure that we could use these planes in a practical way—finding runway sites and proving the ability to support them at our stations.

Senator WONG—Was there not a blue ice runway site already identified in February 2002?

Mr Pitt—Yes, but that was just a location. It was not at that time prepared to support aircraft of any sort. There has been quite a lot of work that has happened in the two summers since.

Senator WONG—Has the blue ice runway been built yet?

Mr Pitt—The blue ice runway is now in a situation where it can be used for CASA 212 operations—they are the aircraft I am talking about. It is able to handle other types of aircraft on occasions where the weather conditions permit but it is not fully complete.

Senator WONG—When is it going to be completed?

Mr Pitt—It requires additional work to put a snow cap on top, which would be one to two seasons work.

Senator WONG—Is there funding in your budget for that now?

Mr Pitt—Not at the moment.

Senator WONG—Without that additional funding can the runway be operational for the purposes of these aircraft?

Mr Pitt—For the purposes of these two aircraft the runway will be operational. These aircraft will be ski equipped.

Senator WONG—But it will not be operational for how long? It needs a snow cap—is that right?

Mr Pitt—If we intend to use the runway for wheeled aircraft, of the sort that have been under consideration for the link between Hobart and Antarctica, the icecap is necessary to provide a more stable surface. The coefficient of friction on a snow capped runway is higher than on a blue ice runway, and that permits the aircraft to land in a number of weather conditions that it would not otherwise be able to land in.

Senator WONG—Is the aircraft currently being manufactured the same as the type and model as the ones that were announced in 2002?

Mr Pitt—Yes, the CASA 212 is the same. It is a 400 variant, which is a slightly modified version but the plane type is the same.

Senator WONG—The press release I have refers to a Falcon 900 EX.

Mr Pitt—The Falcon 900 EX is the aircraft that we were considering at that time for the link between Hobart and Antarctica. The two planes I have just been speaking about are the aircraft that operate within Antarctica to take people from the runway site at Casey to the locations where they wish to work.

Senator WONG—But the Hobart-Casey link that was announced in February 2002 is not currently operational.

Mr Pitt—It is not operational.

Senator WONG—And that is the one you are saying will occur later this year.

Mr Pitt—No. The aircraft that you are discussing—the jet aircraft—has not been brought into service. We have been seeking a way to get additional money that would allow that to happen.

Senator WONG—When this was announced, did you have money in your budget to purchase the aircraft in question?

Mr Pitt—No, we did not.

Senator WONG—Do you currently have money in your budget?

Mr Pitt—No, we do not.

Senator WONG—So you do not have money in your budget to purchase the aircraft that was announced in 2002 as being the one that would operate the air link.

Mr Pitt—That is correct.

Senator WONG—This aircraft would require the icecap to be constructed on the blue ice runway.

Mr Pitt—Yes.

Senator WONG—You do not currently have money in your budget to construct the icecap either.

Mr Pitt—No.

Senator WONG—So why was an announcement made in 2002?

Mr Pitt—It was a concept that we were working up within the Australian Antarctic Division that is operationally viable and that we believed should be put to government as an idea that was worthy of consideration. We made the announcement that that was the direction we were wishing to travel.

Senator WONG—Has the Antarctic Division's budget over the last few years remained stable, increased or decreased?

Mr Pitt—It has been stable.

Senator WONG—Any increases in costs have been borne within the division.

Mr Pitt—Yes.

Senator WONG—Are there any plans to commence the Hobart-Casey service that we are discussing?

Mr Pitt—We have plans which we have been developing with the company you refer to—Skytraders—and we have been working to find a way to convince people that that is a sensible thing to do for the future of our program.

Senator WONG—Which people?

Mr Pitt—We have been working with stakeholders, our scientific community and also, of course, advising government.

Senator WONG—What is holding it up?

Mr Pitt—We made a bid and sought moneys alongside other people in the last year, and this particular bid did not get up. That has not impeded our program in any way. We will continue to work to see if this might be possible in the future.

Senator WONG—If funding were available, how long would it take for an aircraft to commence operation? This is an existing aircraft, so it does not have to be manufactured.

Mr Pitt—We believe it would be possible to complete the snow cap at the runway site in two seasons, so we may be able to conduct test flights in the 2005-06 summer.

Mr Borthwick—For intercontinental flights we were looking at a Falcon 900, I think it is. We are currently exploring the scope to have a larger aircraft that might meet the Antarctic Division's needs and also some broader needs—in other words, of government. It is a matter that is being considered, but it goes to your question as to why it is taking longer than expected. We are seeing whether we can get an aircraft with greater capacity than the Falcon 900.

Senator WONG—When was that decision made?

Mr Borthwick—It is not a decision that was made; it is just examining the needs of the Antarctic Division, and we believe it is worth while exploring the capacities of other aircraft in addition to the Falcon 900. It is a matter that is still under consideration but it needs to be made clear. There has not been a decision on a larger aircraft and there has not been a decision on a Falcon 900.

Senator WONG—There was an announcement in 2002.

Mr Borthwick—No, I think Mr Pitt said that there was an announcement that we were exploring at that stage.

Senator WONG—No. In February 2002, Dr Sharman Stone announced:

... that Skytraders had been selected as the preferred supplier for the Australian Antarctic Division's proposed 'Air-Link'.

This announcement marked the culmination of more than two years work by Skytraders ...

A Falcon 900EX will operate 25 services each year between Hobart and a blue-ice runway to be constructed in the Upper Petersen Glacier some 25 kms from Casey Station.

Mr Borthwick—They are still the preferred supplier and we are exploring with them the capacities of other aircraft.

Senator WONG—But there is no funding. As I understand it, Mr Pitt, your funding bid failed.

Mr Pitt—That is correct.

Senator WONG—And for the previous budget as well.

Mr Pitt—Yes.

Senator WONG—And the previous budget too?

Mr Pitt—No, there was not a bid in the previous budget.

Senator WONG—You did not bid in 2002-03—just in 2003-04 and 2004-05. What is the cost of this measure?

Mr Pitt—The indicative cost for the runway work would be \$4 million over two years, or \$8 million, and for the service probably between \$9 and \$11 million per annum.

Senator WONG—That is assuming the 25 trips?

Mr Pitt—Yes.

Senator WONG—I have no further questions.

CHAIR—I thank the officers from the Australian Antarctic Division and, as there are no questions for the Bureau of Meteorology, I now invite the officers of the Great Barrier Reef Marine Park Authority to the table.

[2.22 p.m.]

Great Barrier Reef Marine Park Authority

Senator WONG—Ms Chadwick, in 2001 the marine park authority published its water quality action plan for the GBR catchment which proposed low targets for nitrogen, phosphorus and suspended sediment to the reef. That is correct, isn't it?

Ms Chadwick—It is certainly correct.

Senator WONG—The report recommended the specific end-of-river pollution load targets for all of the 26 river catchments adjacent to the reef?

Ms Chadwick—Yes, that is true.

Senator WONG—It was obviously your report and something I would assume the authority considered to be scientifically sound?

Ms Chadwick—We used the best available science at the time. You might recall that over a 15-year period there has been any number of disparate sets of data produced. I am not saying that all of them were of the highest quality, but we used the best available science that we had. That judgment, and the advice of other experts, was used to produce that report with those targets.

Senator WONG—Mr Skeat probably knows more about this than I do, but the time frame for the target is over a 10-year period—to 2011. Is that right?

Ms Chadwick—Yes. The goal was, as is indeed reflected in the Reef Water Quality Protection Plan now, to arrest the increase in the high levels of nutrients, pesticides and sediment.

Senator WONG—Is it not the case that the plan in fact suggested that in some instances up to a 50 per cent load reduction is required to begin to protect the reef and that in the longer term a total reduction is necessary?

Ms Chadwick—It is indeed true that the report produced somewhat of a gloomy picture of the effect of run-off on the reef. At the end of the day, however, we believed it was a brave but achievable target to seek over a decade to halt the increase, and that was the recommendation.

Senator WONG—It is the case, is it not, that the government committed to promote the achievement of end-of-river pollution targets subsequent to your plan being finalised?

Ms Chadwick—Yes. And our plan, as you know, then became a part of the catalyst for the development of the Reef Water Quality Protection Plan.

Senator WONG—There was also the Baker report.

Ms Chadwick—Yes. Joe Baker was the Chief Scientist of Queensland at the time.

Senator WONG—Would you agree that it gave what one might call qualified endorsement of the notion of end-of-river load targets?

Ms Chadwick—Yes, that is true, but I think Mr Skeat is more familiar with the details of that report.

Mr Skeat—That is true. The report did endorse that approach.

Senator WONG—The GBRMPA planned load targets are the only load targets that have in fact been proposed for that area, are they not?

Ms Chadwick—Yes. At this stage the Reef Water Quality Protection Plan has incorporated the notion of targets. Indeed, on page 26 of the Reef Water Quality Protection Plan under ‘Strategy H: Priorities and targets’, the first action is to ‘develop water quality targets’.

Senator WONG—Have any water quality targets been developed?

Ms Chadwick—Actually it is very early days in terms of the regional bodies developing plans.

Senator WONG—But the reality is that the Reef Water Quality Protection Plan, unlike the previous plan of the authority, sets no end-of-river load targets.

Ms Chadwick—That is true, but it does advocate them as strategy 1 under strategy H, and the milestones suggest that these targets need to be completed by 1 July 2005.

Senator WONG—Given the authority’s obvious interest in ensuring the protection of the reef and your previous endorsement of load targets, doesn’t it concern you that we now have a plan which talks in rather general terms about water quality and, frankly, moves away from the commitment to end-of-river load targets?

Ms Chadwick—I do not see it that way. Even though the marine park authority itself does not have responsibility for the implementation of this plan, and perhaps Mr Borthwick may be able to provide more information, I would have to say that when we produced our report we used the best available science, but I would be the first to concede that it could have been better. It was the best we could do at the time.

Senator WONG—Ms Chadwick, are you suggesting that end-of-river load targets are somehow less valid science than water quality targets?

Ms Chadwick—No, absolutely not. What I am saying is that, using the best available science at the time, we produced a report in 2001 which became a catalyst to help develop interest in a Reef Water Quality Protection Plan, which has a high-level of commitment from both the Commonwealth and state governments. I am delighted to see that the concept of demonstrated targets is in fact incorporated within the Reef Water Quality Protection Plan, with a milestone completion date of 1 July next year.

Senator WONG—But no load pollution targets.

Mr Skeat—It is our expectation that there would be load pollution targets where that is considered to be an essential component of the plan.

Senator WONG—There are two parts to your answer. First, do you no longer consider, despite your 2001 report, that load pollution targets are a reasonable objective for the protection of the reef?

Ms Chadwick—They would be a reasonable objective, and when one looks at the current GBRMPA budget one can see that clearly that is a matter of importance to both GBRMPA and the government. We have in fact been awarded in the order of \$2 million a year to do the auditing and monitoring of the water as it enters the Great Barrier Reef Marine Park, and it is a requirement for us to report on that to the GBR Ministerial Council. The fact that we have been charged with that responsibility and must report to ministerial council to me indicates a commitment on the part of both the state and Commonwealth governments.

Senator WONG—To funding but not to load targets. There is nowhere in the reef quality plan which refers to end-of-river pollution targets, unlike the previous plan of the authority.

Ms Chadwick—I would imagine, and—

Senator WONG—I am not asking you what you imagine, Ms Chadwick.

Senator Ian Macdonald—What was your question?

Senator WONG—It is the case, isn't it, that the authority's 2001 report set specific end-of-river pollution load targets? The Reef Water Quality Protection Plan does not set such targets.

Ms Chadwick—That is true, but I refer you back to page 26. I will read it again if I may.

Senator WONG—Water quality targets.

Ms Chadwick—It says:

Develop water quality targets for the Reef catchment waterways with a major focus on:

- Improving water quality.
- Investing in remedial action that ensures adequate protection ...

The milestone for that is 1 July 2005.

Senator WONG—Is the authority working with the regional bodies in setting these water quality targets?

Ms Chadwick—We are working with those bodies as they develop—that is, the bodies themselves—and as they develop their plans.

Senator WONG—Is it the authority's position in those discussions that pollution load targets ought to be part of the plans?

Mr Skeat—Simply put, yes. That is seen as an important issue for the plan. It may not be necessary to set load targets—which is a resource intensive exercise—in every single subcatchment and at the end of every single waterway, but where they are considered important for reef water quality we are advocating the setting of some sorts of load targets.

Senator WONG—Which are the rivers that you say you do not need to set pollution load targets for?

Mr Skeat—A process has been gone through to establish the high priority areas, and that is really part of the planning exercise. That involves things like the SedNet modelling. The CSIRO is helping to establish that, and that is being refined as we speak.

Senator WONG—Is it GBRMPA's position that, despite your previous report of 2001, pollution load targets are necessary only in certain catchment areas, at the end of certain rivers? I am just trying to work out what your position is.

Mr Skeat—I understand.

Senator WONG—You have a documented position with a fair bit of scientific support behind it for end-of-river pollution load targets. You are now saying to me, 'Our position is that we think they're a good idea where they're necessary,' so I am asking: where are they necessary and where are they not? What is the GBRMPA position now?

Mr Skeat—We have a view, obviously, as to which are the highest priority catchments at the moment. That view changes as the modelling goes through the planning process. We are expecting that the plans being developed by the regional bodies will utilise the best information to set appropriate targets in the highest risk catchments.

Senator WONG—Have you set any targets other than those in your plan for other high risk catchments, to use your term, as part of this NRM process?

Mr Skeat—No. We have not set any further targets at this stage. We have our document of 2001, but we are expecting a high quality process to be gone through in the course of the planning to produce targets which will meet the objectives of the reef plan.

Ms Chadwick—Can I reiterate that we will be utilising the additional funding that we were awarded in this current budget to have quite consistent monitoring up and down the catchments of the Great Barrier Reef and that will be monitoring things. That will then be reporting to the ministerial council. I have no doubt that ministers will take on board the results of that monitoring. That, presumably, would inform government policy if government policy needed to be adjusted in any way at all.

Senator WONG—I am not asking about that issue. I am asking whether the authority's position is that it stands by its 2001 report, and that is what it is pressing for through this process, for end-of-river pollution load targets, or whether you have jettisoned that.

Mr Skeat—Of course we stand by our 2001 report, but the point about the reef plan was that new information will be produced, and that a planning process will be gone through which matches the targets to actions up the catchment. Being blunt, one of the real values of the process of the reef plan is to get some, if you like, match between the targets that are being set and the actions which are going to be necessary to meet those targets and get real change happening in the catchments. So that is what the process is about.

Senator WONG—But what are the targets?

Mr Skeat—The targets need to be set in the course of the planning process.

Senator WONG—That is right. And GBRMPA is involved in the planning process—correct?

Mr Skeat—Indirectly. We obviously supply advice through the regional bodies.

Senator WONG—Is GBRMPA pressing for end-of-river pollution load targets in any of the catchment areas?

Mr Skeat—The short answer is, of course, yes.

Senator WONG—Which ones?

Mr Skeat—I cannot list the set of catchments that are currently being worked on as we speak, but you could expect targets to be set for all the major catchments. But there are many waterways which enter the Great Barrier Reef lagoon, so it is an issue of whether these regional plans deal with all of them.

Senator WONG—Are you pressing for the regional plans to include end-of-river pollution load targets or not?

Mr Skeat—We are, certainly.

Senator WONG—Okay. Are you doing that in relation to all catchment areas or only in relation to high priority areas?

Mr Skeat—I think the answer to that is the latter, because it would be a nonsense to press for targets in every single catchment area. There are many small waterways entering the Great Barrier Reef lagoon.

Senator WONG—And in respect of the high priority areas, I presume, given your previous answers, that you will be pressing for the load targets as per your 2001 report?

Mr Skeat—No, not necessarily, because new information is being produced all the time. The SedNet modelling, for example, is being refined all the time. We are expecting targets to be built based on the best available science and in the course of the production of the plan.

Senator WONG—Is GBRMPA pressing for pollution load targets or different water quality targets?

Mr Skeat—A combination. We would certainly expect that there would be some pollution load targets. If science and the planning process suggest there is a better target which would enable change to take place in the catchment then we would be looking for that, but realistically—

Senator WONG—Have you come up with any?

Mr Skeat—It would be possible, for example, to set a concentration target rather than a load target, and there may be an argument to do that in particular cases, but realistically if you know the flow of the creek you have ended up with a load target anyway.

Senator WONG—Precisely. Which are the high priority areas in which you say GBRMPA is still pressing for end-of-river pollution load targets?

Mr Skeat—Without listing all the major rivers entering the Great Barrier Reef lagoon, we would be looking for targets in each of the NRM planning areas.

Senator WONG—So all of the NRM planning areas where there is release into the Great Barrier Reef.

Mr Skeat—Ultimately we would be expecting targets to be set. But I stress again that the plan is saying we are going to have these targets by July 2005—

Senator WONG—We keep talking targets. I am interested in end-of-river pollution load targets. Do I understand your answer to be that it is the authority's position that in respect of major rivers entering into the Great Barrier Reef you will be pressing for pollution load targets in respect of those plans?

Mr Skeat—I think that is a fair statement. For the major waterways entering the Great Barrier Reef we would be expecting that there would be targets dealing with the major nutrients, for example.

Ms Chadwick—We will be monitoring, auditing and reporting on the results of that, and we have been provided with funds to do so.

Senator WONG—So if the plans do not mention any pollution load targets do I therefore assume that GBRMPA will be putting a view to the government that they are inadequate?

Ms Chadwick—The reality is that I do not think there are any finalised plans yet. I may stand corrected, but I think that that is the situation.

Mr Skeat—That is correct.

Senator WONG—I turn now to the Mackay Port Authority dredging program. What is the background to the Mackay Port Authority's dredging program application and the decision by GBRMPA to refer it to the Department of the Environment and Heritage?

Ms Chadwick—I regret to say that I cannot assist you with that, because the dredging of Mackay Harbour has nothing to do with GBRMPA. I refer you to Mr Borthwick.

Senator WONG—I can ask Mr Borthwick about it, but it is the case that GBRMPA took action to refer the program to the department.

Ms Chadwick—That is incorrect, Senator Wong. We did not.

Senator WONG—Did you take any action in relation to the dredging program?

Ms Chadwick—We were asked by the Department of the Environment and Heritage to provide advice on an application that they had received, and we did so.

Senator WONG—When was that?

Ms Chadwick—I do not have the date before me, but I am happy to chase it up and provide the answer to the committee.

Senator WONG—Thank you. Did you communicate with the member for Dawson in relation to this application?

Ms Chadwick—No. I have not spoken to the member for Dawson about this, nor has she contacted me.

Senator WONG—Has any member of the authority had any discussions with the member for Dawson regarding this issue?

Ms Chadwick—Not that I am aware of, but I am happy to correct that answer after I make investigations. I do not believe so.

Senator WONG—No-one here can answer on whether they have spoken to the member for Dawson?

Ms Chadwick—Certainly, there is no-one here—no-one on the executive—who has communicated with the member for Dawson on this matter.

Senator Ian Macdonald—I am not sure what relevance that has to the committee anyhow.

Senator WONG—I assume that you are aware, Ms Chadwick, that Mrs Kelly labelled the authority as dysfunctional and out of touch with users of the reef. I assume that you have seen the media on that.

Ms Chadwick—I have seen that press release.

Senator WONG—Was there any indication to you, prior to the press release, that Mrs Kelly was unhappy with GBRMPA's actions in relation to the Port Mackay issue?

Senator Ian Macdonald—That is not really a question which I think is relevant to GBRMPA in its statutory capacity.

Senator WONG—I am not going to get into an argument with you, Senator Macdonald. GBRMPA has taken certain action as the statutory authority. You have given evidence about that, Ms Chadwick. The department asked you to give advice about the Mackay Port dredging program. Is that correct?

Ms Chadwick—No. As I understand it, we were asked to give advice about a particular application that the port authority had made.

Senator WONG—Were you aware of Mrs Kelly's views about your handling of this issue before they were made public?

Senator Ian Macdonald—What views Ms Chadwick may have been aware of is hardly relevant to the operation of this estimates committee. Fair go; let us stick to what we are here for. I understand that you are playing a game of politics. That is fair enough. That is what you are paid to do, but do not involve public servants in it. If you have questions about Mrs Kelly, ask—

Senator WONG—Senator Macdonald, I am really tired of being told by you what questions I can ask. It is actually not up to you, Minister. We can stay here all night and we can come back tomorrow—or we can try to seek an order of the Senate to come back—if we have to continue this discussion every time we want to pursue an issue.

Senator Ian Macdonald—That is fine. You do whatever you like. But the officers will take my advice on what questions are relevant to these proceedings and what are simply political fishing expeditions. If you have a question about political matters or Mrs Kelly then ask me, but do not involve officers in your political witch-hunts.

Senator WONG—I am not doing a political witch-hunt.

Senator Ian Macdonald—Well ask some questions.

Senator WONG—I am trying to do that. When you have finished your 15th lecture to me for the day, we might get on to some questions. Ms Chadwick, in the course of providing advice to the department regarding this application, are you aware whether any member of GBRMPA was contacted by Mrs Kelly?

Ms Chadwick—I am unaware of that, and normally I would not be made aware of it. However, I do not believe that to be the case, but I am happy to check and provide advice to the committee.

Senator WONG—Thank you.

Senator Ian Macdonald—You will provide advice through me, and I will see whether it is relevant to this committee.

Senator WONG—You are not the judge here. The decision on relevance is not yours, Minister.

Senator Ian Macdonald—Yes, it is. When it comes from this department and anyone associated with it, I am.

Senator Wong—We have the ‘Big Brother’ Howard government on display here, haven’t we?

Senator Ian Macdonald—You play your political games how you like, but do not involve public servants, is what I am saying to you. If you need that lecture every 15 minutes, you will get it.

Senator WONG—Ms Chadwick, have you had any discussions with members of the government regarding Mrs Kelly’s statements?

Ms Chadwick—No.

Senator WONG—They do not concern you?

Ms Chadwick—The member for Dawson is entitled to her views. It is not my job to have an opinion one way or the other.

Senator WONG—But you are a statutory authority and this is a fairly public attack on your standing, I would have thought.

Senator Ian Macdonald—Ms Chadwick has given her answer to your question. If you ask it a different way, you are not going to get a different answer.

Senator WONG—You do not feel the need to have any discussions with any members of the government about this issue?

Ms Chadwick—No.

Senator WONG—Do you think public statements such as this damage GBRMPA’s reputation?

Ms Chadwick—That is a matter for the public.

Senator Ian Macdonald—It is a matter of opinion, too, which, as you well know under these rules, public servants are not required to give.

Senator McLUCAS—I want to ask a question about public perception of the authority in North Queensland with this sort of attack—I think that is a reasonable word to describe the comments from Mrs Kelly. The authority has been through quite a difficult period in the last 18 months with the bringing in of the RAP. Have you asked the government to respond to those comments?

Ms Chadwick—No. As you heard, in answer to a question from Senator Wong, I have not had any discussion on this with members of the government or indeed with the opposition for that matter. I say, perhaps immodestly, that I believe the standing of GBRMPA in the Queensland and the Australian community is very high. There is national and international acclaim being heaped on the government and the authority for its achievements and its contribution to the Reef Water Quality Protection Plan, to the Representative Areas plan and to the rezoning. I believe our standing is quite high, and I am very proud of the work of GBRMPA.

Senator McLUCAS—So you think it is in order for those comments that Mrs Kelly made that the authority was dysfunctional and out of touch to stand on the record without being questioned?

Ms Chadwick—What I think personally on this matter is irrelevant to the committee.

Senator McLUCAS—I am talking about the reputation of the authority in North Queensland. We have a senior member of the executive of the government, who has labelled this authority as dysfunctional and out of touch. Can those statements be left on the record unchallenged without affecting the reputation of the authority?

Senator Ian Macdonald—You are asking again for Ms Chadwick's opinion on what statements might—

Senator McLUCAS—Ms Chadwick has the responsibility of—

Senator Ian Macdonald—Let me finish. You know the rules of this committee.

Senator WONG—This is a statutory authority.

Senator Ian Macdonald—It does not matter whether it is a statutory authority. The same rules apply: they are not to be asked matters of opinion. You are asking for her opinion on what someone might have said about something or someone. It is entirely irrelevant.

Senator McLUCAS—That is not the question. The question is: can an attack of this nature—from a senior member of the government, a member of the executive of the government, on an authority which answers to the government—be allowed to stand without any response and not damage the reputation of the authority?

Senator Ian Macdonald—You are asking Ms Chadwick's opinion of whether an attack can—

Senator McLUCAS—As a manager of a significant organisation in North Queensland.

Senator Ian Macdonald—Quite clearly under the rules of estimates committees, you are not to ask for opinions. That question and the questions before it are seeking Ms Chadwick's opinion on different things. They are not allowable and they will not be answered.

Senator WONG—Perhaps we can look at it this way. Ms Chadwick, you obviously made a decision to not respond to these public comments—is that correct?

Ms Chadwick—That is correct.

Senator WONG—Was that decision the subject of discussion with any member of the government?

Ms Chadwick—I have already given an assurance that I have not spoken to any member of the government or the opposition—or the crossbenches for that matter—about this. Hence, if you are suggesting that my decision not to respond was in any way influenced by any other person, I can assure you it was not.

Senator WONG—What was the basis of your decision to not respond?

Ms Chadwick—I simply made that decision.

Senator WONG—You did not have any basis for it?

Senator Ian Macdonald—The officer has been asked and has answered that she made a decision, and now they are asking her to go through her thought processes on how she made the decision. This is simply ridiculous, when it comes to estimates.

CHAIR—Senator, I think you have received an answer from Ms Chadwick.

Senator LUNDY—I cannot help but say that questioning an officer about the accountability mechanisms the officer used to justify a decision to spend taxpayers' money is entirely legitimate.

Senator TCHEN—That was not the question.

Senator LUNDY—It was indeed.

CHAIR—Ms Chadwick has given her answer, and there is little point in pursuing it further.

Senator WONG—What is her answer—that she simply made a decision?

Ms Chadwick—That I, and I alone, decided not to respond to the press release.

Senator WONG—Are you able to tell us why you decided that? It is not a question of government policy.

CHAIR—You have already covered that ground, and Ms Chadwick has given her answer.

Senator WONG—I am asking the question.

Ms Chadwick—I simply considered the matter and decided not to respond. We all make decisions, or I hope we do.

Senator McLUCAS—I want to move now to the visitation rates of—

Ms Chadwick—Not Reef HQ.

Senator McLUCAS—You are not allowed to laugh, Ms Chadwick. Can I have an update of the visitation rates of Reef HQ?

Ms Chadwick—Unlike the previous questions, we are well and truly prepared here.

Mr Barrett—Basically the visitation numbers are slightly lower than our original budget estimates for the current financial year, but they are still significantly higher than before we undertook the refurbishment two years ago.

Senator McLUCAS—When you say they are a little lower, have you got the figures there?

Ms Chadwick—We anticipated this, so we do.

Mr Barrett—The 2004 figures are: in January it was 10,037; in February, which is generally a low tourism season, 5,512; in March, 6,226; and in April, 10,146.

Senator McLUCAS—Based on those figures, what is the projection of visitation for the 2004 year?

Mr Barrett—I do not have a total figure of visitation, but certainly the figures will be slightly lower than our original budget estimate for the year.

Senator McLUCAS—What does that mean for the budget itself?

Mr Barrett—Our revenue estimates will be slightly lower—

Senator McLUCAS—By how much?

Mr Barrett—which means we will have to reduce our expenditure on some areas of the Reef HQ's activities. Generally the net loss will probably be around \$100,000 for the year.

Ms Chadwick—One thing I think is very interesting is that something in the order of 79 per cent of the operating costs of Reef HQ are met by the operations of Reef HQ itself. Without in any way being disparaging about other government run museums, galleries, memorials and the like, I must say it is an absolute credit to those at Reef HQ that something in the order of a bit less than four per cent of the total budget is the shortfall that we meet out of the general GBRMPA budget.

Senator McLUCAS—I go back to the principle that this committee was advised during the refurbishment that the refurbishment of Reef HQ would mean no cost to the GBRMPA budget. It would ensure that it ran without cost to your budget.

Ms Chadwick—That certainly was our expectation. I would be the first to concede that we were probably a little bit ambitious but the shortfall in the overall budget and our overall budget is insignificant. All money is significant but it is insignificant in the overall total. It is well above the percentage of return for like institutions elsewhere in the nation. We are now fulfilling a very strong education role, particularly web based education, through Reef HQ. I believe there has been a net gain to both GBRMPA and the community while I concede that we were probably a bit overambitious in our projections.

Senator McLUCAS—Can you give me an indication of the full-time equivalent staffing?

Ms Chadwick—We certainly can.

Senator McLUCAS—I am also interested in, now we have completed the representative areas plan, what that has meant in terms of deployment of staff within the organisation.

Ms Chadwick—You might recall that we discussed this at the last Senate estimates but we can build on that and give you the more up to date figures.

Mr Barrett—I can table the figures as at April 2004. Briefly going through those figures, there has been minor changes in various programs, mainly relating to the timing of staff changeover, some staff resigning and new staff coming on. There are different figures in a couple of the programs by one or two people. The staffing of our conservation, biodiversity and world heritage group, which includes the RAP task force, has been maintained at the same level it has been since February. That is based on the work that they are doing coordinating the implementation of the zoning plan. There have been two extra staff in our day to day management coordination unit working on compliance programs and particularly on developing the risk management based approach to compliance under the new zoning plan. There is also an extra staff in our planning and impact assessment area focusing particularly on permits and some of the required changeovers to permits under the new zoning plan. Since February, there are approximately three extra ASL with the authority.

Senator McLUCAS—Compliance is going to be the big question for the authority post 1 July. Can you run through what you describe as the risk based compliance program? Can you give me an understanding of that?

Ms Chadwick—I can speak a little about it, Senator McLucas. As you know, we have been very fortunate to have had an enhancement in our budget for compliance. There were a number of elements in that. We have moved well away from what could loosely be called a ‘cruise and peruse’ approach to compliance. It is now more of a risk based operation. By that I mean that we are using intelligence from a range of sources. It is everything from the general public and Coastwatch to watching price fluctuations in particular markets for fish and looking at seasonal things, such as Chinese New Year, when prices may be pushed up.

From there, we are able to develop a compliance planner which then allows us not only to apply our resources in a far more structured and professional way but also to work with other agencies—in particular, Customs Coastwatch, the Australian Federal Police and the Queensland Boating and Fisheries Patrol. I have probably left out others, but there is a range of people and organisations that we work with now, some on a contract basis. For example, the Queensland Boating and Fisheries Patrol are contracted by us. Through that, rather than trying to cover the whole of the reef the whole of the time we are able to identify hot spots either seasonally or just plain geographically so that we can achieve a far more concentrated effort on trouble spots, troublesome people or troublesome boats.

The results have been quite gratifying. The enhancement to our budget will allow us to further refine those processes with these other agencies that I have been talking about. We could not do it alone. We could not even do it in partnership with the Queensland Parks and Wildlife Service. It is a genuine collaborative venture between a range of Commonwealth and state agencies. From recent discussions with the current head of Customs Coastwatch I am aware that, while there is always room for improvement, he is holding up the model that we

have developed in the GBR as worthy of consideration in other areas. So we are very serious about compliance not only because of the serious environmental harm that can result but also because when we undertook the consultations for the rezoning a fairly constant message came through from the community: they were questioning how we were going to manage the changed rezoning, and there was some scepticism that we had the will to do it. I can assure you that we do have the will and, with the government's enhancement in our budget, I am confident that we will have a very good compliance and surveillance system as we move into the rezoned GBR.

Senator McLUCAS—Can you explain the relationship between GBRMPA and the Queensland Boating and Fisheries Patrol? Is that a contractual arrangement?

Ms Chadwick—Yes. I am happy to do that, Senator McLucas. As you know, going back to the Emerald agreement of years ago, it is up to Queensland to designate the agency with whom we deal in the day to day operations in the GBR. Queensland historically has had the EPA or the Queensland Parks and Wildlife Service, and we are very happy and pleased to be in partnership with them.

However, as you would be aware, the Parks approach to surveillance and compliance is not the same as the approach that would be adopted by the Queensland Parks and Wildlife Service. So over the last three or four years, I would think—although John Tanzer may correct me—we have entered into contractual arrangements with Boating and Fisheries Patrol. I may stand corrected, but my estimate is that currently it would be \$430,000 to \$450,000 a year. I will correct that if I have made a mistake. We contract them to do work relating to matters of particular importance to GBRMPA—for example, in dugong protection areas and the like—or to look to areas that are covered by Commonwealth regulations through GBRMPA regulations rather than Queensland fishery regulations. So it is work over and above their normal taskings as part of their state duties. We are very happy and I believe that they are very happy with the arrangements.

Senator McLUCAS—Prior to this budget, \$50,000 is the amount that—

Ms Chadwick—Yes.

Senator McLUCAS—And are you expecting that that contract will grow as a result of it?

Ms Chadwick—We are in negotiations with the Queensland Boating and Fisheries Patrol to see what we will get for additional money. It is fair to say that I would anticipate a significant increase in the taskings to Queensland Boating and Fisheries Patrol.

Senator McLUCAS—A final question on compliance: do you think the capacity exists within the Queensland Boating and Fisheries Patrol to increase their effort? Do they have enough vessels? Do they have enough capacity?

Ms Chadwick—While I have not been a direct party to the negotiations, I am aware of the matter that you are raising. Hence, it is important for the Queensland Boating and Fisheries Patrol to know that, if they need to increase their capacity in any way, we may be entering into the three-year contract, given that we have this three-year guaranteed enhanced funding.

As you know, we work with the DPP, the Australian Federal Police and Minister Macdonald's department—a range of parties contribute to this effort.

Senator McLUCAS—The public education component is quite significant, understandably. Could you give me an understanding of what is proposed for that and, because of time issues, if there is a document that describes the public education program, I am happy to receive that rather than—

Ms Chadwick—There is not a document per se, but I am happy to provide you with a list of what we are doing. You may well have seen some of the products. We are already running community service announcements on TV, newspaper advertisements and the like. That will continue. It is critically important that people have the opportunity to be aware of the changes that are under way and to be well informed. The maps are being printed. They will be available to the public at no cost. The maps and information are already available on CD—a bit like our community consultation programs. We will be out and about in the community, holding public meetings to ensure that people are aware of the changes. We intend to have everything, including 148 new boat ramp signs, by 1 July. Some of those public meetings will be after 1 July to make sure that people understand what those changes are.

The information will be available at QPWS offices and at our offices. But we have also identified something in excess of 100 other areas—things like boat and tackle shops, et cetera, people who have volunteered to have the information on hand, and where people are likely to gather. Last week our officers were at the Sanctuary Cove Boat Show, and we have been at the Townsville Boat Show. So there is a lot of activity—some of it under way, but a lot of it gearing up now.

Senator McLUCAS—You would be aware of some concern about the availability of the maps? Do you share that concern?

Ms Chadwick—Yes, but it is a double-edged sword. The current maps apply until 1 July. I am well aware that people are now keen to ask: 'Where are the maps?' and that is excellent. There was a limit to how much expenditure I was bold enough to undertake, without some certainty that I could pay for it. In addition, probably from about now, the general public will need that information. We are in a position to provide it in a timely fashion. For those who want the information now, it is on our web site and compact disks are available. We will be doing everything we can to have those maps out, free of charge, to the community as soon as possible.

Senator McLUCAS—Do you have a date?

Ms Chadwick—About mid-June.

Senator McLUCAS—Finally, can I get an update with respect to the pontoon extension out from Cairns?

Mr Tanzer—Since we last spoke, at the last estimates, we have received the information. I think we had just received the advice back from the minister at that stage. We have had a look at that and taken it into account. The assessors have developed a draft permit, which I have read and looked at in just the last few days. I have gone back to them with some comments.

The next stage will be that they will come to me with a final version of a permit for my consideration and decision. That should be within the next few days.

Senator McLUCAS—When you have made your decision on the permit—

Mr Tanzer—On the permit and the conditions attached to that permit.

Senator McLUCAS—what will be the process from there?

Mr Tanzer—We will advise the proponent.

Senator McLUCAS—It is simply issued?

Mr Tanzer—Yes. If the decision is to proceed, it will be issued.

Senator McLUCAS—Thank you.

Senator BARTLETT—Before Senator Allison asks a few questions, I will ask about the rezoning matter that has just been addressed. I understand that the extra funds in the budget for that, apart from those in the fishing compensation package—for want of a better phrase—were coming from NHT. Is that going to be a one-off or is that funding likely to be ongoing?

Ms Chadwick—The funding is over a three-year period. I would not be so bold as to presume that it would continue after that, whether it came from NHT or any other source.

Senator BARTLETT—I guess one of the issues with that is relying on ongoing funding from NHT. That is an issue I have raised concerns about in terms of the Wet Tropics Management Authority, which I know has a different structure. To have to be relying on significant chunks of money from NHT does generate some management problems. I am wondering if that has been raised at all.

Ms Chadwick—It is my observation that budgets, budget enhancements or—dare I even say it—budget decreases are in the hands of the government of the day, whether or not they come from NHT. It would be my hope that, if one can show enormous benefit to the government and its programs from the expenditure of those funds, one would at least be on a good footing for either a continuation of those funds or any other program.

Senator BARTLETT—I apologise if I double up on something that has just been asked or was asked before I came into the room. This is a bit of a general question. Given the length of the process and what has been to some extent the contentiousness of the rezoning, what has the feedback at the community level been like? Have there been any particular problem areas or particular cries of joy?

Ms Chadwick—I believe that, while there are some geographic hot spots or industry specific hot spots, that is inevitable in something of this scale. It has never been done before either here or anywhere else in the world. One would be naive to say that there are not geographic hot spots or industry specific hot spots, but by and large the response has been supportive along the GBR coastline. It has been almost without fail greeted very positively in the broad Australian community and has in fact received extraordinary acclaim around the world. In fact, it was reported to me yesterday that at the world's major fisheries conference in Vancouver in the last fortnight it was raised in most plenary sessions and in fact in the major address. That is even within a fisheries context. In a conservation context it has received

enormous acclaim and generated incredible interest. It goes without saying that I am very proud of what the marine park authority and the government have achieved in this. While I am sorry for those who are disadvantaged or negatively affected, I believe the Australian community is very pleased that this rezoning has occurred.

Senator BARTLETT—Obviously now you have made that huge achievement, you have presented a lot of extra work for yourselves and for those who might follow on. The issue of adequate long-term resourcing to be able to deal with that management is obviously the next challenge. Clearly there is some extra money announced in the budget for that, but will there be an automatic need to have more extensive policing or monitoring than what has occurred in the past?

Ms Chadwick—In response to your first comment, we like to keep busy at GBRMPA. Extra work does not worry us. In response to the resourcing question, we did need extra resourcing for implementation, education, communication and increased surveillance capability. I was very grateful that we received the resources that we believe we needed in this budget. We are in very good shape to implement RAP.

With regard to ongoing funding, if you think of things such as the straight implementation—the communication, the education, the new materials—while there will be an ongoing cost, it will be minimal once we get over this first implementation. When one stops and thinks about it, we have over 2,000 kilometres of the Queensland coast—a huge area—and every sign, every map, every brochure, every piece of information that we have, whether it is on the Net or on a boat ramp sign, will be out of date and incorrect on 1 July. There is an enormous one-off cost to get that correct information out and to make sure the community knows what the new situation is and what the new ground rules are. Firstly, it is a huge administrative task and, secondly, it is a huge education task. But that will not be ongoing even though there is a communication-education component. That is a significant part of our budget enhancement.

With regard to surveillance and enforcement, some of that money is not just for extra patrols such as I was talking about with Senator McLucas. Rather, it is on doing things in a smarter and better way—setting up smarter systems so that one, in fact, knows who to target and where to target. We will have the increased capacity to pay for and set up those systems, although part of that will not be an ongoing task. Surveillance is always an issue. There is always an issue in the marine park. In three years time there could well be different issues.

Senator BARTLETT—One of the ideas I have heard floated has been for marine tourism operators serving as some sort of unofficial or voluntary scout, given that they are out there all the time. Is there any formal process in terms of exploring ideas like that, or is it just one of those things that is tossed around?

Ms Chadwick—No. Over recent years there has been a real sense of collaboration and partnership with the marine tourism industry, and I think it has been of mutual benefit to both the authority and, hopefully, to the industry itself. AMTO, the Association of Marine Park Tourism Operators, have not only had discussions with me but with the minister as recently as yesterday, I think it was, about how we might move ahead. Preliminary discussions have been

that they have no desire, and nor do we, for tourism operators to have some form of heavy compliance, police-type role out there. So it is a matter of what they can do, how they can do it and how it fits into our program. Yes, we are in discussions with them. I think we are both of like minds in terms of a vision of how this might look. It is a matter of how we move forward, who is prepared to be involved, what the reporting mechanisms may be and how we slot that into our general compliance program. They are serious, and certainly we are serious, about working in collaboration.

Senator BARTLETT—Are there any extra challenges arising from the rezoning in terms of your liaising with Indigenous communities and traditional owners and their involvement?

Ms Chadwick—As part of our 2½ rounds of consultation with the community, 70 identified Indigenous communities up and down the length of the Great Barrier Reef were included. In fact, out of the myriad of submissions that we received, from recollection I think somewhere between 300 and 400 submissions came from Indigenous communities. There are certainly issues there. Many communities looked at the rezoning from the context of native title rights. Some of them looked at it from the context of their aspirations to move to more commercially based operations—for example, commercial fishing—in the future. Concerns raised by those communities were common with some others from the commercial fishing community.

Many communities, particularly in the Far North, were very concerned about what they regarded as insensitive actions, inappropriate actions, from fishers, both commercial and recreational, in terms of accessing areas that were of cultural significance to them. So there were a range of issues, but you may be aware that as part of the rezoning we now have in the regulations a capacity to enter into what we call TUMRAs, traditional use of marine resource agreements. We are quite hopeful to be in a position to have the framework of two or three of those agreements to take to the marine park authority board for consideration over the next few months.

Senator BARTLETT—When does your term run out?

Senator Ian Macdonald—Too soon.

Ms Chadwick—On 18 July of this year—but who is counting?

Senator BARTLETT—Your successor still has not been announced?

Ms Chadwick—That matter is in the hands of the minister.

Senator BARTLETT—What if they do not announce anyone by 18 July? Would that force you to stick around?

Senator Ian Macdonald—You can stick around for the next 10 years.

Ms Chadwick—I am sure the minister would not leave a position as important as the Chair of the Great Barrier Marine Park Authority vacant.

Senator BARTLETT—Would you have to stay in an acting capacity?

Senator Ian Macdonald—They are matters for the minister.

Ms Chadwick—Senator, I think I am getting as much amusement out of this as you, but I think that is inappropriate.

Senator ALLISON—I would like to ask about the Stuart shale oil mine. At previous estimates I have raised questions about the possibility—and I know that GBRMPA is keen to see this happen—of resuming that part of the Great Barrier Marine Park area from the mining lease. Are the current circumstances of the mine opening up some opportunities for negotiations about that resumption? Has it been raised with them and, if so, what have been the results of those negotiations?

Ms Chadwick—Senator, it is with a sense of delight and relief that I refer you to Mr Early.

Mr Borthwick—This would normally come under Approvals and Wildlife Division, but since Mr Early has come to the table—

Senator ALLISON—Early, as it were.

Mr Borthwick—He can answer it now.

Mr Early—Basically the situation was that, prior to the sale of the project, Southern Pacific Petroleum had submitted a consolidated report that provided part of the additional information required, although the company had advised us that there was more to come. There are certainly still elements of the proposal that are not adequately covered by the report and about which we need further information to make an informed judgment. But both we and the Queensland government authorities met with the new owners, Queensland Energy Resources Ltd, on 5 and 26 May, and we made that clear.

Senator ALLISON—Made what clear?

Mr Early—That there is more information required before the proposal can proceed.

Senator ALLISON—I was not aware that there was a new proposal. What is the proposal for?

Mr Early—No, it is the same proposal. There has simply been a change of ownership.

Senator ALLISON—I see. Has it been made clear to the new owners that the preferred course of action of GBRMPA is to resume that part of the lease which is in the Great Barrier Reef?

Ms Chadwick—Mr Early does not work for GBRMPA; he is from the Department of the Environment and Heritage.

Senator ALLISON—Who can answer that question then?

Mr Early—We answered the question previously: basically both our previous minister and the government have made it clear that that is our preferred option but, at the end of the day, it is up to the company to decide whether to do that.

Senator ALLISON—I am asking whether the issue has been raised with the new owners or not.

Mr Early—To be honest, I am not sure. We have been concentrating on the assessment for stage 2—and, as you know, those issues are stage 3 issues—and that was our immediate concern when we met with the new owners.

Senator ALLISON—It would appear to be a good idea to raise it earlier rather than wait until stage 3 comes along.

Mr Early—I am sure they are aware of it.

Senator ALLISON—I have some questions about the Great Barrier Reef coastal wetland protection program.

Ms Chadwick—There is a commitment for expenditure in the order of \$16 million, as I recall, through DEH. I think Dr Conall O'Connell is handling that.

Senator ALLISON—Can you give us a brief outline of the current status of that program?

Dr O'Connell—The program was established in 2003. There was \$1 million at that stage allocated to 2003-04. The government committed \$8 million to the program and sought matching funding from the Queensland government. There have been continuing discussions with the Queensland government concerning the matched funding and to date Queensland has declined the invitation to match that funding. While those discussions have been happening, Queensland officials have been somewhat constrained in their capacity to share the sort of information we need to develop the program. Essentially, there is an underspend in the year and the funding will be reprofiled into next year. We are currently considering the options of how to move forward in relation to that matched funding issue. In a sense, it has been stalled somewhat by the need to resolve the matched funding issue with Queensland.

Senator ALLISON—I think you said that the Queensland government has already refused to match the funding. Is that the final offer? Where is it now?

Dr O'Connell—The government is in the process of considering what to do in that regard, so it is really a matter of policy at the moment as to how to go about that.

Senator ALLISON—Can I ask what arguments were put by the Queensland government to not contribute?

Dr O'Connell—I think that, fundamentally, the argument was that they did not have the opportunity to participate in the targeting and development of the program, that we were, in a sense, a Commonwealth developed program and that we could look after it ourselves. That is not to say that they will not be cooperative in terms of information and the normal cooperative exercise we have with the officials in that area in terms of protection of the reef, but it is just a question of matched funding.

Senator ALLISON—Are they justified in their criticisms? Would it have been wiser to consult with them?

Dr O'Connell—I suspect that goes under the class of opinions, which I am not entitled to give.

Senator ALLISON—I will put the question more directly: did you consult with the Queensland government before drawing up the proposal?

Dr O'Connell—In terms of the drawing up of the proposal, that was done as a matter of policy by the government as opposed to being developed between agencies.

Senator ALLISON—So the answer is no.

Dr O'Connell—The answer, I guess, is that it is not applicable rather than no, in that the assumption of your question is that the program was a development between officials as opposed to the matter of policy.

Senator ALLISON—So Queensland has said, 'You've drawn this up because it is your business; why should we pay?' Is that the general thrust of the response?

Dr O'Connell—I would not want to put those words into the mouth of the Premier.

Senator Ian Macdonald—I can give another view: it is typical Queensland government stuff. They talk a lot about the environment and put no money into it at all.

Senator McLUCAS—I understood, Minister, that the agreement that was drawn up between the Democrats and the government and the media release that was put out that said \$16 million was going to be used for water quality was done without any reference to the Queensland government, and I think quite rightly they feel as if they have been railroaded into finding \$8 million in order to serve the agreement between your government and the Democrats over the sugar tax.

Senator Ian Macdonald—That is your view. I stand by my view. Mr Beattie is very good at making lots of attractive statements to the media—

Senator McLUCAS—Do you want to go to land clearing?

Senator Ian Macdonald—but never puts money into them. I am yet to see any money there.

Senator McLUCAS—Exactly, we are yet to see money there, Minister, from your government.

Senator Ian Macdonald—He promised \$150 million. I was talking to someone the other day and we have not seen a cent of it.

Senator McLUCAS—And where is yours?

Senator Ian Macdonald—Ours was committed as part of a joint arrangement. He broke it unilaterally, as he always does when it suits him to get a few votes from the gullible Greens, I have to say.

Senator ALLISON—I want to ask about this \$8 million which may or may not be matched by Queensland. Is there a possibility that the program could be rescheduled so that the \$8 million can still be spent? Why is it so reliant on state government funding?

Dr O'Connell—We are in the process of considering precisely what to do in the absence of the matched funding in order to ensure that the government's commitment is met. The intention clearly is to meet the government's commitment.

Senator ALLISON—If it were to be pared back to the \$8 million, what would be done and what would not be done?

Dr O'Connell—I think it is quite premature to assume that it will be pared back to \$8 million because, as I said, currently the intention is to meet the commitment made by the government. I do not think there should be an assumption at all that it will be pared back to \$8 million.

Senator McLUCAS—You are spending \$1.24 million in your partnership with the Reef Cooperative Research Centre. What is the nature of that? You are a partner in the centre, but do you actually purchase research from them or is it for the ongoing operation of the research program?

Ms Chadwick—The Reef CRC are our major research provider and have been over the last decade. GBRMPA, from our appropriation 1, provides \$665,000 a year. We provide \$1.2 million from appropriation 2, which is acknowledged as a contribution from the tourism industry to CRC. So that means our total appropriation is \$665,000 plus the \$1.24 million.

Senator McLUCAS—That is AMPTO's reef tax money essentially?

Ms Chadwick—There is no reef tax; it is an environment management charge.

Senator McLUCAS—We have traversed that before.

Ms Chadwick—Yes. It is out of our appropriation, but we acknowledge it as an industry contribution. In addition, there is about \$430,000 or \$440,000, or thereabouts, that is provided in-kind by being task associates sitting on scientific committees and the like. It is quite a weighty contribution, but it does not go into the CRC tagged for specific research. It goes into the general CRC budget and we, along with all other partners of CRC reef, put up proposals, bid, debate, refine et cetera so that CRC develops a set of research priorities. It is fair to say that, because we are vigorous participants, we have the majority of our major research needs met through that source. We do, however, also have involvement with other research institutions, but not to the extent and with the ongoing commitment that we have with reef CRC.

Senator McLUCAS—Can you identify any other research organisations that would be able to provide the sort of research that is being delivered by Reef CRC? Who will you purchase that research from when reef CRC finishes in 2006?

Ms Chadwick—We are talking about a hypothetical issue. There are two years of funding still to go in Reef CRC and a broad commitment to funding projects. There is a full commitment through that time. But to give a direct answer to your question, the people who are the research providers to Reef CRC include James Cook University, AIMS—the Australian Institute of Marine Science—Terry Hughes' centre, the name of which I forget, JCU, University of Queensland, University of Southern Cross, University of Wollongong has a marine component and from time to time CSIRO. If in fact there was no Reef CRC, we would use the existing partners who are providers as well as an array of other sources such as CSIRO.

Senator McLUCAS—Minister, are you happy for Mrs Kelly's comments to stand unchallenged?

Senator Ian Macdonald—I said to Ms Chadwick earlier, ‘I hope they don’t ask me, because I’m afraid to say I was not even aware of them.’

Senator McLUCAS—Now that you are, Minister—

Senator Ian Macdonald—You still have not told me what they are.

Senator McLUCAS—Do you want me to read to you what was said on ABC Radio?

Senator WONG—We have mentioned it a few times, but it may have slipped your memory.

Senator Ian Macdonald—No comment. The only thing I can say is that GBRMPA do a magnificent job in so many ways. I do not always agree with everything that they do and we have had some robust discussions in my capacity as a local member and also as the fisheries minister in relation to the RAP plan. But, by and large, GBRMPA have been exceptional in the way they have got through a very difficult exercise—an exercise that really has made a significant contribution to the Australian environment. I have the highest regard for them and their personnel—particularly for the chair.

Senator McLUCAS—Will you challenge the comments that Mrs Kelly has made on ABC Radio Townsville in the terms that you have just described to the committee?

Senator Ian Macdonald—You can put whatever interpretation you like on it. I am really unaware of what Mrs Kelly said. I did not hear what she said and I have never focused on it.

Senator McLUCAS—You disagree with those comments clearly.

Senator Ian Macdonald—I have not really heard them. Whilst I have the greatest respect for you, Senator McLucas, even if you told me what she was alleged to have said, I would not really accept that without making my own investigations as to what exactly and precisely she said. Suffice to say, I have made my comments on GBRMPA. I think they do a great job.

Senator McLUCAS—Thank you.

Senator WONG—I just want to clarify something, Mr Borthwick. Do marine plans, marine parks and marine protected areas come under the National Oceans Office, Parks Australia, Land, Water and Coasts Division or all three?

Mr Borthwick—All three.

[3.41 p.m.]

National Oceans Office

CHAIR—I welcome officers from the National Oceans Office to the table.

Senator WONG—I understand the south-east regional marine plan was released last week. The release was somewhat later than was previously anticipated, wasn’t it?

Mr Kitchell—I think we always anticipated that it would be released in the first half of this calendar year, and that is how it eventuated.

Senator WONG—You managed that. What has been the expenditure in this area to date? Over \$50 million?

Mr Kitchell—The expenditure?

Senator WONG—On this marine plan.

Mr Kitchell—It is very difficult to extract the precise figures for the development of the plan out of the figures for the creation of the National Oceans Office itself, especially in the early years when the development of the plan and the creation of the office were happening at the same time. We would estimate, though, that the cost of the plan would be in the order of \$16 million to \$17 million.

Senator WONG—You would be aware, wouldn't you, that there has been quite some criticism of the plan by environment groups? Are you aware of that?

Mr Kitchell—I have seen the press releases that many have issued, and some have been more critical than others.

Senator WONG—How do you respond to the criticism by the ACF that the plan has been designed to have the least possible impact on fishing, oil and gas industries?

Mr Kitchell—I do not think it is a criticism of our trying to develop a plan which works with the key industries which rely on the oceans in that area. I do not take as a criticism them saying that it has a minimal effect on those industries.

Senator WONG—So it was an objective of the government, was it, that the plan have minimal effect on those industries?

Mr Kitchell—I would say the objective of the government was that the plan consider all of the interests in the area, including the key industrial interests in the area.

Senator WONG—There are two proposed marine parks: Zeehan in Tasmania and Murray Canyons off Kangaroo Island?

Mr Kitchell—That is so.

Senator WONG—What does the fishing industry take in the area, firstly, of the Murray Canyons?

Mr Kitchell—I do not have those figures available of the total take in either Zeehan or the Murray Canyons. I do not have them with me. I do not know whether other officers have those figures with them.

Mr Oxley—I have responsibility for the marine protected areas task force. We are not yet in a position where we have information available to us about industry catch or take in either of the proposed marine protected areas. We have a process which we will be going through over the next few months—six months or thereabouts—where we will work through those issues.

Senator WONG—So, presumably, some assessment of the impact, if any, on the fishing industry was done prior to your decision to indicate that those areas would be the subject of protection?

Dr O'Connell—I might be able to help a little here. Those proposals are not yet fully settled in terms of the—

Senator WONG—No, I am aware of that.

Dr O’Connell—Part of the process is precisely that: to make an assessment, and we will be using the Bureau of Rural Sciences to help us assess the economic and social impact of those MPAs, so the process is now one of going through that assessment.

Senator WONG—You have no indication of any estimates of the impact of reserving those areas?

Dr O’Connell—No.

Senator WONG—None at all?

Dr O’Connell—No.

Senator WONG—Is that right, Mr Kitchell, or do you not do this?

Mr Kitchell—There is no impact yet because there have been no decisions taken on what would be excluded and what would be included in terms of uses.

Dr O’Connell—We need to go through a process—and I think we covered this a little bit in February—of assessing the nature of activities that are or are not going to be constrained and then, as we go through that, assessing the potential impact.

Mr Oxley—We are in the process of scoping a gear technology risk assessment. That risk assessment will, essentially, look at each of the different fishing types that are carried out and assess what impact, if any, they would have on the marine environment in those proposed marine protected areas. Then we would make some judgments on the extent of that impact and whether those technologies should be allowed as part of a multiple use or disallowed because their impact would be significant and, therefore, damage the biological values for which those marine protected areas are being established. Having made some decisions about what gear technologies would or would not be allowed in, we would then establish what the current industry take is in those areas for those particular gear types and assess the cost to the industry of excluding them.

Senator WONG—Do you have any figures at all on the current industry take in those areas?

Mr Oxley—Not that I am aware of.

Senator WONG—Dr O’Connell?

Dr O’Connell—Not that I am aware of.

Senator WONG—Mr Kitchell?

Mr Kitchell—There is an estimate of the amount of fishing activity in both the areas.

Senator WONG—What is it?

Mr Kitchell—We do not have the figures here with us.

Senator WONG—Can you provide them?

Mr Kitchell—We can.

Senator WONG—What about oil and gas potential in the two proposed parks?

Mr Kitchell—The south-east marine region incorporates one of Australia's most important oil and gas areas, and it is clearly an important industry to maintain it in the national interest.

Senator WONG—I am sorry, but that was not my question. Is there any oil and gas potential in the two proposed marine park areas?

Dr O'Connell—My understanding is that there are acreage releases and the potential for oil and gas prospectivity in the area—the quantification of that, I am not sure.

Senator WONG—In both areas?

Dr O'Connell—I think in just one of the areas, but I would have to take that on notice.

Mr Oxley—My understanding is that the oil and gas industry's interest is greatest in the Zeehan area.

Senator WONG—Is there any current exploratory activity in that area?

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

Senator WONG—The Australian Marine Sciences Association wrote an article in the *Age* regarding the marine protected area selection process. Are you familiar with that, Mr Kitchell?

Mr Kitchell—Yes, I am.

Senator WONG—Their criticism is asserted to be that the areas were chosen without scientific consideration and that the petroleum and the fishing industries had too much of a say in their location, size and proposed level of protection. Do you disagree with this?

Mr Kitchell—I am not sure that they said that the areas had been selected with no science input; but, irrespective of whether that is or is not what they said, certainly a substantial amount of science went into both the regional marine plan generally and into the marine protected area process specifically. For instance, the first step in a marine protected area process is to undertake what is called a bioregionalisation process. That process was undertaken by scientists.

Senator WONG—Do the proposed marine parks equate to areas of high biodiversity or high conservation value in accordance with that mapping process?

Mr Kitchell—Following the bioregionalisation, to narrow down the scope within the region more specifically, scientists identified 11 broad areas of interest, based on a representative sample of the ecosystems within the region. Beyond that, a series of guidelines and specifications were developed for the selection of marine protected areas within the broad areas of interest. Once again, that was a science based process. Once the candidate marine protected areas are developed, those candidate areas will be assessed by science again to see whether or not they accord with the specifications, which had been science based in the first instance. So there is and there has been considerable science attached to the selection of marine protected areas.

Senator WONG—Are you saying that the scientific analysis to which you are referring does not accord with the assertion by these scientists that the two marine parks are in areas of low biodiversity?

Mr Kitchell—They are not in areas of low biodiversity. The basis for the marine protected areas is to develop a representative system of marine protected areas—to develop a system which represents each of the ecosystems which are within the region itself—so it is not necessarily a system which is based exclusively on the areas of highest biodiversity significance. That is not to say that that issue is not taken into account, but that it is not the fundamental purpose. The fundamental purpose is to represent each of the ecosystems which are within that marine region.

Mr Oxley—I think it is also important to acknowledge that in the case of the south-east we are dealing, once we are off the shelf, with a deepwater area—an area about which we have very little knowledge with respect to the biology that is down there. Therefore, once we have a network of marine protected areas established in the south-east, we will need to have and will have an ongoing program of research and monitoring that, in essence, helps us build our understanding of the biodiversity within those areas that we have protected. We just do not know what the biological diversity is in the deepwater areas of many parts of Australia. We have good models using geomorphological characteristics of what the sea floor, the canyon systems and those sorts of things look like so we can draw conclusions about the sorts of biological communities that are present. But until we get down there with cameras and do some sampling we will not actually know, which is why we are seeking to preserve some of each of the bioregions that are present within the south-east. I think there are a little over a dozen bioregions on the continental shelf in the south-east and 39 in the deep water.

Senator WONG—Mr Kitchell, given your answers to my previous questions, why are these two areas chosen? Why are they so important?

Mr Kitchell—They have been chosen again on the basis of good science to represent the greatest diversity of ecosystems within those broad areas of interest. They were also chosen on the basis of looking to see where you could make that representation.

Senator WONG—What does that mean?

Mr Kitchell—Again, it is to represent the broadest variety of the ecosystems within the region, remembering again that the basis for this system of marine protected areas is representativeness. We are trying to get a sample of everything. We are trying to get a sample of each ecosystem that is down there. That was the fundamental basis on which these were selected—to get a sample of each of the ecosystems that were down there and, at the same time, to do that in a way which has the minimum impact on the industries which rely on the oceans.

Senator WONG—So there must have been some assessment of the impact on the relevant industries of these two areas being protected.

Mr Kitchell—The representatives from the two industries as well as from the conservation movement assisted in the development of the propositions.

Senator WONG—They were comfortable with these going out as the proposed protected areas?

Mr Kitchell—I think you quoted before from the conservation movement's response to the release of the plan. I think there has also been a guarded response from the fishing industries and the oil and gas industry.

Mr Oxley—It is also premature to draw conclusions as to whether people will in the end be happy with what we currently have identified as candidate marine protected areas in the south-east. We are part-way through a process. We have identified two marine protected areas. In fact, in relation to Zeehan I think there are a couple of other small areas, so in fact I think there are four. We have nine more broad areas of interest where we have to do the work over the next 12 months. At the end of that period, we will have a system for all of the south-east marine region of candidate marine protect areas. That will be then put through—as Mr Kitchell indicated earlier—a scientific peer review, where we will be asking a review panel to look at the reserve system proposed as a whole and to ask the question: has it met the broad objectives of achieving a comprehensive, adequate and representative reserve system for the south-east? Then we will move ahead, having got that assessment, and go through if necessary any boundary changes. Then we will move to declaration of a network of marine protected areas. We are part-way there.

Senator WONG—Going back to one of your answers, Mr Kitchell—the process of drawing these boundaries. Presumably you went through the stakeholder consultation process?

Mr Kitchell—That is so.

Senator WONG—I think you have indicated guarded support for these proposed boundaries from the industries?

Mr Kitchell—That is as it would appear from their press releases.

Senator WONG—Is it the case that in your stakeholder consultation process these boundaries were opposed by the environmentalists and scientists on the committees?

Mr Kitchell—I was not party to those meetings so I cannot tell you what individual groups said about individual propositions at any given time.

Dr O'Connell—I might be able to help a little there. The discussions in which the stakeholders discussed the boundaries were not characterised by direct industry support and conservation group opposition. There was not anything of that nature. There was constructive engagement by industry and conservation movements—the fishing industry, the petroleum industry and the key conservation groups. In terms of the development of the boundaries, while there were clearly people who were less than comfortable with some aspects there were certainly other conservation interests who were comfortable enough that this was making good headway. I do not think at all that it fell into industry versus conservation groups. It was better characterised by—

Senator WONG—I beg to differ, given the responses to it. But anyway, that is probably a different discussion. Both of those areas are reasonably deep areas, correct?

Mr Oxley—Reasonably deep. Zeehan goes up onto the continental shelf.

Senator WONG—Presumably our knowledge of the ecosystems and biodiversity is better on the shelf as opposed to deep areas. Is that correct?

Mr Oxley—That is correct.

Senator WONG—Hence your answer previously?

Mr Oxley—Yes.

Senator WONG—Why are there no proposed protected areas on the shelf?

Mr Oxley—As I said, we are part way through that process. We have not yet concluded looking at all of the broad areas of interest, a number of which are on the shelf.

Senator WONG—So are you saying there might be more marine protected areas but you just have not worked out what they will be?

Mr Oxley—That is correct.

Mr Kitchell—And in both Zeehan and Murray Canyons candidate MPAs there are elements of the continental shelf.

Dr O’Connell—You probably do not have it but in the regional marine plan on page 84—

Senator WONG—I have a lot of paper here but that is not one of the bits that I have.

Dr O’Connell—I would be very pleased to help you out. On page 84 you will see a diagram of the proposed candidate MPA for Zeehan, which has three components on the shelf. So it is certainly reasonably extensive there.

CHAIR—We will have a coffee break.

Proceedings suspended from 4.03 p.m. to 4.18 p.m.

CHAIR—The committee will continue with the National Oceans Office. We will then call officials from the Office of the Supervising Scientist.

Senator WONG—It has been suggested that bottom trawling will be one of the fishing practices removed from the marine parks in the south-east. Is that correct?

Mr Oxley—Quite possibly. We have not yet done the risk assessment but certainly the industry has received some preliminary indications that that is a likely outcome.

Senator WONG—From you?

Mr Oxley—From the department, as I understand.

Senator WONG—On what basis?

Mr Oxley—I think on the basis that we have a reasonably good understanding of the impact of trawling on the benthic environment. We would, without having gone through the formal risk assessment, conclude that it is likely to be of a high impact.

Senator WONG—Given that, is it therefore also being considered for exclusion from other areas of the south-east?

Dr O'Connell—Do you mean in terms of marine protected areas, or just generally in the south-east? If you are talking generally about the south-east, the management of fisheries would be a matter for the Fisheries Management Authority.

Senator WONG—But the only protected areas that you are proposing currently are Zeehan and Murray Canyons?

Mr Oxley—As I indicated earlier, we are about to commence a gear technology risk assessment. That will be looking at each of the gear technologies used by the various fishing industries. That risk assessment will give us a guide as to whether we have technologies that should be excluded or whether they can be included in a multiple use reserve.

Senator WONG—Do you anticipate bottom trawling being excluded in areas apart from Zeehan and Murray Canyons?

Dr O'Connell—Do you mean when we come to other protected areas?

Senator WONG—Correct.

Dr O'Connell—We have the Zeehan and Murray. In nine other broad areas of interest we would expect to have marine protected areas. If the values that you are trying to conserve rely on undisturbed benthic systems, then typically you would not want to have too much in the way of bottom trawling. The probability would be that that is correct. Throughout the processes with the fisheries industry and their proposals to us, our discussions with them have tended to be based on their understanding that bottom trawling is probably going to be excluded from the marine protected areas. In the end it would depend, as Mr Oxley says, on the risk assessment and then on the assessment against the values in each of the MPAs. But, broadly speaking, it is possible.

Senator WONG—How many more marine protected areas do you anticipate?

Dr O'Connell—We have another nine broad areas of interest that we have to go through—

Senator WONG—Geographic areas?

Dr O'Connell—geographic area is of interest—and we would expect to see representative marine protected areas for those. Whether or not that means we have another nine, which in the simplest way would be the case, or more would be a matter for the process.

Senator WONG—When do you expect to finalise the boundaries for other protected areas and, in fact, the current proposed protected areas? Is 13 months the proposed time?

Mr Oxley—It is approximately 13 months from the date of the release of the south-east marine plan. That is the schedule that appears in the plan.

Senator WONG—That is June next year?

Mr Oxley—Yes.

Dr O'Connell—I refer you to page 86 of the South-East Regional Marine Plan. It lays out the sequence of events and the timelines.

Senator WONG—We spoke on the last occasion about the World Parks Congress recommending a target of at least 20 to 30 per cent in each marine habitat in protection by 2012. Was the discussion with you, Mr Kitchell, or with you, Dr O'Connor?

Dr O'Connell—I do recall an exchange, Senator. It was with me and page 118 on of the February estimates covers that ground.

Senator WONG—You provided an answer to question on notice No. 74 for me, in which you state:

It is not Australian government policy to pursue specific percentage protection targets.

It is not Australian government policy to pursue any protection targets?

Dr O'Connell—In terms of percentages, that is correct.

Senator WONG—What are the targets if you do not use percentage?

Dr O'Connell—As Mr Oxley explained, our overall objective is a comprehensive, adequate and representative system of marine protected areas. It is not directly a percentage of ecosystems within boundaries or highly protected; it is a broader concept. We traversed the area in some detail in February.

Senator WONG—Are you saying ecosystem based marine planning is not an approach that you are utilising?

Dr O'Connell—No, I am saying it is not the government's approach to use percentage targets in that process. It is more an outcomes based approach.

Mr Oxley—For example, in the specifications we have, which were developed by CSIRO with support from other scientific agencies, one says:

Wherever possible, include a range of habitats and linked systems across the shelf and extending down the slope—where possible to the abyssal plain and to separated continental blocks.

In other words, we want to capture a sample of the biodiversity all the way from the continental shelf down the slope and onto the abyssal plain. We have a similar approach in relation to canyon systems where we seek to capture two canyons and, therefore, the raised area between two canyons. In this way, we gradually build an MPA estate that captures all the different marine ecosystems which we have in the south-east. Rather than using percentage targets, which are arbitrary, we seek to include all of the major features of the marine environment so that they are represented.

Senator WONG—Percentage targets are not necessarily arbitrary; they are a way of ensuring one includes each particular ecosystem in a protected area. I do not intend to take this any further, you will be pleased to know.

CHAIR—That concludes this section of these estimates.

Mr Kitchell—Chair, given the focus of the questions on the South-East Regional Marine Plan, I wonder if you could permit me to make a brief statement.

CHAIR—Sure.

Mr Kitchell—I want to acknowledge the contribution to the development of the South-East Regional Marine Plan of one of the staff of the National Oceans Office. For the last three years, Meredith Hall has been working on the South-East Regional Marine Plan. Most recently, she has led the south-east planning team. Meredith put her heart and soul and very considerable intellect into the plan. Cruelly, just 10 days before the release of the plan, Meredith died. She was just 32 years old. No-one contributed more to the south-east plan than Meredith Hall. Indeed, arguably, no-one has contributed more to the National Oceans Office than Meredith since its inception. Everybody who has worked with Meredith—both inside and outside government—recognised the efforts that she put into the south-east plan. I just wanted that recognition to extend to the record of the national parliament because Meredith was not just a magnificent servant of the National Oceans Office, she was a magnificent servant of this nation. Thank you for that opportunity, Chair.

CHAIR—Thank you, Mr Kitchell. We note and recognise her outstanding contribution in this matter. I do not know whether the minister wants to make any comment.

Senator Ian Macdonald—Only to say that Dr Kemp, who would have had dealings with Meredith in a much closer way than I did—although I did have some dealings with her in the planning process—would certainly endorse those remarks. On behalf of the government, we certainly extend to those near and dear to Meredith our sincere sympathies, and endorse everything Mr Kitchell has said.

[4.28 p.m.]

Supervising Scientist Division

Senator CROSSIN—Thanks for agreeing to rearrange the program today; I appreciate that. I have a number of questions about allocation of funds in the PBS. On page 49 of the PBS, if I am looking for the activities for the Office of Supervising Scientist or ERISS, it is classed under human settlements. Is that correct?

Dr Johnston—The uranium part of our program is classified under human settlements and the conservation of wetlands program is classified under inland waters. I think you will find those issues are covered on page 93 of the PBS, that is for uranium mining, and also on page 94 the funding allocation is indicated. Inland waters is on page 100 and is included in the total on page 106 for tropical wetland ecology and conservation.

Senator CROSSIN—Sorry, on what page was that?

Dr Johnston—Page 106. That is actually a total for that area. It includes our program, but our program is a smaller part of that.

Senator CROSSIN—What I am actually trying to have a look at is that under human settlements on page 49, the estimated actuals of 2003-04 is \$23.5 million and for the coming year it is \$22.4 million. Not all of that money is for OSS: is that correct?

Dr Johnston—No, far from it.

Senator CROSSIN—I was trying to get you a bit of extra money.

Dr Johnston—The total for 2003-04 for the uranium part of the program is \$7.4 million, and for 2004-05 it is \$7.4 million.

Senator CROSSIN—So there is no change. That has been constant.

Dr Johnston—Yes.

Senator CROSSIN—And for inland waters?

Dr Johnston—It is \$0.83 million in 2003-04 and again \$0.82 million in 2004-05.

Senator CROSSIN—So there has been a reduction in funding for the inland waters program: is that correct?

Dr Johnston—Point zero one.

Senator CROSSIN—No increase in yours, not even a CPI increase in that amount—7.4 last year and 7.4 this year.

Dr Johnston—I have to comment, however, that there is a CPI increase in the direct allocation. There is a variation in the corporate overheads which is probably hiding somewhere.

Senator CROSSIN—Is that how the funding is broken down between the uranium aspect and inland waters? Does that coincide with OSS and ERISS?

Dr Johnston—Both the OSS uranium activities, which is all of the OSS, and the ERISS uranium related activities come under the one title, the one sum, under human settlements.

Senator CROSSIN—ERISS would pick up most of that \$0.82 million? Is that correct?

Dr Johnston—Yes.

Senator CROSSIN—I was going to ask about a breakdown, but you have given me that. On page 93 you have called it themes, the major themes for 2004-05, and the same on page 94: is there a specific allocation against those dot points or is it a work plan basically?

Dr Johnston—It is a work plan base to it. We work each year on a work plan developed during the previous year, and particularly for the ERISS program that is determined to a considerable extent by the recommendations of the Alligator Rivers Region Technical Committee. We take those recommendations, work up a work plan and cost it and make sure the total comes within that, prioritise it and take it within the total.

Senator CROSSIN—What sort of money would usually be allocated against the Alligator Rivers Region Technical Committee?

Dr Johnston—The cost of operating it?

Senator CROSSIN—Yes.

Dr Johnston—It is about \$70,000 per year.

Senator CROSSIN—That is how you break your budget down?

Dr Johnston—No, that is just the cost of operating that technical committee. That is a statutory committee that operates under our act. There are a number of people on it, and we

have got to pay their attendance and their airfares and so on, and the cost of operating is simply the \$60,000.

Senator CROSSIN—By and large, you do not have an amount that is attached to each of these dot points. Monitor and investigate the transport of contaminants through groundwater pathways: you would not say, ‘Okay, we will put a million dollars towards that next year’?

Dr Johnston—I have not got the details here for those things but, as you said, we go through the work plan process and allocate funds as required based upon the programs that are going on that following year.

Senator CROSSIN—These dot points are an indication of where your work will be concentrated on in the next year: is that right?

Dr Johnston—Yes. Previously we had many more specific programs that underlie those themes. Following recommendations made by the Alligator Rivers Region Technical Committee last year, we decided it might be appropriate to develop these themes and have those different programs feeding into them.

Senator CROSSIN—I want to ask you some questions about your review of the Supervising Scientist Division. Who instigated the review?

Dr Johnston—I instigated it and I discussed it with the previous secretary. I thought it was an appropriate time—as one should do every now and again—to have an internal review of programs to make sure that they are appropriately directed. There are a number of areas where change I see is coming. For example, it is now clear that the Ranger Mine will cease operating, probably in terms of mining, by about 2008-09—there will be a period of milling and so on. It has been decided now, as you are well aware, that Jabiluka will not proceed for the foreseeable future. There are a number of issues to do with the uranium mining program that will bring about change, and I simply wanted to make sure that that change was properly addressed in our planning.

Senator CROSSIN—Connected with the review, have the Alligator Rivers Regional Technical Committee, ARRTC, been undertaking a systematic review of the research needs of the committee or of your office?

Dr Johnston—It is both. The role of ARRTC is to make an assessment of the ongoing needs for research on the potential impact of uranium mining in the region, prioritise those, and also come to conclusions on which organisation would be appropriate to carry out the research that is needed.

Senator CROSSIN—The research needs they identified do not necessarily correspond with the points in the PBS?

Dr Johnston—They can go beyond it. What came out of our internal review—we were addressing the same questions—was that we came to certain views on what the future programs would be that were needed to address all the issues that would arise from uranium mining. We came to our own internal conclusions as to who should carry out the work—whether it should be carried out by ERISA or by ERA. We then discussed those issues with ERA and then put a proposal to ARRTC. Out of our strategic internal review came a proposal

to ARRTC, which has now considered that, and we now have what we called the ‘agreed key knowledge needs’.

Senator CROSSIN—Is that publicly available?

Dr Johnston—I can make it available. There have been some discussions going on in between meetings and I am just having confirmed, by various correspondence with all the members, that they are satisfied with the final product. I have asked them for a final response next week.

Senator CROSSIN—Does that coincide with the strategic plan that ARRTC is also developing?

Dr Johnston—Yes.

Senator CROSSIN—Has that plan been finalised?

Dr Johnston—No, it has not. The strategic plan for ARRTC was slightly beyond that; it is looking at its own operations. It is trying to see what should be the strategic objectives of the committee as opposed to ourselves.

Senator CROSSIN—Following the report of the incident in 2000, there were a number of recommendations, one of which was that the Supervising Scientist be required to carry out a routine environmental monitoring program. Is that different? Was that not a requirement prior to 2000?

Dr Johnston—No. Prior to 2000 the Supervising Scientist did not carry out any routine monitoring. All monitoring was, as has been normal practice elsewhere in Australia, carried out by the operator, in this case ERA—a program stipulated by the regulator, which is the Northern Territory Department of Business, Industry and Resource Development, and in specifying that program they always consult with us.

Then the regulator, as is common elsewhere, would carry out a check monitoring program to just occasionally check that the results that we were getting from the operator were indeed validated. We carried out, on the other hand, scientific research across a broad range of areas. One of the areas we carried out research on was methods by which monitoring could be improved. So, for example, we developed biological monitoring methods which were not previously required of the company by—

Senator CROSSIN—And you have done that since 2000?

Dr Johnston—We have done the development of the programs and the results are there from about 1991. But since 2000 there has been a formal program required, essentially, by the government. We agreed with the government that we would carry it out. Since that time we have put the results on our web site every week. They get updated every week on there during the wet season.

Senator CROSSIN—So when you talk about a routine monitoring program, what does that mean? What is routine about it?

Dr Johnston—It means that, for example, it is specified that in chemical monitoring every week there will be a sample taken at a certain point downstream and a certain point upstream of the Ranger mine, and similarly at Jabiluka.

Senator CROSSIN—And you are doing that yourselves now, rather than the company?

Dr Johnston—Yes, it is entirely done by us. That has been for the last three years. All of those data are on our web site. Similarly with biological monitoring—radon monitoring and so on.

Senator CROSSIN—Okay. The review: have there been any staff changes or structural changes within the division?

Dr Johnston—Not so far, but one of my expectations is that that is what we will have to arrange. For example, the main thrust of our program from now on will have to be focused on issues that are associated with the rehabilitation of the Ranger mine. Whilst we have been doing some work in the past in that area, it is my view that it was likely—and the review itself has confirmed—that we should be doing more in that area. I have to look at the areas of expertise that are required and see how I can organise it so that we are working in the areas we are not currently in.

Senator CROSSIN—So that might mean additional staff or replacing staff?

Dr Johnston—Clearly I would want to take advantage of any staff leaving to engineer change. But also it need not necessarily be entirely internally done. We have a program run through external consultants. A judgment will have to be made as the breadth of the program—the extent of it and scope—and whether or not it can be done by external consultants.

Senator CROSSIN—I understand that some of your budget actually comes from external revenue. I was not aware of that. Do you actually get funding from external sources?

Dr Johnston—Yes. Particularly in the wetlands program—the non-uranium program—we carry out work under contract to external organisations.

Senator CROSSIN—Who would that be? Can you give me some examples?

Dr Johnston—For example, we have just recently been funded for a tropical rivers program under the NHT. That is a joint program that is being managed by ERISS and James Cook University. We have done work for other organisations—non-government organisations and overseas organisations. We have developed methods for Wetlands International, for example.

Senator CROSSIN—Is there a view that there could be or there ought to be greater expansion into raising external revenue in this way?

Dr Johnston—During the current financial year we were asked to raise an extra \$230,000 compared to the previous year.

Senator CROSSIN—Who asked you to do that?

Dr Johnston—The government.

Senator CROSSIN—The government asked you to do that. What had you been asked to raise previously?

Dr Johnston—The total previously was about \$400,000 per annum.

Senator CROSSIN—So now it has gone up to \$630,000.

Dr Johnston—It is about \$600,000.

Senator CROSSIN—Why is there a requirement to raise external revenue? It is probably a good thing to work with James Cook and to get funding from other programs. But why is there an expectation that you will do it and it will be increased?

Dr Johnston—Prior to 1994, the Office of the Supervising Scientist functions were completely limited to the effects of uranium mining on the environment and spatially to the area known as the Alligator Rivers Region in the Northern Territory. The act was amended in early 1994 in such a way as to allow us, where appropriate, to carry out broader environmental research on a commercial basis. So the origin of the earning of our living came in in 1994. But it is for the non-uranium mining activities.

Senator CROSSIN—I understand you have completed the first phase of the review. I am looking at an answer to a question that Senator Allison asked last December, where you indicated that the first group of people have been consulted in the review of the division.

Dr Johnston—Yes, the process was essentially in two parts. We looked at the uranium mining related programs of the organisation and also at the broader research. We consulted for the first part with those stakeholders who are closely associated with our uranium activities—for example, the Northern Land Council, the Northern Territory government, the ERA and so on. It was a fairly narrow group, but we did involve some of the NGOs. They answered specific questions and gave us some advice. That process was virtually completed early this year. We then concentrated on the broader program, and there was a broader range of stakeholders. I sought the minister's agreement that I should consult broadly on that, including Northern Territory government departments other than DBIRD.

Senator CROSSIN—That was the second group?

Dr Johnston—That was in the second phase, yes.

Senator CROSSIN—Do you have a list of the people in the second group that you included in your consultation?

Dr Johnston—I can provide it to you. I do not have it with me.

Senator CROSSIN—You can take it on notice. I take it then that the review is finished now?

Dr Johnston—Not quite. We have been held up lately by other issues, as you might imagine.

Senator CROSSIN—I could not possibly imagine what they could be!

Dr Johnston—So I am afraid the review went to one side. I now expect it to be completed by about the end of June.

Senator CROSSIN—Will the review be made public? Will you be able to provide it to this committee?

Dr Johnston—The intention is to provide advice to the minister. I have not raised the issue. I do not imagine there will be restrictions on it at all but will have to consult with the minister.

Senator CROSSIN—I want to go to the rehabilitation of Ranger. I might start at the end and work backwards, so to speak. Have any mining or environmental rehabilitation experts assessed the mine in the past five years to estimate what the cost of rehabilitation will be when the mine closes?

Dr Johnston—Yes, the system which is in place at Ranger, which is rather unique, is that each year there has to be a revised plan of rehabilitation for the mine. In other words, the company must come up with a plan for rehabilitation—in the sense that, were all operations to stop that day, this is what would be required to rehabilitate to the standards required. That is then assessed by the OSS, by the Northern Territory government and by the Northern Land Council, and it is agreed that that is a reasonable plan. Then that plan is costed by an independent, external assessor.

Senator CROSSIN—This is done on a year by year basis, is it?

Dr Johnston—Every year, and that gives a total cost as of that day for rehabilitation at Ranger. ERA must then provide to the Commonwealth government the cash, which goes into a Commonwealth trust fund, so that every year there is adequate funding available to pay for it.

Senator CROSSIN—I will get onto the trust fund in a minute. What is the current amount?

Dr Johnston—Roughly \$40 million. I do not have the exact figure.

Senator CROSSIN—So there is some rehabilitation bond or trust account?

Dr Johnston—It is not a bond; it is cash.

Senator CROSSIN—It is an account?

Dr Johnston—Yes.

Senator CROSSIN—That is currently held by the Commonwealth government?

Dr Johnston—Yes.

Senator CROSSIN—It is held by the Commonwealth in consolidated revenue, is it?

Dr Johnston—The Department of Industry, Tourism and Resources is responsible for administering that. The Minister for Industry, Tourism and Resources is the minister on the Commonwealth side who regulates mining under the Atomic Energy Act, so DITR manages that.

Senator CROSSIN—It is held within that department?

Dr Johnston—Yes.

Senator CROSSIN—I assume the figure increases each year rather than decreases? Is there the expectation that that amount is added to each year?

Dr Johnston—It has tended to be a bit constant. As time goes on and progressive rehabilitation is done, that amount could decrease over time. In other words, if they start doing progressive rehabilitation, which there has not been much of so far, it could decrease in principle.

Senator CROSSIN—If the assessment next year were, say, \$42 million, \$2 million would not be added to that account?

Dr Johnston—The \$2 million would then be added to that account. ERA must give that to the Commonwealth minister for resources, and it goes into that account.

Senator CROSSIN—So \$40 million is sitting there. What happens with any interest that has accrued on it or with any benefits from it? Is it rolled back into the account? Is it a trust account?

Dr Johnston—I would have to take advice on that. I do not know. Do you know, Alex?

Mr Zapantis—I do not know. That would be a question for DITR. I think they could provide that information.

Dr Johnston—The point is that, even if there were interest—obviously I assume there would be—the amount that is held in any one year is the amount that equals what is required or assessed as being required at that time.

Senator CROSSIN—I want to ask you about Nabarlek.

Senator ALLISON—Could I go back to rehabilitation?

Senator CROSSIN—Yes.

Senator ALLISON—Is the rehabilitation plan and the assumptions that underlie it a public document? Is that available for public scrutiny?

Mr Zapantis—The status of that plan is that it is submitted to the regulators, DITR—which is the regulator at the Commonwealth level—and the Northern Territory Department of Business, Industry and Resource Development. In that sense, whether or not it is a public document is something which would best be asked of them. I do not believe that there would be any issues with the release of that document, given that it goes to the Northern Land Council and they consider it. Strictly speaking, though, I do not know that I would be able to say whether it is or it is not, but I suspect that there would not be any issues with it being provided to the committee or to anyone else that asked for it.

Dr Johnston—I do not recall the issue being raised before. It is not a document which goes, for example, to the Alligator Rivers Regional Advisory Committee. Any document that goes to that committee would automatically be on the public record. This one, to my knowledge, has never been submitted there; it has never been requested, so the question has not arisen. As Mr Zapantis says, I cannot imagine that there would be a problem.

Senator ALLISON—If you wanted to get a copy of it, who should be approached?

Dr Johnston—I would suggest the assistant secretary in the uranium branch, minerals branch of DITR.

Senator ALLISON—Does this most recent plan take into account the rehabilitation impacts, for instance, of the increased output?

Dr Johnston—The increased output in what sense?

Senator ALLISON—As I understand it, there is a greater level of production because of the beneficiation, the deeper accessing of pit 3 ore and possibly even the milling of low grade ore stockpiles. Does it look at some possibilities into the future?

Dr Johnston—Not really. It looks at what is there at the mine site today, what would the mine site need to look like following rehabilitation and what work would be required to get from point A to point B, and then you would cost that. For example, the issue of whether there is further ore to be found at the bottom of pit 3 or whether the company will propose to go through beneficiation processes is not an issue that is being addressed now. The question is what money would need to be in the bank if the company were to go bankrupt tomorrow. That is the issue that is being addressed.

Senator ALLISON—Does that deeper accessing of pit 3 or milling low grade ore require approval?

Dr Johnston—It would need to go through the normal approval process under Northern Territory law, yes.

Senator ALLISON—Is the question of rehabilitation and the impact of whatever changes might or might not be sought taken into account in any way at that point of authorisation?

Dr Johnston—If there were likely to be rehabilitation issues of significance associated with the decision, they would have to be taken into account then, yes.

Senator ALLISON—I have some questions on Nabarlek as well. Can you provide an account of the current status of rehabilitation work at Nabarlek?

Dr Johnston—Briefly, I will say something and pass to Mr Zapantis for some detail. The Nabarlek mine site was decommissioned some years ago, and as part of that process there was a program of revegetation which was undertaken. We arranged an assessment of the appropriateness and success or otherwise of rehabilitation at Nabarlek about three years ago, as far as I recall, at a workshop. The conclusions of those of us who were present were that there were deficiencies in our view in the adequacy of rehabilitation, particularly in the area of revegetation. We have been looking at those issues, and seeing what can be done, for the last couple of years. The current status is that, based on some of the work—for example, done by a research institute—some issues were raised with the mine site technical committee for Nabarlek, and Mr Zapantis can probably tell you what the current status of those considerations is.

Mr Zapantis—Yes. Essentially, my colleagues in ERISS have been doing some work on assessing the state of revegetation at Nabarlek, and their conclusion, whilst not yet final because the project is continuing, is, as Dr Johnston referred to earlier, that there are some

deficiencies. But, more importantly, they are also looking at what can be done—what is a reasonable expectation in terms of a future state of rehabilitation for Nabarlek. What they are concluding, and I will qualify it by saying it is not yet final, is that the strategy which is being implemented currently by the mining company of planting what are known as islands of trees—relatively small areas are planted; you protect those areas and keep fire out, and then they become a site of recruitment for surrounding areas—is an appropriate strategy, although in order to be successful in a reasonable period of time, the company should probably consider expanding that program so they are planting more of these at a higher rate.

Senator ALLISON—Is there a difference between the DSS role in Ranger and its role in Nabarlek? What sort of approval is your department required to give prior to ticking off either the plans or the works implementing those plans?

Dr Johnston—Our role is not formally, under our act, any different. Our act applies to the Alligator Rivers region, which includes the area where Nabarlek is—although Nabarlek is outside the park. But there was a difference, a quite significant difference, between Nabarlek and Ranger, in that Ranger had to have an agreement under the Aboriginal land rights act, under section 44, which was between the Commonwealth and the Northern Land Council. That was because the approval for Ranger was under Commonwealth law, under the Atomic Energy Act. The Nabarlek project, however, was approved by the issuing of a lease under Northern Territory law, and as such the agreement with the Aboriginal people under the land rights act was directly between the company and the Northern Land Council.

That caused in principle some issues, because the company and the Northern Land Council came to an independent and private agreement as to what the objectives for rehabilitation would be and the mechanisms by which they would assess whether or not they had been achieved. Our approach was, ‘Well, you can do that if you like, but at the end of the day we’re going to make our assessment and we will make our recommendations on its adequacy or otherwise to the Northern Territory’—and that is what is happening now.

Senator ALLISON—But that is a bit toothless, isn’t it, because you do not—

Dr Johnston—Sorry?

Senator ALLISON—Is that somewhat toothless?

Dr Johnston—No, it seems to work!

Senator ALLISON—As I understand it, the moneys that were held in trust were released last year.

Dr Johnston—That is another issue; you are quite right. There was a bond, rather than money in the bank, at Nabarlek. I think it was \$10 million. Last year, the Northern Territory Department of Business, Industry and Resource Development revised that down to \$400,000, as I understand it, but, importantly, did not consult me. When I found that out, I wrote to the minister for resources, who promptly wrote to the appropriate minister in the NT, and we are resolving that issue. It should not have happened, and it will be revised.

Senator CROSSIN—Is there any mechanism to recover some of that money now?

Dr Johnston—The mechanism is not recovery; it is a bond.

Senator CROSSIN—As I understand it, \$9.5 million has been given back to the company. Is that correct?

Dr Johnston—It has not been given back; the bond that the company has to have with the bank has been revised downwards.

Senator ALLISON—It is the same thing.

Dr Johnston—It is not cash in the bank, which is different. But you are correct. I am not worried about the pedantics of it.

Senator CROSSIN—At the end of the day, it is going to cost much more than \$500,000 to rehabilitate that site.

Dr Johnston—I am not quibbling with the NT government in that it was reasonable to do an assessment. The assessment of \$10 million was back in 1995 before they had done any rehabilitation. They have now decommissioned substantially and it is reasonable to go out and reassess what the value of the bond should be. My objections are that they did not consult with us, as they are required to do, and I saw no evidence that a proper assessment had been made of what the cost of the remaining work would be. That is what we have agreed we will now assess.

Senator ALLISON—Could this happen at Ranger? Could the Northern Territory do the same thing: hand back the dough?

Dr Johnston—No. The Ranger money is held in trust with the Commonwealth.

Senator ALLISON—So all those approvals will need to be sought through DSS?

Dr Johnston—Yes.

Senator CROSSIN—So you are saying there is now a process in place between you and the Northern Territory government to try to reassess the amount of money that would be need to rehabilitate Nabarlek?

Dr Johnston—Yes. The intention is that, during this year, there will be a reassessment, involving us, of what the bond should be, based on the sorts of things Mr Zapantis was saying a few minutes ago about the ongoing work required at Nabarlek.

Senator CROSSIN—What if the company then says, ‘That’s fine but we do not want any part of it now’? If it has been reassessed down to only \$500,000, what legal obligation is there now for the company to have to pay more than that for rehabilitation?

Dr Johnston—This is done under Northern Territory law. As I understand it, under the Mine Management Act, the minister can require and change the bond every year.

Senator CROSSIN—So it has not been reassessed and then expired, so to speak?

Dr Johnston—No. It can be reassessed each year.

Senator CROSSIN—So this \$10 million down to \$500,000 was a reassessment last year, was it?

Dr Johnston—That is correct. That is what has been done. The Mine Management Act is pretty new in the Territory and I think a systematic procedure has been adopted by the department to go through and set bonds for all the mines. It was in that process that Nabarlek was readjusted downwards.

Senator CROSSIN—So the NT government now know to consult you about this?

Dr Johnston—Yes they do. There has been correspondence between the Northern Territory Minister for Mines and Energy and the Commonwealth minister for resources on this issue.

Senator CROSSIN—Dr Johnston, perhaps to your credit, you made an observation that the rehabilitation at Nabarlek was far from ideal and that a lot more work was required at the site. Are OSS, in conjunction with DBIRD, looking at the work that is required to bring it up to your level of satisfaction?

Dr Johnston—Yes. That is exactly the process that is underway. Mr Zapantis can give you the detail. As he said, the staff at ERISS are going out to make assessments not only of revegetation but of the status of erosion at the site, the extent of radioactive emanations from the site—gamma ray exposure and all the radiological issues. They are systematically going through and assessing all of those and then providing advice to the OSS through the Mine Site Technical Committee, which assesses Nabarlek.

Senator CROSSIN—So, at the end of the day, the reassessment will go through the Mine Site Technical Committee?

Dr Johnston—There is what we call a Mine Site Technical Committee for each of the mines—Ranger, Nabarlek and Jabiluka.

Senator CROSSIN—Do you know if there has been any investigation or discovery of why they did not talk to you about this or of why they simply rescaled it down without consulting? Have you asked the question and got an answer?

Dr Johnston—The minister for resources asked the Minister for Mines and Energy of the NT and there was a response. I think it simply stated the facts of what had happened. I think there was simply an acknowledgement. We have had discussions with the Department of Business, Industry and Resource Development and they have agreed to the process whereby we are consulted through the process.

Senator CROSSIN—So they have agreed the process was inadequate?

Dr Johnston—Yes.

Senator Ian Macdonald—I hope Mr Macfarlane was suitably critical in the media, as the state minister would have been had the boot been on the other foot.

Senator CROSSIN—I am not defending DBIRD here. I want you to tell me the process was inadequate and that it was not good enough. Can I now turn to the number of incidents this year—that is, to the main incident, the release of the water at Jabiru east, and to the incident with the truck at the CDEP compound.

CHAIR—Senator, is this the matter we discussed earlier?

Senator CROSSIN—Yes, it would be the matter you think is relevant.

CHAIR—There is a possibility that this matter is sub judice. The Senate does have some rules about sub judice matters, which I will just acquaint the witnesses with.

Senator CROSSIN—Sub judice, just to clarify that, is if a matter is before the courts. Is that correct?

CHAIR—I will get to that. If I could, I would like to outline the procedure. The parliament is exempt from the laws of contempt of court. However, it does have some conventions regarding matters which are sub judice. The convention requires an assessment of the risk of a particular parliamentary discussion or inquiry prejudicing proceedings before a court and that the danger of prejudice must be balanced against the benefit flowing from the right of the houses and their committees to discuss and inquire into a matter. The Senate has no standing order relating specifically to sub judice matters, but it has been the Senate's practice for the interpretation of the convention and the extent of restraint exercised to be determined by the President's ruling. In a committee hearing the application of the balancing test required by the sub judice convention is a matter for the committee chair and the committee, guided by the precedents which form the President's rulings.

In some circumstances it is possible to hear a matter in camera, but that is not possible in an estimates hearing. Were matters to be held in camera, any impact on legal proceedings could be avoided. But, as I have said, that is not possible in an estimates hearing. It is noted here that the issuing of writs in a civil case is not regarded as placing the matter in dispute before a court for the purposes of the convention and until proceedings have actually commenced the danger of prejudice must be regarded as much less than when the proceedings have started. In the case of criminal cases, the laying of a charge may be regarded as the point at which public discussion of the circumstances may influence a determination by a court. In general terms, the guidelines say, the risk of prejudice is considered greater where the court proceedings involve a jury. What I would like to ask you, Senator, is whether or not there are court proceedings being taken in this matter and whether or not documents have been lodged with the court authorities in the Northern Territory.

Senator CROSSIN—To my understanding there have not been documents lodged with the court authority, nor is there any matter before the courts. Dr Johnston may well be in a better position to answer that.

Dr Johnston—My understanding is that the Minister for Mines and Energy has referred the report of his department on the incidents to the Department of Justice and that it would be the Department of Justice which recommends whether or not proceedings should commence.

CHAIR—So no proceedings have actually commenced?

Senator CROSSIN—At this stage, to my knowledge, the report of the incidents—the main incident we are going to talk about in a moment—is still an internal Northern Territory government report.

CHAIR—Is that your understanding of the state of play, Mr Borthwick?

Mr Borthwick—My understanding is that it is as you have described. Even though there has not been a decision, as I understand it, by the Northern Territory, Dr Johnston needs to be a little wary in case, if it goes to court, anything is prejudicial. But I think this matter is of significant public importance and he can make some factual comments on the events. I would also make the point, as Dr Johnston said before, that he is conducting an inquiry under his own auspices and intends to submit a report to the minister. Under his legislation, I understand the minister then is required to table the report within 15 sitting days. Dr Johnston is still conducting that inquiry. Having said that, I think it is appropriate for him to provide the committee with some factual information around the circumstances of what happened.

CHAIR—I am just seeking advice from the secretary. The guidelines do say that it is a matter for the chair and the committee. We might have a quick private meeting between the four committee members here and then decide whether to proceed.

Proceedings suspended from 5.14 p.m. to 5.16 p.m.

CHAIR—We have decided to proceed. Senator Crossin has some questions to put, but she has just suggested that an opening statement, if you would like to make one, about this matter might deal with it.

Senator Ian Macdonald—I think we might just go to the questions. This matter was raised in the Senate a couple of times and I have, on behalf of Dr Kemp, given a written statement.

CHAIR—Minister, the matter was raised with me by the secretariat, and so I have gone through the procedure accordingly and a decision has been made that the questions might proceed. But, of course, Dr Johnston has the right not to answer a question if he feels that he is straying into areas which might be legally sensitive.

Senator Ian Macdonald—Thank you.

Mr Borthwick—Thanks for your guidance on the sub judice issue, Chair.

Senator CROSSIN—Dr Johnston, have you got a statement, a report or something you wanted to table before we go into this issue?

Dr Johnston—No, I do not. You know I am preparing a report for the minister. He has asked for a fully comprehensive report, and it is not yet complete. It will probably be a few weeks yet before the report is complete. As the secretary said earlier, once that happens, the minister would be required to table it in the parliament within 15 sitting days. We are close to the end, but it is not quite there; but I am quite happy to answer questions.

Senator Ian Macdonald—Whilst I appreciate the right of the committee to ask whatever questions it likes, unless there is some urgency, could I suggest to the committee that there is an assumption that the report will come to the minister shortly, and it will then be 15 days and it will all be public. By all means ask questions, but Dr Johnston will be somewhat limited. He is not about to pre-release his report here, and so that would constrain him somewhat in how he could answer, but if this is somewhat urgent to do before the process runs its course I guess we can see what happens.

Senator CROSSIN—My understanding is that on 23 March at about 10.30 p.m. an incident occurred at Ranger. Can you tell us the nature of that incident?

Dr Johnston—Yes. We found out about the incident the following morning, on 24 March. I was notified around 10 in the morning that an incident had occurred, that the potable water system had been contaminated, and it was suspected that the contamination was caused by what is called the process water system at the Ranger mine. I sent Mr Zapantis to carry out a full investigation—he can answer detailed questions of fact. The bottom line is that at probably just before 10 o'clock on the evening of the 23rd an operator at the mine went to a particular location to try to enhance the flow of what is called process water into what is called the final bin scrubber and opened a valve which was, in fact, not connected to the process water system but connected to the potable system.

The pressure in the process water system is considerably greater than that in the drinking water or potable system, which had the obvious effect of, rather than enhancing the water flow into the desired area, reducing it because water went from the process system back into the potable system and not forward. We could go into the details of why, but the basic facts are that that was not discovered until the following morning when there were several reports by staff that the water tasted poor—that it was foul tasting. Some people complained of itchiness on the skin following showering. The water was tested by the people on site, and it was then discovered that it was indeed contaminated by process water. An announcement was made to all staff on site to stop drinking water from the system immediately. They went through a process of shutting down the mill and all operations at the site, and all staff other than those who were considered essential were sent home.

Senator CROSSIN—By what time was the operation shut down?

Mr Zapantis—It was just before 9 o'clock. The log shows they shut down—

Senator CROSSIN—That night?

Mr Zapantis—No, the morning of the 24th.

Senator CROSSIN—Okay. Did the opening of the wrong valve occur because the valve was not tagged properly or was it human error? What has your assessment of that been?

Senator Ian Macdonald—If it is Dr Johnston's opinion, then (a) it is not relevant under the Senate rules anyway, but (b) it gets into the sorts of things that Dr Johnston may be questioned about if he is called as a witness in any prospective proceedings. I think that, erring on the side of caution, we should take the point that you are asking for Dr Johnston's opinion—which is not what is supposed to happen.

Senator CROSSIN—Can I ask you if the valve was tagged properly?

Dr Johnston—I can answer that the place where the valve was opened was actually at the process water end. That end was connected by a hose to another location, and the person who opened the valve did not realise that the other end was connected to the potable water system. It was a considerable distance away and high up.

Senator CROSSIN—It would have been kilometres away, wouldn't it?

Dr Johnston—No, not a kilometre away but just not observable from the point at which he opened the valve.

Mr Zapantis—Tens of metres.

Senator CROSSIN—So the valves opened at one end of the mine, not knowing there was—

Dr Johnston—At the other end of the hose.

Senator CROSSIN—Was the water tested at 8,000 parts per billion—which is about 400 times the standard of drinking water?

Dr Johnston—For uranium, yes.

Senator CROSSIN—Do we know how many thousands of litres this would have been?

Dr Johnston—We have not quite finished that part of it. It is quite a complicated system. Working out just how much water went from the process water circuit into the potable one is not trivial. It also is the case, as you are aware, that that water was driven several kilometres to Jabiru East where it overflowed from a tank. That complicates the exact calculation of how much went from one position to the other.

Senator CROSSIN—I have seen figures somewhere where that overflow was about 150,000 litres. I am assuming it is very hard to assess, because you would have no idea how much water was used through the night.

Dr Johnston—At the moment I would say it is of the order of a couple of hundred thousand litres.

Senator CROSSIN—So you were actually notified the following morning?

Dr Johnston—Yes.

Senator CROSSIN—Who made the decision to shut the mine and when?

Dr Johnston—The mining company.

Senator CROSSIN—At 9 o'clock?

Dr Johnston—At about 9 o'clock.

Senator CROSSIN—And then they notified you.

Dr Johnston—Yes. They went through a process. Their primary concern was people drinking the water—their own staff and people in Jabiru East, because the mine provides the drinking water supply to the businesses in what is called Jabiru East. It is not Jabiru town itself but it involves the airport, our laboratories and the Gagudju Association's maintenance store.

Senator CROSSIN—Can you clarify that for me? I thought the run-off of the 150,000 litres at Jabiru East actually occurred the next day.

Dr Johnston—No. It was going on continuously. If I can explain it, water is delivered from the mine to Jabiru East. Just before you get to Jabiru East there is a large storage tank, whose function is to provide emergency supply should there be something wrong at the mine

and you have to switch it off. It turns out that the valve supplying that storage tank had been faulty for some time without people knowing it.

Senator CROSSIN—It is an isolation valve, isn't it?

Dr Johnston—Yes. It had been faulty for some time, which meant that water continually went into that tank and overflowed. So when it—

Senator CROSSIN—When that tank overflows it goes to the Coonjumba Billabong and into the Majella, doesn't it?

Dr Johnston—The particular pathway flows past Coonjumba Billabong; it does not actually enter it. It enters the Majella Creek at just about the exit from Coonjumba Billabong.

Senator CROSSIN—It is the water on the way to the Jabiru East tank that ERISS's offices and the airport are connected to. They are on the same line, aren't they?

Dr Johnston—Yes, it is the same line but beyond that point—beyond the tank.

Senator CROSSIN—I have a mud map here. I am not going to show it to you because you will laugh.

Dr Johnston—I can see it.

Senator CROSSIN—So were there about 20 workers involved on the site?

Dr Johnston—There were more workers on site but it turns out that—

Senator CROSSIN—Involved in the contamination of water, I suppose.

Dr Johnston—There were, as far as I can recall, about 26 people who reported symptoms.

Senator CROSSIN—I had read that perhaps only 12 had reported health issues. Publicly, ERA said on 25 March only three had reported mild symptoms.

Dr Johnston—It went up. There were three; then there were six; then there were 12; then there were 26.

Senator CROSSIN—Sixteen accepted an offer to be tested—is that correct?

Dr Johnston—It would be of that order. The ERA has been going through a program of testing people. They have offered that not only to their own staff who were on site at that time but to anyone else in Jabiru town who felt that they wished to have urine tests or blood tests.

Senator CROSSIN—So were you involved in that process as well? Does OSS actually get involved in the welfare and the physical wellbeing of the workers there or are you purely involved with the environmental side?

Dr Johnston—The OH&S generally is considered a responsibility of the Northern Territory. But we have always traditionally taken a full interest in the radiation exposure aspects of OH&S of workers.

Senator CROSSIN—My understanding is that ERA offered to test the workers five days after the incident—is that correct?

Dr Johnston—Earlier, I think. Certainly we know that some of the urine samples taken for uranium testing were three days, four days or five days.

Senator CROSSIN—So there were no blood or urine samples taken on 24 March, which was the day you were notified and the day the mine was closed down—is that correct?

Dr Johnston—As I understand it, that is probably correct.

Senator CROSSIN—The first lot happened three days later—is that right?

Dr Johnston—Yes, it would certainly be three.

Senator CROSSIN—Do you know why there was a delay in the testing?

Dr Johnston—No. You would have to ask ERA. I am aware, however, that a lot was going on at that site that day.

Senator CROSSIN—I bet there was.

Dr Johnston—It would not surprise me if something slipped between the cracks.

Senator CROSSIN—Do you know what information was provided to the workers?

Senator Ian Macdonald—By ERA?

Senator CROSSIN—Yes, by ERA. In terms of radiation exposure, you say you have an interest in it and I am just wondering—

Senator Ian Macdonald—In a strict legal sense this is all hearsay evidence. It is not something Dr Johnston has done or something he has commissioned. I do not know what harm there is in it but if Dr Johnston has heard it you might have heard it as well. I just do not know that we are going to get too much further than this. The report will come out and be public shortly and everyone will be able to see it. Go ahead, but just be aware that Dr Johnston can only give hearsay evidence, which is not much good to anyone.

Dr Johnston—On that point I would stress that the principal area holding up the final report is the assessment of human health, the workers. That is mainly because there are areas other than radiation exposure for which I do not have the expertise in-house, and I have had to engage a group of scientists who are expert in human toxicology to provide me with that advice.

Senator CROSSIN—Will those elements be covered in your report?

Dr Johnston—They will be fully covered in the report.

Senator CROSSIN—I understand that a doctor was flown out from Britain and that a number of doctors have made comments that they have not dealt with cases where people have drunk this much water with so many parts per billion of uranium in it.

Dr Johnston—I would make the more general comment that the expertise in these areas is quite hard to find within Australia. We worked quite hard before we found good advice and who to choose. ERA made their own choice that they would bring in their own expert from Rio Tinto in the United Kingdom.

Senator CROSSIN—Yes. I suppose you do not say to people everyday, ‘Drink this bucket of water so that I can see what effect it’s going to have on you,’ do you? I suppose that was one of the other difficulties.

Senator Ian Macdonald—Yes. I can think of some people I would like to make the offer to.

Senator CROSSIN—You would not be alone there, I can tell you that. Again, I will just take your judgment on how to answer these questions. Do you know why the processed water was switched to the fresh water system? You gave us an answer before that it was to try to increase the flow of water. Is that right?

Dr Johnston—Yes. The immediate need was for increased water. I would not like to go much beyond that right now. We are making an assessment of why this incident occurred, and that will be in our report.

Senator CROSSIN—So there has never been a separate supply of drinking or usable water at the mine?

Dr Johnston—It is a completely separate supply. It is meant to be kept completely separate.

Senator CROSSIN—It is just connected with a valve?

Dr Johnston—Yes. It should never have happened—I will not say impossible, but it should not have happened.

Senator CROSSIN—I understand from press reports that a public forum was held at Jabiru on 30 March, which about 150 people attended.

Dr Johnston—Yes.

Senator CROSSIN—Both representatives from ERA and you attended that meeting.

Dr Johnston—Yes.

Senator CROSSIN—What sort of information was provided by you and ERA at that meeting?

Dr Johnston—I gave a summary to people at the meeting of just what had happened in the basic factual form that we knew at that time. I was able to give reassurance on the radiation exposure aspects of worker health. I was able to give reassurance on the impact on the environment and the impact on people living downstream. Then the meeting was opened up for questions, and I answered whatever questions I could.

Senator CROSSIN—When were the TOs consulted or informed about the incident?

Dr Johnston—They were informed, just as I was, on the morning of the incident by ERA. I have since that time gone out on several occasions to discuss the whole issue with the Mirrar people and I have also discussed it with the Gagudju Association.

Senator CROSSIN—Have the company come with you at those times?

Dr Johnston—No, I have done that. What the company has done has been separate, but I believed it essential that I speak to the Mirrar people and to the broader community.

Senator CROSSIN—Do you know whether the company in its own right has also had consultations with them and advised them about what happened?

Dr Johnston—I understand that the company has had discussions certainly with the Gundjehmi Aboriginal Corporation and with the NLC. I am not sure whether that has led to direct discussions between the company and the Mirrar.

Senator CROSSIN—You might remember from the Senate inquiry before last that one of the criticisms by the traditional owners, the Mirrar people, was that the company did not actually directly discuss with them. I wondered whether that that situation had improved.

Dr Johnston—I do not want to make a comment on behalf of the company, but I can tell you that we have been trying very hard to make sure that the Mirrar are directly involved and directly advised at all times.

Senator CROSSIN—Has there been an ongoing problem with the management of the processed and potable water?

Dr Johnston—That is the kind of issue I would prefer not to discuss here.

Senator CROSSIN—That is fine. I respect that. Has there been any consideration, or perhaps recommendation, from you that some sort of real-time probe be inserted into the potable water line?

Dr Johnston—That was one of the conditions which I specified to the Northern Territory that I would want to see in place before the company were allowed to start operating the mill again.

Senator CROSSIN—I was going to go to those matters in a minute. Has that occurred?

Dr Johnston—What occurred immediately was that an agreement was made that they would put in place such a system but until it was made they would make measurements of the water quality in the drinking water system every four hours, so there would be a transition period involving manual but very frequent measurements until they could get the technology implemented to have continuous operation.

Senator CROSSIN—Are you confident that that is occurring?

Dr Johnston—Yes.

Senator CROSSIN—DBIRD have completed their report. Is it correct that you are still completing your report? You have not completed it and withheld it pending the DBIRD outcome?

Dr Johnston—No. Our report is more extensive than DBIRD require. For example, we have done all the environmental measurements in the Majella Creek and the biological monitoring. We are doing a full assessment, as I mentioned a moment ago, of the human health implications, particularly any potential long-term human health implications. DBIRD, to my understanding, have done none of those things, and they are relying on our advice for

that. Those things take a lot longer to do, and to complete a report on, than what DBIRD has done.

Senator CROSSIN—In the transcript of the Senate hearing—not the last report we did, but the one before—on 30 September 2002 in Darwin, the chair, Senator Allison, asked DBIRD if they could explain the means by which the Northern Territory department may sanction ERA for breaches of its environmental requirements in general authorisation. I am just going to read you what Mr McGill said, because I want you to tell me whether he is correct about the process. I am not going to the content of the breaches or the incident; I just want to know if this process is correct, as described by DBIRD. Mr McGill says:

All environmental legislation in the Northern Territory references an act called the Environmental Offences and Penalties Act. The Mining Management Act also references that same legislation so that all environmental legislation references the same system of penalties and offences. The procedure that we would adopt—were there to be an offence against the legislation which could not be rectified in another way and it was decided that we would go down the path of prosecution—would be to use the environmental offences and penalties legislation, which provides for up to a \$1¼ million fine for a company and jailing of its directors.

Is that process correct?

Senator Ian Macdonald—You are really asking—

Dr Johnston—I am not able to answer that. That is the Northern Territory law, quite honestly, and I am not expert in what those processes are.

Senator CROSSIN—So you are saying that we would need to ask someone else whether or not sanctioning the company would be under that process?

Senator Ian Macdonald—Yes. It is seeking a legal opinion on the effects of Northern Territory law. Anyhow, Dr Johnston said that he does not know.

Senator CROSSIN—Dr Johnston, is it your view that the incident is a breach of the Atomic Energy Act?

Senator Ian Macdonald—That is not appropriate.

Senator CROSSIN—The Atomic Energy Act is a federal act.

Senator Ian Macdonald—Yes, but you are asking for his opinion. I am struggling to know where you are heading with the questions insofar as the estimates are concerned, but can I just alert you to the fact, as a one-time practising lawyer, that sometimes questions that are recorded in a non-court situation can end up harming the sort of outcome that perhaps you and I, and others, might want to achieve. So I really do caution too much furtherance of that at this stage.

Senator CROSSIN—Dr Johnston, would an incident like this perhaps constitute a breach of the Atomic Energy Act?

Dr Johnston—What I would comment is that one of my functions under the act is to provide advice to the minister on the law that applies to the operation of the Ranger mine.

That includes the environmental requirements for the Commonwealth, and I will certainly come to conclusions on that issue, which are my opinion—

Senator CROSSIN—Will we find that in your report?

Dr Johnston—Yes.

Senator CROSSIN—What is an acceptable radiation exposure level?

Dr Johnston—Acceptable? There are limits on radiation exposure for both workers and members of the public. For workers, in the units they use—millisieverts—it is 20 per year, and for—

Senator CROSSIN—Twenty what?

Dr Johnston—Twenty millisieverts per year—

Senator CROSSIN—Are these recorded and reported?

Dr Johnston—over a five-year period, with a maximum of 50 in one year. For members of the public it is one millisievert per year.

Senator CROSSIN—I have a number of questions about the statement that was tabled in parliament on 31 March.

Senator Ian Macdonald—Is that the statement I tabled?

Senator CROSSIN—That is right.

Senator Ian Macdonald—Go ahead; we are just finding it.

Senator CROSSIN—It said the OSS was working with the Northern Territory government to ensure that appropriate mechanisms were put in place to prevent a recurrence. What are the appropriate mechanisms being referred to in that statement?

Dr Johnston—There were some changes made to the water outlets which would make it much more difficult for such a thing to happen again. They introduced new internal management systems within the company to make sure that the connections which would be required would not be available other than through certain very controlled processes. As I mentioned in response to one of your earlier questions, the continuous monitor in the potable water system, which will set off an alarm in the mill operations room, would be the—

Senator CROSSIN—So this is a probe that might be in the pipes—

Dr Johnston—Yes.

Senator CROSSIN—and if the levels went up the probe would go off, or something?

Dr Johnston—Yes. It measures a particular chemical variable which would be a very good indicator that there was process water present, and that would shut down the system.

Senator CROSSIN—Are they mechanisms that you wanted to put in place to prevent a recurrence, or did they need to be in place before the mine reopened—or both?

Dr Johnston—I would like to distinguish between the operations of the mine and the mill. The origin of the problem was the mill rather than the mine. My principal concern was that,

before the mill started operating again, systems were in place that would ensure this would not happen again and that even before that position there was a way of detecting it. So that was the approach I took for the mill. On the other hand, I had less concern then about the quality of the water which was available to people at the time mining commenced. So there were different considerations at each stage.

Senator CROSSIN—Is it true that none of the events have caused any harm to the people or the environment outside the mine site?

Dr Johnston—Yes. We had an extensive monitoring program, which you mentioned earlier. A routine monitoring program was in place at that time so that we have measurements before, during and after the event, both from the chemical perspective and from the biological perspective, and we are able to give very firm reassurances that there was no impact on the downstream environment or on the people consuming food downstream.

Senator CROSSIN—This statement also says that you ‘sought specialist advice on possible health impacts’.

Dr Johnston—That is right.

Senator CROSSIN—What advice was that?

Dr Johnston—I mentioned earlier that human toxicology is not an area where we have internal expertise. I sought advice through a consultancy with the Australian Centre for Human Health Risk Assessment, and I am still awaiting that final report.

Senator CROSSIN—I want to turn to the spillover from the Jabiru East water supply, which I understand is off the mine site. Is that correct?

Dr Johnston—It is on the mining lease—in other words, it is in the Ranger project area but off the mine site.

Senator CROSSIN—I particularly want to talk about the incident that occurred at the ERISS offices. Is that on the mine lease?

Dr Johnston—It is on the lease. It is in the Ranger project area.

Senator CROSSIN—Can you take me through the factual events that occurred once the spillover from the Jabiru East water supply happened? Was the water turned off after the incident?

Dr Johnston—The water was turned off on the morning of the 24th, by around 9.00—8.15 in one report. In other words, the water supply from the mine to Jabiru East was physically valved off at that time. Members of ERA staff then visited the businesses in Jabiru East, including our laboratories, to advise staff not to drink any of the residual water. Those were the first actions taken.

Senator CROSSIN—So the system should have been shut down; that was the right thing to do.

Dr Johnston—That is correct.

Senator CROSSIN—Was that to flush out that water, basically?

Dr Johnston—No, the flushing out came later. Water was flushed back to the mine by pumping. For example, they used the water in our large storage tank to pump water back up to the mine so that any contaminated water went back to the mine and did not get flushed out into the system.

Senator CROSSIN—Who made that decision, and when did that happen?

Dr Johnston—That started happening in the first day and a half. There followed a period of proper flushing from the point of view of getting it back to condition of clean water that could be used for human consumption.

Senator CROSSIN—What systems were in place to prevent consumption from taps? My understanding is that the next incident occurred at a tap outside the ERISS offices. Is that correct?

Dr Johnston—The connection from the line going in front of ERISS, the connection into the system, feeds two large storage tanks on the ERISS site, which are used for two purposes. One is to supply drinking water and water for other purposes—gardens and so on—on the site, and the other purpose is to supply fire protection. It was believed that that was the only connection from the outside world into those tanks, so once that input was sealed off there was no way that water could get back into the water system within ERISS. That turned out to be incorrect. ERA had to collect a sample for testing one morning and to do that turned on the connection outside on the roadway to feed the water in and inadvertently did not switch it off again afterwards. That, coupled with the fact that there was a separate way of getting water into our system from that point, meant that the system was charged over the weekend.

Senator CROSSIN—Did the two outside taps that you are talking about that are connected to the tanks need to be secured or tagged?

Dr Johnston—They were physically removed and bolted up.

Senator CROSSIN—Isolated.

Dr Johnston—Yes. So no tagging was thought at the time necessary within the complex because it was believed there was no way water could get in, whereas over at the airport there are multiple outlets, which were individually tagged.

Senator CROSSIN—Was it one of those outlets at the airport that was used?

Dr Johnston—No, it was one of the ones in ERISS itself. As I said, it was inadvertently left on.

Senator CROSSIN—Even though they were tagged, someone still turned them on?

Dr Johnston—No. They were not tagged on the ERISS site; they were all tagged at the airport.

Senator CROSSIN—Is that because you did not think there was a need to tag them at the ERISS site?

Dr Johnston—It was done by ERA rather than us, but it was thought that it was reasonable since there was only one way for the water to get in.

Senator CROSSIN—What do you mean when talk about the quality of water being good?

Dr Johnston—It means drinking water standard at all times, even on the very first day at the ERISS site and also at the airport and Gagudju. It was found that the contaminated water must have got quite close, but it did not make it to the ERISS site.

Senator CROSSIN—I understand that it was actually nudging the maximum allowed at 19 parts per billion, instead of 20. Is that correct?

Dr Johnston—That is correct, yes. At one stage one of the samples in one of the lines in Jabiru showed 19 parts per billion. The drinking water standard is 20.

Senator CROSSIN—How many people were drinking that water?

Dr Johnston—Three people: one of my staff and two of the Mirrar people who were assisting.

Senator CROSSIN—Have they been tested?

Dr Johnston—No, they have not been tested. They have been assured that the quality was fine. We measured the quality of the water beforehand and afterwards, and at all times it met drinking water standards. I discussed it with the Mirrar people—Yvonne Margarula; and one of the people who drank the water was also there—and they accepted my assurances. They were comfortable that there was no health risk involved.

Senator CROSSIN—Is it correct that we do not know what the reading was on the day of the incident? Five days beforehand it was just nudging the limit, wasn't it?

Dr Johnston—No, not at that point. On the very first day of the contamination the water was tested at the ERISS site and it was normal but roundabout five, six or seven parts per billion. On the day immediately after the incident it was five to six parts per billion. At another point in the Jabiru East system—not at ERISS—it once reached 19.

Senator CROSSIN—Is the incident that happened in ERISS's yards also part of your report?

Dr Johnston—Yes.

Senator CROSSIN—I will not ask you questions about that, then. I just want to talk to you about the machinery incident in the CDEP yards. What happens to machinery when it leaves the mine site? I am particularly talking about the machinery that was on the mine site and went back to the CDEP yards.

Dr Johnston—Mr Zapantis will give you details, but any machine that has been in certain areas needs to go through radiation clearance when it leaves the site. Having been issued with a radiation clearance, that clearance needs to be presented at the gate before it leaves the site.

Senator CROSSIN—I understand that it has to be cleaned and issued with a decontamination certificate. Is that correct?

Dr Johnston—Yes.

Senator CROSSIN—Who signs off on that?

Dr Johnston—The radiation safety officer.

Senator CROSSIN—An employee of ERA does that?

Dr Johnston—Yes.

Senator CROSSIN—What role do you have in supervising or monitoring that process? Do you look at a log sheet?

Mr Zapantis—We do not get involved in that level of detail. In terms of ensuring that the radiation practices are appropriate and meet relevant standards, we review their management plans and whatnot. We ensure that the radiation management plan states that there are procedures for clearing and decontamination of equipment prior to leaving the site. But we do not as a rule go into that level of detail, except on an exceptions basis.

Senator CROSSIN—Do they need to provide to you reports or records of machinery that has been cleared?

Mr Zapantis—No, they do not.

Senator CROSSIN—There has been an allegation that one of these vehicles had on it 50 kilograms of dried, contaminated mud. Who is responsible for coming to the assessment that it is contaminated mud? Is that you or ERA? What happens?

Dr Johnston—There are two issues. In general, it is ERA's responsibility to ensure that they do the assessment of machines leaving the site. If you take this particular case, once it was reported to me that there could be an issue I made sure that my staff carried out a full assessment of those particular vehicles.

Senator CROSSIN—When it talks about inspectors finding that it had higher radiation levels above the normal background level, are they your people? Does the Jabiru CDEP ring you and say, 'There's a truck here that has been cleared, and we do not think it should have been'?

Dr Johnston—That is what happened, yes.

Senator CROSSIN—Did you go out and inspect the mud on the truck?

Dr Johnston—On the evening before I went out to talk to the Mirrar about the Ranger incident, I got a phone call to say that the CDEP people would like to talk to me about the issue of trucks leaving the site. So I agreed to see them that day and I brought with me one of my staff who would carry out an assessment of the yard. They did a radiation survey of the yard that day. We have been following it up since then. By the way, I should comment that there will be a report on this issue as well.

Senator CROSSIN—Is that a separate report?

Dr Johnston—Yes.

Senator CROSSIN—I understand that the complaint from the Jabiru CDEP is that, at the time, the mine failed to produce paperwork or records in relation to that truck.

Dr Johnston—That is has been said. I would just comment that we are investigating the details of what records there were and what were not there, and we will include those in our report.

Senator CROSSIN—Are you aware of whether the company has looked at these processes or at a way to improve the system?

Dr Johnston—As part of our report we will be recommending improvements.

Senator CROSSIN—Are you working with the company to examine and improve those processes?

Dr Johnston—Yes.

Senator CROSSIN—Is it correct that it took seven weeks before the CDEP management received a, unsigned and unsatisfactory, report from the company?

Senator Ian Macdonald—I do not know that you would agree that it is unsatisfactory, would you?

Senator CROSSIN—The issue I want to go to is whether it was seven weeks, not the nature of the report.

Dr Johnston—The timing of this is quite complicated because at least two vehicles were involved. Sorting out just what vehicle left when has been quite difficult. I do not have it at my fingertips right now as to whether it was seven weeks from when. We have gone through a systematic investigation of it, and we will lay it at all out as clearly as possible. The clear issue that I would comment on right now, and this is really the bottom line, is that two vehicles did leave the site in a contaminated state; one did so without clearance and one did so with clearance. There are issues there that need to be addressed. This should not have happened, and we will give a full report on it and make recommendations as to how this can be improved in the future.

Senator CROSSIN—Dr Johnston, it has been raised with me—and perhaps I do not want your opinion on this—that OSS have changed their role, that increasingly you have been asked to placate the public over the actions of the mine. It is an interesting observation.

Dr Johnston—That was put to me differently: the minister for mines wondered why we, rather than his department, had such a high profile.

Proceedings suspended from 5.58 p.m. to 7.02 p.m.

Sydney Harbour Federation Trust

CHAIR—I welcome Mr Bailey from the Sydney Harbour Federation Trust.

Senator WONG—Mr Bailey, I understand from the budget statement that there has been a reasonably significant increase to your funding.

Mr Bailey—The trust's funding position came about from last year's budget which, as you can see, allocated to the trust a rising level of funding each year for the next few years, reaching almost \$30 million per annum.

Senator WONG—Can you just remind me what the 2002-03 allocation for the trust was in the 2003-04 budget? I just want to compare the current levels.

Mr Bailey—I am sorry, I cannot recall the exact figure. It was in the order of \$9 million to \$10 million, but I would have to refresh my memory on that. I do not have that number with me.

Senator WONG—Mr Glyde, is it listed separately in the appendix here?

Mr Glyde—Yes. I just did not hear what year you were after.

Senator WONG—Just give me last year's environment statement. What page are we on?

Mr Glyde—It is page 47 of the 2003-04 environment statement at the very bottom of the page.

Senator WONG—So \$11.7 million in 2002-03, which is climbing to \$21.5 million in this current budget.

Mr Bailey—That is correct.

Senator WONG—So it is about a \$10 million increase. What is the reason for the increase?

Mr Bailey—The Sydney Harbour Federation Trust was established to remediate these sites, open them to the public and conserve the heritage. The reason the number increases is that we were acting in accordance with a plan that was prepared and approved by the minister last year. Part of that plan involved a business plan which projected those rates of expenditure in undertaking our work.

Senator WONG—The plan was approved last year.

Mr Bailey—Yes.

Senator WONG—What are the major items of additional expenditure—land or staffing, or both?

Mr Bailey—No, the major items are remediation of contaminated sites. The most significant single site is Cockatoo Island, which is a redundant shipyard, and the greater proportion of the funding over the seven years remaining will go to Cockatoo Island.

Senator WONG—What else?

Mr Bailey—The sites are the artillery school at North Head; a number of different redundant defence sites at Mosman—at Georges Heights and Middle Head; Cockatoo Island, as I said; Woolwich Dock; Snapper Island; and a couple of very small sites—one at Watsons Bay, a residential house and land adjoining it, and Macquarie Lighthouse up on South Head.

Senator WONG—So is the additional \$10 million fully expensed against those remediation projects?

Mr Bailey—I do not understand what you mean by the additional \$10 million.

Senator WONG—You have \$10 million more this budget than you had two years ago.

Mr Bailey—Yes.

Senator WONG—So no additional staff.

Mr Bailey—Yes, there are some additional staff.

Senator WONG—How many?

Mr Bailey—At the moment we have around 43 full-time staff. We have approximately 50 volunteers and around 10 or 11 part-time staff—they are tour guides.

Senator WONG—How does that compare with two years ago?

Mr Bailey—Two years ago we had no volunteers, two tour guides and around 25 or 26 staff.

Senator WONG—So you have doubled your staff.

Mr Bailey—Close to.

Senator WONG—Are the projected additional staff to be employed as a result of this budget's decisions and the increase in funding over the next three years?

Mr Bailey—The likely increase in full-time staff will be in the order of five to 10.

Senator WONG—Over and above the 20 additional already.

Mr Bailey—That is correct—over and above the current number. Numbers of volunteers are likely to double.

Senator WONG—In Point Nepean in Victoria, I understand, there had to be a fundraising effort from the community to put in money towards that project.

Mr Bailey—I am not familiar with the details of Point Nepean.

Senator WONG—Minister, can you comment on why Sydney Harbour gets a very substantial increase and Point Nepean does not.

Senator Ian Macdonald—No, you are right.

[7.09 p.m.]

Office of the Renewable Energy Regulator

Senator WONG—The Renewable Energy (Electricity) Act requires that the register of RECs be maintained by electronic means and be publicly available for inspection?

Mr Rossiter—Yes. That is correct.

Senator WONG—Have there been any problems with the REC registry over the last few months, or this year?

Mr Rossiter—The REC registry has been established since April 2001. The load on it has increased progressively as the measure has been developed. In the first year there were 300,000 certificates. This last year there were 7½ million certificates. The registry was designed for a life of about four years. We have just sought and have received funding to cover the next four-year period, so the registry is getting towards the end of its life but it is still responding to the sorts of questions that we expect of it at this stage.

Senator WONG—Is it not the case that on quite a number of occasions industry has not been able to access the registry?

Mr Rossiter—I think there have been very limited occasions when it has been down for maintenance; it is normally up and operating. We are aware of cases where the registry has been bombarded with requests. We have investigated some of those, where the registry has been slow in responding. It has responded eventually. We are aware of one occasion where we had contact with people accessing the registry and they had a series of browsers open simultaneously and were basically loading the registry and asking lots of questions simultaneously. We expected it to run with multiple browsers but not quite the number they had open at that time. So it has been slow. The act is fairly clear about the level of access needed and it talks really about individual certificates, individual power stations and individual registered persons. A lot of these searches have been for all certificates, all power stations and all persons.

Senator WONG—Doesn't section 137 say that the register 'must be maintained by electronic means' and 'is to be made available for inspection on the Internet'?

Mr Rossiter—Yes.

Senator WONG—So people have not been inappropriately accessing it; they are entitled to access it under the legislation?

Mr Rossiter—That is correct. They are entitled to access it under the legislation and, as far as I am aware, they have accessed it. It has been there and it has been operating.

Senator WONG—But the problems you refer to—the issues around slowness of response and difficulty gaining access—have been chronic and ongoing for a number of months?

Mr Rossiter—It is like dealing with any database—how you get a response from it depends on how you access the database. When you ask multiple attributes simultaneously off the database, you can download any database. The database is designed for the purposes of looking at those certificates—the provisions of section 136 of the act say what you must be able to access. If you access it in that manner, you will get it. For example, some of the questions that I have been asked have been about invalid certificates—'Can we access all the surrendered certificates?' They can, at an individual level. The act does not actually require anything to be accessed for invalid certificates.

Senator WONG—Let us leave invalid certificates to one side. Haven't there been ongoing problems with the register in the last months?

Mr Rossiter—The register has been slow when certain questions are asked. We have been aware of that and have asked those people who are having problems to contact us to see whether there are better ways of accessing the registry that we use.

Senator WONG—Isn't it the case that there has been quite a substantial increase in the number of certificates over the life of the register, as you pointed out, and that one would expect more rather than fewer certificates will have to be on the register over the coming years?

Mr Rossiter—We would certainly expect it to increase.

Senator WONG—So what is happening to ensure that the statutory requirement around inspection is honoured, in light of the fact that your database will expand. You are already experiencing problems with your current database.

Mr Rossiter—The first contract that we have expires at the end of next year. We have already set in place the replacement contract process. We have started that, anticipating that there needs to be an overlap between whatever system we put in place and the current system for some period to ensure that data transfer is correct.

Senator WONG—I will come back to that. You said earlier that the system experiences problems when people access it in a certain way, when they ask certain questions of it. The act does not prescribe how the register is to be available, does it?

Mr Rossiter—It is to be available on the Internet.

Senator WONG—Correct in that sense. But it does not say you have to ask the question in this way or in that way, does it?

Mr Rossiter—It refers to the registries being available but it does not say how you would be wishing to interrogate them.

Senator WONG—Presumably, the legislative requirement is that it is able to be interrogated by users.

Mr Rossiter—Yes.

Senator WONG—And there are currently difficulties with that.

Mr Rossiter—People are interrogating it when they are asking the kinds of questions that we would expect, which is at an individual certificate level, an individual power station level. They are having more difficulty when they want to look at all power stations and all certificates simultaneously.

Senator WONG—The system is not capable of dealing with that?

Mr Rossiter—The system does deal with it. It deals with those sorts of questions overnight, generally. We have ways of operating the system to do overnight reports, and then the overnight reports are reported at the front of the registry in the summary holdings the following day.

Senator WONG—But there are problems with it?

Mr Rossiter—There are speed difficulties. I think people these days expect instantaneous responses from anything on the Internet.

Senator WONG—And in the market we are talking about.

Mr Rossiter—It is not necessarily an instantaneous market we are talking about here. They create a certificate and then they sell it at some time. It is not a market like the Stock Exchange, where you probably need to be instantaneous.

Senator WONG—Is it your intention to ensure that the database can actually do what it is required to do by the users?

Mr Rossiter—We believe it currently does what it is required to do under the legislation. We are looking to what we can do as it expands. We expect it to expand to contain something like 140 million certificates, ultimately, so the current database is a very much smaller version of what we will need in the future. We have requested and been granted additional funds to improve that search capability.

Senator WONG—Before I get to the additional funding, you said you had invited people to contact you if there was a problem.

Mr Rossiter—Yes.

Senator WONG—How did you do that?

Mr Rossiter—We have quite good contact with all of our people who use the registry regularly, and we get quite regular phone calls from people saying that they want to do such and such, can they do it and how would they do it. Then, if they have a problem, we request that they send us the information of exactly what they were trying to do at a particular time. We can then analyse it through the traceability within the registry itself so that we can find out what, if any, difficulties were there at that point.

Senator WONG—Have you logged how many times you have been contacted by people in these circumstances?

Mr Rossiter—We do have a log. I do not have the numbers with me.

Senator WONG—Are you able to tell us how many complaints or problems or contacts you have had about issues associated with difficulty in accessing the register?

Mr Rossiter—I would think so, but I am not entirely sure. I think the registry records it in the form of complaints or the form of contacts. We have a log of what has been done.

Senator WONG—How far back does this log go?

Mr Rossiter—It will go back to where it starts, I think.

Senator WONG—Are you able to tell us whether in this financial year we are looking at five complaints, 10 complaints or 500 complaints?

Mr Rossiter—I am aware, and I presume my staff are aware of similar numbers, of about three or four parties who have been accessing the database. There is one in particular who has been accessing the database regularly. They had prewarned us that they would be accessing the database and, essentially, they have attempted to download all the information that is actually on the database. It is a very considerable database. It has had 7½ million valid certificates on it, but there are some invalid ones on there, too. So there are eight million or more records, each with multiple attributes, and they have been trying to download that through the Internet and, I understand, without even using a broadband connection. So they are very slow in downloading this information, as you would expect if you were downloading any sort of information like that.

Senator WONG—Can you provide us with the log of the complaints in this financial year to date?

Mr Rossiter—I shall endeavour to get those for you. I will take that on notice.

Senator WONG—You have said that the contract for provision of the database expires next year. Is that right?

Mr Rossiter—Yes.

Senator WONG—Are you tendering for the next contract now?

Mr Rossiter—We are not actually tendering for the contract at the moment. We have just been tendering for the preparation of the documents because, as you would appreciate, the documents are highly technical. So we are tendering for assistance to prepare those documents at this stage. We have a layout of a procurement process for this, and we are just starting the front end of that procurement process.

Senator WONG—But you will intend to re-contract the database management and the system of that next year. Is that right?

Mr Rossiter—Yes, we will look at our options to see how we can do it best within the funds we have and to meet the requirements of the act.

Senator WONG—Are you proposing to try to deal with these technical issues in the new contract?

Mr Rossiter—We are very interested in making sure that this database functions in the way that people expect it to function.

Senator WONG—So will the technical requirements to ensure that be part of the contract next time?

Mr Rossiter—Yes.

Senator WONG—Have you sought additional funds for this?

Mr Rossiter—In the new budget we have.

Senator WONG—So is there any allocation for the cost of the new contract in the forward estimates in the current budget?

Mr Rossiter—There is.

Senator WONG—And how much do you anticipate the new contract will cost?

Mr Rossiter—At this stage we do not know. We have allocated some money within the budget for that, but we are not sure what structure it would have.

Senator WONG—What is the cost of the current contract that we are under?

Mr Rossiter—I think the total cost is around \$1.4 million.

Senator WONG—Is that per annum or over the four years?

Mr Rossiter—That is over the four years.

Senator WONG—What have you allocated for the new contract?

Mr Borthwick—Mr Rossiter, would this influence tenders if we say how much we have allocated?

Mr Rossiter—It could do.

Mr Borthwick—So I think we just need to be careful. If we are having a tender process, we do not want to be influenced by saying how much.

Senator WONG—Did you bid for any additional money over and above \$1.4 million for the purposes of establishing a proper system?

Mr Rossiter—We bid for a budget for the entire office of which part is for that.

Senator WONG—And did you receive the funding bid?

Mr Rossiter—Not in its entirety, but we were pretty close.

Senator WONG—Will the shortfall come out of the amount that you propose to spend on the new contract?

Mr Rossiter—I do not think so. We will be examining our options for running a contract that might just cover four years, or it might be ongoing, depending on how we can agree on funding with finance.

Senator WONG—You would anticipate that the requirements for the new contract would be substantially more than for the existing one, given the increase in certificates that you would anticipate over the period of time.

Mr Rossiter—We would not expect it to go pro rata, but we would expect it to go up, yes.

Senator WONG—And does the funding you are allocated take that into account?

Mr Rossiter—Yes.

Senator WONG—Going back to the environment portfolio budget statement, can you direct me to your line item?

Mr Rossiter—It is on page 73 about one-third of the way down.

Senator WONG—The current financial year is \$1.9 million.

Mr Rossiter—Yes.

Senator WONG—How much of that is on the contract?

Mr Rossiter—Roughly an eighth of that is on the contract, and then there are some additional items in the contract, depending on usage of it. There is a fixed sum and there is a variable sum.

Senator WONG—So you have only actually received an increase of \$600,000. Is that right?

Mr Rossiter—Yes.

Senator WONG—How do you anticipate you will be able to purchase a system that is going to manage the database?

Mr Rossiter—We believe that the systems are now available. When we started this measure, as you would recall, it was a one-off, first-time measure internationally. Certificate databases were in their infancy. In Australia alone, we have since seen certificate databases for the gas industry, the New South Wales scheme, and there are proposals for the Queensland scheme. There are now four or five in Australia and the market has become a lot more competitive than it was. Also, the participants in the market are a lot more aware of what they need to provide than when they initially did this. We were fortunate in that our database started off at a very low level in our contract and that we were able to grow with it. We think that that level of funding will probably cover the requirements that we need.

Senator WONG—The new contract would only be operative from the next financial year?

Mr Rossiter—It will be operative from December 2005, probably.

Senator WONG—What measures, if any, are you putting in place in the interim period to ensure that the current problems with persons accessing the system are remedied?

Mr Rossiter—We have had discussions with the current operator. The current operator of course are interested in future work, under a tender process. They are looking at how they can either update the existing system or change its engine internally. They have had discussions with us about this. They are well aware of the issues. We need their technical expertise to answer some of the questions that we have had about people interrogating the database.

Senator WONG—Does that mean it will be fixed soon?

Mr Rossiter—We have seen from the complaints we have had that it has been multiple browsers used in a very heavy manner on the database to try and extract all the information from it rather than interrogate individual requirements, which it was originally designed for. We could not justify that kind of use of the database being an instantaneous transaction over the Internet, especially if you are not using broadband. We do not think the cost would be justified for that, in view of the fact that at this stage it meets the requirements of the act.

Senator WONG—That is not the only problem, though, is it? The one incident to which you refer is not the sum total of the problems you have experienced with the database this year, is it?

Mr Rossiter—It is essentially the problem that other people have had with the database.

Senator WONG—Downloading the entire database via a landline?

Mr Rossiter—Attempting to download much larger bits of information than they really need to get. They ask a general question instead of a specific question. That has generally been the issue.

Senator WONG—Is your position going to be one of telling people that they have to deal with the register differently?

Mr Rossiter—No, we are negotiating with the current contractor over this. There are things that they can do to improve the rate of response but there are some things that they cannot do beyond a certain point.

Senator WONG—What about the new contract? Do you intend to allow people to interrogate the system in this way?

Mr Rossiter—We hope that the newer databases that are available will enable us to do that much more rapidly and not at an enormous amount more expense than we currently have. Maybe there will be a reduction in expense—but that is hopeful.

Senator WONG—The current annual budget for the contract is a couple of hundred thousand dollars?

Mr Rossiter—Yes. It is the \$1.4 million spread over the four years. It has been structured more to suit the funds we had than to suit the database.

Senator WONG—I do not understand what mean.

Mr Rossiter—We would have preferred to have had a contract with somebody with a capital sum up front, but we have made an arrangement whereby we are basically paying for it over a period of time.

Senator WONG—Would that be your preference for next year's contract?

Mr Rossiter—We will negotiate around that. If somebody wants to do that, that would be fine.

Senator WONG—But you have not been funded for an up-front cost. You have been funded for an annual cost, haven't you?

Mr Rossiter—Yes. We would have to make an arrangement to do that.

Senator WONG—Did your funding bid initially seek an up-front cost structure?

Mr Rossiter—It has a very slight front-end load on it for that purpose.

Senator WONG—But not as much as you wanted?

Mr Rossiter—I think it is probably enough to do the job. We remain to find out, as Mr Borthwick was suggesting in the tender process, exactly what these sums of money would be.

ACTING CHAIR (Senator Tchen)—I thank the officers of the Office of the Renewable Energy Regulator.

[7.31 p.m.]

Australian Greenhouse Office

ACTING CHAIR—Welcome.

Senator WONG—Firstly, why did the Australian Greenhouse Office take so long to answer the questions on notice in the last estimates round? I understand two were only handed to the secretariat today.

Mr Bamsey—I'm sorry, Senator, I thought we had met the deadlines. I will have to check that.

Senator WONG—I understand the reason we do not have those wonderful pink books—which have the index of all the questions on notice, which means I do not have to ask my staff

to print everything off and index it themselves—is that your organisation did not meet the deadlines, despite being contacted by the secretariat.

Mr Bamsey—I will have to take that on notice and check.

Senator WONG—You cannot offer an explanation? You usually have so many of your staff here; I thought perhaps you could tell me why.

Mr Bamsey—All I can say is that I thought we had met the deadlines, but I will check and see why we didn't.

Senator WONG—Are you saying that no-one here can tell me or can tell you?

Mr Bamsey—I understand that there were two questions that were late. I just need to check the provenance of that lateness.

Senator WONG—Perhaps you can tell me that now. One was in relation to funding for Queensland land clearing; the other was in relation to Stuart Shale Oil—questions six and 24.

Mr Bamsey—We are not sure. We will have to check that. There were a great many questions, as you said, and I am just not sure.

Senator WONG—You cannot offer any explanation?

Mr Bamsey—No. I apologise that they were late. That is something we seek to avoid at all costs, but I just cannot be sure—

Senator WONG—In relation to the Queensland land-clearing question, was there a problem because the government had not made a decision on that issue?

Mr Bamsey—I do not believe so.

Senator WONG—When was the decision by the government made that is referred to in the answer? You may recall that we had a lengthy discussion about this at the last estimates—

Mr Bamsey—We did.

Senator WONG—and at that stage no decision had been made.

Mr Bamsey—I think the minister for agriculture made an announcement but I am not sure of the precise date. No we do not have the precise date.

Senator WONG—Minister, you cannot tell me when the decision was made?

Senator Ian Macdonald—I think it was shortly after Mr Beattie unilaterally said he was going it alone.

Senator WONG—I do not think so, because that was prior to the last estimates, and at the last estimates you clarified with me that no decision had been made as yet. That is my recollection.

Senator Ian Macdonald—I would like to get the date that Mr Beattie made his commitment. It was in the course of the Queensland election campaign, and the Queensland election was on 8 March. These proceedings seem to be on 17 February.

Senator WONG—The announcement had already been made.

Senator Ian Macdonald—I am just looking at my answer. If he had made the decision then, my answer at the time seems to have been inappropriate. I must say that I cannot remember; I am only going off the—

Senator WONG—I think what you said, Senator Macdonald—and I will try to be fair to you—was that the \$75 million was there but, given the premier's announcement, the government would need to make a decision at some time thereafter on whether you would honour your \$75 million.

Senator Ian Macdonald—I am saying, from reading this, it would suggest that I was at that time unaware that Mr Beattie had decided to go it alone. I am making an assumption from my answer to your question. As I said, the election was on 8 March. I think it was just a few days before the election, to capture that floating green vote, as he always tries to do. It would be fairly easy to find out when Mr Beattie made the promise, and we will do that on notice.

Senator WONG—That is not my question, Minister.

Senator Ian Macdonald—What is your question?

Senator WONG—My question is: when did the government determine not to fund \$75 million towards Queensland land clearing?

Senator Ian Macdonald—I think I have answered that by saying it would have been at a time after Mr Beattie said that he did not want our money and was going it alone. If we can find the date of Mr Beattie's promise, it would probably have been at the next cabinet meeting after that.

Mr Borthwick—My recollection is that Minister Truss made an announcement. I do not recall the exact date, but it was certainly quite a long time ago. So the answer to the question before you was really out on the public record a considerable time ago.

Mr Bamsey—The answer will be in *Hansard*.

Senator WONG—No the answer is not in *Hansard*. I see what you mean, it was in parliament.

Mr Bamsey—Mr Truss made the announcement in parliament.

Senator WONG—There has been quite a shift in this budget in the various programs funded under your office. How much was total AGO funding in 2003-04?

Mr Bamsey—The revised figure is just over \$97 million.

Senator WONG—Where in the statements is that?

Mr Bamsey—It is in the budget statements.

Senator WONG—On which page of the PBS?

Mr McGovern—You will find it in our financial statements rather than on the one where we have the departmental and the administered expense estimates together.

Senator WONG—Can you give me the page reference?

Mr McGovern—On page 196 we have an expense estimate for departmental of \$79.2 million, and on page 202 we have the grants expense of \$17.9 million.

Senator WONG—That is \$17.937 million. On table 3.6 the budget estimate for 2004-05 is \$71 million. Is that right?

Mr McGovern—I am sorry; what was that question again?

Senator WONG—Are we at page 202 of the AGO?

Mr McGovern—Yes, I am on page 202.

Senator WONG—So the budget estimate for 2004-05 is \$71.845 million?

Mr McGovern—That is correct.

Senator WONG—Do you have a total figure for the 2002-03 budget of all the programs administered by the AGO that are listed on pages 72 and 73 of the 2004-05 budget statement?

Mr McGovern—At budget it was about \$113.9 million.

Senator WONG—Is that for all of the programs administered by you?

Mr McGovern—Yes.

Senator WONG—And what is it for 2001-02?

Mr McGovern—In 2001-02 the budget estimate was \$217.8 million.

Senator WONG—And for 2003-04?

Mr McGovern—For 2003-04 it was \$124.4 million.

Senator WONG—What is the estimated actual expenditure to date against that \$124 million?

Mr McGovern—Do you mean estimated revised for the year?

Senator WONG—Yes.

Mr McGovern—It is \$97.1 million.

Senator WONG—Is that to date or for the year?

Mr McGovern—That is for the total year.

Senator WONG—So there is an underspend of about \$27 million. I think you have given me this before, but just remind me of how much in 2001-02 the underspend was against the \$217 million.

Mr McGovern—About \$136 million.

Senator WONG—What was it in 2002-03?

Mr McGovern—About \$21 million.

Senator WONG—So it was \$136 million for 2001-02 and \$21 million for 2002-03. What was it for 2003-04?

Mr McGovern—About \$27 million.

Senator WONG—So you are continuing to underspend in the programs.

Mr McGovern—That is correct.

Senator WONG—Is that being rephased again, Mr Bamsey?

Mr McGovern—Perhaps I could answer that question. All those amounts to date have been rephased into the forward estimates. Traditionally we wait until we get the final figures after 30 June before rephasing the amounts from the current financial year.

Senator WONG—In terms of what was promised in 2001-02, there has been an underspend of around \$160 million in three years. Is that right?

Mr McGovern—That is about correct.

Senator WONG—Budget Paper No. 2 refers to another reprioritisation of your funding: \$178 million has been reallocated to partially fund new measures, particularly from GGAP and the Alternative Fuels Conversion Program. I want to check precisely what has been taken out of each of those programs.

Mr McGovern—The offsets—or the reprioritisation for further savings—in the budget totalled \$178 million over the budget and the three forward years. Of that, \$130.3 million came out of GGAP—

Senator WONG—That is over the period of the forward estimates?

Mr McGovern—That is the budget and the three forward estimate years—\$37.8 million came out of the Alternative Fuel Conversion Program and \$10 million came out of the Renewable Remote Power Generation Program.

Senator WONG—Is that the entirety of the GGAP funding for that period that is not the subject of current allocations?

Mr McGovern—No, it is not.

Senator WONG—What proportion is it?

Mr McGovern—It is probably the vast majority of it. I think there is about \$30 million unallocated.

Senator WONG—What about Alternative Fuels Conversion Program?

Mr McGovern—Essentially, all the remaining element is committed. There is \$9.5 million tied up in fleet trials.

Senator WONG—What about the RPPGP?

Mr McGovern—I think it is only a small proportion of the forward estimates, and they range out to 2013. I think a reasonable proportion of that is still uncommitted.

Senator WONG—So how much in this budget remains allocated to that program?

Mr McGovern—In total, in the forward estimates, \$169.9 million.

Senator WONG—What is the rationale for the \$30 million that has remained in the GGAP program for this budget and the three years hence? Is that an allocation for arrangements that you are currently involved in?

Mr Bamsey—There is a further round of funding being assessed at the moment.

Senator WONG—In relation to the \$178 million that we have been discussing, have all the programs have been cut to achieve that budget measure?

Mr McGovern—That is correct.

Senator WONG—Why was GGAP targeted?

Mr Bamsey—It was designed as a program to deliver abatement during the Kyoto commitment period. As you have noted earlier, there have been significant slippages in payments under that program—

Senator WONG—‘Slippages’—that is a nice way to put it, Mr Bamsey.

Mr Bamsey—This was examined, as you would probably know, in the ANAO performance audit of the program. The way in which we had managed those payments was found to be best practice but, as we assessed the experience we had had of this program, it became clear that it was a good deal more complicated than perhaps had initially been apparent and that rolling out new technologies that were in each case very significant in their impact was a complex process which took a while. It took a long time. The objective of, in effect, securing significant amounts of abatement during the Kyoto period has been met with the program.

Senator WONG—How much abatement has been secured?

Mr Bamsey—The projection for GGAP at the last projection is 10.3 million tonnes per annum through the commitment period. The government took the decision that reallocating funding to the 10 new programs that it announced in the budget was the most effective way to proceed.

Senator WONG—I assume the \$30 million therefore refers to the current round of funding applications. That is what that is there for, is it?

Dr Wright—We are currently processing round 3—that will be the last round of GGAP—and the rest of the funding has been reallocated.

Senator WONG—So, after this funding round, no more GGAP.

Dr Wright—There are the existing GGAP projects, plus GGAP round 3 will be seen through to conclusion, but there will be no new projects after GGAP round 3.

Senator WONG—Has funding been retained to meet the existing commitments under the program?

Dr Wright—Yes.

Senator WONG—What proportion of that is the \$30 million? How much is actually up for round 3 as opposed to existing projects?

Dr Wright—I will just check, but my recollection is that there is currently \$145 million that is either expended or committed for GGAP, and round 3 would be additional to that.

Senator WONG—What was the first figure?

Dr Wright—There is currently \$145 million that has either been expended or is under legally binding contracts for the existing projects—so has been partitioned for expenditure on existing GGAP projects—and, in addition to that, there will be the quantum that is allocated to GGAP round 3. So it will be \$145 million in total plus GGAP round 3.

Senator WONG—But, regarding the \$30 million which is the difference between the reallocated money and your current funding, I am asking how much of that is for the new round—

Dr Wright—That is for the new round or up to that amount. If there are not sufficient high-quality proposals, government will not fund more than were assessed as being good-quality proposals. It is up to \$30 million.

Senator WONG—Why was there a decision made to reduce the Alternative Fuels Program by such a large proportion of its funding?

Dr Wright—The original funding for the Alternative Fuels Conversion Program was \$75 million over a four-year period. That was based on intelligence received from industry that the program could be pitched as an uptake program and that there was adequate technology available at the time that could deliver both air quality and greenhouse benefits. What we found within 18 months of implementing the program was that the uptake was exceedingly slow. We were very concerned, so—unusually, I suppose—we implemented a review within 18 months of the start of the program to find out why the uptake was slow.

The outcome of that review was that there was insufficient technology available in Australia to support the program at that time. It was emerging that some original equipment manufacturer engines were starting to come into the country, but there were not very many. The guidance from the review was that, if the program were to succeed, it would be better refocused on, specifically, fleets and on original equipment manufacturer engines. So in August 2002 we got clearance from the minister to engage with major fleet operators with a view to undertaking trials to see whether this refocusing of the program would be successful.

We have since entered into arrangements with some five major fleet operators and those trials are now in progress. The amount of money that is made available in the budget, the \$9.5 million, is to continue those trials to conclusion to ascertain whether a better pitched, focused program can be developed to deliver better outcomes for government. Having undertaken that review, and having a program in place to road-test where we could better have an intervention, the government considered that the remaining funding could be allocated. When we get the outcome of those trials, we can look at the results and consider whether a new program, which has better chances of success, should be developed.

Mr Bamsey—In both cases, the bottom line is that the government determined that the most effective way to use this money was to construct the new programs that they announced in the budget.

Senator WONG—I understand that. The three sources of funding for the new programs were all MBE measures, weren't they?

Dr Wright—That is correct.

Senator WONG—GGAP was probably the big ticket item in MBE with \$400 million over—

Dr Wright—All of the MBE programs were originally over four years. But the Safeguarding the Future package terminated 12 months ago, so there was no funding to be accessed for offsets from the Safeguarding the Future package.

Senator WONG—I suppose it got something through the Senate. Not much of it got spent, did it? Is Cool Communities a program of yours?

Mr Bamsey—It is.

Senator WONG—Has Cool Communities been cut, too?

Mr Shevlin—Cool Communities was an initiative of the government working with the conservation councils to explore a range of possible approaches to encouraging and facilitating abatement action at the household level. We had contracts with the conservation councils running through until the end of this financial year. That work will be concluded as contracted. The government has decided that they will look at the results from the Cool Communities projects that have been run so far, in designing the most appropriate approach to continue to encourage household abatement action. The contracts that we had funded under Cool Communities are completing at the end of this financial year, although we have extended it for a couple of months to make sure we get all the reports and the analysis of the outcome to those projects. We will be continuing with household greenhouse action of some form, working with the Cities for Climate Protection councils that the government has heavily invested in, working with the conservation councils, working with local communities. But exactly the design of the program is something we are currently consulting with all of the stakeholders on.

Senator WONG—On page 78 of the budget statement, Cool Communities is \$1.8 million for the 2003-04 year. Can you tell me if there is any budget allocation estimated for the out years of that program?

Mr Shevlin—\$1.8 million is what was allocated in 2003-04. There is no separate allocation for Cool Communities or in fact for Cities for Climate Protection in the future years. There is one measure called 'local greenhouse action', and yes, there is funding for that over the next four years.

Senator WONG—Where is that?

Mr Shevlin—On page 73, second line down.

Senator WONG—So which of the programs on page 78 have been rolled into that line item?

Mr Shevlin—The Cities for Climate Protection program and the Cool Communities program.

Senator WONG—So there is a reduction in funding from a total of \$4.9 million to \$3.2 million?

Mr Shevlin—That is correct.

Senator WONG—Where is that budget saving going to be made?

Mr Shevlin—As I explained, Senator, the Cool Communities program was a particular initiative to explore a range of possible approaches. It was probably one of the most expensive individual measures that we embarked on, because it was a very intensive measure which involved paying for a lot of individual facilitators through the conservation councils to work very directly with fairly small numbers of households. So it is not a cost-effective approach as a long-term one, but we believed it was a useful investment to explore a range of possible approaches with a whole range of different communities. And the best of those lessons will be rolled into a new program which basically uses the capacity we have built through the Cities for Climate Protection program to get to a much larger group of Australian households.

Senator WONG—So do the conservation organisations which were previously funded under this program currently have funding to the end of the current financial year?

Mr Shevlin—The contracts we had with them went through until the end of this financial year. We have extended those for two months. We did not what the situation where on 30 June everyone packed up and left and we did not have the full analysis and valuation of the lessons learned from the activities we have funded. So we have extended the contract for two months to get that information.

Senator WONG—Is there likely to be any funding for them under the local greenhouse action funding line?

Mr Shevlin—We are currently consulting with conservation councils, with local government, with the body that runs the Cities for Climate Protection program and other interested stakeholders in designing the most appropriate approach to take this forward. So I cannot rule out the conservation councils receiving some funding. On the other hand, I cannot say that they will.

Senator WONG—Cannot rule it in.

Mr Shevlin—Yes.

Senator WONG—So, essentially, the position for them is guaranteed funding to August of this year. Is that right?

Mr Shevlin—The end of August, yes.

Senator WONG—And potentially after that only if the program you have designed under the local greenhouse action contemplates funding to those organisations.

Mr Shevlin—Yes. If, following the consultation with the stakeholders, it is decided that that is the most effective and appropriate way to proceed, then there could be some funding.

Senator WONG—But the total amount of funding is less.

Mr Shevlin—That is correct.

Senator WONG—Because you are funded \$3.2 million, and it was \$4.9 million for the two programs, so someone is going to miss out.

Dr Wright—The point that Mr Shevlin is trying to make is that, through integrating these programs and taking the best ideas and working with councils and local governments to deliver them, we can do that more cost effectively and efficiently. That does not mean to say that less will be delivered. In fact, we hope that more will be delivered.

Senator WONG—But you have got fewer dollars.

Dr Wright—Indeed, but they were separate initiatives, not integrated, and, as I said, we expect that the new initiative will leverage greater action for lesser cost.

Mr Shevlin—The other relevant issue is that that local greenhouse action line is not the only potential source of funding for local greenhouse action. On page 73, the top line there—the low emission technology and abatement measure—specifically also provides the potential for funding local greenhouse action. So if, for example, local communities, local councils, were to deliver an initiative which would give us significant abatement, then that would be funded under this as well. So the total quantum of funding for local greenhouse action we expect to be equivalent to what has been spent in the past.

Senator WONG—For the low emission technology and abatement measure, is their a previous program there that relates to that, on page 78?

Dr Wright—That is a new program and it supersedes a whole suite of previous abatement programs which had very specific design rules and design parameters, and it seeks to have a more flexible approach to funding abatement—from longer term strategic abatement, which could include breakthrough technologies, to small-scale aggregate abatement, which could be tenders by a number of local councils to upgrade their street lighting and thereby deliver abatement. So it is a much more flexible approach to getting good value for the government.

Senator WONG—Mr McGovern, and anyone else who can help me, could you go through the table on page 78 and tell me what has happened with each of those programs and where that function is now taken up in a program listed in the appendix 1—which is what we have been doing, essentially, for Cool Communities? What is happening with the greenhouse international policy reporting and greenhouse sinks program—\$6 million?

Mr Bamsey—Senator, that is now largely included in the international climate change policy program. We could give you the translation table if that would make it easier.

Senator WONG—That is a wonderful idea. That will save lots of time. Can we resolve to receive that, Acting Chair?

ACTING CHAIR—Yes. There are only two of us here.

Mr Bamsey—On the right-hand side are the previous measures.

Senator WONG—Can we put some numbers on this? So national strategies was \$1 million. Domestic greenhouse policy development was \$6.5 million. Where is accelerating energy market reforms on page 78? Is that listed there or elsewhere?

Dr Wright—That, I believe, Senator, is an industry portfolio measure.

Senator WONG—How much was that in the industry portfolio?

Dr Wright—My recollection is that it was \$10.6 million over four years under the Safeguarding the Future package. If you give me a moment, I could check. Sorry, Senator, I think I was wrong on that one. The program I referred to was indeed part of Safeguarding the Future, but I believe that in our translation table that is part of our strategic national policy advice, and it looks at issues associated with the greenhouse. It is related to energy market reform, so it is an internal policy unit.

Senator WONG—Is it one of the programs listed on page 78?

Dr Wright—Is not a separate program. It is not a program; it is an activity.

Senator WONG—And that activity was previously budgeted for in which of the programs?

Dr Wright—Domestic greenhouse policy development, Senator.

Mr Bamsey—That line should not be there. It is a subcategory of domestic greenhouse policy development, I believe. So it sort of followed on from the line above.

Senator WONG—Which was previously \$6.5 million, but this is only one of the functions. And what is budgeted for the strategic national response now—the left-hand side column?

Mr Bamsey—For 2004-05, \$7.304 million.

Senator WONG—And where is that? Is that separately listed in the table A1?

Dr Wright—It can be found on page 155 of Budget Paper No. 2. It is the new funding.

Senator WONG—For GGAP you have two asterisks. Some funding measures continue. That is the \$30 million you were talking about.

Dr Wright—That is \$30 million within the forward estimates period, Senator, and a further \$13 million beyond the forward estimates period.

Senator WONG—And a total coming out of that program of \$134.3 million. Is that for this financial year—for this budget, 2004-05?

Mr McGovern—I think it is \$130.3 million coming out of GGAP.

Dr Wright—The offsets is \$130.3 million over the forward estimates period.

Senator WONG—Over the forward estimates period. And for this budget year, so 2004-05?

Mr McGovern—Are you asking what was the offsets figure?

Senator WONG—Yes.

Mr McGovern—I could check but I think it was \$34.6 million.

Senator WONG—And the Renewable Energy Commercialisation program?

Mr McGovern—The Renewable Energy Commercialisation Program is shown separately because it is one of the ongoing programs out of the MBE.

Senator WONG—What is the previous/existing funding for that heading of RECP?

Dr Wright—Senator, do you want expenditure to date and over the life of the program?

Senator WONG—What I am trying to work out is what money is coming out of where and going into the new measures. So I am trying to compare the table on the right-hand side, which you have done, against the table on the left-hand side. So do you have what funding is being allocated out of the previous and existing measures on the right-hand side in order to fund the policy proposals on the left-hand side?

Dr Wright—I think, Senator, as Mr McGovern mentioned earlier, the offsets for the new measures are \$130.3 million from GGAP, \$37.8 million from the Alternative Fuels Conversion Program, and \$10 million from the Remote Renewable Power Generation Program. And I think there was a small amount of funding in 2004-05 for some programs that continue. But, apart from that, there have been no offsets from any other programs. Those that still have commitments will continue until those commitments are fully expended. There is no further redirection of funds, other than that articulated \$178 million.

Senator WONG—But you are compressing quite a number of existing measures on the right-hand table into the left-hand table?

Mr Bamsey—The translation table is not a translation table. It is a representation, in a quite rough way, of the equivalent new programs—the areas of activity they cover—to the old programs. We have not simply continued old programs in another form. We have revised them, changed them and sharpened them. And the discussion we had earlier about local greenhouse action, I think, is a good example of how we have tried to do that.

Senator WONG—Can we then go back to the table on page 78. I want to know where these functions are therefore being performed and where that the funding is now going. Now greenhouse international policy and reporting and greenhouse sinks funding of \$6 million is now included in the line item of international climate change. Is that right?

Mr Bamsey—The activities that are covered there are broadly included in the new program, yes.

Senator WONG—Efficiency standards for power generation is in which program now?

Dr Wright—Challenge Plus—Industry Partnerships, which is on page 152 of Budget Paper No. 2.

Senator WONG—Right—\$6.7 million, \$6.9 million, \$8.8 million, \$8.8 million.

Dr Wright—Yes.

Senator WONG—Energy efficiency improvement in Commonwealth operations?

Dr Wright—That is included in action on energy efficiency, which is on page 151.

Senator WONG—Energy performance codes et cetera?

Dr Wright—That is under that same new measure. We have combined all the energy efficiency measures.

Senator WONG—Renewable energy Internet site? I presume this is different from—

Dr Wright—That has been absorbed into ongoing operations. That was a one-off amount of \$300,000 to get up an Internet site as part of the 1997 package.

Senator WONG—Mandatory targets for updating renewable energy and power supplies?

Dr Wright—The policy component of that is under national strategic response. The policy component is the responsibility of the Australian Greenhouse Office. The operations of the MRET is now a separate measure to fund the Office Of the Renewable Energy Regulator. That is now separate.

Senator WONG—Are you referring to national strategic response on page 155?

Dr Wright—Yes.

Senator WONG—Where are we up to? Bush for Greenhouse—not George.

Mr Carruthers—I am Ian Carruthers, Australian Greenhouse Office. Bush for Greenhouse forms part of the new program called Greenhouse Action to Enhance Sustainability in Regional Australia, which appears at the top of page 154 of Budget Paper No. 2.

Senator WONG—Presumably that measure on 154 must incorporate some other programs.

Mr Carruthers—That is correct. It also captures the former program Greenhouse and Natural Resource Management.

Senator WONG—Greenhouse and Natural Resource Management—0.7?

Mr Carruthers—Yes.

Senator WONG—I think we have done Cities for Climate Protection and Cool Communities—that is now Local Greenhouse Action. Travel demand management—are you referring to something in this table on page 78?

Mr McGovern—That was a subset of the domestic greenhouse policy development.

Senator WONG—Greenhouse friendly?

Dr Wright—That is part of Challenge Plus. When we say part of the new programs integrate elements of the old ones, they also have new initiatives as part of them. So it is not a one-for-one mapping. These are new programs but they supersede a whole suite of programs that existed before.

Senator WONG—I understand that.

Senator WONG—National strategies? Presumably that is—

Mr Bamsey—Under the strategic national response.

Senator WONG—Renewable energy showcase.

Dr Wright—That is the low emission technology and abatement.

Senator WONG—What page is that?

Dr Wright—I think it is at the end—page 154.

Senator WONG—Commercialisation program?

Dr Wright—That is the low emission technology and abatement program again.

Senator WONG—Greenhouse Challenge?

Dr Wright—That is Challenge Plus.

Senator WONG—Domestic greenhouse policy? Well, one function, travel demand management, is in Local Greenhouse Action. What about the remainder?

Mr McGovern—All now in strategic national response.

Senator WONG—Greenhouse science?

Mr Bamsey—Climate change science program.

Senator WONG—What else is included in climate change science?

Mr Carruthers—That is essentially a one-on-one mapping between the old program activity and the new program activity. So it is an enhanced program.

Senator WONG—You actually got more funding for that.

Mr Carruthers—That is very good.

Senator WONG—Unlike most of the others. National carbon accounting system?

Mr Carruthers—That translates into the emissions measurement and analysis program.

Senator WONG—Impacts and adaptation?

Mr Bamsey—That is the climate change and adaptation program.

Senator WONG—Page 155?

Dr Wright—Yes.

Senator WONG—And greenhouse and natural resource management?

Mr Carruthers—We covered that in relation to the greenhouse and regional Australia item.

Senator WONG—Sorry?

Mr Carruthers—We discussed that when we dealt with Bush for Greenhouse, so the former twin programs of Bush for Greenhouse and Greenhouse Natural Resource Management map across onto Greenhouse Action to Enhance Sustainability in Regional Australia—once again an enhanced program.

Senator WONG—Thank you. I refer to GGAP round 2's power coal project, Dr Wright. Was there a project for power coal in GGAP round 2?

Ms Thompson—The project you are referring to we usually refer to as Centennial Coal.

Senator WONG—What is the status of the project?

Ms Thompson—That project has been withdrawn.

Senator WONG—When was it withdrawn?

Ms Thompson—It was withdrawn by the proponent because of technical difficulties primarily involved in constructing underground railways.

Senator WONG—When was it withdrawn—August 2003?

Ms Thompson—I would need to check, but I believe it was around November 2003.

Senator WONG—What was a value of the original project?

Ms Thompson—It received GGAP funding of—I believe it was \$15 million.

Senator WONG—How much was spent prior to withdrawal?

Ms Thompson—None.

Senator WONG—There were no public funds at all spent?

Ms Thompson—No.

Senator WONG—What was the projected abatement?

Ms Thompson—The estimated abatement was 4.1 megatonnes.

Senator WONG—Presumably no abatement was actually delivered.

Ms Thompson—That is correct.

Senator WONG—And are the figures for GGAP total abatement to date been revised to take account of that?

Dr Wright—They are in the process of being revised.

Senator WONG—So the answer to the question on notice you gave me—I think you listed the abatement expected measures—would not be up to date.

Dr Wright—No, and Mr Carruthers can give you a timing on the updated figures.

Senator WONG—Do you have the question? Question no. 3 and 4, I think—3 is the abatement estimates.

Dr Wright—Yes.

Senator WONG—So the 4.11 there is nil, presumably.

Ms Thompson—The abatement estimate that we provided you in that table was during the Kyoto target period.

Senator WONG—Yes, I appreciate that. But I presume, given that they have withdrawn, that, looking at this table, that would be a revision—you would be taking out the 4.11. Correct?

Dr Wright—Yes, that would be taken into account when the estimates are updated.

Senator WONG—Are you able to tell me whether there is an update to any of the other abatements indicated there?

Ms Thompson—The situation with regard to our abatement projections is that they are done every year on an annual basis. They go through a rigorous whole-of-government

process, so the update to the abatement projections will need to await the finalisation of that whole-of-government process.

Senator WONG—When you normally do that?

Ms Thompson—My understanding is that the results are usually put in the public domain in around August or September.

Senator WONG—When do you do it?

Ms Thompson—When do we do the analysis associated with the process?

Senator WONG—Yes.

Mr Carruthers—It is in progress at the present time. As has already been indicated, the government releases, in the latter part of the year, a comprehensive review of emissions trends and projections. That was last done in September 2003. That report is publicly available, along with the underpinning technical studies, and the work is in progress to review the emission trends across all the sectors with a view to a release later in the year.

Senator WONG—But apart from preparing for the publication of the public document, how regularly do you audit your abatement projections—or is this the only process of auditing?

Mr Carruthers—The emissions projections is quite a complex process because over the course of the year there are a number of factors that change, including the forecasts of economic growth—things like oil price. There are complex interactions that go on within the economy, in terms of the relationship of the measures to the economy, which is all handled in the technical modelling work that is undertaken. There are interactions between the measures. So it is not, if you like, a simple matter to just change one element.

Senator WONG—I understand that. What I am asking is: how often do you do it?

Mr Carruthers—Once a year.

Senator WONG—Only once a year?

Mr Carruthers—That is correct.

Senator WONG—Can I asked why, given that the project had already been withdrawn at the last estimates hearing, when I asked this question you still provided a table of abatement projections which included a project which had been withdrawn some four months earlier? With respect, it does seem a little misleading. I understand you provided it for the Kyoto period. But I ask a question in February, and you provide an answer to that question on notice which has a project which you know has been withdrawn—and was withdrawn at the time I asked the question, and certainly well before you provided that question on notice response.

Dr Wright—I understand the point that you are making but, as Mr Carruthers said, we update the projections on an annual basis.

Senator WONG—But you knew at the time that you provided the answer that this project had been withdrawn—and look, I am not criticising the withdrawal of the project. I am not interested in going there. What I am interested in is accountability and that you provided to an

estimates committee an answer on projected abatements including an abatement in relation to a program the proposal for which had been withdrawn some months earlier.

Dr Wright—As I said, I do understand your point, and what we provided were the official figures that are produced annually.

Senator WONG—Do you not think that in estimates a more accurate answer could have been provided?

Dr Wright—I understand your point, and maybe in future we could take that on board in providing responses.

Mr Bamsey—Thank you, Senator. We will take account of that. I certainly take your point that we need to think about how we present these estimates.

Senator WONG—It is not a matter of presentation, Mr Bamsey. I just think that, if you are asked about projected abatements, to include a project that you know has been withdrawn is, frankly, inappropriate.

Senator Ian Macdonald—Well—

Senator WONG—I am moving on, Minister.

Senator Ian Macdonald—I have great confidence in all of these officers and I think your suggestions are inappropriate.

Senator WONG—The \$15 million that was previously allocated to Centennial Coal. Did you get that back, or is that part of the reprioritised funding—or reallocated funding?

Dr Wright—The figure that we gave you—the \$145 million of expenditure and to meet future commitments—is for continuing projects. So Centennial Coal would have been taken out of that one.

Senator WONG—I am not sure what that answer means, Dr Wright.

Dr Wright—That means, indeed, in terms of whether you wish to count the amount for Centennial Coal as going into the pool of funding available for GGAP round 3 or as part of the \$178 million for offsets, it is not in the amount that has been provided for rounds 1 and 2 to see out the payment of the commitments, which, as I mentioned, was \$145 million.

Senator WONG—Okay. Climate change strategy influencing international climate change policy—it is a rather sinister sounding program, Mr Bamsey. Is this the Kyoto sabotage line item, is it?

Mr Bamsey—Senator!

Senator WONG—What are they going to do? Two and a half million dollars and then \$4.8 million—it is a lot of money— then \$6.4 million and \$6.4 million.

Mr Bamsey—Senator, the government continues to work for an effective global response to climate change.

Senator WONG—Yes, as opposed to Kyoto. We understand that.

Mr Bamsey—We will be working at every possible level to secure that response, so it will mean that we will be able to effectively represent Australian views and the Australian desire to see an effective global response within the multilateral processes, and at a bilateral level, because we now have a number of quite intensive partnerships with other countries on a bilateral basis, and also in regional or smaller scale and multilateral activities. So we have a lot of work ahead of us, and it is all directed at securing an effective global response, which will include all of the major emitters.

Senator WONG—What is the \$2.5 million going to be spent on? What are you planning to do—employ more people, or is this for you to go overseas more?

Mr Bamsey—No, it is not to employ more people, but I will ask Dr Terrill, who is oversighting this area of activity, to give you a better sense of the particular objectives we have in mind, maybe for the next 12 months.

Senator WONG—What are the particular objectives, apart from making sure that Kyoto does not go any further?

Dr Terrill—Can I firstly point out that the appropriation for next financial year is \$5 million. It includes some money that had already been in the forward estimates—

Senator WONG—2.5 and 4.8 at page 154. What are you looking at?

Dr Terrill—Page 72, Senator, of our budget statement.

Senator WONG—How does that compare with Budget Paper No. 2, page 154?

Dr Terrill—There are two—in fact, two sets of money being brought together, Senator. There is one set of money through existing forward estimates and some new money through the latest budget process—and they total \$5 million for the coming financial year.

Senator WONG—Can you refer me to where the other \$2.5 million is listed in Budget Paper No. 2?

Dr Terrill—Senator, it is not in Budget Paper No. 2, as it is not a new appropriation, but it does, for example, appear as listed in the environment budget statement, where the total expenditure of that measure is outlined.

Senator WONG—Okay. So where is the other \$2.5 million from—a previous existing program?

Dr Terrill—Yes, the previous existing program is the one that I believe you were discussing before on international policy reporting and sinks. Some of that carries forward and some derives from the latest budget into the new forward estimates.

Senator WONG—So some of the \$6 million of greenhouse international policy reporting and greenhouse sinks is in the \$5 million?

Dr Terrill—That's right.

Senator WONG—You were telling me what you were going to do with it.

Dr Terrill—It falls into three basic areas. I will run through them first. The first is multilateral negotiations and processes; the second is bilateral partnerships; and the third is

engaging developing countries. On the multilateral negotiations processes, the key area—but not the only area—of involvement will be engaging in the United Nations Framework Convention on Climate Change processes. There are meetings coming up next month. There will be COP 10 at the end of this year.

One of the particular objectives we will be pursuing is trying to bed down one of the achievements that I think Australia led at COP 9, which was to establish a pilot looking at a database that provided enhanced access to information to all countries about the emissions and basic economic and socioeconomic data about all countries. Another thing that we will be pursuing under the money provided for multilateral processes is payment for lead or Australian scientists to participate in the Intergovernmental Panel on Climate Change, which is currently starting work on its fourth assessment report, which is due in 2007. There are a couple of examples. I could go on if you—

Senator WONG—You could go on all night probably.

Dr Terrill—Probably. On bilateral partnerships, Australia now has five bilateral partnerships—with the US, Japan, the European Union, New Zealand and China. Under those partnerships, we have 37 announced projects. We are looking forward to a number of other projects coming forward.

Senator WONG—Are they funded out of this line item, or are they separately funded?

Dr Terrill—The line item provides for, in effect, the sort of central administration establishment deepening of those bilateral partnerships.

Senator WONG—But projects are separately funded.

Dr Terrill—Yes. The actual projects activity—pursuing the research, the technical work or whatever—is pursued under line item funding in the AGO or other agencies.

Senator WONG—Engaging with developing countries?

Dr Terrill—As an example, some of the work that we would like to progress is in the Pacific or with some of our regional neighbours amongst the ASEAN countries or further north into China. This is in large measure a new part of the budget for international activities and it is something that we are currently thinking through—exactly how we can best target the new money.

Senator WONG—We had a discussion earlier today. You may or may not have been listening, Dr Terrill. Hopefully you were off having a coffee or something more interesting, but Mr Glyde and I were talking about the AusAID budget, and aspects of that are included in the Commonwealth's environment expenditure. As part of your third strategy, have you or anyone in the AGO actually done any analysis of the greenhouse impact of the AusAID programs which are identified as achieving positive environmental outcomes?

Dr Terrill—Senator, we work closely with AusAID, and have for a long period of time. In particular, we work with them on design of activities that they are doing in the Pacific, and that sort of activity will continue. Some of the specific aspects are working with them, for

example, on projects for funding a global environment facility, which, as you are aware, Australia has provided a considerable top-up to—a third replenishment.

Senator WONG—Are you able to say, from that close working relationship, what proportion of the AusAID budget actually has positive greenhouse outcomes?

Dr Terrill—Senator, we do not do an evaluation of the AusAID budget. The AusAID budget is for them to manage.

Senator WONG—But the government relies on it as part of its environment spending. You do not do any analysis of its effectiveness or of the greenhouse impacts of any of their programs?

Dr Terrill—Senator, they do not evaluate our programs in terms of their AusAID objectives or vice versa.

Senator WONG—AGO is supposed to have a slightly broader role, I would have thought.

Dr Terrill—We work collaboratively with them in the design of their programs to achieve mutually beneficial outcomes.

Mr Carruthers—Senator, I might mention here that AusAID does publish quite regularly a publication on their range of climate change projects. They cover science and vulnerability assessments to climate change impacts and some emissions mitigation projects. That is a publication that can be readily obtained from AusAID.

Senator WONG—The AusAID climate change report launched on Monday was critical of the use—it was launched on Monday; I think we had a discussion about it earlier today. Are you familiar with the report that was launched this week?

Mr Carruthers—No, Senator.

Senator WONG—In fact, it was quite critical of the use of aid money, which, it is asserted, fostered fossil fuel rather than renewable energy dependency in developing nations. Is that something that the AGO is aware of?

Dr Terrill—I am not aware of the report, Senator, sorry. Could you mention its title?

Senator WONG—It is described in my notes as AusAID climate change report.

Dr Terrill—To my knowledge, AusAID has not released this week a climate change report.

Senator WONG—So you are not aware of any—sorry, it is AID/WATCH, not AusAID. It is an AID/WATCH climate change report.

Dr Terrill—I have seen mention of it, Senator.

Senator WONG—And it is specifically critical on this point—

Senator Ian Macdonald—Who is A-Watch?

Senator WONG—AID/WATCH.

Senator Ian Macdonald—Who is AID/WATCH?

Senator WONG—It is not a government agency, if that is what you are asking, Senator.

Senator Ian Macdonald—So it is a view of someone else.

Senator WONG—Yes, it is a view of someone else, but their criticism is that the use of aid money is not achieving positive environmental outcomes and, in particular, greenhouse outcomes. Is that something that you are aware of?

Senator Ian Macdonald—Aware of the criticism or aware of the fact?

Senator WONG—The fact.

Dr Terrill—Senator, I am aware of the criticism. I am not aware that it is a fact.

Senator WONG—But the AGO is not asked by the department or by AusAID to actually have a look at whether or not AusAID's development funding to developing countries is actually achieving any greenhouse positives?

Dr Terrill—Senator, AusAID has not asked us to examine the report or to comment on its findings.

Senator WONG—And you do not, of your own motion, do that?

Dr Terrill—We have not done so, Senator.

Senator WONG—So this third plank of engaging with developing countries does not include you ensuring that Australia's aid budget maximises greenhouse outcomes?

Dr Terrill—No, it does not ensure us governing the use of the aid budget, Senator, although, as I did mention, it does involve us working with AusAID to maximise mutually desirable outcomes.

Senator WONG—How many projects have you worked with AusAID on? Are we talking one or two or hundreds?

Dr Terrill—I guess we have worked with them along two key lines. One has related to particular projects. But, probably more specifically, we would work with them—or more recently we have worked with them more along policy lines. For example, Senator, there is quite a lot of discussion in the context of the United Nations Framework Convention on Climate Change on a range of aid-related issues. We deal quite frequently with AusAID to determine Australia's position on those sorts of issues.

Senator WONG—You are aware of these criticisms, Dr Terrill, by AID/WATCH. Has the AGO given you a brief proposing to consider those criticisms—to look at the figures which are actually articulated in the report which suggest a substantial reduction in funding for measures which one could indicate are likely to achieve a positive greenhouse outcome and a substantial increase in the proportion of funding for fossil fuels?

Mr Bamsey—Senator, you mentioned, I think, that the report was released on Monday. I have not had a chance to look at it.

Senator WONG—I understood that. I am asking: are you intending to?

Mr Bamsey—I will have a look at it, and then we will determine whether we need to do any more than look at it.

Senator WONG—Are you intending to look at it, Dr Terrill?

Dr Terrill—Senator, I work very happily with Mr Bamsey.

Mr Bamsey—Well, it is a group called AID/WATCH, but—

Senator WONG—It is an NGO.

Senator Ian Macdonald—What sort of an NGO, an offshoot of the Wilderness Society; is that right?

Senator WONG—No, they are—perhaps I will let your officials discuss that.

Mr Bamsey—Essentially, Senator, we have—

Senator WONG—This is like the NAFTA discussion, isn't it, Minister?

Mr Bamsey—If we were to do anything, we would be simply looking at it. It would be for AusAID to determine if any action was required.

Senator WONG—I wish you would stop saying that, Mr Bamsey, because when the AGO was established the government trumpeted that this was an agency that was going to coordinate a whole-of-government approach on greenhouse policy. And now we have a situation where one of the things you tell me you are doing with public money is engaging with developing countries, but you do not want to discuss with AusAID—or you do not want to audit what AusAID is doing to see whether or not their programs actually further that. Is that right?

Mr Bamsey—I think there is a big leap, Senator, from taking a whole-of-government approach—which is what we are required to do—to the sort of auditing action you are proposing. We are not the whole of government.

Senator WONG—I am very aware of that, Mr Bamsey.

Senator Ian Macdonald—And you heard the officer say, I think three times, that they work with AusAID in designing most of their projects. That, to me, as someone without a great deal of knowledge, would suggest that if there was a right way of doing it and a wrong way of doing, it would be done the right way.

Senator WONG—I do not think—and Mr Bamsey and Dr Terrill can correct me—there was any evidence given that the AGO works with AusAID in designing most of their projects.

Senator Ian Macdonald—I clearly heard them say words like 'to get outcomes that mutually meet out joint goals' or something, was it not?

Senator WONG—Dr Terrill, do you work with AusAID in designing most of their projects?

Dr Terrill—Over the past five years, I guess, that I have been involved in working with AusAID, we have worked on a number of projects that have a particular environmental bent. We have also worked on a range of policy issues over that period of time. And I guess the focus of that has been initiatives that they are proposing as well as initiatives that we are proposing. It is a healthy working relationship, to our mutual benefit.

Mr Bamsey—I would say, too, that I know from previous work I have done, before I joined the AGO, that AusAID does have a reputation internationally for being very sensitive to environmental outcomes when they design their program.

Senator WONG—The AGO would support putting our close neighbours on a lower greenhouse emissions path, wouldn't you? That would be a desirable objective.

Dr Terrill—Senator, we are after an effective global response, so—

Senator WONG—What does that mean?

Dr Terrill—It would mean all major emitters—in fact, all emitters—would be addressing their greenhouse emissions and lowering them.

Senator WONG—Dr Wright, apart from the withdrawn project that we were discussing, are there any other withdrawn projects on the table you gave me?

Dr Wright—Yes, Senator. Recently—since we gave you that table—two projects have also withdrawn. One is the CRT project, also known as the cargo sprinter project. The proponents withdrew because of restructuring within the transport industry which impacted on the commercial viability of that project. The other one is the methane vaccine that was being developed through CSIRO, and there were technical issues associated with that.

Senator WONG—Methane abatement from Australian livestock?

Dr Wright—Yes, Senator.

Senator WONG—Were any funds expended in relation to any of the withdrawn projects?

Dr Wright—I would need to just check that, Senator. No.

Senator WONG—\$6.97 million was the CRT group estimated expenditure from 1 January 2004 to 2009. Nothing was spent?

Dr Wright—Nothing was spent. We did not progress to formalising the deed of agreement. The project was withdrawn before that occurred.

Senator WONG—Has the AGO done an analysis of the effect on electricity prices of any increase in the MRET? Well, not the AGO—I presume a consultant.

Dr Wright—Senator, I believe modelling was undertaken as part of the Tambling review, but I would need to check on the details with officers in the room.

I am advised that in the MRET review report you will actually find the details of those analyses. But that was undertaken by the independent review, not the AGO.

Senator WONG—Well, the Tambling review.

Dr Wright—Yes.

Senator WONG—Other than those analyses, has any further modelling been done?

Mr Morvell—I am Gerry Morvell from the energy futures branch. As part of developing the government's consideration of its response to the Tambling review, we engaged a firm, Econtech, to do some further reviews of the modelling and work done by the Tambling review to clarify some issues.

Senator WONG—Econtech?

Mr Morvell—Yes.

Senator WONG—And who did the modelling for the Tambling review?

Mr Morvell—A firm called McLennan Magasanik Associates.

Senator WONG—Just the one?

Mr Morvell—To the best of my knowledge, it is just the one.

Senator WONG—I recall asking some questions about this, actually, in an inquiry of this committee. What did the McLennan consulting report indicate was the range of potential impact of an increase to 5%? Do you recall?

Mr Morvell—I could not recall that offhand, Senator. I would have to take that on notice.

Senator WONG—And what about the—sorry, who was it?

Mr Morvell—Econtech.

Senator WONG—And Econtech had a look at the McLennan modelling.

Mr Morvell—We asked them to review the modelling, and they did that and provided a report to it, which has not been published.

Senator WONG—Is it intended to make that public?

Mr Morvell—Senator, our expectation is that that would be made public after the government has finalised its consideration of the Tambling review report.

Senator WONG—So you are not able to provide it to me?

Mr Morvell—At this point, no.

Senator WONG—On what basis?

Mr Morvell—We undertook that as part of the input to cabinet's consideration of its response to the Tambling review.

Senator WONG—And?

Senator Ian Macdonald—Well, it is advice to government. That is what he is saying.

Dr Wright—The government is still considering its response.

Senator WONG—Yes.

Mr Morvell—And the government has not finalised its response yet.

Senator WONG—When was it provided to government?

Mr Morvell—We undertook that review around the period of December-January.

Senator WONG—January this year, presumably.

Mr Morvell—This year.

Senator WONG—What was the cost of that?

Mr Morvell—I would have to take that on notice. I do not have those particular figures with me.

Senator WONG—After the government makes a decision on that, will that report be made public?

Senator Ian Macdonald—It is a matter for the government at the time. We will consider it at the appropriate time.

Senator WONG—Do you know when the government is likely to release its position on MRET?

Senator Ian Macdonald—We continue to consider it, and I would not be drawn to committing us to a time.

Senator WONG—Did the Econtech modelling look at a range of possible MRET targets?

Mr Morvell—I am not sure that I can go into the detail of what was in that because of its status in government.

Senator Ian Macdonald—Let me advise you: you cannot.

Senator WONG—I am not going to ask. Why was a decision made given that there had already been consideration of this issue and modelling done under the Tambling review? Why was it determined that a further consultancy was required for further modelling?

Mr Morvell—The department's initial consideration of how to proceed with the Tambling report identified a number of areas that required some clarification, and we entered into the review undertaken by Econtech primarily on the basis of clarifying some of the results out of the MMA report.

Senator WONG—So the modelling was identified by the AGO or by other departments as requiring further work?

Mr Morvell—As I said, it was the view of all the agencies involved in the initial consideration of that report that we needed some clarification for the purposes of taking advice to government.

Senator WONG—In answer to question on notice No. 24, Dr Wright, about Stuart shale oil, you indicated you could not substantiate the claim based on the available information. Did that mean you did not understand my question?

Dr Wright—We do not have access to the information.

Senator WONG—Just remind me, this was a funding allocation under which round?

Dr Wright—Stuart shale oil is a resource development project which is currently subject to an environmental assessment process which the department could answer questions on. We provide advice as required on greenhouse issues to the extent we can based on the information the company has provided as part of that environmental assessment.

Senator WONG—You are not able to verify the company's claim which I think I referred to in the question on notice because the company does not—

Dr Wright—Has not provided information which we can verify.

Senator WONG—Did you seek it, or you did not seek it?

Dr Wright—We are not required to seek information.

Senator WONG—It was not actually a criticism.

Dr Wright—The process is managed by the department under an environmental assessment process for which there are specific requirements, and it is probably better that you address that question to them. We provide input to that process. We do not directly manage that process.

Senator WONG—So did you have any involvement in the Stuart shale oil project?

Dr Wright—No.

Senator WONG—An assessment of it?

Dr Wright—No.

Senator WONG—Mr Early, this will come up under approvals, won't it?

Mr Early—Yes.

Senator WONG—I am happy to wait till then, so we can let the AGO go and we can have a break.

Proceedings suspended from 9.06 p.m. to 9.22 p.m.

Parks Australia

Senator WONG—What was the original estimated 2003-04 funding for the National Reserve System program?

Mr Cochrane—Our budgeted figures for this current financial year are just over \$4 million for program funds.

Senator WONG—Just refer me to the—

Mr Cochrane—You will not find it in the blue book because the program is funded through Bushcare.

Senator WONG—You say the funding for the National Reserve System program was \$4 million for 2003-04. Has that now been revised downwards?

Mr Cochrane—No. It was not clear probably when we first appeared and this question was first asked what the full sum of money was that was available this financial year. It is actually quite difficult to be very precise with this program, other than at particular moments of time, because the minister makes a series of approvals that we recommend to him and over time, because we are supporting others entering into the property market, some of those purchases do not succeed and therefore the money is not actually expensed. So it comes back then to be reallocated.

Senator WONG—So what is the actual expenditure for this financial year?

Mr Cochrane—So far this financial year we have expended \$987,000. But all of that \$4 million has been approved for purchases, and the third parties who have had their approval given by the minister are in the market for the properties they have put forward.

Senator WONG—What is the allocation for the National Reserve System program for 2004-05?

Mr Cochrane—I cannot tell you that because the NHT board has to make that decision in its decisions on NHT expenditure for the next two years.

Senator WONG—So is the entirety of the \$4 million NHT funding?

Mr Cochrane—Yes, as it has been in its entirety for the six years of the program.

Senator WONG—Is it the case that the program has been revised down or decreased to \$2.33 million for the first nine months of 2003-04?

Mr Cochrane—As I said, it is actually quite difficult to allocate funds because they are regularly freed up through some projects not proceeding because the proponents are not successful in the marketplace. So it is a rolling fund, in a sense. But the total allocated to it was \$76 million over five years.

Senator WONG—From?

Mr Cochrane—Out of the NHT.

Senator WONG—Commencing which year—2001-02?

Mr Cochrane—I think 2000-01, the first year of the NHT.

Senator WONG—So it was \$76 million over five years?

Mr Cochrane—I beg your pardon, the first year of the NHT was much earlier, 1996-97. I think the first expenditure relating to the National Reserve System program started in about 1998-99. So it is really over the last five years that the expenditure has progressively ramped up.

Senator WONG—So there is nothing in the portfolio budget statements because it is administered through—

Mr Cochrane—It is part of Bushcare. It is actually an element of the Bushcare program.

Senator WONG—AFFA?

Mr Cochrane—No, DEH.

Senator WONG—So, within the Bushcare program, in the 2002-03 budget what was allocated for National Reserve System management for 2003-04?

Mr Cochrane—I can tell you what we spent and—

Senator WONG—No, I did not ask that, Mr Cochrane. I will get to that. In the 2002-03 budget what was allocated for the 2003-04 year?

Mr Cochrane—I do not have the figures in front of me of what was actually allocated because they are notional, as I said, because funds—

Senator WONG—I appreciate they are notional. Mr Glyde, do you have those figures?

Mr Glyde—I am just looking now. I think they would be still in the Bushcare line, so I do not actually have those figures in front of me either in terms of how much was allocated within that Bushcare component of \$84.5 million.

Senator WONG—Does anybody here know that?

Mr Cochrane—We can certainly provide it for you.

Senator WONG—All right. What was allocated in 2002-03 for the 2003-04 year and what in 2003-04 was confirmed for the allocation for that budget year?

Mr Cochrane—Can I take those on notice?

Senator WONG—If you do not have them. So for the current financial year your budget allocation you say is \$4 million for the National Reserve System program; is that right?

Mr Cochrane—That is correct.

Senator WONG—You are saying there has been no revision downwards of that in this budget?

Mr Cochrane—No, and in fact it has probably gone up from what we anticipated to spend in—

Senator WONG—In 2004-05, presumably the figures for 2003-04 are revised for the Bushcare component for this National Reserve System program. Do you have the figure there?

Mr Cochrane—I do not, because that is a matter for the NHT board to decide.

Senator WONG—I appreciate that, but we are now looking in this budget at what has been determined as the allocation for the current financial year. What is the revised figure?

Mr Cochrane—I have not been told yet.

Senator WONG—You have not been told?

Dr O'Connell—I might be able to help. That is a matter for the—

Senator WONG—NHT board.

Dr O'Connell—You anticipated that very well. Yes, it is. It is for the board to announce those outcomes before—

Senator WONG—Has the NHT board already made decisions in relation to the 2003-04 year expenses under this program?

Mr Cochrane—For 2003-04 they would have, yes.

Senator WONG—Which is \$4 million?

Mr Cochrane—Four million dollars.

Senator WONG—Out of which you have spent only \$987,000?

Mr Cochrane—Yes. The balance of those funds are all committed. The minister has approved the projects. It can take up to 12 months for a sale to be finalised once the approval has been given.

Senator WONG—Of the \$76 million over five years, how much has been spent in how many years?

Mr Cochrane—Virtually all of it now. Again, if I could take that on notice I could give you a figure as of that date.

Senator WONG—Is there anything in the current budget statement which refers to the minister's thinking on the National Reserve System program?

Mr Cochrane—The only reference is to a future directions statement which was issued earlier this year for public comment. The public comment period for that has closed, and the department is currently working on its responses to that jointly with the states for a position to be put to the next meeting of the Natural Resources Ministerial Council in October.

Senator WONG—We already have the budget figures for Bushcare for the budget we are discussing, 2004-05, plus three out years. Are you able to tell me what—

Mr Cochrane—The NHT board has to allocate within the Bushcare program—that global figure—what is going to certain components, and the National Reserve System program is one of those components.

Senator WONG—You do not know how much is?

Mr Cochrane—I do not.

Dr O'Connell—That issue will be a matter for the ministers to announce.

Senator WONG—What about 2004-05?

Mr Cochrane—That is for 2004-05.

Dr O'Connell—That is for 2004-05, yes.

Mr Cochrane—We are just waiting on that decision.

Senator WONG—When is that likely to occur?

Mr Cochrane—I cannot imagine it is very far away because the financial year is nearly on us.

Senator WONG—That is right.

Mr Cochrane—It is not a decision I have a role in.

Senator Ian Macdonald—In the fullness of time, Senator, would be the answer.

Senator WONG—Yes. The national objectives and targets for biodiversity conservation 2001 to 2005 indicated that by 2005 a representative sample of each bioregion would be protected within the system. How are we tracking? We have, what, 13 months—less than that.

Mr Cochrane—In rough terms, we would probably be two-thirds of the way there. But a lot of this action is either joint with the states or where the states themselves play a role. So it is not entirely within the Commonwealth's control.

Senator WONG—So if we are two-thirds of the way there and we have less than a year to go, although I suppose they might say by the end of the 2005 financial year and then you have a year and a bit, and you have spent \$76 million or thereabouts—

Mr Cochrane—Pretty close.

Senator WONG—How much would you anticipate you will need to spend to get the remaining third to meet the commitment?

Mr Cochrane—That is an extraordinarily difficult question to answer because it depends on what properties might become available in that time, because properties are only purchased; they are not acquired. So it does depend on market conditions and the availability of suitable properties in high-priority bioregions. So we are a little at the hostage of both market forces and the availability of suitable properties, and of course proponents who are willing to put forward their share of the purchase cost.

Senator WONG—What sort of time frame is there for the allocation of the remainder of the funding, the \$3.1 million of the \$4 million that you say is already allocated?

Mr Cochrane—Hopefully we will be able to bring all of that to account this financial year, but I think, practically speaking, we are unlikely to just because, as I said before, of the time it takes to conclude sales on properties. Sometimes there are willing sellers and sometimes there are not so willing sellers. The proponents are either state agencies, generally speaking, or key non-government organisations. The Bush Heritage Fund, Australian Wildlife Conservancy, Trust for Nature in Victoria and Birds Australia are all major NGOs which have purchased properties with the support of the National Reserve System program. A number of those organisations actually go through a public appeal process for support for particular property purchases as well. So some of these purchases actually take a considerable period to conclude.

Senator WONG—Have you mapped what would be required in terms of biodiversity regions to achieve the commitment?

Mr Cochrane—The mapping of biodiversity regions around Australia is actually quite a sophisticated tool now. Certainly the maps identifying where the priority areas are are available on web sites and in the future directions statement itself. If I can briefly summarise, they are western Queensland, the Northern Territory and the north of Western Australia.

Senator WONG—Have you done any broad costing of achieving the required representation?

Mr Cochrane—I would have to say no because it is so difficult and quite a substantial part of those lands are actually Aboriginal lands. One part of the National Reserve System program is the Indigenous Protected Areas Program, which involves working with Indigenous people putting forward their lands to be managed as reserves consistent with the objectives of the program. Again, those are negotiated arrangements for which we pay some sort of

facilitating and catalytic funding. So, no, we have not costed it because of the complexity of the job.

Senator WONG—From the layperson's perspective, with \$76 million for two-thirds, you would think you would need half again to achieve the required representation.

Mr Cochrane—At first blush, a large part of the remainder of the high-priority bioregions is actually Indigenous lands, so the nature of the task is a little different.

Senator WONG—You do not have to pay them?

Mr Cochrane—We do but not in a purchase arrangement. With the Indigenous Protected Areas Program we pay for the development of management plans, assessment of values and ongoing works on the ground but not purchases. So, as far as cost effectiveness goes, it is actually a much better option for public funds.

Dr O'Connell—Senator, I might draw your attention to the blue book at page 34, where you can see chart 3.1, which demonstrates the degree to which the Indigenous protected areas are now a significant part of the National Reserve System program.

Senator WONG—While I am getting some information I might go to the Great Australian Bight Marine Park. Is that you, Mr Oxley?

Mr Oxley—Yes, or Mr Cochrane.

Senator WONG—Some five years since the Commonwealth waters were proclaimed, are you currently reviewing, as per the statute, the park management plan?

Mr Oxley—Yes.

Senator WONG—How many objectives or planned outcomes envisaged in the management plan of the GABMP have been achieved in the life of the first management plan?

Mr Cochrane—That is a good question and one I do not think we could answer here and now.

Mr Oxley—We will take that on notice.

Senator WONG—Have you done any research to enable assessment of the effectiveness of the Benthic protection area in protecting biodiversity?

Mr Cochrane—A major survey has been conducted of biodiversity in the area of the park.

Senator WONG—Yes, but my notes refer to the Benthic protection area.

Mr Cochrane—There are two zones: the Benthic protection zone and the marine mammal protection zone.

Senator WONG—So you have done a survey?

Mr Cochrane—Yes.

Senator WONG—When was that done?

Mr Cochrane—I think that was done last year.

Senator WONG—Was that made public?

Mr Oxley—I have seen just recently some information about the outcome of that, and it was in the form of a short paper that was proposed to be published. I do not know whether there is any more extensive information, but the take-out from it is that a demonstrable biodiversity conservation benefit is evident in the Benthic protection zone compared to adjacent areas.

Senator WONG—Can you provide a copy of or the findings of that survey?

Mr Oxley—I should think we would be able to, but I will check that for you.

Senator WONG—Is that being relied on in the management plan review?

Mr Cochrane—Absolutely. With all the marine protected areas we have an active program of monitoring, to the extent we can with the available resources, to monitor key features of the protected areas. That information, absolutely, feeds into the development of the next plan of management.

Senator WONG—Have you done any research to document the effectiveness of the park in protecting the southern right whale in its yearly migration or in protecting its critical habitat areas all year round?

Mr Cochrane—I cannot answer that definitively, but I am pretty sure, given that that is a major objective of the park and particularly the—

Senator WONG—You cannot help me, Mr Oxley, as to whether or not you have done any research on that?

Mr Oxley—No, I cannot at this stage, no. But I can take that on notice.

Senator WONG—If you have not, wouldn't you think you should?

Mr Oxley—I do not know whether or not we have. I do not have that information with me, but I am happy to check and come back to you.

Senator WONG—If you could and if it is available, could you provide it to the committee?

Mr Oxley—Certainly.

Senator WONG—What actions have been taken in the GABMP to protect the Australian sea lion and its habitat?

Mr Cochrane—One of the major management prescriptions there is careful management of fishing in that area. That certainly is an objective. As I understand it, numbers of sea lions are increasing. But, again, I would prefer to give you some authoritative view on that.

Senator WONG—You cannot tell me a lot tonight, can you, Mr Cochrane?

Dr O'Connell—With regard to sea lions, predominant protection regime for the sea lions there, as I understand it, is in the state part of the park with the protection of the haul-out areas and the foraging areas.

Senator WONG—I notice you said numbers were improving, Mr Cochrane, but I understand recovery is in fact slower than had been hoped. Is that not right?

Mr Cochrane—I would prefer to give you an accurate answer rather than—

Senator WONG—So you do not know?

Mr Cochrane—No.

Senator WONG—You do not know what actions you have taken?

Mr Cochrane—To monitor?

Senator WONG—No, to protect the sea lion and its habitat.

Mr Cochrane—In the formulation of the first plan of management the sea lions were a value, and contributing to their protection was an objective of the plan.

Senator WONG—So what have you done?

Senator Ian Macdonald—He has said three times now he would rather take it on notice and give you an accurate answer. Sorry about that. If you want to indicate in advance that you want these things, I guess they can come prepared. But it is a bit hard to read your mind in advance, Senator.

Senator WONG—It is a pretty major marine park, and I am asking pretty reasonable questions about whether or not it is being effective.

Senator Ian Macdonald—Mr Cochrane does not personally do all of these things.

Senator WONG—I appreciate that, Minister.

Senator Ian Macdonald—We cannot be more helpful than to say we will get you the information and give it to you.

Senator WONG—Could you provide me with information about whether any actions have been taken to protect the sea lion and its habitat and, if so, what was the cost.

Mr Cochrane—What I can tell you, just reading out of our annual report, is that we did contribute to population studies of the southern right whale and Australian sea lion. A study was done of the potential sensitivities of mammals to mining in the Marine Mammal Protection Zone. Baseline studies of the benthic fauna were also undertaken. Those were activities undertaken in the year 2002-03. So when we come back to you we can give you an update of the outcomes of those.

Senator Ian Macdonald—That is helpful, but Senator Wong would have read that herself in her research into this.

Senator WONG—About as much as you probably read NAFTA before you trumpeted the free trade agreement, Minister.

Senator Ian Macdonald—It is all out there. This process repeats all the information that is publicly available. But we will get it for you. That is how helpful we are.

Senator WONG—I am asking about the cost of it. You are not able to tell me, are you?

Senator Ian Macdonald—We are going to get that for you too, aren't we?

Senator WONG—You are not able to tell me whether you have actually taken any action at all. What is the cost of reviewing the management plan?

Mr Cochrane—We do that in-house with existing staff. It is a part of staff functions. So we could cost it out for you, but it is in process at the moment. At the moment the staff are preparing a draft plan as a result of the work that has been done so far, some external input. That will be released for public comment in a few months. So it is difficult to cost the sum total of that at this stage.

Senator WONG—Are you intending that the review address the effectiveness of the park for conservation of species other than the southern right whale and the Australian sea lion?

Mr Cochrane—When you say review the effectiveness, as a matter of course in preparing a new plan of management we look at what issues have arisen and how effective our management has been so that the next plans of management are more effective documents.

Senator WONG—The South Australian government recently banned mining in the state waters of the park. The review I think you referred to found that the Marine Mammal Protection Zone of the park should not be opened up to petroleum. Given these two factors, is the government considering opening up the Marine Mammal Protection Zone to petroleum?

Mr Cochrane—I would not want to presuppose what the new draft would have in it, but the purpose of the Marine Mammal Protection Zone, which is part of the Great Australian Bight Marine Park, is to act as a buffer to the state component. The main breeding ground for southern right whales is actually in the state component of the waters at the head of the bight. One objective of the Commonwealth park is to act as a buffer to that. So there are strict rules as to what can or cannot occur, such as fishing, in the Marine Mammal Protection Zone when southern right whales are there. But in the current plan of management no exploration, extraction or any other operation associated with mining is allowed in the Marine Mammal Protection Zone by the Commonwealth in its part.

Senator WONG—I understand that. Is it suggested that that may be changed?

Mr Cochrane—I am not aware of any suggestion to change that.

Senator WONG—Did the review that I referred to find that the zone should not be opened up to petroleum?

Mr Cochrane—At the moment I am not aware of the findings of the review.

Dr O'Connell—I just missed that question, but I might be able to help if you—

Mr Cochrane—Did the review suggest a change to the management arrangements.

Dr O'Connell—In terms of the potential to open up to petroleum. On my understanding is, no, it did not. I would have to confirm that, but I am pretty confident that it did not.

Senator WONG—Sorry, I was distracted by the email. Go on.

Dr O'Connell—My answer was that, although I would have to confirm it, my understanding is that the review did not recommend that petroleum exploration should be allowed.

Senator WONG—So, the flipside, it recommended continuation of the current—

Dr O’Connell—That is my understanding. As I said, I will just have to confirm that, without having the report here.

Senator WONG—Can we go back to your funding allocations, Mr Cochrane. The figures I have been provided with are that in 2001-02 funding for the NRSP was \$23.6 million. Is that correct?

Mr Cochrane—I think that may have been a notional allocation. The actual expenditure was somewhat less than that.

Senator WONG—And in 2002-03 it was about \$13.5 million?

Mr Cochrane—Again, I am sure you are correct, but I can give you the actual expenditure figures because—

Senator WONG—So you have actual expenditure but not the budget allocation?

Mr Cochrane—I can tell you what the actual program expenditures were.

Senator WONG—So just clarifying: you do not have the budget allocation but you have actual expenditure?

Mr Cochrane—Yes.

Senator WONG—So 2001-02 I am suggesting was \$23.6 million. You think that might be about right—

Mr Cochrane—\$18.615 million, actual program expenditure.

Senator WONG—And in 2002-03 I am suggesting \$13.5 million.

Mr Cochrane—\$10.129 million.

Senator WONG—And for this year, \$4 million.

Mr Cochrane—Is what we are anticipating spending, but that is not an actual yet.

Senator WONG—What was the actual allocation?

Mr Cochrane—The actual was the \$987,000.

Senator WONG—No, I understand you said that was the actual expenditure. The 2003-04 actual allocation was \$4 million, was it not?

Mr Cochrane—Yes, that is right.

Senator WONG—So there has been a significant trend downwards in the funding over three years?

Mr Cochrane—There has, but the allocation to the program was the \$76 million that I mentioned before. So that is spread over those five to six years.

Senator WONG—Are you able to on notice confirm the figures that I have just gone through?

Mr Cochrane—Yes.

Senator WONG—The document I am looking at also suggests that for the first nine months of 2003-04 there has been a revision down to \$2.33 million.

Mr Cochrane—That does not gel with the figures I have.

Senator WONG—This is a WWF document regarding an analysis of national parks and other protected areas. You are not aware of it?

Mr Cochrane—No.

Senator WONG—It is a reasonably reputable organisation. I accept it is an environment group. But you are not aware from where they might have got that 2.33 million figure?

Mr Cochrane—Whilst it may not be wise to speculate, that may have been the starting point but by the time we got to this year, as I indicated before, the rollover of funds from year to year due to approved purchases not actually proceeding is likely to have resulted in this final figure that I now have allocated to this year of just over \$4 million.

Senator WONG—Given we have until next year to achieve the objective we were discussing earlier and your funding for this year, on your figures, is less than a fifth of what your allocation was two years ago, isn't that a cause for concern in terms of meeting the objective?

Mr Cochrane—I am looking forward to the decisions of the NHT board in terms of allocations for the next year.

Senator WONG—What does that mean?

Mr Cochrane—That is when we will know what resources we have to try to meet those targets.

Senator WONG—Sorry?

Mr Cochrane—That is when we will know how much resources we have to try to meet those targets. I cannot answer that question at this point in time.

Senator WONG—But, looking forward to the NHT board decision, you are obviously going to want more funding?

Mr Cochrane—Yes.

Senator WONG—I do not think I have anything further. Thank you.

[9.54 p.m.]

CHAIR—We will now consider the Approvals and Wildlife Division.

Senator WONG—Turning to Perth airport, Munday Swamp is a Ramsar wetland, is it?

Mr Forbes—My recollection is that Munday Swamp is not a Ramsar site.

Senator WONG—Is it a wetland of national importance?

Mr Forbes—I think it is classified as that, but that is not a Ramsar site.

Senator WONG—Next level down: a wetland of national importance; correct?

Mr Forbes—Correct.

Senator WONG—On the national estate?

Mr Forbes—It is part of the national estate, as I recollect.

Senator WONG—I understand drainage works involving quite a lot of earthwork were undertaken in the Munday Swamp area of Perth airport by the Westralia Airports Corporation; is that correct?

Mr Flanigan—Yes, that is correct.

Senator WONG—Mr Flanigan, when were you aware that these earthworks had taken place?

Mr Flanigan—We were made aware that the earthworks had taken place some time last year, in May 2003.

Senator WONG—After they had taken place?

Mr Flanigan—Yes. We were made aware by a member of the public.

Senator WONG—Presumably, therefore, there was no application under the EPBC Act in relation to the earthworks by Westralia Airports Corporation?

Mr Flanigan—That is correct.

Senator WONG—Isn't it the case that, as an action on Commonwealth land that had or was likely to have impact on the environment, approval was required from the minister or his delegate?

Mr Flanigan—If the action was likely to have a significant impact on the environment, that would be the case, yes.

Senator WONG—No application was sought?

Mr Flanigan—No application was sought. When we investigated the situation, the works had been undertaken in an existing drainage channel that had been on the site for a good number of years. The work was to clean out and clear out the drainage channel to return it to its effectiveness. It involved clearing away the accumulated sediment in the channel, and clearing away the accumulated debris and regrowth vegetation.

Senator WONG—What is DOTARS's involvement in this matter?

Mr Flanigan—DOTARS, to my knowledge, were not actually responsible for the works. The works were the responsibility of the airports corporation.

Senator WONG—I appreciate that. Did DOTARS communicate with you about concerns they had regarding the earthworks?

Mr Flanigan—Not in my recollection.

Senator WONG—Were you aware that they had any concerns?

Mr Flanigan—No.

Senator WONG—You are not aware that they wrote to the corporation indicating their concerns?

Mr Flanigan—Not in my knowledge, no.

Senator WONG—Wasn't a copy of the letter cc'd to your minister?

Mr Flanigan—I would have to check our files. I am not aware of that.

Senator WONG—You do not have any information on that?

Mr Flanigan—Not in regards to DOTARS's particular concerns, no. We had our own investigation about the activities. We were keen to satisfy ourselves whether or not there had been a breach of the act, whether or not the works themselves either represented a breach of the act or had any potential for impacting on Munday Swamp.

Senator WONG—Wouldn't the normal course of events be, rather than you checking whether there was an impact after the earthworks had been undertaken, that the corporation, given it is on Commonwealth land and given the EPBC Act requirements, make an application for an approval under the act prior to the action commencing?

Mr Early—It is obviously the desirable way of doing business, but the reason we have a policy and compliance branch is to check when things do not go quite to plan.

Senator WONG—Did they offer any explanation as to why they did not make an application?

Mr Flanigan—When we wrote to the corporation, they felt that the works were in the form of maintenance works on a pre-existing use and that the act therefore did not apply. They also felt that the works were not having a significant impact on protected matter. The way the act is structured, it is the proponent's responsibility to make that initial judgment.

Senator WONG—Didn't you write to them, Mr Flanigan?

Mr Flanigan—We did write to them.

Senator WONG—Expressing your concern?

Mr Flanigan—We did, as part of our investigation.

Senator WONG—We are not talking about maintenance of a couple of people sort of shovelling out a drain. We are talking about machinery—

Mr Flanigan—Earthmoving equipment.

Senator WONG—Earthmoving equipment. In fact, on the documentation I have been provided with, the action went significantly beyond maintenance. You do not agree with that, Mr Flanigan?

Mr Flanigan—The judgment we made following our investigation was that it was maintenance work on an existing drainage network and that it did not have a significant impact.

Senator WONG—Did someone from the department go out and check?

Mr Flanigan—A number of photographs were provided to us—

Senator WONG—By the members of the public?

Mr Flanigan—By the members of the public.

Senator WONG—After they were provided, was an investigation on site carried out by any member of the department?

Mr Flanigan—With regard to the particular drainage, I would have to go back and check our compliance record. But my recollection is that we did not send somebody specifically to look at the site.

Senator WONG—So you determined that it had not breached the EPBC Act on the basis of the company's response to you in mail or by phone; is that right?

Mr Flanigan—We had reports from them, we had discussions with them and we also had the information that was provided to us by the community group.

Senator WONG—Which was contrary to the advice provided by the company?

Mr Flanigan—The information provided to us by the community group was their concerns about the potential impact of the drainage works on the groundwater hydrology of the Munday Swamp itself. They provided us with a series of quite clear photographs of the works that had been undertaken.

Senator WONG—You formed the view on the basis of that that their concerns were unwarranted?

Mr Flanigan—Subject to my confirming whether or not somebody actually had a specific site investigation, essentially that is correct, yes.

Senator WONG—Was this matter the subject of advice to the minister?

Mr Flanigan—Not in my recollection.

Senator WONG—The letter from DOTARS to Mr Muir of the corporation which was cc'd to the minister did not result in your being required to give any advice? If so, when?

Mr Flanigan—I cannot recall any such letter, so I would have to go back and check our files on that.

Senator WONG—Would you like a copy, Mr Flanigan, to see whether you remember it? Do you have with you a copy of your correspondence to Mr Muir?

Mr Flanigan—No, I do not.

Senator WONG—You will see DOTARS indicate at least in this letter that these works: ... resulted in substantial environmental impacts due to the lack of opportunity for the office to place appropriate environmental controls on the works at the approvals phase is a serious matter.

Mr Flanigan—I have no recollection of ever having seen this letter or of it having been brought to our attention.

Senator WONG—But you confirm you wrote to Mr Muir raising your concerns about the lack of an approval application?

Mr Flanigan—We certainly wrote to the airports corporation about the reported incident to us, yes.

Senator WONG—In that letter did you not alert the corporation to the approval requirements under the EPBC Act?

Mr Flanigan—As I said, I do not have a copy of the exact letter here with me, but we normally do. Certainly my recollection of the photographs that were originally provided to us by the community were that, as you pointed out, the works have the appearance of being quite substantial, and in that context our initial concern was that there may well have been a breach of the act. That was the purpose for our writing to the Westralia Airports Corporation: to get further information.

Mr Borthwick—I have not seen the DOTARS letter but, from what you have said, it sounds as though they are pointing out to the corporation that they should have sought appropriate approval in terms of the EPBC Act, as you were suggesting. As Mr Early suggested, they should have done it rather than us look at it ex post facto. Without having read it at this juncture, I think they are just pointing out to the Westralia Airports Corporation that they should have performed better; and I think we would have agreed with that.

Senator WONG—But there is another point, Mr Borthwick: you have not taken any further enforcement activity in relation to this corporation regarding this matter, have you? You do so on the basis, as I understand Mr Flanigan's evidence, that you did not think there was any likely significant impact on the environment, so therefore they did not need an approval. Is that the position of the department?

Mr Flanigan—On two counts, Senator: firstly, we did not think there was a likely significant impact on the environment, but, secondly, it was an activity that was in place before the legislation came into effect and therefore had some pre-existing use.

Senator WONG—Did you get legal advice on that? I do not think putting in earthmoving machinery is an existing activity. It is clearly a further action. Surely it is not the department's position that the act was not triggered?

Mr Flanigan—I did not say it was solely the reason for our judgment.

Senator WONG—So what was the reason for your judgment that no significant environment impacts were likely?

Mr Flanigan—The principal reason was that the works were confined to the area within which there had previously been drainage, that the works were maintenance works, that the earthworks in the area of the drain had no effect on areas of natural environment and habitat, and that the principal risk was that the drainage works could have an impact on the groundwater hydrology of Munday Swamp and the airports corporation provided us with a report from a consultant hydrologist that the works would not have that effect. That is quite a reasonable conclusion, given that the drain was in place and has been in place for a number of years.

Senator WONG—Did you indicate after your investigation, such as it was, to the corporation the view that the department had, that approval ought to have been sought, or not?

Mr Flanigan—Are you asking, Senator, whether we advised them after our investigation that they should have sought an approval?

Senator WONG—Yes.

Mr Flanigan—I would have to check our files, but the usual approach we take when we have had an investigation and we have looked into a situation and found that there has not been a significant impact is to advise the person we are looking into of that and provide them with, if you like, a warning that if they were to take any future actions that might have a significant impact they should refer them. But it would be unusual for us to require somebody to refer something after we had looked into it and come to a decision that there had not been a breach of the act.

Senator WONG—DOTARS's letter asserts that the works have resulted in substantial environmental impacts and it refers to the potential of degradation of adjacent vegetation, weed invasion and erosion of the site being high as a result of the works carried out. Did you turn your mind to that information?

Mr Flanigan—We certainly turned our mind to the impacts of the activity. As I said, I personally have no recollection of having seen that advice from DOTARS to the airports corporation. I did not turn my mind to the specifics of their letter because I have no recollection of having seen it.

Senator Ian Macdonald—It does not accord with your view, does it?

Mr Flanigan—It does not accord with our view after our investigation.

Senator WONG—So your view was that there was no—

Senator Ian Macdonald—He has told you what his view was.

Mr Borthwick—There is a different requirement—

Senator WONG—So your view, Mr Borthwick—

Mr Borthwick—No, let me finish what I am saying.

Senator WONG—I have not asked my question. Is the department's view that there was no likely impact and therefore an approval was not required, or is it the department's view that an approval ought to have been sought?

Mr Early—It is neither of those things, to be honest.

Senator WONG—What is it, then?

Mr Early—The question is a threshold question. It is whether there was a significant impact on the environment. We are not saying there was no impact on the environment. We believe it was unfortunate. They should have talked to us. We have told them that but—

Senator WONG—Have you? I did not understand from Mr Flanigan that that is the case.

Mr Early—We have had discussions with them and the view was, on the basis of a number of things, including the consultant's report on the hydrology, it did not have a significant impact on the environment.

Senator WONG—A consultant engaged by the corporation who conducted the earthworks?

Mr Early—But in association with the Western Australian Water and Rivers Commission. We can check and give you more details of precisely what we did in this case, but the threshold issue is whether there was a significant impact on the environment.

Senator WONG—You determined that on the basis of information provided to you by the corporation without doing any inspection yourselves?

Mr Early—We would have to check that. It is not clear to me whether we sought advice from the Western Australian officials either, which we may well have done.

Senator WONG—Is the airport environment officer a Commonwealth officer?

Mr Early—No. It is not a Commonwealth corporation.

Senator WONG—Are they an agent of the Commonwealth?

Mr Forbes—The airport environment officer, as I understand it, is an employee of the Airports Corporation. It is an essential component to their overall management of the airport for multiple purposes, including some of the areas set aside for conservation purposes in the airport.

Senator WONG—Is it part of their brief to notify the department or other regulatory authorities of possible breaches of environmental regulation?

Mr Early—One would hope that it is part of their brief to consider whether or not they need to make a referral under the EPBC Act. They do not have a formal role in terms of notifying breaches to us, although—

Senator WONG—That is not required under the plans?

Mr Early—Essentially the activities of the Westralia Airports Corporation are under the Airports Act 1996 rather than—

Senator WONG—I appreciate that, but there are certain regulatory requirements, are there not, as a result of that?

Mr Early—I do not think there is any requirement on anybody, private companies and other members of the community, to report breaches of the EPBC Act.

Mr Forbes—We would hope that an environment officer would have appropriate stewardship objectives in their terms of reference of employment, which would include conservation objectives for the airport under their management plans.

Senator WONG—Mr Flanigan, did you have any discussions with the environment officer?

Mr Flanigan—I did not personally undertake the compliance investigation for the site.

Senator WONG—Did your investigating officer?

Mr Flanigan—I would have to check my notes.

Mr Early—I understand that we were in touch with the airport environment officer.

Senator WONG—What was the airport environment officer's—

Mr Early—I am sorry, that is the extent of my brief.

Senator WONG—You think you have got a better brief than Mr Flanigan. Who else then, Mr Early, as part of your compliance investigation did the department have discussions with?

Mr Early—I am not sure. That is why I said we would have to get back to you with more details. As I said, it may well be that we talk to members of the Western Australian government.

Senator WONG—Perhaps you can provide that on notice. Perhaps, Mr Borthwick, you can advise this on notice, given I do not think you are able to now: was the department provided with a copy of the DOTARS letter which I have tabled? If so, when and was any action taken as a result of it? Was any advice provided to the minister and, if so, when?

Mr Borthwick—We are happy to take that on notice, Senator.

Senator WONG—I presume the department provides advice to the minister in the terms of the answer to the question on notice 2901 in the House?

Mr Early—What was that about?

Senator WONG—It is on this issue.

Mr Early—Yes.

Senator WONG—Do you have this?

Mr Early—Yes, I do.

Senator WONG—The first part of the question is:

Is he aware of the Minister for Transport and Regional Services' decision to approve land clearing and drainage of high conservation value banksia vegetation and seasonal wetlands at Perth Airport.

The third part asks 'Did he consult with the Minister for Transport' et cetera. The answer to the question refers to precinct 2C, or part of precinct 2C, and a major development plan under the Airports Act 1996 for a warehousing and distribution park on Perth Airport in November 2003. It is the case, is it not, that that actually refers to a different area and a different application—a different issue—from the one we are discussing now?

Mr Early—That is right.

Senator WONG—It was a major development action. Is it section 160 of the EPBC Act?

Mr Early—Yes, that is right.

Senator WONG—This is where you can put in a major development plan application?

Mr Early—Yes.

Senator WONG—Then you get a free ride after that? Is there any reason, given the question specifically refers to wetlands, the department failed to refer to this issue in the answer and referred in fact to a different area of the airport in the answer?

Mr Early—I am not sure the issue we have just been talking about is even raised in this question, which was actually about the redevelopment of the Perth Airport and the airport master plan.

Senator WONG—Where does it say that? It refers to draining and clearing activity in seasonal wetlands.

Mr Early—If you look at the answer—

Senator WONG—Yes, I know your answer; that is my point. There is a disconnect, Mr Early, if I may say, between the answer and the question. The question is about the wetland clearance. The answer refers to the major development plan.

Mr Early—The question was about the Minister for Transport and Regional Services' decision, which was in fact about the major development plan. The Minister for Transport and Regional Services, as I understand it, has nothing to do with the issue that we had been previously talking about, and so when the question was asked about the Minister for Transport and Regional Services' decision I suppose the assumption was that we were talking about his decision to approve a major development plan under the Airports Act, which involved some land clearing and drainage, because that is part of the major development plan.

Senator WONG—It also refers to unauthorised activity—paragraph 9.

Mr Early—As we have said, this question was quite recent, so it would have taken into account the fact that we had undertaken the investigation and decided—

Senator WONG—There is a reference to unauthorised activity. The answer by the minister is, 'I am not aware of any unauthorized activity.'

Mr Early—In our view, there was no unauthorised activity. There was perhaps some unfortunate activity, but it was not unauthorised under the EPBC Act.

Senator WONG—So they did not need to apply for approval?

Mr Early—If there is no significant impact on the environment, then they do not have to seek the approval. I am not saying that it is an ideal way to do business. We would have liked to have had some consultation, but our view is that at the end of the day there was no significant impact on the environment.

Senator WONG—There was no retrospective approval issued?

Mr Flanigan—There was no need for retrospective approval.

Senator WONG—Because you determined on the basis of the corporation's advice that there was no likely significant impact?

Mr Flanigan—And other information.

Senator WONG—What other information?

Mr Flanigan—The material provided by other people and the material provided by the community group.

Senator WONG—Who are the other people? You do not know who they are; is that right? You are going to get back to me on that?

Mr Flanigan—We are going to get back to you with the details, yes.

Senator WONG—Do you recall if you spoke to anyone else, Mr Flanigan?

Mr Flanigan—I did not personally undertake the investigation, so I would need to go back and check the facts.

Senator WONG—So why are you telling me you spoke to other people if you do not even know if he did it?

Senator Ian Macdonald—The officer has told you before that he did not personally do it. He told you before that he will get you all of the details. The officers have indicated, how many times I do not know, that they do not have the details, that they will get them for you, and yet you keep asking him questions.

Senator WONG—I am very happy for him not to provide me with details. What I do not like is his giving an answer referring to matters which he has already said he does not know about and asserting them as if they are truth.

Senator Ian Macdonald—You are asking them for assumptions. They have already told you they do not know and that they will get you the information.

Senator WONG—I am not the one making assumptions.

Senator Ian Macdonald—But you continue to make the accusations and cast innuendo. These people are very professional officers, and the department has a great reputation for the way they operate and the competence and honour with which they operate. They have said they will get you the detail, but you keep pressing them for answers for things they have already told you they do not have the answers to. They try to be helpful and then you try and make something of it by saying they are giving answers about things they do not know anything about. Let us move on. They do not know the answers. They will get you the details. We should move to another question.

Senator WONG—You do not run this hearing, Minister.

Senator Ian Macdonald—I am simply trying to stop wasting everybody's time. They have told you answers three times. I am not quite sure why you cannot understand the answers; I am quite sure everyone else can. My instructions to them will be to answer no more questions on this. They try to be helpful and then you try to make some point out of it, impugning their professional integrity.

Senator WONG—I am happy for Mr Flanigan and Mr Early to go and get further details of the investigations.

Senator Ian Macdonald—Good.

Senator WONG—What I do not accept is answers which are inconsistent when—

Senator Ian Macdonald—If you do not accept that, that is fine, and you can make a speech in the parliament about it.

Senator WONG—I think Mr Flanigan is entitled to know this. If you cannot indicate to me that you in fact spoke to anyone else, then do not answer me that you have.

Senator Ian Macdonald—Thank you for instructing and giving them a lecture on how to answer things. If you have a point to make about it, make a speech in the parliament. Do whatever else you like. Issue a press release. But let us move on. They will give you the details and they will give them to you after research and after proper investigation, which they said about half an hour ago was what they were going to do.

Mr Borthwick—Senator, further to your question, I think your previous remarks were implying that in coming to a decision on this they relied solely on advice from the corporation.

Senator WONG—And the photographs of the community group; I understood that.

Mr Borthwick—And I think what they were trying to say to you is that they did not rely solely on the advice of the corporation.

Senator Ian Macdonald—We should move on. This is not an occasion for a debate but an occasion for asking questions. They have indicated that they will give you a full and complete answer after they have had the advantage of having a look at their notes. On that basis I am going to instruct them not to answer any more questions on this particular point.

Senator WONG—On the issue of the DOTARS letter, Mr Early, as I understand your answer earlier, that was not forwarded to the department?

Senator Ian Macdonald—He has already answered that.

Senator WONG—We can sit here all night.

Senator Ian Macdonald—That is fine by me, Senator, but your bullying tactics will not work with these officers or anyone else, so why don't you just move on. We will give you all of the details you want.

Senator WONG—I am not trying to bully them. I am trying to just clarify if—

Senator Ian Macdonald—It is the third time you have asked the question.

Senator WONG—Mr Early says that he has a brief there. The June letter, which I have tabled, was not the subject of advice from the department; is that correct?

Mr Early—None of the three of us has seen this letter before.

Senator Ian Macdonald—And which he said about an hour ago.

Mr Early—In the chronology of the notes that I have got there is absolutely no reference to it.

Senator WONG—Is there reference to any discussion with DOTARS?

Mr Early—There is reference to discussion with DOTARS later on, but I am not quite sure of the timing. There is certainly no reference to any formal advice from DOTARS along these lines. But it may well be somewhere in the department and we can check and get back to you.

Senator WONG—Could you explain to me what DOTARS' involvement would be in this?

Mr Early—I do not know.

Senator Ian Macdonald—You would have to go to DOTARS for that.

Mr Early—I am relying—

Senator Ian Macdonald—Leave it. You go to DOTARS for that, not this estimates committee.

Senator WONG—In relation to the airport issues and DOTARS' involvement, is it usual for DOTARS to be involved in applications under the EPBC Act?

Mr Early—The issue is that DOTARS is responsible for the Airports Act. As you mentioned before, when there is a major development plan under the Airports Act, that is the subject of a section 160 referral under the EPBC Act. We then give advice on the major development plan. There is a major development plan that is in the process of development for the Perth Airport.

Senator WONG—So that is where DOTARS' involvement is, in relation to the section 160 applications?

Mr Early—Yes, I think there may well have been some discussion with DOTARS, but I cannot confirm that. That is why I said that I need to check with the people who actually carried out the investigation.

Senator WONG—The section 160 application did not relate at all to the area in question in this incident?

Senator Ian Macdonald—We will take that on notice.

Senator WONG—On what basis?

Senator Ian Macdonald—We will take it on notice and give you an accurate answer, Senator. To save your asking anything else on this issue, we will take it on notice.

Senator WONG—Why?

Senator Ian Macdonald—Mr Chairman, if there are no more questions, can we call the committee off and all go home.

Senator WONG—There are plenty more questions.

Senator Ian Macdonald—It seems there are no other questions.

Senator WONG—I am happy to keep going.

Senator Ian Macdonald—All right. Please ask a question. If it is related to this, I can save your breath, because we will simply take it on notice. Mr Chairman, if there are no other questions, can we call the committee off?

Senator WONG—Are you going to play games all night, Minister?

Senator Ian Macdonald—We are here to answer questions. I have not had a question.

Senator WONG—Yes, I am trying to ask questions. You just issued an extraordinary instruction to the department to take everything on notice, even if they could answer it now.

Senator Ian Macdonald—We have been through this so often. The officers about half an hour ago now indicated to you that they were not personally involved and they would need the opportunity to check records. But you persisted and so the only way to move this on is to take them all on notice. You will get fully accurate and professional answers, as we would expect from this department, after they have had the opportunity of speaking to people involved, the relevant people, and looking up the relevant records.

Senator WONG—I presume the relevant officer is not here?

Senator Ian Macdonald—We will take that on notice.

Senator WONG—You cannot take that on notice.

Senator Ian Macdonald—We are.

Senator WONG—You cannot take that on notice. That is just ridiculous. That is just a fit of pique.

Senator Ian Macdonald—Just move on.

CHAIR—I think it would be a good idea if we moved on to another subject. If you have got other programs to go through, let us do it.

Senator WONG—Could you give me an update, Mr Early, on the issue we discussed earlier—Stuart shale oil?

Mr Early—There is not a lot to report. Essentially what happened was that Southern Pacific Petroleum, which has been the proponent for the project, went into liquidation last year and the project was sold to a new company, Queensland Energy Resources Ltd. We have had a couple of discussions with them recently this month informing them about the project, which, as you know, is still at the draft environmental impact statement stage, and there are a number of outstanding issues which the company has to provide in order for it to progress. Sorry, I beg your pardon. That is not right. It is at the final EIS stage. We have asked for additional information, which has not yet been forthcoming. We have had discussions with the company, and in fact joint discussions with the Queensland government, about the issues that need to be provided. There has not really been a lot of progress.

Senator WONG—Nothing much further since the last estimates?

Mr Early—No. The issues are the same as they were at the last estimates?

Senator WONG—On the nuclear dump, there has been quite a bit of activity by ARPANSA, and your request under the EIS for additional—is it ground water hydrology?

Mr Early—Yes, that is right.

Senator WONG—Has that work actually been performed?

Mr Early—I do not think so. The work, as I understand it, that ARPANSA has asked for is very similar to the work that we asked for. So I assume that DEST will do that and present it to both of us, presumably to ARPANSA first.

Senator WONG—The request you made of DEST was for more on that issue—and anything else?

Mr Early—There was a number of—

Senator WONG—That was in 2003?

Mr Early—May 2003.

Senator WONG—And you have not been provided with anything as yet?

Mr Early—No, but we would not have expected to necessarily, because we knew always that ARPANSA would be having to issue the licence, and a lot of this work that we asked for would be also asked for by ARPANSA.

Senator WONG—There is a conditional approval pending the performance of that and some other works?

Mr Early—Yes, there is a requirement for DEST to come back to the minister with an environment management and monitoring plan, which the minister will need to approve. But the issue in relation to the ground water is one of the issues that needs to be included within that environment management and monitoring plan.

Senator WONG—Have you or has anyone in your division considered some of the work that ARPANSA has done which has criticised substantial components of DEST's application for the purposes of relooking at your EIS conditions?

Mr Early—We have not. As I understand it, ARPANSA criticised the application as being difficult to navigate—

Senator WONG—Amongst other things—the fact that there was a single application in respect of three licence functions.

Mr Early—Yes.

Senator WONG—And there were the transport issues. Quite a number of both technical and other criticisms have been made by ARPANSA of the application.

Mr Early—Yes, but in the sense that that is an application for a licence for ARPANSA. I must say that we have not even looked at that application, because we do not have a role.

Senator WONG—You do not have a statutory role but at some point you have to sign off on it. Is that something that you intend to inform yourselves about if and when DEST does seek to perform all of the conditions of approval?

Mr Early—Certainly it will have to come back to our minister, because the repository actually cannot commence until our minister gives that final approval to the environment management and monitoring plan. We are assuming that a lot of the issues that we have will be dealt with through the ARPANSA process.

Senator WONG—Is it possible that the ARPANSA process may actually give rise to additional issues that the department may have concerns about?

Mr Early—I doubt it. Obviously we will be looking at the final outcome. It is just that we do not really have the time or resources to be shadowing the ARPANSA process.

Senator WONG—No, I understand that. But at some point it is going to come back to you. Are you intending to look at the criticisms and response by DEST and ARPANSA?

Mr Early—We will be looking at the final ARPANSA approval or otherwise. As I said, most of the issues that ARPANSA has raised are ones that we have already raised ourselves.

Senator WONG—Did you say it was difficult to navigate, too?

Mr Early—I have not even bothered to look at it.

Senator WONG—No, not you personally. Was that one of the criticisms the department made?

Mr Early—No, the criticism by ARPANSA was of the application to ARPANSA, as I understand it, not of the EIS itself.

Senator WONG—I have nothing more on approvals and wildlife.

[10.35 p.m.]

CHAIR—We move to Corporate Strategies Division.

Senator WONG—I turn to the projected job levels or numbers of jobs in the environment department. What is the projection over the next couple of years in this budget?

Mr Anderson—We have set that out in the PBS. The estimate for the current year, 2003-04, for the core department is 833 ASL. For 2004-05 that is projected at 883. So we are looking at an increase of 50 ASL in the budget for the core department. That does include some technical transfers between agencies within the overall portfolio. With the demise of the Australian Heritage Commission those staff now technically transfer to the department. So it is a net adjustment. If you take that out of the equation it is just a modest increase of about 20 ASL in the current budget.

Senator WONG—Can you just take me to the table in the PBS?

Mr Anderson—It is on page 49. I should just correct those figures. I rounded them down rather than rounding them up. In fact, they should be 834 and 884.

Senator WONG—How does that relate to Budget Paper No. 1, page 1026, which has a 63 net loss between 2003-04?

Mr Anderson—That was last year's budget.

Senator WONG—Yes, I understand that.

Mr Early—Last year we had a reduction of 63; this year we have an addition of 50.

Senator WONG—In 2003-04, where did the 63 come from in the current financial year?

Mr Anderson—That was a scaling down across a range of programs.

Senator WONG—Which programs?

Mr Anderson—I would have to go back and check, but most programs were affected. It essentially reflected lapsing programs that were not renewed or programs that were renewed

but not at the former level. So it was just an adjustment across a number of programs and some general tightening of staffing figures generally across the department.

Senator WONG—Any from the Natural Resource Management Division?

Mr Anderson—I would have to go back and check. The ASL figures are essentially a secondary control; the primary important control is the actual salary allocation to each division. That then allows them to essentially buy staff. So whilst we have figures in the budget for ASL, through the year that will adjust up and down depending on the capacity of divisions to fund the staff.

Senator WONG—Just comparing the two PBS statements—Budget Paper No. 1—did the 63 actually ever occur? I notice on page 1027 of this budget's Budget Paper No. 1 the figure of 1,226 appears to be the figure, without the reduction of 63 in 2002-03. Did you understand the question?

Mr Anderson—I am just trying to—

Senator WONG—Average staffing levels for 2002-03 in the 2003-04 budget paper was 1,226 and then supposedly for 2003-04 there was a net reduction of 63. But in this year's budget paper the 2003-04 figure is 1,226—that is, without the reduction. Did the reduction actually not occur?

Mr Anderson—It occurred at the budget time, but through the year there were some additional adjustments. For example, we took on facilitators to support the regional delivery of the Natural Heritage Trust Program, so there were increases in ASL through the year. We also got some additional ASLs for national projects delivered through the NHT, so through the year there were subsequent adjustments. At the end of the year, we did not have to make that reduction of 63 because of the increases I mentioned.

Senator WONG—I do not know whether you can answer this. The loss of 40 in the Heritage Commission will presumably go to the council now—is that right?

Mr Anderson—The Heritage Commission—effectively that was a transfer into the department.

Senator WONG—What about the national parks—down 12?

Mr Anderson—I would have to check, but my understanding is that that reflects, again, a technical transfer of staff coming from parks into the department with the transfer of some marine functions.

Senator WONG—That is Mr Oxley's area. Thank you very much, Mr Anderson.

[10.45 p.m.]

CHAIR—We will now discuss the Heritage Division.

Senator WONG—Mr Leaver, I think last time we were here we were discussing Norfolk Island. I think the day after the estimates the council was announced. I turn to the six nominations we were referring to on the last occasion on Norfolk Island, which had not yet

been fully assessed by the commission. Has the council now commenced assessment of those sites?

Mr Leaver—The six Norfolk Island sites?

Senator WONG—Yes.

Mr Leaver—Yes, there has now been a formal nomination under the new heritage regime to the Commonwealth Heritage List for those sites.

Senator WONG—The ACF nomination from how many years ago is it now?

Mr Leaver—Anyhow, what is the question?

Senator WONG—When did the ACF nomination to the commission of these six sites first occur?

Mr Leaver—I would have to check now.

Senator WONG—We are talking about quite a number of years, aren't we?

Mr Leaver—Yes.

Senator WONG—Are you now suggesting that they have to renominate to the council and the council will not commence assessment unless the ACF renominate them?

Mr Leaver—They have renominated them and the council has commenced assessment.

Senator WONG—It has commenced assessment? I thought you said there had been no nomination?

Mr Leaver—No, six sites have been nominated for the Commonwealth Heritage List and the council has started its nomination process.

Senator WONG—When did that commence?

Mr Leaver—April—

Senator WONG—Council has started its assessment process; is that what you mean?

Mr Leaver—Yes. From memory, the call for public comment was on 2 April.

Dr Reville—The six nominations to the Commonwealth Heritage List were referred to the council, I think, on about 26 February. Subsequently the chair of the council has written to the chief minister on Norfolk Island to engage the Norfolk Island government in the process as well. The Norfolk Island government has agreed to that and will be visiting the island next week.

Senator WONG—I think on the last occasion you were saying that the exact boundaries were still an issue that your staff were looking at. Have the boundaries been determined?

Dr Reville—Yes, the boundaries are fairly clear now with the nominations. The step now is to get a common process with the Norfolk Island government.

Senator WONG—I think on the last occasion I raised with you the possibility of the sale of the land inclusive of the nominated land and you said to me, 'We are not aware of an

imminent sale.’ Do you have any further information about the likely DOTARS timetable for the sale?

Dr Reville—We discussed the matter with DOTARS. The land transfers, I understand, are scheduled to occur during the second half of this year. But we would hope that we would have an assessment process under way preferably jointly with the Norfolk Island government. As you know, the Norfolk Island government has its own heritage legislation in place at present. It probably would be a very good thing if we could get an assessment done which satisfied both the Commonwealth Heritage List criteria and also the Norfolk Island heritage legislation.

Senator WONG—I think these ACF nominations go back to 1996. With the new nomination to the council, presumably all of the work that has been done is picked up by the council?

Dr Reville—Yes, all of the information that was available for those places will be used.

Senator WONG—There are a number of prerequisites, I think we discussed on the last occasion, or preconditions prior to any sale being effected that the Commonwealth has identified; is that correct?

Dr Reville—Yes, we did discuss that.

Senator WONG—Is that still the case?

Dr Reville—These were major agreements at a fairly high level, such as the Norfolk Island Planning Act being revised, such as the Heritage Act being passed or implemented on Norfolk Island. I think those broad issues have been satisfied.

Senator WONG—So all of the preconditions of sale have been satisfied, as you understand them?

Dr Reville—No, I think the issues in relation to heritage—those two major issues—have been addressed. The matter of the land transfer itself would be a matter for DOTARS; we are not actually responsible for that, as you know. We are involved in the heritage issues.

Senator WONG—I understand that. You referred last time to the answer to question No. 33, and you said this in *Hansard*, Tuesday, 17 February:

The answer to question No. 33 points out that there were a number of conditions that the government had put in place before any transfer of the places could occur.

It goes through and explains what those conditions are that have to be met. Those are the preconditions I am asking about. Have those been satisfied?

Dr Reville—I understand they have.

Senator WONG—So there is nothing currently preventing the sale by DOTARS of land including the nominated areas?

Dr Reville—As far as I know, those conditions have been met. I do not know whether there are other matters for DOTARS to consider which would not be related to heritage issues.

Senator WONG—Is there any problem from the heritage perspective with the land being sold prior to the council finalising its assessment?

Dr Reville—I do not know whether one would call it a problem, Senator. There are a number of things that DOTARS would have to satisfy in the transfer as well.

Senator WONG—Satisfy whom?

Dr Reville—For example, DOTARS also has a responsibility to identify heritage values. All Commonwealth agencies under the new legislation have to do a thing called a heritage strategy, which includes identifying heritage values of the land they currently hold. They would have to do that for places on Norfolk Island as well which are currently Commonwealth land. The normal process on the mainland, for example, if a Commonwealth heritage place does pass out of Commonwealth ownership is that one tries to get it suitably protected. One of the means of doing that is to get it on the state heritage register. One of the advantages on Norfolk Island of getting the Norfolk Island government engaged is that it would be preferable to ensure that any heritage assessment could satisfy both Commonwealth heritage criteria and Norfolk Island criteria, because if transfer did occur and we had not finished the assessment or something like that, then hopefully we would have the Norfolk Island legislation available as well. It is sort of a double security system in terms of looking after the values.

Senator WONG—The council cannot prevent the sale by DOTARS prior to the assessment being finalised?

Dr Reville—No, the council is only involved in heritage assessment issues; it does not get involved in what other issues there may be about the land transfer. But DOTARS would have to consider all those issues. They have a responsibility as a Commonwealth agency under the act to consider that sort of thing.

Senator WONG—Can I ask how you are aware that the preconditions that you referred to previously have been satisfied?

Dr Reville—As you can see, they are fairly substantial ones which are fairly readily, I think, checked. For example, the revision of the Norfolk Island plan has occurred. It has gone through, as I understand it, the Norfolk Island Assembly, and certainly the Norfolk Island Heritage Act has been passed through the Assembly and implemented. I am not actually sure whether the plans for the management of public reserves affects these particular assessments. That is something we can confirm in the assessment itself. I understand that they have been done as well. But again, the issues about satisfying those requirements are for DOTARS. The responsibility of the Heritage Council is to satisfy the requirements in the heritage amendments to EPBC.

Senator WONG—Did I understand your earlier answer then? If the preconditions have been satisfied—I presume there is advice from DOTARS to you to that effect?

Dr Reville—Yes. This is over a fairly long period.

Senator WONG—So DOTARS' view is that those preconditions have been satisfied?

Dr Reville—With those particular ones I understand that is the case.

Senator WONG—Do I understand that you are saying that if the assessment is not finalised prior to the sale, the only protection is under the Norfolk Island heritage regime, or did I misunderstand your answer?

Dr Reville—I would not be prepared to say that, because DOTARS also has responsibilities. It is very much up to them as well to fulfil their responsibilities as a Commonwealth agency which currently is responsible for the land. They have heritage responsibilities under the act as well. What I am trying to avoid is saying something beyond my current responsibilities. I would not like to, if you like, speak for them, because they have their own responsibilities to fulfil.

Senator WONG—Does anyone assess or do you have a role in assessing or providing advice regarding the actions of Commonwealth agencies in compliance with those obligations?

Dr Reville—I would have to check the particular clause of the heritage amendments, but they have I think a requirement to seek advice from the Heritage Council on things like the heritage values of the properties. There is a range of other responsibilities of Commonwealth heritage agencies in the potential disposal of land, but I might turn to one of my colleagues on that, if I may.

Mr Leaver—I have just received advice of which I was not aware; it is fairly recent. My understanding is that DOTARS is referring the potential sale of the land under the EPBC Act.

Senator WONG—I was just going to ask about that. So they have actually referred it? When did they do that?

Mr Leaver—I would have to refer to our friend Mr Early.

Senator WONG—Mr Early, I did not realise you had a role in this already.

Mr Leaver—They have indicated that they will be referring it, but they have not as yet?

Senator WONG—What is the process then? How does the EPBC Act interact with the heritage stuff?

Mr Leaver—The heritage provisions are amendments to the EPBC Act.

Senator WONG—The Minister for the Environment and Heritage will then have to give approval for the sale; is that right? Maybe you had better come back, Mr Early.

Mr Leaver—The reference is to whether the amendments will have a significant impact on the environment, whether the sale—

Senator WONG—Whether the sale; is that right?

Mr Early—Yes, Senator. Under section 28 of the act, as a Commonwealth agency, if the action by DOTARS is likely to have a significant impact on the environment then they should refer. If the minister decides that it is going to have a significant impact then they will need assessment and approval under the act.

Senator WONG—Okay. And they do not concede that they need approval; is that correct? But they have referred it?

Mr Early—My understanding is that they believe it will not have a significant impact on the environment, but they are taking a cautious approach and referring—

Senator WONG—Unlike the airports corporation?

Mr Early—Exactly.

Senator WONG—To confirm whether or not a significant impact is likely. A ‘significant impact’ could also be on heritage values; is that right?

Mr Early—Yes, the environment includes heritage values.

Senator WONG—So you will have to make a decision or the minister or his delegate will have to make a decision as to whether there would be a significant likely impact?

Mr Early—Yes, whether that was likely.

Senator WONG—Do we know the time frame for this application?

Mr Early—I gather it is reasonably soon. I have just had some discussions with DOTARS officials and they told me that they would be referring it reasonably soon.

Senator WONG—Have the nominators been advised of this?

Mr Leaver—I just found out myself.

Senator WONG—I guess you have not advised them, Mr Leaver. Mr Early?

Mr Early—No, when the referral is received it will go up on the web site immediately.

Senator WONG—What about the council? Presumably it has not been advised, either.

Mr Leaver—Not at this stage, no.

Senator WONG—What effect does that have on their assessment process?

Mr Leaver—Nothing. They have got the job to assess and they will assess.

Senator WONG—Regardless of whether there is a sale or not?

Mr Leaver—While the nomination is current then the assessment would proceed.

[10.57 p.m.]

CHAIR—We now turn to the Land, Water and Coasts Division.

Senator WONG—Mr Glyde, I think you said to me any NHT issues should go to the next division Natural Resource Management. Is that right?

Mr Glyde—Yes, the administration.

Senator WONG—On the last occasion we were discussing load targets, I think. I notice in your answer to a question on notice that the department—and presumably the minister—now recalls that there was a previous commitment to implement load targets; is that right? It is question No. 67. I asked, ‘Was there not an election commitment to promote achievement of pollutant load targets through the NAP and NHT?’ Am I asking the wrong people? Is that NRM? I recall the *Hansard* that I have looked at just before you were answering questions—

Mr Slatyer—Yes, the answer is as provided, that in cooperation with the Queensland government we would promote achievement of end of river pollution targets for catchments adjacent to the GBR.

Senator WONG—So, Dr O’Connell, what of your statement at the previous estimates that the load targets were proposals only and have been overtaken by the reef water quality protection plan?

Dr O’Connell—I think we had a discussion on 17 February. Are you talking about pollution load targets?

Senator WONG—Yes. I think you stated that those targets were proposals, only you had been overtaken by the reef plan.

Dr O’Connell—If you recall, we had a discussion last time about the matters for target under the NAP and NHT plans, and those included water quality targets. I think this goes back to our discussion about pollution load targets or water quality targets. Is that what you are referring to?

Senator WONG—Yes.

Dr O’Connell—The NAP, NHT and NRM regional plans do require that the regions look at the matters for target. I think we discussed then, and I again have here, the attachment to the South Australian agreement as an example of the agreements we have, with the matters for target included. I do not think that there is any distinction that I understand. The regions will still have to provide water quality targets in their plans.

Senator WONG—Water quality targets or pollution load targets—I think there is a significant distinction. I just raise the concern that I previously asked about these but it did not seem that anyone at the table, including the minister, recalled that this was an election commitment. I presume that you are all aware of it now?

Dr O’Connell—The expression of the election commitment that we have that you are referring to—and it is referred to in question 67—is given effect to through the Reef Water Quality Protection Plan. We discussed that, the nature of the role of the NRM regional plans in that and their requirement to have water quality targets.

Senator WONG—Was the department not aware of that election commitment until it was raised at the last estimates?

Dr O’Connell—I think the department was aware of the election commitment.

Senator WONG—You had to take the question on notice because you could not recall.

Dr O’Connell—What I am getting at is that the government went through the process with Queensland of developing the water quality protection plan as its response to the need to protect the reef.

Senator WONG—Mr Slatyer, what is your division’s involvement, if any, in Great Barrier Reef water quality? Do you have any involvement in that?

Mr Slatyer—Yes. We administer the Great Barrier Reef Coastal Wetlands Protection Program. We also administer the Coastal Catchments Initiative, which has some activities in the reef lagoon.

Senator WONG—Why has the government not endorsed the load targets and action plan that GBRMPA issued in 2001?

Mr Slatyer—I think, as has already been canvassed this time and last time, the government's policy on targets is set out in the Reef Water Quality Protection Plan.

Senator WONG—Which does not provide for water quality load targets.

Dr O'Connell—The targets that you are referring to were proposed in 2001 by the authority. The authority was closely involved in the development of the plan. That was one of the inputs into the planning proposal. The governments jointly made the decision to approach the water quality issue for the reef through the natural resource management planning process and maintain the structure of that process in terms of the overall approach. As I say, the result is to look to the plan's developing water quality targets as part of that planning process.

Senator WONG—Water quality targets, but not pollution load targets.

Dr O'Connell—Not necessarily pollution load targets.

Senator WONG—In working with the regional bodies to develop plans, are there any criteria or benchmarks for the water quality objectives?

Dr O'Connell—I refer again to our conversations in February, when I think we discussed the role of the National Water Quality Management Strategy and the nature of setting targets under that. But Mr Hooy may be able to fill that out.

Mr Hooy—At the moment, the government is in the process of developing various modules for regional groups, and there is a reef module under preparation. I have not seen the latest iteration but it is my expectation that it will assist regional groups in setting water quality targets.

Senator WONG—What do the modules consist of, Mr Hooy?

Mr Hooy—Essentially they are guidelines to assist regional groups to meet the accreditation criteria for the regional plans.

Senator WONG—Is there anything in the accreditation criteria that requires end-of-river pollution load targets?

Mr Hooy—Not as far as I am aware.

Senator WONG—Do we know why the government's pre-election commitment, which you have referred to, to end-of-river pollution load targets is not included as one of the benchmarks for the regional plans?

Mr Hooy—It is part of the regional planning process.

Senator WONG—I understand that.

Mr Hooy—It depends to a certain extent on how groups see a particular water quality issue and how they feel they are best equipped to deal with that issue. So, as was said this morning, in some cases load targets might be appropriate, in others there might be other targets, for example, activity targets, which make it more appropriate to get the same end result.

Senator WONG—But there is a commitment by the government to end-of-river pollution load targets?

Mr Slatyer—The commitment as currently stated is in the Reef Water Quality Protection Plan. The regional plans cannot be approved unless they are accredited. The accreditation criteria require compliance with national policies and standards. One of those policies is this document, and another is the national water quality standards. It is through those mechanisms that the regional process is expected to produce an appropriate outcome for water quality.

Senator WONG—But as I understood Mr Hooy's evidence, and I could be wrong, the criteria for accreditation does not include any pollution load targets or the inclusion of pollution load targets in the plan?

Mr Hooy—The accreditation criteria require consistency with government policy, so if government policy is load targets there will be load targets set.

Senator WONG—Does the current accreditation criteria include pollution load targets?

Mr Hooy—The accreditation criteria have a requirement that the regional plans have to be consistent with overarching government policy.

Senator WONG—How are the regional bodies supposed to understand what government policy is. On the one hand we have an election commitment; on the other hand, as I understand Dr O'Connell's evidence, we have load targets that were proposals that have been overtaken by the Reef Water Quality Protection Plan. Am I wrong?

Dr O'Connell—We had this discussion in February, but I think it may be worth clarifying the distinction between pollution load targets and water quality targets. As stated in the answer to question 68 that was put on notice, water quality targets would typically look to set targets for levels of salinity, nitrogen, phosphorus, sediments and suspended particulate matter—as, for example, in the Fitzroy Basin draft NRM plan. That would be what you typically would expect to see, particularly in the catchments off the reef. That could be water quality targets, not necessarily pollutant load targets, but we would typically expect to see those.

Senator WONG—The reef plan does not provide for water quality load targets, does it?

Dr O'Connell—Pollutant load targets—no.

Senator WONG—Nor does it provide any guidance on the extent to which pollutant loads should be reduced—correct?

Dr O'Connell—No, it seeks to reach the objectives that are set in the plan through the NRM processes, placing particular emphasis on those plans needing to meet the requirements to protect water quality entering the reef.

Senator WONG—Can you explain the difference between the 2001 action plan—which called for, in some instances, up to 50 per cent interim load reduction over a 10-year period—and the reef plan, which seeks only to halt and reverse water quality decline in 10 years? It is a substantial difference in protection.

Dr O'Connell—I am not particularly familiar with the earlier document. Are you talking about the Great Barrier Reef Marine Park Authority proposal?

Senator WONG—The 2001 action plan, yes.

Dr O'Connell—I am not particularly familiar with it. I do not have that with me.

Senator WONG—So it is obviously not a document you are working off at all in relation to reef water quality?

Dr O'Connell—No. I can give its status a little bit more clearly. It was an input at that early stage. As a document informing government policy, it has now essentially been overtaken, both by the agreed Reef Water Quality Protection Plan and then also by the broader context of the NRM plans that have been accredited. It was essentially—

Senator WONG—Yes, I understand. Explain to me then, given the election commitment that was referred to in an answer to the question on notice 67, how you are actually seeking to achieve end-of-river pollution load targets when they are not required under the reef plan, nor are they required in the accreditation criteria for any of the regional plans.

Mr Slatyer—Water quality targets are required under the Reef Water Quality Protection Plan, as we have said. The accreditation criteria require plans to conform to these sorts of policies, and they will be accredited if they do conform.

Senator WONG—Have you previously provided me with a copy of the accreditation criteria? I cannot recall seeing that in the questions on notice.

Mr Slatyer—If not, we can do so.

Senator WONG—Mr Hooy, is the module you refer to an amendment to the accreditation criteria?

Mr Hooy—It is a tool for community work.

Senator WONG—Can you provide that, too?

Mr Hooy—As I said earlier, it is currently under development. I think we are up to iteration 3. I am not quite sure what the development timetable is. I am informed the final draft is expected within weeks, so we can do that when it is completed.

Senator WONG—Do I understand the position to be that, essentially, the government has walked away from any specified load reduction targets?

Mr Slatyer—There is no requirement in the current policy for specified load reduction targets.

Senator WONG—We discussed the draft Fitzroy plan last time and I suggested there were concerns that had been raised regarding the water quality planning aspect of that draft plan.

What action has the government taken since then to ensure competent water quality planning is undertaken prior to the plan being accredited?

Mr Hooy—The plan is still a draft, as I understand it. The Australian government has provided comments on that plan. My understanding is that we expect the final plan to be completed any day. But we have provided comments on that plan.

Senator WONG—Is it the case that the draft plan did not place any objective of no net decline in water quality entering the reef—in other words, a base line position as opposed to improving water quality?

Mr Slatyer—As we advised in our answer to question 68, the draft at that time did not include that information.

Senator WONG—Have you sought that such targets be included in the plan?

Mr Slatyer—We do not have that material with us, so we would need to take on notice the specifics of our advice on that.

Mr Hooy—I am advised that we have drawn this issue to the Fitzroy regional body's attention and that they are taking our comments into account.

Senator WONG—Your comments being, 'You've got to do a little bit better than saying "no net decline in water quality"'?

Mr Hooy—We expect the plan to be consistent with the reef plan. We expect it to take into account the objectives of the reef plan.

Senator WONG—And in particular an improvement in water quality?

Mr Hooy—One would hope that would be an outcome of the plan. One would expect so.

Senator WONG—We have moved a long way, haven't we, from the GBRMPA targets, of a substantial reduction in pollutant load, to the draft Fitzroy plan which, from our last discussion, suggests an objective is no net decline in water quality standards?

Mr Hooy—I will make the comment that the reef plan is focussing on diffuse sources of pollution. Unlike sewage treatment plants and other concentrated forms of pollution, where one can regulate and in fact impose outcomes, when you are dealing with diffuse sources of pollution essentially caused by broad scale community activity then you have to bring the community on board. The process that has been set out in the reef plan is very much aimed at doing that.

Senator WONG—Isn't the reef plan's objective to halt and reverse water quality decline during the 10-year life of the plan?

Mr Hooy—That is correct.

Senator WONG—Surely what would be required in plans such as the Fitzroy plan is an improvement in water quality?

Mr Hooy—Yes.

Senator WONG—Is it going to achieve that? It does not specify that.

Dr O'Connell—Our objective, clearly, would be that these plans result in improvements and halts and reversals in the decline—because there is some built-in decline in water quality as a result of the land use practices. So that is what we would expect to see. The point that Mr Hooy was making regarding pollutant load targets—we discussed this in February—is relevant. Pollutant load targets are best placed in areas where you have a point source and easily regulated forms, as opposed to the sediment.

Senator WONG—Given the hour, I do not really want to have a long discussion about pollutant load targets. I was trying to move away from that. But as I understand it the GBRMPA plan is looking at end-of-river load targets. It is recognising the diffuse sources of pollution which occur upstream. What I want to clarify is this: didn't the draft Fitzroy plan have in relation to water quality an objective in relation to water quality of no net decline over the period of the plan? Is that right?

Mr Hooy—I am not aware that it did that.

Senator WONG—It did not even do that?

Mr Hooy—I do not recall, I am sorry.

Senator WONG—Did it set any objectives in relation to water quality?

Mr Hooy—It made a commitment, as we said in our previous answer, to set catchment targets for levels of salinity, nitrogen, phosphorous and sediments and suspended particulate matter within five years.

Senator WONG—So the plan was going to set targets in five years?

Mr Hooy—That is what the draft was proposing, yes.

Senator WONG—Does that meet with your accreditation criteria?

Mr Hooy—We have not accredited it.

Dr O'Connell—I think we are agreeing that—

Senator WONG—That was a problem?

Dr O'Connell—I have a feeling that we are agreeing that the draft of the plan that was made public was not sufficient for the purposes and we have gone back to the Fitzroy Basin Association on that.

Senator WONG—Isn't there a concern that as it has already been published for public comment it might be difficult to redo the water quality planning element prior to accreditation?

Dr O'Connell—I do not think that is necessarily right. I do not see why a draft plan cannot be modified; it tends to be the purpose of a draft plan to seek comment and to modify.

Senator WONG—Isn't it the case that load targets could actually drive action? There is no disengagement with the community inherent in setting a load target, is there? There is nothing intrinsically disengaging.

Dr O'Connell—It is not clear to me that a load target is such a powerful tool, as you seem to suggest, in a diffuse environment.

Senator WONG—It is not so much me; I am relying pretty much on the authority.

Dr O'Connell—I think the authority use that to clearly raise the issue of the need to address the water quality at end of valley, and I think that is what we have done.

Senator WONG—Can I just take issue with your suggestion about questioning the utility of load targets in the context of diffuse source pollution spheres. Evidence we took earlier today was that James Cook University and the Baker report suggested that they were a very useful tool in improving water quality and reducing the pollutant load on the reef.

Dr O'Connell—Well—

Senator WONG—I am happy to move on; we are just not going to agree on this, Dr O'Connell.

Dr O'Connell—I think that is right.

Senator WONG—That is fine. I asked you some questions last time regarding the commitment to spend \$350 million directly on measures to improve water quality. I refer to question on notice No. 60.

Ms Schweizer—That is correct.

Senator WONG—So, of the \$350 million, \$38 million was approved to date, of which you say \$18.994 million had a water quality component other than planning and monitoring.

Ms Schweizer—That is correct.

Senator WONG—Do I assume that it is actually on measures which directly improve water quality, the \$18.994, or do they do other things with that money?

Ms Schweizer—They do not do planning and monitoring, so we would take them as directly improving water quality. But, as we stated before, we believe that planning and monitoring activities are essential for directly improving water quality.

Senator WONG—I am just trying to disaggregate them. I am just wondering whether there is anything else that that \$18.994 million is spent on.

Ms Schweizer—No, I would take it to be direct activities.

Senator WONG—In February 2004 the Senate was supplied with a list of titles of projects that were identified as contributing to the \$315 million commitment: the Four Corners bore watering scheme and conserving water through capping the bore. Were they identified as water quality improvement projects?

Ms Schweizer—I would have to check. I do not have with me a full list of the projects that have been identified as contributing to the commitment.

Senator WONG—Would such a project fit with the acquittal guidelines for bore capping?

Dr O’Connell—Without having the documentation I could not confirm it. I would suggest that bore capping, on the whole, would be helpful to water quality, but we would have to chase that up.

Ms Schweizer—Generally the bore-capping program is not funded from the trust.

Senator WONG—That is why I am raising it.

Ms Schweizer—It would depend where the individual activity was funded from. If it was not funded from the trust it could not be acquitted against the trust commitment.

Senator WONG—I ask you to refer to the Senate question on notice which, I think, was answered on 10 February and clarify whether the projects there were funded from the trust or from other sources.

Ms Schweizer—I can do that.

Senator WONG—On the last occasion, you indicated that you were about to review the acquittal guidelines for the \$350 million commitment. Has that review been finalised?

Ms Schweizer—It is being undertaken in two parts. One part is reviewing all the projects that have been identified as contributing to the commitment, to check for consistency across them. The second part is reviewing the acquittal guidelines themselves. The review of the acquittal guidelines was being undertaken by the NHT advisory committee, who concluded their meeting in Perth yesterday, so I have not had a report back. The other process is taking a slightly longer time. While it has commenced, we expect it to take a couple of months because quite a large number of projects are included in that list.

Senator WONG—Is there consultation on the acquittal guidelines with state and regional bodies?

Ms Schweizer—No. There is consultation with the NHT advisory committee.

Senator WONG—Will the acquittal guidelines have linkages to the National Water Quality Management Strategy?

Ms Schweizer—They are directly linked to the National Water Quality Management Strategy.

Senator WONG—There is a reference in my notes—and I have to confess that I do not know much about this—that suggests there is double counting of some funding under this acquittal. For example, the overarching Coastal Catchments Initiative is listed under this as well as under the relevant state water quality improvement plans and projects. If so, what is the quantum of double counting today as a proportion of the total acquittal?

Ms Schweizer—Part of the review is in part to go through all the projects that have been acquitted to look for things like that, because acquittals are done across the portfolios—agriculture and environment—and periodically the guidelines say we do need to review them for consistency and issues such as the one you have raised. That review is under way.

Senator WONG—So there are more than the one I have raised?

Ms Schweizer—I will have no idea until the review is concluded.

Senator WONG—Is the review going to be made public?

Ms Schweizer—That would be a matter for the board.

Senator WONG—These are de facto investment guidelines for over a third of NHT2—\$350 million.

Ms Schweizer—I believe it is in the order of 20 per cent.

Senator WONG—Minister, is the government intending to make the acquittal guidelines public?

Ms Schweizer—They are public.

Senator WONG—The revised guidelines on how you spend the NHT money on water quality?

Ms Schweizer—If there are changes to the guidelines, they will need to be public because they are used by the joint steering committees to help acquit these. In that sense, they are not secret. But they will only be promulgated again if that changes.

Senator WONG—I thought you said that was a decision for government.

Ms Schweizer—There is a set of acquittal guidelines in place already, and they are being reviewed. But there is also a review of projects that have been identified as contributing to that target.

Senator WONG—That is the issue you are saying is a decision for government to make public?

Ms Schweizer—That is right.

[11.30 p.m.]

Senator WONG—Thank you. I misunderstood your answer. I move now to natural resource management. What financial commitments, as opposed to budget allocations, have been made under the NHT in the 2004-05 budget and for the two out years—2005-06 and 2006-07?

Ms Schweizer—What financial commitments?

Senator WONG—Yes, as opposed to budget allocations.

Ms Schweizer—I would have to take that on notice in order to give you a complete listing.

Senator WONG—That is fine. Can you also indicate, similar to my question on notice 60, how much of the NHT in each of those financial years is committed for water quality improvement projects—excluding planning and monitoring.

Ms Schweizer—Yes.

Senator WONG—How much of the NHT in each of those financial years is currently not committed? I presume you will want to take that on notice too.

Ms Schweizer—Yes.

Senator WONG—Can I confirm that, regarding questions 84 and 89, the figures for the budget commitment in 1999-2000 under NHT of \$320.9 million and actual spending of \$299.4 million are correct.

Ms Schweizer—For 1999-2000 the original budget allocation was \$320.9 million and expenditure was \$299.4 million.

Senator WONG—I will go through them and you can tell me if I am right. In 2000-01 it was \$361.3 million and \$284.3 million.

Ms Schweizer—Correct.

Senator WONG—In 2001-02 it was \$274.7 million actual spending—that was the year Mr Beal got it completely right.

Ms Schweizer—Yes, expenditure did match the estimate.

Senator WONG—In 2002-03 it was \$250 million and \$250 million.

Ms Schweizer—Correct.

Senator WONG—And in 2003-04 it was \$250 million and \$248.5 million.

Ms Schweizer—No. We cannot give you actual expenditure for the year because there is still a month and three days to go.

Senator WONG—Can you give it date?

Ms Schweizer—Yes. Actual expenditure to date is \$195.71 million, or 78 per cent of the trust.

Senator WONG—Does that include money committed?

Ms Schweizer—That is actual expenditure—that is money we have spent.

Senator WONG—Do you know how much is actually the subject of commitments?

Ms Schweizer—The entire budget.

Senator WONG—Are your actual commitments in excess of \$250 million?

Ms Schweizer—The board has a practice of overcommitting by up to 10 per cent because many of the projects in which we invest are subject to influence by climatic and seasonal conditions because payment is based on milestones. So it is their standard practice to overcommit.

Senator WONG—Yes, I think you have explained that to me before, but if we are at \$195.71 million now, are you able to tell me how much you have actually got committed at this stage.

Ms Schweizer—My recent estimates suggest that I have in the order of about \$660,000 that may not come to fruition—it is still committed. Otherwise, it is fully committed up to the \$250 million. So, essentially, the full \$250 million is committed.

Senator WONG—Plus \$660,000 on top of that which is committed but you do not think you will spend. Have I misunderstood your answer?

Ms Schweizer—Yes. I was probably not very clear. The best answer is that the full \$250 million is committed. As to commitments over the \$250 million, I would have to take that on notice because a number of those commitments fall away over time. That is why the board overcommits. Some projects do not materialise, such as the earlier example of the NRS—the reserve system. There would be notional commitments there but they do not materialise.

Senator WONG—So your expenses to date are \$195.71 million.

Ms Schweizer—That is correct.

Senator WONG—Actual commitments, as opposed to allocated funding, is in excess of \$250 million, and you can provide to me on notice, I presume reasonably soon, how much over the \$250 million the actual commitments are currently.

Ms Schweizer—That is right, I can do that.

Senator WONG—Thank you. Is the \$197 million money that you have actually paid out?

Ms Schweizer—Yes, that is money we have spent.

Senator WONG—Regarding the National Action Plan for Water Quality and Salinity, the original commitment of \$700 million was revised in the 2004-05 year at the announcement of the commencement of the four-year funding period to be \$170 million. Is that the \$152.7 million?

Ms Schweizer—I regret that the funding for the national action plan is appropriated to the Department of Agriculture, Fisheries and Forestry and as such I cannot give you any answers.

Senator WONG—You cannot answer questions on this? In that case I thank the witnesses.

CHAIR—We welcome witnesses from the policy coordination and environment protection division of the department.

Senator WONG—Mr Glyde, can we come back to the advertising issue?

Mr Glyde—Yes, I have had a chance to look at that issue. My recollection is that you were asking in relation to the press article in the *Courier Mail*.

Senator WONG—I was actually asking you in relation to answers provided by PM&C.

Mr Glyde—That is right, and that article referred to the transcript and the evidence that PM&C—

Senator WONG—I have not seen the *Courier Mail* article, just so you know.

Mr Glyde—It has a good table in it, that's all. There were three items that relate to this portfolio that were covered in the evidence that Greg Williams from PM&C provided. The first related to the media buy for the Natural Heritage Trust, but it is actually the advertising for the Envirofund campaign, which put small grant applications under the NHT. The advertising to encourage people to apply for those grants is \$520,000 over the last 18 months.

Senator WONG—That is past expenditure?

Mr Glyde—That is my understanding: it is advertising that has occurred over the last 18 months.

Senator WONG—Is any advertising under that campaign to occur henceforth?

Mr Glyde—I am aware that there will be subsequent rounds of Envirofund and I would imagine that there would be similar campaigns to alert people to the fact that applications are due.

Senator WONG—When is the subsequent round?

Mr Glyde—I will take advice on that.

Senator WONG—Do we need Ms Schweizer for this? I did tell you I was going to ask about this, Mr Glyde!

Senator Ian Macdonald—The next round closes on 6 or 8 July.

Mr Glyde—I am advised that there are two rounds a year, and applications close on 6 July, with another round in the second part of the financial year.

Senator WONG—So the 5.2 is just the media buy?

Mr Glyde—That is \$520,000, yes.

Senator WONG—When are we going to see those ads?

Mr Glyde—I am sorry?

Senator WONG—The \$520,000 refers to a media buy that has already occurred?

Mr Glyde—I understand that figure is derived from the media buy for the last 18 months of advertising for Envirofund.

Senator WONG—What is the cost of the buy for the next round?

Mr Glyde—I would have to take that on notice. I do not know.

Senator WONG—What was the cost of the creative aspect and the cost of the research?

Mr Glyde—I do not have that information in front of me.

Senator WONG—Can you provide that and the name of the agencies you used?

Mr Glyde—Yes.

Senator WONG—What are the public relations elements of the campaign—are they displays, roadshows, mailouts or just ads?

Mr Glyde—My understanding is that there is no campaign involved in the Envirofund advertising. It is simply buying the space to alert people that it is time to apply for grants. The other two items that were referred to in PM&C estimates evidence do relate to campaigns.

Senator WONG—Do you want to tell me about them?

Mr Glyde—Sure. Mr Williams said that there was a campaign under consideration called environment and resource management, with an estimated value of \$5.5 million. This is a project that is under consideration by the Ministerial Council on Government Communications, so it is still in the design phase, but Mr Williams estimated that that was the media buy for that campaign.

Senator WONG—Is it your department that has done it?

Mr Glyde—Yes.

Senator WONG—How much did the research on this cost?

Mr Glyde—What I can give you is the expenditure to date on the strategy and the design of it—I gave you that earlier this morning but I can give it to you again—and the expenditure to date on the market research work. As I said, we are in the process of designing the campaign.

Senator WONG—What is the expenditure to date?

Mr Glyde—The expenditure to date in terms of the strategy—

Senator WONG—Is that the \$35,332?

Mr Glyde—Yes. That was for Gavin Anderson. It was \$33,432. You asked me this morning whether that was the subject of a tender process, and it was—it was a full tender process run by this department.

Senator WONG—What was the value of the contract?

Mr Glyde—As I said before, it was an hourly rate contract.

Senator WONG—Surely there must have been some estimate. I cannot imagine Finance would—

Mr Glyde—My understanding is that the maximum in the contract for 2003-04 is \$82,500.

Senator WONG—What about for the next financial year?

Mr Glyde—I do not have figures for the next financial year. It really depends on what happens to the campaign and the design and whether it is actually approved.

Senator WONG—What is the nature of the campaign?

Mr Glyde—The nature of the campaign is to communicate what is available under the Natural Heritage Trust and the NAP, the National Action Plan for Salinity and Water Quality.

Senator WONG—For what purpose?

Mr Glyde—Just to ensure that all Australians are aware of the work that is being done to protect and conserve Australia's environment.

Senator WONG—So it is a PR campaign.

Mr Glyde—It is communicating how Australians can participate in and assist with the protection of the Australian environment.

Senator WONG—Are any other agencies apart from Gavin Anderson involved in that?

Mr Glyde—As I said before, we have had some market research work that has been done. We have spent \$153,000 to date in 2003-04. That company was selected through the MCGC process, through a tender process, and the company that has the contract is Open Mind.

Senator WONG—They did market research—is that right?

Mr Glyde—Yes.

Senator WONG—Was there anything else in relation to that campaign?

Mr Glyde—No, that is what we have spent to date.

Senator WONG—And the actual media buy has already been expended—is that right?

Mr Glyde—No, it is an estimate.

Senator WONG—Is that proposed for TV, radio and newspapers?

Mr Glyde—I believe so, yes.

Senator WONG—Are there any other roadshows, billboards or other means?

Mr Glyde—I cannot give you that information tonight. As I said, it is still in the development phase. I think we are still in the process of designing exactly the best way to rollout the campaign. It is still going through the approval process the government has.

Senator WONG—Is there any other expenditure associated with that campaign?

Mr Glyde—Not that I am aware of at this stage. Though, if the thing is approved, there will continue to be expenditure.

Senator WONG—Over and above the media buy?

Mr Glyde—Yes. The media buy is part of it. Then you have got to design the ads and so on.

Senator WONG—So this excludes any production costs?

Mr Glyde—That is right. My understanding is that the figure of \$5.5 million that Mr Williams provided to estimates earlier this week was in relation to the media buy.

Senator WONG—Alone? That is a lot of media—TV as well.

Senator TCHEN—It is called open government. We let people know what we are doing.

Senator WONG—Yes, you do, don't you. But you will not be advertising what the *Tampa* cost you. I go to No. 3.

Mr Glyde—No. 3 is—

Senator WONG—Can I just clarify: is that everything?

Mr Glyde—As far as I am aware, yes.

Senator WONG—I go to No. 3.

Mr Glyde—No. 3 is a campaign in relation to our Product Stewardship for Oil Program. The oil program, essentially, provides incentives to increase oil recycling. Over the last couple of years, we have been putting in place used oil collection facilities across the country. We have got around 400 that are currently operational, and another 300 are under construction and due to be completed before the end of the year. On Sunday, 16 May, a national advertising campaign was started to motivate consumers to dispose of their oil in the newly created facilities. The advice I have is that the total media buy for the campaign, which is the figure that Mr Williams provided to estimates, was roughly \$1.8 million. The campaign is going to

run for six weeks. It is going to be on radio, in newspapers and magazines, and on the Internet.

Senator WONG—Were there costs for creative aspects and market research?

Mr Glyde—There were. I will check that I have the right figures. I might have to take that on notice. I am not sure that the figures I have here are the actual up-to-date figures.

Senator WONG—You could give them to me accurate as at whatever date and then revise them if you would like.

Mr Glyde—I would prefer to describe the activities, just to give you the full idea of what is involved.

Senator WONG—Do you have the expenditure of public moneys to date on this third campaign?

Mr Glyde—I do not have that figure. As I said, the thing commenced on 16 May, so the moneys have not completely been expended. Obviously, there were concept development fees, market testing and research of concepts, development and production of advertisements, posters, booklets, fact sheets et cetera. There was production of ads and translation for non-English-speaking background media. Then there was the media buy and benchmarking and tracking research. I have figures here, but I am not sure if they are expenditure to date or the total budget. So I would prefer to take that on notice.

Senator WONG—Are you able to give me what the total budget is?

Mr Glyde—As I said, from how these figures are presented, I am not sure which is which, so I would prefer to take that on notice, is that okay. I can confirm that Mr Williams was right and that the media buy is \$1.8 million. I can give you what the remaining elements cost on notice.

Senator WONG—How long will you take to do that?

Mr Glyde—I could probably do that within 24 hours. I just need to speak to someone tomorrow morning to confirm that the figures are right.

Senator WONG—I would appreciate that. Ms Schweizer has walked back into the room. Was there anything on the Envirofund's advertising campaign that we were going to clarify?

Mr Glyde—I think you asked whether or not we knew what the cost would be of subsequent rounds.

Senator WONG—As I understand it, the minister said that the subsequent round is on 6 July.

Mr Glyde—That is the next round—

Senator Ian Macdonald—Ms Schweizer tells me that I am wrong: it is 9 July.

Senator WONG—Oh well, that was pretty good. Was the \$520,000 for previous advertising to date?

Mr Glyde—For the last 18 months.

Senator WONG—Has there been a media buy for the next round?

Mr Glyde—Ms Schweizer does not have the information that I hoped she might. But she advises me that it does come out of my budget. I will need to consult back with my staff to find out.

Senator WONG—That is quite an admission.

Mr Glyde—Yes—oh well, I am only the chief finance officer!

Senator WONG—Can you provide that? I would like to know what is likely to be spent in the remainder of this financial year and the next financial year in relation to Envirofund advertising. I want to know the media buy, the cost of creative aspect research, the name of any creative research agencies and so forth, and whether there are other funding expenditures, such as displays, roadshows, mail-outs and so forth.

Mr Glyde—Yes.

Senator WONG—Cycle Connect—is this your division?

Mr Glyde—This is my division. There are other people here who might know a bit more about the program than me, though. Mr Burnett might be able to help us here.

Senator WONG—How much money has been allocated in the first round of funding—or has any been allocated yet?

Mr Burnett—There is \$1 million available in the coming year.

Senator WONG—Has any been allocated as yet?

Mr Burnett—No money has been allocated in terms of grants.

Senator WONG—How many applications have been received?

Mr Burnett—I do not have numbers with me, but we have received a number of applications and we are currently processing them.

Senator WONG—It was a very short time frame for applications, wasn't it—25 days?

Mr Burnett—We think it was a reasonable time, and we got a good range of applications.

Senator WONG—When do you anticipate the first funding will be released under that program?

Mr Burnett—It would not be too far away. I imagine that it would be early in the new financial year.

Senator WONG—Are you able to tell me, perhaps on notice, how many applications have been received and how many were successful—or have they not been determined yet?

Mr Burnett—They have not been determined yet. Do you want the number of applications?

Senator WONG—Yes, thank you. I am not sure whether dioxin management is covered by your division.

Mr Hyman—Yes.

Senator WONG—It is! You have all sorts of unusual things. In the 2002-03 CEE, there were a number of programs which are now not listed in the budget statement—international chemical management, chemicals assessment and research, and dioxin management. Could you advise whether they are now included under the budget item Chemicals Management? Are you able to provide me with the expenditure in relation to those three line items? I am asking for you to take that on notice, unless you really want to answer it now.

Mr Hyman—We can take that on notice. The first part of your question was answered as question No. 81 on notice in the May estimates a year ago. That part of the question has already been answered and that answer still stands.

Senator WONG—I do not have that here, but you can give me the current expenditure.

Mr Hyman—We can give you the current expenditure this year to this point.

Senator WONG—Can you give me the revised figure for 2003-04, or not yet? You did not give us the 2002-03 expenditure in May—you can't have.

Mr Hyman—No, we were not asked for that. We can tell you how much was spent against those line items last year and to date this year.

Senator WONG—Going back to the advertising, at a very rough calculation is it maybe \$7 million or \$8 million?

Mr Glyde—It is probably closer to \$7 million.

Senator WONG—How does that compare with the previous financial year—a non-election year? What did you spend on advertising in 2002-03?

Mr Glyde—We have certainly had some expenditure in past years in relation to the Natural Heritage Trust. There have been a number of campaigns in relation to that.

Senator WONG—But they are the application campaigns, aren't they?

Mr Glyde—No. There was obviously one for the Envirofund applications, but previously there have been campaigns relating to the Natural Heritage Trust. The first phase of those was in August 1998. The second phase was from August to October 1999. The amount spent on media advertising for the first phase was \$1.74 million, and for the second phase it was \$2.635 million.

Senator WONG—Is that the media buy or the total cost?

Mr Glyde—That is the media advertising.

Senator WONG—Sorry—is that the cost of buying the media space or is that the total cost, or is that not clear?

Mr Glyde—I do not have that information in front of me. I will have to confirm that. There was also a third and a fourth phase of the trust's public information campaign. They were conducted in 2001. The third phase cost \$3.49 million, and the fourth phase cost \$991,733. I have some figures relating to the Envirofund expenditure. In April 2002, there was a communications campaign to support the Envirofund, and the campaign advertising for that cost \$467,000. There was an additional phase of advertising for the Envirofund drought

recovery round in late December 2002, early January 2003 and March 2003. In total, that advertising cost \$273,832. There was also advertising in major metropolitan newspapers and rural and Indigenous press in relation to the May 2003 round for Envirofund. The total cost of that was \$200,018. Envirofund advertising for the second round in 2003 totalled \$170,809. So there has been quite a bit of activity in past years in relation to the public information campaign for the Natural Heritage Trust. There has not been any previous expenditure in relation to the oil campaign, because that is a new program that has been running for only the last couple of—

Senator WONG—Or 5.5 or whatever it was.

Mr Glyde—No. There have certainly been public information campaigns for the Natural Heritage Trust as well as advertising for the previous Envirofund rounds. The 5.5 covers the NAP and the NHT and, as I said, that is a prospective campaign. It has not yet been determined whether it is going to go ahead.

Senator WONG—I think we can probably guarantee it will.

Mr Glyde—I would not like to second-guess the Ministerial Council on Government Communications.

Senator WONG—I am sure you should not do that. Thank you very much for your assistance.

CHAIR—I thank the officers and the minister for being here today. I thank Hansard and Broadcasting for their assistance with these estimates, and I thank the secretarial staff for their perseverance. With that, I close these estimates.

Committee adjourned at 11.59 p.m.