



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

ENVIRONMENT, COMMUNICATIONS, INFORMATION  
TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE

ESTIMATES

**(Supplementary Budget Estimates)**

TUESDAY, 1 NOVEMBER 2005

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE**

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

**Tuesday, 1 November 2005**

**Members:** Senator Eggleston (*Chair*), Senator Lundy (*Deputy Chair*), Senators Ronaldson, Santoro, Siewert and Wortley

**Senators in attendance:** Senators Carr, Eggleston, Heffernan, Lundy, Marshall, McLucas, Milne, Nash, Ronaldson, Santoro, Siewert and Wortley

**Committee met at 9.06 am**

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

Consideration resumed from 31 October 2005.

**In Attendance**

Senator Rod 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

Ms Lynn Bean, Acting Deputy Secretary, Arts and Sport

**Legal**

Mr Don Markus, General Counsel

**Corporate and Business**

Mr Frank Nicholas, Chief Operating Officer, Corporate and Business Division

Mr Mike Hutchings, General Manager, Information Technology and Facilities Branch

Ms Cheryl Watson, Acting General Manager, Human Resources and Communications

Mr Tim Cornforth, Manager, Regional Network Management Unit

**Finance and Budgets**

Ms Jennifer Gale, Chief Financial Officer

**Telecommunications**

Mr Simon Bryant, Acting Chief General Manager, Telecommunications

Mr Brenton Thomas, General Manager, Enterprise, Infrastructure Branch

Ms Carolyn McNally, General Manager, Regional Communications Policy Branch

Mr Andrew Madsen, Acting General Manager, Telecommunications Competition and Consumer Branch

Mr Colin Oliver, Acting General Manager, International Branch

**Broadcasting**

Mr James Cameron, Chief General Manager, Broadcasting

Mr Gordon Neil, General Manager, Licensed Broadcasting

Mr Rohan Buettel, General Manager, Public Broadcasting  
Dr Simon Pelling, General Manager, Digital Broadcasting and Spectrum Management

**Information and Communications Technology**

Dr Beverly Hart, Chief General Manager  
Mr Philip Allnutt, General Manager, Information and Communications Technology Industry  
Mr Simon Cordina, General Manager, Creators' Rights and Access Branch  
Mr David Jansen, Acting General Manager, Creators' Rights and Access Branch  
Ms Andrea Grosvenor, Acting General Manager, Regional Communication Initiatives Branch  
Mr Tom Dale, General Manager, Strategic Policy Branch

**Information Economy**

Mr Keith Besgrove, Chief General Manager, Information Economy Division  
Mr James Shaw, General Manager, Strategy Branch  
Mr Ashley Cross, General Manager, Security and Business Environment Branch  
Mr James McCormack, General Manager, Access Branch  
Mr Lindsay Barton, Manager, Access Branch

**Arts and Sport Division**

Mr Colin Lyons, Acting Chief General Manager, Arts and Sport Division  
Mr Peter Young, General Manager, Film and Digital Content  
Ms Sally Basser, General Manager, Indigenous Arts and Training  
Mr Mark Taylor, General Manager, Arts, Regional and Governance  
Mr Les Turner, General Manager, Indigenous Culture and Arts Support  
Mr Stephen Richards, Acting General Manager, Sport  
Mr Paul McInnes, General Manager, Collections  
Ms Kate Cowie, General Manager, Old Parliament House  
Mr Andrew Sayers, Director, National Portrait Gallery

**Telstra**

Ms Kate McKenzie, Deputy Group Managing Director, Public Policy  
Mr Douglas Gration, Company Secretary  
Mr Geoff Nicholson, Director, Business and Financial Services  
Mr Denis Mullane, General Manager, Integrated Network Planning  
Mr Greg Adcock, Head of Business and Commercial Operations

**Australia Post**

Mr Michael McCloskey, Corporate Secretary  
Mr Peter Meehan, Chief Financial Officer  
Mr Stephen Walter, Group Manager, Corporate Public Affairs  
Mr Rod McDonald, Group Manager, Human Resources  
Ms Elizabeth Button, Group Manager, Retail Channels and Infrastructure  
Mr Don Newman, Manager, Network Infrastructure

**Australian Communications and Media Authority (ACMA)**

Ms Lyn Maddock, Acting Chair  
Mr Chris Cheah, Acting Deputy Chair  
Mr Giles Tanner, General Manager, Broadcasting and Radiocommunications

Mr John Neil, Acting General Manager, Telecommunications  
Ms Sharon Trotter, manager, Content Assessment  
Mr Paul White, Executive Manager, Telecommunications Analysis

**Australian Broadcasting Corporation (ABC)**

Mr Murray Green, Director, Strategy & Communications  
Mr David Pendleton, Chief Operating Officer  
Mr John Cameron, Director News and Current Affairs  
Ms Sue Howard, Director Radio  
Mr Michael Ward, Acting Director Television  
Mr Colin Palmer, Director Human Resources  
Mr Colin Knowles, Director of Technology and Distribution

**Special Broadcasting Service Corporation (SBS)**

Mr Shaun Brown, Acting Managing Director  
Mr Quang Luu, Head of Radio  
Ms Julie Eisenberg, Head of Policy  
Mr Jon Torpy, Chief Financial Officer  
Mr Paul Broderick, Acting Chief Technology Officer

**Arts and Sport**

**Australia Council**

Ms Jennifer Bott, Chief Executive Officer  
Mr Ben Strout, Executive Director, Arts Development  
Dr Catherine Brown-Watt, Executive Director, Major Performing Arts Board  
Ms Megan Coombs, Executive Director, Finance and Services

**National Library of Australia (NLA)**

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

**National Gallery of Australia (NGA)**

Mr Alan Froud, Deputy Director

**National Museum of Australia (NMA)**

Mr Craddock Morton, Director  
Ms Freda Hanley, General Manager, Collections, Content and Technology  
Ms Suzy Watson, General Manager, Operations  
Ms Louise Douglas, General Manager, Public Programs and Audience Development  
Mr Jeff Smart, Chief Financial Officer

**National Archives of Australia (NAA)**

Mr Ross Gibbs, Director-General  
Mr James Barr, Deputy Director-General  
Ms Jenny Anderson, Assistant Director-General, Corporate

**Film Finance Corporation (FFC)**

Mr Brian Rosen, Chief Executive Officer  
Mr Ross Pearson, Chief Commercial Officer

**Australian Film Television and Radio School (AFTRS)**

Mr Malcolm Long, Chief Executive Officer

**Australian Film Commission (AFC)**

Mr Kim Dalton, Chief Executive Officer  
Ms Kim Ireland, Director, Policy, Research and Information  
Mr Greg Brown, Director, Corporate Services

**Film Australia Ltd (FAL)**

Ms Daryl Karp, Chief Executive Officer  
Ms Judith Bowtell, Executive Officer

**Australian Sports Commission (ASC)**

Mr Mark Peters, Chief Executive Officer  
Professor Peter Fricker, Director, Australian Institute of Sport  
Mr Brent Espeland, Director, Sport Performance and Development  
Ms Lois Fordham, Director, Corporate Services  
Mr Steve Jones, Director, Commercial and Facilities

**Australian Sports Drug Agency (ASDA)**

Mr Richard Ings, Chief Executive  
Mr Kim Terrell, General Manager  
Ms Anne Gripper, General Manager, Operations  
Ms Catherine Rule, General Manager, Strategy and Support

**CHAIR (Senator Eggleston)**—I declare this hearing open. I welcome Senator the Hon. Rod Kemp, Minister for the Arts and Sport, and the portfolio officers who are appearing today. I welcome Helen Williams again for the second innings. The committee notes that there is one answer to a question on notice still outstanding from the Australian Sports Commission from last May's budget estimates round, and we look forward to that answer being provided as soon as possible.

**Senator Kemp**—I am very happy to provide that answer. The reason it is not here is that we are checking with people who are named in the correspondence as to whether they are happy for it to be tabled. I imagine they will be, but I think as a matter of course Senator Lundy will say, 'Why wasn't this done earlier?' and—

**Senator LUNDY**—You read my mind, Senator Kemp.

**Senator Kemp**—that would be precisely my question too. We apologise for that, but I am afraid it was one of those things that slipped between the cracks. We are happy to have it tabled. If we can have that checked in the course of the day, we may even be able to table it later today.

**CHAIR**—The committee is grateful for your assistance in this matter, Minister.

**Senator Kemp**—As you know, I always try to help the committee.

**CHAIR**—We do. It has always been noted, Minister.

**Senator Kemp**—That is my guiding philosophy. It always has been and always will be.

**Senator LUNDY**—It is wonderful when we have such a polite start!

**CHAIR**—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 the 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 shall 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. Minister, would you like to make an opening statement beyond the remarks you have already made at this point?

**Senator Kemp**—No, I just really hope that we can speed the journey and deal with questions promptly and in an expeditious fashion. On a point I have made to this committee before—and you said it in your opening remarks, Chair—if a question is asked, I think the witness has got to be able to respond to it. I am not in favour of any attempt to harass a witness or interrupt a witness. I know you take a very strong view on this, Chair, as do I.

**CHAIR**—We do. Thank you, Minister.

[9.09 am]

### **Australian Sports Commission**

### **Australian Sports Drug Agency**

**CHAIR**—I will call agencies in accordance with the agenda. We begin today's hearing with Sports. As has been the custom in previous hearings, we will call representatives from the Australian Sports Commission, the Australian Sports Drug Agency and the department together. I invite questions and I hand over to Senator Lundy.

**Senator LUNDY**—I note the minister's comments and ask that the same points be made with respect to succinct answers from officers and the minister because the minister also has a propensity to interrupt witnesses when they are trying to provide evidence.

**CHAIR**—I think we could begin by being succinct at this point in getting on with the questions.

**Senator Kemp**—A very good point, Chair.

**Senator LUNDY**—I would like to thank the department for the questions on notice we did receive. As the minister has quite succinctly pointed out, there were some inexplicable delays. I note two outstanding questions came in yesterday; one is still outstanding. Were the delays in responding to the last few questions that came in, Minister, due to problems within your office, the department or one of the agencies?

**Senator Kemp**—I would not want to apportion blame. Clearly, my office will answer questions. Probably in some cases the questions were held too long. But these things happen and of course good management requires that it does not happen again. Sometimes questions require further information. They go back and forth, so sometimes officers get overwhelmed by the paperwork. As I said, I have apologised for the delays.

**Senator LUNDY**—A number of the questions on notice were in fact not answered. The response came back stating that it was too onerous a task to collate that information. It is my intention to resubmit some of those questions and ask the department—if in fact there is a case too onerous—to apply the usual courtesy of discussing the question with me, or whoever asked it, with a view to perhaps putting the question more succinctly. Why was that courtesy not extended this time, given that it has been in the past?

**Senator Kemp**—My memory goes back a long way in Senate estimates hearings, and I have been on both sides of the table. In the old days, the tradition of the former Labor government was that the minister would inspect questions on notice and decide whether he would allow them to be put on notice. Often, there was quite a performance in relation to that. Sometimes we got responses back; sometimes we did not. I think I have a reputation for courtesy—I think most senators would strongly endorse that. I cannot recall myself ever going back and asking a senator whether he or she could clarify the question.

**Senator LUNDY**—Usually, it is a role handled between the department and the committee.

**Senator Kemp**—Okay. But my view is that what has happened in Senate estimates hearings in recent years is that, because researchers are more effective, heaps of questions are being put on notice. I suspect there are now far more questions than have been put on notice in the past, and I think that people have to just make a judgment what resources should be devoted to answering those questions. If you feel that the response has not been persuasive, you are of course quite entitled to resubmit those questions and I will make a judgment. I am not trying to stop information being provided. But I think sometimes our researchers get too enthusiastic and sometimes questions do require a huge amount of work. A minister in an agency has to make a judgment whether in fact resources can be devoted to that. If you wish to resubmit those questions, I will have a look at them. I will come at it from the direction of saying that we should do what we can to provide information to you and we will see how we go. If you would be happy to have discussions with our officers on issues where questions may seem to be too onerous, I am very happy to accept that invitation and will follow that through.

**Senator LUNDY**—Thank you, Minister. In asking my first question I would like to make reference to not only the previous hearings of this committee but also questions on notice which confirm that the department had absolutely no role in the application, selection and approval for facilities funding that the coalition government promised at the last election. Given that, I would like to ask the department what the general practice is in relation to grants and the assessment of grants in the sports portfolio within the department, and would you point to any programs where the department is involved in the application, selection and acquittal.

**Senator Kemp**—I am happy for the department to respond, but I think we have to make a distinction between general grants programs and grants that are made as a result of election commitments. We have had this debate before. When political parties go to elections they make promises. We made promises and the Labor Party made promises. The Labor Party made promises in relation to particular grants; we made promises. That is a process that occurs at each election, but I am very happy if the department would like to respond on the administration of the grants.

**Mr Lyons**—In the administration of grants we do have programs where public applications are invited. The minister has already pointed out that these particular sporting facilities are part of election commitments, so our role comes from the administration of the grant program in order to implement the commitments in a timely and accountable way.

**Senator LUNDY**—So what would be the normal way of initiating a grants application process? Can you describe what the administration of a grants program in general looks like? Obviously I do not want to put words in your mouth, but you would have a period in which applications are collected and a period in which they are assessed. Do you then notify the successful applicants and debrief the unsuccessful applications and so on? Can you go through the general attributes of what a legitimate grants scheme looks like?

**Mr Lyons**—I would not want to put the label of ‘legitimate grants scheme’ on any particular program. Certainly with programs such as the Indigenous Sport Program and the antidoping research programs there is an applications process. Applications are invited against criteria and decisions are made by a panel or recommendations are made by a panel to the minister, depending on who the decision maker is. I am not sure what sort of particular information you want.

**Senator LUNDY**—That is probably enough to keep me going at the moment. From previous questions and questions on notice, no criteria were established for these facility grants; therefore, the department is not able to make any assessment against criteria. What role do you now have in administering these grants, given that they were demonstrably used as a political tool in the lead-up to the last election?

**Senator Kemp**—Chair, I do not want to be unduly sensitive on these matters. Political parties go to elections and they make promises. If we are to have a debate on it, then I guess we will have a debate. But let me give an instance of a case where the Labor Party in the electorate of McEwen, through federal shadow environment minister Kelvin Thomson, committed the Labor Party to providing the Friends of the Helmeted Honeyeater with \$174,000. In my view he was quite entitled to do that. I do think this was a funny process, because the group involved, the Friends of the Helmeted Honeyeater, said that they had not in fact made an application to the Labor Party for this grant but they had made an application to the Victorian government.

The Labor Party are quite entitled to make promises in their election policy—no-one disputes that. This is regarded as a perfectly appropriate way for political parties to go, and I do not want anything to imply that somehow the Liberal Party should not be making promises in relation to grants when our political opponents were clearly making promises. My understanding is that in many cases they often matched the grants that the Liberal Party made during the election campaign.

**Senator LUNDY**—Senator Kemp, seeing that you are obviously not going to allow me to question—

**Senator Kemp**—I am going to allow you to. We have got all day. I am perfectly happy about that.

**Senator LUNDY**—I will ask you about the following. You yourself have said, in answers to questions on notice, that you were not involved in the allocation of this sports facilities funding and that effectively it was done at Liberal Party headquarters. So where does that leave you, as the minister in this portfolio, when you, as the minister, cannot be accountable for the process by which these facilities were selected? It puts you in a difficult position.

**Senator Kemp**—No, I am not in a difficult position at all. In fact, what I have been trying to explain to you is that political parties have their processes, that political parties make commitments and that they are perfectly entitled to make those commitments. Your party made commitments and my party made commitments. I do not know why you have this feeling that somehow it is okay for the Labor Party to make promises and commitments, including having grant programs, but it is not okay for the Liberal Party to be making promises. That is what I am objecting to. I think it would seem to a dispassionate observer that there is a touch of hypocrisy here. It does not affect my standing at all. The government is perfectly entitled in an election campaign to make what commitments it wants to do. The Labor Party is the first group to say, ‘You haven’t kept your promises,’ so the Liberal government is now keeping its promises. In relation to sport, some of these sports grants are being administered by my department. I do not see it as a reflection on me or a reflection on the government at all. It is a perfectly normal process.

**Senator LUNDY**—Minister, as you have said that it is a ‘perfectly normal process’, perhaps you would allow the departmental officers to say whether or not they have ever administered a grants program in this way previously where they have inherited it after the allocation decisions have been made and are left to pick up the administration without having had selection criteria and while effectively having to generate an acquittal process out of thin air. So can I ask the department if they have ever found themselves in a situation like this previously?

**Senator Kemp**—Sure; absolutely.

**Ms Williams**—Senator Lundy, many departments in the Public Service have had to administer things which have been promised in an election campaign, but I would like to say that in fact, even though that application process does not happen, what we have got to do is put in accountability mechanisms. We are usually given the amount of money and some idea of the timing. We really have to negotiate the contracts on that basis. We have to have milestones. We have to have evaluation mechanisms. We have quite an accountability process which we are held to. If I could, I would like to get Mr Lyons to run through that accountability process.

**Senator LUNDY**—Yes, thank you.

**Mr Lyons**—As the secretary has said, it is important that proper accountability and funding processes be followed. Proponents of projects have to enter into properly constructed funding agreements with project plans and milestones, and there are full reporting mechanisms under the agreements. In the case of major projects, that will involve very detailed project plans and, as I said before, milestones; independent, audited statements on completion of the projects; and requirements to enter into insurance contracts.

The general process has been to notify the potential recipients of the funding and make sure that we have enough information from them, that they either own the facility or have good control of the facility in which the capital upgrade is going to be made and that they have the agreement of any owner of any facility to those upgrades. Then it is a matter of entering into standard agreements. We have developed standard funding agreements for implementing these projects and we make sure that the agreements are not entered into until the people have provided the information against proper project plans. They are required to acquit their

expenditure in accordance with those milestones and audited statements, as I said before. We have generally looked at the best practice requirements for grants programs and tried to implement those requirements, and implement them in as timely a way as possible but in an accountable way. So we are not handing money out to people who are not ready to undertake the projects.

**Senator LUNDY**—I will come back to that point, but first can I ask you: given the Australian Public Service code of conduct, how do you, as departmental officers, reconcile effectively generating an acquittal criterion against a grants scheme that you have had absolutely no involvement in establishing the selection process for?

**Senator Kemp**—Senator, I think that—

**Senator LUNDY**—I am just not quite sure—this is a very serious question, Senator Kemp. What we know is that the government does in fact have quite a refined and detailed guideline for how to manage grants, and that has been the subject of several Audit Office reports. I know this department and other agencies and departments have been put through the wringer on several occasions to get those accountability measures in order. Yet, in all of that, this particular grants scheme ignores the first half of those requirements and only comes into effect halfway through, after a series of decisions were made in Liberal Party headquarters. So my very serious question to the public servants is: how do they cope with that fundamental flaw in not being able to abide by government grant guidelines because of the way the decision has been made?

**Ms Williams**—The values of the APS mention professionalism, accountability and things like that. I think we come in at a different level. We are given a grant to run. We have to do it professionally; we have to make sure all the accountability processes are followed. Although there are a number of these sports grants, in a way, we treat each grant as a separate process, because it is not a case of looking across from the beginning to say, ‘Which of these grants is the better one?’ or ‘Which is superior?’ We are going to run all these grants and, as we would if we had run a process first, once we have the process we make sure the accountability processes for each of those grants are followed. I think that is what the values and the code of conduct guide us in.

**Senator LUNDY**—Can I ask you then whether the department has a view on whether or not the way in which the recipients of these grants were selected represents some inequity or unfairness?

**Senator Kemp**—Chair, I do not think that is a question that is appropriate to put to an officer. The department has been given the job of administering a range of grants, which is entirely proper. Political parties go to elections making promises. I think there is a fundamental flaw in what Senator Lundy is saying, because both parties went to elections making promises. The Labor Party made a vast range of commitments in the election. Let me just pick out this somewhat random example: the significant grant made to the Friends of the Helmeted Honeyeater. I do not know what the criteria were for making such a grant. In fact, this was a curious grant, because there was not even an application for it. But the Labor Party made this commitment.

The Labor Party made a vast range of commitments across many electorates. If they had won government, departments would have been asked to administer those grants. It is a process which is no different after every election. Parties make promises, those promises are kept and, in keeping those promises, the Public Service is asked to administer them. I do not understand the underlying assumption. The underlying assumption is that you should not be making election promises—is that it?

**Senator LUNDY**—Minister, can I ask you about the way—I should not say ‘arbitrary way’ because I think it was quite specific—the Liberal Party campaign headquarters determined who would be the recipients of these grants?

**CHAIR**—Is that a fair comment?

**Senator LUNDY**—We actually got that in evidence last time. Senator Kemp said that Liberal Party campaign headquarters determined—

**Senator Kemp**—I find this a very strange line of questioning. The Liberal Party make a determination about what their policies are. How they do that is not any business of Senator Lundy. It is no business of mine how the Labor Party makes its election promises. What we know is that in the end one party is elected. If that party made a promise it should be kept. There was a very big grant that Senator Lundy promised to Musica Viva in the last election—\$12 million to a specific company to conduct a music program. Who chose that? How was that grant arrived at? If you had been elected you would have asked the department or the Australian Council to administer that grant. I just do not see what point you are making.

**Senator LUNDY**—Can I ask you this, Minister: had the coalition had a pre-existing sports grants program would you have still allocated funding in the way that you did with these grants?

**Senator Kemp**—Programs are administered according to the guidelines in those particular programs.

**Senator LUNDY**—Okay, can you answer that question?

**Senator Kemp**—When you go to an election, political parties make promises. You made promises to the Friends of the Helmeted Honeyeater. You made promises to Musica Viva. I do not know what programs they came under or whether there was any program. I do not know whether applications were made for those, but you made those commitments. Musica Viva would have been quite entitled to expect you to deliver the \$12 million. The Friends of the Helmeted Honeyeater would have expected you to deliver the \$174,000. I do not understand the point that you are making.

**Senator LUNDY**—Senator Kemp, there are two distinct differences between—

**Senator Kemp**—Are there? Well, we won and you lost. That is the first one.

**Senator LUNDY**—There are two differences. Firstly, you are the party in government. You are the incumbent government and you have the capacity to prepare for and ensure a fully accountable grant scheme. You had that opportunity and chose not to use. Secondly, you did win the election. You are very happy to remind us of that and that meant that you were in a position to implement those commitments.

**Senator RONALDSON**—You could implement the election promises.

**Senator LUNDY**—That is correct.

**CHAIR**—With the support of the people of Australia.

**Senator LUNDY**—If I could stop having this running interference I would go back to my earlier question. If a grants program for facilities had existed—which you could have implemented, as the previous minister, prior to the election period—would you still have allocated the grants leading up to the election in the way that you did? I think there is only one reasonable answer to this question.

**Senator Kemp**—I think the reasonable answer is that this is a completely absurd question.

**Senator LUNDY**—The reasonable answer would be yes. If you had had a grants scheme that was appropriately established within the department, you would have presumably acquitted it appropriately and not had this rorts scheme mark 2, promulgated for the Australian community.

**Senator Kemp**—Mr Chair, it is a bit unfortunate that so early in the morning this has degenerated into some political mudslinging. We can do that all day. I am traditionally slow to anger but if I am provoked—

**CHAIR**—You are very hard to provoke.

**Senator Kemp**—of course I will respond. We have here a range of very senior people in the Public Service. Senator Lundy and I can have our debate. We should really have it in the chamber so others do not have to sit and listen to us. The substantive point is that people make election promises, which they are entitled to do. The Labor Party made a heap of election promises—in fact, quite often we found that the commitments we made were, within a couple of hours, being matched by the Labor Party. There are a range of examples on this basis. In the end, those promises are made and those promises should be kept, and that is what we are doing. Unfortunately, Senator, this is where I think we are our own worst advocates as politicians. This is an entirely appropriate process where people make election promises. That is what you are complaining about. We made election promises, and now we are asking the department to administer them.

**Senator LUNDY**—Minister, could I ask you a question—

**CHAIR**—Senator Lundy, may I just say something. I agree with the comments the minister has made. We are here to conduct estimates, not discuss hypotheticals. I really do think it is in everybody's interest to proceed to the estimates.

**Senator LUNDY**—Forgive me for observing a pattern—

**Senator RONALDSON**—Could I perhaps ask a question?

**CHAIR**—Yes, of course.

**Senator LUNDY**—but the minute we get some resistance from the minister—

**CHAIR**—Senator Ronaldson wishes to ask a question, Senator Lundy.

**Senator LUNDY**—that is when you and Senator Ronaldson start to talk over my questions and run interference.

**CHAIR**—You are not really addressing the estimates issues, but Senator Ronaldson—

**Senator LUNDY**—Can I get on with my questions?

**Senator RONALDSON**—I just have one question. Ms Williams, I take it that, once the government has made an election commitment and the government is re-elected, your normal probity and other processes kick in in relation to those election commitments.

**Ms Williams**—Yes, that is quite right.

**Senator RONALDSON**—I cannot think of an example off the top of my head but if someone was, in the normal course of events, not able to apply for a grant or be given the money—or was unable to fulfil contractual obligations—then there would be no difference between that and other processes. The same probity processes apply to the election commitments as apply to every other process. Is that right?

**Ms Williams**—Yes, that is quite right.

**Senator RONALDSON**—So what we are arguing about?

**CHAIR**—Very good point. Let us move on.

**Senator LUNDY**—Are you going to give me the call, Chair?

**CHAIR**—Of course, Senator Lundy. You are perfectly entitled to ask questions. We just would prefer that they are about matters to do with estimates and expenditure.

**Senator LUNDY**—Senator Kemp, why did you not implement a sports facilities grants program in the lead-up to the last election to ensure appropriate accountability mechanisms rather than allow Liberal Party campaign headquarters to make these decisions for you? It is an absolutely genuine policy question: the minister could have done that—and he chose not to.

**CHAIR**—It is a political question. Let us deal with the realities of what the government has done in office.

**Senator Kemp**—Senator Lundy, for someone who is a member of a political party and has been for a considerable period of time, you have been to many elections and you have presumably developed a range of policies. Parties go to elections and they make commitments. Typically these are new commitments—

**Senator LUNDY**—I am not asking you about that.

**CHAIR**—Just let the minister answer the question, Senator.

**Senator Kemp**—Typically you run on your record and then you make a range of new commitments—or promises, if you like. That is exactly what we did. You went to an election. You made promises that, had you been elected, would have been implemented. I do not see the point you are making. If the point you are making is that governments should not be making election promises, you can hold that view. All I can say is: you would be out of step with all your colleagues if you argued that point. That can be the only basis to your question: parties should not be making election commitments. But we made election commitments; you made election commitments. We won, and now our commitments are being implemented.

**Senator LUNDY**—Minister, I put to you that you deliberately did not establish a facilities program for the simple purpose that that would allow you to manipulate it in the way that you have. You had the option as a minister to set up an appropriately accountable facilities grants



program. You chose not to do that to allow this scheme to be rorted through the election campaign. What is your defence for that?

**CHAIR**—Senator Lundy, I think Senator Ronaldson’s question covered that.

**Senator Kemp**—I have heard some strange lines of questioning, Senator—

**Senator LUNDY**—Why didn’t you have a facilities program?

**Senator Kemp**—You may have to change your researcher, I think. When you go to an election, you make a range of commitments. Your party does it; my party does it. That is an entirely appropriate process—this is what happens. Your underlying assumption is that somehow people should not be making election commitments. Your argument is that because the Liberal Party did not do this before the election—

**Senator LUNDY**—Because it was in government.

**Senator Kemp**—This is how your argument works, and this is why I find it hard to understand: somehow we should not have made election commitments, but we should have had a facilities program before the election.

**Senator LUNDY**—Or established a proper one.

**Senator Kemp**—That is what you are arguing. You can always argue that we should have established a whole host of things, but sometimes these are not practical. Typically, in an election you and the public are looking for a range of new initiatives.

**Senator RONALDSON**—What was the application process for the whiteboard, Kate?

**Senator LUNDY**—It is interesting that you mention that, Senator Ronaldson, because I would like to remind Senator Kemp of something that he said previously.

**Senator Kemp**—I think you need to change your researcher, Senator.

**Senator LUNDY**—In reference to the Senate committee on the sports rorts, which was a previous Labor initiative—

**CHAIR**—Yes, we all remember.

**Senator LUNDY**—I know. Let’s listen to what Senator Kemp had to say and see why he is hiding behind Liberal Party headquarters as the maker of these decisions on facilities:

I believe we have seen political manipulation on a grand scale. There is a prima facie case for claiming political corruption on a grand scale. That is why we need a major inquiry. Nothing is more important in this country than the democratic process. Once a government gets its hands on the levers of power and so rorts the democratic process, this country is heading down a very serious road.

... ..

This is not an ordinary program which has gone wrong; this is not pork-barrelling as it has often been described; it was a major election weapon. Vast amounts of taxpayers’ money were poured into marginal Labor seats.

Senator Kemp, I am quoting you from the last time that sports facilities funding was allocated in this country. As the opposition at that time, you launched a major campaign. I put to you now that, in a predictably gutless and weak way, you have not taken responsibility—

**CHAIR**—That is very extreme language and I would ask you to withdraw it.

**Senator LUNDY**—Listen! Not taken responsibility for these sports facilities—

**CHAIR**—Senator Lundy, you cannot use that sort of language in a Senate committee.

**Senator LUNDY**—and fingered the Liberal Party campaign office in some attempt to dodge accountability for the way this money has been flicked around the country, particularly into marginal seats.

**Senator RONALDSON**—We have got the press release out of the way!

**CHAIR**—Let's proceed, Senator Lundy. This is all political theatrics.

**Senator LUNDY**—What is your answer to that, Kemp? You were obviously very passionate about defending democratic process back when sports rorts came out.

**Senator RONALDSON**—The democratic process was the election.

**Senator LUNDY**—And you have overseen the mark II of sports rorts in facilities funding.

**CHAIR**—That is not what anybody else but you has said. The whole of Australia remembers sports rorts with good reason: because they were rorts.

**Senator LUNDY**—Why has the Howard government allowed Liberal Party headquarters to make these decisions? Why? They are too embarrassed to make them themselves because they know the hypocrisy would not stand up to public scrutiny because of the attack on the way the sports rorts grants were allocated. This is no better than sports rorts, except you have not even tried to take responsibility or used your own office or your own department to put some semblance of accountability across it. You have not bothered. That is the ultimate in arrogance in allocating government funding.

**Senator Kemp**—Mr Chairman, I will respond. Of course, I will not rise to the debate and involve myself in a political slanging match, but let me just make the point—

**Senator LUNDY**—Do you deny saying those things?

**Senator Kemp**—The Labor Party will be long remembered for the notorious whiteboard—

**CHAIR**—Absolutely. Everybody in Australia remembers it.

**Senator Kemp**—and the program that they rorted. They paid an appropriate price for that. This is not—

**Senator LUNDY**—So you just proposed not have a program and rorted the system anyway. That is the difference. How weak! Gutless!

**Senator Kemp**—I listened quietly to your rant.

**Senator LUNDY**—No, you did not.

**Senator Kemp**—And it was just a rant. I do not think you distinguished yourself with the language you used and the tone of your voice. The truth is that what you cannot stomach is the fact that we developed a range of policies; we went to the election; we won the election. You developed a range of policies; these were not regarded by the public as appropriate or acceptable or they did not compare to the coalition's policies. You got beaten and what we are seeing from you is the worst attack of sour grapes I have ever seen in a Senate estimates hearing.

Senator, it is no good raising your voice, stamping your feet and attacking people for being arrogant and the rest of it. We made election promises and we are proposing to keep them. You made a \$12 million grant to Musica Viva, without any selection criteria and without worrying about whether other groups could deliver a similar service. You personally made a huge commitment of \$12 million. You were going to tell the Australia Council that they had to administer it. They had no role in the selection of this grant. You have a hell of a cheek attempting to lecture us, in view of your own behaviour.

**CHAIR**—We have spent 45 minutes in this preamble, so let us now get on with the estimates. I do not think we can afford to waste more time on these sorts of political theatrics.

**Senator Kemp**—A very wise ruling.

**CHAIR**—Senator Lundy, if you do not mind, let us proceed to estimates questions.

**Senator LUNDY**—Can I just to respond to Senator Kemp.

**CHAIR**—I do not think so, Senator Lundy. Just get on with it. We are sick and tired of this nonsense, so proceed with the estimates.

**Senator RONALDSON**—A bit too much fuss.

**Senator LUNDY**—Whilst the coalition senators are making predictable remarks, I have to say that that was the worst defence of ministerial accountability that I have ever heard. Senator Kemp, I too sadly have been in opposition for quite a few years and that was absolutely—

**CHAIR**—Senator Lundy, you are doing the same thing. Let us get on with it. This is just a silly game. You have made your political points. You have your press coverage. Let us get on with the estimates.

**Senator LUNDY**—Senator Kemp has still not answered my question. It is a very legitimate question, and it does go to government policy because it is about expenditure.

**CHAIR**—It is not related to estimates. Your questions are related to election campaigns. They are not specific estimates questions, and that is what we are here to deal with.

**Senator LUNDY**—Senator Kemp, why did you as minister choose not to initiate a sports facilities grant program prior to the last election?

**CHAIR**—Senator Lundy, please proceed to real questions.

**Senator LUNDY**—He has got to answer that question.

**CHAIR**—He has answered it several times.

**Senator LUNDY**—No, he has not. He has not even tried.

**Senator Kemp**—Why didn't I do this and why didn't I do that? Senator Lundy, the truth is that governments make determinations typically each budget on what their programs are, and that is an entirely appropriate process. We went to the election and then we decided to develop some election policies. You obviously have been stung by these policies. You did not like them, although I have to say that in many cases history would show that the Labor Party rapidly attempted to match them. I do not know how that was done—whether that was done by you as the shadow minister or whether it was done in—gosh!—Labor Party headquarters.

**CHAIR**—Centenary House.

**Senator Kemp**—Senator, your underlying question that somehow we should not go to an election with new promises because we should have implemented the promises before the election is absolutely ridiculous. If your researcher is giving you questions like this, you should change your researcher, because it is an absolutely absurd question that somehow the argument against an election promise is that it should have been done before the election.

**Senator LUNDY**—I always know when you are under a bit of pressure, because you start attacking staff. What a low act. That is despicable.

**CHAIR**—Senator Lundy, we really are getting tired of this level of questioning.

**Senator LUNDY**—That is really low.

**Senator RONALDSON**—I have a question for the minister.

**Senator LUNDY**—I have not finished my questions.

**Senator RONALDSON**—Minister, do you think Senator Lundy owes the department an apology for impugning their reputation and alleging that they are not going to implement appropriate probity issues in the implementation of these election promises?

**Senator LUNDY**—Is that the best you can do?

**Senator Kemp**—I think the answer to that briefly is, yes. And she owes the public servants an apology for—

**Senator LUNDY**—Having to hold them to account.

**Senator Kemp**—having to witness the tantrum she has thrown. This is so contrived, Senator. Let us push the anger button, shall we? I have never seen a more contrived performance at a Senate estimates in my life. Suddenly, it is: let us get angry; let us hope the TV camera is on it and we can make a range of attacks on the minister and the government. It is pathetic. I really think we should get down to the questions. It is a Senate estimates.

You and I can have a debate in the chamber about these things if you feel it is entirely appropriate, and I will go through all the grants that you promised, Senator, particularly the range of grants that were made by the Labor Party. But you do not want to have that. Of course you do not want to have to have that debate because that would be embarrassing to you and would show the hypocrisy of your current line of questioning. Let us get on with the estimates, or let's have a break and have a cup of tea, but let us do something productive.

**CHAIR**—It might be a really good idea; we have wasted 50 minutes so far.

**Senator Kemp**—It has been a total waste of time, I have to say. It has been a very poor start to Senate estimates—a disappointing start.

**Senator RONALDSON**—It is very disappointing.

**Senator LUNDY**—Senator Kemp, do you still agree that the excessive expenditure of sports facilities grants in marginal electorates is a major political weapon, given that was your view on sports rorts?

**Senator Kemp**—I was speaking about the behaviour of the Labor Party in relation to the infamous whiteboard and I think that everyone agrees that the Labor Party behaved extremely badly.

**Senator LUNDY**—So what is different about your program?

**Senator Kemp**—The difference in our program is the difference between chalk and cheese. The program that we announced was a program of election commitments that we made. They were validated by the fact that the Labor Party quickly matched them. I can well remember—I have not got the figures before me and someone can correct me if I'm wrong—that the division of grants between Labor seats and Liberal seats in fact favoured the Labor seats, from memory.

**Senator LUNDY**—Just going back to my point, you do think these grants were a political weapon, don't you? That is why you did them.

**Senator Kemp**—My memory was that the Labor Party was very keen to match many of those grants. They matched them very, very rapidly indeed because they were good programs. I think the Labor Party was a bit upset that it had not actually thought of those programs beforehand. Maybe as the shadow minister you should have been more active in this area. But as soon as we announced the Western Oval grant my memory was that the Labor Party decided to match that very quickly. When we announced the grant to Skilled Stadium the Labor Party matched that within the hour. So the Labor Party validated many of these grants by choosing to copy them.

**Senator LUNDY**—Can I ask the department if they have developed retrospective criteria for these grants?

**Mr Lyons**—No.

**Ms Williams**—Can I please add that we developed accountability criteria—that is another of the Public Service values. We responded to what was given to us by the government of the day and we developed accountability criteria. It would not have occurred to us to try and go back. We were given these programs to administer and the normal processes clicked into place. We were very careful to develop proper accountability criteria for running those programs.

**Senator LUNDY**—Given this set of grants, we know that there is a set amount of money. We know all the promises were made during the election campaign and the grantees were determined by Liberal Party headquarters. Is there an ongoing grants program that other sports and community clubs can apply for? Or is that it?

**Ms Williams**—These were the grants we were given to administer and when they are administered they are acquitted and they finish.

**Senator LUNDY**—So there is no possibility for any other sports club to apply for grants funding under this facilities scheme?

**Ms Williams**—These were specific grants that were election commitments.

**Senator LUNDY**—So it is fair to say that there still is no facilities grants program within the federal coalition government?

**Ms Williams**—These were specific grants that we were given to administer.

**Senator LUNDY**—Minister, can I ask you, given that the Liberal Party campaign headquarters chose to allocate this money, whether you think there is a need in the community—

**CHAIR**—It sounds like speculation to me.

**Senator LUNDY**—No, it is a policy question actually. Do you believe that there is a need for funding community facilities of the type that proliferated in the marginal Liberal seats of McEwen and Makin?

**Senator Kemp**—Let me just make it clear: there were grants that were made during the election and my memory is that more grants were made to Labor seats. So let us get that clear straightaway. That is my memory and if I am wrong someone can correct me. We went to an election with some grants for facilities. The Labor Party, from memory, did not really have a facilities grants program but it attempted to match ours when it could.

**Senator LUNDY**—Sorry, Senator Kemp: could you just answer my question.

**Senator Kemp**—If you are asking me if it would have been good to have a big program: of course all these programs cost money. You did not go to an election promising a major facilities program, so you obviously made a judgment that the Labor Party could not afford to make a commitment. As a sports minister, of course I would like to spend more on facilities, but at the end of the day governments have got to make a judgment as to where they spend money and money is always limited; you know that.

**Senator LUNDY**—Minister, you have already conceded that you were not involved in the decision making as to where this money was spent. So can I ask you, as minister for the sports portfolio, whether you think there is an ongoing need in the sports community for greater community facilities funding—yes or no?

**Senator Kemp**—The truth is that as a sports minister I would always want to be able to find money for facilities.

**Senator LUNDY**—Right, so you think there is a need—

**Senator Kemp**—Of course I would. It would be a strange minister for sport who said no, he would not. But at the end of the day, as you know, government resources are limited and you are competing with every other portfolio. You had this issue yourself. When you put together your sports policy—which I admit was a pretty thin policy—you did not suddenly say there should be \$30 million or \$10 million allocated for a facilities program. So your people obviously made a judgment too. The Labor Party made a judgment that it could not afford to have a very large sports facilities program.

**Senator LUNDY**—Senator Kemp, given that you have just agreed with what I think is a very sensible proposition—which is that there is an ongoing need for community sports facilities to be funded and that the federal government, I presume, have a role in that given your policies—why haven't you now initiated a community sports facilities grants program?

**Senator Kemp**—There are things called budget processes. You may have been out of government for a long time, but there are budget processes. Any minister has to go through

those processes. If you are saying the Labor Party believes there should be a facilities program—is that what you are saying?

**Senator LUNDY**—I am asking you.

**Senator Kemp**—No, I want to get this clear. I have been at Senate estimates for over nine years on this side of the table and you in particular, Senator Lundy, have been saying all through the run-up to an election that the government should be doing that and the government should be doing this. Then I suddenly rush forward and grab your policy and I say, ‘Senator Lundy’s obviously made commitments,’ but I find that the Labor Party makes no commitments. In fact, I think your policy on sport sank, quite rightly, without a trace. So I think that if you are saying the government should have a facilities program—

**Senator LUNDY**—I am asking you as the minister if you think you should have one.

**Senator Kemp**—That is all right; you are entitled to ask that. But I am entitled to ask if it is Labor Party policy to have a major facilities program, and you will not answer that question.

**Senator LUNDY**—Can I ask the department whether or not they get regular requests or inquiries about access to federal government funding for sports facilities and what mechanism they have to process those inquiries?

**Senator Kemp**—Senator, we get regular requests. The department does not have to answer that. I can ask the department.

**Senator LUNDY**—Sorry, I am asking the department.

**Senator Kemp**—We get regular requests—

**Senator LUNDY**—I know you get regular requests, and you send them to Liberal Party headquarters. Can I see what the department’s process is for dealing with these requests?

**Senator Kemp**—I will answer the question and then the department if it wishes to add anything is entitled to do so. We get regular requests. In fact, I have to say that state Labor governments are constantly asking the coalition government to assist in providing grants for facilities. This government does make grants from time to time—that is correct. But in general the system has been that, for the provision of sports facilities, the larger responsibility remains with local governments and state governments. But that does not stop an Australian government from time to time providing grants.

**Senator LUNDY**—Or Liberal Party headquarters in your case.

**Senator Kemp**—Senator, I have never seen a greater case of sour grapes in my life. You assumed you were going to be on this side of the table—you are not. You are on that side of the table for a variety of reasons, not the least of which is that you decided to choose a strange person as your leader. You are there and we are here. We make promises and we deliver on those promises, and I do not think there can be any objection to that.

**Senator LUNDY**—Minister, do you think the way in which your sports rorts mark 2 scheme was administered leading up to the last election gave the Liberal Party any electoral advantage in the ballot?

**Senator RONALDSON**—Let’s get some stuff on the public record. These were—

**Senator LUNDY**—Senator Ronaldson just got a briefing from the minister's adviser.

**Senator RONALDSON**—election commitments; they were not part of a sports program. Quite frankly, for Senator Lundy to take up an hour of this rubbish this morning when her party was responsible for a formal program put up on a whiteboard, totally unrelated to an election campaign, is absolutely rich. We have good people here who are ready to answer good questions. Let's get on with it. This is absolute rubbish. It is not even a program.

**CHAIR**—That is a good point, Senator Lundy. We have spent an hour on this rather strange exchange. Let's get on with the estimates. You are just waffling on with no point whatsoever. Let's have a little focus—which is something we often do not see from you—and get down to tintacks and deal with the estimates.

**Senator RONALDSON**—It is just a blatant lie that it is a program. Clearly it was not a program. There was an election commitment. Let's get our facts right.

**Senator LUNDY**—I am at a loss. I have been around for long enough to say that when I hear—

**CHAIR**—Senator Lundy, I suggest that we proceed with the estimates.

**Senator RONALDSON**—Clearly it was—

**Senator LUNDY**—Excuse me!

**Senator RONALDSON**—It has been going this past hour.

**Senator LUNDY**—Will you be quiet?

**CHAIR**—Senator Lundy, there are people here who have come from their offices and they have a job to do. Let us proceed with the estimates instead of just waffling on and wasting time.

**Senator LUNDY**—And all of this effort, this condescending crap from Senators Ronaldson, Eggleston and Kemp, shows us that they have something to hide.

**CHAIR**—Senator Lundy, that is just not acceptable. I ask you to withdraw it.

**Senator LUNDY**—My question is to the minister: do you believe you got some electoral advantage by the way in which sports rorts mark 2 was spent in the electoral marginal seats of McEwen and Makin?

**Senator Kemp**—Let me make the obvious observation that we won the election and Labor lost the election. Others can judge the reasons why that happened. Typically, you win elections because you have good candidates, you have good policies, you have a strong record to run on.

**CHAIR**—You have policies.

**Senator Kemp**—You lose elections because you have a poor leader, you have poor policy development, you are not credible and you have a bad record. We can all make judgments as to why the government won the election. My view is that we won the election because we had good policies, we had a fine record to run on and we were facing an opponent—

**CHAIR**—And an excellent sports minister—



**Senator Kemp**—that, frankly, had a poor leader. We had an opponent that did not develop policies properly and an opponent that had a shocking record, particularly in relation to the economy.

**Senator LUNDY**—I put it to you, Senator Kemp, that far more than any previous sports facilities program, including the evidence put forward by the Audit Office into Labor's sports rorts—

**Senator RONALDSON**—I cannot believe you are bringing this up.

**Senator LUNDY**—This program was weighted far more heavily in the two marginal seats of McEwen and Makin than any previous facilities grant in order to change the outcome of the election in those two seats.

**Senator Kemp**—This is just sour grapes, Senator. This is just another attack.

**Senator LUNDY**—No, it is not. It is a serious allegation about corrupting a grants program which was manipulated by the Liberal Party to extract an electoral advantage. That is what is at stake here. No amount of mindless interference from coalition senators across this table is going to detract from that fact, and you are refusing to say anything, other than hiding behind the fact that you did not make these decisions, Liberal Party headquarters did, and somehow you are exonerated. I put it to you that you are not. You actually are accountable to the Australian people, the sports community and everyone else who has been duded by this disgraceful scheme.

**Senator Kemp**—Hello, people have been duded? You had better tell the organisations that are receiving grants that they should not be receiving grants. Is that the Labor Party policy? If it is Labor Party policy that we should not be making these grants and you want them cancelled—that could be the only logic—maybe we should inform those people that Senator Lundy does not think they should be receiving grants and the Labor Party would do everything they possibly could to cancel them. Is that correct? Am I correct in saying that?

**Senator LUNDY**—Your inane white noise does not change the fact that you are not accountable; you are not being accountable.

**Senator Kemp**—Apparently these are terrible grants but the Labor Party does not want to have them cancelled. Is that right? We talked about the electorate of McEwen. What happened in the electorate of McEwen was that the Labor Party went all over that electorate making heaps of promises.

The most infamous was to the Friends of the Helmeted Honeyeater. There is a very nice photo of Kelvin Thomson with the Labor candidates and the Friends of the Helmeted Honeyeater. So what was Kelvin Thomson doing up in the electorate of McEwen? Gosh, he was trying to help campaign to win the seat. How did he do that? He started to make some environmental promises. If Senator Lundy is prepared to condemn the behaviour of her colleague in going up to the electorate of McEwen and making promises for grants, there would be some credibility at least—thin though it may be—to the argument she is putting. Let us just get this clear: do you condemn Kelvin Thomson for going up to the electorate of McEwen, campaigning and making grant promises?

**Senator LUNDY**—Senator Kemp, you had the opportunity as minister to put in place an administered grants program in accordance with federal government guidelines on grants programs. You chose not to, and that culminated in a rort.

**Senator Kemp**—We are still trying to get it clear whether you are being fair dinkum or not. The argument is that somehow we campaigned in McEwen and made some promises in relation to grants. That is the argument. The Labor Party went up to McEwen and made heaps of promises in relation to grants. Do you condemn the Labor Party for its performance in McEwen, in attempting to win that seat by making promises of grants, Senator Lundy?

**Senator LUNDY**—Senator Kemp—

**Senator Kemp**—No, you do not.

**Senator LUNDY**—you had the choice to put in place an appropriate grants program—

**Senator Kemp**—Hello, we have totally exposed Senator Lundy's hypocrisy.

**Senator LUNDY**—Do not interrupt me when I am speaking.

**Senator Kemp**—Totally exposed your hypocrisy, Senator Lundy.

**Senator LUNDY**—I think the only hypocrisy that is exposed here is cross-referencing your statements with respect to previous sports rorts, when you argued for a proposed Senate select committee, and your weak and pathetic defence of sports rorts mark 2.

**Senator Kemp**—All I can say is that people can read this *Hansard* and they will note that somehow the Liberal Party was condemned—strongly condemned by Senator Lundy—for going into the electorate of McEwen and making commitments and promises. The Labor Party went to the electorate of McEwen and made a whole host of promises as well—but got beaten. You cannot condemn Liberal Party behaviour if you are not prepared to condemn Labor Party behaviour. People will note that when you were specifically challenged on the grant program that the Labor Party made in the electorate of McEwen, you assiduously refused to condemn that program. You thought that it was entirely appropriate for the Labor Party to go to McEwen and make promises to the Friends of the Helmeted Honeyeater but that it was not appropriate for the Liberal Party to go to McEwen and make promises, apparently.

**Senator LUNDY**—That is a very convenient distinction between the Liberal Party and the government of the day. The fact is you are the government of the day, you could have made it an accountable program and you chose not to. That constitutes a rort. So now I would like to ask the department to describe specifically what measures they have put in place to try to retrospectively legitimise sports rorts mark 2.

**Ms Williams**—Senator Lundy, as I have said, it is not our business to do that. We are given an election commitment, we are responsive to the government of the day and we administer that commitment to the very best of our ability with proper accountability measures that Mr Lyons has just gone through.

**Senator LUNDY**—Thank you. I accept that. I think the political manipulation is on behalf of the minister, and I accept completely that your job is to make the best fist of whatever you are given. So can you go through how you have made the best fist of this?

**Senator Kemp**—Chair, I think these are questions which are attempting to impugn people's motives. I do not think it is an appropriate form of question.

**Senator LUNDY**—I have just clarified that, Senator Kemp.

**Senator Kemp**—You can ask a question in a straightforward fashion but, Senator Lundy, if you attempt to make a political point, you cannot complain if people respond to that. I think it has been noted that I am very slow to anger and my tolerance is often infinite. But, if you are going to make political points, we are going to respond to them. It is now after 10. We have wasted a good hour this morning already. I suggest that you do not put questions to the department phrased in the way you do which make implications against other people.

**Senator LUNDY**—The implication is aimed at you, Minister.

**Senator Kemp**—I know that. That is exactly what I am complaining about, Senator. You got that one in one!

**Senator LUNDY**—Just let the department answer.

**CHAIR**—Ms Williams has already said that there is a protocol which they go through in terms of accountability. That is a departmental process. Do we really want to hear this gone through item by item or shall we get on with some estimates questions?

**Senator LUNDY**—I could ask specific questions rather than allow the department the time to give a general explanation.

**CHAIR**—We are now one hour and 10 minutes into this estimates hearing and so far we have not progressed very far.

**Mr Lyons**—Our role has been to get in touch with the proponents, to make sure that they provide us with relevant information, to make sure that they are capable of implementing any projects that we fund them for. We need to go through a process of negotiating, drafting and executing funding agreements. There will be acquittals and evaluations et cetera. We obviously require very detailed project plans from proponents for large projects, for example above \$100,000—we consider that to be a large project. We require much more rigorous independent auditing of those agreements and the acquittals that are provided under those agreements. It is just a matter of making sure that those people have control of those projects, can deliver on those outcomes and have submitted the detailed project plan and that that is encapsulated in a funding agreement which has the standard reporting mechanisms in it and then completing the acquittal process. It is really just a process of making sure and also making sure that we are funding them in accordance with the budget funding and that, over the years, the budget funding has been allocated in accordance with all financial regulations.

**Senator LUNDY**—Can you tell me if any of this funding has been paid out yet?

**Mr Lyons**—Yes. We have funded 30 election commitments and five of those have been fully acquitted. Kogarah and Whitten Oval received part of the funding that was allocated to them for 2004-05. Six projects have not received any funding in 2004-05 and that has been, again, because of this accountability issue. We want to make sure we are timely but also accountable, so if there are delays in proponents providing detailed project plans, if they have not completed the feasibility studies that they needed to complete, if they have not obtained all the necessary local government approvals or they need to obtain matching funding from

other sources, until those things are in place—they would be some of the reasons why we may not have moved to fund.

**Senator LUNDY**—What I might do is go through some of those individually. Could I ask you specifically first of all how has the department approached the grantees, the recipients of this funding, following that initial approach? What was the process by which the department initiated the drawing up of, I presume, some sort of funding agreement?

**Mr Lyons**—The general process has been that, and this was around January of this year or December of last year, we would have written to the people who would seem to be the proponents of the funding.

**Senator LUNDY**—What do you mean ‘seem to be’?

**Mr Lyons**—From the stated election commitments.

**Senator LUNDY**—Were you not given a list?

**Mr Lyons**—We had the election commitments.

**Senator LUNDY**—So you had what I had?

**Mr Lyons**—I think that is probably right.

**Senator LUNDY**—What was in the press.

**Mr Lyons**—We had to make sure that we notified those people that we would have discussions with them to enter into appropriate funding agreements.

**Senator LUNDY**—Can you provide the committee with the correspondence that you sent out on that initial approach?

**Mr Lyons**—Yes.

**Senator LUNDY**—Thank you, and also their responses?

**Mr Lyons**—Yes. I will take that on notice.

**Senator LUNDY**—How many of the recipients responded directly to that initial correspondence? Did you have any trouble tracking any of them down?

**Mr Lyons**—In nearly all cases, we had a quick response. There were probably a couple of occasions where there was difficulty in tracking down the person responsible for the project, but that was resolved.

**Senator LUNDY**—Which one was that?

**Mr Lyons**—I do not have those details with me, so I will have to take that on notice.

**Senator LUNDY**—When the approach was made by the department was it made to the local club and organisation or to the peak sporting bodies of the sports involved?

**Mr Lyons**—No. It would have been to the St George football club or the Footscray Football Club, if they are the examples you are thinking about. Rather than contacting the AFL, we would have contacted the clubs.

**Senator LUNDY**—Is that an unusual approach to administering grants programs? Wouldn't the usual approach be to sign an agreement with the state representative or the peak representative of that sporting organisation?

**Ms Williams**—It would not be an unusual approach if the promise were made to a particular club or facility. That would be the normal way we would go about it.

**Senator LUNDY**—Did the department have people with expertise in this area prior to the facilities program?

**Ms Williams**—We have people with expertise in grant administration. We do quite a lot of grant administration.

**Senator LUNDY**—Did this program place an additional burden on the department's resources, and how did you resolve that?

**Ms Williams**—Yes, it did place a burden on the department's resources—all program administration does. We resolved it by adjusting priorities.

**Senator LUNDY**—Did you employ any new staff?

**Mr Lyons**—I think we had one or two. It is a matter of shifting priorities around, largely within the department and within the sports area. I think we would have employed at least one additional staff.

**Senator LUNDY**—What programs had diminished priority in order to make way for the facilities program?

**Senator RONALDSON**—This is very cute politics, but it is a blatant lie. There was not a sports program. It was not like your sports rorts, which was a program. These are election commitments totally unrelated to any program. So let us cut out this cute little line about a sports program—so that you can claw something back from your inadequacies.

**Senator LUNDY**—I have never been called cute before.

**Senator RONALDSON**—Let us talk about election commitments and not a sports program. It is a blatant lie. So let us get on with it.

**Senator LUNDY**—It is a program now, because the department is administering it.

**Senator RONALDSON**—It is not. You are referring to a sports program prior to the election. They were election commitments—no more, no less. They were totally unrelated to any sports program. So stop lying to this committee.

**CHAIR**—And stop lying to the people of Australia, through this video.

**Senator LUNDY**—I have touched a nerve, perhaps.

**Senator RONALDSON**—When you start lying, you touch a nerve. Absolutely.

**Senator LUNDY**—Ms Williams, can you answer the last question I asked before we had that rude interruption.

**Ms Williams**—I do not deal with a sports area, an arts area, communications or broadcasting. We look at the entire departmental resources, and I adjust priorities as they appear at the time. It does not mean that any program was given low priority; it means we may not have had as much research or even that we have not got as much money for something the department would normally do that is to do with its own management. I adjust priorities to fit in the additional requirements. These were not ongoing, obviously. They cover two financial years. So it was easier than something that would have been longer term.

**Senator LUNDY**—Once the initial letter goes out and contact is made with the grant recipient, what is the next process in the negotiation for a funding agreement?

**Mr Lyons**—The general manager for sport, Mr Isaacs, reports to me. He is actually on leave at the moment. He had a personal involvement in going out to talk with the proponents to make sure that he understood the details of the projects—how they would be constructed, whether they were getting funding from any other sources and exactly what was being proposed—for the purpose of being satisfied the proponents were in control of those projects and could deliver those outcomes if they were funded.

**Senator LUNDY**—For the benefit of the committee, could you explain why that is important?

**Mr Lyons**—It is important in any project that, before you fund a person for expenditure, the person is capable of expending the money and delivering the outcome for which the funding agreement is formulated. That is a very general process that will happen in any funding agreement: that the person can deliver on their side of the bargain and produce that outcome.

**Senator LUNDY**—That is one of the issues that would normally have been covered if applications had been received, would it not?

**Mr Lyons**—It would also be covered in the detailed negotiation of a funding agreement with a successful applicant.

**Senator LUNDY**—But an application could not be received unless those sorts of basic criteria had been established. Is that a fair point?

**Mr Lyons**—It would always be the case that you would not rely, even in an annual application sort of program, just on the application. You would need to construct an individual agreement that was properly negotiated and went down to a fair level of detail.

**Senator LUNDY**—Given that Mr Isaacs is on leave, are you able to inform the committee whether you identified potential grantees who were not of sufficient organisational structure to receive grant funding?

**Mr Lyons**—I will have to take it on notice, but I am not aware that there have been any major problems in that regard. Some of that is just being sure—for example, if the proposal were to upgrade a facility that might be owned by a local council it is being sure that the local council consents and agrees to that proposal. That is just a matter of probity and thoroughness.

**Senator LUNDY**—Was it the department's role to initiate off their own back consultations with local councils to double-check that these projects were legitimate?

**Mr Lyons**—I think evidence was required to be provided. If that did involve a need to talk to local councils, I am sure that happened. But, certainly, evidence needed to be provided that local councils were involved in the projects.

**Senator LUNDY**—Were any of the projects either questioned or not approved by local councils at the point of this exercise by the department?

**Mr Lyons**—No. I would have to take it on notice, but I am not aware of any problems of that kind.

**Senator LUNDY**—Please take it on notice. After that approach by the department and the one-on-one discussions with the potential grantee, what happens next?

**Mr Lyons**—One of the issues is when people will actually be ready to spend the money, and making sure that we do not fund a project now that is not ready to proceed until a later time because of the construction timetable as such. That is the sort of process we need to go through to find out when the projects will occur and when the expenditure will be happening.

**Senator LUNDY**—So is it a fair comment to say that not all of the projects were in fact ready to proceed?

**Mr Lyons**—Yes. I think I have indicated that the election commitment was to upgrade 38 sporting facilities. In 2004-05 we provided funding and interim funding agreements for 30 of those commitments. I think it is true to say that the more significant, high-value projects were much more complex and required lead time for the construction. They are the ones to whom, for a variety of reasons, funding was not allocated in the remaining projects because of things such as their not being able to at that point in 2004-05 provide project plans, complete their own feasibility studies, get their own local government approvals et cetera.

**Senator LUNDY**—How does that sit with the coalition's promise that some of those projects would be funded in the 2004-05 year? Was the coalition's promise specific about what year it would be funded?

**Ms Williams**—I think I can answer that, because I spoke to Mr Isaacs about this. Where the projects did not receive funding in 2004-05 and that had been promised, that was after negotiation with the people we were contracting with that they could not cope with the money in 2004-05 and so we applied to roll it over to 2005-06.

**Senator LUNDY**—Mr Lyons, can you tell me how the department reconciled the agreements with potential grantees with the promises of the coalition government and the documents that the government were able to provide? I am looking to see how officers of the department clarified exactly who, where and what the money would be going to and be spent on, given that you were working with a pretty broad set of public statements about promises in McEwen, Makin and all the other places.

**Mr Lyons**—I have already indicated that we got in touch with the proponents and went through that process.

**Senator LUNDY**—I understand that. That is contact in one way but, in another way, you are accountable only to Liberal Party campaign headquarters or your minister. So what was the reconciliation on that side of the ledger, given that you were handed these projects by Liberal Party headquarters?

**Ms Williams**—They were fairly simple. The commitment, which then became the policy of the government of the day, was simply to provide a certain amount of money in a certain year to a certain facility. It was not something that we had to go back for—we administered it on that basis.

**Senator LUNDY**—So there was no communication between the department and the Liberal Party per se or the minister's office?

**Mr Lyons**—Certainly not.

**Senator Kemp**—Senator Lundy, you so misunderstand this that, I have to say, it is just awesome.

**Senator LUNDY**—I am trying to get to the bottom of the accountability process.

**Senator Kemp**—There is nothing to get to the bottom of.

**Senator LUNDY**—Sadly, I know that.

**Senator Kemp**—Election commitments were made and the government is delivering on its promises. I have no understanding of why you think this is a curious matter. This program has been welcomed by the clubs that have received grants—not surprisingly—and the department is administering these grants in an appropriate fashion. If you have other information, you can share it with the committee.

**Senator LUNDY**—Once the funding agreement has been established—I think you said before that 30 of the 38 agreements had been established and signed—the money is handed over?

**Mr Lyons**—Yes. Whether all the money is handed over depends on the way the agreement is structured.

**Senator LUNDY**—I would now like to get an update on the status of each project, including the major milestones and time lines. Do you have that information?

**Mr Lyons**—I do not have that information with me. I heard of your request yesterday and I have tried to gather together as much information as I can. As you would appreciate, we have 38 projects. There are files relating to 38 projects as well as a general file on the administration of the program. Also, as I said before, the general manager of the program is on leave.

**Senator LUNDY**—I presume you have been fully briefed, so we might get started. Can you tell me the overall funding that has been handed over to Pambula Surf Life Saving Club and the time line for the project?

**Mr Lyons**—Full funding has been handed over to Pambula, progress reports have been received and a final report is due on 31 January 2007. The amount was \$250,000. In the scheme of things, that is a relatively small-scale project.

**Senator LUNDY**—With final reconciliation due on 31 January, what acquittal process occurs at that point? Does the Pambula Surf Life Saving Club provide you with full details of the expenditure?

**Mr Lyons**—They provide full details of the expenditure and it is signed off by the CEO, the chief financial officer or whomever is able to legally commit the company that the funds have been expended in accordance with the agreement.

**Senator LUNDY**—Perhaps I could place on notice that you provide the committee with all of the agreements that you have negotiated with respect to these clubs. That might truncate the process.

**Mr Lyons**—I will take that question on notice.



**Senator LUNDY**—I am presuming you have not got them all here today, but I would like you to provide them to the committee in a timely fashion. We have had a few issues but I know Ms Williams will be making sure they get here before the allotted date.

**Ms Williams**—If it would help we could give you on notice this week a rundown of the projects and the project status just to save you time today. There are a lot of them. We can give you all that we have as you run through, if it would help to save time.

**Mr Lyons**—We could also show you the general form of agreement. These are standard agreements.

**Senator LUNDY**—That would all be very useful. I noticed Mr Lyons was referring to a document then. If you have a precis of the status report of these projects, that would help us save time. Can that be provided now? Can you table that or get it into some form such that you could table that?

**Mr Lyons**—We would have to get it into a form so that we make sure that the information was consistently provided against each of the projects.

**Ms Williams**—But we could do it by tomorrow.

**Senator LUNDY**—Thank you. Perhaps we could turn then to the ones that have not got a funding agreement signed off. Could you individually go through those and outline the outstanding issues that are preventing those funding agreements from being finalised.

**Mr Lyons**—I will go through them in alphabetical order; is that all right?

**Senator LUNDY**—Certainly.

**Mr Lyons**—There is Bridport Bowls Club, which was an election commitment of 0.025 in 2004-05.

**Senator LUNDY**—Where is that?

**Mr Lyons**—I am sorry; it was a total election commitment of 0.07 but the proposal was to pay 0.025 in 2004-05. No funding was paid in 2004-05. We basically sought approval, which I think has now been obtained from the minister for finance, to rephrase that money so that it can be spent in 2005-06.

**Senator LUNDY**—So the full 0.07 million will be paid in 2005-06?

**Mr Lyons**—Yes, that is exactly right. But we are still waiting. The club itself wanted to delay funding until 2005-06. It was at the request of the particular club, so we are still awaiting further information from them before we can finalise any agreement for 2005-06. The Burnie Swimming Pool was an election commitment of \$1 million of which \$100,000 was to be paid in 2004-05. Then in 2005-06 it was planned to be \$0.5 million and in 2006-07 it was \$0.4 million. We are rephrasing, again, \$100,000 from 2004-05 to 2005-06. Again, we are waiting for information from the council to enable us to enter into the agreement. They have not finalised their plans.

**Senator LUNDY**—So when you sought rephrasing of that initial \$100,000, does that mean 2005-06 will be 0.6 of one million?

**Mr Lyons**—Yes, I should have said that. That is exactly right, and 0.4 in 2006-07.

**Senator LUNDY**—Yes. Can you tell me the issues with the local council in Burnie? Did that project have approval from the local council?

**Mr Lyons**—I think the council is deciding on the most appropriate site, which it will identify by the end of 2005.

**Senator LUNDY**—I suspect this will be a question for the minister. Minister, can you tell me why a million dollars was allocated when the proponents had not even determined details like final location?

**Senator Kemp**—We are providing money for a particular project. If the site is to be determined we shall wait till that site is determined. I understood the Burnie Swimming Pool project was one that was quite widely welcomed.

**Senator LUNDY**—I am sure it was.

**Senator Kemp**—I will have to check to see whether the Labor Party matched that grant. It may well have; I do not know. I will make some inquiries. That may assist you as well.

**Senator LUNDY**—What is the expected time line now for finalisation of the Burnie Swimming Pool funding agreement?

**Mr Lyons**—I understand the council is in discussion with the state government about state government funding. I am not sure of the exact time line until we get information from the council.

**Senator LUNDY**—Is this project contingent on state and perhaps even local government injection of funds?

**Mr Lyons**—I will have to take that on notice. For Devonport Swimming Pool there is a total commitment of \$1 million, which it was announced would be provided in 2004-05. Now the proposal is to rephrase that money. I am sorry; I take that back. It was a \$1 million election commitment, of which \$100,000 would have been provided in 2004-05; 0.5 million in 2005-06 and 0.4 million in 2006-07. It is now proposed to rephrase the \$100,000 from 2004-05 to 2005-06.

**Senator LUNDY**—So it is the same as the Burnie Swimming Pool?

**Mr Lyons**—Yes. We were talking about Devonport Swimming Pool?

**Senator LUNDY**—Yes. It is the same rephrasing as applies to the Burnie Swimming Pool.

**Mr Lyons**—Yes.

**Senator LUNDY**—What was the cause of the delay there?

**Mr Lyons**—Again, the council wanted to move the funding back to 2005-06. We are waiting for further information from them before we can enter into any funding agreement.

**Senator LUNDY**—And the fourth one?

**Mr Lyons**—That was Kardinia Park. The election commitment was for \$2 million, which was to be paid in 2004-05. That is to be rephased to 2005-06. Basically, the work will commence at the end of the AFL season. They were not ready to commence work and have a funding agreement finalised for 2004-05. We are expecting further advice in relation to Kardinia Park; we are waiting for their advice.

**Senator LUNDY**—Did the park management request that rephrasing or the delay in funding?

**Mr Lyons**—I think it was agreed, because they understood the accountability requirements were such that we could not be handing money to them when they were not ready to start work on the projects.

**Senator LUNDY**—Can you outline what the issues with the accountability process were with Kardinia Park and how it was delayed?

**Mr Lyons**—As I said before, Mr Isaacs was involved in the negotiations on these key projects. There were discussions to get information from those people and to tell them the accountability requirements that they would have to comply with, the need for them to have a detailed project plan and the sorts of things that they would have to agree to in the funding agreement. I understand that a detailed project plan has not been provided yet but, as soon as it is, we will be looking towards finalising the funding agreement.

**Senator LUNDY**—Is it a fair comment to say that Kardinia Park found it difficult to meet the department's request for accountability for this project?

**Mr Lyons**—No. I think it is simply that the work itself was not going to commence until this season finished.

**Senator LUNDY**—Could you take on notice to provide more correspondence between the department and Kardinia Park management in relation to these grants?

**Mr Lyons**—I can take that on notice.

**Senator LUNDY**—Thank you. Next?

**Mr Lyons**—Kingsborough Sports Centre, \$1 million: \$25,000 in 2004-05, \$0.795 in 2005-06 and \$0.10 in 2006-07. Nothing was paid in 2004-05. There was an agreement with the Kingsborough Sports Centre to pay them \$5,000 for a feasibility study, which I think was explicitly part of the election commitment. So that agreement for \$5,000 was entered into in 2004-05. The balance of \$20,000 is to be rephased, making a total of \$0.815 to be paid in 2005-06. Again, we are waiting and expecting notification in late November on sufficient detail on the project plan so that we can enter into a funding agreement. Kogarah Jubilee Oval is an \$8 million commitment for which it was announced that \$2.3 million will be paid in 2004-05, \$2.8 in 2005-06 and \$2.9 in 2006-07. A stage 1 agreement was entered into with the football club for an amount of \$2.091 for lights at Kogarah Jubilee Oval, rephrasing the balance of \$0.189, so that the revised 2005-06 figure would be \$2.989. That is relating to what will be a second funding agreement which relates to the rest of the oval development—seating, access et cetera.

**Senator LUNDY**—Why did you decide to have two funding agreements?

**Mr Lyons**—There was a deliverable part of the project which could be delivered in 2004-05, which were the lights. So we funded those as part of a specific agreement that could be done and fully acquitted. It was an independent part of the project which was appropriate to fund in that year rather than delay the lights.

**Senator LUNDY**—Was that your decision?

**Mr Lyons**—We believed it was an appropriate and accountable thing to do and I think there was agreement on both sides.

**Senator LUNDY**—Whose idea was it?

**Mr Lyons**—I would say that it came up during the negotiations. I would have to take that on notice.

**Senator LUNDY**—I will come back to that.

**Mr Lyons**—Penrith Stadium upgrade is a commitment of \$10 million which was announced would be paid in 2004-05. That is to be rephased to 2005-06. Again, with the Penrith Stadium upgrade, that project construction was not due to commence until after the NRL season, from October onwards. So it was not appropriate to pay in 2004-05. We have sought rephasing of the funding to 2005-06 and we will be negotiating and finalising a funding agreement.

**Senator Kemp**—Chair, we have reached the time listed for morning tea. I assume we are sticking to the program that we finish sport at one o'clock.

**Senator LUNDY**—That is correct.

**CHAIR**—We will now break for morning tea.

**Proceedings suspended from 10.44 am to 11.05 am**

**CHAIR**—We will now resume.

**Senator LUNDY**—We were working our way through a list of projects that have not been financed in the promised year. We were discussing Penrith Oval before the break.

**Mr Lyons**—I think I had been through the fact that that was being rephased into 2005-06.

**Senator LUNDY**—The full \$10 million?

**Mr Lyons**—The whole \$10 million, because it would not have been appropriate to hand money out in 2004-05 because the project construction was not going to commence until 2005-06, which is at the end of the just finished NRL season. So we would hope to enter into a funding agreement very shortly for Penrith Oval.

**Senator LUNDY**—Is there one more?

**Mr Lyons**—Yes. The next one on the list is Ridge Hills United Football Club. The announced amount was \$0.150 million, which was announced for 2004-05. That amount will be rephased to 2005-06. Again, that is because the proponents have advised the department that they had delays in getting relevant planning permission. Once they have got that planning permissions and they have submitted a detailed project plan we can finalise the funding agreement with them.

**Senator LUNDY**—Are you able to give me a total of all funding that has been rephased from 2004-05 to 2005-06?

**Mr Lyons**—The total to be rephased is \$16.409 million.

**Senator LUNDY**—What was the total of the grants program?

**Mr Lyons**—It was \$37.850 million over three years.

**Senator LUNDY**—Have there been any rephasings from 2005-06 to 2006-07? I did not note any as you went through this.

**Mr Lyons**—No.

**Senator LUNDY**—For all the projects that funding agreements have been entered into, what has actually been built?

**Mr Lyons**—I would have to take that on notice and look at each of the individual projects that we funded for 2004-05.

**Senator LUNDY**—I am presuming that, with your robust acquittal process, you would know at least at which stage those projects are at and could tell me if anything has actually been done.

**Mr Lyons**—For those where funding agreements have been acquitted for 2004-05, we can definitely say what has been built.

**Senator LUNDY**—And they were?

**Mr Lyons**—The ones where a funding agreement has been committed—where funding has been provided in 2004-05—are: the Bradford Bowling Club lights; the Wallan and District Cricket Club Inc practice nets; the Wanilla swimming pool upgrade; the Golden Grove Football Club at Harpers Field; and the Para Hills Knights Soccer Club lighting project. I think that is all. All the others are at various stages of the process in terms of reporting.

**Senator LUNDY**—So there are some half-a-dozen projects that you say have been formally acquitted?

**Mr Lyons**—There are five.

**Senator LUNDY**—Five have been formally acquitted?

**Mr Lyons**—Yes.

**Senator LUNDY**—Out of a total of 38?

**Mr Lyons**—Yes, that is true.

**Senator LUNDY**—And we know that \$16.9 million has been rephased, affecting eight projects. Out of the remaining projects, what has been built, if anything?

**Mr Lyons**—Of the ones where progress reports have been provided but the final acquittals have not been made?

**Senator LUNDY**—That is correct. I just want to get a sense of what stage the rest of them are at—whether funding agreements were signed two weeks ago or months ago and what has been done to date.

**Mr Lyons**—With all of the ones that have been provided with 2004-05 funding, the funding agreements were in 2004-05.

**Senator LUNDY**—Right. I want the progress report on those.

**Mr Lyons**—I can take that on notice, or I have some information here. For example, the progress report for the Gisborne Netball Club was received on 18 October and the final report is due on 30 March.

**Senator LUNDY**—Where were they up to on 18 October?

**Mr Lyons**—I do not have that information with me, I am afraid.

**Senator LUNDY**—Who does have that in your department?

**Mr Lyons**—I think we would need to go back to the files to make sure we can give you an accurate answer.

**Senator LUNDY**—As of today's date, can you take it on notice to provide a full progress report on each of those projects?

**Mr Lyons**—On each of those ones that have not been fully acquitted?

**Senator LUNDY**—Yes.

**Mr Lyons**—Yes, I can.

**Senator LUNDY**—Minister, are you disappointed that a lot of your election commitments on sports facilities have had delays?

**Senator Kemp**—I think that these commitments were very widely welcomed. I take it from the responses from the officers at the table that good progress has been made. There is proper accountability and very useful facilities will be built. So, in contrast to the implications of your statement, I think it is progressing well.

**Senator LUNDY**—I would like to focus on the Brookvale Oval lighting project for a short while. I put a question on notice—No. 417—regarding this project at the last estimates hearing, the budget estimates. I note that the committee received a detailed answer from the department, albeit only late last week. However, I note in the papers provided that there is a copy of the funding agreement but not a signed copy. Can you clarify whether or not this funding agreement has been signed, and can the department confirm that all correspondence and references on DCITA's files on Brookvale Oval have been provided to the committee in accordance with question 417?

**Mr Lyons**—I can certainly tell you that the funding agreement was signed.

**Senator LUNDY**—On what date?

**Mr Lyons**—I have been advised that it has been signed but it was signed after the response was prepared. We can provide you with a copy of the signed agreement.

**Senator LUNDY**—So when did the department provide the response to the minister's office, and when was the funding agreement signed?

**Senator Kemp**—I think they are matters that I will take on notice.

**Senator LUNDY**—I do not think so, Minister. There is no need for you to interfere.

**Senator Kemp**—No. I will decide this.

**Senator LUNDY**—No, you will not. I am asking the department some fundamental questions.

**Senator Kemp**—I will decide this.

**Senator LUNDY**—No, you will not. You have no right to override an officer on the matter of the date of the signing of a funding agreement—nothing could be more fundamental to accountability.

**Senator Kemp**—On that, you can have the date; that is all right. But you are talking about things coming to my office, and that is a matter for me, so I will answer those.

**Senator LUNDY**—When was the funding agreement signed?

**Mr Lyons**—I do not have that information with me. I will check with my office.

**Senator LUNDY**—Can I suggest you contact your department and get that information. We made it very clear that we wanted everyone available today who knew the detail of these facilities projects.

**Senator Kemp**—Senator, I would appreciate it if you would speak to my officers in a more courteous fashion. I think the officers have pointed out that they would have had to provide truckloads of files to have met your request, and that clearly was not practical. I would have to say that the officers have been very forthcoming, and they should be treated with more courtesy than you are showing at the moment. I would appreciate it if you would treat them with appropriate respect.

**Senator LUNDY**—Thank you, Minister. Can I ask you or the officers, whoever has this information: when was the funding agreement on Brookvale Oval signed?

**Senator Kemp**—Sure, we will get that back to you.

**Senator LUNDY**—No, I would like the answer now. If this information was provided to the committee last Friday in an unsigned form that means that either the department is not providing accurate information to the committee or you, Minister, have withheld this information in your office and delayed it unnecessarily for the purpose of covering up something. Direct your officers to answer the question and do not block the appropriate paths of accountability to this parliament by the department.

**Senator Kemp**—I am perfectly comfortable for the officers to answer that question about when it was signed.

**Mr Lyons**—I do not have that information with me. If I knew the date that it was signed I would tell you. The officer with me, whom I have asked to check it, just does not have that information. We can go back and check on the file and get the information to you almost immediately.

**Senator LUNDY**—Terrific. If you could do that it would be very helpful. I can come back to this point in my questioning when you have that information.

**Mr Lyons**—You want us to check now?

**Senator LUNDY**—Yes, please. I presume that, because this information was provided to the committee only on Friday, the answer may well be that the funding agreement was signed between the delivery of these documents to the committee and today's hearing. Is that a fair assumption?

**Mr Lyons**—I would have to check.

**Senator RONALDSON**—Senator Lundy, do the letters say that the agreement has been signed?

**Senator LUNDY**—No. The officers have told me that the agreement has been signed.

**Senator RONALDSON**—But in the information provided, did they say in there that it was signed and you are saying that it has not been?

**Senator LUNDY**—No. My interpretation of the documentation I was provided with was that it had not yet been signed. While you are finding out that information, can I ask the department whether they are certain that all correspondence and references on DCITA's files on Brookvale Oval were provided to the committee as requested.

**Mr Lyons**—Yes. I am advised that we are certain of that.

**Senator LUNDY**—Can the department explain why the folio numbers on the pages provided to the committee appear to indicate that the complete file was not provided? We have pages 10 to 11, 44 to 120 and 189 to 228. I am curious as to where pages 1 to 9, 12 to 43 and 121 to 188 are.

**Mr Lyons**—I will get back to you on that, but I presume it is because there were internal deliberations, internal working documents, that were documents not relevant to the request.

**Senator LUNDY**—Did the department make the decision to withhold documents?

**Senator Kemp**—That is not withholding. You should not put words in people's mouths. The response to the question was that the documents may well not have been relevant to the question; that is not withholding material. We will check that out.

**Senator LUNDY**—I did ask on notice that all correspondence and references on DCITA's files to Brookvale Oval be provided. I did not reference the subject matter of those except to say that they were all to be provided. Some of them have not been provided, so I interpret that as withholding and now I am looking for justification of that.

**Senator Kemp**—Before we verbal people, let us get the facts of the case, shall we?

**Senator LUNDY**—What is the department's explanation for withholding those files?

**Senator Kemp**—You have just asked that question. We have had a discussion on that question. The discussion has obviously had no impact on you because you have come back and asked precisely the same question. The department has not conceded it has withheld files.

**Senator LUNDY**—Sorry, Minister: it has not provided the files.

**Senator Kemp**—What it is doing is this: it is going to check. You asked why some folio numbers were not included. There was some speculation by the officer that they may not have been relevant to the question, and we have said we will check that out; nothing could be simpler.

**Senator LUNDY**—Can you tell me, if my question was to provide all the correspondence, how not providing some of the correspondence because it was deemed not relevant to the question was—

**Senator RONALDSON**—But we do not know that that is true.

**Senator LUNDY**—Illogical!



**Senator Kemp**—There may not have been correspondence. It may not have been related to it. That is the possible explanation, and to me that is perfectly straightforward.

**Senator LUNDY**—So I ask the department again, using different wording: can the department provide an explanation to the committee as to why they extracted certain pages from the file before providing it to the committee in response to a question on notice?

**Senator Kemp**—And the department have said they are going to check this and they will provide an answer to you; that is what they have said.

**Ms Williams**—Senator Lundy, can I say on behalf of the department that we are usually very careful in our responses to questions. There must be a reason. Can we come back to you with what it is?

**Senator LUNDY**—Can you find out that reason today?

**Ms Williams**—I simply do not actually know. We have got people here and we have got people away, and I am not sure. We will do it as quickly as we can.

**Senator RONALDSON**—Mr Chairman, there are two questions in Senator Lundy's question. One is whether information was not provided, and she has quoted folio numbers. The department have said they will check to see whether there is information that was not provided. The second part of the question is: if that is the situation, why was it not done? So it is a two-part question and Senator Lundy—with the greatest of respect—has just gone to part 2 without part 1, when the officers have quite clearly said they do not know whether information was not provided and they will double-check that and, if there has been, they will give an explanation as to why. So I think they should be given the opportunity to do so.

**CHAIR**—I think that is the case. The other point that the minister made was that so many documents were requested that it would have taken trucks to bring them all down here, so obviously some kind of selectivity had to be applied.

**Senator LUNDY**—Thank you both for that arrogant intervention.

**CHAIR**—It was just for your information, Senator Lundy.

**Senator LUNDY**—No, listen to me. I asked yesterday that the correspondence and personnel who were involved specifically in this facilities program be available today. This is the third occasion when it has not been possible for officers at the table to answer questions, not least because they have not got the information here but because, Minister, you keep choosing to try to prevent them from answering my questions.

**Senator Kemp**—That is complete nonsense.

**Senator LUNDY**—What do you have to hide?

**CHAIR**—That is nonsense. The minister has been very cooperative.

**Senator Kemp**—You have obviously got a brief. You have obviously been told to get out and see if you can create some sort of climate of conspiracy.

**Senator LUNDY**—I think 'cover-up' is the word you are looking for.

**Senator Kemp**—You have been told to do that, so every hour on the hour we get a tantrum from you with shouts and accusations. It is a sad performance in my view. It is a very sad

performance by you. I do not mind you being rude to me, but you are not going to be rude to my officers and you are not going to make allegations against them. They are trying to do an honest job, which they do extremely well. They are trying to help the committee. You are making unreasonable demands of them, and I will not allow them to be shouted at by you. I hope I will get the support of the chairman on that.

**CHAIR**—Minister, you have my support, I assure you. It is a very reasonable proposition that you have put.

**Senator LUNDY**—We have established that this grant deed has in fact been signed.

**Mr Lyons**—I can give you the date of that.

**Senator LUNDY**—And what is the date?

**Mr Lyons**—It was signed on 22 June. A minor variation to the contract to vary the schedule of the project works was signed on 15 September.

**Senator LUNDY**—So you signed off the grant deed on 22 June—

**Mr Lyons**—That is my advice.

**Senator LUNDY**—and that was for the full amount?

**Mr Lyons**—Yes.

**Senator LUNDY**—How much was that?

**Mr Lyons**—\$1 million.

**Senator LUNDY**—So I presume that in response to the answers to my question that information was provided to the minister's office prior to 22 June, otherwise I would have received a signed copy of the grant deed. Is that correct?

**Senator Kemp**—We will check on that.

**Senator LUNDY**—I am asking the officer, not you. Is that correct? Was that signed grant deed provided to the minister's office for the purpose of responding to my question prior to 22 June?

**Mr Lyons**—To be honest, I would have to check to know that I was giving you an accurate answer, so I am going to have to check. I do not personally know.

**Senator LUNDY**—Can you check now, please?

**Senator Kemp**—Sometimes you misunderstand—we get the questions in and we look at those questions. Sometimes we go back and add further questions in relation to the question. There is, on some occasions, a toing-and-froing between a department and a minister's office, so there may not be a definitive answer. There may have been a first draft, it may have gone back for further drafts or clarification. This is what happens, so there may not be just one answer.

**Senator LUNDY**—That is what happens when you are trying to cover something up. Why did you sit on the files for so long, Minister?

**Senator Kemp**—Senator, you have fundamentally failed to demonstrate any sense of cover-up. The other thing you have failed to demonstrate is why it was wrong for the Liberal

Party to promise some grants in McEwen and yet it was perfectly all right for the Labor Party to do it. If you are able to tell the few people who are watching us that it was quite wrong for the Labor Party to go into the electorate of McEwen and promise grants then you would at least have a remotely credible position in relation to this line of questioning. But you refuse to do that. It is apparently okay for the Labor Party to promise grants but it is not apparently okay for the Liberal Party.

**Senator LUNDY**—I would like the department to find out what date they provided the information to answer my question on notice.

**Senator Kemp**—They can find that out and then we will make sure that there is a response to your question.

**Senator RONALDSON**—Mr Chair, I am giddy with anticipation—but can Senator Lundy move to the killer blow?

**CHAIR**—It is a long preamble, yes. Release us from our chains.

**Senator LUNDY**—I think the interventions by Senator Ronaldson show the extent of the arrogance of the Howard government in trying to cover up this sports rorts mark 2, and the more that he interrupts with inane and condescending comments it only serves to highlight the absolute arrogance of this outfit that we are having to deal with in Senate estimates.

**Senator Kemp**—Mr Chairman, can I make a—

**CHAIR**—The minister wishes to make a comment.

**Senator LUNDY**—This is my time, as a member of the opposition, to hold you accountable.

**Senator Kemp**—Just do it.

**Senator LUNDY**—All I can see is obfuscation at every turn.

**Senator Kemp**—Of course we totally reject the accusation of sports rorts. The Labor Party invented the term; the Labor Party knows all about sports rorts. This has nothing in common with the program that Senator Lundy is referring to. Senator Lundy has been told by her caucus chieftains to use the word ‘arrogant’ on every conceivable occasion so when she goes back she can report she has used the word 10 times this morning.

**Senator LUNDY**—The boot fits, Senator Kemp.

**Senator Kemp**—She has been able to use the word ‘rort’ ten times, she has thrown three tantrums and apparently this is Senator Lundy’s view of how you hold governments accountable. It is a pathetic performance, Senator. It is a very weak performance. You have been told to go out and run a brief. You have utterly failed to do it and, to be quite frank, we are wasting the valuable time of officers at this table.

**Senator RONALDSON**—What is she covering up?

**Senator LUNDY**—I beg your pardon, Senator Ronaldson?

**Senator RONALDSON**—I said what are you covering up?

**Senator LUNDY**—Senator Ronaldson, now that Senator Kemp has had his say I would like to say a few things in response. Firstly, the Howard government is utterly and completely

aware of the accountability mechanisms associated with grants programs. In fact, those accountability mechanisms, defined originally by the Audit Office, were born out of the Audit Office report into the original sports rorts affair.

There is no minister in the coalition government more sensitive to and aware of the accountability protocols associated with delivering sports community grants in this country than Senator Kemp. That is why this government was happy to front up and use the campaign headquarters of the Liberal Party at the last election to distribute these funds, because that is the only way that it knew it could escape the accountability mechanisms that had been put in place previously.

So do not come here and argue that you are somehow immune from government accountability, when you have been in government that long. You chose to specifically use the only way to rort sports community facilities funding that was left. That is my allegation and what I charge you with. I condemn you for your rort and I think that you need to be accountable to this parliament. That is what I am trying to do, including for Brookvale Oval—

**CHAIR**—Senator Lundy have you got a question, because this is a questioning session.

**Senator LUNDY**—Do not interrupt me.

**CHAIR**—As the chair—

**Senator LUNDY**—Do not be arrogant and interrupt me, because this is about government accountability—

**CHAIR**—This is an estimates session. You are not asking questions; you are making statements and grandstanding.

**Senator LUNDY**—My question is about Brookvale Oval and letters to the minister. It is about when they were delivered to the minister's office and to what extent the minister has covered up that correspondence.

**CHAIR**—Then just ask the question, instead of grandstanding.

**Senator LUNDY**—That is my question and I am still waiting for an answer.

**Senator Kemp**—This is not a forum for political debate. This may impress Senator Lundy's colleagues. They are obviously unimpressed by her performance to date, I have to say, given that she has been dropped from a wide range of portfolios—

**Senator LUNDY**—And now the minister is resorting to some sort of personal attack. All I want is ministerial accountability.

**CHAIR**—Come to order, Senator Lundy! The minister has the floor.

**Senator LUNDY**—Personal attacks are no defence.

**CHAIR**—Senator Lundy, the minister has the floor.

**Senator LUNDY**—They will not protect you from your responsibilities as a minister.

**Senator Kemp**—Senator Lundy has ranted on for five minutes with a personal attack on me. I am now attempting to respond to that. Every time I open my mouth I get another attack from Senator Lundy. The point I am making to you, Senator Lundy, is this: the Labor Party went into innumerable electorates during the campaign and made promises. You apparently

think it is perfectly okay for the Labor Party to do this, but you do not think it is okay for the Liberal Party to do this. I have highlighted to you in the electorate of McEwen—in which you showed a particular interest—a number of the grants that the Labor Party promised in that election. You have utterly failed to condemn those but you seem to think it is wrong for the Liberal Party in its campaigning to make grants to organisations as part of its promises. There is a serious logical flaw in your position. That is what we object to, Senator. We do not need you to raise your voice, shout and yell at us to cover up what is a very weak position on your part. We are happy to provide the committee with information. No-one is resisting that and the questions that you have put to the committee will be responded to. No-one is attempting to cover up anything, because there is nothing to cover up.

**Senator LUNDY**—So why did you stop the officer from answering the question about when documents were delivered to your office, if there is no cover-up? You condemn yourself by your own actions.

**Senator Kemp**—The simple reason is that sometimes, in answers to questions, there will be an original draft and my office may not think it appropriately answers the question so it goes back to the department—or there is something that is unclear, so there is a toing-and-froing. Because you have never been a minister, you may not appreciate this but it regularly happens. There is not one straightforward answer to your question, but we will look at it and we will see what information we can provide to you.

**Senator RONALDSON**—Mr Chair, again, Senator Lundy asked the officers whether there was material left out of the brief that was sent to her. They took it on notice and said that they would double-check. Senator Lundy then moved to the second stage, which was the assumption that something was left out and because it was left out it was a cover-up. Let the officers come back, as they promised, without interference from the minister, to let us know whether there was material omitted. If it was omitted then Senator Lundy's next question is 'Why was it omitted?' Let us see the reason for that before we go from A to Z in one fell swoop. I think the officers have been quite reasonable to take it on notice.

**CHAIR**—That is a very sensible comment. Let us proceed, Senator Lundy.

**Senator LUNDY**—Thank you. In response to Senator Ronaldson's arrogant comments—

**CHAIR**—Why don't you just proceed with the questions, Senator.

**Senator LUNDY**—he missed three major points which are, (1), the timing of the correspondence, (2), that I did ask for all of this information to be available today, so I do not know if it is a strategy or what is going on—

**CHAIR**—We have been through this, Senator Lundy, at least three times.

**Senator RONALDSON**—You are assuming that it has not been delivered.

**Senator LUNDY**—Excuse me, I am speaking—by not having salient facts at their fingertips. What you failed to observe was the minister's direct attempt to prevent the officer from answering a question of fact.

**Senator RONALDSON**—That is not right.

**CHAIR**—You must not misrepresent the minister's actions.

**Senator Kemp**—I made the position clear that where questions involve me, I respond to them, but we will see that we can provide the information to you so that you can stop attempting to construct conspiracy cases. Let us see if we can move this forward.

**Senator LUNDY**—Can I ask that the two questions that I have asked—

**CHAIR**—Senator Lundy, it has just been drawn to my attention that you have breached the standing orders of the Senate by claiming that the minister is attempting to block the proceedings. I must ask you to withdraw that allegation.

**Senator LUNDY**—I certainly withdraw it to comply with standing orders but I think the *Hansard* will speak for itself.

**CHAIR**—That is a very qualified withdrawal. Why don't you just simply say that you withdraw and apologise?

**Senator LUNDY**—I did say I withdraw. I would not want to give the government any excuse for not proceeding with estimates.

**CHAIR**—Why don't we just proceed with further questioning.

**Senator Kemp**—This is what we look forward to, Senator Lundy; we would miss this!

**Senator LUNDY**—I know how much you enjoy it, Senator Kemp.

**Senator Kemp**—We would not miss this for quids!

**Senator RONALDSON**—Makybe Diva has got nothing on this!

**Senator LUNDY**—Senator Kemp, can I just get some feedback from the officers about when I can get the answers to those questions?

**Senator Kemp**—We will provide them to you as soon as we can. That is what we will do.

**Senator LUNDY**—Can I get some feedback from the officers about when I can expect to get the answers to those questions. They are quite central to my brief and I need to know now whether it is going to be timely or whether you are going to wait until we conclude this portfolio.

**Senator Kemp**—We are completing this portfolio in one hour and 20 minutes. I think it is a bit rich to suggest that everyone has got to rush off and give you responses to questions on notice within an hour and a bit. We will see what we can do.

**Senator LUNDY**—Senator Kemp, Senator Ronaldson and Senator Eggleston, it is completely normal practice for officers to make a few phone calls and to try to get that information to the committee in a timely fashion.

**CHAIR**—You have already been given an answer by the officers.

**Senator LUNDY**—Now you can choose not to. If you choose not to that speaks for itself and I will move on. Can you give me an indication of whether you can get that information now? If not I will move on.

**Ms Williams**—One of your questions involves a simple date, the other one will take more time. We cannot get that now. We will have to look in the files.

**CHAIR**—You have had an answer now, Senator, so we will move on.

**Senator LUNDY**—Is the department able to say when they provided these documents to the minister's office?

**Ms Williams**—I am not sure how easy that is to find. We will do what we can but I am not sure how easy it is to find. As I told you, our main person on this is unfortunately on leave. I am not certain how easy it is to find but we will do what we can.

**CHAIR**—That is an answer given in good faith, so I suggest you accept it in good faith and move on. There is no point in harassing the staff.

**Senator LUNDY**—I appreciate that but I also note that the answer to the question was only provided to the committee last Friday. It, at least, appears that it was provided to the minister's office prior to 22 June. That represents a substantial and unexplained delay.

**Ms Williams**—I simply do not know.

**CHAIR**—The officers have said that they will provide the information and I think we should accept that in good faith.

**Senator LUNDY**—I should be permitted to make the observation that that seems particularly convenient for the minister. I note that the entire grant of \$1 million was to be provided—

**CHAIR**—That appears to be a criticism of the officers which I think is very unfair. I suggest you should withdraw that.

**Senator Kemp**—Senator, I do not think too much hangs on this.

**Senator LUNDY**—My job is to hold the government accountable.

**CHAIR**—It is not to criticise civil servants.

**Senator Kemp**—The truth is that questions come over and I explained the process to you. What hangs off this is what the information is which was provided. You raised the question in relation to some folios, so we will see what the issues are.

**Senator LUNDY**—I note that the entire grant of \$1 million was to be provided within 20 days of the contract being signed on 22 June. Was that in fact the case?

**Mr Lyons**—Are you talking about Brookvale Oval?

**Senator LUNDY**—Yes.

**Mr Lyons**—Yes, that is correct.

**Senator LUNDY**—So the \$1 million was provided on what date?

**Mr Lyons**—Within 20 days after 22 June, which was the signing date of the contract, but within that 20-day period again we would have to check our files.

**Senator LUNDY**—But you agree that it was provided within the 20 days.

**Mr Lyons**—Yes.

**Senator LUNDY**—Let us just go back to general procedures: is it standard procedure that, if the recipient of a grant is not fully complying with the contract obligations or project milestones, you have the capacity to hold up payments until compliance? Why in this case was the decision made not to have it phased or have instalments?

**Mr Lyons**—I think it was more to do with the fact that it was a discrete project for the installation of lights and it would not have made any sense to apportion half the money. It was not a project that was able to be divided down into a series of components. Whilst it might have been for a relatively large amount of money, it was considered appropriate to provide that money once we had been through the process of making sure that they were going to deliver on the outcome in terms of the negotiation of the funding agreement.

**Senator LUNDY**—When that money was provided, were you fully convinced and assured that the funding—the grant—agreement would be complied with?

**Mr Lyons**—Yes.

**Senator LUNDY**—What happened on 15 September?

**Mr Lyons**—I think that was a minor variation to the project. I do not have those details with me, but I do not think it goes to the heart of their capacity to deliver on the project as a whole.

**Senator LUNDY**—But it required an amendment to the funding agreement.

**Mr Lyons**—It did require an amendment to the funding agreement, but I would need to check that agreement.

**Senator RONALDSON**—What is the allegation?

**Senator LUNDY**—You obviously have a guilty conscience.

**Senator RONALDSON**—I beg your pardon.

**CHAIR**—Why don't we just—

**Senator LUNDY**—How do you know I was going to allege something unless you have got a guilty conscience?

**Senator RONALDSON**—If you are not, we can move onto something else. I am giddy with anticipation, as I said, Senator Lundy. I wanted the killer blow, and it ain't coming.

**CHAIR**—It never does.

**Mr Lyons**—The main change, I am advised, was to—

**Senator LUNDY**—Sorry, Senator Ronaldson seems to have a problem with accountability processes. If he is not sufficiently entertained, I suggest he goes to a committee where he believes he will be.

**Senator RONALDSON**—But what is your allegation to the department? What are you accusing them of?

**Senator LUNDY**—I am asking questions about a grants program that I believe is a rort, and now I am getting to the bottom of specific projects. I thought I had made that very clear. In fact, you have confirmed it back to me across the room a number of times.

**CHAIR**—Senator Lundy, you have always been known to have a problem with focusing, and it takes a long time to get to the point. Essentially what Senator Ronaldson is asking you to do is get to the point as quickly as possible.

**Senator LUNDY**—I think he is running interference on behalf of the minister.



**Senator Kemp**—I have not said a word.

**CHAIR**—I support Senator Ronaldson's request that you get to the point so that we can proceed through the estimates more quickly.

**Senator LUNDY**—I want to know what detail was changed in the funding agreement some months after the funding had been provided to Brookvale Oval.

**Mr Lyons**—As I understand it—but I will have to get back to you—it was a minor change to the completion date for the project.

**Senator LUNDY**—The completion date?

**Mr Lyons**—Yes.

**Senator LUNDY**—So it was not going to be completed on time: is that the issue?

**Mr Lyons**—It was not going to be completed within the time frame that was in the original agreement.

**Senator LUNDY**—Has the department or the minister received any correspondence from Mr Abbott in relation to this particular project?

**Mr Lyons**—Not that I am aware of.

**Senator LUNDY**—I have learnt over the years to be a bit cautious about 'not that I am aware of'. What about anybody else in the department being aware of it? Indeed, I extend my question to verbal approaches by Mr Abbott, not necessarily correspondence?

**Senator Kemp**—Sorry, what was the question, Senator?

**Senator LUNDY**—Has the department or you—you can have a say in a minute—been approached by Mr Abbott either by correspondence or verbally about this project?

**Mr Lyons**—We will get back to you to confirm my understanding that there was no such contact.

**Senator Kemp**—Senator, my conversations with my colleagues are matters for me and my colleagues; they are not matters for you. Your conversations with your colleagues are matters for you and I do not inquire into those. Have I received any correspondence? That again is a matter of my correspondence with my colleagues. I will see what information I can provide to you, but I do not want to set any precedents by suggesting that you are able to intrude yourself into private arrangements and discussions between me and my colleagues.

**Senator LUNDY**—Senator Kemp, I would make the assumption that you would be the first to provide information to this committee about any inappropriate approaches by any of your colleagues.

**Senator Kemp**—Senator, I would not accept an inappropriate approach. You can be assured of that. I thank you for your vote of confidence in me.

**Senator LUNDY**—That is probably why they bypassed you when they sought the grants in the first place, Minister.

**Senator Kemp**—The grant that we need to look closely at—maybe we will do it in the arts—is the promise that you made to Musica Viva.

**Senator LUNDY**—It is a positive reflection on you. You do not need to be too defensive.

**Senator Kemp**—That \$12 million promise: everything else pales into insignificance. I do not know whether I am going to be pressed by my colleagues on this grant during this afternoon—

**Senator LUNDY**—I bet you are really annoyed having to defend your party against these sports rorts.

**Senator Kemp**—You would appreciate that being attacked by you, Senator, is an awesome experience! You would understand that. I have been around for sufficiently long to be able to withstand it.

**Senator LUNDY**—Can the department tell me if the completion date nominated in the contract that was received by this committee is still in fact 28 February 2006?

**Mr Lyons**—No, I understand that it has been revised outwards from that date. My advice is that it has been changed to 31 May 2006.

**Senator LUNDY**—So why in the answers provided to this committee, given these changes were made on 15 September and the committee was only provided with these documents last Friday, is that updated information not contained in the files provided to this committee?

**Mr Lyons**—We can undertake to do that.

**Senator LUNDY**—To do what? To find out?

**Senator Kemp**—Senator, we will look at the question to see whether there is a problem and if there is a problem what the explanation is for that.

**Senator LUNDY**—Can we come back to my other question about the timing of the delivery of this to the minister's office. That is the one we are still waiting for an answer to.

**Senator Kemp**—I am not sure that you are entitled to information about advices from the department to me, but we will look at it. Nothing will hang off this, Senator.

**Senator LUNDY**—Minister, this is very important. It is not about what advice; it is about when the answers to questions on notice were provided to your office.

**Senator Kemp**—I know, but I do not provide a check sheet so that you can ask questions as to when bits of paper are provided to my office by my department. We will look at it. I do not think anything hangs off it, Senator, to be quite frank.

**Senator LUNDY**—It does.

**Senator Kemp**—If it does, if there is a problem, we will give you an explanation.

**Senator LUNDY**—A million dollars of taxpayers' money hangs on it. I expect, when we receive a file from the committee in answer to a question on notice, that it is accurate. This file is months and months out of date. It is inaccurate. It does not reflect the expenditure of this government and I want to know why. Are you trying to mislead the committee?

**Senator Kemp**—Senator, do not be—

**Senator LUNDY**—You would have been aware of the changes to this particular contract.

**Senator Kemp**—Senator, you are failing to make any ground. Therefore you raise your voice.

**Senator LUNDY**—Why are you hiding this?

**Senator Kemp**—If there is a problem, we will look at it, obviously. If there is material in the file which should have been updated, we will be sorry about that and we will make sure that the committee is properly informed, but there is no attempt at a cover-up.

Can I make a couple of comments in relation to an earlier matter that was raised in relation to a question from the universities—we hoped we could provide that information today. We have just received an email that some of the relevant people with whom they wish to check as to whether they are happy for correspondence to be provided, surprisingly are not available today. Some of them are overseas, but we will see whether we can check that as soon as possible. We rather hoped we could provide that today, but it does not appear to be possible.

**CHAIR**—Thank you for assisting the committee in this way, Minister.

**Senator LUNDY**—Minister, are you able to talk to any of your officers about when these Brookvale Oval files were provided to your office and why there was such a delay in providing the information to the committee?

**Senator Kemp**—You put some questions on notice. We will look at them and we will see if we can provide a prompt answer to you.

**Senator LUNDY**—Are there any other files that the department suspects may have been out of date that have been provided through questions on notice to the committee?

**Mr Lyons**—No, I think that is not the case but, again, we will confirm.

**Senator LUNDY**—I am concerned about this because I am not sure—and perhaps, Chair, you could enlighten me here—what ability we have as a committee to cross-reference the answers we have received on file as answers to questions on notice from the department to check for their accuracy if we cannot be confident that these files are indeed current or accurate.

**CHAIR**—The committee secretariat keeps a broadsheet on questions on notice and when they are answered but as to their accuracy I think we depend on the good officers of the department and the minister's office to ensure that the information provided to you is accurate and answers your questions.

**Senator LUNDY**—But that will not actually solve the problem because now it is a question of accuracy.

**CHAIR**—Senator, that is a matter for you to take up but, as I said, the staff of the secretariat spend a lot of time checking on the progress of answers and that is really the extent of their role.

**Senator LUNDY**—So with regard to the question of accuracy the committee does not have a role in assessing the accuracy. We as a committee have to take on face value what we are provided with by the department.

**CHAIR**—That is the way the committee system works. We depend on the department to provide answers and we accept those answers in good faith.

**Senator LUNDY**—In this case I am alleging that the minister's office withheld information, that the status of that information changed, and that the old information was provided to the committee by the minister's office. The precise turn of events we are yet to establish because the minister and the department cannot answer precise date details, but it leaves us in a very precarious situation where, in fact, we could be receiving inaccurate information.

**Senator Kemp**—That does not leave you in a precarious position at all. We will have a look at the matters you have raised, Senator. No-one is trying to cover up anything, to be quite frank. We will look at the issue with the department and then we will see what information we can provide to you.

**Senator RONALDSON**—Mr Lyons, it is Brookvale, isn't it?

**Mr Lyons**—Yes.

**Senator RONALDSON**—Have you got any reason to believe this project will not be completed?

**Mr Lyons**—No, not at all.

**Senator RONALDSON**—Have you got any reason to believe that there has been any misappropriation of Commonwealth funds in relation to this project?

**Mr Lyons**—Definitely not.

**Senator RONALDSON**—Thank you.

**CHAIR**—I think it is probably unparliamentary for Senator Lundy to be suggesting that this information has been improperly withheld.

**Senator LUNDY**—Actually, I am not. I am asking questions about dates and timing and the role that the—

**CHAIR**—Have due respect to—

**Senator LUNDY**—Excuse me, the role the minister has played. Any impugning of Manly Football Club has come from Senator Ronaldson and you, Chair.

**Senator RONALDSON**—I am entitled to ask questions.

**CHAIR**—Senator Lundy, if you do not mind, we have to have respect for the protocols of the parliament and the standing orders. I think you are straying very close to the edge and I suggest that we come back to observing the protocols.

**Senator LUNDY**—What edge would that be, Chair?

**CHAIR**—Of straying into unparliamentary conduct.

**Senator LUNDY**—In what way?

**CHAIR**—If you are suggesting that the minister is deliberately withholding information, that is unparliamentary.

**Senator LUNDY**—I have asked the question and he has undertaken to get back to me.

**CHAIR**—He has—

**Senator RONALDSON**—So how can he be withholding?

**CHAIR**—So how can he be withholding?

**Senator Kemp**—Senator, we will get back to you. Thanks to Senator Ronaldson's question, I do not think anyone is making any allegations or imputations against Brookvale. Senator Lundy certainly is not. The officers are confident that the money has been administered in an appropriate fashion so it is hard to see what ultimately will hang off all this, but nonetheless let us just get the information to Senator Lundy.

**Senator LUNDY**—Thanks. That is what I am waiting for.

**Senator Kemp**—Next question.

**CHAIR**—I suggest we proceed, Senator Lundy. This has not been a happy morning.

**Senator Kemp**—It has not been one of Senator Lundy's best mornings.

**Senator LUNDY**—It has been quite useful in exposing the arrogance of the Howard government.

**Senator Kemp**—We know that Senator Lundy has been told by her caucus war lords to use the word 'arrogant' on a very regular basis, but to use it does not give it substance. What is arrogant is the way you treat this committee and the way you speak to officers at this table. That is arrogant. I have had reason to caution you in the morning about the way you approach your questions. That is all.

**CHAIR**—I think we should move on, Senator Lundy.

**Senator LUNDY**—Thank you, Chair, I plan to. But if it is possible for the department to respond to some of those questions prior to this portfolio concluding in an hour—

**Senator Kemp**—It has been answered.

**Senator LUNDY**—No, I am still after that date when the documents were provided to your office.

**CHAIR**—You have made that point already, Senator Lundy.

**Senator Kemp**—We have already responded to that. The secretary has responded to that.

**Senator LUNDY**—You have taken it on notice?

**Senator Kemp**—That is what we said. I wish you would listen.

**Senator LUNDY**—Sorry, my mistake. I interpreted your response as being that you would undertake to try and get the answer to that question prior to the portfolio finishing.

**Senator Kemp**—We are able to provide you with the date when the contract was signed. Then there was another series of information which will require people to look at the files and that will now be done. We do not think we can provide that to you today but we will provide it as soon as practicable. That is what I said.

**Senator LUNDY**—You are not going to provide it today?

**CHAIR**—Senator Lundy, that is not the conclusion you can draw.

**Senator LUNDY**—But I think there is choice involved here. They can choose to provide it today or they can choose not to.

**CHAIR**—Senator Lundy, you are deliberately provoking and prolonging this discussion. A minute ago you said you would move on. Let us move on and get on with the estimates. You have had an answer to this and we have a lot of ground to cover.

**Senator LUNDY**—I have some questions to the minister about the Australian sports anti-doping agency. I note that your plan for the new authority was announced in June and you stated that it would be operational by January next year. Is that time frame still achievable?

**Senator Kemp**—Because of the legislative challenges at the moment, I think it is going to be hard to meet that date. My intention is to get this up as soon as possible, and I think anyone around this table would know how keen I am. There have been delays, and I think the next few weeks in the parliament are going to be extremely crowded, so I suspect it is going to be hard to get the legislation through in time for it to be operating in January. You should not doubt the enthusiasm that I have for this particular project and my strong desire to get it moving as quickly as possible.

**Senator LUNDY**—You have anticipated my point, which is that with only 61 days left to the beginning of the new year it does not seem possible for the new authority to be created. Can I ask you specifically: what is the status of the legislation and were your concerns about the urgency of the legislation necessary to set up ASADA taken into account when the coalition government cancelled a week's worth of sittings in the lower house?

**Senator Kemp**—Let us not get into the political point—

**Senator LUNDY**—But it is a political point, Minister, and only you can respond to that.

**Senator Kemp**—I have made my views clear on the urgency of this project. The establishment of ASADA will again ensure that Australia remains at the forefront of anti-doping policy. I want to get this up. There are issues involved because of the legislative timetable and getting the legislation drafted and in getting the legislation into the parliament. The delays are ones which could not be avoided, unfortunately. I can assure you I have pressed the case as hard as I can.

**Senator LUNDY**—I believe you, Minister.

**Senator Kemp**—Good.

**Senator LUNDY**—I also am pleased you acknowledge the political point that there is obviously some discretion on behalf of the coalition government, albeit outside of your control, that could have seen this item on the legislative agenda. I am sure you will concede that I can make that point with some validity.

**Senator Kemp**—You are attempting to verbal me again. I did not say that.

**Senator LUNDY**—I think it is a fair point, don't you?

**Senator Kemp**—The *Hansard* will show exactly what I said. For the sports area, this is an extremely important initiative—one of the most important initiatives, I believe, in the last decade or so. There is no-one keener than myself to get this moving.

**Senator LUNDY**—We are in fierce agreement then.

**Senator Kemp**—Except perhaps that Richard Ings may well be as enthusiastic.

**Senator LUNDY**—I am interpreting from your answer that it is unlikely that we will see this legislation on the *Notice Paper* prior to the end of the year. What is the current timetable for this legislation?

**Senator Kemp**—I think the first assumption is correct: it is unlikely that we will see this legislation on the *Notice Paper*. What is going to happen in the future? My intention is to make sure that it gets onto the *Notice Paper* as quickly as it can. It is important that we get it into the parliament and it is important that we get it through. I, of course, am subject to higher authorities in these matters, as you know, but we shall be pushing it very hard.

**Senator LUNDY**—Is the legislation ready to go?

**Ms Williams**—It is being drafted.

**Senator LUNDY**—Minister, have you considered releasing the legislation early, for comment and, indeed, discussion, prior to it being placed on the *Notice Paper*?

**Senator Kemp**—There has already been quite considerable discussion. Actually, in the lead-up to this there was widespread consultation with groups. We will follow the normal processes in relation to the legislation. Knowing your interest, I would think you would want a detailed briefing on this and—

**Senator LUNDY**—I think that would be in order.

**Senator Kemp**—We are very happy to provide you with that.

**Senator LUNDY**—Thank you. I will look forward to organising that. How long after assent to the legislation can the new authority actually be established—how quickly?

**Mr Lyons**—That will depend on the final form of the legislation, but I think you are right: there will be some gap between the royal assent and practical commencement because it will be important that ASADA establish appropriate systems and employ staff—go through the processes to set up the new body and have it fully operational. I do not think at this stage I could give you a firm estimate of how long that will be, but there will be a bit of time required.

**Senator LUNDY**—Because I do not know what is in the draft legislation, it is hard to answer these questions. Because there is draft legislation, I am hoping that you can answer these questions openly. Is it the intention of the legislation as currently drafted to have the new authority fully operational prior to the Commonwealth Games?

**Mr Lyons**—Could you repeat the question?

**Senator LUNDY**—I have not seen the legislation, but I do not expect it to be particularly controversial so I am hoping you can answer these questions about the bill. Do the intention and the structure of the bill permit this new authority to be operational prior to the Commonwealth Games?

**Mr Lyons**—I do not think the bill itself is going to determine the question of the practical commencement. I do not think the bill is going to answer that question. The practical commencement is going to depend on when it is passed and then when the appropriate systems have been set up. It is certainly an issue we are looking at.

**Senator LUNDY**—The bill is not going to nominate a date for establishment of the authority at some point down the track? It will be as soon as it is passed?

**Mr Lyons**—The bill is being drafted; it has not been drafted. I think that is the point to make. A government decision will have to be made. The question concerns government policy that would have to be determined in terms of issues like that.

**Senator LUNDY**—What would be the gap between royal assent to the bill and ASADA being operational? A couple of months?

**Mr Lyons**—I would not like to say something now that may not be accurate.

**Senator Kemp**—Obviously, we are preparing for this, so we assume that it will go through the parliament and we assume there is strong Labor Party support. Obviously our planning concerns how quickly we can bring this in. I start from the assumption that I would rather have this in sooner rather than later. We are very anxious to do this. I think Mr Lyons is quite right not to put a date on it, to be quite frank. We have already seen the hazards of the parliamentary process and how that can delay legislation. I think we just tell the committee that we are anxious to get this new body in place as quickly as possible. We hope that it will be up and running early in the new year, but that is going to be a challenge because we have to get the legislation through. Hopefully we can find a spot on the *Notice Paper* pretty soon after parliament resumes next year. The timetable is going to be tight.

**Senator LUNDY**—What impact does the lateness of that timetable have on the functions and operations of particularly ASDA but also the Australian Sports Commission and sporting organisations leading up to the Commonwealth Games?

**Senator Kemp**—The current processes are in place; they are working well. As I said, ASADA is a further important initiative, but we would expect the current arrangements to work until we can bring ASADA into play.

**Senator LUNDY**—Perhaps I could welcome Mr Ings and congratulate you on your appointment as chief executive of ASDA, soon to be ASADA. I welcome you to estimates. What measures has ASDA put in place in the lead-up to what we now know is a slightly delayed transition to ASADA? How has that affected ASDA and your work?

**Mr Ings**—It is a pleasure to be in front of the committee for the first time. There really has been no impact at this stage. The government will be establishing a time line. ASDA, in conjunction with the other stakeholders in the department and the Sports Commission, will then be working judiciously to implement ASADA based on the timeline as determined by the government.

**Senator LUNDY**—What changes have you had to put in place in anticipation of a very fast transition to the new authority? I certainly accept Senator Kemp's comments that there will be a need for a fast and smooth transition once the legislation is passed.

**Mr Ings**—There is a lot of preliminary work which is being done at the moment. Until the parameters within the legislation are really finalised and passed, there are not a lot of things that can be really bolted down. We are laying the foundation, we are working with our stakeholders, we are engaged in consultation and we are preparing the path ahead for when the time line is established.



**Senator LUNDY**—What will be the primary changes when you make the transition to the new authority and can you give the committee some sense of the issues that cannot be bolted down because of the delay?

**Mr Ings**—The changes in progressing from ASDA to ASADA will be quite significant. It will be a new body and it will be under a different FMA authority in terms of its funding arrangements and its reporting requirements. There are significant financial implications for the transition—closing down ASDA and moving to ASADA. Of course, it is very important to realise that a new strategic plan needs to be developed and a new operational plan needs to be developed. New functions need to be incorporated into the new authority. Recruitment needs to take place. There are a lot of things to work through. As I said, the preliminary planning for that is in place at the moment pending the finalisation and passing of the legislation and the establishment of the time line by the government.

**Senator LUNDY**—What contingency plans do you have in place if there are any cases brought before you or if you are asked to be involved in cases between now and the transition to ASADA? I am sure you can appreciate that it is quite complicated with the change in some of the rules governing the campaign against drugs in sport. Cases brought to you now would be considered pretty much under the old rules. What are you doing about that and how are you communicating that delay in transition to the various sports organisations?

**Mr Ings**—Again, we are very early in the process but my understanding is that there are procedures and plans in place at the moment through the Sports Commission and the NSOs to deal with any potential anti-doping rule violations which may occur at this time. Those processes are in place; they are well established and they will operate until there is a cutover date from the old format to ASADA.

**Senator LUNDY**—Some of the changes that have been put forward by the government have been in response to the Anderson report. Minister, again on this issue of priority, how do you expect the government's response to the Anderson report to be taken seriously when it is not a legislative priority for the coalition government?

**Senator Kemp**—There are a variety of assumptions underpinning that question which are not accurate. The government made a very significant response to the Anderson report. The Labor Party has got some ground to recover in relation to the Anderson report. Allegations were made against the Sports Commission for which no apology has been offered—things like the shooting gallery at the AIS. Until an apology is proffered the Labor Party will be behind the eight ball. That allegation which you and Senator Faulkner made was immensely damaging to the AIS. It was given worldwide coverage; it was found to be wrong. Anderson specifically found it to be wrong and I have yet to find any admission in the parliament of an apology being offered to the AIS or to the athletes involved. It is serious and if the Labor Party wants to be serious about the Anderson report it has got some statements that have to be made. There is no doubt about the government's seriousness, I can assure you.

**Senator LUNDY**—Perhaps you could remind the committee what changes you are putting in place as a result of the Anderson report.

**Senator Kemp**—There are a number which I might get Mr Peters to comment on. They relate to athletes and room inspections, which are extremely important. Mr Peters, would you like to make some observations in response to the Anderson report?

**Mr Peters**—Mr Anderson made a number of recommendations, the key ones being to set up an independent search and discovery process within the AIS and the commission and to establish an independent body such as ASADA. All of the recommendations from his report have now been acted upon, including the search and discovery processes which have been put in place and piloted. From the commission's point of view they have all been acted upon and ASADA is the independent body which will be the final enactment of those recommendations.

**Senator LUNDY**—Your point, Minister, is that the Anderson report, which arose out of the problems brought into the public arena by the Labor Party, has resulted in some practical and—I think we would all agree—important changes to procedures in the fight against drugs in sport in Australia.

**Senator Kemp**—The Anderson report made it very clear that these issues were being dealt with before there was a parliamentary debate. I invite you to carefully read the Anderson report again, Senator. Allegations were made by you in the parliament and you now have a chance, with the AIS appearing before you, to apologise for the allegation that you made against the AIS. I invite you to make that apology. I refer specifically to the allegation that there was a shooting gallery at the AIS. This is an appropriate time for the Labor Party to make an apology so I leave that thought with you. Anderson looked specifically at the issue of whether this needed to be raised in the parliament. I invite you to read his comments in relation to that.

What we saw was a political attack at a very sensitive time regardless of the damage it did to institutions and to individuals. I think, Senator Lundy, you and your colleagues still wear a heavy responsibility for that. I leave it to Senator Lundy at least to set the record straight in relation to the finding of Justice Anderson about whether there was a shooting gallery at the AIS. He found that there was no evidence giving substance to such an allegation and I invite Senator Lundy to make an apology now.

**Senator LUNDY**—One thing I will never apologise for is holding you to account to the people or holding the AIS, the Australian Sports Commission and, indeed, ASDA to account for doing their job.

**Senator Kemp**—Do you think that to say there was a shooting gallery at the AIS—

**Senator LUNDY**—I have not finished yet. It is arrogant to suggest that this exercise did not result in an improvement in procedure. Hence the establishment of ASADA and the changes to the search procedures—

**Senator Kemp**—You have obviously failed to read the Anderson report. The Anderson report made it very clear that these issues were being dealt with before they were raised in a political context.

**Senator LUNDY**—I had not finished, Minister. I was speaking of a change to the search procedures within the Australian Institute of Sport that Mr Peters has so kindly outlined for the committee. If you permit me to continue, I have some practical questions about—

**Senator Kemp**—Chair, I do not want this to go without being dealt with here.

**Senator LUNDY**—the difference to ASDA's structure that ASADA will make.

**Senator Kemp**—Senator Lundy has raised the issue of the Anderson report before this committee. Those of us who remember it will remember that there was a very vigorous parliamentary debate on this. The issue of whether there should have been a parliamentary debate was the subject of the Anderson investigation. The Labor Party can claim no credit for any of this. In fact, to be quite frank, the Labor Party has a significant detriment because of the allegations it made against the AIS. We have the director of the AIS at the table. Senator Lundy and her colleagues suggested that there was a shooting gallery at the AIS. It was an immensely damaging allegation. It was found to be wrong. I invite Senator Lundy now to apologise to the AIS for the allegation which was raised in the parliament.

**Senator RONALDSON**—It seems like a good time.

**Senator Kemp**—This is the time to set the record straight.

**CHAIR**—Senator Lundy, are you going to respond to that?

**Senator LUNDY**—As I said, Senator Kemp, the fact that we are here discussing the changes to the system arising out of the Anderson report is, quite frankly, all the vindication that the public needs to be assured that it was true and correct to raise these issues. What we know is that you tried to cover it up.

**Senator Kemp**—One of the findings of Anderson was that there was no cover-up. Another finding of Anderson, if my memory serves me correctly, was that these matters were being dealt with before they were raised in the parliament.

**Senator LUNDY**—Except that you know that they were not being dealt with satisfactorily.

**Senator Kemp**—The next thing, of course, is that—

**Senator LUNDY**—You know in your heart of hearts that you did not know what was going on.

**Senator Kemp**—the political attack you made on the AIS, which received worldwide press, damaged the reputation of the AIS and damaged the people working there. This is the time for the Labor Party to make an apology. I again invite you to apologise, because of the findings of the Anderson report about the allegations that were made in the parliament. I invite you to apologise.

**Senator LUNDY**—As I said, I will never apologise for holding you or the public servants of this country, in accordance with our role in this parliamentary Senate estimates committee or the parliament, truly accountable. If you would like to waste more time—

**Senator Kemp**—When you have attacked somebody, you have made an allegation—

**Senator LUNDY**—I have said I would like to ask questions of ASDA and now you are stopping me.

**Senator Kemp**—When you make an allegation against somebody that is proven to be wrong, we are entitled to an apology.

**Senator LUNDY**—I suggest that the time for you to posture on this—

**CHAIR**—Senator Lundy—

**Senator LUNDY**—is in the chamber and not in the Senates estimates committee.

**CHAIR**—Senator Lundy, I call you to order.

**Senator Kemp**—We are entitled to an apology from you.

**CHAIR**—The minister has made a request—

**Senator LUNDY**—And I have said no.

**CHAIR**—He invites you—

**Senator Kemp**—Okay.

**CHAIR**—That is on the record now.

**Senator LUNDY**—Because you are accountable to the parliament—

**Senator Kemp**—And you are the shadow sports minister. It is an absolute disgrace.

**Senator LUNDY**—You are accountable to this parliament, and my role in the Labor opposition is to hold you to account. You tried to cover up what was going on.

**CHAIR**—Be careful, Senator Lundy; you are drifting close to that edge of being unparliamentary.

**Senator LUNDY**—It took the Labor opposition to expose that.

**Senator RONALDSON**—You should apologise for your shooting gallery comments.

**Senator LUNDY**—Can I be permitted to continue with my questions.

**Senator Kemp**—Mr Chair, let me not leave the record—

**CHAIR**—Senator Lundy, the minister wishes to make further comment.

**Senator Kemp**—The record will be corrected. Senator Lundy, that issue of whether there was a cover-up or not was also looked at in the Anderson report. The Labor Party allegations on this fell over—one, two, three, four. My view is—

**Senator LUNDY**—So why are we here discussing the changes necessary arising out of the Anderson report?

**CHAIR**—Let the minister finish what he wishes to say.

**Senator Kemp**—As the shadow minister for sport it is beholden on Senator Lundy to correct the record.

**Senator RONALDSON**—Absolutely.

**Senator Kemp**—It is absolutely beholden on her to correct the record about a false allegation that was made against the Australian Institute of Sport. I want Senator Lundy now to recognise that it is not a matter of holding people accountable: it is when you make an allegation and there is no substance to that allegation that people who are damaged by that are entitled to an apology.

**Senator RONALDSON**—It would be the decent and honourable thing to do.

**Senator KEMP**—I invite you once more to apologise for the allegation you made which was shown to be false.

**Senator LUNDY**—Senator Kemp, the fact that we are now here discussing the changes arising out of the Anderson report shows that the procedures were deficient.

**Senator RONALDSON**—Do you acknowledge that the comments were wrong?

**Senator LUNDY**—It shows that the procedures were deficient. You have delayed the legislation, or your government has. I accept that you probably advocated vigorously in cabinet for its early passage. The fact is that the recommendations arising from the Anderson report have not been fully implemented—

**Senator RONALDSON**—Do you acknowledge that your allegations were wrong?

**Senator LUNDY**—and it is getting to be years later. Now that is a question of accountability. You have failed to pursue the recommendations arising out of what I think—will always think—was an attempt to cover up.

**Senator Kemp**—Senator, you can make all the comments you like, and some of those are political. But there are questions of fact. Until you correct the record, the falsity—

**Senator LUNDY**—Are you going to refuse to answer questions?

**Senator Kemp**—We are very happy to. We are making reforms which were on the table when the Labor Party was in government and which you refused to pick up.

**Senator LUNDY**—Don't try it on. You know my position on this. We have had the debate in the chamber. I am trying to ask questions.

**Senator Kemp**—You seem to refuse to pick it up. These proposals were first put forward by former Senator Black, if I remember, in 1990. You had Labor Party sports ministers who refused to pick up these recommendations. I happen to be the sports minister who has, so interestingly enough—

**CHAIR**—And you deserve to be commended, Minister, I must say.

**Senator Kemp**—Indeed, but it is important. It was a political attack made to damage a major institution in this country, and the Labor Party is yet to apologise despite the very clear findings of the Anderson report. I have to tell you, Senator, that every time you raise the Anderson report with me—I put you on notice—I shall be asking you whether you have followed the recommendations of the Anderson report and whether you have been prepared to correct the record for the allegations which you made.

**Senator LUNDY**—Minister, the fact that the Anderson report recommended changes that we are now discussing before the Senate estimates committee shows that the original concern was entirely validated.

**Senator RONALDSON**—What about the allegations though?

**Senator LUNDY**—Now I have some questions for ASDA in relation to those changes—that is, their transition to ASADA.

**Senator Kemp**—We note that you have refused to apologise for your allegation against the AIS, which was found to be false. This is what I call arrogance. The word 'arrogance' has

been used time and time again this morning. When someone has made an accusation against an institution and individuals that, after investigation, has been found to have no basis in fact, how arrogant is it that this person then refuses to apologise?

**Senator LUNDY**—That is not correct, so be careful that you are not misleading this committee.

**Senator Kemp**—How arrogant is that?

**Senator LUNDY**—Minister, you cannot rewrite history. Do not mislead the committee. I would like to ask ASDA—

**CHAIR**—It is a simple statement of fact, Senator.

**Senator LUNDY**—what actual changes will happen to ASDA as a result of the new authority coming into effect—changes to staffing, changes to roles and how that will impact on the organisation?

**Mr Ings**—It is very early to tell at this stage. Again, the legislative parameters have not been set. The preliminary work is continuing. No doubt there will be changes. There are new functions which will be brought on board, particularly in the area of investigations, which is currently an area that ASDA does not have responsibility for. But in terms of the details, the specifics, that is still very much work in progress.

**Senator LUNDY**—Will that additional role of investigations require additional staff or additional training of existing staff? What are your plans there?

**Mr Ings**—It will be one or the other. At the moment, ASDA does not have the internal capabilities to conduct those sorts of investigations. It is a role that ASDA historically has not played. There will be a requirement to develop those skills internally. It may involve the retraining of existing staff; it may, more likely, involve the hiring of key professionals in those roles.

**Senator LUNDY**—Minister, you might want to refresh my memory: is it correct that this transition does attract additional funding to ASADA? Is there anyone who can answer that question?

**Mr Lyons**—I think it is in the order of \$1.3 million per year.

**Senator LUNDY**—Is it envisaged that some of that will be towards salaries for qualified staff to take on this new role?

**Mr Lyons**—Definitely. That is a major part of the new role of ASADA.

**Senator LUNDY**—Given that we are still waiting on the details of the legislation, are you able to provide any more detail about the numbers of staff in that area of investigation?

**Mr Lyons**—I am not in a position to, no.

**Senator LUNDY**—We might have an opportunity to revisit that in February when it is a bit closer.

**Ms Williams**—As Mr Ings said, it is whether we can retrain the current staff, develop that and get new staff. It is not only the legislation; it is one for the new organisation to decide.

**Senator LUNDY**—Was ASDA's move to Kingston in preparation for the new authority? Can you give me some details on the reasons for that move?

**Mr Ings**—There were a couple of reasons behind that. Firstly, ASDA has, apparently, been at that location for many years, as many as 10 to 15 years, and the lease on the location was up. There were pressures in terms of existing space and a decision was made to look to the future, thinking about ASADA and the growth of the agency, and to look for a new location which would provide opportunity for that growth in the future.

**Senator LUNDY**—When did ASDA actually move? When was that and how much did it cost?

**Mr Ings**—The move was in the first week in July, and I will have to take on notice to get you details of the costings of the move.

**Senator LUNDY**—Will current contracts or agreements with staff be severed once the new authority comes into force or will they be carried over?

**Mr Ings**—At the moment the agency is finalising negotiations on a certified agreement with the staff, which is a three-year certified agreement, which will transition fully from ASDA to ASADA.

**Senator LUNDY**—Have you been able to give staff a full briefing on the transition issues and, I presume from that statement, assure them that their contract of employment will continue under the certified agreement?

**Mr Ings**—That is one of the reasons why the certified agreement has been done in that way, to ensure that staff have the security and the safety of knowing what the commitments from the agency are going forward.

**Senator LUNDY**—I presume that our previous comments about additional funding for additional staff mean that there will not be any staff cuts or redundancies?

**Mr Ings**—Again, the preliminary work on where ASADA is going to be is still being finalised. This is a growth program; this is not a reduction program, but the final details are still to be determined.

**Senator LUNDY**—In general, how are the preparations proceeding for the Commonwealth Games?

**Mr Ings**—The preparation for the Commonwealth Games is proceeding very well. The plans, as I have been informed by my staff, include more than 1,000 event tests during the actual games themselves, which I have been informed is a greater number of in-competition event tests than took place in Manchester previously. In addition to that there is government funding of around \$347,000 for pre-event out-of-competition testing in preparation for the games. From my perspective coming in, it is a very comprehensive program.

**Senator LUNDY**—Again, just going back to the changes when ASADA comes into being with the additional investigative powers, if that is not in place prior to the Commonwealth Games does that mean ASDA, as it still will be, will not be playing a role in investigating any alleged drug cheats through the Commonwealth Games and that the old system will apply?

**Mr Ings**—Until the cutover from ASDA to ASADA, the existing processes and protocols will remain in place.

**Senator LUNDY**—So the investigations will be handled essentially by other bodies and not ASDA?

**Mr Ings**—That is correct. They will be handled by the relevant national sporting authorities or the Sports Commission or whoever has results management responsibility.

**Senator LUNDY**—Minister, how important do you think it is to have that investigative power in the hands of ASADA prior to the Commonwealth Games?

**Senator Kemp**—I think it is very important. In fact, the truth is that it has been on the table since 1990. There have been proposals before various governments about the improved investigatory role for ASDA, or ASADA as we are now going to call it. It is something I am very supportive of, Senator, and I will continue to press the case. This is a further improvement in the system and in my view I would prefer to have the system in place now, to be quite frank, because I think it is a better system. We would not be pursuing it if we did not think it was a better system so it is simply a matter of seeing whether we can get the legislation through the parliament and we will be moving as rapidly as we can. You asked me my opinion: I would prefer to have it in place now.

**Senator LUNDY**—So is it a fair interpretation that in fact you want it to be in force prior to the Commonwealth Games?

**Senator Kemp**—Certainly. As I said, I want to have it in place now—there is an obvious implication there—but I think the time lines are getting very tight and we will be looking to see what we are able to do. But my preference is to get this into place as quickly as possible.

**Senator LUNDY**—Mr Peters, I understand that there will be some impact on the Australian Sports Commission following the transition to ASADA. Can you detail what that impact is likely to be on staffing and responsibilities at the Australian Sports Commission as a result of the new authority being created.

**Mr Peters**—There will not be any impact on staffing. In the past, when there has been an issue we have used independent investigators. We have used independent people who have come in on contract to do work for us when we needed such work done. It has been recognised in working with ASDA at the moment that there is a need to increase the education program so we see that we will be doing more work in education particularly in the supplements area. For athletes and for us the close working relationship will continue. Rather than being involved in directly advising national sporting organisations on their anti-doping policies, there will be more of an education role so we will see a transition of staff duties into that area.

**Senator LUNDY**—Did you have an anti-doping unit within the Australian Sports Commission?

**Mr Peters**—We have an ethics unit, of which anti-doping is part.

**Senator LUNDY**—Right, and that will not be changing? You will be retaining that unit and that expertise?

**Mr Peters**—Yes.



**Senator LUNDY**—Even after ASADA comes into force?

**Mr Peters**—As I say, the people that we have are very much versed across the whole anti-doping area and will be redirecting that expertise into the education side.

**Senator LUNDY**—Thank you. I would just like to pursue a few answers to questions on notice. Last time I asked the AIS whether or not they had tested NoDoz or caffeine pills on AIS athletes and the Sports Commission undertook to check that and apparently there were some tests. The answer to the question on notice indicated that following the public furore about that it was stopped. Was the decision to stop all testing of the effects of caffeine the result of a review by the AIS Ethics Committee or public opinion and what was the detail behind the AIS reaching a decision to cease testing on all athletes in relation to caffeine?

**Prof. Fricker**—In simple terms, the decision was taken to stop research because of that public perception of conflict of interest. The AIS sees its role in providing factual information and it relies on research being done but, given the concerns about the AIS being in that role, the decision was taken not to do that research itself.

**Senator LUNDY**—So I understand from your answer that the Ethics Committee did not, in fact, make a recommendation to cease that program.

**Prof. Fricker**—That is correct.

**Senator LUNDY**—Is it a reasonable conclusion to draw that the Ethics Committee did not have an objection to the AIS testing athletes using NoDoz?

**Prof. Fricker**—No, because those studies that were conducted had AIS Ethics Committee approval.

**Senator LUNDY**—So they were aware of them at the start?

**Prof. Fricker**—Very much so.

**Senator LUNDY**—Was the use of specific caffeine pills as opposed to various soft drinks, coffee, et cetera that have caffeine in them discussed by the ethics committee? Was the difference between testing athletes using those types of beverages as opposed to actual caffeine pills discussed by the ethics committee and was a distinction made?

**Prof. Fricker**—The ethics committee discusses research projects on a project-by-project basis. If a project goes up examining, for example, the effects of Coca-Cola because it contains caffeine then the committee would consider Coca-Cola containing caffeine in that project. There has been no discussion or any record of discussion that I have seen—and I have attended many of these ethics committee meetings, if not most of them—that makes a distinction, if you like, between the ethical implications of using caffeine in tablet form and caffeine in beverages.

**Senator LUNDY**—What was the conclusion of the AIS following the furore about public revelations of athletes using NoDoz? I think that was one brand, but I understand there are several types of pure caffeine pills that are available in the market? What changed your mind?

**Prof. Fricker**—As I said initially, the concern is that it puts the AIS in a position of a conflict of interest. It did not want to be sending out messages that taking tablets containing caffeine is a good thing or good for sport, and this is the issue of NoDoz itself. There is a

concern that we do not send out messages that performance enhancing substances in tablet form are okay. I guess that was the crux of it, and it was really about public perceptions and sending correct messages out to athletes, particularly young athletes.

**Senator LUNDY**—What is the policy of the AIS now in providing—I think we discussed this last time—caffeine fact sheets and advice to athletes? What has changed?

**Prof. Fricker**—What has changed is that we still have a responsibility to provide factual information to athletes about caffeine, and we give them factual information based on research that has been done looking at caffeine and performance and any benefits it might have for performance. The second part to that is giving advice to athletes on caffeine and its health risks in the sense that too much caffeine is a bad thing. We advise on our own web site and via these fact sheets at the AIS. The advice we provide, which is then bound up within our own supplements program and policies around that, is, for example, that caffeine cannot be taken by an AIS athlete unless under strict medical supervision. It is an individual consideration in that sense. In general terms it is discouraged.

**Senator LUNDY**—In relation to pseudoephedrine, I note that your answer to my question showed that the AIS policy refers to pseudoephedrine and makes the strong point that it is only permitted under medical supervision.

**Prof. Fricker**—That is correct.

**Senator LUNDY**—I think that is my recollection.

**Prof. Fricker**—Yes.

**Senator LUNDY**—Has there been any change to the way that information is conveyed to athletes in reference to what has happened with caffeine and other quite high-profile drugs that have recently been discussed?

**Prof. Fricker**—Last year it was put out as a policy; I think you have seen a copy of that. The advice is that the use of pseudoephedrine alone and in combination with caffeine is not permitted unless it is medically indicated or appropriate. That is now going into the drug education kit giving that same advice, and we will be putting that policy onto our intranet and in the athlete education packages in general. When they sign their athlete agreement they will be recognising that as an issue, as will coaches, et cetera.

**Senator LUNDY**—In providing any information to athletes, have you articulated what the AIS would consider unethical use of either pseudoephedrine or caffeine and, I guess, pushed the negative aspects more strongly?

**Prof. Fricker**—I know what you are saying. Yes. In the policy it says quite clearly that the use of caffeine and/or pseudoephedrine for performance enhancement is not permitted. It is quite a clear message that that is not permitted and will not be allowed.

**Senator LUNDY**—That has changed since the last time we had this discussion—or was that how it was previously?

**Prof. Fricker**—I am not sure when we had the last discussion. This actually started last year with Michael Scott as director—when that policy was brought into practice.

**Senator LUNDY**—I am just a bit curious about that because answers to questions on notice show that there were in fact some tests done using NoDoz. I wanted to know where that corresponded with that statement of unethical use of pseudoephedrine or caffeine or a combination of the two—where that sits with the actual tests done on athletes.

**Prof. Fricker**—I think the original use of NoDoz was in applied research projects ethically approved to answer particular questions about caffeine in performance enhancement. In the discussions that have followed, I guess we have gone to the position where, as I have said earlier, we have stopped the research on caffeine because of this perception and are focusing more on promoting messages about short cuts to performance and using performance enhancement substances inappropriately, if you like.

**Senator LUNDY**—What I am looking for is the date at which that advice changed—to athletes, scholarship holders.

**Prof. Fricker**—I guess you could say it started in May. It has been a process, I suppose, of addressing our research activity, the messages we are sending and so forth. I think May this year was when there was all that discussion back then. I suppose that is what triggered the position that the AIS now holds.

**Senator LUNDY**—Prior to that point and since, has the AIS provided any athletes with NoDoz tablets or similar caffeine supplements on request—that is, as part their individual program—through sports science, medicine or squad programs.

**Prof. Fricker**—Prior to May?

**Senator LUNDY**—Prior to May and since May.

**Prof. Fricker**—I do not know. That is something I would have to take on notice.

**Senator LUNDY**—I would hope that the answer—certainly post-May—would be no, but if you could take that on notice as well.

**Prof. Fricker**—Yes.

**Senator LUNDY**—Could you also provide the committee with the dates when the ethics committee discussed the tests on athletes and approved the tests on athletes, details of the nature of those tests and also the subsequent date of the ethics committee's change in the policy?

**Prof. Fricker**—I could do that, but the ethics committee has not actually changed its policy. What we have done is said that we will not do any more research into caffeine. So those projects do not go up to the ethics committee for review or approval and they are not involved in any decision making.

**Senator LUNDY**—So the ethics committee was not involved in the change in the AIS policy?

**Prof. Fricker**—No.

**Senator LUNDY**—Have you sought a view from the ethics committee about the change in policy?

**Prof. Fricker**—Not as such. Informally. As I say, the ethics committee considers research on a project-by-project basis. Informally they are saying that, because it is not a banned

substance and the work needs to be done, they did not have an ethical problem with the design of studies. As an institution with a public profile, we took more of a view that it is better not to do it.

**Senator LUNDY**—Thank you, Dr Fricker. Minister, can I ask you what the government has done to ensure that the correct messages and positive messages about sport—in particular, correct messages about caffeine pills and their associated risks and dangers—have been played out in the community?

**Senator Kemp**—I think you would be aware of my public comments and, of course, we had a significant discussion in the last estimates. I indicated that the information about this would be sent to WADA. It is on the watch list, I think—the monitoring list. They decided not to put it on the prohibited list. I continue to indicate to WADA that we are very happy to work with them, and we are very happy to provide any results of any research on this issue which has been done here in Australia that we are aware of to help their own deliberations. I think the message that was given—we had an interesting discussion—was that we certainly do not want any view to be out that the way to enhance performance is to be popping NoDoz pills. We just think that is a terrible message. I think my public statements have been very firm on this. As I said, it is very important that the right messages get out, and we hope that they have. Nonetheless, as you and I know, this is an area where suddenly fashions take hold of people and perhaps inappropriate use is made of supplements. Anyway, the government's position is very clear on this.

**Senator LUNDY**—Are you satisfied that the AIS has done enough to counter the possibility of damage because of the testing it did on these drugs?

**Senator Kemp**—I listened, as you did, Senator, to the responses by Dr Fricker. He made very clear what was the AIS position post-May. As the minister, I am comfortable with that. I just would continue to stress that we need to keep those messages coming through to people.

**Senator LUNDY**—Has the government, separately from the Sports Commission or the AIS, taken any initiatives to make sure that the positive messages get out, particularly to young athletes?

**Senator Kemp**—The major initiatives are through the AIS, and we have had discussions on that. The second message is that the steps we have taken concern the discussions that we have had with WADA as well and the continuing offer on the table to work with WADA on this issue. I suppose the third thing I would point to is comments that I have made in various forums and publicly.

**Senator LUNDY**—Thank you. I have a final question on this point. AIS scholarship holders now, to your understanding, would not be permitted to use caffeine tablets or caffeine enhancements to improve their performance under your policy?

**Prof. Fricker**—That is correct, unless under medical supervision.

**Senator LUNDY**—Thank you.

**Prof. Fricker**—But they can still drink coffee and Coca-Cola.

**Senator LUNDY**—Yes, but not for the purpose of enhancing their performance.

**Prof. Fricker**—Apparently not.

**Senator LUNDY**—I am going to place some questions on notice to ASDA to follow up a few points here. In conclusion, given the time, I want to ask the Australian Sports Commission about their process for recognising national sporting organisations and what the criteria are for formal recognition of a national sporting organisation.

**Mr Peters**—We have a number of criteria. We do not appear to have them with us at the moment but they talk about the organisation, whether it has antidoping policies in place, whether it has harassment-free policies in place and what its relevance is within Australia. There are a set number of criteria, the key ones being about it being a fit and proper organisation in terms of demonstrating the key elements of a good national sporting organisation. I have just been informed that the criteria are on the web site, but I am happy to provide that as well.

**Senator LUNDY**—I think I actually have that somewhere. I wanted a general overview because my next question is: what happens when there are two or more competing national sporting organisations that represent either the same sport or different aspects of the same sport?

**Mr Peters**—We will only recognise one body.

**Senator LUNDY**—How do you resolve disputes?

**Mr Peters**—Sometimes with great difficulty, but it is a matter of sitting down with the organisations and listening to their presentations on why they should be the national body. There are not many occasions that this occurs and it is different from amalgamating men's and women's organisations under one body. There are issues about who should be delivering training. Sometimes there are different bodies that cover, if you like, the same participants and therefore it is a matter of saying, 'Can we put those training courses under one body or not?'

**Senator LUNDY**—What are the benefits of being recognised as the national sporting organisation by the Australian Sports Commission?

**Mr Peters**—There are a number of benefits. One is you have access to our expertise across a whole range of areas. In, say, the coaching and officiating area we support a lot of national organisations in development of their courses. They also have access to our ethics area in terms of information and assistance on antidoping and all those sorts of areas. It does make them eligible for funding under our umbrella, and also the states and territories tend to use our list of recognised NSOs to determine whether they fund or do not fund someone at the state level.

**Senator LUNDY**—So to attract funding under any of your programs that formal recognition has to be provided?

**Mr Peters**—Yes.

**Senator LUNDY**—And one of the criteria is compliance with the anti drugs in sport policy?

**Mr Peters**—Yes.

**Senator LUNDY**—And harassment-free sport?

**Mr Peters**—Yes.

**Senator LUNDY**—Back to the department: what tests were done on the recipients of grants from the government's facilities program as to whether or not they complied with the criteria that the Sports Commission apply for organisations to be eligible for funding?

**Mr Lyons**—There was not a specific reference in the funding agreement to antidoping policies, given that we are funding facilities and there was an election commitment to fund those facilities. There is a general reference in the funding deeds to complying with Australian government policies.

**Senator LUNDY**—But you do not know what the organisations you have funded for facilities do because you did not check—is that correct?

**Mr Lyons**—It was not a requisite for eligibility for funding.

**Senator LUNDY**—Minister, as part of the discussion about compliance and noncompliance with the WADA code, I think you stated and I expressed support for the view that the AFL would put their facilities funding at risk if they did not comply with the WADA code. How do you reconcile what I think was quite a commendable and strong stance taken cross-referencing facilities funding with compliance with the WADA code and antidoping policies with the fact that for the facilities funding provided in your election program no such check has been done?

**Senator Kemp**—Senator, I have to say that would be the longest possible bow.

**Senator LUNDY**—It is a fair point, though, isn't it? It goes to the heart of consistency.

**Senator Kemp**—Let me deal with the first point. We indicated in relation to sports that they had to become compliant, that any ongoing funding would not be provided to sports that were not compliant. We indicated that our election promises would be kept. There was some debate whether, for example, the commitment for funding to the Western Bulldogs oval would be kept if the AFL was not compliant. We indicated that all election commitments would be kept but there would be no new capital funding over and above those election commitments to any sport. So, to the extent that I heard all your question, it seems to me that the position was totally consistent, that it is a totally consistent position.

**Senator LUNDY**—Sorry, I understood that during that debate you quite clearly said that capital funding for facilities would in fact be at risk. Are you telling me I am incorrect?

**Senator Kemp**—No, we said that any future capital funding, any ongoing funding, would not be provided to sports that were not WADA compliant. We said we would keep our election promises.

**Senator LUNDY**—I did not hear that qualifying remark.

**Senator Kemp**—Well, gee, it has been in the press.

**Senator LUNDY**—If I am wrong, Minister, make the point.

**Senator Kemp**—There was a significant debate on this issue, I have to say, in the press. I think—my memory harks it back when this debate first broke out—I indicated that the promises would be kept but there would be no new capital funding. We were very clear on that issue.

**Senator LUNDY**—So, with election funding, you are still not prepared to say that it is contingent upon compliance with an antidrugs policy?

**Senator Kemp**—No, election funding we said we would keep. The issue arose with the AFL, essentially.

**Senator LUNDY**—Yes, it did.

**Senator Kemp**—And the issue arose because every other sport was WADA compliant. So what was the position we said with the AFL? We said, ‘What we have promised will be delivered but there will be no more if you do not become WADA compliant.’ That is what we said.

**Senator LUNDY**—Why did you say that?

**Senator Kemp**—Because people had made plans and commitments and we felt that this was an appropriate step that we do keep an election promise, but there would be no more.

**Senator LUNDY**—Even at the expense of a weaker outcome on drugs?

**Senator Kemp**—But it worked, Senator—everyone is now WADA compliant. The policy we had was seen to be a fair policy. There was an attempt to rewrite it when this debate was continuing and indicated that we had threatened election promises, which we never did. What we did was to say that there would be no ongoing funding and no new capital funding. That is the position.

**Senator LUNDY**—And specifically in relation to your facilities funding grants program there was no such criteria that related back to the antidoping policy. That is a fact. I am making a political point, but you cannot deny it.

**Senator Kemp**—I do not think you have understood. We have said that election promises would be kept, and this was in relation to capital funding. There were a number of sports in the run-up to 30 June where there was still some debate: would cricket become WADA compliant? Would League become WADA compliant? Would the AFL become WADA compliant? There were a range of sports. In the end, two of those sports came in by 30 June so there is no inconsistency. In fact, now that you have drawn it to my attention, the consistency is clear, that we will keep election commitments. Happily, all our major sports are WADA compliant now, which is excellent.

**Senator LUNDY**—It is a good outcome. Can I ask the Australian Sports Commission: are there any sporting organisations that have had this recognition or registration—I am not sure if it is a registration—with you as the NSO and have had that recognition or registration withdrawn or revoked? And can you provide examples of where that has occurred, particularly recent examples?

**Mr Peters**—Yes, there have been some and we can provide those examples.

**Senator LUNDY**—Who are they?

**Mr Peters**—Power lifting has been a recent one. I am not sure of the others. There have not been many. We will come back with those details.

**Senator LUNDY**—I have a series of questions about that which I will have to place on notice. The policy issue is how does that reduction in number of national sporting

organisations and the associated support that they attract fit with trying to get more Australians more active in more sports. That is probably a policy question.

**Mr Peters**—It fits with good management, and good management will achieve that aim.

**Senator LUNDY**—I am conscious of time and I am going to stick to my timetable. I have a series of questions, particularly for the Sports Commission and a few for ASDA, that I would like to place on notice. In closing, Chair, I would like to ask the minister whether he thinks the Socceroos can actually make it through the qualifiers.

**Senator Kemp**—Senator, the answer is yes I think they can. I certainly hope they will. We know it is always tough at that level. There have been some very important changes made in soccer. I think it would top off an excellent year if we could make the World Cup. That is one thing that you and I agree on.

**Senator LUNDY**—Indeed.

**CHAIR**—I would like to thank the Sports Commission, the Sports Drug Agency and the department for being here.

#### **Proceedings suspended from 1.00 pm to 2.05 pm**

#### **Australia Council**

**CHAIR**—I call the Australia Council, and welcome Ms Bott and her staff .

**Senator LUNDY**—I have some questions about the impact of the Uhrig report on the Australia Council. The *Canberra Times* carried a report on 2 October by Paul Malone that suggested that governance arrangements of many agencies are not what they should be. There was a sort of general implication in that article. What is the Australia Council's response to that and, specifically, what has the Australia Council's response been to the suggested template for governance arrangements covered by the Uhrig report?

**Ms Bott**—Senator Lundy, you are directing that to me, not the department, I assume?

**Senator LUNDY**—Yes. Sorry, I started looking in that direction and then realised that I am actually asking the question of you.

**Ms Bott**—The Australia Council, along with a number of other agencies within the portfolio, has responded via a submission to the department, in which we have addressed formally the issues raised by the Uhrig review, and we have made some commentary and some recommendations. Our submission is now sitting with the department.

**Senator LUNDY**—In its submission to the department, did the Australia Council express the view that it would or would not be able to meet the template for governance arrangements as proposed by the Uhrig report?

**Ms Bott**—Two templates were suggested by the Uhrig review. Agencies were asked to examine which template they felt best suited their role, and we have done that. Our view is that we would better suit the board template.

**Senator LUNDY**—Notwithstanding that you have expressed a preference, is the Australia Council of the view that you are better off being exempt from this type of assessment, given the unique nature of not only the Australia Council but also many of the arts organisations that you fund and support?



**Ms Bott**—No, we do not have a view that we should be exempt from such analysis. The Australia Council's own governing body regularly examines itself. Obviously we are a federal government statutory authority. So it is quite consistent that we would be in a dialogue with government about the nature of our governance and financial and other arrangements.

**Senator LUNDY**—Have you done a financial impact assessment of the changes the board template would have on the Australia Council?

**Ms Bott**—If we were to be characterised in that way, I do not believe it would have any impact financially on the Australia Council.

**Senator LUNDY**—Has the Australia Council had any discussions with the minister in relation to the Uhrig report and its implications?

**Ms Bott**—In our most recent governance meeting with the minister we informed him of our submission and very briefly canvassed the content of it. But we have not had formal discussions about the outcomes because I think the minister is waiting for advice from his own department at this point.

**Senator LUNDY**—Minister, could you provide to the committee some information about the time frame for your consideration of the Uhrig report impact on the agencies in your portfolio and what the time frame is for finalisation of that process? If I have time, I will come back to the department. But if the department can shed some light on what role it now has too, this is probably a good time to do it.

**Ms Bean**—We are actually working our way through, because we have a number, of course. March 2006 is the scheduled completion time.

**Senator LUNDY**—March 2006 is the completion date?

**Ms Bean**—Yes.

**Senator LUNDY**—So is that the date when you must have received all submissions or completed your consideration of submissions?

**Ms Bean**—No. The department actually prepares the assessments. Agencies make submissions if they choose to and we do the assessments. We provide that assessment to government, and then it is considered by government.

**Senator LUNDY**—You are going to have your recommendations to the minister by March 2006?

**Ms Bean**—I think the process is actually scheduled for completion by 2006.

**Senator LUNDY**—So you would have to have your submission to the minister by when? Prior to that, obviously.

**Ms Bean**—Yes. Obviously we have a number of agencies. There are something like 19 or 20 in the portfolio. So a number are at different stages of completion at the moment, and we are moving through them.

**Senator LUNDY**—Minister, what is your role in considering the assessments that the department puts forward to you? What is the government policy in relation to dealing with that advice?

**Senator Kemp**—Obviously I will look forward to the assessment, the advice of the department, and will consider that. Then I will write to the finance minister—I think that is the process—with my proposals after a consideration of the advice which has come forward to me. If I can slightly correct that, I will be having discussions with Senator Coonan, who will then write to the Minister for Finance.

**Senator LUNDY**—Refresh my memory, Minister: what is the policy purpose of the Uhrig report, and what is the Department of Finance trying to achieve?

**Senator Kemp**—You will recall, Senator, that in, I think, August 2004 the government released a report—I know this has become your bible—entitled *Review of the corporate governance of statutory authorities and office holders*. That review was conducted by John Uhrig. The government at that stage announced that ministers would be required to assess their portfolio bodies—I think the officer suggested we have about 19 in our department—against the two preferred templates included in the Uhrig report and to implement improvements in existing governance arrangements. Those assessments, as pointed out by the officer, are to be completed by 31 March next year. My understanding is that there is a target, that any changes resulting from the assessments should be finalised by March the following year, 2007. My understanding is that the basic aim is essentially good governance. The Uhrig report is intended to produce best practice in governance arrangements applying to Australian government authorities and probably, among other things, to facilitate clear lines of communication between government departments and their authorities. We are waiting for those assessments. As Ms Bott indicated, I have had some informal discussions with the Australia Council. So I am waiting for some formal advice on these issues.

**Senator LUNDY**—Is it anticipated that next year's budget will reflect any overarching funding arrangements or structural arrangements within agencies, or is it not really aligned with the budget side?

**Senator Kemp**—If the assessments are to be completed by 31 March, that suggests to me the time frames would be small. But we can provide some advice on that.

**Senator LUNDY**—It suggests that it is not part of the budget cycle.

**Ms Bean**—It is essentially governance reviews rather than funding or financial reviews.

**Senator LUNDY**—Is the Australia Council of the view that the Uhrig report has helped define the delegation of authorities within the Australia Council? I am just trying to get a better feel for what it means for you. I do not know how secret these submissions are, but I am interested in the sorts of things that the Australia Council would be submitting to the department in the context of this review.

**Ms Bott**—The two templates do have implications for finance—and for governance in particular. I guess as a manifestation of governance arrangements there are also implications for the appointment of CEOs of institutions. For example, if the Australia Council were to be placed under the executive template, which is the other template, it would have quite significant implications for the structure of the Australia Council. But it depends, as I say, on how we are assessed by the department and what the minister decides. My understanding of the Uhrig review is that it is obviously an attempt to get some rationality and some broad

model templates for the wide variety and large number of statutory authorities and other bodies that all form part of government. So it is an attempt at a rationalisation of models.

**Senator Kemp**—It really is at this stage a work in progress, and clearly the Australia Council will make its views known to the department—and certainly to me. Undoubtedly, if the Council wanted to make a submission to me, it could do so directly or through the department. It is obviously an important aspect of government policy. I will obviously be taking a very close interest in it. The assessments will not be reviewing the need for arms-length funding and those arrangements. That is my understanding. It is too early to speculate on how these will play out, but obviously we will be working closely with the Australia Council and other statutory bodies.

**Senator LUNDY**—If the board model is accepted, you said that that probably would not need much change. Does that mean you would be able to implement that new model without a great deal of upheaval? Is that the theory?

**Ms Bott**—Yes.

**Senator LUNDY**—Are you concerned that performing arts organisations under your auspice—as the Australia Council—may have either their boards abolished or their structures changed as a result of this? Are they, as organisations under you, subject to this same report?

**Ms Bott**—There would be no implications whatsoever for the bodies that we fund. This is a discussion of governance arrangements for only the Australia Council itself.

**Senator LUNDY**—So it does not flow into the major performing arts organisations or anything like that?

**Ms Bott**—No.

**Ms Bean**—No, this is a review of federal government agencies.

**Senator LUNDY**—I thought there might be some links to funded organisations, and there is not.

**Ms Bott**—No, there are no implications.

**Senator LUNDY**—Minister, you mentioned that this does not impact on the way in which the Australia Council would allocate funds. Would there be any change in the governance arrangements that could in fact allow you as minister perhaps—or indeed the department—to have a greater influence or impact on, or role in, the allocation of funds distributed under the Australia Council?

**Senator Kemp**—I think it is probably best we state that the principle of arms-length funding, in my understanding, would remain in place.

**Senator LUNDY**—So there is nothing challenging that?

**Senator Kemp**—For arms-length funding, it has to be genuine. I do not want to pre-empt any discussion, but that principle remains in place. In relation to the Australia Council, it is not under threat.

**Senator LUNDY**—Can you confirm that, if, say, you as minister or indeed individual ministers had a problem with the way the Australia Council was allocating funds, the changes contained in the Uhrig report would not allow you the power to interfere?

**Senator Kemp**—The government, in my understanding, does have some powers of direction, but these are rarely used. Of course we can take government initiatives. Clearly the decision that we took on orchestras had implications for funding. We said the additional money that is going to orchestras would be administered by the Australia Council but it will be going to orchestras; it is not going to anybody else. You could argue that that is having an influence on the direction of funding, but I think most people would think that is a sensible way to do it. Equally, the Myer report had an influence on directions of funding. What it does not have is an influence in some particular cases where the grants are being made. My memory is that the Myer report did not announce where grants would be made across the board. So I do not think you should get unduly worried about that, Senator.

**Senator LUNDY**—I am sure you can appreciate by now that I am seeking specific assurances, because there appears to be some uncertainty about the motivation and effect of this exercise of the Uhrig report.

**Senator Kemp**—The motivation harks back to the Uhrig report on governance, which applies across all government agencies. So no-one is being targeted on this. Everyone has to be viewed within the template, and then the government has to make decisions. The Australia Council is going through the same experience as all other government agencies. As I said, my understanding is that the assessments being put in place will not be reviewing the need for an independent, arms-length process for arts funding in relation to the Australia Council.

**Senator LUNDY**—Minister, is it possible that the government, with obviously you playing a key role, could abolish the board of the Australia Council and apply the executive model if it wanted to?

**Senator Kemp**—I am not going to speculate on it. This is very early days. I think it would be pointless to speculate on that.

**Senator LUNDY**—Could I ask you to rule it out?

**Senator Kemp**—I do not have any bits of paper before me. There is nothing I can rule in or rule out.

**Senator LUNDY**—You have not said anything that makes me think that you would do such a thing. I am just giving you an opportunity to clarify.

**Senator Kemp**—What I have not said is anything which will give you a headline, Senator. That is what I have not said at the moment.

**Senator LUNDY**—It is all right, I already have a couple.

**Senator Kemp**—We noticed that staged event too. I have one coming up on the refusal to apologise to the AIS, which is a bit unfortunate.

**Senator LUNDY**—Excellent; I look forward to the press release.

**Senator Kemp**—We will keep on running that one too, if you are not careful. The Australia Council will be fully involved in all this. The Australia Council is a vigorous proponent of what it believes to be in the best interests of the arts. I think the Australia Council would say I am a minister who listens. Would you say that, Ms Bott?

**Ms Bott**—Yes, Minister.

**Senator LUNDY**—I do not think she has any choice.

**Senator Kemp**—There we are.

**Senator LUNDY**—That was very funny. You will not rule it out, but I certainly accept it does not sound like you are heading in that direction.

**Senator Kemp**—There are long-established principles in relation to the Australia Council. Can you always improve governance? I guess any organisation can improve its governance operations. But I think the assessments do give you considerable comfort that we will not be reviewing the need for an independent, arms-length process. So you should not worry on that score. I think you should just wait patiently, as I am, until I have some bits of paper from the department. Then undoubtedly the Australia Council will come and see me, and I will say, ‘We like this,’ or, ‘We do not like this.’ As Ms Bott knows, my door is always open.

**Senator LUNDY**—Just one more go, Minister. I am very attuned to weasel words. When you say you are committed to arms-length funding, I accept that. But I am also interpreting from your comments that that could also exist under the executive model, not just under the board model.

**Senator Kemp**—I will not speculate on that.

**Senator LUNDY**—I ask you again to rule out the abolition of the Australia Council board.

**Senator Kemp**—I have nothing before me.

**Senator LUNDY**—But you are the minister.

**Senator Kemp**—I have no bits of paper on this before me. I think the government will consider the materials coming up. In my view, I would not worry. The Australia Council board is a very powerful board and very capable of defending itself. That would be my view.

**Senator LUNDY**—They might have to, by the sounds of it. Thank you.

**CHAIR**—We thank the Australia Council for their appearance this afternoon. We proceed to AFTRS and then will come back to the AFC.

#### **Australian Film, Television and Radio School**

**Senator LUNDY**—Welcome, Mr Long.

**Mr Long**—Thank you, Senator.

**Senator LUNDY**—I was hoping you could update the committee about the relocation. I will then have a few questions about that exercise.

**Mr Long**—We have a plan to relocate the school’s Sydney campus from its current location at North Ryde to an inner-city area. In recent years the screen production industry has pretty much consolidated in the Ultimo, Moore Park, Surry Hills area. As the school expands its continuing professional education for the industry we feel we need to be close to where the industry is working. The second reason is that our facility at North Ryde, which has done sterling service since its opening 17 years ago, is not really configured for the kinds of productions that now happen. In a sense it is an analogue building, and we of course are now in a digital world. So our relocating allows us the opportunity to reconfigure our teaching resources and also our production facilities.

**Senator LUNDY**—What is the proposed move date? When do you think it will actually happen?

**Mr Long**—On current planning, and of course we are still in the planning phase, we would like to begin construction of the new facility in the first half of next year and then move in the second half of 2007.

**Senator LUNDY**—The second half of next year?

**Mr Long**—The second half of 2007.

**Senator LUNDY**—Have you begun negotiations with Macquarie University in relation to the purchase of your existing land and buildings?

**Mr Long**—We have.

**Senator LUNDY**—Where is that up to?

**Mr Long**—The commercial negotiations with Macquarie are going well. We are very pleased with progress.

**Senator Kemp**—I think you have made the point to me privately that the negotiations with Macquarie have been very constructive indeed.

**Mr Long**—Indeed.

**Senator Kemp**—We are very appreciative of the way Macquarie is approaching this matter.

**Senator LUNDY**—Is it possible to give the committee at least a ballpark dollar figure of the cost of the move as an entire exercise? I know at previous estimates hearings we have had some discussions about that prospect. Is it possible to pin down that number?

**Mr Long**—It is not easy at the moment, mostly because even though we have a kind of framework business case which has been approved by government the commercial negotiations—both those about where we go and those with Macquarie—are, as we speak, under way. They will be concluded, we hope, by Christmas time. Until then, it is a bit difficult to give you particular figures.

**Senator LUNDY**—Just refresh my memory: was there previously some allocation of funding from the government to assist with this move?

**Mr Long**—Not previously. In the current budget, the 2005-06 budget, there is a small amount of money for planning and brief development. But I am not aware of previous amounts related to a relocation.

**Senator LUNDY**—The years blur into one, Mr Long. I must be mistaken. Is it likely to impact substantially on your normal costs of operation?

**Mr Long**—We would hope not. The broad strategy is to sell our interests in the current location and building to the university—as I say, those negotiations are going well—and then to use the resources from that to fund the relocation. Those figures pretty much work out well.

**Senator LUNDY**—Finally, what sort of feedback about the move have you been getting from the industry and the sector? What is the expectation of the result of all this effort to relocate?

**Mr Long**—The feedback has been extremely favourable and extremely strong. The school of course plays an important role beyond New South Wales. We are a national school. We operate in every state, and we have a presence in every capital city. But the Sydney campus is the original and the major campus, and it is where the full-time school operates. It is also the site from which we will launch, as I mentioned before, a very enhanced set of programs for the working industry. You can imagine that in the current technical environment the screen production industry is very keen to have the opportunity to upgrade and update in craft and technical terms. We believe we can do that well, because we draw on the industry and we reflect the industry's activities. It would be easier to do that if we were closer to where the action is now happening. So the response from the industry has been extremely positive and very helpful in the planning of the process.

**Senator LUNDY**—Is this move likely to have any positive or negative impacts on staff at AFTRS?

**Mr Long**—I think for very many staff it will be distinctly positive. Not everyone lives at North Ryde. As Sydney grows, getting to the school can be a challenge from time to time for staff and for our clients, of course—the students and industry people. I think it is clear within the school that there is strong support for the move. But that is not to say that there are not issues for staff members who live in that area—especially those in the support areas in the school. We need to take care of their interests and maximise the chance that we can retain as many staff as possible as we move. That process is now just beginning within the school. So we will be planning strategies to maximise the chance that when we go we can take with us our experienced people at every level.

**Senator LUNDY**—Have you received any complaints or negative feedback about the move—of any substance?

**Mr Long**—Not really. Some staff are, quite rightly, concerned about having to change their working circumstance and begin to go to work closer to the city. But other than that it has been a very positive strategy that people have supported so far.

**Senator LUNDY**—I look forward to a follow-up at the next round of estimates. Thank you.

**Mr Long**—Certainly. Thank you.

**Australian Film Commission  
National Film and Sound Archive**

**CHAIR**—The Australian Film Commission and the National Film and Sound Archive are here. I see many familiar faces. Welcome.

**Senator LUNDY**—Hello, Mr Dalton. How are you?

**Mr Dalton**—Good, thank you.

**Senator LUNDY**—It probably will not surprise you to see that I have a Friends of the Archive newsletter in front of me. The first article in that newsletter raises a series of very specific concerns about the autonomous identity of the National Film and Sound Archive, including I guess the formal email address identity of the National Film and Sound Archive, being subsumed by the Australian Film Commission. The concern being expressed quite

formally is that that is in breach of the understood political commitment and indeed management commitment to retain the identity of the National Film and Sound Archive. Could you respond to that general concern, whether or not you have actually seen this newsletter, and defend yourself?

**Senator Kemp**—Mr Dalton is more than capable of defending himself.

**Senator LUNDY**—Minister, as you know, this is an issue of some sensitivity. I was just being blunt.

**Mr Dalton**—Unfortunately, I am not on the subscription list for the newsletter from the Friends of the Archive, so I have not seen that particular newsletter. We recently changed the email and went over to a single email address system across the whole of the Australian Film Commission, if that is what is being referred to. I have not seen it.

**Senator LUNDY**—I can describe the issue specifically. When you used to email people at the National Film and Sound Archive, it was '@nfsa.gov.au', and now it is '@afc.gov.au', even if the addressee is at the National Film and Sound Archive.

**Mr Dalton**—Yes, I now know what you are referring to. Everybody across the organisation has gone over to the single format. We have a protocol that where there are particular public generic addresses, for want of a better word, such as 'collection' or other parts of the archive, it is quite specifically there; the address denotes the NFSA. But the Film Commission is the Film Commission. It is a single organisation. Everybody who works within the Film Commission works for the Film Commission, and therefore we have gone to that single address format of '@afc.gov.au'. I do not think it goes in any way whatsoever to the issue of identity. It brings a degree of administrative rationality, I suppose, across the organisation. It certainly facilitates the movement of people within the organisation. People can move from one division to another division on a short-term basis and maintain the same email address. In terms of our whole email management system across the organisation, and across the platforms and across the four offices that we have around Australia, it facilitates a more rational approach, I suppose. It is based absolutely on the principle that the AFC is a single organisation.

**Senator LUNDY**—With all due respect, Mr Dalton, can I quote you on 17 February 2004, when you said to this estimates committee:

We consider it to be very important, as we have always said, that the archive has a distinct identity—an identity which is distinct from the Film Commission's identity and one that can operate independently so that the archive can have a presence which is independent of the AFC.

Doesn't that contradict exactly what you have just said, which is that it is now a single organisation and in fact there is no separate identity for the Film and Sound Archive anymore?

**Mr Dalton**—The AFC has a number of quite distinctive functions within it, and we absolutely promote the distinctiveness of those functions. One of those functions is the National Film and Sound Archive. In fact the National Film and Sound Archive as an entity is far more distinctive now than it was before the integration with the AFC. That is illustrated by the very fact that you are in front of me now talking about it as the National Film and Sound Archive rather than ScreenSound, which was a name many people found quite distressing and concerning. The commission changed that name I think 12 months or so ago. We are



introducing that branding of National Film and Sound Archive and using it to absolutely represent, promote and be associated with the functions and activities of the archive. So, no, I think we have actually done a lot of very good work in terms of promoting the existence and the work of the archive.

**Senator LUNDY**—I still cannot quite see how that reconciles with your previous statements. Are you planning other consolidation or the subsuming of that identity in letterheads, business cards, stationery and at the contact points that you mentioned—things that would further remove ‘NFSA’ or ‘National Film and Sound Archive’ from the branding identity of that institution under the AFC? If not, can you rule it out?

**Mr Dalton**—I find it difficult to answer the question because that presupposes an answer. I think that we have in fact enhanced the identity of the archive. That is my statement. To suggest that we have not gone a long way down the road of actually enhancing the identity because of the fact that the logo we now have for the whole of the organisation is the joint logo—with the coat of arms—and the fact that we have a single protocol for our email addresses is to confuse the issue.

I repeat that I think one of the very important decisions we made, and we signalled it very early on in the integration, was that we renamed that entity and that area of work under the National Film and Sound Archive. Even these days, when you talk to the drivers of taxis you get in when you arrive in Canberra, you find they are beginning once again to know it as the National Film and Sound Archive. I think that has been very important and that is something the Australian Film Commission has done.

**Senator LUNDY**—I cannot help but notice you avoided my question about further branding: letterheads, logos et cetera. Is it your intention to maintain equal standing of the National Film and Sound Archive text and the Australian Film Commission text within that logo to give the perception of equal status?

**Mr Dalton**—The logo is the logo. So the logo is a logo that has been determined by the government under its protocols for branding of agencies such as the AFC. So that is the logo. It is a single logo that is associated with the National Film and Sound Archive. But the actual name and brand, and all that it communicates and resonates with, are being used widely and promoted widely.

As far as corporate stationery is concerned, the protocol we are using is broadly associated with the actual location of our various offices around Australia. The stationery that is associated with the archive in Canberra clearly states ‘National Film and Sound Archive’ and then the actual address.

**Senator LUNDY**—I appreciate your point about the logo, because it has been I think the coat of arms and the lyrebird for some time. What I am concerned about is further diminution of the National Film and Sound Archive as part of that logo, the name of the organisation. Anyway, there have not been any recent changes; is that correct?

**Mr Dalton**—You have mentioned the change to the email address.

**Senator LUNDY**—No, to the way it visually appears.

**Mr Dalton**—We have introduced a new address system for our web site. I think I am right in saying the web site will now be ‘www.nfsa.afc.gov.au’.

**Senator LUNDY**—So the domain name has changed?

**Mr Dalton**—Yes. We are introducing a standard protocol across the organisation for—

**Senator LUNDY**—So you are getting rid of ‘NFSA’?

**Mr Dalton**—No, you did not hear what I said. I said it says ‘nfsa.afc.gov.au’.

**Senator LUNDY**—What was it before?

**Mr Dalton**—In fact it was Screensound. So we have got rid of the ‘Screensound’, which I think the Friends of the Archive would be very pleased to hear.

**Senator LUNDY**—Yes, I think so.

**Mr Dalton**—It has gone to ‘nfsa.afc.gov.au’. Because of the branding decision, we are introducing new corporate stationery across the organisation. It will display the AFC’s logo, which is now inclusive of the coat of arms.

**Senator LUNDY**—So that has already been done?

**Mr Dalton**—That has been introduced, or is in the process of being introduced.

**Senator LUNDY**—Let me get this clear. If the National Film and Sound Archive were writing to a potential donor, what would be on the letterhead?

**Mr Dalton**—Screensound.

**Senator LUNDY**—Still?

**Mr Dalton**—I thought you said ‘When they were writing’.

**Senator LUNDY**—Sorry, when they write.

**Mr Dalton**—When they write now?

**Senator LUNDY**—Yes.

**Mr Dalton**—If they write today? I do not know whether or not the new stationery is with them. When the new stationery is with them, it will have our logo.

**Senator LUNDY**—So the lyrebird?

**Mr Dalton**—The lyrebird and the coat of arms. That is our logo.

**Senator LUNDY**—What text accompanies that picture?

**Mr Dalton**—On the address block it will say, ‘National Film and Sound Archive, McCoy Circuit, Acton, Canberra’.

**Senator LUNDY**—I am just looking at the splash page of the web site of the archive. The two logos that appear are the Australian government crest with ‘Australian Government’ written under it—that is standard—a vertical line and then the lyrebird logo in the triangle with ‘Australian Film Commission’ written. Where would the logo or text be of the National Film and Sound Archive in the context of those two combined logos? Would they appear?

**Mr Dalton**—With due respect, I have to correct you. It is not two logos. It is a single logo. A single logo is the coat of arms and the lyrebird. ‘Australian Film Commission’ is written

under it. That is the logo. There is no other logo. That is the logo that has been approved by the minister, and that is the logo we use. There is no other logo.

**Senator LUNDY**—So that is the logo for the National Film and Sound Archive as well?

**Mr Dalton**—That is the logo for the Australian Film Commission and all parts therein.

**CHAIR**—Senator, I have to inform you that we are approaching afternoon tea.

**Senator LUNDY**—We are too. Just one question to the minister on this issue. Minister, I know you remember as well as I do all of the sensitivities associated with the merger of the Film and Sound Archive and the Australian Film Commission, and the great lengths Mr Dalton, you and other ministers who were involved went to to reassure the community and the archive itself of the retention of identity. Are you encouraging the AFC to continue this diminution, or are you willing to stand up and say, ‘Hang on, enough is enough. These actions by the AFC are now rendering that commitment by the government null and void. It is effectively a broken promise’?

**Senator Kemp**—I do not accept your analysis. I was very pleased to hear Mr Kim Dalton reinforce the basic principle that there should be a separate identity. That is one that I support. I think it is a great institution. This government’s aim is to improve the National Film and Sound Archive. That remains my intention, and we will continue to work with the Film Commission and the National Film and Sound Archive to make sure that we can achieve those goals of further improvement.

**Senator LUNDY**—If a case could be made to you that they had gone too far and the National Film and Sound Archive had lost its identity, would you intervene?

**Senator Kemp**—I am a person who always listens to people. I think you would have to say that. Senator Gavin Marshall is nodding and saying, ‘This is a consultative minister.’

**Senator LUNDY**—You have just been verbally, Senator Marshall.

**Senator Kemp**—Of course, there would probably be laws which govern my ability to direct the Australian Film Commission. I know that sometimes Senator Lundy does not want me to direct anything and other times she wants me to direct bodies.

**Senator LUNDY**—You are very inconsistent. You were happy to direct the department where to pay the sports rorts grants.

**Senator Kemp**—I am a consultative person. If I thought that there were some issues arising, of course I would have a consultative arrangement.

**Senator LUNDY**—But you do not think that your promise has been broken?

**Senator Kemp**—No, I do not think that my promise has been broken. In fact, I think the commitment to continue to improve the archive is being fulfilled, and I think that is very important. People who work at the archive know that I am a very strong supporter of their activities.

**Senator LUNDY**—I just flag that I have more questions for the Film Commission after the break.

**Proceedings suspended from 2.55 pm to 3.20 pm**

**Senator Kemp**—Mr Chairman, I am going to exercise a ministerial prerogative here and ask a question of the Film Commission. Has there been any successful films on racehorses made in recent years, either in Australia or overseas? Do you see any potential for a feature film on a racehorse?

**CHAIR**—On the Diva, for example.

**Senator Kemp**—With the title?

**Mr Dalton**—There was an ABC documentary series about racing only a few years ago, produced by Penny Chapman. There was *Phar Lap* of course.

**Senator Kemp**—And there was the American film on Sea Biscuit. Was that successful?

**Mr Dalton**—I do not think it was a huge hit. I am not aware of any Australian films—

**Ms Ireland**—*National Velvet*?

**Mr Dalton**—I do not know. I would have to take that on notice.

**Senator Kemp**—There may be a public interest in such a movie—not that I would ever try to influence the Film Commission.

**Senator LUNDY**—Sports winner, Minister. A very good outcome, particularly for those punters who backed the right horse.

**Senator Kemp**—That is right—which I assume was you, was it?

**Senator LUNDY**—No, unfortunately. We might just have to get over the euphoria of the Melbourne Cup and get down to business. I have a few questions about the selection of Cambridge Events to organise the 2005AFI awards. Who was involved in this process and how did their engagement come about?

**Mr Dalton**—Sorry, could you repeat the question?

**Senator LUNDY**—Cambridge Events to organise the AFI awards—what is the AFC's involvement in that?

**Mr Dalton**—We do not have any involvement in it. We provide funding to the Australian Film Institute each year in response to an application from them to provide funding. But we have no direct involvement whatsoever in the processes they go through to select and appoint an events management company.

**Senator LUNDY**—But the funding you provide the AFI—some of that is used to stage these awards?

**Mr Dalton**—All of it is used, yes.

**Senator LUNDY**—You say you are not involved in any of the accountability issues with the hosting of these awards.

**Mr Dalton**—No, I did not say that.

**Senator LUNDY**—Sorry; that is how I interpreted your answer.

**Mr Dalton**—No. I said that we are not involved in any of the processes involved in the selection of the events management organisation who may go ahead and organise the events

themselves. But, yes, we have very strict accountability and reporting arrangements with the AFI.

**Senator LUNDY**—What were the procedures that you enforced with respect to the AFI's engagement of Cambridge Events consultancy?

**Mr Dalton**—We would not become directly involved in who they select to organise the events. I actually thought it was being done by the Dainty corporation, so the Cambridge—

**Senator LUNDY**—I think they have pulled out of organising it.

**Mr Dalton**—The Dainty corporation?

**Senator LUNDY**—No. Cambridge Events have pulled out of organising it.

**Mr Dalton**—My understanding is that Victorian Major Events is quite actively involved and has put a lot of money into supporting the awards this year. My understanding is that the Dainty corporation is the company that is actually organising the event itself and there is a lot of enthusiasm and excitement within the industry at the moment because they have revamped the way they are going to do the awards. It is going to be held over two nights. They have split out the craft awards from the main awards. It will be a fairly high-level sit-down 800-seat dinner and it will be hosted by Russell Crowe, and Channel 9 is involved and will be broadcasting it. Whether it is broadcast simultaneously or with some sort of delay, I am not sure that that has been finalised yet. Some fantastic films are lining up competing for the awards and that was witnessed at the nominations event only a couple of weeks ago. There is a lot of enthusiasm and excitement around the awards this year amongst the industry.

**Senator LUNDY**—I am sure there is. Can we backtrack a little? My understanding was that the Cambridge Events consultancy was initially engaged to organise the 2005 AFI awards. That is no longer the case and you say that the Dainty corporation have taken over that role. What knowledge do you have of the contract that did exist with Cambridge events? Any?

**Mr Dalton**—I do not have any knowledge of that. We have an arrangement with the Australian Film Institute, which makes an application on an annual basis, and we have quite a standard funding contract with the AFI, which is not dissimilar to the agreements we have with quite a range of screen culture organisations that we fund and we expect quite high levels of reporting in terms of budgeting and a description of the nature of the event—how and why it will be fulfilling our aims and objectives that we set out according to that program. But, in terms of the detail of the contractual arrangements that they have with the events company, this is not something the Australian Film Commission would engage with.

**Senator LUNDY**—So, for the purposes of parliamentary accountability, to whom would questions best be directed to find out what were the contractual relationships and procedures put in place and why they fell over? I think I can only come to you.

**Mr Dalton**—If there are issues that you would like to get some information on and you ask me those questions, we will undertake to talk to the AFI and either have the AFI provide you with that information directly, if they feel is appropriate to do so, or they will provide the information to us, if they feel it is appropriate to do so. The AFI is an independent organisation. It is not part of the Australian Film Commission; it is an independent

membership based industry organisation. We are the major government sponsor of those awards, but the Victorian government also provides quite a lot of money and Film Victoria and Melbourne major events and there is a whole range of commercial sponsors as well. But, if there is a particular issue that are you interested in, I am happy to undertake to see whether we can find some information that satisfies you.

**Senator LUNDY**—Thank you for that. I think the Australian Film Commission is the only channel for accountability that I understand would be open to me to ask these questions of. Could you take on notice to provide the committee with the details surrounding that contract—

**Senator Kemp**—I think it would be better to leave it. This is not an organisation that we have any control over. They will read the *Hansard* and undoubtedly you will post them a copy of it. They will read that you have requested information. In the end, it is probably up to them whether they provide it or not. It is probably best that they write to you, I suppose, directly. Is that the preferred model?

**Senator LUNDY**—I think it is analogous probably to the Australia Council having to account for and acquit government funding provided to major performing arts organisations, which are entities in their own right.

**Senator Kemp**—But that does not mean that we examine every contract.

**Senator LUNDY**—But they have a contractual arrangement. If they fell over, we would.

**Mr Dalton**—Not necessarily.

**Senator LUNDY**—We would certainly raise questions in this forum.

**Mr Dalton**—Our concern is that the AFI conducts its business properly and we would expect audits and reporting and that the event to which we provide the money meets the objectives and requirements. That is our real concern. The detail of their commercial arrangements is not something that we would normally engage with. However, having said that, I am more than happy to attempt to facilitate—and I am sure the AFI would be quite happy to provide me with some sort of background brief and we will forward that to you or, as the minister says, they might read the *Hansard* and just decide to come and see you directly and explain the background. I do not know what you are alluding to.

**Senator LUNDY**—As I said, you do not have a lot of information about what occurred. I think there was a reference to it in a newspaper article. My understanding is, because the Australian Film Commission are providers of funds, at least for a substantial proportion of the staging of the AFI awards, that there would be at least some knowledge by the Australian Film Commission as to how that money was being expended. If it is being wasted on contracts that fall over, my interest is whether or not taxpayers' money is being spent wisely and whether your accountability mechanisms with the AFI are robust enough to be able to ensure that taxpayers' money is being spent wisely. That is the gist of it. So the question is really one of the AFC's responsibility in accounting for the way you are handing out money.

**Mr Dalton**—I am happy to attempt to facilitate that. I am very confident that our accountability arrangements with the AFI are very robust, but I am more than happy to investigate.

**Senator LUNDY**—Thank you for that. Is it still going ahead as scheduled I think on 26 November?

**Mr Dalton**—It is in my diary. As far as I know it is, and the nominations event was I think about two weeks ago in Sydney. As far as I know, it is all on target.

**Senator LUNDY**—I have not heard anything to suggest differently. I can reassure you of that. Have you been approached by AFI for any additional funding for this event this year?

**Mr Dalton**—We are providing them with more money this year than we provided them with last year. They approached the September commission meeting. Again I can clarify that with you if you want the particular date, but they came back to us and, as a result of the reworking and the new way that they are delivering the awards, they asked us for some additional funding and we gave it to them.

**Senator LUNDY**—So this year's awards—I have a quote from an AFI press release here—will be significantly different from any other year et cetera with this promotion you are talking about. You do not believe that that additional funding was in any way related to the falling over of the Cambridge Events contract? That was not what was put to you?

**Mr Dalton**—No. In our discussions with the AFI, they have gone from being able to sell in the vicinity of several thousand tickets at an event in a major venue to a sit-down dinner of about 700 or 800 people. There will be a huge number of free tickets—in terms of sponsors, all the nominees, the awards presenters and a range of other official people invited to that event. Their ability to raise revenue from the sale of tickets is limited. But the other thing is that it took quite some time to finalise a major sponsor and to finalise the nature of this event this year. That provided limitations in terms of getting on board commercial sponsors. So they were not reaching their commercial sponsorship revenue targets.

**Senator LUNDY**—Please take on notice just some information linking the Cambridge Events contracts to this decision to give them more funding, if there was a connection or if you were informed at that time of a problem with that contract and just the date that that decision for additional funding was made and reasons for it.

**Mr Dalton**—Yes.

**Senator LUNDY**—I do not know to what extent you can answer these questions, but I think there is perhaps some involvement of the AFC as major supporters of the AFI. But concerns have been expressed, again publicly, about the rules applying to the selection criteria of the Australian film industry awards—in particular, the proposal to the board of the AFI to change the eligibility rule to include previously ineligible works that now allow *Mary Bryant* to be judged this year. What involvement, if any, does the AFC have in ensuring the credibility of these awards and the application of this rule?

**Mr Dalton**—We do not have any involvement whatsoever in terms of the setting of rules or the governing of their judging process. We take a view about the overall governance of the organisation, the finance of the organisation, the broad sort of nature of the event and obviously the integrity of the event, but we do not get involved in the details of the eligibility rules.

**Senator LUNDY**—My understanding is that TV producer John Edwards has been specifically disadvantaged by not having the information that the board had made the decision to rubberise this eligibility criteria, this rule, and therefore did not enter his TV series *The Surgeon* for consideration, as he thought the rules were that he had missed the deadline. This is perhaps a question for both you, Mr Dalton, in your capacity as a substantial supporter of the AFI, regarding concerns about the credibility of the awards given this unfortunate circumstance, and the minister—I am sure that these issues have been brought to your attention—and whether you have a view on the conduct of the AFI board in the application of this rule and, I guess, what I observe as some undermining of the credibility of the whole process. I do understand that you are not responsible for these decisions, but your comment would be helpful.

**Senator Kemp**—If ministers start to get themselves into award arrangements, my judgment is that they will more frequently be criticised than praised. I have not received any particular advice on this issue, so I do not propose to make a comment at this stage except a general comment that these awards are run by the AFI; they are not run by the government. The AFI is an independent body. It has to answer to its constituency. I think that is probably the better way to handle it. But, if Mr Dalton, Mr Brian Rosen or anyone else wants to give me a briefing on this, that would be welcomed. But as yet I have not received such advice, so I do not think I will comment further.

**Mr Dalton**—I would just add to that that I have had no formal representation whatsoever from any producer or any industry organisation about this issue. I think it is fair to say that most years there are issues that arise in relation to eligibility in different categories. But I think that the AFC has never engaged at a formal level about those issues and it would be quite inappropriate for the AFC to, indeed, become involved. The AFI has a whole consultative process it goes through each year with industry organisations and that is where those issues are properly dealt with.

**Senator LUNDY**—So your understanding is that there is a mechanism where these complaints can be aired and dealt with?

**Mr Dalton**—The AFI after each year goes through a consultation process industry organisations to review their award structure and system and voting systems and eligibility systems. That process ultimately is conducted by the AFI board, which is an elected board, elected by the membership of the AFI.

**Senator LUNDY**—I have a series of questions about the AFI's conduct in relation to this matter. Perhaps I can place them on notice and you could refer them to the AFI and we will see whether we can get some answers back that way.

**Mr Dalton**—I will undertake to talk to the AFI about it.

**Senator LUNDY**—By virtue of their heavy reliance on the AFC—indeed, the government—for funding, I think there is some obligation for that organisation to be accountable through these processes. We will see what answers we get.

**Senator Kemp**—The point that was being made is that they are accountable. They account to the industry and they get feedback from the industry. I think that is an appropriate



arrangement. I do think it would be a strange thing for a government to get directly involved in this.

**Senator LUNDY**—Perhaps the AFI will see it as an opportunity to clarify their stance in relation to this matter.

**Senator Kemp**—They may even come to see you and ask for your views.

**Senator LUNDY**—One of the issues raised as part of all of this mess is that there might not have been enough films or indeed TV series to flesh out the award criteria. Do you have any knowledge about whether or not there were enough eligible products at least to fill some of the criteria? Are you across any of that?

**Mr Dalton**—I am not aware of it. Again, when I was at the award nominations event a couple of weeks ago in Sydney, to use a racing metaphor—appropriate for today—it looked like a very strong field in all areas.

**Senator Kemp**—Was it a Melbourne Cup field?

**Mr Dalton**—It was a Melbourne Cup field, in fact—certainly in the feature film area, a Melbourne Cup field.

**Senator LUNDY**—Was the AFC ever consulted, either formally or informally, about criteria for inclusion of films under the AFI rule?

**Mr Dalton**—No. The AFC would not be consulted and would not want to be consulted.

**Senator LUNDY**—Would not want to be?

**Mr Dalton**—No.

**Senator LUNDY**—Not even if the credibility of the whole AFI awards was being threatened?

**Mr Dalton**—We would just take the view that it is for the AFI to talk directly to the industry through the industry organisations. It would not be appropriate for the AFC to express a view about those issues. If it gets brought to the attention of the AFC by the industry organisations that there is a credibility problem with the AFI awards, obviously that is something we would look at very seriously. But we have had no representations of any kind about the matter you are referring to.

**Senator LUNDY**—‘Nor would you have expected to’ is what I am hearing. You would not have expected to.

**Mr Dalton**—I would not expect it to be brought to the attention of the AFC, no, not unless this was something that was endemic and happening year after year and spreading across different categories. As I said, each year, in my experience, issues arise from time to time about particular awards and particular issues around eligibility and there are opinions—at times strongly held opinions—by different producers or different practitioners. Certainly this year you may have read there was a particular actor who was most concerned about not being given a nomination for best actor. But this is not something that is appropriate for the AFC to engage with.

**Senator LUNDY**—Can I ask the AFC about the progress to date on the digital content program that was put forward at the last budget through the election commitment?

**Mr Dalton**—There was nothing in the last budget.

**Senator LUNDY**—For digital content?

**Mr Dalton**—For digital content.

**Senator LUNDY**—What about the following year?

**Mr Dalton**—In the 2001 budget, I think, we received \$2.1 million for a broadband initiative. That project has almost come entirely to fruition in as much as we funded a total of seven broadband projects. I think to date four or five of those are up and available on the ABC web site. My understanding is that, if we meet schedule, the final three will come on line before the end of the year. We managed to bring other partners in on the project. The Telstra broadband fund became involved, as did the TECC, the Tasmanian Electronic Commerce group in Tasmania. I think the Victorian multimedia fund became involved as well as the South Australian Film Centre. So it actually became a \$4 million project and, as I said, seven broadband projects came out of that. My colleague has just said—I do not know whether this is what you are referring to—there were funds in the last budget for a trial we intend to run in terms of digital cinema. Would that be what you are referring to?

**Senator LUNDY**—No.

**Mr Dalton**—So it was actual digital content production you were asking about.

**Senator LUNDY**—If there is nothing there, there is nothing there. That is all I have. Thank you.

**CHAIR**—Before you leave, Senator Bob Brown has questions on notice for the Australian Film Commission and the National Film and Sound Archive. So expect questions from the Greens. They have to be answered I think by 21 December; that is the deadline. Thank you very much for appearing.

[3.48 pm]

#### **National Archives of Australia**

**Senator LUNDY**—First, could I ask you about the progress of the federal government's attempts to streamline record keeping on behalf of agencies and departments generally and, indeed, in accordance with the integrity of Commonwealth information inquiry recommendations that was conducted by the Joint Standing Committee on Public Accounts and Audit.

**Mr Gibbs**—We are working with agencies on an ongoing basis. In fact, in the last few weeks we have had a launch of a program at DEST. We had one at the War Memorial last week. The month before we had one with FaCS. I think the ongoing relationship we have with agencies implementing those is very successful. We are also talking to AGIMO as part of that process as well. So, as far as the National Archives is concerned, that is a very healthy process.

**Senator LUNDY**—The archive's role, and please help me out here if I am characterising it incorrectly, is that as agencies and departments work out their own internal systems they will then work with the archives to streamline the archiving process of hard copy documents and

electronic records of those agencies and departments. You wait to be invited by the agency or department?

**Mr Gibbs**—No, we do not. We have quite a few products that the agencies can use. In fact, DEST did quite a successful production which won an award in Perth last month without us intervening personally at all, but in fact it was all predicated upon the products that we produce: the guides to how you use electronic records, the standards we issued. The meeting with them last week was to say thank you, congratulations on both sides that we had managed to pull this off working cooperatively without it requiring any additional intervention on our part, apart from the standard products we issue to government agencies. We saw that as the model of success.

**Senator LUNDY**—I am sure you did. How many agencies and departments have gone through that process that you are able to, I do not know, tick off or approve, confirm that they are now compliant with the appropriate standard of record keeping?

**Mr Gibbs**—Not enough.

**Senator LUNDY**—Can you tell me how many?

**Mr Gibbs**—The arrangement we have is ongoing. We take our measures from the State of the Service report that is about to come out from the Australian Public Service Commission and we have just sent seconded staff off to the Audit Office to do an audit review of another four agencies to see how they are making out in electronic record keeping. It is an ongoing thing. I think the last two audits that have been done by the Audit Office have said, 'Doing well but could do better.' We think on this third one we would want to see a bit better and stronger result than that, something like, 'About time,' and getting some success and some runs on the boards from the four agencies that have been identified. It is an ongoing process and I think when we get concerned about it we look at our colleagues around the world; we had the Japanese here last week, we have visitors all the time. While we are in a process of getting there, I think we are still leading the world in getting there and the staff have to tell themselves that at times, that there is a long way to go but, my God, we have achieved a lot as well. As I said, not to harp on it too much, we had the Japanese cabinet office here last week looking at how we did this in Australia and I think they went away very happy with what we achieved and the model they have taken to use in Japan.

**Senator LUNDY**—I think the Audit Office has been recognised internationally as well, hasn't it?

**Mr Gibbs**—It has. In fact, the Auditor-General from Western Australia and I, hopefully, with the minister's approval, are going to Abu Dhabi next month to give a paper on accountability and record keeping in auditing in Australia, so it is that internationally recognised.

**Senator LUNDY**—Congratulations. Are you able to provide the committee with a list of agencies that are currently complying with the record keeping standards?

**Mr Gibbs**—I could not now but I would be pleased to try and do so.

**Senator LUNDY**—If you could take that on notice.

**Mr Gibbs**—Sure.

**Senator LUNDY**—What is the time frame for the next Audit Office report into compliance of electronic and other record keeping?

**Mr Gibbs**—The one that has just started?

**Senator LUNDY**—Yes.

**Mr Gibbs**—I could not tell. The main seconded person, who has just gone off, started only at the beginning of this month, so I think we are probably looking at the next calendar year before the report is out. We could make you aware of it.

**Senator LUNDY**—You mentioned a Public Service Commission report coming out shortly that will report on the status of agencies and departments. Can you reference that again for me?

**Mr Gibbs**—That is the State of the Service report that comes out annually. When it was started we had a direct staff involvement in getting the record keeping questions put into it. We see that as a really important health report on how agencies are doing in record keeping. We have seen the draft result and we think this year is the strongest report that has been done in terms of the level of examination that has gone into record keeping in the agencies.

**Senator LUNDY**—You mentioned also that you worked with AGIMO on these procedures. I understand, despite them having been moved from this department, they still are the lead agency in attempting to coordinate whole of government information service. What is your relationship with AGIMO and how do they either help or hinder your efforts to make agencies and departments compliant with the standard?

**Mr Gibbs**—As far as I can see, and I am a relative newcomer and the agency's transfers will have been new, but with the new CIO, Ann Steward, there I know I have a really close working relationship. We are cooperating on the lecture series they are about to start in agencies, we are launching one of our products at the session in December with them, so it is the best sort of relationship you could have. We are directly involved in any way we want to be at this stage. We will be involved with them in having a say in the government policy they will be involved in drafting.

**Senator LUNDY**—What is the next big stage for the Archives in furthering compliance? You mentioned all the products you have out there and they can be taken up on their own by agencies or departments, but what is next on the Archives agenda for improving compliance and making it easier for departments to obey the rules?

**Mr Gibbs**—The next big step on the Archives agenda is us delivering at our end. While we have built a laboratory strength digital archive to prove we can take in records from across agencies of any variation, any format, we do not have what is called an industrial strength one where we could actually take a whole government department's records in digital format. To keep credibility with the agencies I think we have to deliver now and secure the resources to deliver at our end. In the meantime, we keep working with the agencies because, while we need it, the pressure is not as urgent as it is on them when they are getting systems, hoping to do transfers across systems, working out what to do with email when they have systems that are not capable of it. That hands-on work we do with the agencies is the most important thing immediately, but down the track a little bit it is us getting a digital archive that can take all the stuff they are creating.

**Senator LUNDY**—Are you currently resourced to achieve that or is that something you are seeking through your minister no doubt making submissions to cabinet for?

**Mr Gibbs**—To get the main storage would be like any other storage submission: of course we would have to go to government to secure the funds.

**Senator LUNDY**—You have plans to do that, what, in this current budget round leading up to the next budget?

**Mr Gibbs**—We will have plans to do it, yes.

**Senator LUNDY**—One of the issues I recall from the Integrity of Commonwealth Information inquiry was archiving in suitable languages that can be efficiently retrieved. Are you able to make any observations about the proprietary nature of some of the applications used by agencies and report back on trends in your ability to make sure that digital data can always be retrieved?

**Mr Gibbs**—What we are doing in the digital archive we have built at Mitchell is making sure that any language is transferable into freeware and therefore accessible to all and for all time. That is what the whole project is about, what is called Xena. It is not much concern to us what they are using. I think at the last count about 34 different formats were made compatible into one freeware and that is really what building a digital archive is about. The more arcane they get, the more difficult it becomes for us, but it is not an issue for us. The issue is the process we have in place to make it transferable.

**Senator LUNDY**—I have some questions about staffing at the National Archives. What is the current staffing level? How many full-time equivalent employees do you currently have?

**Mr Gibbs**—As you would be aware, we had a preservation funding, about \$12 million of our budget was preservation funding, which was capitalised and we could only use it on an annual basis, so we had a very high level of short-term contract staff because of that. What has happened this year, finally the minister has succeeded in transferring the money from our capital account to our operating account, which has meant we can start putting those people onto ongoing employees. I think at last count there were over 20 who had been brought across and made what used to be called permanent staff. The staff establishment is about 450 but it is a very changing world because of that. We are going out of short-term contracts and projects that we have been doing in the past and moving more over to ongoing employment and ongoing projects which that new funding round lets us do. It is a very exciting time for the Archives. It is a difficult time of change but it is still an exciting time as well. We have been waiting for it for quite some time.

**Senator LUNDY**—Does the current staff allocation of 450 match what has been budgeted for in this current financial year?

**Mr Gibbs**—Yes, it does, but it is changing. As I said, we have moved about 20 people across to ongoing, we have deferred some—if 20 have come across, I think seven have left. When you are operating in an environment where over a quarter of your staff and a quarter of your projects were on short-term contracts it is a very fluid situation. That will, hopefully, settle down during this year. The numbers will not vary greatly and the ongoing or permanent numbers will stay about the same.

**Senator LUNDY**—At about 450?

**Mr Gibbs**—Yes.

**Senator LUNDY**—In that transition from short-term contracts to permanent is there likely to be a reduction in the numbers of people that make the transfer? You mentioned that seven people have already left. Does that mean there will be seven less people working in the archive after this process, through natural attrition?

**Mr Gibbs**—Possibly. There are two things happening. One is the move, as I said, for the preservation funding becoming operating accounts, so it has got some ongoing nature and we are moving people on to permanent or ongoing. It means that some projects will be winding up. Some people will be brought across, some will not. I mean, we are talking about people who may have been—a lot of those not ongoing are working a day a week, some are working fulltime. It was a very sort of fluid mix, as you know, when you have short-term projects. What this year will lead to is some stability. Probably the numbers will go down slightly, but there will be more stability.

**Senator LUNDY**—So, when you say ‘slightly’ that is less than 10?

**Mr Gibbs**—I do not know, I could not really say.

**Senator LUNDY**—You could not say.

**Mr Gibbs**—I mean, at its high point we had well over 100 non-ongoing short-term contract staff.

**Senator LUNDY**—And are they part of the 450 or are they over and above that?

**Mr Gibbs**—Before you trap me any more, can I just refer that as a question so I can get back to you? As I said, it is a fluid number and I will get back to you and give you a report on what the numbers are and where they are going.

**Senator LUNDY**—Yes, that is fine. Is the archive currently under any pressure to reduce your costs, not necessarily in the area of salaries for employees, but generally?

**Mr Gibbs**—The archives have been under cost pressure every year I have been here, and every organisation I have been involved with has. There are cost pressures this year. I guess if you want to identify why there are pressures this year, three of our main buildings that are on market leases, in Mitchell here and in Sydney and in Melbourne, are all up for lease renewal and we are going through the very robust process of building owners wanting to put up the price and us negotiating with them to bring it down. That could be a cost to us of up to a million dollars increase, but hopefully it will be less than that. So there are those pressures. But, I mean, on the more positive side the pressure is that we have had to this year make a significant investment in our ICT infrastructure. Early next year we will have 10 million documents up on line, which is an incredible number in any terms, which means we are becoming a truly online facility. That means that equipment was starting to creak and we really have to replace servers. Otherwise the good news about the collections available online will be bad news if people cannot use it because it falls over. So we are investing between \$500,000 and \$600,000 just on upgrades this year on the ICT side. So that was something of our own doing but we think the beneficiaries will be our users. So we put that pressure on ourselves.

**Senator LUNDY**—Yes. So those costs have come out of your existing budget. You have not got any additional capital costs?

**Mr Gibbs**—No, and we would not expect to.

**Senator LUNDY**—Are there any other major events that you can point to that add to ongoing cost pressures?

**Mr Gibbs**—To cost pressures? No. Having the preservation funding brought across has been a long time coming and so now we have got some continuity about it to actually reinvigorate that whole process.

**Senator LUNDY**—Right.

**Mr Gibbs**—The things we are looking at doing with—as you know, we have got a large part of our collection up on record search and tendering documents online. We have never been able to put the states up online, and one of the projects we are examining now is whether we can start getting the state documents up online as well, along with everything that we hold here in the national collection in Canberra. So, things like that might be possible when they were not before.

**Senator LUNDY**—Can you tell the committee what impact the increase in the efficiency dividend has had on the national archive and what the overall cost of that was?

**Mr Gibbs**—I think it is a figure of about \$100,000 more. I mean, in a budget of \$63 million, of course it is a factor but it is not a significant factor for us.

**Senator LUNDY**—You say it is not a significant factor, but you have got to find that from within your own resources.

**Mr Gibbs**—Yes, we do.

**Senator LUNDY**—Were you able to specifically identify any aspect of the archives work that would be foregone as a result of the efficiency dividend increase?

**Mr Gibbs**—No, because it was put in a package of things. This year, as you also know, we had a 4 per cent increase in salaries through our new agreement and that was about \$1.3 million. So, what we are doing is we are putting all those things together and working out the efficiencies that you have to deliver on. In that sort of scale of things it is not anywhere near the biggest factor we have to take into account. It is just one of the factors and I do not think—unless I can consult my colleague here, and say he has identified where the \$100,000 is coming from—we have actually identified it as a discrete item that we have to do anything about in particular.

**Senator LUNDY**—Given that it is in the mix, are you able to point to any effect on the way that the archives delivers on its service charter as a result of that efficiency dividend increase?

**Mr Gibbs**—No, we could not. I mean, if we were to analyse it over time we might have been able to but, as I said, it is not a big issue in this year's budget for us. We could have a look at the efficiencies that we are delivering across all the cost increases we have had. One of the most significant efficiencies for us is that up until last year we were developing an agreement with the staff on an annual basis, which was an incredibly time-consuming process

for senior staff—hundreds of hours. The big achievement for us was getting a three-year agreement. I think that, both from the staff side and certainly from management side, it means that for the next two and a half years we can just get on with it, rather than having to focus on that incredibly time-consuming process. I mean, just small things like that, and there are a raft of them, are all added up and we get the benefits and the savings. But to get back to your \$100,000, if you like, I will look at it and try and work out how we saved it, but we have not looked at it that way.

**Senator LUNDY**—Thank you for that. That is all.

[4.07 pm]

### **National Gallery of Australia**

**Senator LUNDY**—Welcome. Can you tell me why Director Ron Radford is not at estimates today?

**Mr Froud**—I can. I appear before you as the acting director because Mr Radford is overseas at the moment. He is attending an annual meeting of international art museum directors, which is scheduled to take place this week.

**Senator LUNDY**—How long will he be absent for?

**Mr Froud**—He will be back next week. I think he is back on Tuesday and he left last Friday.

**Senator LUNDY**—When was this trip planned?

**Mr Froud**—Some time ago, because the program for the meeting of international directors of course is determined some time in advance and so it was some months ago, I think, that that date would have been set.

**Senator LUNDY**—Would it have been possible for the director to delay his trip to this conference until after today to allow him to appear at estimates?

**Mr Froud**—No.

**Senator LUNDY**—Why not?

**Mr Froud**—The conference is actually occurring as this hearing is occurring.

**Senator LUNDY**—But it goes until next Tuesday, presumably?

**Mr Froud**—No, he will be back in the country next Tuesday but he will be taking advantage of the opportunity whilst he is in the United States where this meeting is being held to also undertake some other tasks on behalf of the gallery.

**Senator LUNDY**—I am sure. So, what were the actual days of this conference?

**Mr Froud**—I would have to take that on notice. My understanding is it is this—as we speak is when he is actually in the conference.

**Senator LUNDY**—Today?

**Mr Froud**—Yes, I think so. It is a number of days.

**Senator LUNDY**—What about yesterday or tomorrow?



**Mr Froud**—This meeting—it is not so much a conference; it is an annual meeting spread over a number of days.

**Senator LUNDY**—Can you tell me whether the director was aware that estimates was scheduled for today when he accepted to attend this conference?

**Mr Froud**—The timing of the estimates committee hearings—May. I am not sure whether we were aware of the precise date for the hearing.

**Senator LUNDY**—Well, I was aware in January. I think it is published in January.

**Mr Froud**—We are aware that there is a week of estimates hearings, I suppose, around this time. But the gallery is not necessarily aware of the precise dates in advance.

**Senator LUNDY**—Who was involved in the decision? I think we all can accept that the director looked at estimates in Canberra or the US conference for gallery directors and made a conscious decision that he would forgo estimates. Am I characterising that accurately? Was it the director's decision? Were you involved in the decision?

**Mr Froud**—It was essentially—

**Senator LUNDY**—Was the board involved in the decision?

**Mr Froud**—It was essentially a matter for the director and the board, and that decision was made by the chair of the council with the director.

**Senator LUNDY**—So the council did approve that decision?

**Mr Froud**—Yes. I would add that I think in Mr Radford's first year as director of the National Gallery it is particularly important that he—and this was a point that was put—should be in attendance at this very important meeting of international directors. I think it is important for him to be there. He is the sole representative, elected for the Southern Hemisphere—something that hopefully will change in time. So, as you probably are aware, appointment to this particular meeting of major gallery directors is an individual appointment. Previously the gallery's directors Betty Churcher and Brian Kennedy enjoyed that privilege, and it has been extended to Mr Radford as well. So this is the first annual meeting of international directors that has occurred in his time as director of the National Gallery of Australia. So I think that he did consider the issue and felt that it was in fact important that he was there.

**Senator LUNDY**—We have had several concerns expressed at this committee, not just by the opposition but also by government senators, about the lack of attendance by various heads of organisations, and I cannot place on the record more firmly our concern about that. And we would be extremely concerned if this were to somehow set a precedent for nonattendance by Mr Radford. I should also note that I have just been informed that the committee did receive, on 21 October, a letter from the director, Mr Radford, advising the committee and apologising for his nonattendance. So I thank the committee for bringing that to my attention. It is still disappointing that he is not here and has made that choice. Who is overseeing the day-to-day conduct of negotiations for the front entrance project in the director's absence?

**Mr Froud**—That matter has progressed to a point where the gallery council has expressed its support for a proposed design solution and the gallery is now engaging in presenting those ideas to the government for its consideration.

**Senator LUNDY**—So you say to government. Who are ‘they’ and to whom in government?

**Mr Froud**—The director actually launched a vision for the future of the National Gallery as he saw it. That was on 12 October. Included in that there were some issues associated with collection development, but also in terms of what he saw as the future opportunity to better organise and present the national collection in the building. That vision included a degree of ambition for future development, and the ambition reflected by the director would go beyond the scope of the previous proposal to just improve the front entrance to the gallery. Therefore, that is a matter that understandably would need to be considered by government. So, whilst the gallery has some ideas of how it would like to see the building develop, it really is a matter for government to consider.

**Senator LUNDY**—The breakdown in the discussions between the original architect of the building and the director is obviously going to be an issue that I want to discuss. Is it fair conjecture to say that this might have prompted the director not to appear before estimates in order to answer these questions?

**Mr Froud**—No, not at all. The reason the director is not here is the reason I have given you.

**Senator LUNDY**—So I take it you are fully briefed on this matter and are able to take questions?

**Mr Froud**—Certainly.

**Senator LUNDY**—Can we just go through the statement by the director on 12 October with respect to the design solution for the front entrance and associated matters. Precisely what was the proposition put by the director?

**Mr Froud**—In a document that the director has issued he has outlined a number of things: a future vision for extending the gallery and that that might be done in two stages. The first stage would improve the egress to the building—the arrival and entry facilities for the public. It would bring the Aboriginal memorial work of art, which is currently on display on the principal display level, down to the ground level at the arrival. There would be improved shop facilities, also located at the ground level upon arrival. And there would be other facilities for improved display of the collections, including a multifunction space. But all of these matters really relate to the proposals that we really need to discuss with the government, and I am conscious that there is a proper process to follow and that, whilst it reflects the vision which the gallery council has supported the director in expressing, we recognise that the delivery of that ambition is not within the gallery’s giving. It is a matter that the gallery and the government together have to consider and discuss.

**Senator LUNDY**—Just to make sure I have got this right, the front entrance project commenced many years ago now?

**Mr Froud**—Yes.

**Senator LUNDY**—It has progressed to the point where a series of works have been carried out on the library, some renovations, improvements in infrastructure—sorry, I meant at the gallery.

**Mr Froud**—Thank you!

**Senator LUNDY**—It has been a long day. How much money has been spent to date on that overarching project?

**Mr Froud**—Overall, about \$14.4 million has been spent of the \$42.9 million budget approval, and it was always intended that about half of the \$42 million would be spent on refurbishing the building and one half would be spent on expanding what we call the ‘new entrance’—it is more than that of course.

**Senator LUNDY**—Yes.

**Mr Froud**—But that is how it has been referred to.

**Senator LUNDY**—On 19 October the *Sydney Morning Herald* carried a story which said that in fact the front entrance of the project is unfunded. Can you either confirm that or explain why, given the original allocation of \$42-odd million presumably for part of the front entrance, that story was carried? Is it because the director has expanded, or is trying to expand, the use of that \$42 million beyond what it was originally allocated for?

**Mr Froud**—What is expressed in the vision that the director has presented is a broadened scope for development and, because there is more ambition being reflected in the plans that Mr Radford is proposing, clearly it expands beyond the scope of the budget that was originally set for a different proposal. To that extent, the funds that were appropriated for an entrance remain and are available to be applied to that project, but the project scope that the director has proposed is something greater than that.

**Senator LUNDY**—Has the director put to government a specific proposal and, if so, what is it and how much additional funding is the gallery seeking to fulfil the new director’s vision?

**Mr Froud**—I think those issues, as I understand the process, are matters that I am not at liberty to reveal even to this committee because they are part of, obviously amongst other things, budgetary processes and the gallery has made a formal case and presented something for consideration.

**Senator LUNDY**—By the minister?

**Mr Froud**—To the processes, yes, that we submit through the portfolio department.

**Senator LUNDY**—Minister, where does this leave your own accountability for the expenditure of the original \$42 million allocated to the gallery for a specific purpose?

**Senator Kemp**—As Mr Froud has explained, the board has changed its proposal, and clearly the government in the end has got to make a decision on that matter. The new proposal will involve more money and clearly the government would want to look very closely at any change in the plans—the expenditure is already committed—and to look at the additional costs which may be involved. I have had a briefing from the director on the general plans that they have for the building, but the process has a considerable way to go yet, I have to say, and these matters will be looked at very closely by the government before a decision is made.

**Senator LUNDY**—Is it not the case that one of the problems with particularly the front entrance and the redesign of that as part of the original program was the lack of agreement by

or, I guess, the broken down relationship with the original architect, Mr Col Madigan? So can I ask you Mr Froud specifically—I think we talked about this years ago—what has happened with that relationship? My recollection is that it related to the moral rights of the architect in the integrity of the structure of the gallery building per se. Is it because of the breakdown in that relationship that you have been unable to negotiate a mutually satisfactory outcome with the architect and that that has prompted your change in strategy?

**Mr Froud**—If I could just clarify, I would not use the term ‘breakdown in relationship’. The gallery did retain Madigan Associates, that is Mr Madigan and an associate worker who works with him, to provide advice to the project. The proposed design that is supported by the gallery council has been informed by and improved by the contribution that Mr Madigan has made. He has been involved. He has offered advice. He has offered criticism and the solution includes his input. However, Mr Madigan will make his own mind up about the final design solution, and we accept that at some point there may be a difference of opinion about that. However, once we have actually clarified the status of the project in terms of whether it will be supported by government in a more ambitious form, at that point we would need to return to Mr Madigan and have further discussions with him about what the plans would be. But he has already participated in and been involved in exchanges and discussions associated with the development of the plans to this point.

**Senator LUNDY**—So, we have got two proposals—the existing one and the one as part of the new proposals that the gallery has put to the government. Is that correct?

**Mr Froud**—There is no existing one. Just to be clear, the gallery received a \$42.9 million budget back in the 2001-02 budget and that was based on a particular solution that had been supported and was proposed at that time. That particular proposal was opposed by Mr Madigan and others. The gallery council considered the representations that were received and a range of issues associated with that, and decided in 2002 not to proceed with the proposal that originally informed the development of the budget and to look for another solution that would satisfy the concerns of others that everyone had expressed.

**Senator LUNDY**—Okay. And since then that effort has culminated now in a new proposal having gone to government?

**Mr Froud**—Yes.

**Senator LUNDY**—Does that proposal include a new option for the treatment of the front entrance?

**Mr Froud**—Yes, definitely.

**Senator LUNDY**—What were the terms of Mr Col Madigan’s involvement in the development of that proposal and were those terms in writing or in a contract?

**Mr Froud**—They were formally executed and it was a consultancy contract to provide advice to the gallery regarding the development of that design, and that design was developed by the project architect. PTW Architects were engaged for that purpose. But, having been through a process where there was opposition expressed by Mr Madigan, we felt it was important to have regard for his views along the way in the development of these plans and concepts.

**Senator LUNDY**—When I described that relationship as having broken down, what I was trying to characterise was the fact that there are still disagreements between the gallery and Mr Madigan about the proposals that have gone forward. I may not have described it in the way that you liked but—

**Mr Froud**—I think—yes, although—

**Senator LUNDY**—Is it true that he does not agree with your proposals?

**Mr Froud**—Yes. I understand that, in the media coverage of the launch of the statement made by the director, one source reported that Mr Madigan had approved of the design proposal, and Mr Madigan had not been asked or actually approved of it and he had not approved of it. He took issue with the proposition that he had approved of it. What had been the process was that he was involved in it, and we had regard for his views. However, it was always understood that the design development was the responsibility of the project architects that had been engaged for that purpose.

**Senator LUNDY**—How do you respond to claims by Mr Madigan that he has not been part of the process in the way that he anticipated through his engagement as a consultant? What is going on?

**Mr Froud**—There were numerous meetings, and I was present at most, if not all, so I know that they certainly did occur. And Mr Madigan did contribute, and was able to comment on the plans as they were being developed by PTW Architects. There were constantly points of disagreement, but nonetheless there were also points of agreement, and some of the principles being promoted by Mr Madigan have been observed and have been included in the final solution.

**Senator LUNDY**—Those meetings between Mr Madigan, PTW I presume, and yourself—

**Mr Froud**—Yes, and the gallery.

**Senator LUNDY**—And who, sorry?

**Mr Froud**—And the gallery representative, Mr Radford.

**Senator LUNDY**—I was going to ask you, had Mr Radford been present at all of those meetings?

**Mr Froud**—Yes.

**Senator LUNDY**—Have you been present at all of those meetings?

**Mr Froud**—I believe so, yes.

**Senator LUNDY**—What were Mr Madigan's primary concerns with the design?

**Mr Froud**—I think that would be a matter for Mr Madigan to express, but essentially there were—

**Senator LUNDY**—See if you can do him justice.

**Mr Froud**—No, I do not think I am going to try to do that, thank you. I think really they go to architectural resolution, and the total composition for an extension or an addition relate and connect with the original building. Those are the points of greatest tension. I repeat, we have not actually shown Mr Madigan the final solution. He informed the process to a

particular point, but the project architects then developed that further. We are now engaging with government to establish whether there is support for the idea, but I would say that we would certainly be talking to Mr Madigan when we can.

**Senator LUNDY**—Why have you chosen not to show him the final design? Is it because you are frightened he will say he does not like it.

**Mr Froud**—I suppose one could say that it is a chicken and egg situation. There is nothing to show him if it is not supported; it has to be a proposal that has a chance of progressing. I think the last meeting with Mr Madigan was in about May, and PTW have been continuing with the development work at the request of the gallery, the client. Once we establish whether there is support for the proposal—we certainly hope so, because we are quite excited about the plans and the form of the solution being proposed—we would be hopeful that Mr Madigan would be very supportive as well.

**Senator LUNDY**—You are not creating the only optimal conditions for him to be supportive if you are refusing to show him the design but, besides that, did Mr Madigan have his own proposed design that he asked you to consider?

**Mr Froud**—Yes, Mr Madigan has numerous design ideas and concepts. It was not a static process. It was not a matter of saying, ‘This is my proposal and this is yours.’ It was very much a matter of discussions of possibilities and principles, and how they might be developed. A range of ideas were discussed at each of those meetings.

**Senator LUNDY**—Did he have a design for the front entrance?

**Mr Froud**—That was certainly a critical part of it, yes.

**Senator LUNDY**—You mentioned before that it had reached the press that Mr Madigan had approved the plans. That was obviously a mistake. What happened behind that? It was the director that made that claim, as I understand it.

**Mr Froud**—No, I think it might have been—

**Senator LUNDY**—Can you just drill down a little bit. I want to know if that was a mistake by the director, or whether the director was inadvertently advised of that incorrectly, or whether it was a mistake in the reporting. What was going on there? I ask because it has obviously inflamed the situation.

**Mr Froud**—My take on it would be it was a mistake in the reporting. I was present at a meeting on 12 October when the director was briefing a number of media representatives. What I heard was that he was using quite careful language to say that Mr Madigan had been involved and that his contribution had influenced the final design solution. However, he did not use the words ‘the plan has been approved by the original architect’. That is my understanding.

**Senator LUNDY**—Thank you for that. Can you confirm that Mr Madigan at that point had not seen any plans or the final plans since May of this year?

**Mr Froud**—That is right. I think the last meeting where the plans were discussed at the gallery with Mr Madigan and PTW would have been May.

**Senator LUNDY**—Explain to me the rationale for not showing him anything after May, despite having only submitted these proposals to government, I think you said, in October.

**Mr Froud**—I think there was the idea of engaging with both Mr Madigan and the project architect. The gallery was seeking the contribution from both of those parties. Clearly from what Mr Radford has said and has accurately been reported as saying, he felt that what had been achieved together was greater than any one of the individuals could have produced. He believes that and I believe that too. There was a point in May where the strength of Mr Madigan's positions and views on some issues was recognised and we had to continue to develop a design solution. There were some significant differences of opinion about some elements of the design, and we asked the project architect to continue with the development of the design solution. At some point we will return to Mr Madigan with those designs, and hopefully he will be impressed by the inclusion of the ideas that he presented.

**Senator LUNDY**—Has Mr Harold Mitchell, the chair of the council, met with Mr Col Madigan to resolve these outstanding issues?

**Mr Froud**—Mr Mitchell and another member of the gallery council, Mr Charles Curran, have met with Mr Madigan on a number of occasions throughout this project. I understand that there is an intention to have a meeting in the near future to that end, but I do not know the details of that arrangement.

**Senator LUNDY**—The *Canberra Times*, on 19 October, carried a report that the National Capital Authority has not yet seen plans for the proposed front entrance and other modifications. Is that the case?

**Mr Froud**—That is the case.

**Senator LUNDY**—Why not?

**Mr Froud**—Again, we do not have anything to submit formally until we have a threshold question of whether in fact the proposal is going to be supported by government.

**Senator LUNDY**—The gallery knows as well as everyone else who operates in areas under the control of the National Capital Authority that they have quite an arbitrary and subjective right of veto over any project, so I would have thought that you would have at least tested the water before you sought funding.

**Mr Froud**—I think I could say that there has certainly been some informal discussion with the authority.

**Senator LUNDY**—Have they informally seen the proposals?

**Mr Froud**—We have had some discussions with some members of the authority who would have some limited level of understanding of what we are proposing. We have not formally submitted any plans.

**Senator LUNDY**—What does that mean? Have you shown them the pictures?

**Mr Froud**—Some members of the authority have seen some of the pictures.

**Senator LUNDY**—Informally?

**Mr Froud**—Yes.

**Senator LUNDY**—And what informal indication from them have you received?

**Mr Froud**—They seem to be very supportive.

**Senator LUNDY**—I am always intrigued to hear how the NCA operates. Can the gallery advise the committee when these plans are likely to be submitted to the National Capital Authority for formal consideration? I understand your point, of course, about seeking approval from government. Will it come after the government ticks it off or before?

**Mr Froud**—After.

**Senator LUNDY**—Minister, when are you going to make a decision on this project?

**Senator Kemp**—I think there is a way to go at this stage. I would not want to put a time scale on it. I think there is a significant amount of government funds involved in this. The government has got to look at this very carefully and brief itself about it. So we understand the ambitions of the gallery and we do have to look closely at what the proposal is and examine all the costing implications. So the government, to summarise, will be having ongoing discussions with the gallery, and with the director and the board as required, and when the government feels it is in possession of enough information, we will make a decision about whether or not we can support this project.

**Senator LUNDY**—I do not think you could be vaguer if you tried.

**Senator Kemp**—I could be, I can assure you of that. I would have thought after all these years you would have known me a bit better than that.

**Senator LUNDY**—I should.

**Senator Kemp**—If I want to be really vague, I can really, really be vague.

**Senator LUNDY**—Does it concern you that, by virtue of the fact that the new director has dreamt up a new vision and resubmitted a proposal that requires additional money without the original money having been expended on what the government has made a commitment to, there is now going to be a delay? Doesn't that bother you?

**Senator Kemp**—It would not be the preferred way forward; of course it wouldn't be. We are faced with a circumstance where there is effectively a new proposal on the table and, as a result of that, the government has a responsibility to look closely at it.

**Senator LUNDY**—Is it an option for you, and I presume it is, to say, 'Just get on with what you had the \$42.5 million allocated for and put the rest in an additional proposal'?

**Senator Kemp**—I suppose there are always options that you can follow but, on the other hand, my understanding is that the board does not now support the original concept. Obviously that is a concern to us, but there is a new proposal on the table, so we will have a look at it.

**Senator LUNDY**—When developing this vision, can I ask Mr Froud whether the director consulted with PTW about a proposed timetable for stage 1 and stage 2 of the development?

**Mr Froud**—Certainly there is an outline of the timeline for project delivery. That it would all depend, of course, on what point we press the button to start the process and, as this matter requires the government's consideration and the minister has mentioned that this will take some time, we would not be at liberty to try and suggest what the timeline would be for



delivery. There has not been any detailed consideration of stage 2; it is merely a concept that that is what we would like to do over time.

**Senator LUNDY**—So how will the gallery resolve the dilemma if the minister is unable to extract an appropriate yes or no about additional funding? At what point will the gallery say, ‘Enough is enough. Let’s just get on and spend the money that we were allocated originally on the new front entrance’?

**Mr Froud**—The gallery is getting on with the refurbishment elements of the project. That will continue and will be completed. It will be a matter for the gallery council to consider as to what will be done in the event that they are unsuccessful in seeking the additional funding. Really, I cannot pre-empt the consideration that will need to be given to the matter, should that be the case.

**Senator LUNDY**—In the existing proposal that is now before government, does the front entrance component of that sit within the original budget of the original funding agreement that helped the National Gallery garner this \$42.9 million in the first place?

**Mr Froud**—I understand that the proposal as developed is not sufficiently able to be broken down into a front entrance component and other elements.

**Senator LUNDY**—Oh, how convenient!

**Mr Froud**—One of the contributions made by the original architect, Mr Madigan, in the meetings that we had with him was that there was a concern that just the provision of an entrance and the scale of, say, an addition that looked to just address an entrance in relation to the scale of the building was an issue for the original architect—essentially it was a pimple on a pumpkin—whereas the contribution of the original architect has certainly informed our thinking when he said, ‘Look you’ve got to not just resolve the corner, you’ve got to turn the corner. You’ve actually got to do something more meaningful at the south-west corner of the building for it to be an acceptable outcome for everyone.’ So that has really informed the thinking and the development of the building from that point.

**Senator LUNDY**—Thank you very much. That is all I have. I will be placing some questions on notice.

**CHAIR**—I thank the witnesses very much. Might I say that we did receive a letter from the director of the National Gallery stating that he would be away and that Mr Froud would be standing in for him. We can table that letter if it is the desire of the committee.

**Senator LUNDY**—Yes.

[4.45 pm]

### **National Library of Australia**

**Senator LUNDY**—First of all, I welcome the representatives from the National Library. I was hoping that you could take this opportunity to brief the committee on the National Treasures from Australia’s Great Libraries exhibition.

**Ms Fullerton**—I would be pleased to do that. The Australian treasures exhibition is due to open on 2 December. It is a collaborative project between the state and territory libraries and the National Library. It is an exhibition that has received a very high level of support, both

from the Commonwealth Government and from the private sector. I think we have in the order of \$1.5 million in sponsorship, which is a very large amount for an exhibition. I think we have reached the stage where we can feel confident that the exhibition will open on time and it will be an absolutely wonderful exhibition. It will be unlike the other treasures exhibition that we had in that it does not attempt to cover the whole world. It is material that deals with Australia and Australians.

**Senator LUNDY**—And the concept of it, I understand, is that each of the contributing institutions was asked to nominate what they considered to be their most treasured treasures, so they loan that to form part of this collaborative exhibition?

**Ms Fullerton**—It has been a very long process and it is an extremely complicated process to be trying to involve so many specialists, so many curators, so many collections, so many organisations. Individual institutions were asked to nominate what they considered to be treasures, but we did need to have a curatorial shaping of it so that it now has a series of themes and a series of objects that relate to each other. Of course, we were very keen to make sure that it did cover the collections of all the participating institutions.

**Senator LUNDY**—Will it be travelling?

**Ms Fullerton**—It will be travelling. We have been successful in receiving a very large Visions grant and it will be going to all the states and territories. It will be free to the public; it is not a chargeable for exhibition.

**Senator LUNDY**—It is a free exhibition?

**Ms Fullerton**—It is the very high level of sponsorship that we have that has made that possible.

**Senator LUNDY**—Is it the case that the National Library is paying the National Gallery of Australia to access their art indemnity insurance for the purposes of protecting the exhibits?

**Ms Fullerton**—We are paying a fee to the National Gallery to have them manage the indemnity arrangements.

**Senator LUNDY**—Tell me if the National Library is bearing full costs for that?

**Ms Fullerton**—All the participant libraries are bearing the cost of the whole exhibition.

**Senator LUNDY**—For the insurance?

**Ms Fullerton**—For every aspect.

**Senator LUNDY**—For every aspect?

**Ms Fullerton**—There is a shared arrangement including that. The National Library is paying more than anyone else to ensure that.

**Senator LUNDY**—Why is that?

**Ms Fullerton**—Because we are, I suppose, committed to making this exhibition a success. We are not paying more relative to other libraries for any particular aspect of it, but we are providing a lot of in-kind support and a lot of curatorial support in the management of it.

**Senator LUNDY**—I have some questions for the department on that, but I will wait until we get to the general area. You say the National Library is doing a lot more in-kind support of

this collaborative exhibition. You mentioned quite substantial sponsorship, but how is the library absorbing the additional costs that you are covering within your current budget, and is some of that sponsorship helping the library off-set your internal costs at this stage?

**Ms Fullerton**—It certainly is, to a very large extent. The National Library, had it not been doing this exhibition, would have been doing some other exhibition, so it is not a total add-on cost.

**Senator LUNDY**—Is there any component of it that is add-on, that is adding to your costs?

**Ms Fullerton**—It is a more expensive exhibition than we would probably have done on our own.

**Senator LUNDY**—Has the increase in the efficiency dividend impacted upon your ability to make the commitment that you want to make to this exhibition?

**Ms Fullerton**—No, because we planned a long time in advance. We knew we were doing this. It was a major undertaking for the library. The efficiency dividend is having an effect on all of the library's operations, so we are having to plan around it.

**Senator LUNDY**—Thank you for that. I will pursue other questions about the art and indemnity insurance with the department. That is all I have for the library.

**Ms Fullerton**—Thank you.

**CHAIR**—I asked you before about the process of digitisation of records and photographs. How is that project going?

**Ms Fullerton**—It is going steadily. We have, with the Australian National University, an ARC grant proposal. We still have not heard the outcome of that. If we are successful in receiving funding through that means, we will embark on a major newspaper digitisation. So that is the most ambitious plan we have got in mind.

**CHAIR**—The ongoing problem was funding for that project?

**Ms Fullerton**—It is funding, yes, because our digitisation program is borne out of our budget.

**CHAIR**—I know there are American, British and French digitisation projects in their libraries. What kinds of levels of funding comparatively do they have?

**Ms Fullerton**—There are a range of different arrangements. In North America most digitisation projects are funded by the private sector. The Library of Congress, for example, has raised something like \$100 million to digitise, but Australia is different. We cannot have expectations of being able to do that. So we do precede, but at a slow rate, with digitisation.

**CHAIR**—Is there a French project?

**Ms Fullerton**—Yes, the French were very alarmed at the notion that Google was going to digitise a lot of English language material. Because they have an interest in ensuring that the French culture and intellectual output is available to the world, the French government is now supporting digitisation in France.

**CHAIR**—To what extent?

**Ms Fullerton**—I do not know off hand, but very substantially.

**CHAIR**—Is our government supporting the digitisation process?

**Ms Fullerton**—No. We do speak to the department about the possibility of a digitisation program for all the cultural agencies, but we have not shaped a new policy proposal, for example, or anything of that nature.

**CHAIR**—What about your photographic archive—you have digitised it, haven't you?

**Ms Fullerton**—Some part of it, but not all of it. We are steadily progressing with digitising across the range of all of our collections.

**CHAIR**—Where is the funding for that coming from?

**Ms Fullerton**—From our budget.

**CHAIR**—From your budget.

**Ms Fullerton**—Yes. So those are the areas where the efficiency dividend sometimes reduces our capacity to do things.

**CHAIR**—Thank you very much. I believe Senator Nettle has some questions on notice for the library, and we are noting that.

#### **Proceedings suspended from 4.55 pm to 5.14 pm**

#### **National Museum of Australia**

**CHAIR**—We welcome the museum representatives to the table. Senator Lundy, if you are prepared, we will proceed.

**Senator LUNDY**—I would like to firstly welcome the representatives from the museum. I have a couple of questions about the two recent exhibitions *Outlaws!* and *Extremes* and ask, firstly: what was the target for the number of visitors prior to these exhibitions?

**Mr Morton**—I do not have that information on me. Can I take it on notice?

**Senator LUNDY**—I guess you have to if you have not got it here. Can you tell me how many visitors actually attended those exhibitions.

**Mr Morton**—We do not seem to have that on us. I think I know what you are getting at.

**Senator LUNDY**—I will be blunt: did you make a loss on those exhibitions and what was the loss?

**Mr Morton**—We do not think of exhibitions as making profits or losses. In a sense, we put some money into exhibitions and then we decide what approach we are going to take to them. For example, a number of the exhibitions that we have put on in the past, and a number of the ones that are coming on next year, we are not going to be charging for, for example, and they will not be sponsored. In that sense, we will be investing a sum of money in them but looking to the return as being other than a financial one. That was certainly the case with *Extremes*. *Extremes* was an exhibition which was associated with a particular research program and the level of cooperation in desert archaeology across three continents. The aim of that exhibition was conferences and publications to a greater extent than people through the door. Having said that, certainly there was a significant cost, which was not returned through revenue. The

same thing applied to the *Outlawed!* exhibition. But as I say, we do not do our exhibitions on the basis of a break-even. We consider that a proper cost against our operations.

**Senator LUNDY**—So what was ultimately the cost of each of those exhibitions against your operations.

**Mr Morton**—Can I take that on notice, please?

**Senator LUNDY**—Only if you do not have the answer here.

**Mr Morton**—I do not have it here.

**Senator LUNDY**—You do not know?

**Mr Morton**—No.

**Senator Kemp**—That is strange comment, Senator.

**Senator LUNDY**—I thought it was worth asking. Can you give me a ballpark figure about the costs of those exhibitions to the museum?

**Mr Morton**—*Extremes* was of the order of \$800,000 and *Outlawed!* was in excess of \$2 million. But I will certainly take that on notice and provide you with the full figures.

**Senator LUNDY**—Thank you. I look forward to receiving that information. At previous estimates there has been quite a lot of discussion about changes to exhibitions resulting from various reviews. Can you advise the committee what changes have taken place to any of the exhibits and stories told in the National Museum as a result of those reviews?

**Mr Morton**—We have a frequent and regular changeover program for the permanent exhibits which relates to conservation requirements for objects, for example, for the length of period that we have loans, and the fact that we do want to tell different stories. So there is a constant refurbishment of various modules right through the individual galleries of the museum. I am told it is an average of about 300 to 400 objects per year that we change over. Of course, the way in which those objects are treated in story terms means that some may relate to one story, one may relate to one story, so it is hard to tell as a result. In the annual report, on page 25, it gives the numbers. They are: for *Tangled Destinies*, objects removed, 59 and objects installed, 44; for *Nation*, objects removed, 231 and objects installed, 131; for *Horizons*, objects removed, 33 and objects installed, 29; for *Eternity*, objects removed, 57 and objects installed, 35; and for *First Australians*, objects removed, 62 and objects installed, 139. So there is a constant changeover process which is part of the normal operation of the museum.

**Senator LUNDY**—Do you have any more descriptive analysis of the changes in the nature of those exhibitions, or is that all you have got for the public record.

**Mr Morton**—We do have module changeovers from time to time. If I can give you an example, we are installing a sports module very shortly and we are also changing over in our *Horizons* gallery—

**Senator LUNDY**—Senator Kemp is looking very excited about that prospect.

**Senator Kemp**—Senator Lundy and I would be very supportive of that.

**Mr Morton**—Excellent. And in our Discovery gallery we are changing over the ‘first arrivals’ exhibition, and that should happen in the next few days.

**Senator LUNDY**—To what?

**Mr Morton**—It is a different module which deals with the discovery and exploration of Australia.

**Senator LUNDY**—Can you take on notice providing a full explanation of those changeovers with the different modules and the program?

**Mr Morton**—Can I get some sort of idea of the scope of this? Are you talking about since the museum opened?

**Senator LUNDY**—No.

**Mr Morton**—Just over the last year or so?

**Senator LUNDY**—Let me think of the dates.

**Senator Kemp**—We might have to get my office to consult with your office on the scope of this question.

**Senator LUNDY**—Certainly no more than the 12 months; say 12 months from today backwards. That puts a bit of a fence around it for you. If it is particularly interesting then I will ask for more.

**Mr Morton**—We can do that.

**Senator LUNDY**—I know Senator Kemp will be very interested in that as well.

**Senator Kemp**—Absolutely.

**Senator LUNDY**—Previously, we discussed access and egress to the museum and car parking. Are you involved in any projects? I think there was a tram proposal to make better access and egress to the museum from the city precinct of Canberra. Are you able to inform the committee whether that project has got any legs?

**Mr Morton**—I have not heard anything of it for quite a while. We certainly have not been approached about it within the last couple of years.

**Senator LUNDY**—Are you involved in any way in consultations about the development of West Basin as discussed in line with the Griffin legacy and other joint ACT government and National Capital Authority initiatives?

**Mr Morton**—The National Capital Authority have indicated that they want to discuss the development of west Canberra with us. We may have had one preliminary meeting, but we have not had a substantive meeting.

**Senator LUNDY**—That is all I have. Thank you.

**CHAIR**—Could I ask you some questions before you depart? What rate of turnover have you in your program in terms of the exhibitions you have there? How long are you keeping your static exhibitions for, or are you revising them and reviewing them on a regular basis?

**Mr Morton**—We are revising and reviewing them on a regular basis. As I said earlier, there are a number of factors which you have to take into account: the conservation

requirement for the individual objects, whether they are loans and whether they have to be returned and so forth. The average life of a permanent exhibition is about eight years, but within that the objects are changed on a regular basis along the lines that I read out from the report a bit earlier on.

**CHAIR**—I have not been to your museum for a couple of years, but have you developed exhibitions related to Australian scientific achievement, for example? I did not notice them the last time I was there. If you have done that I would be impressed. Have you?

**Mr Morton**—From memory, we ran an exhibition in the main hall which was called *Eureka moments!*, which went with the 50th anniversary of the Academy of Science, which was to highlight major scientific breakthroughs in the Australian community. But scientific discovery and scientific progress are some of the elements that we address as part of our Nation module.

**CHAIR**—Australia has a very fine record in science in various fields. When I went to the museum I felt that that was under emphasised, yet it is one of the hallmarks of Australia around the world—our level of scientific achievement, particularly in medicine.

**Mr Morton**—It is certainly an important part of our collecting framework and also of our exhibition framework. It is an essential part of it. To some extent we are limited in the stories we tell by the objects that are available to us. We do the best we can with the material that we have got.

**CHAIR**—I will go down and inspect your museum in February and I will ask you further questions at that point.

**Mr Morton**—You are very welcome.

**Senator Kemp**—We would welcome that. Of course, the invitation is open to all senators and members of the public. But we would welcome you visiting the institution.

**CHAIR**—I appreciate the opportunity to do that. But it is often better to go incognito, with dark glasses and not to be recognised as a senator on the prowl.

**Mr Morton**—You will be very welcome.

**CHAIR**—I would appreciate an invitation to go down and be shown around.

**Senator Kemp**—Consider it offered already. We would be delighted. It is simply a matter of setting a time. Can I encourage you to phone up the director's office to indicate what time would suit you.

**CHAIR**—I shall do that.

**Senator Kemp**—Of course, this same offer is extended to Senator Lundy, if Senator Lundy can find time to go down there, too.

**CHAIR**—Thank you.

**Senator Kemp**—And I might say the same to Senator Wortley as well.

**Senator LUNDY**—Excellent. We will all go.

[5.27 pm]

**Film Finance Corporation  
Film Australia**

**Senator Kemp**—Mr Chairman, Daryl Karp is one of the officers at the table. It is a bit late to describe Daryl Karp as the new CEO of Film Australia—Daryl has been there for a little while. I think this is her first attendance at a Senate estimates committee.

**CHAIR**—We welcome you, Daryl, as the new person representing Film Australia.

**Senator Kemp**—Of course, Brian Rosen is an old stager at Senate estimates committees. He knows all the facts.

**CHAIR**—A very effective trooper.

**Senator LUNDY**—Perhaps to start with, could we have an overview of the way in which FLIC 2 is operating, in other words the 100 per cent concession?

**Mr Rosen**—The FFC does not do FLIC.

**Senator LUNDY**—Okay.

**Senator Kemp**—We can discuss that.

**Ms Bean**—I am happy to speak to that.

**Senator LUNDY**—Sure.

**Ms Bean**—Where we are at the moment is that advertisements were placed for a FLIC licensee somewhere between one and two months ago. We are in the process of assessing the licensee applications at this stage. There is a panel. That panel will make recommendations to the minister.

**Senator LUNDY**—So you have obviously received some applications?

**Ms Bean**—Indeed.

**Senator LUNDY**—How many?

**Ms Bean**—I am a little uncomfortable, I have to say, because it is a fairly commercial process, obviously. There is money to be had. I am a little uncomfortable with providing the details at this stage, until at least the licensee is decided.

**CHAIR**—If that is your wish, we could always go in camera.

**Senator LUNDY**—Put it this way: has the government placed any limitations on the number of licensees under this program?

**Ms Bean**—The legislation provides for one licensee.

**Senator LUNDY**—It is obviously a highly competitive exercise.

**Ms Bean**—It is a competitive exercise, yes.

**Senator LUNDY**—The last time a FLIC program was run with the same percentage concession it was not overly successful. In fact, only two FLIC licensees were appointed.

**Ms Bean**—That was provided for in that legislation, if I remember correctly.



**Senator LUNDY**—Each could raise up to \$20 million in concessional capital but only \$22.4 million out of the possible \$40 million was raised. How does that inform the current scheme's possibilities for success in being fully subscribed?

**Ms Bean**—That was one part of the thinking that went into recommending one licence.

**Senator LUNDY**—What is the maximum amount of capital that can be raised under this current legislation?

**Ms Bean**—It is \$20 million over two years, which we think is realistic in the current environment. It is also commensurate with what was raised under the pilot scheme.

**Senator LUNDY**—Why didn't the department take up the recommendation that I understand came from Mr David Gonsky, to further refine and improve the rate of concession in order to attract the investment?

**Ms Bean**—That was a government decision, not a department decision.

**Senator LUNDY**—Minister?

**Senator Kemp**—Senator?

**Senator LUNDY**—What level of confidence do you have that you will be able to have this fully subscribed with the concession remaining at 100 per cent, when in fact history shows—and indeed advice from well-meaning, knowledgeable and experienced observers of this particular industry sector has suggested—that a greater concession is needed to make this program a success?

**Senator Kemp**—An officer can correct me if I am wrong, but the government has wound back concessions over 100 per cent across a range of areas. I think there is a disposition in the government finance areas not to go above 100 per cent because it can increase the opportunities, perhaps, for people to seek undue taxation advantages. So the government generally has a rule in that area and it is not proposed to vary from this. But we are hopeful. You will be aware that we have had two FLIC licences before that did raise a significant amount of money. They did not raise all the money that was hoped for but they did raise a significant amount, and we are certainly hopeful that this FLIC arrangement will open another door for the film industry.

**Senator LUNDY**—Previous evidence shows that that is going to be extremely difficult. What happens if this is undersubscribed, as in the past?

**Senator Kemp**—Let us not prejudge it. Let us wait to see what happens. There is a level of interest and the officer was able to indicate that. We are not prepared to indicate the numbers of people but there has been a level of interest in this licence. One assumes that people believe that it is going to have a good chance of raising the specified sums.

**Senator LUNDY**—Who is going to be responsible for selling FLIC 2005 to the investment community? Will that fall to the licensee solely?

**Ms Bean**—Before I answer I would like to correct one thing. The advertisements for the licences were put out on the weekend of 13 and 14 August, so it was slightly more than two months ago. To answer your question, that is essentially the responsibility of the licensee. Essentially they have an investment product that they are expected to market.

**Senator LUNDY**—What if it does not work? What is the fall-back position of the department?

**Ms Bean**—It is not a question of not working as such. It is a question of how much the FLIC will be able to do given what they can raise.

**Senator LUNDY**—If they do not raise any money then they cannot make any investments.

**Ms Bean**—That is correct.

**Senator LUNDY**—What will happen? What is the procedure, if there is in fact one in place, for dismantling the program in that event—or will that just be a decision for government policy in due course?

**Ms Bean**—It only provides for capital raising over two years. It is obviously pure speculation, but if no money was raised then we would have to think seriously about whether you would go forward. Obviously a decision will have to be taken beyond the two years. Yet if nothing is raised why would you do it again, essentially?

**Senator LUNDY**—What industry consultation took place to set this concession rate at 100 per cent? I appreciate it was a policy decision by government, but I would like to know not what your advice to government was but what efforts you went to to collect industry input to inform your advice to government.

**Ms Bean**—The consultation was in relation to the implementation, but the rate is actually set within the taxation legislation. We are working within the—

**Senator LUNDY**—So when this was legislated for, the concession rate was set in an amendment to tax legislation?

**Ms Bean**—Yes.

**Senator LUNDY**—Or is there just an overarching cap so you cannot give more than a 100 per cent concession?

**Ms Bean**—There is separate tax legislation because, constitutionally, you have to set tax in a separate bill. The FLIC legislation enables investment in a slate or package of films, rather than in a single film, as with 10BA, but the eligibility criteria for the films and the tax rate still use that existing framework.

**Senator LUNDY**—That being said, Minister, was it not in your purview as minister to determine the higher concession rate? I understand the mechanism and why it was set at that rate, but my understanding is that, if the government had made a policy to extend the concession rate beyond 100 per cent, they could have in fact done that.

**Senator Kemp**—I think I have mentioned before that there is a government decision not to go further than 100 per cent.

**Senator LUNDY**—On anything?

**Senator Kemp**—If I were to say that to cover the broad sweep of government, that would be a dramatic statement. The general principle is that, in a number of areas where concessions have gone over 100 per cent, they have been wound back to 100 per cent. I could stand corrected but I think that, not only in the film investment area, a number in the industry would

like to go beyond 100 per cent. I am aware of those views but I think it is well understood that the government is unpersuaded on the need to go beyond 100 per cent.

**Senator LUNDY**—By limiting it to one licensee, allowing bundled projects et cetera is a way to try to make it work without going beyond the 100 per cent—is that correct?

**Ms Bean**—No. There were two essential reasons. One was to reduce the administrative expenses, which will come out of the capital raised—last time we had two lots of administrative expenses coming out of the amount raised—and the other is that there is undoubtedly very high competition for private investment funds. Part of our recommendation was based on not diluting the effectiveness of the scheme by pitting two—or indeed more—licensees against each other in competition for the funds available.

**Senator LUNDY**—I would like to place a few questions on notice with regard to the operation of FLIC. On the timing, when do you expect to make a decision on the successful licensee?

**Ms Bean**—The panel has met once and another meeting is scheduled shortly. I expect recommendations to go to the minister probably in late November.

**Senator LUNDY**—Is it the expectation that the licensee will be announced at that point?

**Ms Bean**—That is the minister's call.

**Senator LUNDY**—Minister, is that your intention?

**Senator Kemp**—The licensee will be announced but, clearly, I must be satisfied with the recommendation that will be brought forward to me. The people advising on this issue are a distinguished group of individuals. I look forward to that recommendation.

**Senator LUNDY**—Could you take on notice the provision of the names of the panel members?

**Ms Bean**—I can provide that information straightaway. The chair is Geoff Levy of Investec Wentworth, who is a former chairman of the Film Finance Corporation. The members are Mr Bob Campbell, who is executive director of Screentime and also a former chair of the FFC; Mr Roger Le Mesurier, who is a producer with Simpson Le Mesurier Films; Ms Cass O'Connor, a corporate adviser with Carnegie Wylie who has more than 20 years experience in media, telecommunications and entertainment; and me.

**Senator LUNDY**—Thank you. I am conscious of time constraints, so I suspect that my questions to both Film Australia and the Film Finance Corporation will need to be placed on notice.

**CHAIR**—Mr Rosen, I went to the first screening of *Little Fish*, where you talked about a new evaluation process for the provision of finance for films. How is that working out with *Little Fish* as an example? Is it doing well around Australia? I notice it is on in commercial cinemas in Perth.

**Mr Rosen**—*Little Fish* is doing very well. With the evaluation, it has now been going for over a year. We are starting to see some of those films coming into the marketplace, *Little Fish* being the first. We are pleased with the result. Obviously, the intention is to up the amount of box office receipts. Last year was not a good year for Australian films. We are

hoping that, with the combination of the two doors we have—the evaluation and the marketplace—we will find a slate of films that will engage with a larger audience across Australia. We are hoping that the box office will rise quite a bit this calendar year and even more so next year. As I say, *Little Fish* is the first of the evaluation films.

**CHAIR**—I did not actually realise that it was the first.

**Senator Kemp**—What are the takings to date on *Little Fish*?

**Mr Rosen**—It is just over \$3 million.

**CHAIR**—That is a good outcome, is it?

**Mr Rosen**—It is. Obviously, we would want to get our films higher than that, but it will take a bit of time to find the right films and get the right amount of diverse films. But for *Little Fish*, an art house film, that is a very good result.

**CHAIR**—Thank you. I look forward to hearing of the further successes of this program. I also have a question for Ms Karp. I believe that you are doing an Australian histories project. I just wondered how that was progressing, what it will cover and where it will go.

**Ms Karp**—The history initiative is a three-year project for 10 hours of documentary. It is top-end history production to levels that are not often seen in Australia because of current funding problems. It is going very well. We have an outstanding executive producer. We appointed a recent immigrant to Australia, Alex West. We have done a round-Australia briefing to the independent sector giving a sense of the sorts of programs that we are after. In addition to that, there is a briefing online. We have just finished a call for submissions from the independent sector across a range of subject areas and we have our first series in development. We are in negotiation with a broadcaster. I would prefer not to discuss that at the moment simply because, if those negotiations fall through, there is another broadcaster that we are in discussions with as well. We are heading very much on schedule. The overall shape and content we are still working our way through. There is one major series on early Australian history and another series of six on icons—significant characters in Australian history that you rarely get to hear about because the international market does not want to cofinance them.

**CHAIR**—When you talk about early Australian history, what are you talking about?

**Ms Karp**—The first 100 years. It is not Indigenous history. We do have another series, not within the history series, that looks at Indigenous history. But, within the history initiative, the one that we currently have in development is looking at the first 100 years of Australian white settlement.

**CHAIR**—That is interesting. I was thinking of Western Australian maritime history, actually, which predates—

**Ms Karp**—There is a proposal there from Western Australia on maritime history.

**CHAIR**—Very good. In that case, it will have my full support!

**Senator LUNDY**—I will follow through with a few key questions for the department. The release of the discussion paper on proposed resale royalty arrangements was, I think, at least a year ago. Could you provide the committee with an update? My understanding is that

somehow you have managed to fob that off to the Attorney-General, Minister, but what are you doing about getting a resale royalty scheme?

**Senator Kemp**—You always give me greater powers than I have. I take it as a compliment that you think I am able to do all of things, Senator, but I am not quite as important as you think.

**Senator LUNDY**—You are so humble!

**Senator Kemp**—In the new arrangements announced by the government after the election, this did go to the Attorney-General. You are right in that respect. In the end, the recommendation will come forward from the Attorney-General. Really, the discussion of this issue should be in the A-Gs estimates, I think, rather than in these estimates. But, because I am a helpful senator who always wishes to cooperate, we will see whether there are any aspects of your questions that we can deal with.

**Senator LUNDY**—Has the department been consulted by or liaising with the Attorney-General's Department in order to progress this proposal?

**Ms Bean**—Yes, we are certainly continuing. Clearly there is an arts policy interest in this issue. In the same way as any proposal that is not the responsibility of DCITA and where it has an arts policy interest, of course we work with the relevant department.

**Senator LUNDY**—Just going back to timing, Minister, are we going to see something this year? It is getting late.

**Senator Kemp**—I will make sure that the Attorney-General is informed that you are very anxious for an early announcement. Jokes aside, I think people would prefer to have this matter dealt with now, one way or the other. I am a proponent of an early announcement on this, but in the end it is not in my ambit.

**Senator LUNDY**—I have a question about the recent UNESCO vote on the Convention on Cultural Diversity. This apparently saw Australia join with four others in abstaining from voting, with two countries opposing the convention. What was this portfolio's role in the Australian government's decision to abstain?

**Senator Kemp**—Did our portfolio have a role? Certainly. Our portfolio really had the carriage of this issue.

**Senator LUNDY**—So why did you abstain?

**Senator Kemp**—We are very much in favour of the principle of cultural diversity. In fact, that is what many of our funding arrangements cultivate to. So Australia has no difficulty with the principle. We had difficulties with the way the treaty was drafted. A number of issues concerned the Australian government.

**Senator LUNDY**—Was appeasing the US one of them?

**Senator Kemp**—We as a government vigorously pursue our own national interest. One thing that I do not think you could accuse this government of is not standing up for Australia's interests. We make these decisions on what is our national interest.

**Senator LUNDY**—Actually I think I have accused you of doing that at some point in the past.

**Senator Kemp**—I am delighted you have not, but I just wanted to make the point.

**Senator LUNDY**—No, I have.

**Senator Kemp**—There are a number of problems with the treaty as it currently stands. One is that it is not too sure what products are encompassed in the issue of cultural diversity. For example, some countries might argue that wine is important to their cultural identity. I think the French would argue that. So there is a problem in the way that the treaty defines the goods or services it is concerned with. Equally, the text has a number of problems in that it may allow a party to implement the convention in a way that is inconsistent with other international obligations. From our point of view, this risk for conflict is not acceptable.

There are a number of issues, and we are concerned that there may be a potential for the convention to conflict with the ability of a government to implement domestic policies in relation to its own cultural activities, goods and services. Because of the preference that is required to be given to developing countries, it was not clear to us if that may possibly have an adverse effect on Australia. We were not entirely happy with that aspect of the convention. We participated in all the negotiations in good faith but, at the end of the day, we felt that there was not enough movement on issues which were of concern to Australia, so we decided that we would abstain.

**Senator LUNDY**—If you did not feel that it was good enough, why didn't you just vote no like the US and Israel?

**Senator Kemp**—You wanted us to follow the Americans, but we decided that on this particular issue we would not do that. We decided that the Australian position was that we have no difficulty with the concept of cultural diversity—

**Senator LUNDY**—Surely you would have been embarrassed to vote no and that is why you abstained? That seems pretty weak. Can you take on notice to provide the full explanation that you are obviously reading from?

**Senator Kemp**—No!

**Senator LUNDY**—Why not? It is reasonable.

**Senator Kemp**—You have had all day to ask questions on this. We will give you chapter and verse on this. We decided that the text as it stood was not acceptable to us. We had a number of objections to it. Among other things, we thought it may well not only have an adverse effect on issues like trade but also have an adverse affect on our ability to make policies in relation to our own arts community.

**Senator LUNDY**—Like what?

**Senator Kemp**—For example, we may have an issue—the export of Indigenous art. In the recipient country we may have discriminatory tariff under this—it may be justified—between Indigenous art from our own country and Indigenous art from other countries which can be defined as developing countries. So we would see that as unfair to our own people.

**Senator LUNDY**—So are you able to provide the committee with an itemised list of the objections?

**Senator Kemp**—I am very happy to provide it. I am surprised that, if you felt this was important, why we did not spend more time on it. To raise this issue—

**Senator LUNDY**—Oh, Minister, that is a bit precious. I think I have done quite well with the timetable.

**Senator Kemp**—Others will be the judge of that, Senator. It is five to six. I would have thought this would have been an issue of more interest to you. We will provide that information to you.

**Senator LUNDY**—Thank you. Previously we have been through the process by which arts organisations apply for grants under the Visions of Australia Program. I would like to ask specifically: if an arts organisation applied for a grant in April of this year, April 2005, would they receive notification about the result of their application by 1 September? Or should they have?

**Ms Bean**—I will just have to check when that was announced. I do not have the date that the Visions grants from that round were actually announced.

**Senator LUNDY**—I don't either, but I understand that applicants were due to be notified one way or the other by 1 September, and that this did not happen in all cases. So my question to you is: who was not notified by that date, and why?

**Ms Bean**—I would certainly have to take that on notice.

**Senator LUNDY**—Have you had any feedback from applicants regarding the late processing, or at least notification by applicants?

**Ms Bean**—There is always some flexibility in the dates. We give an indicative date, not a definite date. I personally have not had any feedback. I will check with my colleagues to see if they have.

**Senator Kemp**—These touring programs are very popular programs. The government has given them some emphasis, and I think quite rightly received some credits in the wider community. The major complaint I have received is that there was an unfortunate proposal to merge these touring programs by one political party as part of their election policy. No-one had ever raised with me the need to merge the programs. What people want to do is to have discrete programs in which people know what funds are available for touring for performing arts companies and what funds are available for exhibitions.

**Senator LUNDY**—An applicant had to cancel one venue because of late notification—in fact, in your state. I am seeking to get to the bottom of that. If there has been a failure in the administration of this scheme, then I think you should have an interest.

**Senator Kemp**—I have a great interest in these schemes. I think these schemes are of immense value.

**Senator LUNDY**—Do you have any involvement in the application for Visions of Australia?

**Senator Kemp**—I would like some of these touring programs to be better matched by the states. If we could persuade the states to do that, I think this would significantly add to the funds which would be available for touring. I want to make it clear to those who are interested

in these touring programs that it is not the government's policy to merge these programs. We want them to remain separate programs with identifiable sums of money. I think this was a significant point of difference that we had between your policy and our policy. That was one of the reasons I think our policy was more welcome.

**Senator LUNDY**—Senator Kemp, Dianne Fogwell, editor in charge of the Edition + Artist Book Studio, has apparently had an application entitled, 'How I entered there I cannot truly say', on collaborative books and prints. That application was delayed. Can I ask the department to tell us the date by which the application was approved and why there was a delay in advising that particular applicant.

**Senator Kemp**—Sure.

**Senator LUNDY**—Finally, Minister—

**Senator Kemp**—The siren has gone.

**Senator LUNDY**—You were talking through a question—

**Senator Kemp**—No, it is actually a minute past—

**Senator LUNDY**—Do you have any involvement in the assessment of applicants for Vision Australia funding or do the decisions of the department have to come to you for final tick-off?

**Senator Kemp**—The decisions have to come to me for final tick-off.

**Senator LUNDY**—So the delay could have been in your office?

**Senator Kemp**—It is unlikely, but I do not want to prejudge it.

**Senator LUNDY**—Could you take on notice the provision of all of the details relating to that particular grant application and particularly the dates of approval and announcement?

**Senator Kemp**—I will have a look at it and we will see what information we can provide.

**Senator LUNDY**—It is in your state, so I expect you to take particular interest because I know you are very parochial.

**Senator Kemp**—I can assure you that I am the Australian government Minister for the Arts and Sport for all states. My responsibilities extend beyond the boundaries of Victoria.

**Senator LUNDY**—Indeed. I look forward to your answers.

**CHAIR**—I thank the witnesses from the sports and arts agencies for appearing.

**Proceedings suspended from 6.01 pm to 7.08 pm**



**ENVIRONMENT AND HERITAGE PORTFOLIO****In Attendance**

Senator the Hon. Rod Kemp, Minister for the Arts and Sport

**Department of the Environment and Heritage****Executive**

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

**Approvals and Wildlife Division**

Mr Gerard Early, First Assistant Secretary

**Corporate Strategies Division**

Mr David Anderson, First Assistant Secretary, Corporate Strategies Division  
Mr Darren Schaeffer, Acting Assistant Secretary, Financial Management Branch and Chief Finance Officer

**Heritage Division**

Mr Peter Burnett, First Assistant Secretary  
Dr Barry Reville, Assistant Secretary, Heritage Assessment Branch

**Industry, Communities and Energy Division**

Mr Barry Sterland, First Assistant Secretary  
Mr Gerry Morvell, Branch Head, Energy Futures Branch  
Ms Shayleen Thompson, Industry Partnerships  
Mr Gene McGlynn, Energy Efficiency and Community

**International Land and Analysis Division**

Mr Ian Carruthers, First Assistant Secretary  
Mr James Shevlin, Assistant Secretary, International Strategies  
Mr Greg Picker, Director, International Climate Change Team, Multilateral Partnerships Unit

**Land Water & Coasts Division, Coasts and Water**

Mr Tony Slatyer, First Assistant Secretary, Land, Water and Coasts Division

**Marine Division**

Ms Donna Petrochenko, First Assistant Secretary  
Mr Stephen Oxley, Assistant Secretary, Marine Conservation Branch

**Natural Resource Management Programmes Division**

Mr Malcolm Forbes, First Assistant Secretary  
Ms Kelly Pearce, Assistant Secretary, Australian Government Natural Resource Management Team

**Parks Australia Division**

Mr Peter Cochrane, Director

**Policy Coordination Protection Division**

Mr Mark Tucker, First Assistant Secretary  
Mr Kevin Keeffe, Assistant Secretary, Communications and International Branch

Ms Kathleen Mackie, Assistant Secretary, Policy Development Branch  
Mr Sean Sullivan, Assistant Secretary, Environment Research  
Mr James Tregurtha, Acting Director, Budget Coordination Unit  
Ms Tracy Pateman, Director, Strategic Policy Section

**Environment Quality Division**

Ms Mary Harwood, First Assistant Secretary  
Ms Lyndon Ayliffe, Assistant Secretary, Environment Standards  
Mr Graeme Barden Acting Assistant Secretary, Environment Protection

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

**Office of the Renewable Energy Regulator**

Mr David Rossiter, Regulator

**CHAIR**—We will resume these hearings. I welcome Senator the Hon. Rod Kemp, Minister for the Arts and Sport, representing Senator the Hon. Ian Campbell, Minister for the Environment and Heritage. I also welcome the various portfolio officers who are appearing today. Minister, do you wish to make any opening statement?

**Senator Kemp**—No. We just hope and pray that we can finish in plenty of time.

**CHAIR**—We will be doing that.

**Senator Kemp**—I think it often depends on the questioners, from my experience.

**Senator CARR**—The answers are what we are interested in.

**CHAIR**—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 shall 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 and that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate.

These are supplementary estimates and the agencies heard during these estimates are only those which have been nominated by various senators. The committee has set a deadline for the return of answers to questions placed on notice as the close of business on Wednesday, 21 December. I remind senators that the deadline for written questions to be placed on notice is by the close of business this Thursday. The agencies will be called in accordance with the agenda. We call on the Great Barrier Reef Marine Park Authority first of all.

[7.10 pm]

**Great Barrier Reef Marine Park Authority**

**Senator McLUCAS**—I will not be terribly long given the short time frame we have. Welcome. I will ask my predictable question about staffing. In May, at question 25, you gave

me the update on staffing. I am happy to put that on notice again. The only thing I would be interested in knowing is this: there are staff now allocated in Cairns and Mackay; can you identify where they sit in your overall staffing complement?

**Ms Chadwick**—Thank you, Senator McLucas, for the question. Yes, I am happy to take the details of the question on notice and provide that information. In relation to the regional officers, can I say that they have only recently been appointed. That followed on from the *Future eye* report and the agreement of the minister that we take that action. In your area of particular interest in Cairns we have two senior officers and a support officer who are working out of the Cairns office. One is working with the communities of Cape York and the other will be focusing on Cairns and south from there. You mentioned Mackay. We have one officer and a support officer in Mackay and one in Rockhampton with the same task. We also have an officer based in Townsville. Strange as that may seem, that officer looks after Cardwell down into the Burnett. It was just logical and essential to base them in Townsville. So it is actually an allocation of significant resources. We have done it out of our existing budget. Mr Barrett and his colleagues are very clever. We have managed to do that. If you require further details, I will ask John Barrett. If not, I am happy to take the question on notice.

**Senator McLUCAS**—What I am looking for—it can be on notice—is in what line item in your staffing, using that table you have provided me previously, those individuals are placed?

**Mr Barrett**—I think the table we provided in April would have been in the very early days of the Community Partnerships Group. At that stage, I think there were only two staff involved. We now have 11 staff engaged in that.

**Senator McLUCAS**—That is right, yes.

**Mr Barrett**—I am not sure if it is on the table that you have from April, but there will be a separate line in the staff report on community partnerships that will show that.

**Senator McLUCAS**—You are right: there are two identified in that table.

**Mr Barrett**—In terms of our outputs reporting in the portfolio budget statements and in our annual report, the community partnerships cost is allocated across the organisation in a similar way to corporate and executive management.

**Senator McLUCAS**—So the table that you provide me may show losses in other areas?

**Mr Barrett**—Yes.

**Senator McLUCAS**—I will look forward to seeing that. With the establishment of those new offices—I am interested in the Townsville one—did you have to rent, beg, borrow, or whatever we do, office space?

**Ms Chadwick**—We are fortunate that the officer in Townsville has a desk, a chair and a phone. We did rent premises in Cairns. I invite you to go and meet the officers there. They would be delighted to not only show you around but show what they are doing there. Similarly, we have rented offices in Mackay and Rockhampton. Quite deliberately, they are not flashy shopfront type offices, firstly, because of the cost and, secondly, because they are not meant to be shopfronts; they are meant to be working offices.

**Senator McLUCAS**—My understanding of the purpose of establishing those offices was as community connection. If you are not a shopfront—and shopfronts are more expensive—how will you advertise or ensure that the community knows that those offices exist?

**Ms Chadwick**—By ‘shopfront’ I mean many things, not the least being the literal definition. The aim of the office is not to have brochures and be an information provider or an information centre. The aim of the office is for the officer to actually get out and about and know what is going on in the community, liaise with the community and be an early warning system to those of us in Townsville about issues that arise that we need to be alert to. It is also to have community feedback on some of those issues so that we can work with the community and resolve differences before they become major concerns. They are also to work closely with QPWS officers, rangers in the field, chambers of commerce, mayors and local members of parliament and the like. So the vision for their role is not that they are sitting in a shopfront handing out brochures and waiting for people to walk in the door. The vision is that that is their base and they are proactively out there in the community. So I guess I take the definition of ‘shopfront’ on many levels.

**Senator McLUCAS**—If I could get on notice the aggregated cost—otherwise I think we would be identifying how much we are paying certain landowners or officeholders—of establishing those three offices, that would be useful. The skills of those people will be different from the skill set of many of your other staff.

**Ms Chadwick**—That is right.

**Senator McLUCAS**—Were you able to redeploy people from the organisation rather than take on new people?

**Ms Chadwick**—There was general advertising. I would have to say in terms of the skill mix that was required, you are absolutely correct. Firstly, I personally would find it very hard for somebody who did not understand the culture and workings and issues of GBRMPA to actually be successful over somebody who did in a role such as this. Secondly and equally, a lot of personal skills—communication skills, negotiation skills and those sorts of things—were extraordinarily important and fundamental to the job.

Thirdly, as you would well know, being from Far North Queensland, the aspirations and outlook of people from Rockhampton are somewhat different from the aspirations and outlook of the people of Cooktown or Hope Vale. As a consequence, we were very much minded, as well as looking at the obvious attributes, to actually try and match people to their geographic area and their geographic area of interest in the hope that they would stay and become part of the community. With the exception of a short-term placement in Mackay, which will end in February—and we have already appointed the replacement there, who went to Mackay only last week to start getting to know the community—most of them have settled really well. While it is still very much in the experimental or embryonic stage, we are all quite hopeful that it is an initiative whose time has come and that it will work.

**Senator McLUCAS**—The question I really was asking was: were you able to get the staff from the existing complement of staff or did you have to hire new people?

**Ms Chadwick**—Yes. As it turned out, with the exception of mainly the support staff, where we picked up people with very good local skill bases, the staff are from our existing GBRMPA staff.

**Senator McLUCAS**—Is Reef HQ making lots of money?

**Ms Chadwick**—You will be delighted to know that it is doing extraordinarily well. While there is a little bit of a shortfall—

**Senator McLUCAS**—Really? How surprising. I have been asking this question for five years, I think.

**Ms Chadwick**—Sorry, Senator. It is not amusing that there is a shortfall. There is a small shortfall. However, our yield per visitor is well up. Our membership is well up. We have, through the departure of the previous head of Reef HQ, a new and dynamic director there, who is dedicated to building up visitation and the attractions there. If you are going to ask for more details, I am happy to provide them. I know Mr Barrett came well prepared, knowing your interest in Reef HQ.

**Senator McLUCAS**—What is the shortfall, Mr Barrett?

**Mr Barrett**—That is the projected shortfall for the year. From the year-to-date figures, the visitor numbers are slightly down on last year. But revenue is slightly up on last year this year to date. That is basically from the ticket price rise we put in place in April.

**Senator McLUCAS**—The increase in ticket price surprised me when I went there the other day, by the way.

**Ms Chadwick**—Thank you for your contribution, Senator. Every bit helps.

**Senator McLUCAS**—With the increase in price, did you perceive any resistance to attending?

**Mr Barrett**—Yes. There has been anecdotal feedback from people on the front desk with people querying the prices. But I am not sure whether it has turned people away from coming to the aquarium. I think once they have made a decision to go to the aquarium, they want to go.

**Senator McLUCAS**—Especially if you are not from there.

**Mr Barrett**—If you are a tourist and you are from out of town, it is one of the things you do in Townsville in North Queensland. I do not think it has been a deterrent from people going there. If admission were free, that might be a different situation.

**Senator McLUCAS**—I noticed when I went recently that they ask for your postcode, as they do in many museums and institutions. Have you tracked any decline in local visitation since the price rise?

**Mr Barrett**—I am not aware of that information, but we can check that.

**Ms Chadwick**—I am aware that the membership, which is largely locally based, is up. That was a result of a membership drive. While it was welcome to know we had local support as well as money coming in, once people had paid their annual fee or bought a family pass, the financial rewards plateaued out fairly quickly.

**Senator McLUCAS**—So if someone is coming in as a member, do you take their postcode as well?

**Mr Barrett**—It would be recorded on their membership card which they have to show.

**Senator McLUCAS**—It would not tell you their frequency of visits, though, necessarily. I am just interested to know whether or not the increase in price rise has stopped local people, especially less affluent local people, from attending. Mr Barrett, if you could provide to me on notice the table you usually do of—

**Mr Barrett**—Visitor numbers and revenue?

**Senator McLUCAS**—You know the questions. That is all I needed on the corporate stuff. Could I go to the review that has happened subsequent to the Uhrig review. Mr Borthwick might be able to help me on this as well. In August this year, the review was announced. I notice from the minister's press release that public submissions were closing on 30 September. I thought that was a short timeframe. That is a value judgment from me. I will ask another question. How were submissions invited?

**Mr Borthwick**—We advertised widely in the press. I personally wrote to people with a very known interest and signed off a lot of letters inviting direct submissions and informing them about the review and the terms of reference and all the details of it. So it was press plus personal approach on behalf of the review panel.

**Senator McLUCAS**—And how many submissions were received?

**Mr Borthwick**—We have got about 220 submissions. These are formal submissions. On top of that we have what you would call form letters. But in terms of formal submissions, I would say about 220 or thereabouts. In terms of your question about 30 September, we were very conscious that that was a tight deadline. On every occasion about which I have been aware, when someone said, 'Can we still put in a submission?', even currently, we say, 'By all means.' We wanted to get in our submissions because we wanted to review the submissions and then start talking to people who were making particular points. But we have been encouraging people to put in submissions even after that 30 September deadline.

**Senator McLUCAS**—I did notice—and I cannot remember whether it was from you, Mr Borthwick, or from whom—a comment that said that the volume was not important; it was actually the content, the quality. I dare say that is when the form letters started.

**Mr Borthwick**—We have been very pleased that there have been a lot of issues around GBRMPA and the Representative Areas Program. Overwhelmingly the submissions have been concentrating on the terms of reference.

**Senator McLUCAS**—In terms of?

**Mr Borthwick**—On the terms of reference of the panel rather than broader issues that people might want to focus on.

**Senator McLUCAS**—In terms of the diversity of the people who represent all those different stakeholders in the reef, do you think the scope of those stakeholders is represented in those 220 submissions? Have you done any analysis of whether this number of people are interested because they are primary producers and this number of people are interested because they are tourism operators?

**Mr Borthwick**—We have. I think it is fair to say at a broad level there are two broad camps. I think the submissions from the representative groups are very clear and focused on their perspectives in terms of GBRMPA.

**Senator McLUCAS**—I am interested in not just those who support the reef—I am using very quick shorthand here—and those who do not see the value of it yet. Do we have, for example, large reef tourism operators as well as small tourism operators who are interested in the reef? I am talking about the diversity of the people who work with the reef.

**Mr Borthwick**—I am very satisfied that we have a broad range of views ranging from the scientific community, the recreational fishing community, the commercial fishing community and those on land—fish processing and marine businesses—to tourism operators, which are the major operators, dive operators and people at the catchment level. I think we have a very representative range of submissions canvassing all major perspectives.

**Senator McLUCAS**—Have the Queensland government made a submission?

**Mr Borthwick**—Yes, they have.

**Senator McLUCAS**—And local government?

**Mr Borthwick**—I would have to check on local government but we have certainly spoken to some mayors along the way. We have put all the submissions on the web. As is customary with inquiries of this kind, we wanted to make sure that, if people had something to say, it was transparent and could be interrogated, unless there were some particular commercial sensitivities or other sensitivities that we needed to be careful of. We made it clear that we were going to publish submissions so that everyone could see what was being said in an open and transparent way. They could then respond, if they were of a mind to, to other views.

**Senator McLUCAS**—What is the process of the inquiry from now on? Where are we up to? You have received the submissions. You said you have been in contact with some of the submitters.

**Mr Borthwick**—We have received submissions. We have largely taken judgments based on the submissions we have received as to whom to contact on our own behalf. Some people have said, ‘We would like you to see us,’ and overwhelmingly we have tried to accommodate that when there has been a specific request to see us. We have travelled to Sydney, Brisbane, Cairns and Townsville to meet various groups who are representative of the spread of submissions and have tried to focus on those who have put a lot of thought into expressing their viewpoint.

**Senator McLUCAS**—And your discussions with those people are essentially one-on-one—they are not public hearings?

**Mr Borthwick**—No. They are one-on-one. We have not wanted to have town hall type hearings. We have wanted to do it on a one-on-one basis between the panel and the person making the submission. For example, GBRMPA do not attend those meetings. They involve purely the panel members and the people making the submissions.

**Senator McLUCAS**—And all members of the panel have been present at all of them?

**Mr Borthwick**—So far that has been the case, with one recent exception when there was a meeting in Canberra. Some people wanted to meet us in Canberra. One of the members could

not attend that meeting, but we decided early on our rules for engagement, so to speak. We decided that, given the pressures, we had to have at least two panel members present for every meeting. There has only been only one occasion when all three of us have not been present.

**Senator McLUCAS**—Do you intend to go to any other locations in Queensland?

**Mr Borthwick**—I am hoping not to. We want to be inclusive of things. If there are substantive issues that emerge that we do not think have been adequately covered in the submissions or we have some follow-up issues, we are only too willing to do that. We want people to feel that they have been heard in the review.

**Senator McLUCAS**—Have you had expressed to you concern about the transparency of this review?

**Mr Borthwick**—I would have to say no. To be honest, we were a little—not concerned. Having me chair it and the other two panel members, even though they have a lot of expertise in governance, and Uhrig from Finance and the Prime Minister's department, it was a bit unusual. But it is not an issue that has been generally raised with us. I think one or two might have come with that view but it is not something that they have seemed to be concerned about either in their submissions or when we have spoken to them.

**Senator McLUCAS**—What is the process from now?

**Mr Borthwick**—There are still some submissions to come in. We will prepare a report which we will submit to the minister. It will then be up to the minister to decide the further process in terms of his or cabinet's consideration or making our report publicly available. We have not crossed that Rubicon. It will be for the minister to determine what happens to our report.

**Senator McLUCAS**—When do you expect the report to go to the minister?

**Mr Borthwick**—I suspect early in the new year.

**Senator McLUCAS**—And that is a report to the minister—it will not be made public?

**Mr Borthwick**—That will be a decision that the minister will take in terms of the government's response to the review.

**Senator McLUCAS**—There is no draft report for public input?

**Mr Borthwick**—No. There will be no draft report. We will submit a report to the minister.

**Senator McLUCAS**—I understand your comment about people who have put a lot of effort into their submission. There are a lot of people who have a lot of interest but not a lot of skill who live in more remote places. I hope their views get picked up in the process.

**Mr Borthwick**—Sorry, I did not hear that last bit.

**Senator McLUCAS**—I take your point about having to connect with people who have taken a lot of effort—I think those were your words. I am concerned that there are people with a lot of passion and interest in the reef who may not have the ability to make a submission that you think is a lot of effort.

**Mr Borthwick**—It is an interesting point. One of the emphases that people with a passion about the reef have made to us is that they have been concerned that people with passion will



put in submissions whereas a lot of people who might feel passionate about other aspects will not. In other words, it will be dominated by particular interests in terms of submissions rather than people who might care strongly about it. They have made that point to us when we have seen them. I do not think it is our judgment that we do not have a representative spread of views. I think we have, and we are encouraged by that.

**Senator McLUCAS**—We can but hope. That is the issue of transparency from my perspective. I can look at the submissions. As a stakeholder, as a North Queensland, from the point of submission writing to what the minister does at the end of the time, I have no information about that.

**Mr Borthwick**—The submissions, as I said, are on the internet.

**Senator McLUCAS**—That is the point I make.

**Mr Borthwick**—Certainly I think it is the panel's judgment—I speak for my colleagues—that we have a representative sample of views. As with all these things, people with a particular barrow to push can push that barrow but I think we have a representative view. You will have to judge our report, if the minister chooses to make it public.

**Senator McLUCAS**—That is right. I have no idea. I might never know what you have recommended to the minister. One has to have a lot of faith. I hope that other North Queenslanders have that faith. I will move now to structural adjustment.

**Mr Borthwick**—The structural adjustment issues come under Marine Division, not GBRMPA. They are handled by the department under Marine Division, which is later on.

**Senator McLUCAS**—I have one more question. Minister Ian Campbell had to go through a process for the approval of False Cape at Trinity Inlet. There was an application for development at False Cape on Trinity Inlet that went through the EPBC process. Was GBRMPA asked to comment on that process?

**Ms Chadwick**—Could we take that on notice? We do not have the relevant staff here. I apologise for that, but we will get back to you.

**Senator McLUCAS**—Yes.

**CHAIR**—There being no further questions, I thank you for appearing today, Ms Chadwick, and your colleagues.

[7.40 p.m.]

#### **Office of the Renewable Energy Regulator**

**CHAIR**—We welcome to the table Messrs Rossiter, Borthwick and Tucker. The floor is yours, Senator Carr.

**Senator CARR**—Am I right in assuming that a further 150 megawatts of grid connected projects will be required to meet the 2010 MRET target? Is that correct?

**Mr Rossiter**—I think that is a figure that comes from outside the department.

**Senator CARR**—Where does that come from?

**Mr Rossiter**—I have seen that number with the Business Council for Sustainable Energy.

**Senator CARR**—What is the new generation capacity needed to meet the MRET targets?

**Mr Rossiter**—The additional capacity above where we are would depend on the kind of equipment we have in place. For example, with biomass, you would need only about one-third of the amount of wind in terms of capacity. As near as I can judge at this stage, the installed amount of equipment generates roughly half of the target that was in place. That is the 9,500 gigawatt hours.

**Senator CARR**—When would you expect that target to be met?

**Mr Rossiter**—It is difficult to judge. The amount of equipment that has been talked about has to be totally committed and actually appear in the registry. I would expect it would happen in the next few years, but it is difficult to tell at this stage. It just depends how the market goes—it is a market after all—and how the proponents come forward.

**Senator CARR**—Is it not the case that renewable energy certificates are in fact created on the basis of renewable energy generation?

**Mr Rossiter**—They are created when the generator is in place. For example, for somebody who has come in this year, we still do not know what they will produce other than what they have said they might produce. Some of them are not very accurate in what they say they will produce.

**Senator CARR**—But they cannot be traded until such time as the generation facilities are actually online?

**Mr Rossiter**—They have to actually generate the electricity as well before they can create the certificate, yes.

**Senator CARR**—Is it the case that the annual target of energy has increased incrementally to 9,500 gigawatts by 2010?

**Mr Rossiter**—That is correct, yes.

**Senator CARR**—But is it also the case that the figure I used before of an additional 150 megawatts is required for grid connected projects to meet that target?

**Mr Rossiter**—We are talking about two different units there.

**Senator CARR**—Yes.

**Mr Rossiter**—The target is 9,500 gigawatt hours. The 150 megawatts refers to capacity. In other words, it is 0.15 of a gigawatt.

**Senator CARR**—Yes. So how far are we from reaching the target of 9,500 gigawatts?

**Mr Rossiter**—From what we can see in the registry at this point, we look to be about halfway in terms of what is installed in generation capacity. That does not take into account what is being built because we cannot tell what is going to come over the line until it is actually fully installed.

**Senator CARR**—So to meet the target we will have to double the capacity as is currently online today in 2005?

**Mr Rossiter**—From the best estimates of the participants. They give us an estimate of what they can generate, yes.

**Senator CARR**—Does the department have any assessment of the projects that are under construction?

**Mr Rossiter**—In terms of prospective projects, ones that have been mooted in the press, I have a very considerable list. The probability of some of them proceeding is very low. So there are a lot of prospective projects.

**Senator CARR**—What do you believe to be the capacity of those projects that are feasible to come online?

**Mr Rossiter**—I think we will certainly meet the target. But as to when we will meet it, I do not know.

**Senator CARR**—Will it be met by 2010?

**Mr Rossiter**—I would hope it would be met by 2010, yes.

**Senator CARR**—Is it likely to be met before 2010?

**Mr Rossiter**—It is possible. A lot of industry forecasts show that it could be, yes.

**Mr Borthwick**—You have referred to the department. Mr Rossiter is not in the department; he is in the Office of the Renewable Energy Regulator. I just make the point for the *Hansard*.

**Senator CARR**—Please forgive me. There was no intention to do that. It is an independent office. The office has no assessment of when those targets will be met?

**Mr Rossiter**—There is very little precision in any assessment we can make at this point.

**Senator CARR**—I am trying to establish precisely at what point you think the doubling of the current capacity is likely to be achieved.

**Mr Rossiter**—There has been quite a bit of analysis done on that by third parties. It varies.

**Senator CARR**—What is the variation?

**Mr Rossiter**—It varies from ‘we are almost there’ to 2008 or 2009. It depends on—

**Senator CARR**—How credible is the claim that we are almost there?

**Mr Rossiter**—It is difficult to know because that claim uses equipment that we have not seen registrations for at this stage. So it assumes that it is being built and it is permitted. I know some of those projects may not proceed at this point.

**Senator CARR**—So you are sceptical about the claim?

**Mr Rossiter**—The claim is made in this very difficult forecasting environment. It is probably valid for them to claim that with the information they have.

**Senator CARR**—Based on the information you have available to you, given that the target is to be met by 2010—that is the five years—at what point in 2010 do you anticipate it being met?

**Mr Rossiter**—Being able to meet that target?

**Senator CARR**—Yes.

**Mr Rossiter**—I think we will be able to meet it before 2010.

**Senator CARR**—Exactly. My point then to you is: on your best guess, when is this target likely to be met?

**Mr Rossiter**—I would say it would be in the period of 2007 or thereabouts. It very much depends on what has happened with the recent change in the price of RECs. It is a very different field from what it was when some of these estimates were done, for example.

**Senator CARR**—Can you point to what programs exist within the government to provide stimuli for the renewable energy industry to develop?

**Mr Rossiter**—I think it is probably more for the department to talk about that.

**Mr Borthwick**—That is a matter for the department. It would come under the Industry, Communities and Energy Division of the department.

**Senator CARR**—You cannot answer that now?

**Mr Borthwick**—No. We cannot.

**Senator CARR**—They are not here?

**Mr Borthwick**—I think it is important that we do these things sequentially. That would be best.

**Senator CARR**—It just strikes me that if you have the Office of the Renewable Energy Regulator here, it would be helpful to know what programs he is monitoring to actually establish what capacity is being achieved.

**Mr Borthwick**—We can bring the officers here and help you in terms of continuity in your questions. But at some other stages we might not want to.

**Senator CARR**—I do not know. I am not fussed. If you are basically telling me—

**Mr Borthwick**—No. We want to try to help you for the efficiency.

**Senator CARR**—I was going to come back to the Solar Cities project.

**Mr Borthwick**—We do have the right officers here.

**Senator CARR**—I do not really want to have an in-depth discussion about the Solar Cities project at this point. What I would like to know is what list of measures I should look to within the department that are aimed at stimulating renewable energy capacity.

**Mr Borthwick**—We might ask the relevant officers to come and help you with that.

**Senator CARR**—I will have a detailed discussion about Solar Cities later on. I want to know the list of projects.

**Mr Borthwick**—Sure.

**Mr Sterland**—The Industry, Community and Energies Division is one of the divisions of the greenhouse office that has now been incorporated into the department. It is the division that administers the programs relating to the renewable industry. Mr Rossiter regulates the mandatory renewable energy target scheme. That is his responsibility. So broader renewable policy is within our division. Mr Morvell is centrally involved in those programs and might bring more detail to it. Essentially, the government's approach in the white paper was to introduce a range of programs that addressed the barriers and impediments to the uptake of

renewable energy and a number of measures to encourage a broader range of low emissions technologies, of which renewable energy is an important subset. There are a number of programs under those categories. Our full listing would be available to review on the web site. I will go through some of the key ones. The Solar Cities program itself, which you referred to, involves \$75 million to look at innovative urban design issues to do with using solar PV and other technologies. That is looking at trialling new ways of configuring energy, if you like, involving pricing and interval metering and things like that. The Low Emissions Technology Demonstration Fund is a \$500 million program that is open for renewable energy technologies that meet the criteria for that program. That comes with a \$1 billion matching of private sector and corporate proponents. That is open to renewable energies that can meet the criteria of achieving significant reductions in greenhouse emissions over the next two decades or so.

There are then a range of specific programs addressed at very specific barriers. There is an electricity storage technologies program that will be looking at the issue that is sometimes associated with renewable energy, which is intermittency, and looking at innovative storage technologies to overcome those issues. There is a program to address issues with wind forecasting. They are sometimes seen as barriers to the increased uptake of renewable energy into the grid. There are then a range of specific renewable energy technology programs that are aimed at developing and commercialising new technologies. The renewable energy development initiative in the DITR portfolio is an important one there. There is \$100 million towards that. There are also a number of ongoing programs that predate the white paper. The Remote Renewable Energy Generation Program is one of them. There are some other commercialisation programs which are still running and supporting the commercialisation of renewable technology.

**Senator CARR**—In your judgment, how soon will it be before the MRET targets are likely to be reached?

**Mr Sterland**—I think for the reasons Mr Rossiter mentioned, it is difficult to be precise about that. It is inherent in the design of the MRET scheme that the bulk of investment stimulated by that measure would be complete before 2010. Forward looking companies will be looking to take advantage of the RECs offered under that scheme. So there is likely to be investment in place before 2010. Some of the issues of timing that are mentioned between different proponents relate to not only when the projects are coming online and, hence, producing the electricity that attracts the RECs that Mr Rossiter spoke about, but also the various stages of the investment decisions. So depending on what you regard as a new project, that can vary through time. So some of the issues can be about whether new projects are getting up and running and that sort of thing. But the broad judgment that some time around the period that Mr Rossiter mentioned—2007—would be a reasonable judgment.

**Senator CARR**—I will not ask you a policy question. I will not ask you for an opinion on a policy question. Have you had representations from the renewable energy sector expressing any concerns about the prospect of a fall-off in investment if the MRET targets are not increased?

**Mr Sterland**—We frequently talk to industry, including the renewable energy industry and other industries. I do not think there is any secret the renewable industry has mentioned that in public. They have mentioned it again when they have met with us. They have expressed that.

**Senator CARR**—So it is verbally. Have there been any written representations to you on this question of the adequacy of the targets?

**Mr Borthwick**—I think right back from when the Tambling review was undertaken in about 2003 the renewable energy industry has made very clear its views in terms of their future development requirements. They have been pretty consistent in their view about the importance of the MRET proposal to them since that time. They are putting that view pretty strongly.

**Senator CARR**—So how many representations have you received, Mr Borthwick?

**Mr Borthwick**—I do not know in terms of representations. But it has been a view that renewable industry has expressed for quite some time.

**Senator CARR**—So it is a consistent view. But I would like to know how many you have received in the last year, for instance.

**Mr Sterland**—It does not stand out. In terms of the written representations, the minister may well have received a number of letters, I suspect, following the energy white paper decision. I was talking about some discussions we had with industry often around the margins of other meetings. I spoke at a conference in Sydney that the Wind Energy Association held. People raised that with me both on the floor in front of other participants and privately. So the view is expressed.

**Senator CARR**—So since the white paper has been produced, can you give me on notice the number of representations that you have received requesting an increase in the MRET targets.

**Mr Sterland**—The department has received?

**Senator CARR**—Yes. Is that possible?

**Mr Sterland**—That is fine.

**Senator CARR**—Mr Rossiter, do you receive representations on this issue as well?

**Mr Rossiter**—We have seen various representations that have come in that are publicly available, like the REC report, which is I think what you are referring to in your information from BCSE. Inevitably with a measure like this, the beneficiaries of the measure want things increased. We do occasionally receive things which are a policy issue.

**Senator CARR**—So if it is a policy question, it is more likely to go to the department and to the minister?

**Mr Rossiter**—Unless it is directed to us.

**Senator CARR**—Mr Sterland, in that question you took before, can you indicate to me the number of departmental representations and the number of representations to the minister.

**Mr Sterland**—That is fine.

**Senator CARR**—Thank you very much. That concludes my questions.

**Senator MILNE**—The target set in 1997 was two per cent of consumption. What is the 9,500 now as a percentage of current electricity consumption?

**Mr Sterland**—The target was always set at 9,500 in law. There was a reference to that but the decision was made, to give certainty to the industry, that there needed to be a more certain trajectory. You are asking what proportion of projected electricity demand in 2010 that 9,500 would be?

**Senator MILNE**—I am asking now, actually, what it would be. What would it be in relation to current consumption? What is it likely to be in a 2010 projection?

**Mr Sterland**—I will have to take that on notice. Current consumption would obviously depend on where the ramp-up is in relation to that. I do not have the figures for the 2010 projection at my fingertips. But we will take that on notice and provide it to you.

**Senator MILNE**—On my calculations I would say it is less than two per cent, which was circulated at the time. I understand that it was legislated with a particular target. But I just make the point that it is actually going backwards in renewable energy contribution in electricity consumption and likely to go backwards further by 2010. On renewable energy's contribution, given what you know about the submissions that have been made to you from the renewable energy sector, is it your judgment that there is the capacity out there to make a much greater contribution than even two per cent if the policy frameworks were different? That is a question to the department.

**Mr Sterland**—I would not want to speculate about what is essentially a policy question, I think.

**Senator MILNE**—We can look at it in another way, then. Given what has been said already, which is that the target is likely to be met in 2007, given the minister's current statements in the media that it is necessary to reduce greenhouse gases far more than is projected with Kyoto—you will have to take it from me that in a recent interview he indicated that could be anywhere up to, in his view, 50 per cent by 2050—and given the projected rise in the level of imported fuels coming into Australia, is the current two per cent target, or 9,500, a disincentive to reduce greenhouse gases?

**Mr Sterland**—That is not an accurate description of a measure that is designed to provide incentives to increase renewables over what would have been a business-as-usual case.

**Senator MILNE**—Given that it is a business-as-usual case now that it is set at two per cent, if it is not increased, is it a disincentive to further investment in renewables?

**Mr Borthwick**—The target, as Mr Sterland mentioned, was 9,500 gigawatt hours, which was translated into a percentage target. We will get back to the questions. The government's policy position on the extension of MRET was announced and made very clear. They felt that the costs of extending it were too high so they chose not to go that route. What Mr Sterland outlined to Senator Carr was a range of alternative direct budget supports for the renewable energy industry. So it was a deliberate change in the mix from a further extension of MRET, which would have been going beyond what they committed to do, towards budget measures but fulfilling their mandate, which was to 9,500 gigawatt hours. So the question about what would be possible if MRET were extended was where the government chose not to go. They chose to use a different array of instruments. So we cannot really help you, I do not think, in terms of the way you have posed the issue.

**Senator MILNE**—Finally, what is the opportunity cost in not extending MRET? Did you do that modelling?

**Mr Sterland**—The modelling that was done as part of the policy consideration looked at the costs of extending and expanding MRET. That formed part of the reason why the government decided not to go down that path. There was modelling done as part of the Tambling report. That illustrated that expanding and extending MRET would increase electricity prices. The government made a decision that those costs were—and are—significant. The government also made a decision that those costs would be associated with a measure that is largely taking up existing technology. It decided to focus on measures that addressed the barriers to technologies being taken up and, indeed, to develop new technologies.

**Senator MILNE**—And which new technologies were they?

**Mr Sterland**—Well, it is a general approach in the energy white paper to have a technology neutral approach. There was a clear emphasis on low emissions technology as a category. A key measure that has been developed—the Low Emissions Technology Demonstration Fund—is open to any low emissions technology that can meet the criteria, including renewable ones. A number of technologies have been mentioned in reference that could potentially access that program, including hot dry rocks and large-scale solar, that sort of thing. There were a number of other measures to address specific barriers that I mentioned, including wind forecasting related to specific issues that the wind industry and wind generation face. Storage is an issue. It is quite an important technology to develop. It is common to a number of renewable technologies. So the emphasis of the policy is to expand that range of technologies that are available and to develop new ones.

**Senator HEFFERNAN**—I have a couple of questions which I really did not intend to ask. It seems to me that we are having an arse-about-face debate on energy savings, with apologies for my language. We have made some serious mistakes in water, where we dished out all the licences and then worked out where we could make the savings. Before we work out how much energy we want to create as a percentage of what we need, has the department worked out how much we can save?

Could I just illustrate. I went to a Liberal Party function for its annual convention down at the Ottoman. During the dinner, in the middle of the day, I got the waiter to turn off every light in the room and no one noticed. We waste a lot of energy. If we worked out the savings in waste and then did this performance on—

**Mr Borthwick**—One of the major thrusts of our department is to look at energy efficiency measures because, if you can save energy consumption, it is both an energy and a greenhouse gain and there is a productivity gain for the economy. So it is a win-win thing. Measures like that are only commonsense if they can be practical and pursued carefully. And one of the thrusts in Mr Sterland's division is to look at energy efficiency measures.

**Mr Sterland**—Senator, could I add to that. There are a number of measures active at the moment. There is a bill before the Senate that has been introduced by the industry minister on energy efficiency opportunities that is requiring large energy users to conduct an assessment of the energy opportunities in their operations and report on that. By having a threshold for



large energy users, that picks up a very large proportion of industrial energy use. The government has a range of programs that relate to the minimum standards in appliances, which is an important source of energy efficiency savings. There is work going on on building standards and a range of work with communities looking, through local government, at opportunities to save energy at the community level. So it is a fairly broad range of measures.

**Senator HEFFERNAN**—That is very good bureaucratic speak. When you leave your office, do you turn the light off?

**Mr Sterland**—I personally do, Senator.

**Senator HEFFERNAN**—Do you? If I went round to the department tonight, would all the lights be burning? I will go down and have a look.

**Mr Borthwick**—I am just looking. I think we in the department are an exemplar in this region. I am looking at our annual report and the department purchased 100 per cent of accredited green power for the building. In other words, what energy consumption we have had in the department we have offset by purchasing green power. But, notwithstanding that—

**Senator HEFFERNAN**—It does not mean, though, that at the same time that you are not wasting energy.

**Mr Borthwick**—No, at the same time I was going to go on and say that last year electricity consumption per person fell by five per cent, and we have set a target to achieve—

**Senator HEFFERNAN**—Mr Borthwick, I do not think there is any need for you to contest me on this issue of power consumption. All I am saying is—

**Mr Borthwick**—You asked if we switched the lights off and I am saying we go beyond switching the lights off—

**Senator HEFFERNAN**—I am forever threatening to flog my kids because they do not turn the bloody lights off. When they clean their teeth they will not turn the damned tap off. But I am saying, if you are going to have an honest assessment and not make the mistakes with power that we have made with water, and there is all this coming energy to be put into a debate on how we are going to create all this power, we ought to have as energetic a debate on how we can save the bloody power.

**Mr Borthwick**—As I said, that is a major thrust of ours—

**Senator HEFFERNAN**—Well, I will listen with interest. It is none of my business and I am an interloper, I realise, but I have some other questions for you later.

**Senator MILNE**—Could you clarify for the committee, and perhaps for Senator Heffernan, that there is no mandatory energy efficiency target in the bill that you were just talking about—that the government has not set any sort of mandatory limits? Secondly, can you clarify that, whilst it requires the energy users to identify efficiencies, it does not require them to take any action to implement those efficiencies? Thirdly, can you confirm that the government's use of green energy, or energy efficiency, has actually declined? Could you confirm those three things for the senator and for the committee?

**Mr Sterland**—Senator, just to clarify the last question, you said the use of green energy and energy efficiency have declined?

**Senator MILNE**—Yes. There was a report that came out recently on the government's own use of energy, and it has increased, not declined, in spite of a policy of energy efficiency. Is that correct?

**Mr Sterland**—I have not got the figures in front of me, but my understanding is that for the last year it rose across government but that is coming off the back of a decline over a number of years. The bill itself is the responsibility of the Department of Industry, Tourism and Resources, so I do not think it is appropriate to go into it in any detail. But they consult with us over that bill, and obviously it is relevant to our work, so those two earlier issues you mentioned are correct.

**Senator MILNE**—Thank you.

[8.12 pm]

#### **Parks Australia Division**

**CHAIR**—Are there any other questions for the Office of the Renewable Energy Regulator? If not, we thank you for appearing, and we call the Director of National Parks and Parks Australia division.

**Senator NASH**—Three weeks ago the Australian government released its \$15 million three-year plan is to create a greater Alpine National Park in Victoria, New South Wales and the ACT—obviously to protect the park's unique natural environment while preserving the 107-year-old tradition of cattle grazing in Victoria's high country. I understand the success of the plan is actually very much dependent on the cooperation of the Victorian government. I was hoping you could explain to the committee if there is any validity to the Victorian government opposition to the Australian government's plan.

**Mr Borthwick**—Senator, it is not actually the Director of National Parks that is responsible for that. It is in the Heritage Division, but, with your agreement and the Chairman's agreement, the Head of the Heritage Division has come up to the table, so he should be able to help you.

**Senator NASH**—Thank you, Head of the Heritage Division

**Mr Burnett**—I am sorry, I did not catch the beginning of your question because I was sitting down the back, but I understand that you are asking about the plan that the minister announced for a greater Alpine National Park.

**Senator NASH**—Absolutely. And, as I understand it, it is contingent is on the Victorian government agreeing to that—

**Mr Burnett**—That is correct.

**Senator NASH**—And I was really just requiring from you whether there is any validity to the Victorian government opposition.

**Mr Burnett**—That is not something I could comment on, Senator. That is really part of the policy debate. I could simply confirm, however, that the Victorian government has not taken up the federal government's proposition.

**Senator NASH**—I understand that you cannot comment politically, but do you see that there is any technical merit in the Victorian government's opposition to what the federal government is proposing?

**Mr Burnett**—Again, Senator, I really do not think I can comment. I can simply outline the difference in positions. The Victorian government has banned the alpine cattle grazing, as you would be aware. And the federal minister's plan seeks to address the underlying issues—the impact on natural values—by proposing a series of measures, including conventional and electric fencing to protect those natural values while also protecting the cultural values associated with the alpine cattle grazing.

**Senator NASH**—Are you aware if the absence of cattle grazing in the Alpine National Park has created any concerns for the upcoming fire seasons?

**Mr Burnett**—I am afraid that is not something I am aware of, Senator. That would be a state government responsibility.

**Senator NASH**—So not something you are aware of at all. Okay, thank you.

**Senator CARR**—Since you brought the topic up, I think we ought to have a real good look at this.

**CHAIR**—Senator Carr, Senator Milne has the call. You can ask your question after Senator Milne.

**Senator CARR**—It is on the same issue.

**Senator MILNE**—I am on a different issue.

**CHAIR**—Proceed, Senator Carr.

**Senator CARR**—When did the department provide advice to the minister on emergency heritage listing for the Victorian Alpine National Park?

**Mr Burnett**—The department provided advice to the minister in the lead-up to the minister's decision on that emergency listing.

**Senator CARR**—So when was that?

**Mr Burnett**—I do not think I have the dates with me, Senator, I am sorry.

**Senator CARR**—I am surprised—such a major issue, minister wandering all over Parliament House, riding horses, throwing his hands in the air and making all sorts of grandiose statements. Surely you provided him with advice on that. Did you advise him on the media stunts, or is that not part of the department's remit?

**Mr Burnett**—That is not part of the department's role, Senator.

**Senator CARR**—So he took his own independent media advice, did he?

**Mr Burnett**—I could not comment on what media advice the minister took, Senator.

**Senator CARR**—When did he make his final decision?

**Mr Burnett**—On the emergency listing, Senator, or on the final—

**Senator CARR**—Yes, on the emergency listing.

**Mr Burnett**—I might ask Dr Reville if he can answer this question.

**Senator HEFFERNAN**—Had you ever heard of the emergency listing before this?

**Senator CARR**—Of course I have. I have a longstanding interest. I go fishing. I have a very keen interest in these matters.

**Dr Reville**—I am the assistant secretary in charge of the heritage assessment branch in the Heritage Division.

**Senator CARR**—I am pleased to hear that is. So when was the final decision may on emergency listings?

**Dr Reville**—Senator, there were two instances when emergency listing was considered. In the first instance the minister decided not to emergency list because the Victorian government at that stage had not made its decision about the grazing licences. Then there was the second instance, which resulted in the emergency listings. I presume you are referring to the second listing.

**Senator CARR**—Yes. When was that made?

**Dr Reville**—The minister has released a statement of reasons on this which explains the dates, if you wanted to look at it in further detail, but basically the minister decided on 9 June 2005 to include the park in the national heritage list.

**Senator CARR**—Right. And was that in keeping with his statutory obligations under the act?

**Dr Reville**—Yes, in the sense—

**Senator CARR**—So there was no question about the delay and the timing?

**Dr Reville**—I will have to check the exact dates, Senator. He announced on 26 May 2005 that he had initiated an emergency listing assessment.

**Senator CARR**—So the decision was—sorry, have you got that there?

**Dr Reville**—That is when he initiated the assessment, and he made the decision on 9 June 2005.

**Senator CARR**—That is consistent with the EPBC Act, is it?

**Dr Reville**—I think so, Senator. There are 10 business days in which to make a decision. And I think 26 May to 9 June sounds like 10 business days. I would have to check the exact details, but it looks very close.

**Senator CARR**—Did the Heritage Council advise that the national park should have heritage significance in its own right?

**Dr Reville**—Senator, the Australian Heritage Council is not consulted on emergency applications because the time is so short. If the minister decides to list a place on the national heritage list through the emergency listing process, he is then required to refer the assessment to the Heritage Council, and it has 40 business days in which to provide him with an assessment.

**Senator CARR**—And did it provide an assessment?

**Dr Reville**—It did, and following receipt of that assessment the minister decided to remove the Alpine National Park from the national heritage list and to ask the Heritage Council to complete an assessment of the entire Australian alps area.

**Senator CARR**—What were the grounds specified by the Heritage Council that led the minister to remove that listing?

**Dr Reville**—The council has provided an assessment against the national heritage criteria in which it found that the park met a variety of national heritage criteria. The minister took that into account. He also took into account separate advice from the council which indicated that the Alpine National Park areas—the Australian alps—would be better managed as an integrated whole rather than as individual parks. And that was the basis on which he decided that, rather than keep the Alpine National Park on the national heritage list, it would be more appropriate to get a full assessment of the entire area. He has released a statement of reasons publicly on his reasons for that, which explains in greater detail than I can his basis for doing that.

**Senator CARR**—If you would not mind, I would appreciate that. When the council provided its advice, did it provide it directly to the minister?

**Dr Reville**—Yes, Senator. It provides a written report to the minister is on its assessment, as it does for all assessments on the national heritage list.

**Senator CARR**—Did the minister actually say at the time that the advice was released that he had not read the Heritage Council's advice?

**Dr Reville**—He is reported to have said in the newspapers that there was—in the period between when the advice was provided and before he had made his decision, at one stage he had not read that, but he subsequently read the material before making his decision.

**Senator CARR**—So he did make his decision based on advice?

**Dr Reville**—He did.

**CHAIR**—Senator, you are covering a lot of heritage issues—

**Senator CARR**—No, I am covering the same issue that Senator Nash raised.

**CHAIR**—Just take it easy.

**Senator HEFFERNAN**—Yes, but we are pleading with you—

**Senator CARR**—I know you are pleading, but when the National Party comes in here with one of these own-goals, I think it is appropriate that we should canvass it.

**CHAIR**—Senator Carr, I am not trying to stop you asking questions. I am just asking for clarification, because this was under National Parks. Do you wish to call Heritage again later?

**Senator CARR**—There are other Heritage matters that I want to pursue.

**CHAIR**—Do you wish to leave this under the other Heritage area?

**Senator CARR**—I am almost finished. Mr Thwaites has done over the minister comprehensively on this. I just want to know how it has come about.

**CHAIR**—If you have almost finished, that is okay. We will go back to national parks because Senator Milne has some questions on national parks.

**Senator Kemp**—Not in terms of public perceptions he has not, I can tell you.

**Senator CARR**—On the contrary. Senator Campbell has wandered all over this building with his stock horses and his plastic collars, and what has come of it? Was it a rocking horse? It looked like it. So what do you want to do? Do you want to come back to this? Is that what you are saying?

**CHAIR**—Senator Milne has some questions on national parks, which we could do, and then we could go back.

**Senator MILNE**—In relation to parks, with the adoption of the Durban Action Plan there was great excitement around the world, particularly in relation to marine protected areas. I am aware that there has been the recent impact conference in Australia. So I wanted an update on how you are implementing the Durban Action Plan, particularly in relation to marine protected areas and particularly in relation to integrating the national approach with state government approaches.

**Mr Borthwick**—Senator, that is a question best directed to Marine Division. We seem to be having a bit of a problem with knowing—

**CHAIR**—It is called a demarcation dispute, I think.

**Mr Borthwick**—Not from our point of view, but I can understand why the confusion arises. So we are in your hands, Mr Chairman. We can bring Marine Division ahead now, but we have been chopping and changing a lot.

**Senator MILNE**—No, it does not matter. I will ask them later.

**CHAIR**—We are dealing with national parks, so if we ask questions about Kakadu, Booderee et cetera.

**Senator MILNE**—Okay, so shall we get specific on Kakadu? I would like to know, first of all, what we are doing about invasive species, weed and toad incursion in Kakadu—where we are up to, in particular with gamba grass incursion and toads.

**Mr Cochrane**—We have got a pretty broad front to work on with invasive species in Kakadu. We have some very significant successes and we have some real challengers, and gamba grass is one of them. It is not huge in the park yet, as it is outside the park, but it is something we are having to pay particular attention to, because of its impact on fire regimes. It is a high priority for us. It is not, as I said, widespread in the park at the moment, and I think we are having some success in keeping it under control as it comes in. We have a range of other ones that are probably much more significant for us, like olive hymenachne, which we think is being brought in on magpie geese coming into the park from surrounding regions. We have a very active weeds team, which is focused very much on probably the top five or six weed species, including olive hymenachne, gamba grass and three or four others—trying to eliminate them as they come in, as much as we possibly can. But there are probably close to 100—over 80—weed species in the park which we are trying to tackle.

On cane toads, we are still assessing the effect of cane toads on the park. You would be aware that the impacts on northern quolls have been quite severe, and where cane toads have swept through we no longer find northern quolls, which is what prompted the translocation

work to offshore islands of Arnhem Land, which has been a great success. They have bred now.

On other species, we are still quite concerned about goannas, and some snake species. We do not believe anything has been lost yet as a result. There is certainly not the same degree of severity of impact as there has been on northern quolls. But some of the goanna species are certainly of great concern, and we will continue to monitor those.

In terms of actions for controlling cane toads, I would repeat what I have said before, I think: there are no cost-effective chemical, physical or biological means that we can use to have a significant impact on cane toads in a park the size of Kakadu, with its habitats and topography.

**Senator MILNE**—In terms of the weed incursions in Kakadu, what level of cooperation or dialogue have you been able to establish with the Northern Territory government and with other departments to get an integrated approach with land users outside the park, so as to minimise the risk?

**Mr Cochrane**—There is an active program of cooperation with the Northern Territory and our regional neighbours, particularly into Arnhem Land, and as we have been able to we have also helped with some of our staff working in surrounding regions. I think probably the major challenge, though, is the resources that are available—

**Senator HEFFERNAN**—So what you are saying in code there is that the weeds are winning?

**Mr Cochrane**—I would not like to say that in the park the weeds are winning is, but the weeds are certainly winning outside the park.

**Senator HEFFERNAN**—The weeds are winning, I can assure you.

**Mr Cochrane**—Mimosa is a huge problem outside the park and, whilst Kakadu itself is virtually mimosa-free—and it has been for quite some time and we maintain it in that state—our major concern is surrounding lands, which are still heavily infested.

**CHAIR**—The rest of the Northern Territory.

**Mr Cochrane**—Yes.

**Senator MILNE**—In relation to Kakadu again, the commitment I understand is to rehabilitate the old uranium mining sites to keep faith with Indigenous communities and with joint management options and so on. Where are we up to in rehabilitating those old uranium mining sites, and is resourcing the major impediment to doing that?

**Mr Cochrane**—We have been working for the last five years, slowly and patiently with rehabilitation experts, the Northern Land Council, traditional owners and the Northern Territory government, on rehabilitation plans for the 20-odd sites that are in the upper South Alligator River region. We have finalised rehabilitation plans for, if you like, about the first half of the sites, which are of relatively low radiological concern—more a physical issue for us. Those plans we have agreed, and we are now working our way through what we call part B, which are the sites that have a much higher radiological set of issues for us. That will take a little longer to finalise because there are some complex issues there for us in terms of what we do with some of the old wastes that are still at or near the surface.

**Senator HEFFERNAN**—So does that mean that there is a sort of a risk if you go in there to plant your tree?

**Mr Cochrane**—There is no risk to passers-by, but there are some areas where we have signage which suggests that you should not camp or spend—

**Senator HEFFERNAN**—So where does that leave the poor buggers that used to work there?

**Mr Cochrane**—That is a very good question. That is 50 years ago now.

**Senator HEFFERNAN**—None of them has grown a second head or anything yet?

**Mr Cochrane**—Not to my knowledge.

**Senator HEFFERNAN**—Yes, but that does beg the question: if it has taken five years of planning to get around to that, where does that leave the poor buggers that worked there?

**Mr Cochrane**—I cannot answer that question.

**Senator HEFFERNAN**—I did not mean to interrupt that lovely dialogue.

**Mr Cochrane**—Standards were a lot more lax 50 years ago, both in mine work and in rehabilitation.

**Senator MILNE**—So, in terms of the impediments to moving that along, is that purely resourcing?

**Mr Cochrane**—Resourcing is an issue for us, absolutely.

**Senator MILNE**—And on Kakadu again, what are your modellings or projections showing about climate change and sea level rise? What kind of adaptation, I suppose, rather than mitigation, can you put in place or are you planning to put in place in terms of species extinction and so on?

**Mr Cochrane**—I could not say that we have plans in place. The Supervising Scientist a few years ago did a risk assessment of climate change for the park. That has not prompted us to develop any specific plans. Our major risk is obviously to the flood plains, and the critical issue there is the saltwater-freshwater interface, which is fairly dynamic. And those wetlands, as you would be aware, are relatively recent—only 3,000 or 4,000 years old—and the major risk to those in the past certainly has been the impact of buffalo. With the removal of buffalo from the park, that risk has somewhat abated, and now the longer term risk is certainly climate change and sea level rise. The question is how fast sea level might rise and how fast the natural systems could adapt to maintaining that interface—if you like, that barrier—with saltwater, at a level that would allow those ecosystems to persist. I cannot answer that question beyond that answer.

**Senator MILNE**—In terms of your percentage breakdown of visitor services and facilities, vis-a-vis the management of the ecosystems of the park, what is the relative breakdown in terms of what you spend managing visitors and what you spend managing the biodiversity of the park?

**Mr Cochrane**—Very roughly, about 30 per cent of our overall expenditure would be on visitor services and facilities. The larger proportion of our capital expenditure would be on



visitor facilities because, as you might imagine, roads and associated things like that are quite expensive to maintain. But it is roughly 30 per cent in Kakadu.

**Senator MILNE**—Is that likely to be ongoing or, now that you have had a major investment in upgrading visitor facilities, is it likely to revert to a greater percentage going into management issues?

**Mr Cochrane**—I do not envisage it going up as a proportion because we are under pressure on pretty well every front to do more and do better. So my guess is that it would stay at that level. If we could be more clever about where the sources of funds could come from for visitor facilities, such as the tourism industry, then we would like to pursue that.

**Senator MILNE**—That is all I have on Kakadu, but I have some on other parks.

**CHAIR**—Well, this is the parks section. Can I ask one question here in relation to Ranger? I understood that yellowcake was not radioactive. Where is the radioactivity coming from?

**Mr Cochrane**—I am actually not qualified to answer that. I thought that, as uranium ore, it was.

**Mr Borthwick**—We will take it on notice and get some advice to you from our Office of the Supervising Scientist, who was not required to attend tonight. But it is not yellowcake in these areas that we are talking about; it is the spoils from the original mining.

**Mr Cochrane**—Tailings.

**Mr Borthwick**—Tailings. There are certainly radioactivity issues there. But the difference between yellowcake and—

**Mr Cochrane**—My problems.

**Mr Borthwick**—the problems in the southern area of the park—we will get back to you with the technical explanation.

**CHAIR**—I am really quite intrigued by it, so I would appreciate it if you could.

**Mr Cochrane**—There are old mining camps, old mining equipment, old open-cut mines, old underground mine shafts. There is quite an array of small-scale operations which are scattered through the upper valley of the South Alligator River.

**CHAIR**—Of course, the yellowcake is ore, and we are told and always reassured that there is no issue with yellowcake in its transport to ports.

**Mr Borthwick**—Without knowing anything, I have been in close proximity to yellowcake, and no-one has told me there is a problem. But there is a problem in the South Alligator River area in terms of the tailings.

**Senator HEFFERNAN**—Sorry, what's that there? I just thought there was something growing out the side of your head!

**CHAIR**—Okay. Well, if you can get back to me, I would appreciate it. If you have other questions on other national parks, Senator, please proceed.

**Senator MILNE**—Yes, I wanted to ask about Christmas Island. I am particularly interested because a couple of years ago many threats were posed to the biodiversity on Christmas Island by the construction of the detention centre, the proposed extension to the

airport, the space centre, the proposal for land swaps from the national park for the new mining leases and negotiations for new mining leases. At that time, after considerable discussion, there was an announcement that the government would be looking at an integrated plan for Christmas Island, instead of all the different management plans and jurisdictions related to those issues.

I just wanted to know what the current state of play is with regard to your part of the jurisdiction, which is the national park—in particular, how we are going on the eradication of the crazy ants and all the work that has been done on that—and whether or not there has been any encroachment on the existing park by the application for new mining leases, expansion of the roads, the space station, the detention centre and the associated infrastructure with the unit development et cetera.

**Mr Cochrane**—I can answer almost all of those, and then I will call on my colleague Gerard Early from Approvals and Wildlife Division on the issue of the strategic plan.

In terms of crazy ants, we had major success three years ago with our aerial application of bait but, for a variety of reasons, we did not manage to cover all of the area of the island and new infestations have spread out from the areas that we had not got, and they are proceeding at a discouragingly fast rate. We have secured some additional resources to have another decent go at it. Regrettably, I do not think we will be in a position of eradication; it will be ongoing control, given the difficult topography of the park and the nature of the species. So crazy ants are probably the single largest ongoing threat to biodiversity on the island.

**Senator MILNE**—Just before you move on, have the crabs recolonised in the places where you have managed to eradicate crazy ants?

**Mr Cochrane**—They have, and the response there has been gratifyingly rapid of crabs being able to re-establish their migration paths where we have kept the crazy ants out—where we knocked them out and kept them out.

In terms of new mining areas, there have been no encroachments, as you said, on the park. The detention facility, or the immigration reception and processing centre, is being built on a mining lease. Really, the only encroachment on the park has been the provision of some key services alongside the main road there—power, water and a sewerage plant, which, after impact assessment, we permitted, as the impacts on the park were very low. At present, the impacts of the detention facility on the park are not significant at all, but I understand it is not operational; it is still under construction.

They were the main things. The space base really did not affect us at all. It was in a part of the island that is reasonably distant from the park, and I understand that that is not actually proceeding at the moment. Its major impact was actually on the mining company rather than on us.

**Mr Early**—In relation to your question on the strategic assessment, yes, it was actually three years ago that the then ministers, Mr Tuckey and Dr Kemp, agreed that they would do a strategic assessment of Christmas Island under the EPBC Act. There was some discussion between departments about that strategic assessment, but it has gone into limbo a bit because the action rests with the department of territories and I think they have not really pursued it actively since that time.

**Senator MILNE**—Thank you for that. I have another park issue. In relation to what you are doing with Indonesia and PNG, I understand that there was some work mentoring and assisting with the World Heritage area—Lorentz in particular, but also other national parks in the region. Certainly, under the Pacific Plan, there is a clear indication that Australia is in support of capacity building in the region. Could you enlighten us about any work in capacity building that you have been doing with PNG and Indonesia and if you have any plans to expand that to any Pacific island countries under the provisions of the Pacific Plan?

**Mr Cochrane**—To answer your second question first, no, we do not have any specific plans. On the first one, there is an intergovernmental agreement, called the Tri-national Wetlands Project, which links Kakadu National Park and Tonda Wildlife Management Area in PNG and the Wasur National Park in Indonesia, which share a common border—the Indonesia-PNG border. We have an active program of cooperation with the managers of those two parks. We recently sent one of our Kakadu park staff members to Tonda to assist with mimosa survey and control work because they have very similar problems to us at Kakadu. He was joined by a second staff member, and they spent nearly a month capacity building for survey work and monitoring for mimosa.

Relatively recently we had a meeting in PNG of the steering committee for that project and agreed a work plan, which will include a visit mostly from PNG participants down to Kakadu, probably early next year, as an exchange. It is an active program. It is not so much resources that are limited as the capacity of the participants to engage and travel. The logistics are not easy.

**Senator MILNE**—Okay. Thank you.

**CHAIR**—Is that all?

**Senator MILNE**—Yes.

**CHAIR**—Okay, we will move on to the department.

**Senator SIEWERT**—I have some park questions.

**CHAIR**—You have. All right, go ahead.

**Senator SIEWERT**—One of these questions you may say I have to ask the marine branch.

**CHAIR**—Well, if it is under marine, that is where it should be.

**Senator SIEWERT**—No, it is actually related to marine protected areas, but they may say that I need to ask the marine branch. There has not been any significant increase in the number of marine protected areas in the conservation estate for a number of years. Why?

**Mr Cochrane**—I will give that to the marine division because the national representative system of marine protected areas falls with them.

**Senator SIEWERT**—Okay. I do have another one, which is specifically related to Ashmore. What is the impact of illegal fishing? Are you monitoring it? Do you know what impact it is having on marine biodiversity?

**Mr Cochrane**—Those questions can be answered, but again Steve Oxley will be able to answer those.

**Senator SIEWERT**—We will deal with them under marine, despite—

**CHAIR**—If they are under marine—

**Senator SIEWERT**—I am wondering why it is under marine and not under national parks.

**CHAIR**—It may not be a national park.

**Senator SIEWERT**—It is a national park.

**Mr Cochrane**—If I can clarify, it is a statutory responsibility, but the management is delegated to the marine division.

**CHAIR**—There we are. Are you happy with that?

**Senator SIEWERT**—Yes.

**CHAIR**—That means we now move on to the department.

[8.48 pm]

#### **Department of the Environment and Heritage**

**CHAIR**—Before we start, I have a question to senators who are here. The Corporate Strategies Division was called at the request of Senator Murray, but Senator Murray has now left Canberra and he will be putting his questions on notice. Do you have any questions for the Corporate Strategies Division? Senator Siewert? In that case, the Corporate Strategies Division is excused and may go home. I apologise for that, but the senator concerned apparently had to leave. His questions will be put on notice. Now we call Approvals and Wildlife. Senator Heffernan has questions.

**Senator CARR**—Are you trying to bring the government down?

**Senator HEFFERNAN**—I can guarantee that the sun will still come up in the morning, and, if it doesn't, it won't be because of these questions.

**Senator CARR**—I hear you are with the Costello camp.

**Senator HEFFERNAN**—These questions need to be asked—

**CHAIR**—It is his secret weapon.

**Senator HEFFERNAN**—This is pulp mill stuff.

**CHAIR**—Is everybody here concerned with this—pulp mill? Mr Early?

**Senator HEFFERNAN**—When a pulp mill was given support in 2004 in Tasmania, was that based on a commitment that the pulp mill would be chlorine free and plantation based?

**Mr Early**—I am sorry, I missed the first part of your question, Senator.

**Senator HEFFERNAN**—The answer is yes. When a pulp mill was given support in 2004 in Tasmania, was this based on a commitment that the pulp mill would be chlorine free and/or plantation based?

**Mr Early**—Well, it has had no support from the federal government. It is going through a process of assessment and approval under the EPBC Act. But certainly my understanding of—

**Senator HEFFERNAN**—That was the original.

**Mr Early**—But the original proposal was certainly chlorine free—I thought it was not based on plantation timber; I thought that plantation timber came in the second proposal. But I have to check that.

**Senator HEFFERNAN**—Well, I've got to say Mr Gunn sat in my office and told me that it would be plantation—Mr Gay. So, you can come back with the answer to that?

**Mr Early**—Yes.

**Senator HEFFERNAN**—Will the proposed pulp mill use chlorine bleaching technology?

**Mr Early**—It is difficult for me to answer that because, essentially, that is part of the assessment process we will have to go through.

**Senator HEFFERNAN**—What is proposed now, as opposed to what was proposed? Are you familiar with the difference?

**Mr Early**—Yes, yes.

**Senator HEFFERNAN**—There is a hell of a difference.

**Mr Early**—Yes. My understanding is that there is a proposal, as I said to you before, that there would be some chlorine—

**Senator HEFFERNAN**—Yes, so they changed their minds. It was going to be chlorine free; now it is going to be chlorine based. True?

**Mr Early**—There is going to be some chlorine.

**Senator HEFFERNAN**—I am trying to get you to say yes.

**Mr Early**—But the issue for us is that that is what the proposal is—

**Senator HEFFERNAN**—Yes, that is why I am asking the bloody question—so we might change their ideas. When did the department become aware that the proposed Gunns pump mill was going to use native forest wood and chlorine dioxide bleaching?

**Mr Early**—In terms of native forests, as I said before, my understanding was that it was always going to do that because, basically, the wood is being taken as part of the RFA in Tasmania. It is the plantation—

**Senator HEFFERNAN**—You need to go back and do your homework.

**Mr Early**—Well, that's—

**Senator HEFFERNAN**—It was originally proposed—and I do not know whether you have got the wrong information. Do you want to check your information?

**Dr O'Connell**—I might be able to help. My recollection, Senator, is that the pulp mill proposals have always been on the basis of use of native forest as well as plantations.

**Senator HEFFERNAN**—So you will stand to be corrected?

**Dr O'Connell**—Yes.

**Senator HEFFERNAN**—The proposal by who?

**Dr O'Connell**—The reason I say that is that the minister—

**Senator HEFFERNAN**—Can I just put a few cards on the table here. In the original proposal, John Gay said that they were going to use 2.6 or 2.8 million tonnes of plantation product through this mill. As Mr Borthwick knows, I know all this stuff backwards. The plantation potential—what is in the ground now—is about five million tonnes a year. As you know, it is used for chip production. It is a profitable business to be in and, obviously, the pulp mills in Japan prefer the plantation-based pulp. He gave an undertaking that this plant would use 2.6 or 2.8—or whatever it was—million tonnes of plantation timber and that would come off the sum of the five million tonnes that is currently planned to go into the chip market and there would be two point something million tonnes. That is all changed—you can colour it up as much as you like—and the bulk of this is now going to be made of forest. You do not accept that?

**Mr Early**—Of course it has changed.

**Senator HEFFERNAN**—That is what I wanted you to say five minutes ago. It was originally going to be plantation, and now it is not. That is all I wanted you to say. Isn't that true?

**Mr Early**—My understanding is that there was always going to be some native timber—

**Senator HEFFERNAN**—No, no, no. It was going to be 2½ million tonnes—say, for rough easy talking—of plantation pulp timber going into this pulp mill. Don't you know those figures?

**Mr Early**—I actually thought that the change was that they were using more plantation timber. But certainly it has changed, yes.

**Senator HEFFERNAN**—So we will come to the next question. Does the department support—and these are questions that need to be answered—the five million tonnes for pulp mill that is neither chlorine free nor plantation based?

**Mr Early**—We do not support anything; we have to assess this. The minister has to make a decision. It would be entirely—

**Senator HEFFERNAN**—There is a reasonable answer to that question, but I need to hear you say whatever it is you want to say.

**Mr Early**—The answer is that we are going through an assessment process. It would be pre-emptive of me to say we think it is a good idea or a bad idea.

**Senator HEFFERNAN**—That is fair enough. But I emphasise that certainly I and I know others in the government were given an undertaking, before this got as far into the process as it has, that this was going to be a plantation-based mill. Does the department believe that a pulp mill discharging 30 billion litres of effluent containing a range of toxic compounds into the ocean is environmentally friendly?

**Mr Early**—I cannot answer that when—

**Mr Borthwick**—Senator, the minister decided in early October that this proposal needed to be submitted for our assessment.

**Senator HEFFERNAN**—I am just putting you on notice that these are concerns for the ordinary Joe Blow.

**Mr Borthwick**—They are legitimate concerns, and I am sure that they will be taken into account in the assessment that we are giving.

**Senator CARR**—Who is the action minister?

**Mr Borthwick**—Senator Ian Campbell.

**Senator CARR**—Senator Campbell. Did he make the decision, or did he refer the matter?

**Mr Early**—The matter was referred by Gunns. They are the proponent. They referred it to Minister Campbell to make a decision as to whether or not there would be an assessment.

**Senator HEFFERNAN**—Look, this is not designed to play politics; this is designed to have people think about what is going on.

**Senator CARR**—It's unlike you to play politics.

**Senator HEFFERNAN**—Well, if I was playing it, I am playing it the wrong way, aren't I?

**Mr Borthwick**—I think the relevant point from our point of view is that the minister decided that the revised pulp mill proposal submitted by Gunns did require assessment and approval under the EPBC Act. But that was in early October. A whole process needs to run in terms of an evaluation under that proposal, and there are obviously going to be a number of concerns about that, but we have to be very careful and assess the evidence before us.

**Senator HEFFERNAN**—I am just giving you assistance in making you think about it. But there is a reasonable answer about the change of product, by the way. My problem with that is poor old Mother Earth down there in Tassie. With the amount of clear felling that is going on, it is just not fair.

So I thought this was a good idea because it is taking, shall I say, a raw product and value adding—taking some of the pressure off the need for further clear-felling. Clear-felling in Tassie was always about getting the land to put the plantation on rather than getting the yield of the forest. So these I hope are helpful questions. What does the department believe a world's best practice pulp mill would use for wood supply, water supply and bleaching? Do you want to go away and think about that on notice?

**Mr Early**—We certainly would not want to answer that now, Senator. We are in the business of—

**Senator HEFFERNAN**—This is a world's best practice pulp mill. It is not the most economic; it is the world's best practice. What would it use for wood supply, water supply and bleaching?

**Mr Borthwick**—I think we need to provide advice to the minister on the application that is before us. We would take into account what might be best practice in that. But we do need to be very careful here. A proposal has only just been submitted to us. It is a very hotly contested proposal. Some aspects of it have been subject to Federal Court consideration. I want us to be very careful in not being drawn too far down this road at this stage.

**Senator HEFFERNAN**—That is all right. You can answer these questions in your own time and in your own manner, but I think they are questions that reasonably need to be raised.

**Mr Borthwick**—They are reasonable questions, Senator, which you and others will raise in the course of the assessment process.

**CHAIR**—Is the environmental assessment being done by the state of Tasmania or federally?

**Mr Borthwick**—It is being done by the state of Tasmania. Their assessment process was agreed to by the minister only a few days ago. The EPBC Act and the factors relevant to the minister's assessment will be examined by Tasmania, but he has to be satisfied, in respect of that act, that it meets, on a fair dinkum basis, the considerations—

**CHAIR**—I understand that. That is why I asked the question. It comes back to the federal minister.

**Mr Borthwick**—The assessment is done by Tasmania but, in respect of our legislation, the minister has to be satisfied that it is a fair dinkum assessment and meets the requirements of our act.

**Senator HEFFERNAN**—I think the minister has done a bloody good job in a lot of the work—and the department and you. Things like locking up the Tarkine have been a wonderful legacy and I congratulate all concerned. Is the department aware that the current proposal will use roughly three to 3.2 million tonnes of wood coming from native forests, and that this resource use will compete directly for the regrowth timber required to support the timber industry when the old-growth forest is gone? Do you want to take that on notice?

**Mr Early**—Yes. I will take that on notice.

**Senator HEFFERNAN**—Thank you.

**Senator MILNE**—Following up on the question Senator Heffernan was asking, can you confirm that the Tasmanian assessment of the pulp mill has excluded the feed stock for the mill in any terms of assessment? Can you confirm that that is the case?

**Mr Early**—I can confirm that the timber supply from the RFA is not part of the assessment process.

**Senator MILNE**—Can you confirm that part of the reference under EPBC is in relation to threatened species and where the feed stock may be sourced from—relating to feed stock issues, anyway?

**Mr Early**—No. The controlling provisions are for threatened species, migratory species and the environment of Commonwealth waters. The impacts of taking feed stock from the RFA are not part of the assessment.

**Senator MILNE**—So you are confirming that, in assessing this pulp mill development—which, as Senator Heffernan says, is going to take 3.2 million tonnes from native forests—neither the state nor the Commonwealth will take into account the impact on the environment?

**Mr Early**—The rationale is that the impact on the environment has already been assessed through the RFA process.

**Senator MILNE**—Precisely. So when people talk about an integrated impact assessment of a pulp mill, they are simply talking about the actual technologies of the mill and the discharge to the local environment et cetera, but the broader resource questions or the



implications of taking that volume of resource will not be taken into account—where it is coming from and so on?

**Mr Early**—Yes, because the taking of the resource is covered, as I said, under the RFA and is covered within the volumes that have already been agreed as part of the RFA.

**Senator MILNE**—In terms of the other question Senator Heffernan asked earlier, about the \$5 million that was promised by the Prime Minister, I missed Senator Heffernan's first question in relation to that. Can you confirm for me that the Prime Minister said that the \$5 million would be made available if a feasibility study into a chlorine free environmentally friendly pulp mill turned out to be positive?

**Mr Early**—I suspect that is the Agriculture, Fisheries and Forestry portfolio. I am not familiar with the Prime Minister's statement.

**Senator MILNE**—But you can confirm that in fact it is not going to be a chlorine free pulp mill: that is not what is being put forward for assessment.

**Mr Early**—I can confirm that that is not being put forward at the moment.

**CHAIR**—Are there other questions on approvals and wildlife?

**Senator CARR**—In relation to the climate change comments by the minister, I wonder if the officers are aware of the statements the minister made last Thursday in the *Australian* that the debate on climate change is over and that arguments about the causes of the impact of global warming have effectively ended. He went on to say on global warning that it was a very serious threat to Australia.

**Mr Early**—I saw the article, yes.

**Senator CARR**—Can you confirm that that is an accurate reflection of what he said?

**Mr Early**—That is my recollection of the article. I was not there when he said it.

**Senator CARR**—But it is an accurate reflection of the report of his remarks?

**Mr Early**—As I recall it. I only read it in the paper.

**Senator CARR**—What action is the department taking to ensure that climate change is taken into account in assessing all relevant actions under the EPBC Act?

**Mr Early**—That is a matter of fact. That is what we do.

**Senator CARR**—So it is a standard operating procedure.

**Mr Early**—To the extent that it is relevant to particular actions, yes.

**Senator CARR**—I want to ask about the Commonwealth Radioactive Waste Management Bill 2005, which is currently before the parliament. I presume it is in the House still; it may not be. Can you confirm that the bill bypasses the EPBC Act in relation to the siting of a nuclear waste dump?

**Mr Early**—The EPBC Act is disapplied in relation to the decision about the actual selection of the preferred site, but obviously that will be assessed as part of the construction and operation, once the site is selected.

**Senator CARR**—What role will the EPBC Act have in that process?

**Mr Early**—Once the preferred site is selected, it will be referred under the EPBC Act. I think it is pretty clear that it would be a controlled action under the act and it would go through the assessment and approval provisions of the act.

**Senator CARR**—So section 21 of the act will cover it as a nuclear activity or nuclear action?

**Mr Early**—Yes.

**Senator CARR**—So you are now confirming that it will definitely go to the EPBC process.

**Mr Early**—The radioactive waste management bill actually provides for that, yes. It is only disappplied in relation to the selection of the site in the first place.

**Senator CARR**—But the actual impact on the environment of that site selection is something that you will make judgments on.

**Mr Early**—We will make judgments on the construction and operation of a facility at the preferred site, once selected.

**Senator CARR**—Under the existing arrangements and as proposed by the Commonwealth Radioactive Waste Management Bill, is it possible for there to be a rejection of that site?

**Mr Early**—Under the EPBC Act?

**Senator CARR**—Yes.

**Mr Early**—Yes.

**Senator CARR**—And that is not likely to change?

**Mr Early**—No, because the act applies to the construction and operation. If the minister decided that the construction and operation should not go ahead, it would not.

**Senator CARR**—What is the review process to come to that conclusion should they be inappropriate?

**Mr Early**—It is a little hypothetical, but, given the magnitude of the thing, I think we can assume that it would be a controlled action and I think we can assume that it would be assessed under an environmental impact statement. So there would be public consultation—the whole basis of the normal assessment and approval process.

**Senator CARR**—Who will undertake the EIS?

**Mr Early**—As I understand it, the department of education, science and technology is the proponent.

**Senator CARR**—So they will have to undertake it?

**Mr Early**—Yes.

**Senator CARR**—And you will assess that.

**Mr Early**—The minister will determine the guidelines and the basis for the environmental impact statements, but DEST would actually do it all—probably have consultants do it for them.

**Senator CARR**—But, given what you have just said about the actual setting aside of the siting according to the bill that is currently before the parliament, isn't the whole process compromised from the beginning?

**Mr Borthwick**—There was an important governance issue here. As Mr Early said, we were going to assess, under the EPBC Act, what actually happens on the site that is selected. The judgment was that it was best to exclude ourselves from the site selection process so that we came to the subsequent judgment afresh, and not tainted, as it were, in terms of the initial site selection. It is an important aspect in terms of the operation of the EPBC Act. Whether it was DEST, who is the proponent in this instance, or Gunns, which was the proponent in the earlier instance, we wanted to be, as it were, at arm's length from the process, to provide a rigorous assessment of the proposition that is before us. That was the reason for the separation.

**Senator CARR**—How did that apply to the selection of the site in South Australia that was subsequently abandoned? Did that process apply there as well?

**Mr Early**—It was almost exactly the same process. This department and this portfolio were not involved in the site selection of the three sites that were chosen initially. It went through an environmental impact assessment. We assessed the three sites and then the minister at the time, Dr Kemp, actually rejected one of those sites.

**Senator Kemp**—A very good minister, too, I might say.

**Senator CARR**—From a great Victorian Liberal family.

**Senator Kemp**—A very good minister.

**Senator CARR**—They used to be small 'l'. I have noticed that increasingly over the years they have become big 'L'.

**Senator Kemp**—Yes—maybe a bit small 'l' at times. That is very astute.

**Senator CARR**—It is very rare that we have seen any signs of this. In the case of the Maralinga project, one site was rejected. It was a process that actually saw the siting on a rocket range, so the process was flawed. In regard to the site selection under this proposal, what guarantees will we have that similar sorts of catastrophes will not occur?

**Mr Early**—We have guarantees that, when a preferred site is chosen, it will then go through a full assessment and approval process under the EPBC Act.

**Senator CARR**—How was it discovered, for instance, in the Maralinga case, that the site that the government had selected was on a rocket range?

**Mr Early**—It was in the assessment process.

**Senator CARR**—The Department of Defence said, 'This is not a good place to put a waste dump because this is where we fire our rockets.' That was basically what happened, wasn't it?

**Mr Early**—Yes, among other things.

**Senator CARR**—But it was a political decision to pick that site. That was the preferred site, wasn't it?

**Mr Early**—That was the preferred site.

**Senator CARR**—What is to stop that sort of compromising of appropriate environmental practice through this process?

**Mr Early**—I am not sure of the point you are making. In that case, that site was rejected after it went through the EPBC process. I would have thought that would give you some comfort that, if there were a flawed selection, it would be knocked back.

**Senator CARR**—My impression was that it was rejected because of the political stink that was caused when the Department of Defence went public and explained—leaked all the material—that the government had made a fundamental mistake by putting a waste dump on a rocket range.

**Senator Kemp**—Senator, you are far too cynical.

**Mr Early**—That is not right. It was rejected after a full assessment where there was a risk assessment done by the Supervising Scientist.

**Senator CARR**—It was rejected after there was a leak of the Department of Defence submissions.

**Mr Early**—Everybody knew it was on a rocket range.

**Senator CARR**—They certainly did after the leaking of the defence department's views. I am interested in knowing this: if section 21 of the current act specifies that the Commonwealth must not take a nuclear action that is likely to have a significant impact on the environment, how can you say that the EPBC Act has not been compromised?

**Mr Early**—Because that is precisely the process we will go through to determine whether or not there is a significant adverse impact on the environment.

**Senator CARR**—So your assessment will go to the actual facilities, not the site.

**Mr Early**—No, it clearly has to go to—you cannot examine the impact of a facility without looking at the site—its location, obviously.

**Senator CARR**—That is not what you said before; I am sorry.

**Mr Early**—No. I said we were not involved in the selection of which site was chosen. But once the site is chosen we assess the site and the facility on that site.

**Senator CARR**—It will not be overridden.

**Mr Early**—I have no reason to think it would be—or could be, in fact.

**Senator CARR**—That concludes my questions to this section of the department.

**Senator SIEWERT**—I have some general questions and then some case specific questions. Can you remind me whether you are doing a review of the Environmental Protection and Biodiversity Conservation Act?

**Mr Early**—A review of the act? We are doing a review of the matters of national environmental significance. That is currently going through the process. There has been the public consultation process and we are drafting that at the moment. The actual statutory review of the act itself is due after 10 years; it would be 2009 that we would do that.

**Senator SIEWERT**—Can you tell me what your budget allocation for monitoring conditions under approvals is?

**Mr Early**—Not offhand. Can I take that on notice?

**Senator SIEWERT**—Yes. You might then want to do the next one: what process do you use for monitoring the conditions?

**Mr Early**—We have a process in place where we basically do a bit of a risk assessment of particular projects to determine the ones that we put the most effort into. Many of our conditions are based on requirements for proponents to provide us with information—environment management plans et cetera—often independently audited. To the extent possible, we try to make sure that we involve the proponent in providing information to us, which we then have to follow up and check through.

**Senator SIEWERT**—Do you have a compliance table or a formal process of actually monitoring projects?

**Mr Early**—Yes. We do a risk assessment of each project and we basically have a process in place for auditing and monitoring.

**Senator SIEWERT**—Is that publicly available?

**Mr Early**—No. As you can imagine, it might be a bit sensitive, but I can give you some more information about the process, if you like.

**Senator SIEWERT**—So you do not make publicly available reports of the monitoring of conditions on projects?

**Mr Early**—I do not think we have done it yet, but I can check on that.

**Senator SIEWERT**—That would be good. When you are doing your lists of threatened species and threatened ecological communities, how do you maintain your lists of threatened species, threatened ecological communities and national heritage places. I have a second part to this one too.

**Mr Early**—Basically the Threatened Species Scientific Committee is an independent committee which advises the minister. The minister is the person who actually determines changes to the list. We rely on both public nominations—we have a public nomination process—and our own work in terms of the fact that sometimes we will do consultancies in particular areas and so forth. But essentially, wherever the nomination starts, it is sent to the Threatened Species Scientific Committee. They advise. They usually seek peer review and go through a process of deciding whether or not a particular nomination might meet the criteria. Then they provide advice to the minister, who then makes the decision.

**Senator SIEWERT**—Do you think that process is effective in picking up probably what you would call non-charismatic fauna, like invertebrates, non-vascular plants, micro-organisms and commercial fish species? I will get on to commercial fish in a minute as well.

**Mr Early**—In the sense that, if we look at the number of species in categories that are on the list, you would probably say no, but there are a lot of species out there. It is a big job, basically.

**Senator SIEWERT**—Does the committee use a systematic process for going through some of these and identifying species that should be looked at?

**Mr Early**—The committee tries to be systematic and has certainly been working with a number of the states to try to do that systematic process. But it is also governed to some extent by public nominations. There are time frames in terms of dealing with public nominations. It is a matter of how much time they have basically. We are trying to be more and more systematic and less reactive, but it is a difficult job.

**Senator SIEWERT**—There are no commercial marine species on the list. We all know the story of the blue tuna. Why are there no commercial marine species on the list?

**Mr Early**—There have been some nominations fairly recently, and they are going through the process at the moment. I may have to take that on notice. I am not sure whether there have been commercial fish nominations in the past under the old Endangered Species Protection Act. I would have to check that. Certainly under the EPBC Act there has been a very limited number of nominations.

**Senator SIEWERT**—Given the response to the blue tuna, can we expect the same response for any commercial marine species—that is, that we are better off fishing it so that we can get a say in its management?

**Mr Early**—I think the southern bluefin tuna is a special case, being a global stock. It does not necessarily apply to other commercial fish.

**Senator SIEWERT**—I have some questions on sharks.

**Senator McLUCAS**—I have some questions on this outcome as well.

**Senator SIEWERT**—Specifically on Western Australian shark fisheries—

**Mr Borthwick**—I think this is marine.

**Senator SIEWERT**—It is approvals, though. It is still under marine, is it?

**Mr Borthwick**—It is under marine, yes.

**Senator SIEWERT**—I will leave that one for marine. Again you may say that this belongs under climate change, but for projects where you are going to be assessing geosequestration who will take responsibility for the CO<sub>2</sub> once it is stored—into the long term? That comes up under Gorgon for me but it will come up increasingly under other projects. Has that been considered in the assessment process?

**Mr Early**—That whole issue is the subject of ongoing government consideration with other departments like the industry department and so forth. We are still working our way through the whole geosequestration issue.

**Senator SIEWERT**—Surely that is going to be an imminent issue.

**Mr Borthwick**—The issue will come to the Approvals and Wildlife Division when there is a specific proposal to address.

**Senator SIEWERT**—There is a specific project that you are addressing right now. It is Gorgon.

**Mr Early**—That is essentially an issue for Western Australia, because the geosequestration is in state territory. Basically that is not one of the matters under the controlling provisions—the Gorgon project—for the Commonwealth.

**Mr Borthwick**—As to your point about the general issue of geosequestration, who is going to manage the risk that it is secure in the very, very long term and who carries the liability in that regard, that is an issue that we are involved in, but my recollection is that the Department of Industry, Tourism and Resources has the primary carriage of that issue. We are just one of a number of departments involved in that.

**Senator SIEWERT**—Okay. I will follow it up again. My last question in this section concerns controlled actions under the EPBC Act and the interaction with regional NRM planning. Are the regional bodies consulted over controlled actions when you are assessing them?

**Mr Early**—Not as a matter of course in the sense of being asked specifically in relation to each controlled action, but it would depend on the case. Sometimes we would seek information, and at other times we would not so much.

**Senator SIEWERT**—Sometimes they may be inconsistent with a regional NRM plan.

**Mr Early**—Yes.

**Senator SIEWERT**—Is that something you have considered or something that should be considered?

**Mr Early**—Once again, it is something that we should consider in the economic and social—in the whole approval process. Yes, that is right.

**Senator SIEWERT**—I will follow it up with the NRM people. Thank you.

**Senator MILNE**—I want to ask a couple of questions in relation to the Tasmanian devil.

**Mr Early**—I hate to say this, but that is the Land, Water and Coasts Division.

**Senator McLUCAS**—I want to ask about the approval for Reef Cove Resort at False Cape on Trinity Inlet in Cairns. On 27 July, the minister announced an approval for that proposal. In the press release he goes through a range of things, and I wonder if you could help me with them, Mr Early. He says that strict conditions are going to be imposed to minimise the impact of the development on the surrounding environment. Can you tell me how that happens.

**Mr Early**—Basically the minister, in this case, approved the project subject to certain conditions. I can provide those conditions to you on notice. Essentially they are legally binding conditions and the project has to proceed in that fashion. If they do not, it is breach of the legislation.

**Senator McLUCAS**—For how long are they legally binding?

**Mr Early**—Once again, I would have to take that on notice because I would have to look at the specific approval, but they are generally for the length of the project. It might be for 50 years or 100 years—something like that.

**Senator McLUCAS**—Is the time actually specified?

**Mr Early**—Yes. I do not actually have the approval with me, but I can provide that.

**Senator McLUCAS**—That is in the approval?

**Mr Early**—Yes.

**Senator McLUCAS**—It actually says, ‘You cannot discharge effluent into the Great Barrier Reef Marine Park for 50 years.’

**Mr Early**—Yes. Basically in the approval it says right at the very front, ‘This approval lasts until 2100’—or 2050 or something like that.

**Senator McLUCAS**—What is the process by which the Department of the Environment and Heritage monitors compliance?

**Mr Early**—As I said previously, it will depend on the particular conditions, but generally speaking one of the conditions is that there is some sort of independent audit on a regular basis, which is then provided to the minister. Of course, we do our own monitoring as well to make sure.

**Senator McLUCAS**—But you do not have staff in Cairns.

**Mr Early**—No. We have people visit from time to time.

**Senator McLUCAS**—And we welcome you.

**Mr Early**—And we have people who often tell us about things that they think are not going the way they should.

**Senator McLUCAS**—People like whom?

**Mr Early**—Members of the community and conservation groups often alert the department to what they regard as breaches of the legislation, which we always follow up.

**Senator McLUCAS**—How do you follow them up?

**Mr Early**—In a variety of ways. We might phone people up; we might visit them; we might actually take legal action in certain cases.

**Senator McLUCAS**—You would be aware that this is very isolated. It is not remote; you can actually see it from Cairns. It is a very prominent but hard to get to place. I am just wondering how members of the community could actually monitor things like sediment flows into the Great Barrier Reef Marine Park. I am not sure how that is going to happen on a daily basis.

**Mr Early**—I am not suggesting that that would happen on a daily basis. All I am saying is that we have people coming to us all the time saying that a particular condition is not being met or something is being done in a way which is not appropriate.

**Senator McLUCAS**—Then you will respond to it.

**Mr Early**—Yes.

**Senator McLUCAS**—This is a very sensitive part of the world. It sits between the Wet Tropics World Heritage area and the Great Barrier Reef Marine Park World Heritage area. I would have thought that we would have needed a higher level of compliance auditing or maintenance of compliance than some local people ringing up.

**Mr Early**—I am not suggesting that.

**Senator McLUCAS**—If half of it falls into the ocean.



**Mr Early**—I am not suggesting that that is the only way. As I said, we will have a monitoring regime in place. I do not have the actual conditions in front of me but we generally have a condition that there has to be an independent audit of the conditions on a regular basis. We are not by any means relying on local people.

**Senator McLUCAS**—The minister also said in the press release that there would be proper management controls. Are they applied by the proponent?

**Mr Early**—They are applied as part of the conditions for the approval.

**Senator McLUCAS**—There are a number of threatened species in that area. How do you go through a process that says, ‘Okay, we have identified these threatened species but they are not at risk?’

**Mr Early**—Basically there are surveys and there has to be an assessment process about what the impacts are. Sometimes the nature of the development is changed to avoid impacts. Sometimes a siting might be changed. There is any number of ways that these things can be addressed through the assessment process.

**Senator McLUCAS**—Whose advice do you take on making an assessment that the condition of threatened species there will not be further exacerbated by the development going through?

**Mr Early**—A lot of the advice we take is independent. We often have our independent experts. We engage independent experts to give us advice. We have experts within the department in this area who can give advice. That is the basis of the whole assessment.

**Senator McLUCAS**—Did you ask for comments from GBRMPA and WTMA as part of the process?

**Mr Early**—I would have to take that on notice, but I would be sure we did.

**Senator McLUCAS**—I asked that question of GBRMPA earlier and I must admit that they could not recall. But I have to say that the appropriate staff were not necessarily at the table. I am intrigued by the minister’s comment in the press release when he refers to ‘a conservation agreement between the developer and myself’. Is it with the minister?

**Mr Early**—Yes, that is right. It is a conservation agreement under the EPBC Act. Once again, it is legally binding. That has come into effect already. It was agreed on 12 September 2005.

**Senator McLUCAS**—If the property is sold, does that contract run with the land?

**Mr Early**—Yes, it runs with the project.

**Senator McLUCAS**—I hope you got it right. It is very troubling for me to see such an iconic piece of land get developed to the state that it is going to be developed.

[9.34 p.m.]

**CHAIR**—Are there any further questions on approvals and wildlife? We will move onto the Heritage Division. Senator Carr, you have the lead.

**Senator CARR**—Mr Burnett, I am sorry I did not get the chance to welcome you before. You were dragged up here under somewhat false pretences, I suspect. Because I am new to

this job, could you perhaps help me out and tell me a bit about yourself and what qualifications you bring to the job as the new head of division?

**Mr Burnett**—I have been in the Department of the Environment and Heritage for just over five years. I was previously a branch head in the area that looked after environment protection—urban issues such as air quality. I was previously with the ACT government in the Environment ACT organisation. So I have been in the environment field for about 10 years, and I am a lawyer by training.

**Senator CARR**—There has been a bit of turnover in the Heritage Division in the last 12 months. Is that right?

**Mr Burnett**—Yes, that is correct.

**Senator CARR**—How many heads of the division have there been?

**Mr Burnett**—There have been three, I think, in the last 12 months. Perhaps it is a little bit longer than 12 months.

**Senator CARR**—And in the previous three years, how many were there?

**Mr Burnett**—I am not sure, Senator. I do not know that there were any changes in the previous three years.

**Mr Borthwick**—We would have to take that on notice. It was before I joined the department too.

**Senator CARR**—What was the reason for the higher turnover in the last 12 months?

**Mr Borthwick**—It was decisions that I made. I do not think it is reasonable to go into particular judgments, but they were judgments that I made.

**Senator CARR**—To move people?

**Mr Borthwick**—Yes.

**Senator CARR**—Could I get a breakdown on the staffing within the division?

**Mr Burnett**—Yes. Would you like the total numbers?

**Senator CARR**—Yes, the total numbers, but then can you give me a list of the different classifications for the staff in the division?

**Mr Burnett**—I might have to take that on notice, but we can provide that.

**Senator CARR**—The division has been subject to a fair bit of criticism of late. Would you agree, Mr Burnett? I am thinking of Anzac Cove, the transfer of the World Heritage sites onto the National Heritage List, some questions regarding the protection of places of national significance. That would be true, wouldn't it?

**Mr Burnett**—No, Senator. I do not think the division itself has been the subject of criticism. There has been public debate about some of those issues.

**Senator CARR**—Obviously you feel confident that you will be able to confront the level of public scrutiny that has developed in recent times?

**Mr Burnett**—I am not sure I understand the question, Senator.

**Senator CARR**—It has been a controversial appointment. This is a division that has been involved in a number of controversial matters in recent times. It is a matter that is in the public eye.

**Mr Borthwick**—A lot of what we do in the department is in the public eye because it is a pretty transparent process. By nature, a lot of what we do in the Heritage Division, as in Mr Early's division, is contentious and can be subject to review, including through the courts.

**Senator CARR**—All right. Let us have a look at some of the details then. I will start with Anzac Cove. My recollection is that towards the end of 2003, the Prime Minister was telling all who would listen that Anzac Cove would be the first site nominated on the National Heritage List. He said that he had no doubt that the Turkish government would agree and give permission. That is right, isn't it?

**Mr Burnett**—I do not know whether that second comment is correct, Senator. I remember that the Prime Minister did say that it would be the first place put forward for the list.

**Senator CARR**—Can you take that on notice for me? Did the Prime Minister advise publicly, 'I have no doubt the Turkish government will give permission'?

**Mr Burnett**—Yes, we will take that on notice.

**Senator CARR**—Thank you. On 26 April this year, the Prime Minister ruled out national heritage listing for Anzac Cove. He said that Australia and Turkey will undertake a joint historical survey of the Anzac area. That is true, isn't it?

**Mr Burnett**—He did not rule out heritage listing. I believe his words were along the lines of 'appropriate symbolic recognition'.

**Senator CARR**—So you are telling me that the national heritage listing is still on the agenda?

**Mr Burnett**—It is still a possibility. This matter has been canvassed quite extensively by a parliamentary committee, and evidence was given by my predecessor.

**Senator CARR**—I can see how this arises from time to time with different senators approaching the same topic. It helps to clarify the facts in these matters.

**Mr Burnett**—My predecessor gave evidence to the committee hearing along the lines that heritage listing is still a possible outcome. There are ongoing discussions both within the Australian government and between the Australian and Turkish governments. The guiding principle is now 'appropriate symbolic recognition', but there is as yet no decision or agreement as to the form that recognition might take.

**Senator CARR**—Is it true that, in his statement on 26 April, the Prime Minister spoke of a joint historical survey of the Anzac area?

**Mr Burnett**—Yes.

**Senator CARR**—What was meant by that? Can you give me an indication of what progress has been made?

**Mr Borthwick**—That is a question you need to direct to the Department of the Prime Minister and Cabinet and the Department of Veterans' Affairs. It is not a question to do with our heritage responsibility.

**Senator CARR**—Let me give you a question that is directly related to your heritage responsibility. I accept that you will tell me that the statements of the Prime Minister are matters for the Prime Minister, cabinet and parliament. What is the role of the Department of the Environment and Heritage in this joint historical survey of the Anzac area?

**Mr Burnett**—There is an interdepartmental committee looking at the set of issues associated with the Anzac area. We participate in that committee. Our contribution will be to provide technical input, where necessary and appropriate, on heritage aspects.

**Senator CARR**—Do you have any other function with regard to the IDC, apart from the technical input?

**Mr Burnett**—Yes. The IDC may also discuss policy issues. And we would have input into the heritage aspects of any policy issues under discussion.

**Senator CARR**—I take it you would consult with experts in the field on the policy issues—or do you undertake all the consultations in house?

**Mr Burnett**—We would be contributing our own policy expertise, from a specific heritage angle, to broader questions relating to the recognition of the Anzac area and its overall management.

**Senator CARR**—Do you call upon any outside experts?

**Mr Burnett**—Not at present.

**Senator CARR**—How much money has been allocated for this task?

**Mr Burnett**—There is no specific allocation. It is within the general allocation that covers our broad departmental activities.

**Senator CARR**—Has the department expressed any views about the damage caused by the roadworks?

**Mr Borthwick**—This is outside our remit. Our remit is on the national heritage listing question. The road construction and the subsequent things were not the responsibility of this department.

**Senator CARR**—Have you expressed any views concerning the damage caused by roadworks?

**Mr Burnett**—We contribute to the discussions in the interdepartmental committee, but it would not be appropriate for me to reveal what our particular comments or opinions were.

**Senator CARR**—Why is that?

**Mr Burnett**—Because it is part of a policy development process.

**Senator CARR**—It is not advice to ministers; it is an interdepartmental committee.

**Mr Burnett**—And ultimately it is likely to lead to advice to ministers; it is part of the policy formulation process.

**Senator CARR**—That means that you cannot discuss anything that ultimately leads to policy. That is a very broad description of that normal edict. It is not uncommon, surely, for officers to provide advice to parliamentary committees on what the view of the department is.

**Mr Borthwick**—No, it is not in terms of the way you have asked the question, Senator.

**Senator CARR**—How would you propose that I ask the question?

**Mr Borthwick**—I think you are traversing on ground that is not the responsibility of this department.

**Senator CARR**—It is the responsibility of this department to provide advice on heritage listings. You are in fact on an interdepartmental committee on a matter of major public interest. Why is it outside the remit of an estimates committee to have expressed to the committee the views of the department on that matter?

**Mr Borthwick**—Because our involvement in that process relates to our statutory responsibilities which relate to whether or not this should be subject to a national listing from a heritage point of view.

**Senator CARR**—Yes.

**Mr Borthwick**—That is one option which has been addressed. But the broader issues in terms of what suitable recognition should be given to this site is a matter that the Prime Minister's department has responsibility for. You are asking us to delve into matters which are beyond our remit.

**Senator CARR**—But the statutory obligations of the department are not beyond your remit.

**Mr Borthwick**—No, they are not, but I am saying that your questions do not relate to our statutory obligations.

**Senator CARR**—Insofar as it goes to your statutory obligations, what advice have you tendered to the IDC on the damage caused by the roadworks at Anzac Cove?

**Mr Borthwick**—I would go back to what Mr Burnett said: the advice that we give at IDCs and subsequently to government is not, as I understand it, the remit of the committee.

**Senator CARR**—But this is not advice to the minister; this is advice to an IDC.

**Mr Borthwick**—But the whole point of the IDC is to feed into advice to the government. In terms of the particular road issue, which is the nub of your question, that is not a matter within our statutory remit and so I do not think it would be a matter on which we would provide advice.

**Senator CARR**—Will you take that on notice?

**Mr Borthwick**—No, I am not taking that on notice because I do not think it is a question within our remit.

**Senator Kemp**—Mr Chairman, I obviously was not here at the start of this debate but, from my experience, these committees have always functioned on the basis that advice to the minister is not a matter for the consideration of this committee. I think Mr Borthwick has very clearly explained that advice to an IDC which forms the advice to a government minister is equally not in the remit of the committee. I would very strongly support the position that you put, Mr Borthwick.

**Mr Borthwick**—My recollection is that the earlier parliamentary report regarding this, which has just recently come out, makes it very clear what the department's role is vis-a-vis other departments with an interest in the Anzac site, and the question of the road does not relate to this department's responsibilities.

**Senator CARR**—The Senate inquiry clearly canvassed these issues and painted a damning picture of incompetence, neglect and complacency by a range of officials. It was clear from the inquiry and the last Senate estimates that the department was not consulted about the request for roadworks and only found out about the request once the damaging photographs appeared in the newspaper. That is true, is it not?

**Mr Borthwick**—My recollection is that that was the evidence that was provided to the committee.

**Senator CARR**—Fair enough. My question then goes to what actions the department is taking to ensure that that does not happen again, that the department is made aware of requests, that the department does monitor such projects, that the department does utilise outside advice, and that the department and government take into account—

**Mr Borthwick**—That is the responsibility of the Department of Veterans' Affairs. If there is a particular issue that relates to our department's responsibilities, we will pursue it. We are involved in this IDC issue, but my recollection—and I will check this—is that the parliamentary report made it abundantly clear that questions about the road were the responsibility of another department, not this one.

**Senator CARR**—So the answer is that you have done nothing about those things because it is someone else's responsibility?

**Mr Borthwick**—Exactly.

**Senator CARR**—Thank you. What consultations occurred with the department about the proposal to recreate Anzac Cove on Point Nepean?

**Mr Burnett**—None that I am aware of.

**Senator CARR**—Has the department since provided any advice?

**Mr Burnett**—No.

**Senator CARR**—Have there been any requests for advice?

**Mr Burnett**—Not that I am aware of.

**Senator HEFFERNAN**—Why do you need it?

**Senator CARR**—I think it would have to be one of the most stupid ideas that I have heard in quite a while. I have question with regard to the National Heritage List. It was launched in December 2003, wasn't it?

**Mr Burnett**—It commenced on 1 January 2004.

**Senator CARR**—What is the current status of the list?

**Mr Burnett**—The current status of the list is that there are 19 places on the National Heritage List.

**Senator CARR**—I take it you have a ready reckoner there on the 19 places.

**Mr Burnett**—I do not have an actual list of the 19 places; I am just looking for my overall statistics, which I have just found.

**Senator CARR**—Could we have a copy of the list on notice?

**Mr Burnett**—Yes, certainly.

**Senator CARR**—How many places have been rejected?

**Mr Burnett**—Since 1 January 2004, when the legislation commenced, the minister has decided on 17 occasions not to list a property.

**Senator CARR**—Can I have a list of those sites that have been rejected?

**Mr Burnett**—Yes.

**Senator CARR**—Has there been an extension of the period for nominations?

**Mr Burnett**—Do you mean an extension of the period for the council to consider the assessment?

**Senator CARR**—Yes. Is that the case? Has there been a 12-month extension?

**Mr Burnett**—Yes. The minister has the capacity under the act to grant the council an extension of the time it has to consider the assessments, and he has granted such extensions.

**Senator CARR**—How many nominations did you receive in that extension period?

**Mr Burnett**—I am not quite sure I understand the question. Are you asking on how many occasions the minister has granted an extension?

**Senator CARR**—Yes. How many occasions have there been?

**Mr Burnett**—30 assessments out of a total of 119.

**Senator CARR**—Could we have a list of those, please?

**Mr Burnett**—Yes.

**Senator CARR**—In the May estimates there was some discussion about the understanding of the department's view of the meaning of the act itself. Is that the reason that there was an extension for these 30 projects?

**Mr Burnett**—Not that I recall.

**Mr Borthwick**—If I can be helpful, Senator: my recollection is that the issues that were raised last time related to whether World Heritage listed places are on the National Heritage List and there was a misunderstanding about the act. The minister who was at the table at the time said that we would introduce some legislative amendments to correct that situation. The minister intends doing that but we have not done that as yet.

**Senator CARR**—When do you expect to see that amendment?

**Mr Borthwick**—I am not quite sure exactly what the legislative timetable is in terms of the priorities of the government's legislation. The minister did say that he would fix up that oversight—an oversight of the department, I should say.

**Senator CARR**—I take it that the Senate will not expect to see it this session?

**Mr Borthwick**—No.

**Senator CARR**—So not this year?

**Mr Borthwick**—No.

**Senator CARR**—Do you have any expectation that it will be early next year in the next session?

**Mr Burnett**—It is under active consideration, but the government has not set its legislative priorities yet for next year.

**Senator CARR**—Is that the only action that has been taken to ensure that departmental officials have a better understanding of the act? Is it necessary to actually get an amendment through?

**Mr Borthwick**—In this case I think that is the most expeditious way of attending to the problem, yes.

**Senator CARR**—Would it be fair to say that there is a significant backlog in terms of the number of applications for the National Heritage List?

**Mr Borthwick**—I will let Mr Burnett answer the details of the question, but the general sense of it is that both the department and the Australian Heritage Council have been under a lot of pressure in terms of nominations for the national list, the Commonwealth list and for emergency listing. When the legislation came in at the beginning of last year, there was a big hump in nominations—probably, as you would expect, because people wanted to get places on the National Heritage List. It has been driven by third-party applications. So there was a big hump, which will take some time to work through. Also the difficulty of that hump has been compounded because, being new legislation, a lot of the nominations that were made came through with very scant information to enable an assessment. So the department has had to put a lot of resources into the assessments and feeding that through to the Australian Heritage Council. But certainly we are trying to move through those expeditiously. If Mr Burnett has any specific flavour to add, I invite him to do so.

**Mr Burnett**—I can just indicate that we have 56 nominations currently under assessment, so there are a large number of them, but my sense is that we are picking up the pace significantly. There have been nine places added to the list since 1 July, so there is an increased rate, and I think the number of nominations is probably dropping off.

**Senator CARR**—So there is a productivity increase in the department, is there?

**Mr Burnett**—That is one way of putting it.

**Mr Borthwick**—There has had to be a productivity increase. It relates back to one of your earlier questions. The division has been under a lot of pressure to produce a lot in a very short time.

**Mr Burnett**—Dr Reville is in charge of assessments. He may be able to add something.

**Dr Reville**—There is a perception that there may have been a backlog, and the workload is fairly heavy, but the act only came into force on 1 January 2004, and the council has up to 12 months to try to complete an assessment. The council had to begin work on all those assessments pretty much from scratch. To give you some indication, in the first calendar year, the council transmitted 10 assessments to the minister. So far this calendar year, the council



has transmitted 40 to the minister. So what we are seeing is that as you get the initial work on the assessments done, you start to get them coming through the other end faster.

**Senator CARR**—Has the minister accepted all your recommendations?

**Dr Reville**—The minister has accepted pretty much all the recommendations of the council. There have been four instances, I think, where he has used section 324H of the act, which allows him to go out for further public comment—which does not mean he does not accept the advice of the council.

**Senator CARR**—Which are those four?

**Dr Reville**—The South Australian parliament houses, Australia Square, Richmond Bridge in Tasmania, and Parliament House itself.

**Senator CARR**—Australian Parliament House?

**Dr Reville**—Yes, this one.

**Senator CARR**—Has he got a problem with Australian Parliament House?

**Dr Reville**—No. It is just a further opportunity for public comment.

**Senator CARR**—When were these four projects recommended for approval?

**Dr Reville**—I could go through the exact dates, but all of this information is available on the department's internet site, if that helps.

**Senator CARR**—Right. Thank you very much. Has the minister actually met with the National Cultural Heritage Forum?

**Mr Burnett**—The minister will be meeting that forum; he has convened that forum and it will be meeting shortly. I have forgotten that date but it will be at either the end of this month or the beginning of next month.

**Senator CARR**—Is there any obligation under the act for the department to provide public information on the reasons for decisions?

**Mr Burnett**—The minister is required to provide reasons for a number of his decisions. For example, he gives reasons for decision if he rejects a nomination. That would be the most obvious example. And, yes, he does publish those reasons.

**Senator CARR**—Can I ask something on the questions we started before. Does the \$15 million for the Alpine National Park still stand?

**Mr Burnett**—The government's position is that that is a proposal that is on the table.

**Senator CARR**—Yes, so it still stands.

**Mr Burnett**—Yes.

**Senator CARR**—Are there any conditions?

**Mr Burnett**—Yes. The condition is that the proposal that the minister has tabled goes forward.

**Senator CARR**—So the cattle grazing issue remains?

**Mr Burnett**—Yes.

**Senator CARR**—So it is conditional on the acceptance of the minister's proposal on cattle?

**Mr Burnett**—That would be part of the proposal, yes.

**Senator CARR**—Will the cultural heritage centres announced in that original package proceed?

**Mr Burnett**—They are part of the package.

**Senator CARR**—So only if they accept the condition on cattle?

**Mr Burnett**—The whole package is subject to the agreement with the Victorian government.

**Senator CARR**—I am just making it clear that the heritage centres are conditional upon the cattle issue as well.

**Mr Burnett**—Yes, it is all a single package.

**Senator CARR**—So that includes the same for weed control?

**Mr Burnett**—Yes.

**Senator CARR**—What about the \$2 million for the sealing of the Bogong High Plains Road?

**Mr Burnett**—The same position. The minister has said that publicly.

**Senator CARR**—Thank you. When do we deal with climate change questions? Is that next?

**Mr Borthwick**—It is the next area.

**Senator CARR**—We only have an hour to go.

**CHAIR**—Senator Milne has got some heritage questions.

**Senator MILNE**—I just want to ask a couple of questions. The first is in relation to the listing of Recherche Bay. As you would be aware, the proposal that came from the community and was supported variously was for the listing of the whole of the north-east peninsula of Recherche Bay. That was because of its cultural landscape qualities and in particular because of its significance in terms of the relationship between the French and the Indigenous community and so on. When the area was listed, it was a minimalist nomination which allowed for just two very small areas of the peninsula to be listed, with the remainder to be allowed to be logged under the heritage listing, I understand. Can you explain how the logging of the peninsula is consistent with the heritage landscape and with the heritage listing?

**Mr Burnett**—Firstly, I should say that the minister agreed to the entire area that was nominated. In fact, he increased the area slightly by including the intertidal zone. The area was logged for its cultural heritage and Indigenous values—

**Senator MILNE**—Listed for those; not logged for those—though in Tasmania it is one and the same.

**Mr Burnett**—Sorry, it was very much the wrong word to use. Yes, it was listed for its cultural and Indigenous values. You have asked about the logging: The logging can still occur because it is provided for under the Regional Forest Agreement.

**Senator MILNE**—In relation to World Heritage, I am interested to know what has happened to the convict series nomination including Norfolk Island. Where is that up to?

**Mr Burnett**—That is still under consideration. It has not been put forward formally but it is something we are actively looking at.

**Dr Reville**—If I may quickly respond, as part of the progress towards a World Heritage series nomination of convict sites, we are looking to get the relevant sites national heritage listed. Port Arthur and Fremantle Prison are already on it.

**Senator MILNE**—My understanding is that the nomination would be stronger if Norfolk Island was included in it, and that that is one of the reasons why it has not proceeded. Is it being held up because that is still actively under consideration or negotiation, or are we proceeding without it?

**Dr Reville**—We will be proceeding with the nomination. In January the Sydney Opera House will be the one cultural nomination that can go forward—we can only put in one cultural nomination per year—but work on the serial listing will continue.

**Senator MILNE**—What is the next natural and cultural combination in the queue?

**Dr Reville**—Sydney Opera House is the cultural one in the queue at the moment. You can have one natural and one cultural nomination per year.

**Senator MILNE**—What is in the queue for the natural nomination—or combined natural-cultural, as some of them are?

**Dr Reville**—We are not expecting a natural one for next January. As you know, there is quite a lead time to prepare a successful World Heritage nomination that will be successful. There are a couple of states which are interested in putting places forward but they are not yet in a position to do so.

**Senator MILNE**—Has there been any active consideration of nomination of the Tarkine for World Heritage listing?

**Dr Reville**—Completion of the national heritage assessment would be the first step—and that is under way.

**Mr Burnett**—I have just been reminded that I omitted part of the answer on Recherche Bay. As you may be aware, in relation to the logging, the assessment of Recherche Bay reached the conclusion that the possibility of logging did not affect the heritage values of the place.

**Senator MILNE**—I am aware of that. It is a matter of debate.

**Senator SIEWERT**—Can I follow up very quickly. Where is Ningaloo up to in terms of possible World Heritage listing?

**Dr Reville**—It is still the subject of negotiation between the Western Australian government and the Australian government.

**Senator SIEWERT**—Does ‘subject of negotiation’ mean things like boundary agreements? Have the issues over the potential boundaries been resolved?

**Dr Reville**—It is still the subject of negotiation.

**Senator SIEWERT**—Thank you.

**CHAIR**—We will now move onto the Industry, Communities and Energy Division, incorporating the Australian Greenhouse Office.

[10.08 p.m.]

**Senator MILNE**—I would like to ask a series of questions in relation to the Asia-Pacific partnership. When was the first active discussion in the government, presumably in this department, about the formulation of an Asia-Pacific partnership? Was it raised with the department by the Americans?

**Mr Carruthers**—For a very long time the government has had a broad objective to engage all major emitters as part of its climate change policy and exploration of options. It is fair to say that, on the form that has eventuated with the Asia-Pacific partnership, there were some initial soundings very early this calendar year.

**Senator MILNE**—Where were these soundings from?

**Mr Carruthers**—From the United States in the first instance.

**Senator MILNE**—Did the United States raise the matter with Australia first?

**Mr Carruthers**—Yes.

**Senator MILNE**—What was the proposition that was put to Australia by the United States in relation to this Asia-Pacific partnership?

**Mr Carruthers**—I was not party to those discussions, but I understand that they were some initial soundings of a general nature.

**Mr Borthwick**—The vantage point as to who initiated these things, there are probably a number of people who can claim authorship of this idea. I recall having general discussions along with the minister in Washington, and I cannot remember the timing, about the general concept of how to get a greater focus from both developed and developing countries and how that might best be progressed. Coming out of those general discussions, there was a specific proposal first developed by the United States and discussed with us, but also discussed with other members of the partnership. Then the idea grew from there and was fleshed out and subsequently elaborated. It is one of those issues that when you ask who initiated it, I think Mr Carruthers’s answer is right. The United States crystallised probably what is closest to the way it has ended up, but there were early discussions before that in terms of what the possibilities might be. I just wanted to get that on the record, because there was a fair bit of to-ing and fro-ing at different times.

**Senator MILNE**—Given that the Asia-Pacific partnership had some fleshing out before it was announced at the ASEAN meeting, when asked for the detail of the partnership, the response at the ASEAN meeting was that the detail would be worked out in coming months prior to a meeting to be held in Adelaide in November. Can you tell me what correspondence

was entered into—with which countries and which ministers et cetera—with regard to the Adelaide meeting in November?

**Mr Borthwick**—The initial aspiration to have a meeting in Adelaide was announced at the time the partnership was formed. It is my recollection it was announced cojointly by the foreign minister at that meeting you referred to at about the same time as Minister Campbell and Minister Macfarlane announced it in Parliament House. When they announced it—we were trying to do a back-to-back announcement—they also had the ambassadors, or the representatives of the ambassadors who couldn't attend, of all the partnership countries at the announcement in Parliament House. There was a joint press conference involving the two Australian ministers and the other countries, and at that all parties announced that it was the intention to go ahead—this is my recollection—with that November timing. That has not proved to be possible because we are trying to get from those partnership countries ministerial involvement from foreign ministers, energy ministers and environment ministers, and lining up diaries has proved problematic. Our hope is that that meeting will proceed in January, but that still involves pinning down some diary appointments.

**Senator MILNE**—That notwithstanding, the ministerial meeting always comes at the end of a considerable amount of work done by bureaucracies to negotiate text and outcomes and so on. So what are the subject areas that have been negotiated in the last few months with all these countries? Are we anywhere near a text?

**Mr Borthwick**—Indeed there has been a range of preparatory work involving meetings between representatives and I will ask my colleagues to outline in general terms what has happened. But we cannot, of course, say what is going to be before those ministers but there has been a process which is still underway.

**Senator MILNE**—I understand that.

**Mr Carruthers**—Senior officials have been discussing in more depth the areas for collaboration that were set out in the vision statement released at the time of the ASEAN agreement. They cover such areas as energy efficiency and clean coal, methane capture and use and so on. So this is being developed further, ready for the first ministerial meeting. Just in relation to that first ministerial meeting, I might add that Mr Downer answered a question in the House of Representatives on that subject today where he said:

... Australia will be very proud to host the first meeting of the Asia-Pacific Partnership on Clean Development and Climate. It will be held in Australia in the middle of January.'

**Senator MILNE**—Just in relation to the negotiations you have just referred to. Have all of the partners in the partnership been active in those negotiations?

**Mr Carruthers**—That is correct and we expect there to be further discussions to occur taking the opportunity for further meeting at the upcoming conference of the parties under the climate change convention.

**Senator MILNE**—So it is expected that there will be a statement about the partnership in Montreal at the COP?

**Mr Carruthers**—I do not expect so. In relation to the specifics that are under development I would that would occur at the time of the ministerial meeting in Australia.

**Senator MILNE**—When this was all announced, the Minister, Mr Downer, made the announcement that Condoleezza Rice was coming to Adelaide and this would be the biggest ministerial meeting ever in Adelaide, is it now assumed the meeting will be in Adelaide and is it assumed that Condoleezza Rice will be coming?

**Mr Carruthers**—The government has not made any specific references in recent times that I am aware of to particular ministers coming but I think it is consistent with what Mr Borthwick has said that every effort is being made to have senior ministerial representation from the countries concerned including the United States.

**Senator MILNE**—And is it still in Adelaide?

**Mr Carruthers**—Well Mr Downer's statement in the House of Representatives this afternoon did not mention a specific place.

**Senator MILNE**—Thank you.

**Senator CARR**—What consultations were there with the Australian industry bodies and community groups prior to the announcement of the Asia-Pacific climate pact?

**Mr Carruthers**—I believe it was essentially a matter within government.

**Senator CARR**—So there were none?

**Mr Carruthers**—I would not say there was absolutely none necessarily. I am not privy to what various ministers or senior officials might have done but principally it was a within government process.

**Senator CARR**—Yes, so you were not aware of the department having any consultation with Australian industry bodies or community groups?

**Mr Carruthers**—No.

**Senator CARR**—Can you outline to the committee what role the Australian government played in the actual establishment of the Asia-Pacific climate pact?

**Mr Borthwick**—I think we played a very influential role in terms of the directions and the composition of countries. I think we were involved right from the start of the process.

**Senator CARR**—Which agencies within government were involved?

**Mr Borthwick**—My recollection is that it was our department, the Department of Foreign Affairs and Trade, the Department of Industry, Technology and Resources and the Prime Minister's department.

**Senator CARR**—When did this occur?

**Mr Borthwick**—I think we would hark back to the answer to the earlier question. It really started off earlier this year.

**Senator CARR**—So this has happened awfully quickly, hasn't it?

**Mr Borthwick**—That then goes back to my further elaboration that this was a germ of an idea that probably had a longer gestation than that in terms of discussions, because, as a department we have bilateral relationships with the United States, China and Japan on climate change. The idea of countries coming together and sharing ideas and trying to come up with

practical ways of addressing the issue is something we have actively been involved in. In the course of those bilateral discussions, the germ of the idea was developed and fleshed out.

**Senator CARR**—I can see the logic of your argument. So it has taken a little while but there haven't been any consultations with anyone other than government agencies. Do you expect that the pact will establish targets for greenhouse gas reductions?

**Mr Borthwick**—I think it is premature to indicate what will come out of it.

**Senator CARR**—What is the pact at the moment then? How would you describe it?

**Mr Borthwick**—It is a discussion and all countries released the idea of the pact, but the idea is to do the preparatory work in the leadup to the ministerial meeting.

**Senator CARR**—When is the ministerial meeting precisely? Have you got the date for that?

**Mr Borthwick**—No. We said around mid-January but a specific date has not been determined yet.

**Senator CARR**—It has been locked in for early January though?

**Mr Borthwick**—This is subject to some ministerial arrangements, but the foreign minister said around mid-January.

**Senator CARR**—That is next year, 2006?

**Mr Borthwick**—Yes.

**Senator CARR**—And do you expect that in January 2006 there will be an announcement on targets for greenhouse gas reductions?

**Mr Borthwick**—I think that is a matter that will need to be addressed by the ministers attending the meeting.

**Mr Carruthers**—The vision statement that was released at the time of the ASEAN meeting did describe the intended purpose and scope of this Asia-Pacific partnership. It might be useful here that I emphasise that the word deliberately chosen was that it was a partnership reflecting the kind of cooperative relationship between the countries concerned.

**Senator CARR**—So we have a partnership. Do we have any targets for gas reductions? Are there any time lines? Have any of those sorts of questions been resolved yet? I am just wondering what specifics we can point to.

**Mr Borthwick**—I think we need to wait for the outcome of the ministers' deliberations.

**Senator CARR**—What about financial commitments?

**Mr Borthwick**—No, nothing yet.

**Senator CARR**—And certainly no timetables on questions of finance then?

**Mr Borthwick**—No.

**Senator CARR**—So why exactly was the meeting that was proposed to be held in Adelaide postponed?

**Senator MILNE**—There was nothing to talk about!

**Mr Carruthers**—I do not think I would agree with that—

**Senator CARR**—Senator Milne, you may know the answer to this, but I am just new here, so I would like it explained to me why it was that it was postponed.

**Mr Borthwick**—Why was it postponed?

**Senator CARR**—Yes.

**Mr Borthwick**—As I mentioned before, all countries had an aspiration for it to be in November. The particular timing of November related to a pre-existing meeting between Australia and the United States and we wanted to piggyback off that, but in the event various ministerial timetables—

**Senator CARR**—So who pulled out?

**Mr Borthwick**—I do not think it is a question of saying who pulled out—

**Senator CARR**—So where did the initiative come from for the postponement then?

**Mr Borthwick**—It was trying to get a suitable date on which all partnership countries could attend at ministerial level.

**Mr Carruthers**—As Mr Borthwick explained earlier, we are talking here about six major countries. Invitations involve three ministers from each country, to bring the right breadth of government input. My colleagues in the Department of Foreign Affairs and Trade have been putting in a very large effort to secure arrangements. Mr Downer's comments today in the House of Representatives would indicate that things are shaping pretty well.

**Senator CARR**—But we have not firmed up for a city yet.

**Mr Carruthers**—I think the government will cover off those matters at the time it judges. That will be a matter for the ministry, not for officials.

**Senator CARR**—Will the partnership or pact members meet formally or informally prior to the expected Kyoto protocol meetings in November and December?

**Mr Borthwick**—There have been a number of meetings between members of the partnership and there will be a further meeting in Montreal in preparation for that.

**Senator CARR**—So there is a meeting proposed in Montreal of these members?

**Mr Carruthers**—Yes. I mentioned that in answer to an earlier question.

**Senator CARR**—I am sorry. I probably did not catch it. Will all the members be participating in that meeting?

**Mr Carruthers**—Yes.

**Senator CARR**—Has the Australian government allocated any funding for this project?

**Mr Borthwick**—We have an international aspect of our program in Mr Carruthers's division and, likewise, our colleagues in the Department of Foreign Affairs and Trade, who have particular portfolio responsibility for these matters through the environment ambassador. In terms of specific measures that will be addressed in respect of the partnership and what the financial implications of those might be, we will have to wait until ministers meet to decide the way ahead.



**Senator CARR**—But at this time there has been no specific budget line?

**Mr Borthwick**—No; no specific budget line.

**Senator CARR**—Which department is primarily responsible for the implementation of this climate pact?

**Mr Borthwick**—It is a shared responsibility, chiefly between the Department of the Prime Minister and Cabinet; foreign affairs and trade; industry, technology and resources; and our department.

**Senator CARR**—Do you expect that there will be a four-way split of the money?

**Mr Borthwick**—I would like to think so, if it comes to that. Seriously, these matters are yet to be addressed.

**Senator CARR**—How many staff are working on it?

**Mr Borthwick**—I could not speak for those other departments. I do not know about them but we have a substantial body of expertise in Mr Carruthers's division which works on international issues. When it comes to international greenhouse issues, the Australian delegations are not led by this department but by the Department of Foreign Affairs and Trade.

**Senator CARR**—Technically they are the lead agency?

**Mr Borthwick**—They are indeed, through the environment ambassador, Jan Adams.

**Senator CARR**—How many officers does this department have working on this project?

**Mr Borthwick**—On international matters including this?

**Senator CARR**—Just on the pact.

**Mr Carruthers**—This pact is really an integral part of our overall international climate change activities. If you wanted a broad measure, I would say that, on average, we might have a couple of people working on this.

**Senator CARR**—Full time?

**Mr Carruthers**—No, not full time. It varies very much according to the tempo of activity and whatever else is going on at the time. That gives you a bit of an indication. For example, the deputy secretary of the department, Howard Bamsey, has personally spent quite a bit of time in leading and shaping this.

**Senator CARR**—Mr Carruthers, you say a couple of officers. Is just one officer working on this full time?

**Mr Carruthers**—No. It is an indicative resource allocation—people will tend to come on and off it according to the particular circumstances of the week.

**Senator CARR**—So can you explain to me what the relationship is between this project and the work of those officers on the climate pact and the Kyoto protocol arrangements?

**Mr Carruthers**—It basically fits into the government's strategic objective to achieve an effective international climate change framework to address the global threat of climate change which is going to need the engagement of all major greenhouse emitting countries. So

the government has a multipronged approach through the UN framework convention on climate change and in other international fora. But it does see that this opportunity through the Asia-Pacific partnership has some particular strengths and opportunities, given the significance of this set of countries in our region and the fact that they are responsible between them for about 50 per cent of world greenhouse emissions.

**Senator CARR**—I take it that there have been other nations seeking to join this pact. Is that the case?

**Mr Carruthers**—I believe there have been some initial expressions of that kind.

**Senator CARR**—From where?

**Mr Carruthers**—I do not have any specific information on that, but I think there is a very wide interest in the agenda. But at this early stage it is not a matter that is substantively advanced, particularly as there has not been the ministerial meeting yet.

**Senator CARR**—What is the nature of this expression of interest? Have a couple of officers rung you up, or what has happened?

**Mr Carruthers**—On the occasion of different international meetings there are explorations from other countries about how it is all going and where it all might be leading and what it might mean for them in the future.

**Senator CARR**—So just by polite conversation or is it more serious than that?

**Mr Carruthers**—I think you have seen heads of state, such as Prime Minister Blair, speaking on the subject in public statements and recognising the significance of this partnership.

**Senator CARR**—In fact, there have been requests from the British government that the Australian government lift its game in regard to Kyoto. Is that the sort of interest you mean?

**Mr Carruthers**—I am speaking specifically in relation to the Asia-Pacific partnership that Prime Minister Blair and other UK—

**Senator CARR**—That the UK approach is a better approach than the Kyoto approach? Is that what you are trying to put to me?

**Mr Carruthers**—No, I do not think it quite takes that form. But since we are using the incidence of the UK government, it is one of a number of governments, including Australia, that are actively exploring the directions that an international climate change framework might take.

**Senator CARR**—So what are the conditions for membership of the pact?

**Mr Carruthers**—The six countries have come together on the basis of mutual interest and willingness to address this. They share common interests in the Asia-Pacific region and commonly recognise the issue of climate change.

**Senator CARR**—And have you explained to these countries that are expressing interest in joining the pact the conditions of joining? Has it reached that level of discussion?

**Mr Carruthers**—No, it has not reached that level, as far as I am aware.

**Senator CARR**—What about regional organisations? Has there been anyone seeking observer status?

**Mr Borthwick**—There have been a number of countries raise questions about observer status and the like. I think that is an issue that will be considered in due course, but at this stage the six countries involved want to get the first meeting up and running before we consider broadening partnership arrangements.

**Senator CARR**—So you have basically told them that they have to wait until this is sorted out?

**Mr Borthwick**—No, that is not what we said at all. We have just said that the partnership involved those six countries—and remember you are dealing with countries that account for almost 50 per cent of the world's GDP, 50 per cent of the global emissions and 50 per cent of the world's population. It is a significant group of countries, so understandably there has been widespread interest in what is involved, where it will lead to and others saying, 'How about us?' Frankly, we find that pretty encouraging that there are other countries.

**Senator CARR**—Can't you name any of these countries?

**Mr Borthwick**—I don't want to name countries because some of them have approached us through diplomatic channels and I do not think it would be appropriate to do that. But, at this juncture, the initial meeting is intended to be limited to the six principals in terms of the partnership countries.

**Senator CARR**—So have EU, APEC, Pacific Forum—any of these sorts of organisations—sought to be part of this?

**Mr Borthwick**—I do not want to go into who has approached us, but there has been a lot of interest.

**Senator CARR**—From any of these organisations?

**Mr Borthwick**—I do not want to comment on that, because I do not know what they have put into the public arena themselves. I am not trying to be not helpful, but I do not want us to make announcements on their behalf.

**Senator CARR**—You would understand, Mr Borthwick, that, given your answers, I might take the view that this is a bit thin.

**Mr Borthwick**—It is not at all, no.

**Senator Kemp**—We cannot help what conclusions you draw from any of this. We have never held ourselves responsible for that.

**Senator CARR**—No, you would not want to do that, but—

**Senator Kemp**—Absolutely.

**Senator CARR**—I just say that there are no targets, there are no financial details, there are no timelines. We have got an understanding that we are meeting in mid-January, but we can't say where or with whom. It all sounds a bit thin to me.

**Mr Borthwick**—The gist of it is that this needs to be worked out between the partnership countries and then it is subject to ministerial consideration and subsequent announcement at that stage.

**Senator CARR**—What is Australia's current status with regard to the meeting of the parties to the Kyoto protocol? How would you describe that?

**Mr Borthwick**—We have not ratified the protocol for reasons of which you are well aware, but we are active participants under the protocol and all forums attached to the protocol. The minister is currently in London because he was invited there to follow up on the G8 meeting that Prime Minister Blair convened at Edinburgh—

**Senator CARR**—I thought it was to get out of estimates!

**Mr Borthwick**—He should be so lucky, Senator. It was because he was invited to the follow-up to the Edinburgh summit to participate in the ongoing dialogue—I have no doubt he will be actively participating in that. The other aspect to mention is that Australia chairs a group, called the umbrella group, which has got a broader representation—I am not sure I can name all the countries, but it includes very diverse countries like Canada, Russia, the United States and Norway. So we are actively involved in all these forums. The minister also has been invited to be a friend of the president of the next COP to be held in Canada and has participated in the lead-up to that meeting. So we are actively involved in whatever is undertaken. These are not invitations that are open to all countries—they are selective invitations.

**Senator CARR**—So, to be clear about this, at the Montreal meeting on 28 November to 9 December Australia will have a seat at the table?

**Mr Borthwick**—Yes.

**Senator CARR**—That is what you are saying?

**Mr Borthwick**—Yes.

**Senator CARR**—And you are saying to me that this new climate pact which does not seem to have much meat on the bones—it is not even a document at this stage—

**Mr Borthwick**—There was a document issued by all countries setting out the general principles—

**Senator CARR**—There is a vision statement.

**Mr Borthwick**—I am not sure they were the actual words, but that is the gist of it.

**Senator CARR**—That is how it was described before—as a vision statement.

**Mr Carruthers**—That is correct.

**Senator CARR**—Given that it is just a vision statement, how are officials able to develop the new markets that are, in fact, dependent upon this whole exercise if we are to get the new technologies running? Is there going to be any discussion under this pact on, for instance, carbon trading, or any discussion about price mechanisms? Is there any of that sort of nitty-gritty stuff that we can point to? Or is it all just vision—or a mirage?

**Mr Borthwick**—No, it is not. In all these forums which I have set out that Australia participates in, all those issues are matters that are discussed and debated, and on which ideas are pooled, but in terms of what the specific features will be of the partnership arrangements, it would be premature to set them out.

**Senator CARR**—What is the Australian negotiating position? Have you worked that out yet, for the Montreal meeting?

**Mr Borthwick**—Yes, we are working that out. There is an interdepartmental process which we are participating in.

**Senator CARR**—So it is an IDC on that. Has there been any industry consultation?

**Mr Carruthers**—The Department of Foreign Affairs leads on these matters, Senator, for the reasons Mr Borthwick outlined before; in relation to the Asia-Pacific partnership, it applies more broadly, and, yes, they have recently been consulting with states and territories, with business and non-government organisations.

**Senator CARR**—These non-government organisations, are those environment groups and community groups?

**Mr Carruthers**—I believe so.

**Senator CARR**—Can you name them?

**Mr Carruthers**—I think that is a matter to take up with the Department of Foreign Affairs. I was not personally involved.

**Mr Borthwick**—I wish to make one correction. The Department of Foreign Affairs are doing a lot of the lead work in terms of the partnership, but the IDC process that I referred to is, according to my recollection, being chaired by the Department of the Prime Minister and Cabinet, on the partnership specifically.

**Senator CARR**—Can I just take you back, Mr Borthwick? I am a little confused on this, and you will need to explain this to me again. You say that we will have a seat at the table at the Montreal meeting. Will we have a seat at the table for the first meeting of the parties to the Kyoto protocol?

**Mr Carruthers**—Yes. As a non-party, we participate in an observer capacity.

**Senator CARR**—We participate as an observer?

**Mr Carruthers**—Yes.

**Senator CARR**—So we will not have the chance to open our mouths, metaphorically speaking?

**Mr Carruthers**—We do have the opportunity to contribute to the process, but when it comes to decisions we have the status of observer.

**Senator CARR**—So that means that you do not have a negotiating position—it is not necessary to have a negotiating position if you are only an observer.

**Mr Carruthers**—Australia does have an active role. We have, very much, a stake in a number of the matters under discussion, because the Australian government is committed to

meeting its Kyoto target, and a number of the implementation provisions have a bearing on that commitment.

**Senator CARR**—Mr Carruthers, I understand we have got a stake in the issues, but you told me you were developing a negotiating position, and now you tell me we are just observers. I am wondering what the point is of a negotiating position for observers? What—where we will sit? Is that what we are negotiating? Is that what the point is?

**Mr Carruthers**—Montreal will involve the business of the UN Framework Convention on Climate Change through its conference of the parties, and it will also involve a meeting of the parties to the Kyoto protocol. Australia is a party to the climate change convention, and will continue, as always, to be a full and active contributor to that. As I indicated, Australia has observer status, in formal terms, under the Kyoto protocol. That does not prevent Australia being an active participant in matters in which it has an interest in relation to—

**Senator CARR**—In the margins?

**Mr Carruthers**—No, not in the margins—in direct interaction with representatives of other countries—but, in formal terms, being an observer relates to matters of decision under the meeting—

**Senator CARR**—Sorry; how does it relate to matters of decision as an observer? How does it relate to matters of decision?

**Mr Carruthers**—Because the parties take decisions. And Australia is not a party—

**Senator CARR**—So the Australian government is not part of that?

**Mr Carruthers**—The Australian government is active in contributing to and influencing developments on these matters.

**Senator CARR**—From the margins. We sit there and watch other people make decisions about these issues.

**Mr Carruthers**—No, we contribute to discussions on these matters.

**Senator CARR**—How?

**Mr Carruthers**—We are a participant in the room.

**Senator CARR**—You bump into people over the tea stand. What is the nature of this observer status that allows us such a great opportunity to participate?

**Mr Borthwick**—I was at the last COP when Russia ratified the protocol and it came into effect, and I could not tell the difference between the involvement of a country who had ratified and a country who had not. In illustration of that, as I said, Australia chaired the umbrella group which involved Russia, the United States and other countries—

**Senator CARR**—Who were not at the time signatories?

**Mr Borthwick**—Japan was there, Norway was there, Canada was there, New Zealand was there, I think Iceland was there. They were all involved and my recollection is that there were daily meetings of that group prior to the discussions, certainly throughout the second week of the COP, and the minister hosted a dinner for all those umbrella group participants and the leaders of their delegations.

**Senator CARR**—So we went to dinner with them; is that what you are saying?

**Mr Borthwick**—No, I also said there were, if not daily, frequent meetings with that group prior to the start of the negotiations, and Australia participated in a detailed negotiation sense at all the forums involving that COP.

**Senator CARR**—With respect to the report titled *Climate change risk and vulnerability* released on 26 July, why did it take so long for that report to be released?

**Mr Carruthers**—I am not sure what you mean by ‘take so long’, Senator. The government, as part of its climate change strategy announced in mid-2004, embarked upon, for the first time in Australia, a national adaptation program. We commissioned a major study for the minister with the Allen Consulting Group to develop, through a risk framework, proposals on priorities for focus in that program. I would have thought that the matter overall was progressed rather expeditiously. Certainly, a lot of effort was put into it by the department.

**Senator CARR**—With respect to the funding arrangements for climate change, how much is currently available for climate change programs?

**Mr Carruthers**—The appropriation for the year 2005-06, as announced in the most recent budget, was \$139.4 million. It is all set out in the government’s environment budget overview.

**Senator CARR**—Can you indicate what the funding is per program in terms of greenhouse gas reductions?

**Mr Carruthers**—Yes, there is a table, A1.2, in the environment budget overview, which the government has published, headed ‘Australian Greenhouse Office—program details’. It goes through, under the broad headings of ‘emissions management’, ‘international engagement’ and ‘understanding of climate change’, each of the programs and their funding allocations.

**Senator CARR**—Are you able to provide me with a table showing the overspends and the underspends that have occurred for climate change programs since 1996?

**Mr Carruthers**—Probably not without a huge amount of effort.

**Senator CARR**—Why would that be a lot of effort? Surely it is data that would be readily available.

**Mr Borthwick**—Probably not. I do not think the Greenhouse Office existed in 1996.

**Senator CARR**—What data do you have? How far back does it go?

**Mr Borthwick**—We would have to take that on notice and see what is possible.

**Senator CARR**—If you could, take it back to when the Greenhouse Office was established. Clearly that would be easily available. If there is other data available prior to that I would appreciate that. Are there any particular climate change programs that were consistently underspent in that period?

**Mr Borthwick**—There are some programs that were underspent, and I think that and the circumstances of it have been discussed to some degree in previous estimates hearings.

**Senator CARR**—Which ones are they?

**Mr Borthwick**—We will take your question on notice and go through all the programs. It is also a difficult thing to look at because programs have been renamed and some programs have been merged, so it might be hard to get comparisons over time. But we will do our best in terms of getting the information.

**Senator CARR**—I am told that the December 2004 Australian Greenhouse Office report, *Tracking to the Kyoto Target 2004*, shows that Australia is on track to increase its overall greenhouse emissions by 23 per cent from the 1990 levels by 2020 and its emissions from stationary energy power plants by 70 per cent from the 1990 levels by 2020. Have I read that properly? Have I been advised properly on that?

**Mr Carruthers**—I have here the *Tracking to the Kyoto Target* document, which is published on our web site. It does report emission levels from 1990 onwards, in particular to the Kyoto target period of 2008-12 and then out to 2020. I might say that the estimates out beyond the Kyoto target period are regarded as indicative in terms of the state of economic modelling to be able to look 20 years ahead. However, it is correct that on that basis the best estimate for 2020 is that emissions overall will be at 123 per cent of their 1990 levels and that the stationary energy sector, which covers more than electricity, will show an increase of 70 per cent over its 1990 levels. That is stated in the document.

**Senator CARR**—There are the land clearing controls by the New South Wales and Queensland governments. What action is being undertaken by this national government, as distinct from the state governments, to cut greenhouse emissions so that we avoid that 23 per cent increase by 2020?

**Mr Carruthers**—The *Tracking to the Kyoto Target* document does set out the contribution of the greenhouse measures. The focus on the performance of measures is principally done for the period of the Kyoto target but, against a 1990 baseline of 442 million tonnes of emissions, we see by 2008-12 the combination of measures nationally delivering 94 million tonnes of emissions savings—or, by broad category, 48 million tonnes from the energy sector, 10 from waste, 9 from industrial processes, 24 from land use change and forestry, and so on.

**Senator CARR**—How many of those can be attributed to national government actions?

**Mr Carruthers**—Basically, some of those measures are Commonwealth government only, some are state and territory government only, and some are effectively joint programs between federal and state governments.

**Senator CARR**—Can you take on notice for me which programs are specifically Commonwealth action only and what levels they are at under that program that you have just alluded to?

**Mr Carruthers**—I believe that information has been provided a couple of times previously to the estimates committee.

**Senator CARR**—It will be no trouble for you to provide it again then.

**Mr Carruthers**—That will be fine.

**Senator CARR**—Are there any circumstances you can see in which Australia would not meet its Kyoto targets?



**Mr Carruthers**—The technical basis for the assessment that Australia is on track to meet its 108 per cent target is published by the department. It involves a very extensive and rigorous process. It is summed up in the *Tracking to the Kyoto target* document, but all the technical reports that underpin that are on the AGO web site. On the basis of the best available analysis that can be assembled, the government does expect to meet its Kyoto target. But, of course, it is an analysis for the future and, as such, there is an uncertainty analysis that goes with those technical assessments as well, for anybody to read.

**Senator CARR**—Thank you. I will put the other questions on notice.

**CHAIR**—We are getting close to time, so perhaps everybody could think about questions to put on notice.

**Senator CARR**—Senators are entitled to ask questions, but there has been a considerable amount of time taken by other senators here, not by the Labor Party. I will put the remainder of my questions on notice, but it is unusual for us not to get the amount of time that we requested in these circumstances. I do not recall this happening for quite some time.

**CHAIR**—The key difference is that we have never had the Greens actually come to the estimates hearings before.

*Senator Heffernan interjecting—*

**Senator CARR**—The point that Senator Heffernan makes is true: we have had a few interlopers.

**Senator Kemp**—I think it is very good the Greens are here. One day we may even have the honour of seeing Bob Brown here.

**CHAIR**—Indeed we may. That is the key difference: we have other parties interested in the environment. What is your decision, Senator Carr?

**Senator CARR**—I have said I will put the rest of my questions on notice.

**Senator MILNE**—I want to ask about Tasmanian devils and in particular the Tasmanian devil disease. I understand that a nomination was made quite some time ago from a number of people in Tasmania to have the devil considered for listing as a threatened or vulnerable species under the act. I want to know where that is up to and why a decision has not been made up until this point. Secondly, I would like to know about the \$2 million that the Commonwealth has allocated for Tasmanian devil research. Is the Commonwealth aware that very little is being done in terms of epidemiology and that, whilst a lot of fieldwork is being done, the epidemiology is being neglected? Will the Commonwealth take some action to tie some of this \$2 million to the actual lab work and epidemiology work as opposed to fieldwork? Thirdly, does the Tasmanian government need any kind of federal export permit to export a pair of devils as a present for the new prince of Denmark? If so, what are the conditions that the Commonwealth might put on such an export permit?

**Mr Slatyer**—I will answer that part of your question relating to the \$2 million—

**Senator MILNE**—I am sorry to ask it in this way, but I have got about a minute.

**Mr Slatyer**—and my colleague will answer the other parts of your question. With regard to the \$2 million that has been announced recently: yes, we are proposing that those resources

would be used to support diagnostic research and not just fieldwork. The specific arrangements for that research are still being developed, but it is the intention that we include a diagnostic research component.

**Senator MILNE**—Is there any capacity for experts to feed into that process of what is needed, or is that going to be a determination your department makes on its own?

**Mr Slatyer**—I will have to take that on notice.

**Mr Early**—In relation to the nomination of the devil for listing, I would have to take on notice exactly when it was nominated, but I do not think it was all that long ago and basically it is going through the process of consideration by the Threatened Species Scientific Committee prior to it providing advice to the minister. So that is where that is. A proposal to export native species live for exhibition in a zoo or wildlife park does need approval under the EPBC Act. As I understand it, we have an application and we are going through that process at the moment.

**Senator MILNE**—What are the considerations under that process, given that there has been a complete restriction on any export of devils until now?

**Mr Early**—They would be the same issues as those in relation to the export of any native animal in terms of humane treatment and appropriate facilities, so those sorts of things will all be examined as part of the application.

**Senator MILNE**—Would you say it was premature to have announced to the people of Denmark that they were getting a pair of devils before the application was put in for a permit?

**Mr Early**—I do not think I could comment on that, Senator.

**CHAIR**—That appears to be the end of the hearing.

**Senator SIEWERT**—Can we put questions on notice, because I have lots.

**CHAIR**—I am just coming to that. Questions on notice have to be in by the close of business on Thursday this week in writing, and answers are expected by 21 December. I apologise for the fact that we have not called all the departmental people, but unfortunately we have got behind today, so we thank you for your forbearance. I thank the Hansard staff, the secretarial staff and all the witnesses.

**Committee adjourned at 11.02 pm**